



# Evaluation of the Australian Indigenous Education Foundation Scholarship and Pathways Programs

**Report for the Australian Indigenous Education Foundation**

3 August 2020  
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KPMG acknowledges Aboriginal and Torres Strait Islander peoples as the First Peoples of Australia. We pay our respects to Elders past, present and future.

We imagine a future where all Australians are united by our shared past, present, future and humanity.

This is our vision for reconciliation.

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The findings in this report are based on a survey and the reported results reflect the information provided by, and the perceptions of, the sample of AIEF Alumni surveyed, as approved by the Australian Indigenous Education Foundation (AIEF), as at the date of the survey. Any projection to a wider group or to the future is subject to the level of bias in the method of sample.

No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, AIEF management and personnel and AIEF Partner Schools consulted as part of the process.

KPMG have indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted within the report.

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# Acronyms

Term	Definition
ABS	Australian Bureau of Statistics
ACARA	Australian Curriculum, Assessment and Reporting Authority
ACT	Australian Capital Territory
AIEF	Australian Indigenous Education Foundation
AIHW	Australian Institute of Health and Welfare
ALRC	Australian Law Reform Commission
ARR	Actual Retention Rate
BCR	Benefit Cost Ratio
CBA	Cost-Benefit Analysis
CPI	Consumer Price Index
IAS	Indigenous Advancement Strategy
ISSP	Indigenous Student Success Program
IYLP	Indigenous Youth Leadership Program
KEQs	Key Evaluation Questions
LSIC	The Longitudinal Study of Indigenous Children
LSAC	Longitudinal Study of Australian Children
NATSISS	National Aboriginal and Torres Strait Islander Social Survey
NHMRC	National Health and Medical Research Council
NPV	Net Present Value
NSW	New South Wales
NT	Northern Territory
PM&C	Prime Minister and Cabinet
QLD	Queensland
RBA	Reserve Bank of Australia
SA	South Australia
TAS	Tasmania
ToC	Theory of Change
UNSW	University of New South Wales
UTS	University of Technology Sydney
WA	Western Australia

# Key terms

Term	Definition
AIEF Scholarship Student	A student at high school who has received an AIEF School Scholarship
AIEF Tertiary Scholarship Student	A student who has received an AIEF scholarship to attend tertiary education
Alum	An AIEF Scholarship Student who was a Completion (i.e. finished Year 12) in a previous year. The plural of Alum is Alumni and the number of Alumni is a cumulative count of all Alum (i.e. Completions in previous years).
Attrition	An AIEF Scholarship Student who was a Retention in the previous year but leaves the school during the current year (but is not a Completion or Transfer).
Parental contribution	A contribution by the parents of an AIEF Scholarship Student towards the cost of the student's enrolment and attendance at a Partner School based on their financial means and capacity.
Partner School	A school which has entered into an agreement with AIEF to fund Scholarships for Indigenous Boarders at that school.
Productively engaged	AIEF Alumni who are engaged in a constructive activity at the relevant time including employment, further study or other pursuits such as carers and parents.
Repeat	A Scholarship Student who has repeated a school year.
Retention	A Scholarship Student who is progressing through school towards Year 12 that year (i.e. a student in Year 11 or below who progresses to the next year of schooling at the end of the school year).
Transfer	A student who transfers from their current school to a different AIEF Partner School.
Year 12 completion	A Scholarship student who completes Year 12 that year but is not a Repeat.
Zero Funded Student	Students who are not eligible for AIEF funding in the relevant year but are still at the school and were eligible and funded by AIEF in a previous year. These students are counted as retention, completion, attrition or alumni.
Zero Shortfall Student	Students who have no shortfall in the relevant year. This occurs when a scholarship student was funded by AIEF in a previous year but then in a subsequent year that student has no shortfall due to lower school fees, higher ABSTUDY, a higher Parental Contribution, other funding available for that student from another source or any other reason that leads to no Shortfall that year. These students are counted as retention, completion, attrition or alumni.

# Executive Summary

Closing the Gap aims to improve the life of Indigenous Australians through improved health, education and employment outcomes. One of the seven Closing the Gap targets is to halve the gap in Year 12 attainment or equivalent between Indigenous and non-Indigenous Australians by 2020. According to the 2019 Closing the Gap Report, the proportion of Indigenous 20-24 year olds who had achieved Year 12 attainment or equivalent was 65 per cent compared to 89 per cent for non-Indigenous 20-24 year olds, representing a 24 percentage point gap under this measure.<sup>1</sup> Though an improvement on the 36 percentage point gap in 2006, the continued gap in Year 12 attainment or equivalent puts Indigenous Australians at a disadvantage, as future life outcomes such as exposure to networks, social mobility and employment prospects are impacted by the attainment of Year 12 or equivalent and tertiary completion. Education has positive lifelong effects on health through increased employment opportunities and income, better living conditions, confidence levels and literacy, including health literacy.<sup>2</sup> Increased educational attainment is associated with stable employment outcomes and a reduction in drug and alcohol abuse, leading to reduced interactions with the justice system.<sup>3</sup>

The Australian Indigenous Education Foundation (AIEF) was established in 2008 in response to community demand from Indigenous families who choose to enrol their children in boarding schools. Bringing together the government and private sector, AIEF provides scholarship funding for Indigenous students to complete Year 12 or tertiary studies, with career support to help them make a successful transition to their chosen careers.<sup>4</sup> AIEF provides its scholarships and support through two complementary programs, the AIEF Scholarship Program (the 'Scholarship Program') and the AIEF Pathways Program (the 'Pathways Program').

KPMG was engaged by AIEF to externally evaluate the outcomes of the AIEF Scholarship Program and AIEF Pathways Program. This report is the Final Outcomes and Economic Evaluation Report and presents the findings against Key Evaluation Questions (KEQs). The KEQs were agreed in the Evaluation Plan, and seek to assess the outcomes of the AIEF Scholarship Program and AIEF Pathways Program.

## Overview of Scholarship Program and Pathways Program

The **AIEF Scholarship Program** provides scholarships that enable Indigenous students in financial need to attend leading Australian boarding schools and universities. The **school component** of the program is designed to increase the number of Indigenous students completing Year 12.<sup>5</sup> The **tertiary component** of the Scholarship Program seeks to support students to complete their degrees at university by reducing the financial barriers they face.

The **AIEF Pathways Program** supports AIEF Scholarship Students at school prepare for their transition from Year 12 into further education and employment, and provide ongoing monitoring, tracking and career support before and after they leave school. The Pathways Program also supports AIEF Tertiary Scholarship Students at university in the same way.

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<sup>1</sup> Department of the Prime Minister and Cabinet, 2019. *Closing the Gap Report 2019*, available at: <https://ctgreport.pmc.gov.au/sites/default/files/ctg-report-2019.pdf?a=1>

<sup>2</sup> World Health Organisation, Regional Office for Europe, *Health 2020: Education and health through the life-course*, Sector brief on education health, July 2015, available at: [http://www.euro.who.int/\\_\\_data/assets/pdf\\_file/0007/324619/Health-2020-Education-and-health-through-the-life-course-en.pdf?ua=1](http://www.euro.who.int/__data/assets/pdf_file/0007/324619/Health-2020-Education-and-health-through-the-life-course-en.pdf?ua=1).

<sup>3</sup> Australian Law Reform Commission, 2017, *Pathways to Justice - Inquiry into the Incarceration Rate of Aboriginal and Torres Strait Islander Peoples*, Final Report No 133, available at: [https://www.alrc.gov.au/sites/default/files/pdfs/publications/final\\_report\\_133\\_amended1.pdf](https://www.alrc.gov.au/sites/default/files/pdfs/publications/final_report_133_amended1.pdf).

<sup>4</sup> KPMG Interviews with AIEF Staff.

<sup>5</sup> Australian Indigenous Education Foundation (no date), *Additional Information about AIEF*, <http://aief.com.au/cms/workspace/uploads/additional-information-about-aief.pdf>.

## Overview of this Evaluation

The purpose of this Outcomes and Economic Evaluation is to assist AIEF with externally evaluating the outcomes of the AIEF Scholarship Program and AIEF Pathways Program.

Specifically, the evaluation:

- Considers AIEF’s outcomes and economic impact;
- Uses the substantial amount of data collected by AIEF over the past decade to measure performance and support continuous improvement; and
- Reports on the impact of AIEF’s programs.

The evaluation included separate Outcomes Evaluations for the AIEF Scholarship Program and the AIEF Pathways Program. The Economic Evaluation involved the application of Cost-Benefit Analysis (CBA) to the combined AIEF Scholarship and Pathways Programs. The evaluation approach included:

- Working with AIEF to develop a Theory of Change to clarify the expected outcomes and activities undertaken by AIEF and other actors;
- Developing and agreeing on a detailed evaluation plan, which included the development of KEQs which the evaluation is focused on answering;
- Developing a framework for a CBA, including identifying and quantifying costs and benefits;
- Collecting data to undertake the Outcomes Evaluation through the following methods:
  - Reviewing AIEF Program documents;
  - Reviewing AIEF data;
  - Reviewing publically available data;
  - Interviewing Partner Schools;
  - Interviewing AIEF Scholarship and Pathways Staff;
  - Conducting an AIEF Alumni survey; and
- Reporting the findings of the Outcomes Evaluation and Economic Evaluation.

## Outcomes Evaluation Findings

Overall, the findings of the Outcomes Evaluation demonstrate that the AIEF Scholarship Program is achieving the outcomes of an annual 90 per cent benchmark for retention and Year 12 / tertiary completion and successful transition of participants into a career. Table 0-1 provides a summary of the findings of the Outcomes Evaluation.

Table 0-1: Summary of the Outcomes Evaluation Findings.

Evaluation question	Summary of findings
<b>Access and financial barriers</b>	
To what extent does the AIEF Scholarship Program facilitate <b>access</b> for Indigenous students to attend participating boarding schools?	<ul style="list-style-type: none"> <li>• AIEF Alumni, AIEF Staff and the majority of Partner Schools thought that financial barriers were insurmountable and that AIEF Scholarship Students would not be able to attend the school without the AIEF Scholarship.</li> <li>• Based on parental contributions in 2018, the median household income for AIEF families in 2018 was in the \$60,000 - \$80,000 bracket.</li> </ul>



Evaluation question	Summary of findings
	<ul style="list-style-type: none"> <li>The largest share of AIEF Scholarship Students' families contributed \$400 a year to school fees, indicating that household income was up to \$40,000 per year.</li> </ul>
<p>To what extent does the AIEF Tertiary Scholarship Program reduce the financial barriers of accessing and completing <b>university</b>?</p>	<ul style="list-style-type: none"> <li>The financial barriers faced by tertiary students differ for those families with experience in accessing Partner Schools. Tertiary students primarily face accommodation and living expenses.</li> <li>Overall, results of the AIEF Alumni survey and interviews with AIEF Staff show that the AIEF Tertiary Scholarship reduces the financial barriers of accessing and completing university.</li> <li>In particular, AIEF Tertiary Scholarships reduce the financial barriers associated with living away from home to attend university by enabling students to focus on their studies rather than working, helping them to independently move away from home and helping students to afford university materials.</li> </ul>
<p><b>Accountability of Partner Schools</b></p>	
<p>To what extent has AIEF ensured the <b>accountability</b> of Partner Schools in delivering retention and completion outcomes?</p>	<ul style="list-style-type: none"> <li>AIEF creates a framework within which schools can succeed at achieving program outcomes by selecting appropriate schools to partner with, setting a student eligibility criteria, engaging and connecting Partner Schools, providing materials such as the Compendium of Best Practice and undertaking an annual review of school outcomes.</li> <li>AIEF ensures the accountability of Partner Schools in delivering outcomes, which also involves schools taking accountability for attritions.</li> <li>Schools believed that they are best placed to select students and offer pastoral care support and AIEF's 'parent and school-led' model was preferred by all Partner Schools interviewed.</li> </ul>
<p><b>Retention and completion</b></p>	
<p>What are the <b>retention and school completion rates</b> for AIEF Scholarship Students?</p>	<ul style="list-style-type: none"> <li>AIEF Scholarship Students are achieving the AIEF-set retention and school completion benchmarks. The retention and completion rates have varied over time and have been above 90 per cent since 2008, with the exception of 2011 when it was 89.3 per cent.</li> <li>AIEF Tertiary Scholarship Students are surpassing the AIEF set retention and completion benchmarks and in 2018 the university retention and completion rate was 97 per cent. These rates have changed over time, though the only year the 90 per cent benchmark was not achieved was in 2012, when it was 89.3 per cent.</li> </ul>

Evaluation question	Summary of findings
<b>Transition outcomes</b>	
<p>What are the <b>transition outcomes</b> for AIEF Scholarship Students who have completed Year 12?</p>	<ul style="list-style-type: none"> <li>• Most AIEF Alumni are employed or are engaged in further study.</li> <li>• The majority of AIEF Alumni (53 per cent) are currently employed and 24 per cent are undertaking tertiary studies. A further 11 per cent are in vocational education and 5 per cent are productively engaged in family or caring responsibilities.</li> <li>• Post-school pathways in terms of industries of employment vary based on the level of education completed by AIEF Scholarship Students.</li> </ul>
<p>What are the <b>transition outcomes</b> for AIEF Tertiary Scholarship Students who have completed tertiary education?</p>	<ul style="list-style-type: none"> <li>• Almost all Tertiary Alumni (97 per cent) are employed in a range of sectors.</li> <li>• Industries of employment include education, sports and recreation, defence, government and emergency services and creative arts.</li> </ul>
<p>To what extent does the AIEF Pathways Program enable <b>transitions</b> to work or study after school completion?</p>	<ul style="list-style-type: none"> <li>• AIEF Alumni who had taken part in Pathways Program activities primarily thought that the activities had either a 'mostly positive' or 'completely positive' impact on their decision to pursue further work or education.</li> <li>• AIEF Alumni expressed that the program activities also had positive impacts on their leadership skills and confidence.</li> </ul>
<p>To what extent does the AIEF Pathways Program enable <b>transitions</b> to work or further study after tertiary completion?</p>	<ul style="list-style-type: none"> <li>• AIEF Alumni expressed that the Pathways Program had a positive impact on enabling transitions to work or study after university.</li> <li>• AIEF Tertiary Scholarship Students thought that the impact of one-on-one sessions with AIEF Staff members on their decision to pursue further education or employment was either 'mostly positive' or 'completely positive'.</li> </ul>
<b>Other impacts</b>	
<p>Have there been any <b>other impacts</b> of the programs for students, communities or schools?</p>	<ul style="list-style-type: none"> <li>• A number of positive other impacts were reported by AIEF Staff, AIEF Alumni and Partner Schools. These included: <ul style="list-style-type: none"> <li>- Increased understanding and knowledge about Indigenous culture;</li> <li>- Ripple effects within Indigenous families, as involvement in the AIEF Program inspired other family members to seek out similar opportunities;</li> <li>- Involvement of Indigenous parents and families in school activities; and</li> <li>- Involvement of Alumni in community or leadership activities.</li> </ul> </li> <li>• No negative consequences were observed or reported.</li> </ul>

## Economic Evaluation Findings

The findings of the Economic Evaluation demonstrate that the benefits of the AIEF Scholarship Program outweigh the costs. The programs provide value for money with each dollar invested into the programs generating benefits of \$9.31 over the working lifetime of participants. Importantly, these benefits only reflect the monetisable impacts of AIEF. The program also delivers a range of other benefits as demonstrated in the Outcomes Evaluation.

## Overall Evaluation Findings

Overall, this evaluation demonstrates that AIEF Scholarship and Pathways Programs are achieving the intended outcomes and achieving an economic and social return for investment:

- The AIEF Scholarship Program reduces the financial barriers for students to attend participating boarding schools. For the majority of AIEF Scholarship Students, these financial barriers are likely to be insurmountable without AIEF.
- The AIEF Tertiary Scholarship reduces the financial barriers students face in accessing university.
- AIEF Scholarship and AIEF Tertiary Scholarship Students are achieving AIEF benchmarks of 90 per cent retention and completion. These metrics have varied over time, but the benchmark has been reached in all years except 2011 for the AIEF Scholarship Program, when it was 89.3 per cent, and 2012 for the AIEF Tertiary Scholarship Program when it was also 89.3 per cent.
- AIEF Scholarship Students are estimated to be 2.3 times more likely to complete Year 12 than the Indigenous population overall.
- For those completing Year 12, students under the AIEF Program are more than four times as likely to enter into university education than the Indigenous population overall.
- The highest success rate of 96 per cent was achieved by students from remote home communities and the lowest success rate of 83 per cent was achieved by students from metropolitan home communities.
- Partner Schools believed that they are best placed to select students and offer pastoral care support and AIEF's parent and school-led model was preferred by all Partner Schools interviewed.
- On the basis of the strong performance of AIEF Tertiary Scholarship Students at University and in recognition of the ongoing Pathways Program support that all AIEF Scholarship Students receive, AIEF Alumni are assumed to be as likely to complete post-school study as the Australian population overall.
- Most AIEF Alumni have successfully transitioned into further study or employment. Almost all AIEF Alumni are productively engaged in employment (53 per cent), at university (24 per cent), vocational education (11 per cent) or with family and caring responsibilities (5 per cent). Almost all AIEF Tertiary Alumni are employed (97 per cent).
- The highest proportion of AIEF Alumni in employment are from remote and very remote home locations (55 per cent).
- The largest share of AIEF Scholarship Students' families contributed \$400 a year to school fees, indicating that household income was up to \$40,000 per year.
- Based on parental contributions in 2018, the median household income for AIEF families in 2018 was in the \$60,000 to \$80,000 bracket.
- The results of the Economic Evaluation show a substantial economic and social return of \$9.31 per dollar over the working lifetime of participants in the 2018 AIEF Program.
- All employment pathways under the AIEF Program are associated with higher average annual wage compared to the average for the Indigenous population.

- AIEF Scholarship Students are expected to experience real wage growth during their early careers as a result of human capital, social networks and leadership experience they develop as a consequence of the AIEF Program; and AIEF Scholarship Students are expected to have enhanced opportunities to move into higher paid positions and industries across their careers due to the continued support of the Pathways Program and relationships with Corporate Partners and mentors.
- The present value of total wage earnings under the Base Case (equivalent to the average Indigenous population) was estimated to be \$158 million over the lifetime evaluation period. Consistent with an increased level of educational attainment and subsequent higher annual income per individual, the present value of total wage earnings was estimated to be \$969 million with the AIEF Program.
- Of the 80 respondents to the Alumni survey 60 per cent indicated that the Pathways Program had helped them develop a strong network of Indigenous friends with common experiences and/or interests and 49 per cent that it motivated them to inspire others through participation in AIEF activities and events.
- School Scholarship Alumni who had taken part in the Pathways Program activities primarily thought the activities had either a 'mostly positive' or 'completely positive' impact on their decision to pursue further work or education.
- AIEF Alumni also expressed that the program activities also had positive impacts on their leadership skills and confidence.
- Another impact of AIEF Programs for students, communities or schools included ripple effects within Indigenous families, as involvement in the AIEF Program inspired other family members to seek out similar opportunities.
- Over the 20-year evaluation period there is a broader funding base under the AIEF Program with 56 per cent of costs attributable to AIEF (\$106.6 million), and the remaining 44 per cent coming from parents, schools, volunteers and government sources (\$84.4 million). Under the Base Case, parents, students and government contributions account for the full costs associated with educational pathways of students (\$102.3 million). This suggests that AIEF is able to work effectively within the ecosystem of Indigenous education to broaden sources of funding from schools, volunteers and private organisations to facilitate educational access to high performing schools and improve the lifetime social and economic wellbeing of participants.

# 1 Introduction

## 1.1 Engagement Purpose and Scope

The purpose of the Engagement was to assist AIEF with evaluating the outcomes of the AIEF Scholarship Program and AIEF Pathways Program.

The scope of the Engagement included:

- An **outcomes focused evaluation** for both the AIEF Scholarship Program and the AIEF Pathways Program. The evaluation focused on the outcomes achieved and the value each program delivers relative to investment. The results were used to inform the Economic Evaluation.
- An **economic focused evaluation** of the outcomes achieved for both programs combined. The Economic Evaluation was undertaken using Cost-Benefit Analysis (CBA) that is consistent with Australian Government Guidelines on conducting CBA and expectations to develop an evidence-based quantitative estimate of the impact of the two AIEF Programs. The evaluation leverages a comprehensive evidence base to provide data to support an economic analysis of the costs and benefits of the programs.

Specifically, the evaluation:

- Considers AIEF's outcomes and economic impact relative to the average Australian Indigenous population;
- Uses the substantial amount of data collected by AIEF over the past decade to measure performance and support continuous improvement; and
- Reports on the impact of AIEF's programs.

## 1.2 Structure

The remainder of this document is structured as follows:

- **Section 2:** describes AIEF Programs and participants in detail;
- **Sections 3 and 4:** describes the approach to undertaking the evaluation and associated limitations;
- **Section 5:** presents the Theory of Change for the Scholarship and Pathways Programs which guided the evaluation;
- **Section 6:** presents the findings of the Outcomes Evaluation relating to access and financial barriers; accountability of Partner Schools; retention and completion; transition outcomes; and other impacts;
- **Section 7:** describes the findings of the CBA including the costs and benefits identified and their quantification; and
- **Section 8:** provides a summary of key insights and findings.

The evaluation is supported by a series of appendices, namely:

- **Appendix A** outlines the key evaluation questions (KEQs); and
- **Appendix B** provides additional details about the primary data collection, specifically focused on the survey and interviews.

# 2 AIEF Programs and Participants

## 2.1 Background

Increased levels of education can have a significant positive impact on a person's economic, physical and psychological wellbeing over the course of their life.<sup>6</sup> In 2018, nationally, the proportion of Indigenous 20-24 year olds who achieved Year 12 attainment or equivalent was 65 per cent compared to 89 per cent for non-Indigenous 20-24 year olds.<sup>7</sup> This inequality puts Indigenous people at a disadvantage, as future life outcomes such as exposure to networks, social mobility and employment prospects are impacted by the attainment of Year 12 or equivalent and tertiary completion.

Education has positive lifelong effects on health through increased employment opportunities and income, better living conditions, confidence levels and literacy, including health literacy.<sup>8</sup> Increased educational attainment is associated with stable employment outcomes and a reduction in drug and alcohol abuse, leading to reduced interactions with the justice system.<sup>9</sup>

## 2.2 AIEF Purpose

AIEF was established in 2008 in response to community demand from Indigenous families who choose to enrol their children in boarding schools.<sup>10</sup> Bringing together the government and private sector, AIEF provides scholarship funding for Indigenous students to complete Year 12 or tertiary studies, with career support to help them make a successful transition to their chosen careers. As part of the program, AIEF provides career support and mentoring to help AIEF Scholarship Students make a successful transition to further studies and employment. AIEF is supported by partnerships with the Australian Government and the private sector, and has committed to matching \$116 million in Australian Government funding by raising funds from non-government sources.<sup>11</sup> AIEF receives additional assistance from individual, philanthropic and corporate supporters from the private sector.

The key objectives of AIEF are outlined below.

The key objectives AIEF seeks to achieve are focussed on educational and career outcomes as follows:

- a) an annual retention and completion rate of at least 90 per cent for students on AIEF Scholarships;
- b) an annual retention and completion rate of at least 90 per cent for students on AIEF Tertiary Scholarships;

<sup>6</sup> Global Partnership for Education, (no date), The Benefits of Education, available at: <https://www.globalpartnership.org/education/the-benefits-of-education>.

<sup>7</sup> Australian Bureau of Statistics 2016, *Census of Population and Housing, 2016*, ABS, Canberra.

<sup>8</sup> World Health Organisation, Regional Office for Europe, Health 2020: Education and health through the life-course, Sector brief on education health, July 2015, available at: [http://www.euro.who.int/\\_\\_data/assets/pdf\\_file/0007/324619/Health-2020-Education-and-health-through-the-life-course-en.pdf?ua=1](http://www.euro.who.int/__data/assets/pdf_file/0007/324619/Health-2020-Education-and-health-through-the-life-course-en.pdf?ua=1).

<sup>9</sup> Australian Law Reform Commission, 2017, *Pathways to Justice - Inquiry into the Incarceration Rate of Aboriginal and Torres Strait Islander Peoples*, Final Report No 133, available at: [https://www.alrc.gov.au/sites/default/files/pdfs/publications/final\\_report\\_133\\_amended1.pdf](https://www.alrc.gov.au/sites/default/files/pdfs/publications/final_report_133_amended1.pdf).

<sup>10</sup> KPMG Interviews with AIEF Staff.

<sup>11</sup> Australian Indigenous Education Foundation 2017, *Changing our Nation: 2017 Annual Report*, AIEF, Sydney.

- c) an annual rate of at least 90 per cent of students who have completed Year 12 on an AIEF scholarship are productively engaged in further study, employment and other commitments; and
- d) an annual rate of at least 90 per cent of students who have completed tertiary studies on an AIEF scholarship are productively engaged in further study, employment or other commitments.

To achieve these objectives for program participants, AIEF:

- a) provides co-funding for Indigenous families who choose to send their children to boarding school, thereby reducing the cost for them to gain access to boarding schools and achieve Year 12 attainment; and
- b) provides co-funding to Indigenous students who choose to apply for university scholarships, thereby reducing the cost for them to gain access to university and complete their degree.
- c) prepare Scholarship Students for their careers while they are at school, support Scholarship Students with one-on-one career support as they make the transition from their education to their careers and monitor and track students career progression and provide ongoing career support as needed.

*Source: AIEF*

AIEF provides its scholarships and career support through two complementary programs, the AIEF Scholarship Program (the 'Scholarship Program') and the AIEF Pathways Program (the 'Pathways Program'). These are described in further detail below.

## 2.2.1 AIEF Scholarship Program

The AIEF Scholarship Program provides scholarships that enable Indigenous students in financial need to attend leading Australian boarding schools and universities.

The **school component** of the program is designed to increase the number of Indigenous students completing Year 12. AIEF's parent and school-led model is summarised below.

### The AIEF Model

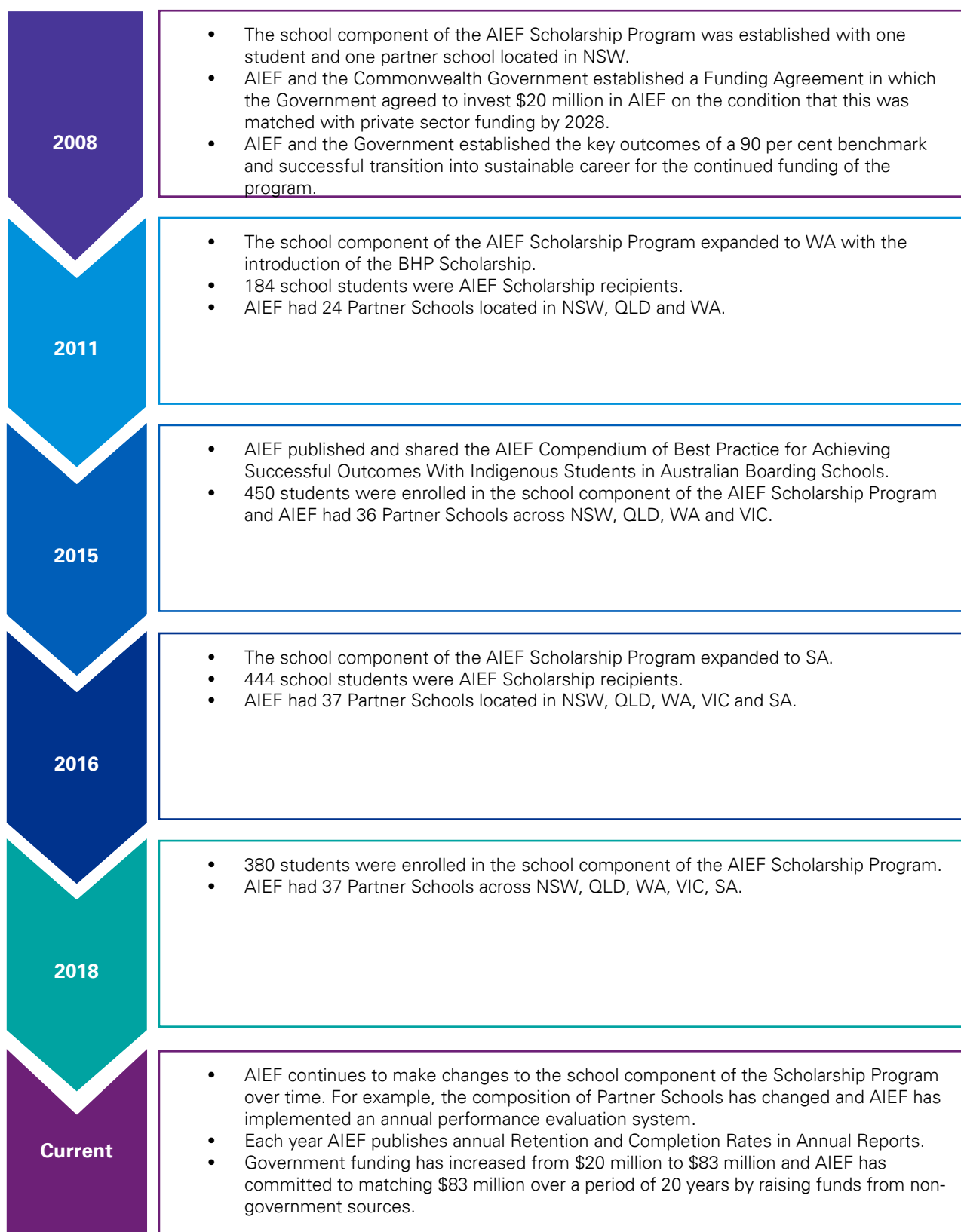
The rationale of AIEF's existence is to empower Indigenous families to make their own decisions about where they want their children to go to school when they may not otherwise be able to afford it. Consistent with the principle of self-determination, AIEF responds to demand from the grassroots by providing co-funding for those families who initiate an application themselves, choose a school themselves, and pay the school fees themselves. The whole process is driven by Indigenous families; AIEF's role is to co-fund (by paying the shortfall) that parental choice. Each AIEF Partner School's Indigenous education program is run and led autonomously by the school itself, and they enrol Indigenous students through a variety of different programs, organisations and funding arrangements. This approach to Indigenous education acknowledges that each school is independent, with differences in culture, local context, historical origins, values, beliefs, teaching styles, leadership, ethos and approaches to education, pastoral care, parental engagement and student support, and Indigenous families can choose which school best suits their children.

This parent and school-led model has been designed around core values including that each partnership is a joint investment with a balanced sharing of responsibility and risk between families, AIEF and Partner Schools. In this model, school are responsible for providing culturally inclusive environments, pastoral care and academic support while AIEF is responsible and accountable for each student's successful transition to a career after Year 12 (through the Pathways Program, discussed below). Scholarship payments are made directly to the school and cover the costs of boarding and tuition fees, compulsory levies and some incidental education expenses, less ABSTUDY entitlements and a means tested Parent Contribution.

*Source: AIEF*

The development of the school component of the Scholarship Program is outlined in the following figure.

Figure 2-1: Development of the AIEF Scholarship Program.



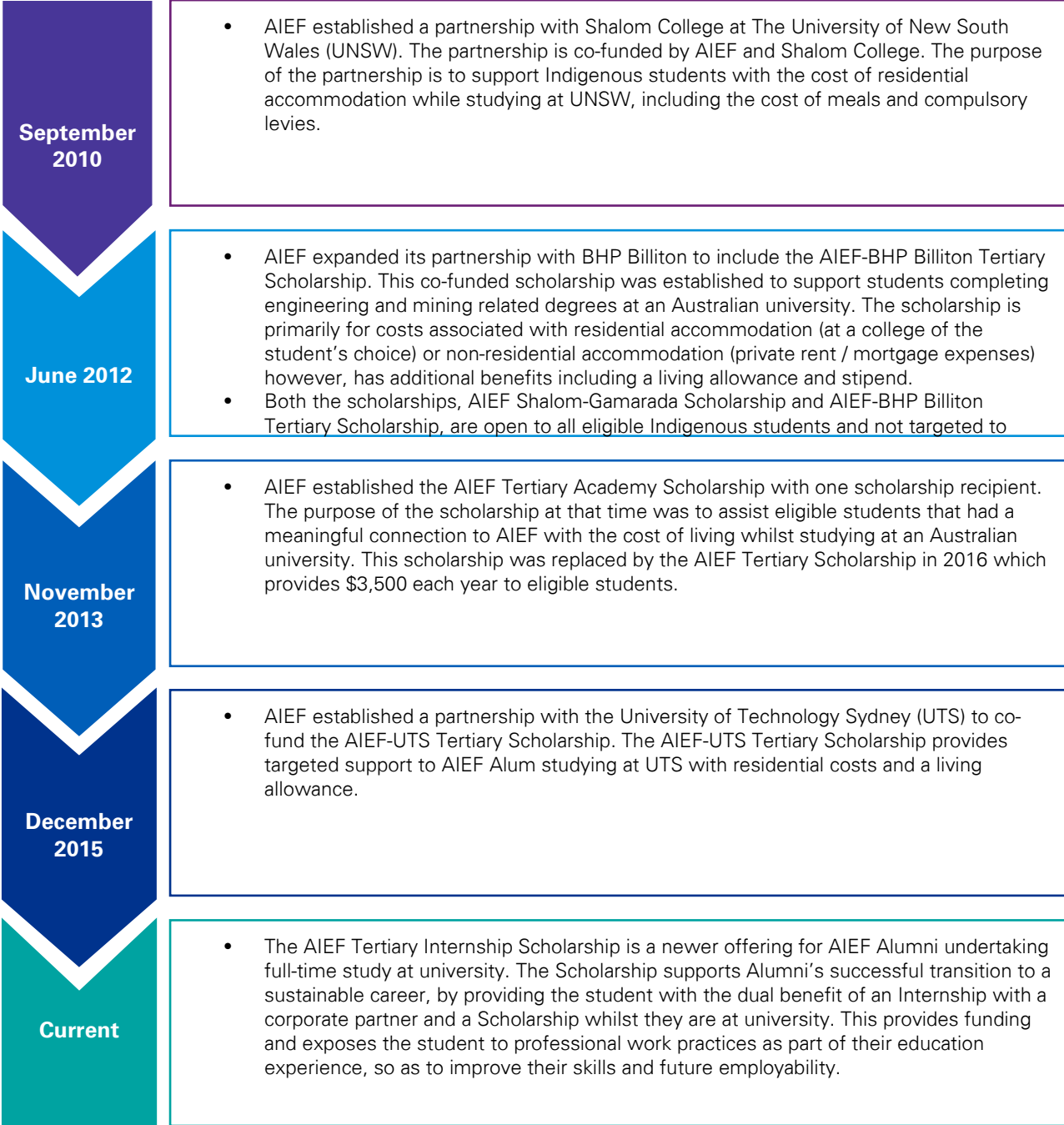
Source: AIEF Program data and website.

The **tertiary component** of the Scholarship Program seeks to support students at university by reducing the financial barriers they face. Over time AIEF has supported students at university through



a range of scholarships that target different barriers to access and participation. The development of the AIEF Tertiary Scholarship Program is outlined in Figure 2-2.

Figure 2-2: Development of AIEF Tertiary Scholarship Program.



Source: KPMG analysis of insights from interview with AIEF Scholarship Program Staff.

### 2.2.2 AIEF Pathways Program

Aside from AIEF’s role in co-funding Indigenous families by paying the shortfalls in scholarship distributions to Partner Schools, AIEF’s Scholarships also provide AIEF Scholarship Students with participation in the **AIEF Pathways Program**. The AIEF Pathways Program provides career support to AIEF Scholarship Students and AIEF Alumni to enable them to achieve career outcomes after they complete their studies. The Pathways Program also supports AIEF Tertiary Scholarship Students at

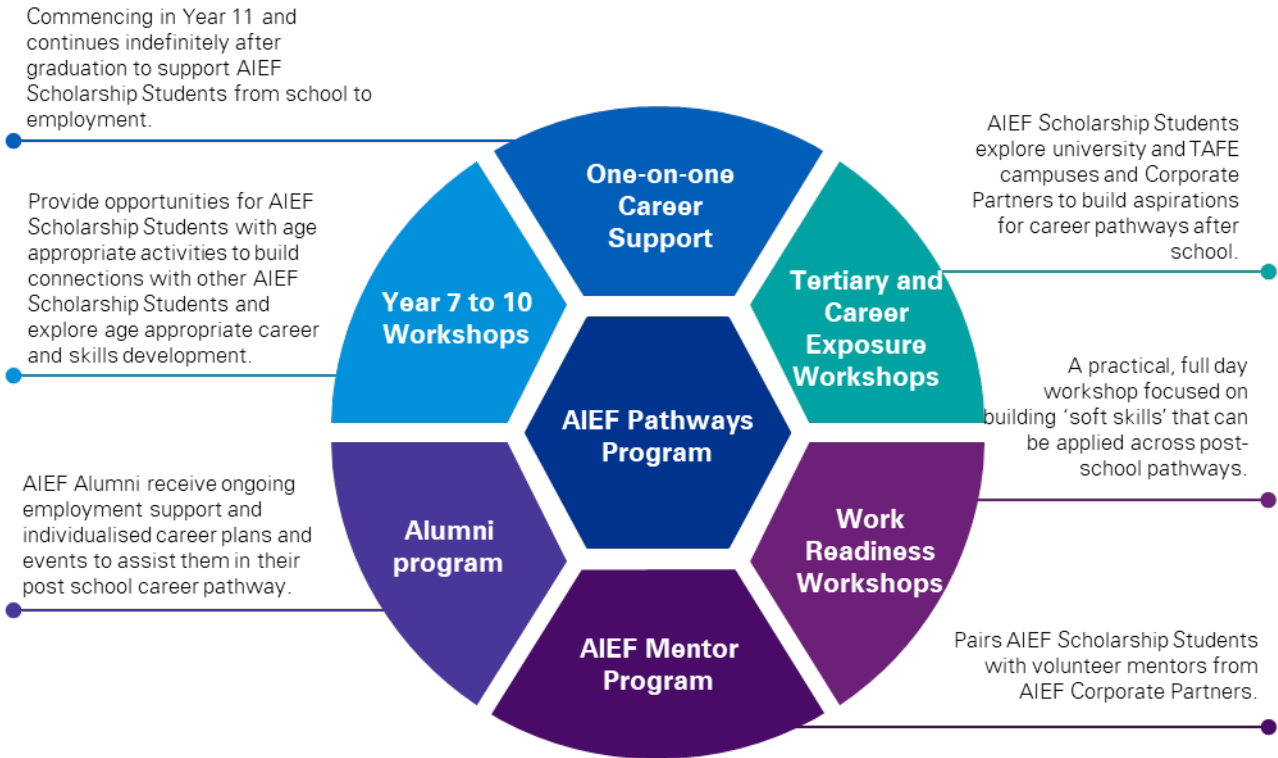
university to prepare for, and transition into, their chosen careers. The costs of travel and accommodation required to enable students to participate in Pathways Program events and activities are covered by AIEF as part of its offering for AIEF Scholarship Students.

The AIEF Pathways Program aims to:

- Prepare AIEF Scholarship Students for their careers while they are at school;
- Support AIEF Scholarship Students with one-on-one career support as they make the transition from their education to their careers; and
- Monitor and track students’ career progression and provide ongoing career support as needed.

The range of activities offered as part of the Pathways Program are outlined in the below figure.<sup>12</sup>

Figure 2-3: Pathways Program Activities.



Source: Information sourced from AIEF.

<sup>12</sup> Information sourced from AIEF

## 2.3 AIEF Model

Table 2-1 is a summary of the AIEF model and the hours associated with each component.

Table 2-1: Components and Intensity of AIEF Model

Component	Description	Hours
Education and Boarding	Through the high school Scholarship Indigenous students receive: <ul style="list-style-type: none"> <li>• Up to six years of education and boarding.</li> <li>• Access to dedicated Indigenous Liaison Officers, orientation camps, tutoring and academic support, extra-curricular activities, pastoral and health support and Indigenous cultural activities at one of Australia's leading schools.</li> </ul>	6,000
Career Support	AIEF offers each Scholarship Student career and transition support through career sessions and workshops to help prepare them for post school transition.  This includes: <ul style="list-style-type: none"> <li>• Years 7 to 10 workshops delivered twice per year to provide students with activities to build connections with each other and explore age appropriate career and skill development.</li> <li>• Tertiary Experience Days held annually from Years 10 to 12 are designed to build aspirations to attend university or TAFE by demystifying tertiary institutions.</li> <li>• Careers Experience days held annually from Years 10 to 12 aim to provide information about pathways to apprenticeships, traineeships and direct entry employment for students who are thinking about pursuing training or employment post school.</li> <li>• Learn it, Live it! workshops held in Year 11 and 12 are designed to ensure AIEF Scholarship Students are prepared and equipped to make a successful transition from school into further study and careers.</li> <li>• Career sessions provide practical career specific support and guidance to every Scholarship Student in Year 11 and 12 to assist them in their transition from school to further study or employment.</li> <li>• Ongoing career tracking and career support after AIEF Scholarship Students complete their education.</li> </ul>	80
Mentoring	AIEF Scholarship Students are matched to a mentor from one of AIEF's Corporate Partners. They continue to receive mentoring support after graduation.	72
Alumni	AIEF Alumni receive ongoing career support from AIEF and individualised career plans and events to assist them in their post school career pathway.	100
Total hours		6,252

Source: AIEF 2019

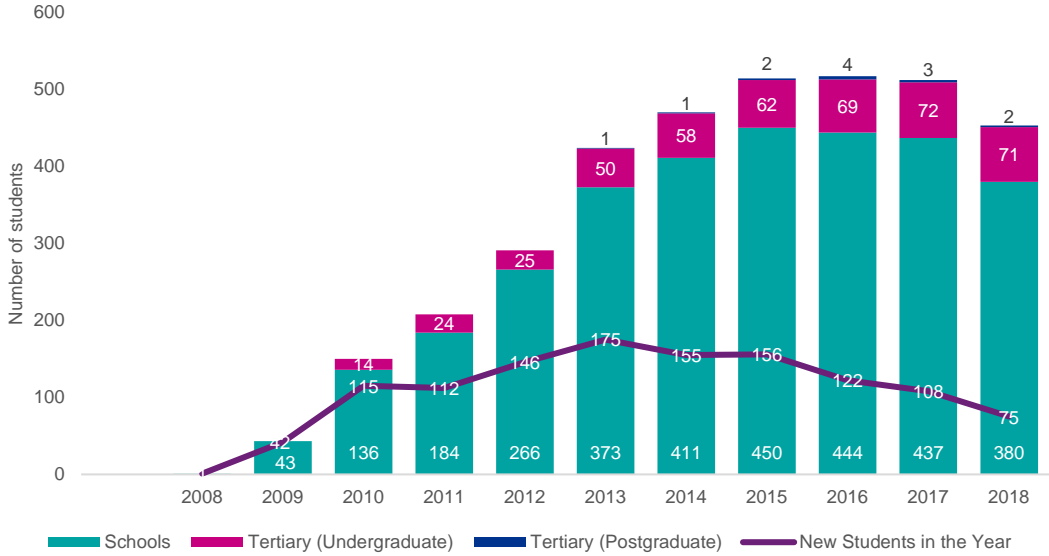
# 2.4 Participant Characteristics

Since 2008, AIEF has provided scholarships to 1,104 school students, 133 undergraduate students and five postgraduate students (inclusive of 35 students who received either both a School and Tertiary Scholarship or both an undergraduate and post graduate scholarship). On average since 2008, each school scholarship recipient received 2.7 years of AIEF funding (inclusive of students currently at school).

In 2018, there were 380 school and 73 tertiary students receiving AIEF Scholarships. The total number of AIEF Scholarship Students each year is represented in Chart 2-1 below.

Chart 2-1 demonstrates that annual student numbers have been reducing since 2015. This consolidation in numbers is not due to decreasing demand, as explained further in Section 5, but has been managed by AIEF to reflect a lack of funding certainty and to rebalance gender rates. During interviews, AIEF Staff explained that the organisation is attempting to manage funding sustainability by consolidating student numbers in the coming years, despite demand for scholarships increasing since 2008. AIEF Staff suggested that this growing demand is evidenced by rates of utilisation of funded places in AIEF Partner Schools, which historically were around 50-60 per cent, but are now closer to 100 per cent across schools.

Chart 2-1: AIEF Scholarship Students by Type, 2008-2018.

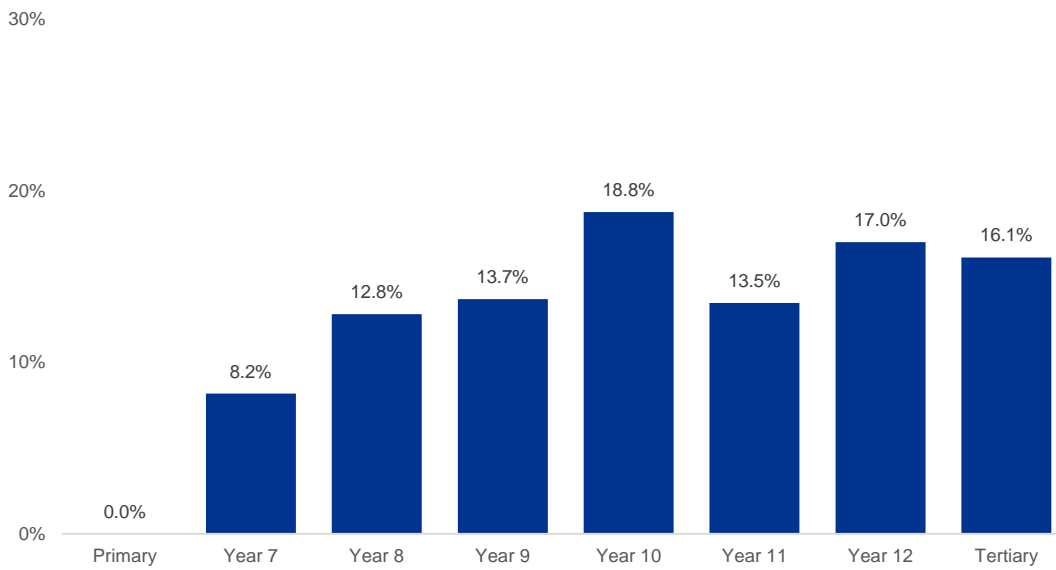


Source: AIEF Program data 2008-2018

In 2018, school participants were 63 per cent (n= 241/380) male and 37 per cent (n= 139/380) female while the gender balance between tertiary students was more equal, with 50.7 per cent (n= 37/73) of participants being male and 49.3 per cent (n= 36/73) female. The gender imbalance for AIEF Scholarship Students is largely due to the higher number of boys’ Partner Schools and their larger boarding capacities compared to girls’ Partner Schools, as detailed in Section 2.5.

The number of AIEF Scholarship Students in 2018 varied in each year level, with the majority of students being concentrated in senior school, as shown in Chart 2-2.

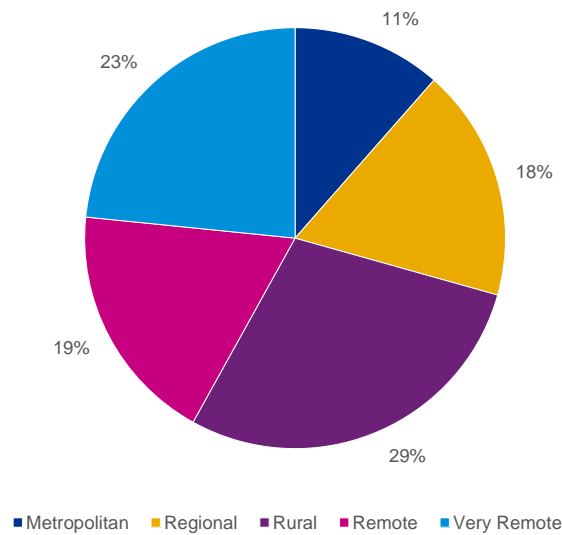
Chart 2-2: 2018 AIEF Scholarship Students by Year Level. N= 453.



Source: AIEF Program data 2018

Data shows that 2018 AIEF Scholarship Students came from a range of locations, with 42 per cent from Remote or Very Remote areas, while the smallest proportion (11 per cent) were from Metropolitan areas, as shown in Chart 2-3.

Chart 2-3: Remoteness of Home Location of 2018 AIEF Scholarship Students based on ARIA Remoteness Indicators.



Note: ARIA remoteness indicators are determined and published by the Australian Government and divide Australia into five classes of remoteness based on relative access to services. Metropolitan is an indicator of 0.20 or less, Regional (inner regional) is an indicator of between 0.20 – 2.40, Rural (outer regional) is an indicator of between 2.40 – 5.92, remote is an indicator of 5.92-10.53 and very remote is an indicator of between 10.53 and 15.00. N= 453.

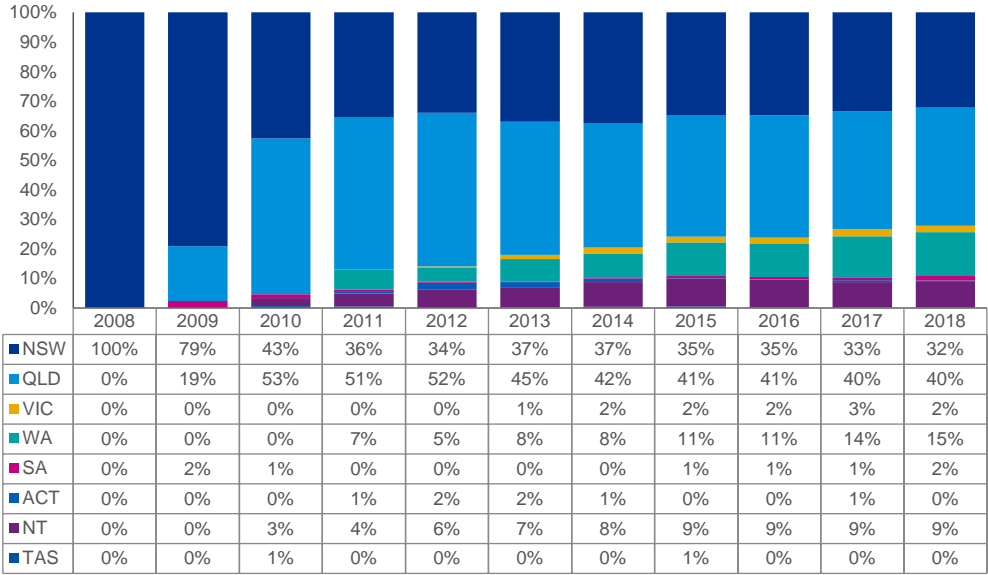
Source: AIEF Program data 2018

Since 2011, the largest proportion of AIEF Scholarship Students have been from Queensland (QLD), followed by students from New South Wales (NSW), as shown in Chart 2-4. This is consistent with

the largest populations of Aboriginal and Torres Strait Islander Australians living in NSW and QLD.<sup>13</sup> The number of AIEF Scholarship Students coming from Western Australia (WA) and the Northern Territory (NT) has also increased consistently over time while numbers from the Australian Capital Territory (ACT) and Tasmania (TAS) have remained relatively low since 2008. This reflects the ACT and TAS having proportionally the lowest populations of Aboriginal and Torres Strait Island people.

The patterns observed in the location of home state or territory of participants are also reflected in the geographic distribution of AIEF Partner Schools, described in Section 2.5. AIEF does not have Partner Schools in ACT or TAS, where there are few boarding schools and Indigenous boarding programs.

Chart 2-4: Proportion of AIEF Scholarship Students from 2008 -2018, by Home State or Territory. 2008 n=1, 2009 n=43, 2010 n=150, 2011 n=208, 2012 n=291, 2013 n=424, 2014 n=470, 2015 n=519, 2016 n=517, 2017 n=512, 2018 n=453.



Source: AIEF Program data 2008-2018

## 2.5 Partner School Characteristics

In 2018, AIEF had 32 Partner Schools.<sup>14</sup> These schools are advantaged, as reflected by the Index of Community Socio-Educational Advantage (ICSEA) which measures the educational advantage of a school based on factors including parental occupation and education and geographical location. The 2018 ICSEA score for an AIEF Partner School, which reflects a school’s entire student cohort, was on average 1,127 compared with an average of 1,000 Australia wide.<sup>15</sup> Just one AIEF Partner School falls below this Australia average.

The number of AIEF educational partners grew significantly between 2008 and 2014, as shown in Chart 2-5. AIEF Staff explained that between 2008 and 2014 awareness about Indigenous boarding programs has grown among schools, families and potential students. This has led to increased awareness and interest from schools and from families. In some circumstances, AIEF Staff explained, this increase in awareness is attributable to Partner Schools establishing connections with families and communities independently. Since 2013, the number of AIEF educational partners has stayed

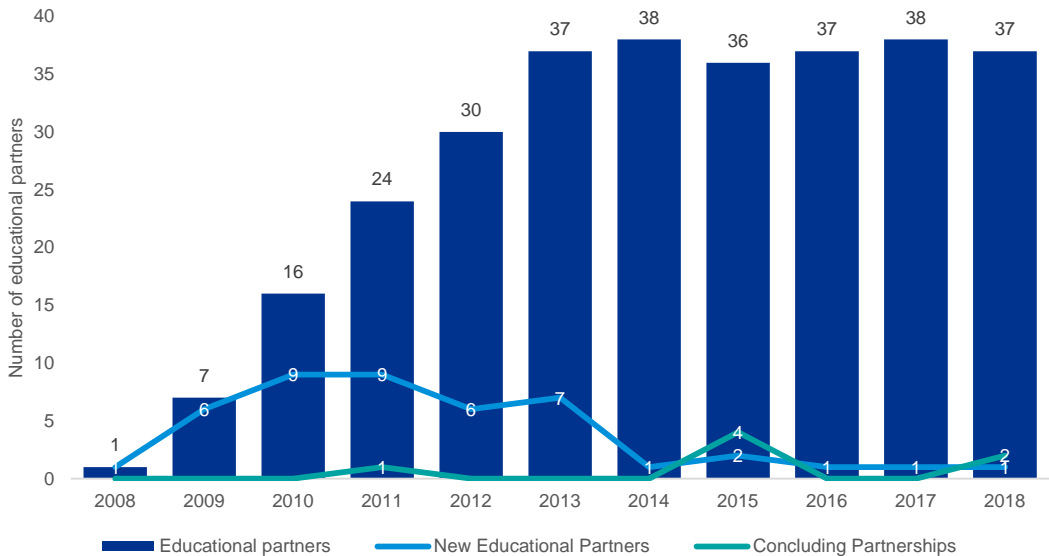
<sup>13</sup> Australian Bureau of Statistics, Estimates of Aboriginal and Torres Strait Islander Australians, 2016, available at: <https://www.abs.gov.au/ausstats/abs@.nsf/mf/3238.0.55.001>.

<sup>14</sup> This includes three schools where partnerships had formally concluded that continue to be counted as AIEF Partner Schools because AIEF students remain at the schools.

<sup>15</sup> KPMG calculations based on my school website.

consistent. Specifically, 2010 to 2013 was a period of substantial growth for AIEF and this growth has become steadier since that time.

Chart 2-5: Number of AIEF School and Tertiary Partners from 2008-2018.



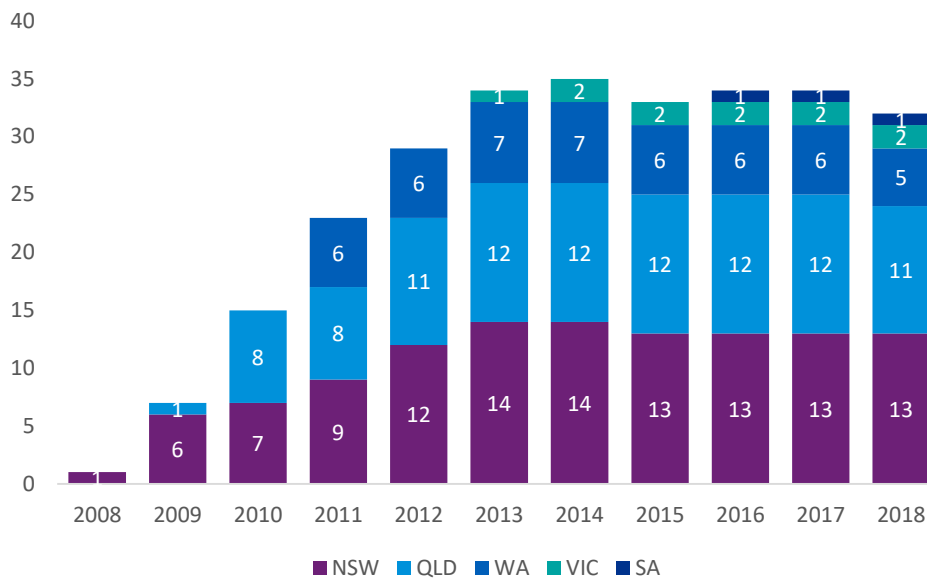
Source: AIEF Program data 2008-2018

As Chart 2-5 shows, the slight decrease in the number of educational partners from 2014 to 2015. This was due both to a number of concluding partnerships as well as a declining number of new partners. For new educational partners to be selected by AIEF, schools must demonstrate that they have an established culturally inclusive program and have a track record of successful retention and Year 12 completion outcomes for Indigenous students and across the broader school population. These process are described in further detail in Section 5.2.

The data outlined in Chart 2-5 aligns with findings from interviews with AIEF Staff who explained AIEF’s strategy to consolidate the number of educational partners to ensure long term operational sustainability. This is a result of AIEF having reached capacity in the number of educational partners they are able to fund with the funding uncertainty it faces. AIEF has a long pipeline of approximately 35 schools that have expressed an interest in partnering with the organisation. In the event that increased funding became available, AIEF Staff explained that the organisation’s priority would be to increase student numbers at existing partners as a priority before engaging new Partner Schools, and to rebalance the gender ratio. Across Partner Schools, demand for AIEF Scholarships exceeds the number of places available and most Partner Schools would like to increase their AIEF Program.

While the mix of Partner Schools by state has changed every year since 2008, educational partners have historically been located in NSW and QLD predominantly, as shown in Chart 2-6. SA is the state with the smallest number of partners since 2016, while the number of partners in VIC has doubled in the last five years. AIEF Staff explained that there have been strategic priorities for expanding into certain states or selecting particular partners.

Chart 2-6: AIEF Educational Partners from 2008 to 2018 by state.

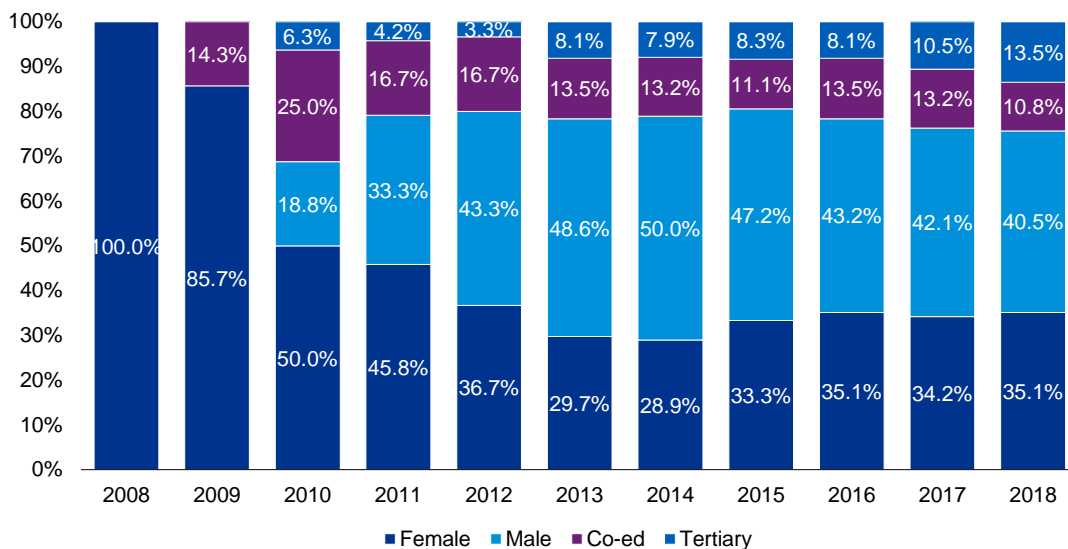


Source: AIEF Program data 2008-2018

Of the 32 AIEF Partner Schools in 2018, 81 per cent (n = 26/32) were located in major cities. Smaller numbers of schools were located in inner regional areas such as Toowoomba (three) and outer regional areas such as Cairns (three).

The mix of all boys' and all girls' schools has also shifted over time and since 2012 more partners have been all boys' schools. AIEF Staff explained that there are more boys' boarding schools with larger capacities compared to girls' boarding schools. However, the proportion of boys' boarding schools has been dropping each year since 2014. The number of tertiary partners, while still small (with five in 2018), has more than doubled between 2010 and 2018.

Chart 2-7: AIEF Partner Schools from 2008 -2018 by Gender. 2008 n= 1, 2009 n=7, 2010 n=16, 2011 n=24, 2012 n=30, 2013 n=37, 2014 n=38, 2015 n=36, 2016 n=37, 2017 n=38, 2018 n=37.



Source: AIEF Program data 2008-2018

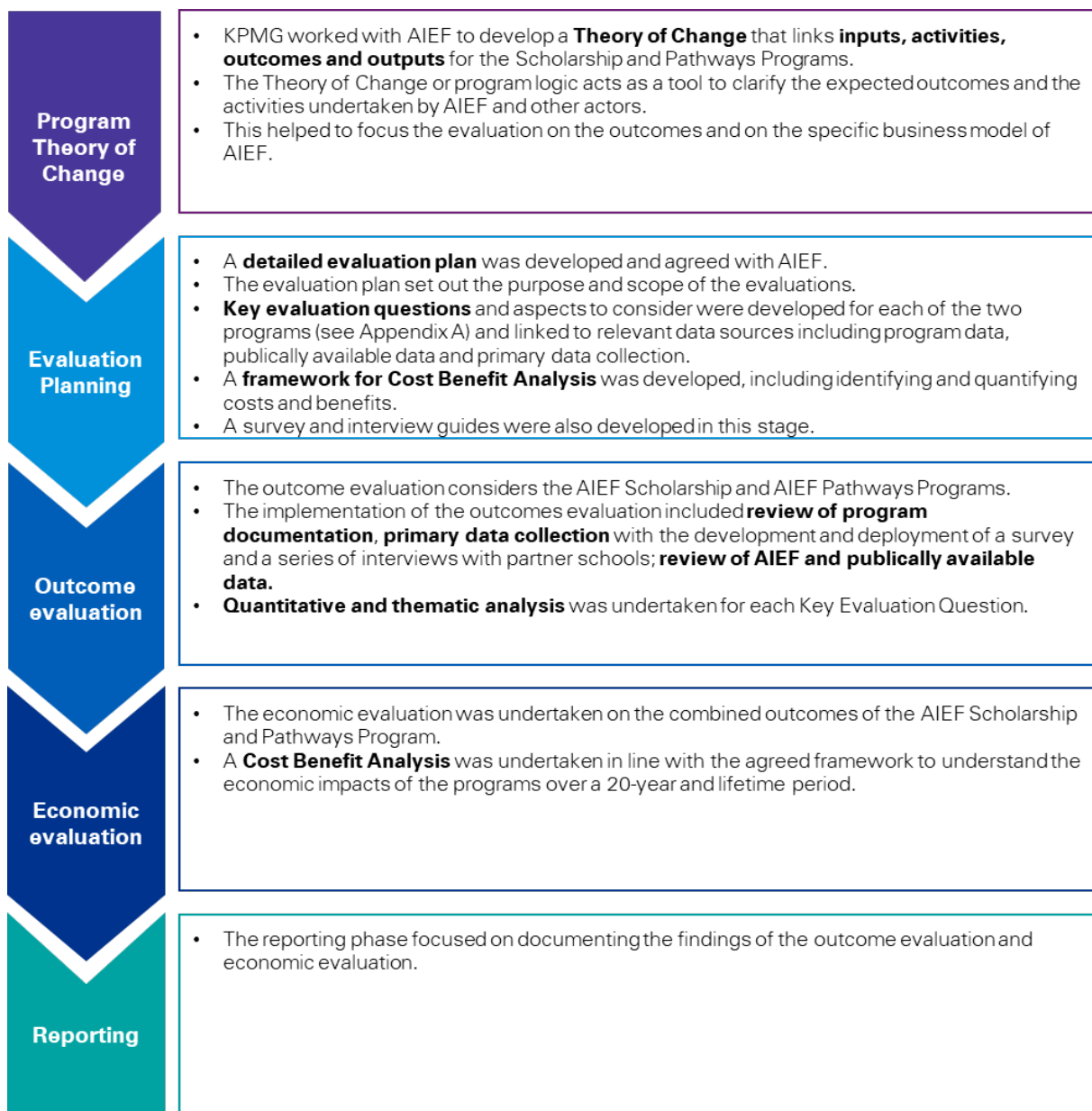


# 3 Evaluation Approach

## 3.1 Overarching Approach

The evaluation included separate Outcomes Evaluation for the AIEF Scholarship Program and the AIEF Pathways Program. The Economic Evaluation involved the application of CBA to the combined AIEF Scholarship and Pathways Programs. The evaluation approach is detailed in Figure 3-1.

Figure 3-1: Evaluation Approach



Source: KPMG

### 3.1.1 Evaluation Focus and Coverage

The evaluation involved consideration of the AIEF business model and value proposition with particular consideration of the impact or outcomes of the Scholarship Program and Pathways Program (a summative evaluation).

The focus and coverage of the evaluation excludes the following:

- Outcomes for individual schools;
- Outcomes achieved by programs other than AIEF in the broader Indigenous education and scholarship ecosystem;
- Internal AIEF operations and processes;
- Program design and implementation (a formative evaluation); and
- Second-round (indirect) economic impacts associated with the outcomes of the AIEF Program.

## 3.2 Outcomes Evaluation

The Outcomes Evaluation was structured around the following core questions:

- To what extent does the AIEF Scholarship Program facilitate **access** for Indigenous students to attend participating boarding schools?
- To what extent does the AIEF Tertiary Scholarship Program **reduce the financial barriers** of accessing and completing university?
- To what extent has AIEF ensured the **accountability** of Partner Schools in delivering retention and completion outcomes?
- What are the **retention and school completion rates** for AIEF Scholarship Students?
- What are the **transition outcomes** for AIEF Scholarship Students who have completed Year 12?
- What are the **transition outcomes** for AIEF Scholarship Students who have completed tertiary education?
- To what extent does the AIEF Pathways Program enable **transitions** to work or study after school completion?
- To what extent does the AIEF Pathways Program enable **transitions** to work or further study are supported tertiary completion?
- Have there been any **other impacts** of the programs for students, communities or schools?

A series of detailed aspects to consider were developed to underpin the core evaluation questions. The KEQs, indicators and data sources are provided in Appendix A.

The evaluation questions guided a mixed-methods approach. The evaluation accessed and used existing data sources (secondary data) and included design and implementation of primary data collection mechanisms. This approach is summarised in Figure 3-2 below.

Figure 3-2: Evaluation Methods.



Source: KPMG

These methods and key data sources for the evaluation are outlined in the following sub-sections.



### Review of AIEF Program Documents

AIEF documentation about its programs was reviewed to build contextual understanding about the Scholarship and Pathways Programs. This was a key input to the development of the Theory of Change and evaluation questions. The documents reviewed included:

- 2019 Schools Handbook;
- AIEF Scholarship Application Form;
- Sample Scholarship Funding Agreement for Partner Schools;
- Funding Agreement between the Commonwealth of Australia and AIEF; and
- AIEF Compendium of Best Practice for Achieving Successful Outcomes with Indigenous Students in Australian Boarding Schools (2015).



### Review of AIEF data

AIEF collects a range of detailed and comprehensive data about its programs and participants. This data was analysed to understand the characteristics of participants and their outcomes. AIEF Program data was a key input to the Outcomes Evaluation and the Economic Evaluation. The data analysed included:

- Gender of each Scholarship recipient;
- Location of each Scholarship recipient home community, including the remoteness category (as specified by the ABS);
- Number of AIEF Scholarship Students;
- Status of each AIEF Scholarship Students each year (i.e. 'current', 'attrition' or 'graduate');
- School or university of attendance for each Scholarship recipient;
- Scholarship and school or university start year for each recipient;
- Duration of the scholarship provided to each recipient;
- The year level of each Scholarship recipient at school or university for each year they are at school or university to 'track' their progress;
- Total scholarship funds paid by AIEF for each student for the duration of their scholarship;
- Year level that a Scholarship recipient may exit secondary school or university;
- Whether Year 12 or university completion was attained (AIEF Program status);

- Post-school or university destinations of each alum for each year post-school;
- University degrees chosen by Alumni and AIEF Tertiary Scholarship Students; and
- Sectors in which Alumni and AIEF Tertiary Scholarship Students are studying or employed.



#### **Review of publically available data**

A desktop review of publically available information and data was undertaken to inform our understanding of outcomes and associated costs and benefits for students who are not part of the AIEF Program. This primarily informed the Economic Evaluation. Documents reviewed are sourced throughout this report.



#### **Stakeholder interviews**

Stakeholder interviews were an important tool to inform a broad range of evaluation questions, gain additional context about the AIEF business model and value proposition and to test assumptions that underpin the CBA. The evaluator conducted:

- Two small group interviews with AIEF Staff—one focused on the AIEF Scholarship Program and one focused on the AIEF Pathways Program; and
- Seven interviews with AIEF Partner Schools. These Partner Schools were selected based on availability from a list provided by AIEF with the aim of speaking to a range of school types, range of tenure as AIEF partners and a range of performance in terms of completion and retention. A complete list of the schools interviewed is provided at Appendix B.



#### **Survey**

A survey was designed and implemented to collect input from AIEF Alumni. The survey received 80 completed responses and included the following questions:

- Alumni perceptions about barriers and drivers for accessing AIEF Scholarships (both school and tertiary);
- Alumni perceptions of the role and contribution of their school or university and AIEF funding to their education and career pathways;
- Alumni perceptions on the role and contribution of AIEF Pathway Program activities on their life and career pathways;
- Current levels of income; and
- Any other impacts of the programs.

Additional detail about the survey and survey response rates is available at Appendix B.

## 3.3 Economic Evaluation

CBA was used to underpin the Economic Evaluation. CBA is a systematic approach to analysing the economic and social costs and benefits associated with a program. CBA uses discounted cash flow analysis to compare the marginal costs and benefits of different options, such as the conducting of a program, relative to a 'do nothing' Base Case scenario.

The purpose of this Economic Evaluation is to estimate the total economic impacts associated with the AIEF Scholarship and Pathways Programs, and estimate the extent to which these benefits may outweigh the costs of the programs. The CBA involved the following steps:

- **Step One:** Articulating the scenarios for analysis, including 'with' AIEF Program intervention and 'without' AIEF Program intervention for the relevant cohorts.
- **Step Two:** Identifying relevant economic and social costs and benefits for the 'do-nothing' Base Case and the 'option case'.
- **Step Three:** Quantification of the costs and benefits.
- **Step Four:** Identification of qualitative benefits that accrue to beneficiaries but may not be able to be directly quantified in market-based monetary terms.
- **Step Five:** Comparing and contrasting the quantified costs against benefits over an appropriate timeframe.
- **Step Six:** Generating performance measures such as Net Present Value (NPV) and the Benefit-to-Cost Ratio (BCR) to evaluate the relative economic impact of the AIEF Program.
- **Step Seven:** Sensitivity analysis to assess the impacts of changes in key variables on performance measures.

This approach is consistent with Australian Government Guidelines on conducting CBA.<sup>16</sup>

### 3.3.1 Appraisal Scenario Definition

The CBA compares outcomes in a scenario with the AIEF Scholarship and Pathways Programs ('**AIEF Program**'), to a scenario without the programs ('**Base Case**').

This process requires mapping outcomes of a group of individuals along each step of their potential educational pathway, in this case the AIEF current program participants and Alumni. It is important to note that the focus of the analysis is on the anticipated lifetime pathways of current participants and Alumni only and future participants are excluded from the analysis.

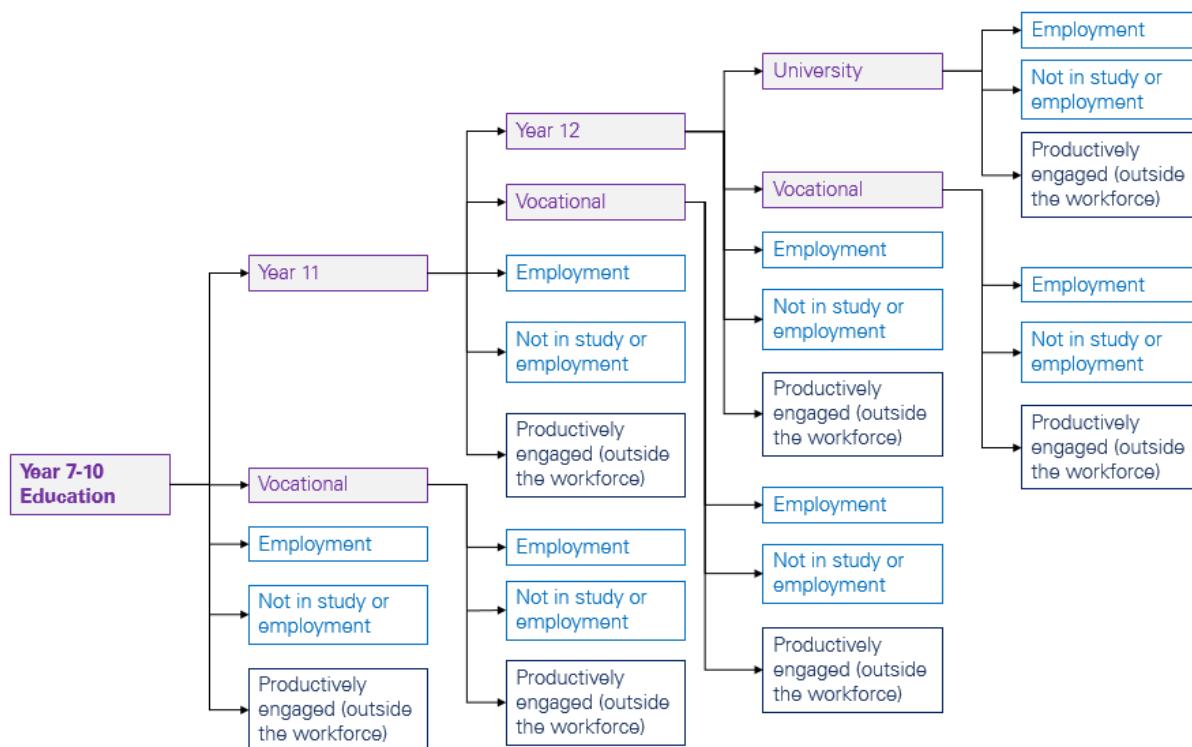
For the purpose of comparison, the Base Case used is the broader Indigenous population.

The different potential pathways of program participants and alumni through their final years of high school and post school transition are illustrated in Figure 3-3.

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<sup>16</sup> Department of the Prime Minister and Cabinet, Office of Best Practice Regulation 2016, *Cost-Benefit Analysis: Guidance Note*, Canberra.

Figure 3-3: Potential Educational and Post-School Pathways.



Source: KPMG analysis in consultation with AIEF

The proportion of the cohort who progress through different educational pathways and the associated costs and benefits were estimated for the participant and alumni cohort both with and without AIEF Programs to enable identification of the incremental impact of the programs.

### 3.3.2 Key Inputs

The inputs to the CBA included:

- Key economic appraisal parameters for undertaking discounted cash flow analysis, including discount rates and appraisal periods. These are detailed in Table 3-1;
- AIEF data on participant numbers, outcomes and the costs of delivering their programs; and
- ABS data on Indigenous educational attainment, number of students and actual rate of retention from source including from Census 2006, 2011, 2016, ABS Schools, Australia 2018.

### 3.3.3 Identification of Benefits and Costs

The analysis aims to measure the economic impacts of the AIEF Scholarship Program and the AIEF Pathways Program. The primary focus of the analysis is to measure the financial, economic, social and community costs and benefits associated with the relevant scenarios. This includes the immediate economic costs and benefits derived from any measurable improvement or decline in educational attainment and employment outcomes, in addition to associated non-immediate costs or benefits such as improvements or deterioration to health and community outcomes.

Costs and benefits are investigated further and quantified in Section 6.

### 3.3.4 Economic Performance Indicators

The final stage of the CBA is a discounted cash flow analysis to compare and contrast the costs and benefits of the AIEF Program and Base Case over the evaluation period. Historical benefits and costs are calculated from commencement of the AIEF Program in 2008 in addition to a 20 year period from

2019 to 2038 (the 'evaluation period'), and a working lifetime period from 2019 to 2068 and discounted at a rate of 7 per cent (real). Discounting enables comparison of costs and benefits over time, with all results of the analysis reported in present value terms.

The following economic performance measures are calculated to estimate the economic outcomes of the AIEF Program:

- NPV – the difference between the present value of the total incremental benefits and the present value of the total incremental costs; and
- BCR – calculated by dividing the total incremental benefits by the total incremental costs.

Programs that yield a positive NPV indicate that the incremental benefits of the project exceed the incremental costs over the evaluation period.

The BCR measures the ratio of discounted incremental benefits to discounted incremental costs. A BCR greater than one indicates that the program benefits exceed program costs.

### 3.3.5 Core Assumptions

Table 3-1 summarises key assumptions that underpin the CBA.

Table 3-1: CBA Parameters.

Item	Assumption	Source
<b>Scope of analysis</b>	Current students and Alumni of the AIEF Scholarship Program and AIEF Pathways Program	Base assumption
<b>Number of program participants</b>	1,201 individual participants that are recipients of one or more AIEF School or Tertiary Scholarship <sup>17</sup>	AIEF Program data
<b>Base date for NPV</b>	1 July 2018	Base assumption
<b>Discount rate (real)</b>	7 per cent per annum	Australian Government, Department of the Prime Minister and Cabinet, Office of Best Practice Regulation
<b>Price year</b>	All costs and benefits in the evaluation are presented in 2018 Australian dollars	Base assumption
<b>Evaluation period</b>	Education delivers benefits throughout an individual's life. Lifelong benefits linked with improved education attainment can include improved health, <sup>18</sup> and more productive lives with lower levels of government benefits. <sup>19</sup>  The analysis includes historical benefits and costs from 2008-2018. Benefits were considered over two alternative appraisal periods.	Literature review and data analysis

<sup>17</sup> In addition, seven students received scholarships for primary school. Given the small number of students in this cohort they are not included in the cost-benefit analysis.

<sup>18</sup> Zimmerman, E, Woolf S, & Haley, A 2015, 'Understanding the Relationship Between Education and Health', *Population Health: Behavioural and Social Science Insights*, United States Department of Health and Human Services, Agency for Healthcare Research and Quality.

<sup>19</sup> Australian Institute of Health and Welfare 2017, *Australia's Welfare, 2017*, AIHW cat. no. AUS 214, AIHW, Canberra.



Item	Assumption	Source
	A 20 year evaluation period from 2019-2038 (aligning with analyses undertaken for similar programs) and an analysis over the assumed working life of participants (2019-2068).	
<b>Economic evaluation</b>	The Economic Evaluation considers the project from a community perspective and includes benefits and costs faced by individuals, communities and Government. Some of these impacts are not directly quantified in market-based monetary terms.	Base assumption
<b>Primary school students</b>	A small number of primary school students received AIEF Scholarships for Years 5-6 during the early years of the AIEF Program. As AIEF no longer offers Primary Scholarships, these students have been excluded from the analysis.	Discussion with AIEF
<b>Former AIEF Scholarship Students</b>	Some students within the AIEF Program may leave their AIEF Partner School or transition into alternate funding arrangements. For the purpose of this analysis, these students remain in the Program Case because the AIEF Program provides support for one or multiple years for the students, which is considered a central supporting component of their overall pathway. However, after leaving the program, former AIEF Scholarship Students assumed to have school retention and completion outcomes in line with the overall Indigenous rate.	Discussion with AIEF

Source: KPMG analysis

Table 3-2 below provides an overview of the identified benefits and costs from participation in the AIEF Program.

Table 3-2: Costs and Benefits of the AIEF Program.

Benefit/Cost	Bearer/Beneficiary	Description	Quantifiable
<b>Benefits</b>			
<b>Increased rates of higher secondary school retention and Year 12 completion</b>	Individuals	Participation in the AIEF Program increases the likelihood of higher secondary school retention, and subsequent completion of Year 12 in comparison to the Base Case	Yes
<b>Increased rates of participation and completion in post-school education</b>	Individuals	Participation in the AIEF Program increases the likelihood of transitioning into university, and post-secondary education overall. The recipients of an AIEF Tertiary Scholarship increases the likelihood of completing university compared to not receiving an AIEF Tertiary Scholarship.	Yes



Benefit/Cost	Bearer/Beneficiary	Description	Quantifiable
<b>Higher wage earnings</b>	Individuals	The higher wage earnings that may accrue from increased educational attainment and a higher earning employment pathway	Yes
<b>Avoided healthcare costs</b>	Individuals / Government	The reduced likelihood of illness for an individual that can be attributed to an increase in educational attainment and associated health costs	Yes
<b>Avoided cost of providing a child in secondary school with food and personal care necessities at home</b>	Parents	As the costs of providing a child in secondary school with food and personal care necessities are covered under the boarding school tuition, parents benefit from avoided costs of living expenses	Yes
<b>Increased community engagement by program Alumni</b>	Community	Individuals previously participating in mentoring programs have an increased likelihood of participation in community mentoring activities after they transition to their post school pathway	No
<b>Mentors are able to develop leadership capabilities to support career development</b>	Individuals / Community	Providing mentorship helps mentors develop leadership and empathy qualities that can have a positive impact on career development opportunities	No
<b>Improved Reconciliation outcomes</b>	Community	AIEF participation can help to build positive relationships between the wider Australian community and Indigenous peoples	No
<b>Second-generation benefits</b>	Community	The benefits of improved educational attainment may also have positive second generation effects, as the children of educated parents gain exposure to healthier lifestyles and educational pathways	No
<b>Successful Indigenous individuals inspiring Indigenous youth</b>	Community	Visibility and representation of successful Indigenous individuals can empower and inspire Indigenous youth who are able to identify with shared cultural attributes	No

Benefit/Cost	Bearer/Beneficiary	Description	Quantifiable
<b>Costs</b>			
<b>AIEF contribution to schooling costs</b>	AIEF	Contribution made by AIEF to cover the shortfall in funding and incidental expenses	Yes
<b>Parental contribution</b>	Parents	Estimated parental contribution costs associated with sending students to school, which under the AIEF Program is scaled according to family income	Yes
<b>Non-AIEF supported school tuition</b>	Government	Government funding to both public and private schools on a per student basis, taking into consideration the distribution of Indigenous students in private and public school education	Yes
<b>Administrative costs of AIEF Programs</b>	AIEF	Costs to run the AIEF Scholarship and Pathways Programs	Yes
<b>In-kind costs of AIEF Programs</b>	Corporate mentors/volunteers	In-kind volunteer hours and supports such as catering provided through the AIEF Program in monetary terms	Yes
<b>Tertiary tuition costs</b>	Individuals/Government	The average costs of tertiary education incurred by both individuals and the cost to government of subsidising university education	Yes
<b>Vocational tuition costs</b>	Individuals	The average costs of vocational education	Yes

Source: KPMG analysis

## 3.4 Evaluation Limitations and Considerations

Readers should note the limitations to the evaluation outlined below.

The primary data collection approach was based on seeking input from sample stakeholder groups, and as such the evidence does not necessarily represent the diverse views or experiences of all who have an interest in, or interaction with AIEF. Further, the representatives of the stakeholder groups who participated in interviews or responded to the survey may or may not have views which reflect the perspectives of that group as a whole. KPMG have not sought to independently verify information provided by stakeholders.

Any primary data collection exercise may have limitations. To help to overcome this, KPMG sought to interview a broad spread of schools and to maximise response rates to the Alumni survey. Primary data collection was used to verify, test and triangulate the findings of analysis of other evidence and the limitations identified above will not undermine the credibility of the evaluation.

There are several key limitations associated with adopting a CBA approach to analyse benefits from the AIEF Program, namely:

- While a CBA is able to quantify the benefits of higher wage earnings and improved health outcomes for AIEF Scholarship Students from participation in the programs, other important benefits cannot be quantified. These may include improved self-esteem, leadership potential, cultural identity and social inclusion. For these reasons, the quantitative part of this analysis represents only a partial view of the overall benefits derived from the AIEF Program.
- Data gathered to support this analysis has been drawn from a number of different sources. The available information has varying degrees of quality and precision. The analysis provides an estimate of benefits and costs underpinned by a range of assumptions.
- Assumptions used reflect the specific requirements for analysis of the AIEF Program. Our approach considers the specific characteristics of the AIEF cohort, such as gender and home location, to develop probabilities of progression through each year of secondary and post-secondary school education for the Base Case. These probabilities are used to predict economic outcomes. Caution should be taken in leveraging assumptions specific to this analysis for other purposes.
- The analysis adopts a conditional probability model to map out educational and employment outcomes, and the associated benefits and costs derived from that particular pathway for each AIEF Scholarship Student and student in the comparison cohort. Probabilities of moving along particular pathways have been developed using historical trend data. Future student pathways may differ. Additionally, data such as Indigenous completion of Year 12 and post-school education has typically been published as the proportion that is likely to complete. The analysis uses these results to construct evenly distributed yearly progression rates which may not reflect when a student actually exits a pathway.

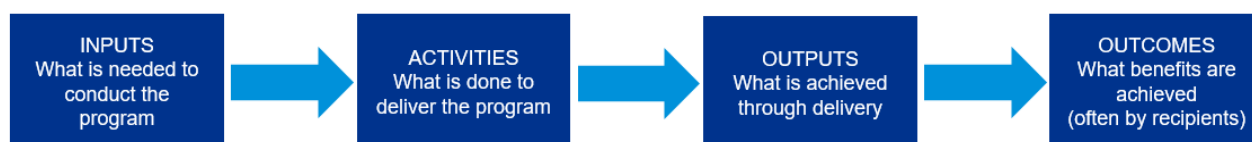
# 4 Theory of Change

## 4.1 Theory of Change development

A Theory of Change, or program logic, is a picture of how a program is intended to work and links input, activities, outputs and outcomes. This evaluation is focused on program outcomes, that is, the intended benefits that are achieved by those who experience the programs. Understanding how the activities to deliver the program map to what is achieved through delivery was critical to the development of a framework for evaluation.

The key elements of a Theory of Change and the links between them are summarised in Figure 4-1.

Figure 4-1: Key Elements of a Theory of Change.



Source: KPMG

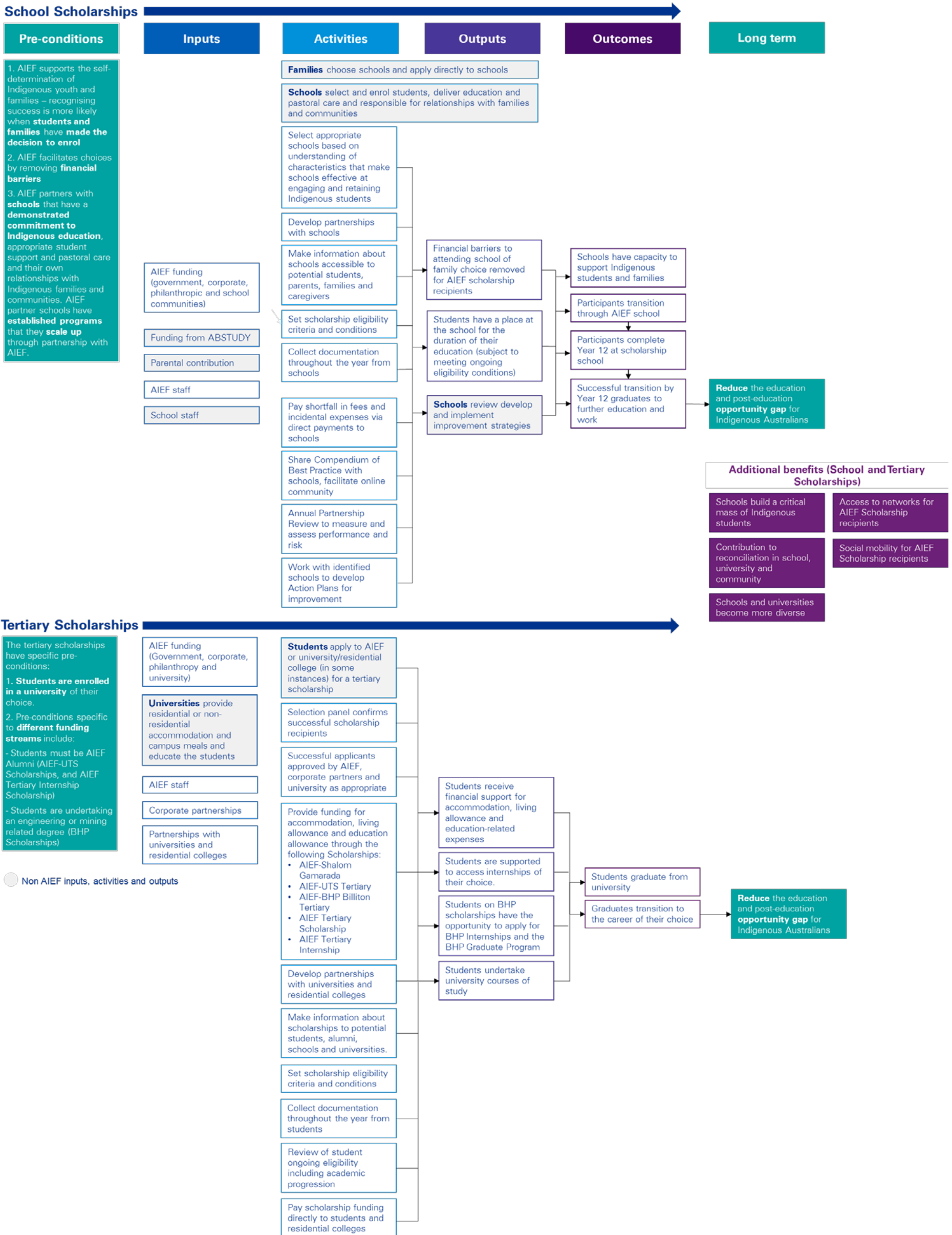
A Theory of Change sets out the process through which the AIEF Scholarship and Pathways Programs seek to make change for participants. It acts as a tool to clarify the expected outcomes and which activities and inputs are undertaken by AIEF and which are undertaken by other actors. This helped to focus the evaluation on the outcomes and on the specific business model of AIEF.

The Theory of Change for each of the Scholarship and Pathways Programs was developed as part of the evaluation framework development and tested with AIEF Staff during a workshop.

While the Scholarship Program and Pathways Program are considered separately in the Outcomes Evaluation, it is important to note that the same cohort of students experience both programs.

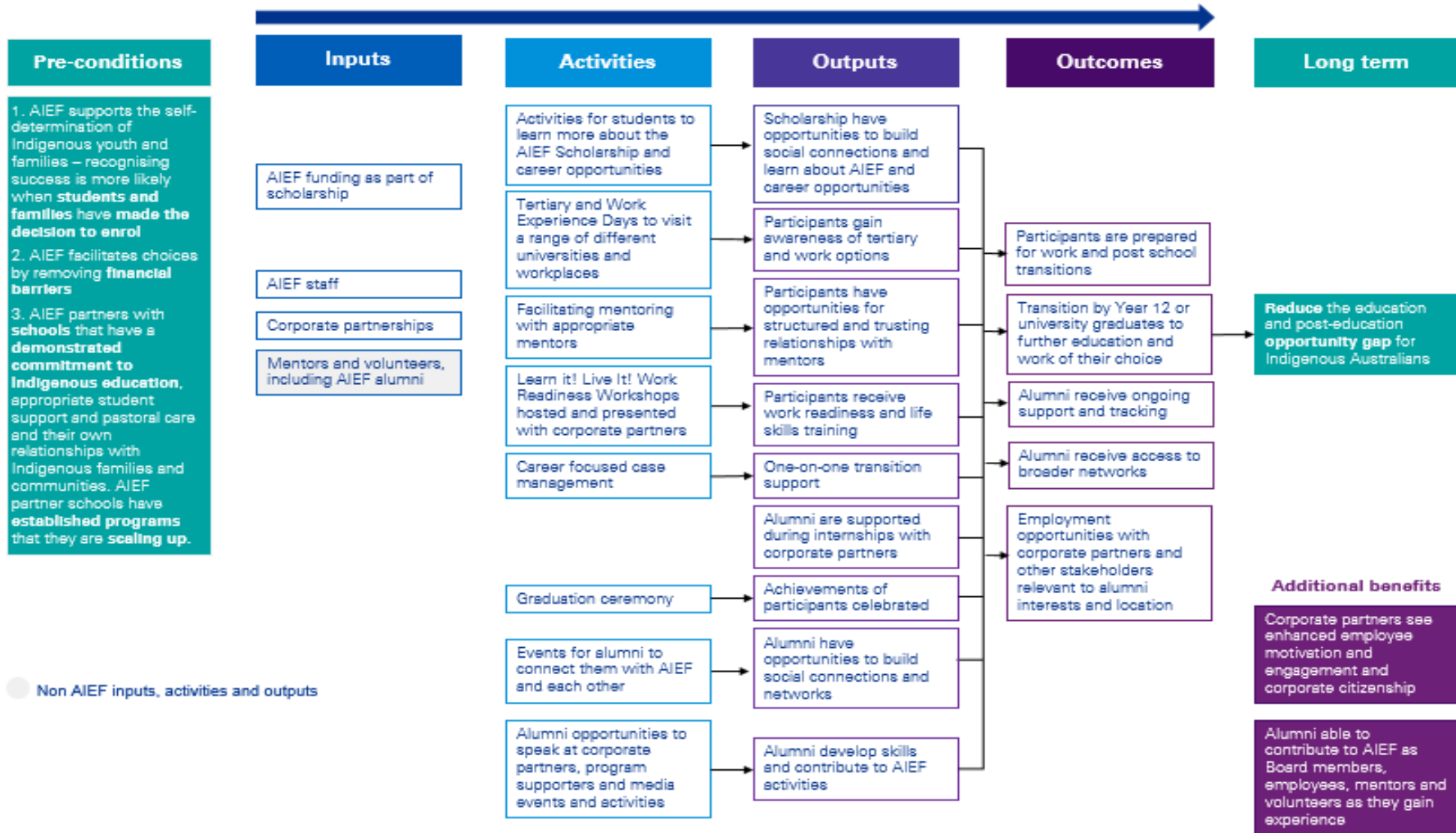
Figure 4-2 presents the Theory of Change for the School and Tertiary Scholarship Program and Figure 4-3 depicts the Theory of Change for the Pathways Program.

Figure 4-2: Theory of Change Depicting how the **Inputs** and **Activities** of the Scholarship Program are Linked to its **Outputs** and **Outcomes**.



Source: KPMG based on conversations with AIEF.

Figure 4-3: Theory of Change Depicting how the **Inputs** and **Activities** of the Pathways Program are Linked to its **Outputs** and **Outcomes**.



Source: KPMG based on conversations with AIEF.

# 5 Outcomes Evaluation Findings

This section of the report will outline the findings of the Outcomes Evaluation. It seeks to answer the KEQs, as detailed below.

- **Section 5.1:** answers the following KEQs:
  - To what extent does the AIEF Scholarship Program facilitate **access** for Indigenous students to attend participating boarding schools?
  - To what extent does the AIEF Tertiary Scholarship Program **reduce the financial barriers** of accessing and completing university?
- **Section 5.2.2:** answers the following KEQ:
  - To what extent has AIEF ensured the **accountability** of Partner Schools in delivering retention and completion outcomes?
- **Section 5.2.3:** answers the following KEQ:
  - What are the **retention and school completion rates** for AIEF Scholarship Students?
- **Section 5.4:** answers the following KEQs:
  - What are the **transition outcomes** for AIEF Scholarship Students who have completed Year 12?
  - What are the **transition outcomes** for AIEF Scholarship Students who have completed tertiary education?
  - To what extent does the AIEF Pathways Program enable **transitions** to work or study after school completion?
  - To what extent does the AIEF Pathways Program enable **transitions** to work or further study after tertiary completion?
- **Section 5.5:** answers the following KEQ:
  - Have there been any **other impacts** of the programs for students, communities or schools?
- **Section 5.6:** provides a conclusion of the key findings of the Outcomes Evaluation.

## 5.1 Access and Financial Barriers

### 5.1.1 School Scholarships

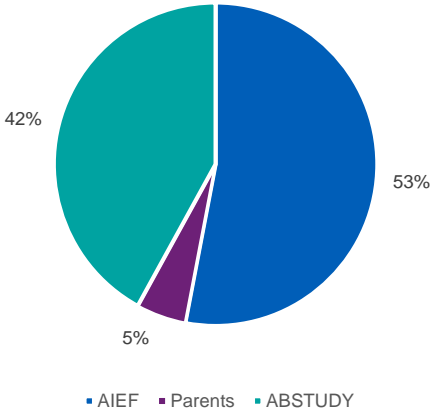
In 2018, the number of contracted AIEF places at each Partner School varied from four places to 39 places. Interviews with Partner Schools indicated that a key driver for variation in the number of contracted places is changes in the administration of AIEF's funding. AIEF Staff stated while the administration of funding has changed to ensure that the program is sustainable in the long term given the increase in the average scholarship distribution over time, the funding model has stayed the same. The majority of Partner Schools expressed that they would like to increase the size of the AIEF Program at their school if more funding was available. However, Partner Schools also noted that a large commitment is required from the school to provide the level of individual pastoral support for each AIEF Scholarship Students. Broadly, schools suggested increases of between two and ten additional AIEF places for their school to be shared across all year groups.



AIEF Partner Schools' fees are paid through a range of financial sources, including AIEF contributions, ABSTUDY contributions and parental contributions. The ABSTUDY contributions in 2018 ranged from \$3,957 - \$31,008, the parental contributions in 2018 ranged from \$0 - \$32,000 and the AIEF Scholarship amount in 2018 ranged from \$4,817 – \$59,139. The quantum of these contributions vary based on each student's circumstances, however together provide the funding for a place at an AIEF Partner School that costed \$47,759 on average in 2018.<sup>20</sup> The highest total fee for boarding and tuition was \$79,692, and the five most expensive schools are located in WA, NSW and VIC. The lowest fee was \$28,413, with the five least expensive schools located in QLD. On average, AIEF contributed \$25,949 for each School Scholarship in 2018 with a total investment of \$9.6 million towards 380 School Scholarships in 2018.<sup>21</sup>

Chart 5-1 shows a breakdown of the average contribution of AIEF, ABSTUDY and parents in 2018 and demonstrates that over half of the contribution is from AIEF, followed by ABSTUDY contributions.

*Chart 5-1: Breakdown of AIEF, Parent and ABSTUDY Contributions to AIEF Partner School Fees in 2018. Based on Average Total Cost of \$47,759 for AIEF, Parents and ABSTUDY.*



*Source: AIEF Program data 2008-2018 with KPMG calculations*

Schools also make a contribution to administrative costs. In 2018, the median administrative contribution was \$24,060 and the highest contribution \$67,387. Schools also make investments in their Indigenous support programs and other in-kind supports in addition to these administrative contributions.

As part of AIEF's Scholarship model, families are required to contribute a proportion of their household income to school fees. The Parent Contribution is calculated based on the scale outlined in Table 5-1 which was developed by AIEF.

<sup>20</sup> This figure was calculated using AIEF Program data from 2018. The average was calculated using the 'Scholarship Distribution' amount for each AIEF funded student in 2018 (380 students). This figure excludes zero funded students.  
<sup>21</sup> Note that this excludes 10 zero funded/zero shortfall students in 2018.



Table 5-1: AIEF Current Scale of Parental Contribution.

Combined household taxable income of parent(s)/ guardian(s) (ATO Notices of Assessment)			Parent/Guardian Contribution	
			Total Amount (annually)	Weekly Amount (over 40 weeks)
Up to		\$40,000	\$400	\$10
\$40,001	to	\$50,000	\$1,000	\$25
\$50,001	to	\$60,000	\$1,200	\$30
\$60,001	to	\$80,000	\$2,000	\$50
\$80,001	to	\$100,000	\$2,600	\$65
\$100,001	to	\$125,000	\$4,000	\$100
\$125,001	to	\$150,000	\$5,000	\$125
\$150,001	to	\$175,000	\$8,000	\$200
\$175,001	to	\$200,000	\$11,200	\$280
\$200,001	to	\$300,000	\$20,000	\$500

Note: AIEF has amended the upper limit of Scale of Parental Contribution to \$200,000 for students commencing from 2020

Source: Information sourced from AIEF

In 2018, the median annual parental contribution amount was \$2,000. According to AIEF's Parent Contribution scale, this indicates that the median household income for AIEF families is in the \$60,000 - \$80,000 per annum bracket. This income bracket aligns with the median household income for Aboriginal and Torres Strait Islander Australians of \$62,556.<sup>22</sup>

Parental contributions varied significantly across states, with Victorian families contributing \$3,395 per annum more than families in SA, in line with higher household incomes of the families of AIEF Scholarship Students in Victoria, as shown in Table 5-2. This may indicate that the extent of financial barriers also has geographic variation. However, AIEF Staff noted that this data may be impacted by a transition period when some of those schools elected for a standard Parental Contribution amount of \$2,000.

Table 5-2: Average Annual Parent Contributions by State.

Average Parent Contribution	All girls' schools	All boys' schools	All Schools
NSW	\$ 2,174	\$ 1,920	\$ 2,075

<sup>22</sup> Australian Bureau of Statistics 2016, *Census of Population and Housing: Characteristics of Aboriginal and Torres Strait Islander Australians, 2016*, ABS, Canberra.

Average Parent Contribution	All girls' schools	All boys' schools	All Schools
QLD	\$ 2,324	\$ 2,205	\$ 2,240
SA	\$ 1,500	-	\$ 1,500
VIC	-	\$ 4,895	\$ 4,895
WA	\$ 3,215	\$ 4,902	\$ 4,669
<b>Total</b>	<b>\$ 2,263</b>	<b>\$ 2,856</b>	<b>\$ 2,636</b>

Source: AIEF Program data

Contributions were also highest from families located in remote home communities, while regional families contributed the least, as shown in Chart 5-2.

Chart 5-2: Average and Median Amount AIEF Families Contributed to School Fees in 2018, by Remoteness. N=367. Note that these figures exclude three zero shortfall students in 2018.

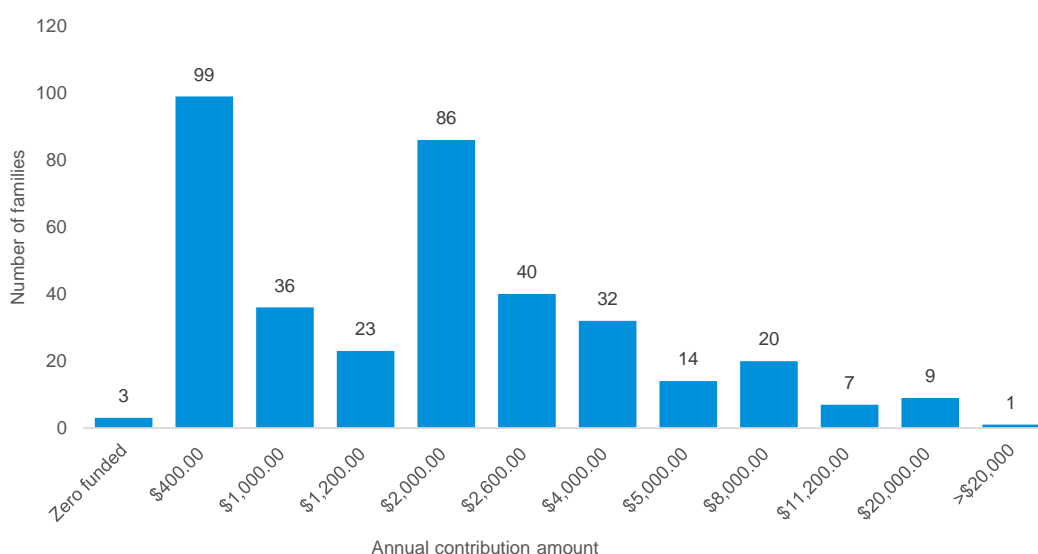


Source: AIEF Program data 2008-2018

Chart 5-3 shows the breakdown of annual Parent Contributions to AIEF Scholarships in 2018. This data includes three 'zero shortfall' students.<sup>23</sup>

<sup>23</sup> Zero shortfall students are students who have no shortfall in the relevant year. This occurs when an AIEF Scholarship Student was funded by AIEF in a previous year but then in a subsequent year that student has no shortfall due to lower school fees, higher ABSTUDY, a higher parental contribution, other funding available for that student from another source or any other reason that leads to no shortfall that year. These students are counted as retention, completion, attrition or alumni.

Chart 5-3: Number of Students by Annual AIEF Family Contribution Amount in 2018. N=367.



Source: AIEF Program data with KPMG calculations

It is important to note that the AIEF Scale of Parental Contribution (outlined above) reflects the minimum contribution. There are also circumstances where parents would be required to contribute more than the minimum. As Chart 5-3 shows, the largest number of families contributed \$400 a year, indicating that household income was up to \$40,000 a year. From 2008 – 2018, 67 per cent of all Scholarship Students funded by AIEF have paid a parental contribution of \$2,000 or less indicating they have a household income of less than \$80,000. This demonstrates that there is a financial barrier for the vast majority of AIEF families to accessing AIEF Partner Schools, which cost \$47,759 per year on average. For all families, their contribution to the school fees goes up according to their household income such that the scholarship from AIEF is only covering the balance of the families' demonstrated financial need.

All Partner Schools noted that AIEF Scholarship Students face a number of other barriers aside from financial barriers. For example, a number of schools shared examples of children who had complex home environments and mental or personal health challenges which impacted on their ability to attend and complete school. These other barriers affect students regardless of their family household income. For instance, under AIEF's Scale of Parental Contribution applied from 2008 – 2018 there had been 12 AIEF Scholarship Students with household income above \$200,000, and these families contributed a much higher amount of the school's fees and AIEF funded much smaller scholarship amounts (in AIEF's current Scale of Parental Contribution eligibility stops at a household income of \$200,000). Apart from the non-financial barriers mentioned above, other reasons those 12 higher income families received scholarships in the past included having large numbers of children in their families, living in areas with higher cost of living, or having lumpy or seasonal incomes which fluctuate significantly from year to year. AIEF Staff explained that a family from a remote community may have a low household income when their child commences on a scholarship and then in a later year when the household income increases AIEF would not want to force the student to leave the school, so the family then contributes a much higher amount to reflect their capacity to pay, and the AIEF scholarship goes down accordingly. This can also occur in reverse when a student commences on a scholarship with a higher household income and the parental contribution goes down in subsequent years when their income falls.

AIEF Staff indicated that the rationale of the Scale of Parental Contribution is similar to the way the Australian Government ABSTUDY funding works, and was introduced by AIEF to avoid penalising working families who were able to secure employment and be good role models. Rather than excluding their children from the opportunity to attend an AIEF Partner School, the means tested Scale of Parental Contribution was introduced to enable their children to be eligible but with the families contributing an appropriate proportion based on their capacity to pay. AIEF Staff indicated that

this approach with a Scale for Parental Contribution is in line with the similar program and Partner Schools.

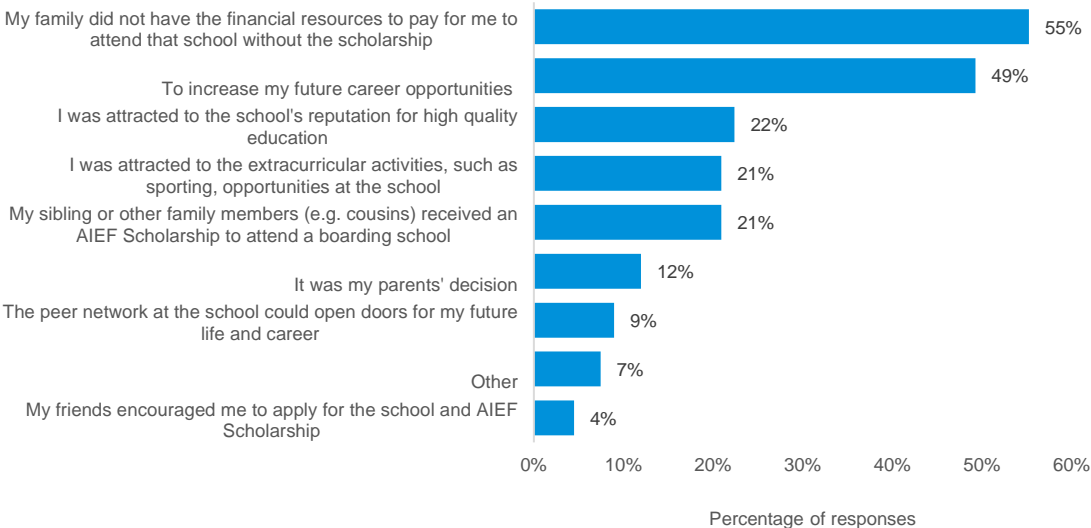
Consultation with Partner Schools highlighted that a number of them had a specific focus on selecting students in the most financial need, beyond the Scale of Parental Contribution. One school used the Scale of Parental Contribution only to address AIEF’s financial need criteria. This means that they did not consider the financial situation of students beyond the Scale of Parental Contribution in their selection process.<sup>24</sup>

Interviews with Partner Schools also outlined that there are a range of approaches to parental contributions. A number of schools expressed that it was very important for families to contribute to school fees to own some part of the enrolment and have a level of autonomy. However, other Partner Schools faced challenges in getting families to contribute, and would cover parental contributions themselves which increased the school’s financial commitment. In one instance, AIEF waived the parental contributions for a student due to extenuating circumstances.

Most Partner Schools agreed that financial barriers were insurmountable for AIEF Scholarship Students and that they would not be able to attend without the Scholarship. For example, schools provided insights that students could not afford text books or internet at home so the fees for the Partner Schools were out of reach.

The majority (63 per cent, N= 37/59) of Alumni survey respondents indicated that one of the key reasons for them applying for an AIEF Scholarship was that their family “did not have the financial resources to pay for me to attend the school without the scholarship”. Chart 5-4 outlines the responses Alumni selected for the key reasons they applied for the AIEF Scholarship.

Chart 5-4: Key Reasons AIEF Alumni Applied for an AIEF Scholarship. N= 67. Note multiple responses were allowed.



Source: AIEF Alumni survey. Response to the question: “What were your, or your family’s key reasons for applying for an AIEF Scholarship to attend your school?”

‘Other’ responses to this question included:

- Partnership with an AIEF Corporate Partner;
- Was offered through school;

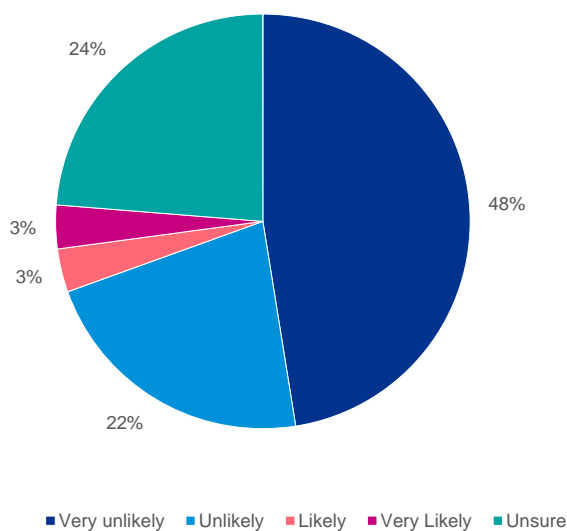
<sup>24</sup> AIEF refers to this approach as a ‘needs-blind’ application, where the admission process does not consider the financial situation of a family but when students are offered a place the families make their means-tested contribution based on their household income so the scholarship only covers demonstrated need. AIEF Staff indicated this ‘needs blind’ application process is increasingly becoming the best practice to address equity in leading schools and universities in the United States.

- My dad died, and I wanted to go to a good school that could give me life experiences; and
- I approached a local leader about opportunities and she was able to put me in contact with AIEF.

Chart 5-5 outlines the AIEF Alumni responses to the question “How likely do you think it is that you would have attended your school without an AIEF Scholarship?” This finding aligns with the AIEF Eligibility Criteria which states that students must be “enthusiastic about attending school” and that the school has sufficient supports in place so that the student is “likely to successfully complete Year 12 at the AIEF Partner School”.

It should be noted that individual AIEF Alumni would have variable levels of knowledge about the financial status of their parents and households and this means that responses to this survey question may not reflect the true likelihood of individuals completing their education at the school they attended in the absence of the program.

*Chart 5-5: Likelihood that AIEF Alumni would have attended an AIEF Partner School without an AIEF Scholarship. N= 59.*



*Source: AIEF Alumni survey. Response to the question: “How likely do you think it is that you would have attended your school without an AIEF Scholarship?”*

In addition to funding for school fees, AIEF Scholarships include \$3,500 a year allowance to contribute towards incidentals such as cost of uniforms, textbooks, extracurricular activities and sport. The incidental allowance is used at the school’s discretion to best meet the student’s needs in getting the most out of the educational opportunity at the school. However, some of the interviewed Partner Schools expressed that even with the AIEF funded contribution to incidentals, some financial barriers remain to AIEF student’s participation in some school activities. In response to these identified gaps some schools have adopted a community fundraising approach to cover these additional costs.

The evidence presented suggests that the AIEF Scholarship Program facilitates access for Indigenous students to attend participating boarding schools by making a financial contribution that, along with ABSTUDY and the inputs from schools, reduces costs to families to send their children to boarding schools of their choice. As described, a place at an AIEF Partner School cost \$47,759 on average in 2018. This amount is almost half of the average household income of AIEF Scholarship Students' families and more than the total household income for 99 AIEF Scholarship Students' families. There is therefore a significant financial barrier for Indigenous students to access AIEF Partner Schools, which the AIEF Scholarship helps to overcome. This was reaffirmed by the findings of the AIEF Alumni survey.

**Finding - to what extent does the AIEF Scholarship Program facilitate access for Indigenous students to attend participating boarding schools?**

AIEF Alumni, AIEF Staff and the majority of Partner Schools thought that financial barriers were insurmountable and that AIEF Scholarship Students would not be able to attend the school without the AIEF Scholarship.

Based on parental contributions in 2018, the median household income for AIEF families in 2018 was in the \$60,000 - \$80,000 bracket. The largest share of AIEF Scholarship Students' families contributed \$400 a year to school fees, indicating that household income was up to \$40,000 per year.

## 5.1.2 Tertiary Scholarships

The average AIEF Tertiary Scholarship amount in 2018 was \$19,324. AIEF also offers an AIEF Tertiary Scholarship of \$3,500 for university materials such as laptops and textbooks, which is awarded on an application and selection process.

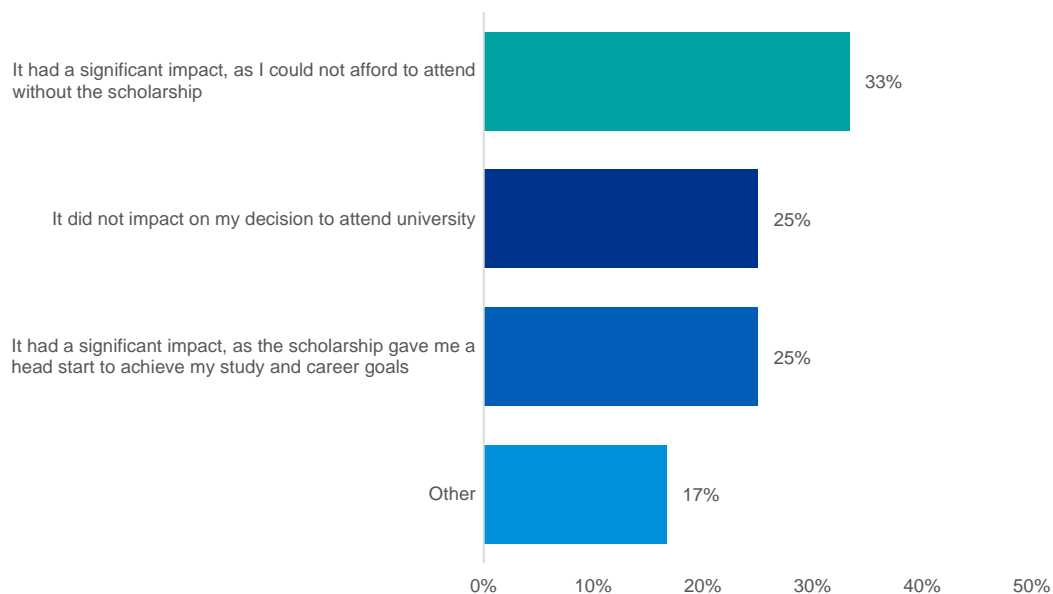
Commonwealth supported places are available for all Australian students to cover tuition fees at university. In addition to tuition fees, students face costs associated with accommodation and living expenses which AIEF Staff estimated could cost \$20,000-25,000 each year. There are a number of support options for Indigenous students attending university, including ABSTUDY support, Youth Allowance, university scholarships, independently funded scholarships and scholarships offered through a range of providers including AIEF.

Given the range of alternate support, scholarships and existing government programs to assist students in accessing university, the financial barriers experienced by AIEF Scholarship Students to university are less pronounced than those many AIEF Scholarship Students and families face in accessing AIEF Partner Schools. Accordingly, the AIEF Tertiary Scholarship is focused on enabling students to remain at university and complete their tertiary studies through accommodation and living expense support.

Results from the AIEF Alumni survey indicated that students felt that they faced financial barriers in attending university. AIEF Staff reported that financial barriers to attending university are compounded by the fact that ABSTUDY funding, which helps students cover the cost of living away from home, does not commence until university starts (typically in late February or early March) meaning that there is a funding gap post-school and pre-university. Further, many AIEF Tertiary Scholarship Students relocate to metropolitan areas for their studies and face increased costs of living relative to their regional or remote home communities and do not have the option of living with their parents.

Chart 5-6 below outlines the impacts that the AIEF Tertiary Scholarship had on AIEF Scholarship Students' decision to attend university. The biggest impact of the AIEF Tertiary Scholarship, as outlined by survey respondents, was that the scholarship "allowed students to attend university who could not have afforded it". However, this response was tempered by a number of respondents who reported that the Tertiary Scholarship did not have an impact on their decision to attend university. This potentially reflects the primary purpose of the AIEF Tertiary Scholarship, which is to enable students to remain and complete university for those who choose to attend.

Chart 5-6: Impact of AIEF Tertiary Scholarship on AIEF Tertiary Scholarship Students' Decision to Attend University. N= 12.



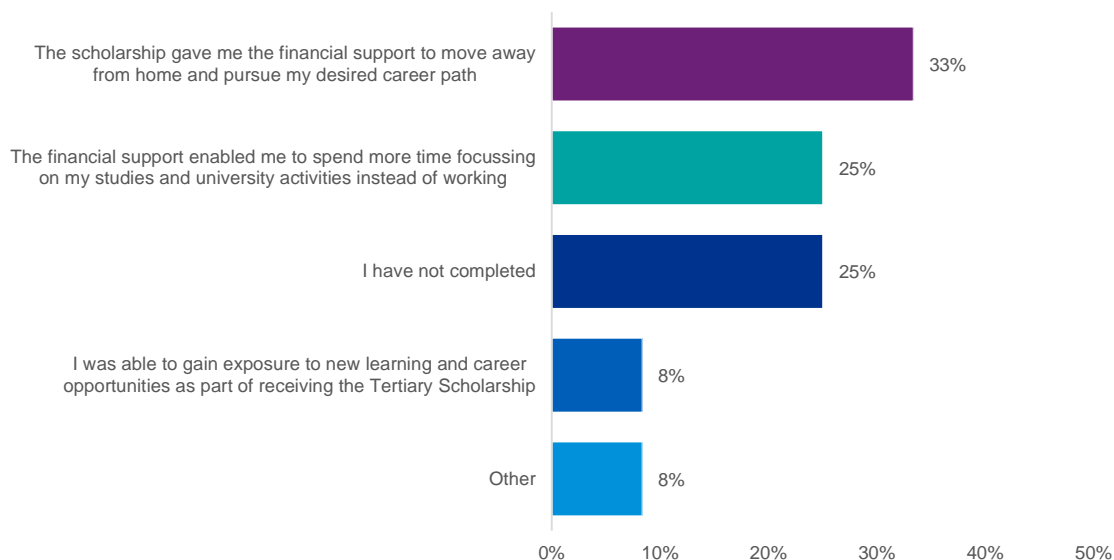
Source: AIEF Alumni survey. Response to the question "How did receiving an AIEF Tertiary Scholarship impact on your decision to attend university?"

Of the respondents who selected 'other' as their response to this question, one respondent indicated that the Tertiary Scholarship had a "Significant impact in assisting my living costs and lowering the stress of high cost [of] living in Sydney". This reaffirms the findings of interviews with AIEF Staff in which staff noted that helping students to overcome financial barriers of living away from home is one of the key drivers for the Tertiary Scholarship Program.

Apart from offering AIEF-funded Tertiary Scholarships, AIEF also has established partnerships with the University of Technology Sydney (UTS), a residential college at the University of New South Wales (UNSW) and with other Corporate Partners.

As outlined in Chart 5-7, the largest impact of the Tertiary Scholarship on completing university reported by the alumni surveyed was that the scholarship gave students the financial support to move away from home and pursue a desired career path. Although only a small sample of Alumni responded to this question, the findings align with interviews with AIEF Scholarship Staff who outlined the key financial barriers that the Tertiary Scholarship seeks to overcome. These included moving away from home, coping with a higher cost of living in cities and allowing students to focus on their studies rather than focusing on finding a job to support themselves.

Chart 5-7: Impact of the AIEF Tertiary Scholarship on AIEF Tertiary Scholarship Students' Completion of University. N= 12.



Source: AIEF Alumni survey. Response to the question "How did receiving an AIEF Tertiary Scholarship impact your decision to complete university?"

Note: The response 'I have not completed' could have been selected due to a range of reasons including that individuals are current students or have transitioned into part-time or full-time employment.

**Finding - to what extent does the AIEF Tertiary Scholarship Program reduce the financial barriers of accessing and completing university?**

Financial barriers differ for tertiary students and are primarily accommodation and living expenses.

Overall, results of the AIEF Alumni survey and interviews with AIEF Staff show that the AIEF Tertiary Scholarship reduces the financial barriers of accessing and completing university. In particular, AIEF Tertiary Scholarships reduce the financial barriers associated with living away from home to attend university by enabling students to focus on their studies rather than working, helping them to independently move away from home and helping students to afford university materials, thereby increasing completion rates.



## 5.2 Accountability of Partner Schools

### 5.2.1 AIEF parent and school-led model

AIEF adopts a parent and school-led model, whereby “schools are responsible for education and pastoral care (enabled through the AIEF Scholarship Program), and AIEF is responsible and accountable for each student’s successful transition to their chosen career after Year 12”.<sup>25</sup> As outlined in AIEF’s 2019 Schools Handbook, AIEF has adopted this model because their experience shows that the prospects for successful student outcomes are greater if:

- Schools have ‘skin in the game’, through their investment in AIEF Programs, including direct ownership of student selection, enrolment, relationships, education and pastoral care. This carries end-to-end responsibility for results and drives continual improvement to produce lasting success.
- Teachers and other school staff are able to implement programs in their own way and are able to frame their Indigenous education initiatives in a way that suits their own unique environment, rather than conforming to the prescriptive requirements of external bodies.

*Schools are best placed to determine students that may be a good fit, whether there are issues on the ground, successes to be celebrated and provide the required level of pastoral care support for each individual student.*

AIEF Partner School.

In practice, this model means that AIEF Partner Schools are responsible for:

- Developing and maintaining relationships with Indigenous families and communities;
- Establishing direct lines of communication with the families and communities of their Indigenous students, to develop a better understanding of each student’s background including strengths and vulnerabilities;
- Identifying, assessing and enrolling Indigenous students;
- Education, pastoral care and cultural activities; and
- Supporting AIEF to deliver the AIEF Scholarship Program and AIEF Pathways Program.<sup>26</sup>

### 5.2.2 Enabling the parent and school-led model

AIEF Staff indicated that the parent and school-led model enable schools to implement Indigenous Education Programs in their own way and that it also enables a direct relationship between the school, families and communities of the students at that school. AIEF recognises that many Indigenous families themselves want to choose a particular school for their children. For this reason, families should have the ability to choose which schools they prefer, and go through the same application and enrolment process as other families. AIEF believes that the direct relationship between the school and the family is the best approach.

AIEF Staff indicated that the parent and school-led model means that applications, enrolment and student selection, education delivery, pastoral care, cultural activities, student safety, health and wellbeing and other things within the school are managed and led autonomously by each school directly with the parents and students rather than from a third party. However, AIEF has set a Scholarship Eligibility Criteria, which includes that students need to be “enthusiastic about attending the school”, have “parents who have demonstrated support and encouragement” and that the school

<sup>25</sup> Australian Indigenous Education Foundation 2019, *2019 Schools Handbook: A practical guide to the AIEF Scholarship Program*, AIEF, Sydney, p. 5.

<sup>26</sup> Australian Indigenous Education Foundation 2019, *2019 Schools Handbook: A practical guide to the AIEF Scholarship Program*, AIEF, Sydney, p. 7.

“has sufficient supports in place so that the students are likely to successfully complete Year 12 at the school.” All Partner Schools interviewed expressed the view that AIEF’s parent and school-led model was the right approach.

Interviews with Partner School representatives also reaffirmed that Indigenous students attend their schools through a variety of means, including full-fee paying families, AIEF scholarships, alternate scholarship providers, school bursaries and privately funded scholarships. AIEF Staff explained that after enrolling a student, each Partner School decides which eligible students they want to put forward for an AIEF scholarship and which they will fund through those other means referred to above. For the students proposed by the schools for AIEF Scholarships, the school submits all the eligibility information to AIEF throughout the year and AIEF pays the scholarship amounts for eligible students directly to the schools at the end of the year. To be eligible for an AIEF scholarship a student must complete their first year at school. AIEF Staff explained that if a student leaves the school before completing their first year the school can rely on contributions from parents, the government ABSTUDY and/or funding from alternate scholarship providers, school bursaries and privately funded scholarships to offset the cost of those students.

One school noted that while the parent and school-led model is their preferred model, it also means that schools take on the responsibility for students who choose to leave, which can put pressure on the school. AIEF indicated that their parent and school-led model has been intentionally designed so that each partnership is a joint initiative with a balanced level of risk-sharing. AIEF Staff explained that the responsibility for students who choose to leave in the first year represents schools having a tangible investment in their enrolment decision and direct ownership over the selection and recruitment process. AIEF Staff indicated that this is due to the fact that AIEF is removed from the selection, education, pastoral care, cultural activities and other things within the school that impact student retention. However, once a student receives an AIEF Scholarship, AIEF covers all scholarship distributions and all students are included in AIEF’s program data forever, whether or not they complete Year 12 or leave before then.

Furthermore, through the parent and school-led model if an Indigenous boarder leaves the school prior to Year 12 completion, the number of Maximum Contracted Places available from AIEF at the school is automatically reduced by that number and that place cannot be refilled without prior written consent from AIEF. This means that schools are not able to refill the AIEF Scholarship place each time there is an attrition. Some Partner Schools explained that there are sometimes instances where schools commit a large amount of resources and support to keeping a student at school but students are determined to leave the school regardless.

Some Partner Schools indicated that they found AIEF’s approach challenging since a one-off loss does not mean that school structures are systemically failing. From AIEF’s perspective, they must consider whether there is sufficient funding capacity to support a new student at the school all the way through to Year 12 before accepting a new ‘replacement’ student. Additionally, AIEF Staff explained that the decision-making process is balanced against other organisational priorities, across the entire cohort (such as gender balance) and other issues such as performance before automatically replacing an attrition at one school with a new student at the same school.

AIEF defines success as student retention and Year 12 completion at an AIEF Partner School followed by a successful transition to productive engagement in further study, employment or other commitments. AIEF has set an organisational benchmark of 90 per cent in relation to retention and Year 12 completion. Most Partner Schools interviewed expressed the view that AIEF’s 90 per cent benchmark was achievable to meet though changes were occasionally experienced. To ensure that successful outcomes continue to be achieved for Indigenous students, AIEF has developed a number of structures to support Partner Schools, which are further outlined in Section 5.2.3. One such support is an Annual Partnership Review to measure and assess program outcomes, and support productive working relationships between AIEF and Partner Schools. AIEF considers a number of key factors as part of the review including the rate of student retention and Year 12 completion, engagement and participation in the Pathways Program and the effectiveness of the relationship between AIEF and the school.

AIEF Staff noted that Indigenous education programs at Partner Schools have continued to evolve and are substantially different to what they were ten years ago, based on the ongoing feedback they have

*The autonomy of AIEF's parent and school-led model is beneficial for the school to have their own processes. A centralised model would not be effective.*

AIEF Partner School.

received from Indigenous students, their families and communities, building on their learnings and greater sharing of experiences among Partner Schools. As such, the majority of Partner Schools maintain retention and Year 12 completion levels well above 90 per cent each year. For Partner Schools that are identified for review, AIEF works closely with them to identify ways that AIEF can better support its Partner Schools, any required adjustments that the school may consider, and to work collaboratively to develop strategies to strengthen programs within those schools.

AIEF Staff shared that there can be a range of reasons that a Partner School experiences a period of lower retention and Year 12 completion including a lower number of applicants, inadequate

resourcing with the school, a change within the Indigenous Education Program such as a sudden increase in Indigenous student numbers, or changes in school staff or leadership. AIEF Staff shared anecdotes of schools who strengthened their program by consolidating the size of their Indigenous programs, strengthening relations with specific Indigenous communities, building on the welcoming cultural environment in the school, or refining their selection, transition and support processes.

If the Partner School continues to experience challenges over a period of time, other strategies that may be implemented include placing a hold on enrolment of new AIEF Scholarship Students whilst the school implements changes to the program, or changes to the number of AIEF places available at the school. If over time it is mutually agreed that the guiding principles originally underpinning the partnership are no longer aligned, the parties may agree to conclude the partnership following Year 12 completion by all students in the current cohort at the school. Since 2008, 11 partnerships between AIEF and Partner Schools have concluded<sup>27</sup> for a range of reasons such as schools deciding to develop their own independently funded Indigenous Education Program, wanting to adopt a different definition of success, or wanting to focus their program strategy in a different way. In a small number of cases an agreement to conclude a partnership may have commenced with a discussion about retention and Year 12 completion rates over a number of years or the remedial measures to be adopted, and agreements to conclude a partnership are initiated by either party.

*The AIEF model is very important to schools and contributes to the success of students completing Year 12. The model is very effective in enabling retention and Year 12 completion, as it means that schools can select students that align with the school's values and can adapt to the boarding school environment.*

AIEF Partner School.

### 5.2.3 Role and Contribution of AIEF Activities to Overall Program Outcomes

Within the parent and school-led model, schools are responsible for delivering the outcomes of school retention and Year 12 completion by providing the supports described in Section 5.2.1 and AIEF have sought to create a framework within which schools can succeed at achieving the program outcomes.

AIEF sets the parameters of the framework for success in the following ways:

1. Selecting Partner Schools that have a proven commitment to Indigenous education and support structures in place for Indigenous students;
2. Setting an eligibility criteria for students applying for the AIEF Scholarship;
3. Regularly engaging with Partner Schools;

<sup>27</sup> In 2018, three of these eleven schools were counted by AIEF as current educational partners, although partnerships have been formally concluded because there continues to be current (zero-funded) AIEF Scholarship Students at the schools.

4. Connecting Partner Schools to facilitate learning from each other;
5. Providing the Compendium of Best Practice to all Partner Schools; and
6. Providing mentoring and career advice to school and tertiary students through the Pathways Program.

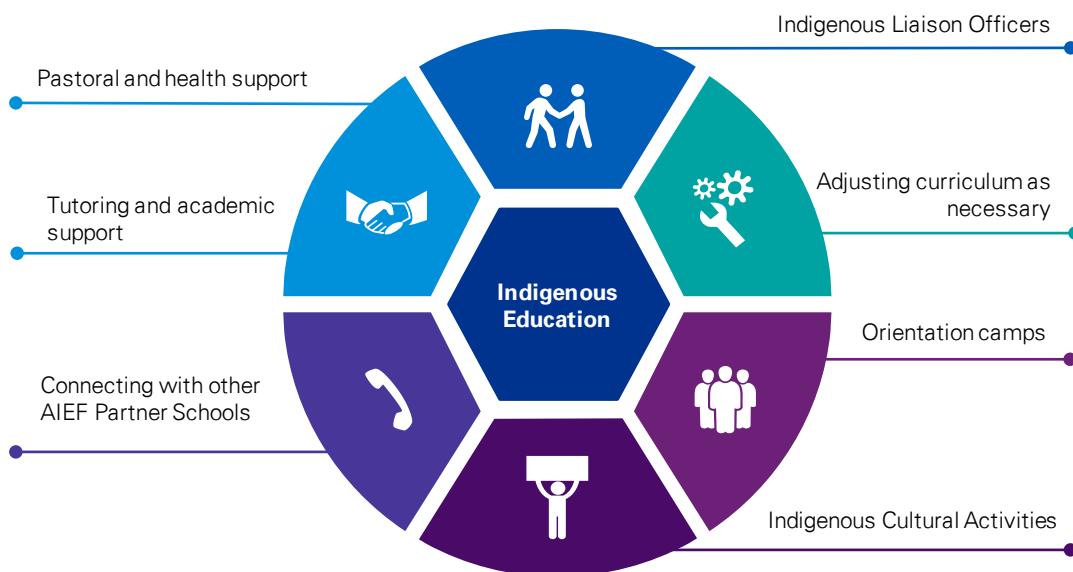
Each of these parameters are explained in further detail below.

## Partner School Selection

AIEF’s approach to selecting Partner Schools is to partner with schools that have a demonstrated commitment to Indigenous education, appropriate student support and pastoral care and their own relationships with Indigenous families and communities.<sup>28</sup> Typically, AIEF is approached by prospective Partner Schools. AIEF partnerships commence with schools that have an established program and AIEF Staff explained that this is a deliberate approach. In forming partnerships, AIEF seeks to support schools to scale up their Indigenous education programs rather than to start-up such programs. AIEF looks for schools that have created culturally inclusive programs and have a track record of success in retention and completion. In many cases, AIEF engaged with potential new Partner Schools over a number of years as the schools developed their Indigenous Education programs.

Examples of how Partner Schools are committed to Indigenous education are outlined in Figure 5-1.

Figure 5-1: Partner Schools Approach to Indigenous Education.



Source: Interviews with AIEF Partner Schools

AIEF’s role in the parent and school-led model is to support individual schools to implement their own responses to Indigenous education in their own way. AIEF ‘sits behind’ the school to provide funding through a direct agreement between AIEF and the school, but is not involved in who is enrolled, how a school is run, delivery of education or pastoral care, or the relationships with families and communities.<sup>29</sup> The school therefore autonomously manages and leads pastoral care, student safety, health and wellbeing for their Indigenous students.

While AIEF does not have a role in the pastoral support that enables success for many students it does consider the level and nature of supports and the overall commitment to Indigenous education when it is assessing prospective Partner Schools and managing the partnership with the school.

<sup>28</sup> Information sourced from AIEF.

<sup>29</sup> Australian Indigenous Education Foundation, Additional Information about AIEF, available at: <http://aief.com.au/cms/workspace/uploads/additional-information-about-aief.pdf>.

## Regular Engagement with Partner Schools

As described in further detail in Section 5.3, AIEF's Scholarship team conduct Partner School visits twice a year in order to stay aware of any local changes to the program or outcomes at Partner Schools. Through these visits, AIEF is able to discuss reasons for changes in attritions, retention and completion rates and offer advice about ways in which to improve outcomes from their experience with other Partner Schools. In addition, Pathways Staff are at schools every term to support delivery of activities under the Pathways Program.

A number of schools also described that they have developed positive working relationships with AIEF over time and they value the approachability and helpfulness of AIEF Staff.

## Connecting Partner Schools

One way in which AIEF helps Partner Schools to improve outcomes is through connections with other Partner Schools who have strong Indigenous education programs. Through this connection, schools are able to share their experiences and approaches which may help other schools to improve retention and completion rates. Through interviews, one school described that AIEF facilitated a connection with another strong-performing Partner School and suggested a different approach to student selection after a challenging period for their program. The interviewees thought that this influence had been positive and constructive and program outcomes had improved markedly as a result.

A number of Partner Schools expressed that they would like the opportunity to connect more often with other Partner Schools. For example, a NSW based school suggested that a forum in which NSW AIEF Partner Schools connected would be useful for schools to share experiences, advice and feedback to AIEF more openly and easily.

## AIEF's Compendium of Best Practice

In 2014, AIEF developed and shared the Compendium of Best Practice for achieving successful outcomes with Indigenous students in Australian boarding schools to share examples of best practice in Indigenous education. The Compendium draws on interviews, surveys and discussions with over 160 educators at more than 50 leading Australian schools and outlines best practice examples for achieving successful outcomes with Indigenous students in Australian boarding schools.<sup>30</sup> The compendium has been shared with all AIEF Partner Schools. AIEF's online community also provides a place for professionals to share knowledge and collaborate to develop best practice approaches.

The majority of Partner Schools interviewed did not currently engage directly or regularly with the Compendium of Best Practice or AIEF's online community. AIEF Staff noted that since the Compendium of Best Practice was developed six years ago, a number of current Partner School staff may not have been in their role when the document was released and therefore may not be aware of it. Furthermore, the AIEF Program has matured and become more established at Partner School over that period which may impact on the usefulness of the Compendium for staff now. AIEF now primarily shares the Compendium of Best Practice with schools that are looking to commence an Indigenous Education Program or are interested in partnering with AIEF. Many schools reported that their approach is informed by AIEF materials with a high level of autonomy in how this is implemented. The schools that engage more regularly with AIEF materials and staff expressed that the main benefits included:

1. Creating networks between schools and students;
2. Having a frame of understanding of what best practice looks like; and

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<sup>30</sup> A. Walsh, AIEF Compendium Shares Indigenous Education Best Practice with Boarding Schools Nationwide, Australian Indigenous Education Foundation, available at: <http://www.aief.com.au/cms/workspace/uploads/150601-lights-out-aief-compendium-shares-indigenous-education-best-practice-with-boarding-schools-nationwide.pdf>.

3. Having research readily available if required.

**Finding - To what extent has AIEF ensured the accountability of Partner Schools in delivering retention and completion outcomes?**

AIEF creates a framework within which schools can succeed at achieving program outcomes by selecting appropriate Partner Schools, setting a student eligibility criteria, engaging and connecting Partner Schools, providing materials such as the Compendium of Best Practice and undertaking an annual review of school outcomes.

AIEF ensures the accountability of Partner Schools in delivering outcomes, which also involves schools taking accountability for attritions.

Schools believed that they are best placed to select students and offer pastoral care support and AIEF's parent and school-led model was preferred by all Partner Schools interviewed.

## 5.3 Retention and Completion

### 5.3.1 School Retention and Completion

Retention is defined by AIEF as "a Scholarship student who is progressing through school towards Year 12 that year (i.e. a student in Year 11 or below who progresses to the next year of schooling at the end of the school year) and completion is defined as "a Scholarship student who completes Year 12 that year (but is not a Repeat).<sup>31</sup>

From 2013 onwards, all of AIEF's program data includes "zero funded students" and "zero shortfall students":

Zero funded students are students who are not eligible for AIEF funding in the relevant year but are still at the school and were eligible and funded by AIEF in a previous year.<sup>32</sup> This could occur if there is a change to a students' ABSTUDY payment, the student moves out of boarding and becomes a day student or if there is an agreed change in the partnership between AIEF and the school. Zero shortfall students are students who have no shortfall in the relevant year. This occurs when an AIEF Scholarship Student was funded by AIEF in a previous year but then in a subsequent year that student has no shortfall due to lower school fees, higher ABSTUDY, a higher parental contribution, other funding available for that student from another source or any other reason that leads to no shortfall that year.<sup>33</sup> These students are counted as retention, completion, attrition or Alum so that AIEF data is able to capture every student who has ever been funded.

*"Receiving an AIEF scholarship was the best thing that ever happened to me and my family. I am the first one in my family to finish school. It opened up my eyes and gave unlimited possibilities"*

AIEF Alum.

This evaluation has adopted AIEF's approach to including zero funded/ zero shortfall students in the analysis of outcomes. From 2013 to 2018, a total of 83 students were zero funded/ zero shortfall in any one of those six years, with a total of 10 students in 2018. Analysis of the data shows that AIEF's outcomes are met regardless of the inclusion of zero funded/ zero shortfall students as a student's schooling experience is unchanged except for the source of funding for school fees.

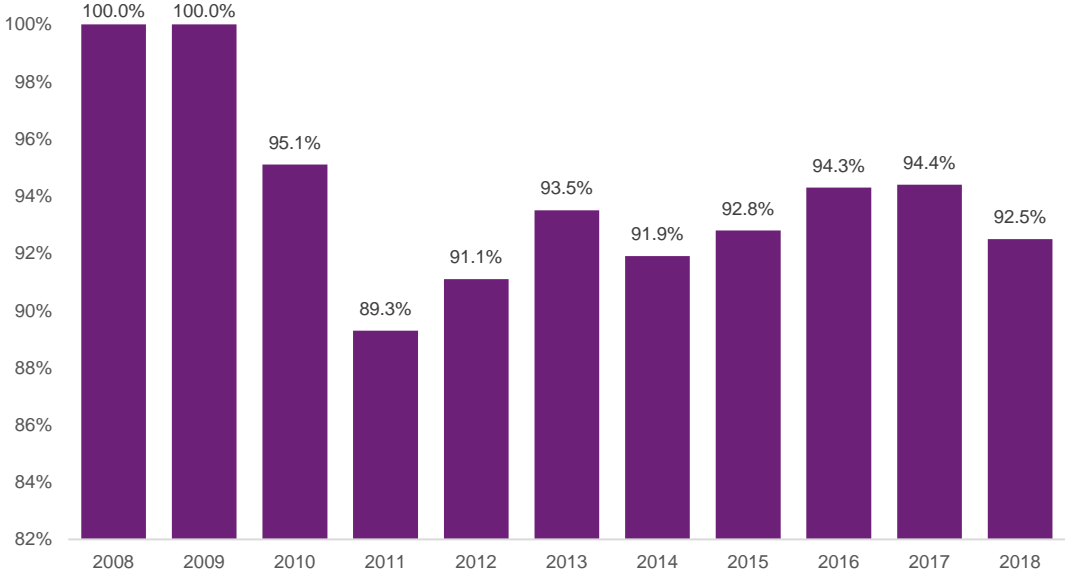
<sup>31</sup> Australian Indigenous Education Foundation, Additional Information about AIEF, available at: <http://aief.com.au/cms/workspace/uploads/additional-information-about-aief.pdf>.

<sup>32</sup> Australian Indigenous Education Foundation, Additional Information about AIEF, available at: <http://aief.com.au/cms/workspace/uploads/additional-information-about-aief.pdf>.

<sup>33</sup> Australian Indigenous Education Foundation, Additional Information about AIEF, available at: <http://aief.com.au/cms/workspace/uploads/additional-information-about-aief.pdf>.

As Chart 5-8 shows, AIEF’s 90 per cent benchmark has been consistently met since AIEF’s establishment in 2008, except for 2011 which was marginally below the target at 89.3 per cent.

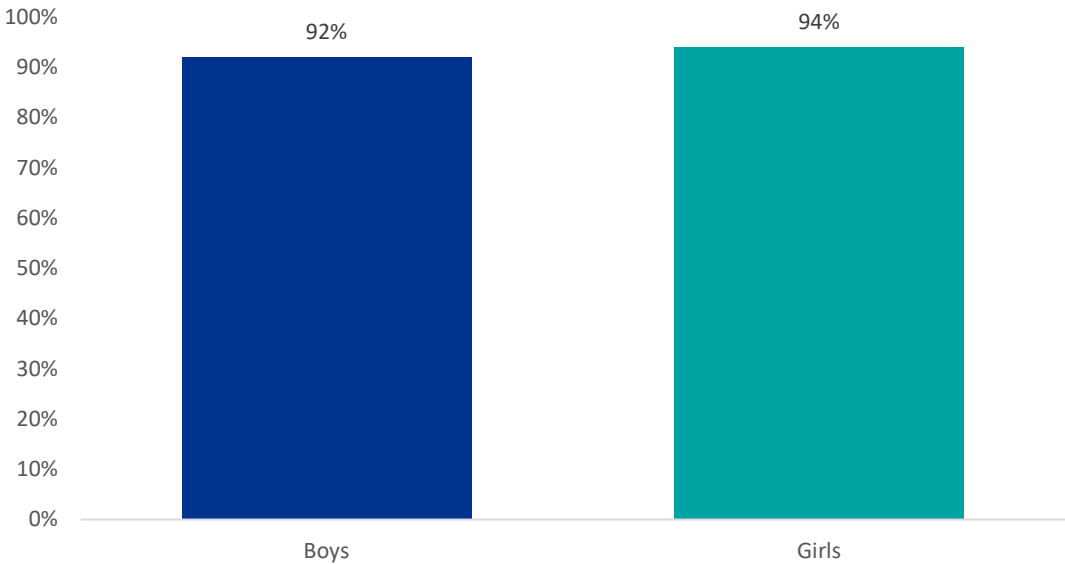
Chart 5-8: Annual Retention/ Completion Rates of AIEF Scholarship Students from 2008-2018. 2008 n= 1, 2009 n= 43, 2010 n=142, 2011 n= 205, 2012 n=292, 2013 n=399, 2014 n= 447, 2015 n= 485, 2016 n= 471, 2017 n= 463, 2018 n= 411.



Source: AIEF Program data 2008-2018

In 2018, there were minor differences in the success rate<sup>34</sup> of AIEF Scholarship Students based on their gender, state and home communities, as shown below. The success rate for girls was marginally higher than for boys in 2018, as shown in Chart 5-9.

Chart 5-9: Success Rate by Gender, 2018. Boys n=263, Girls n=148



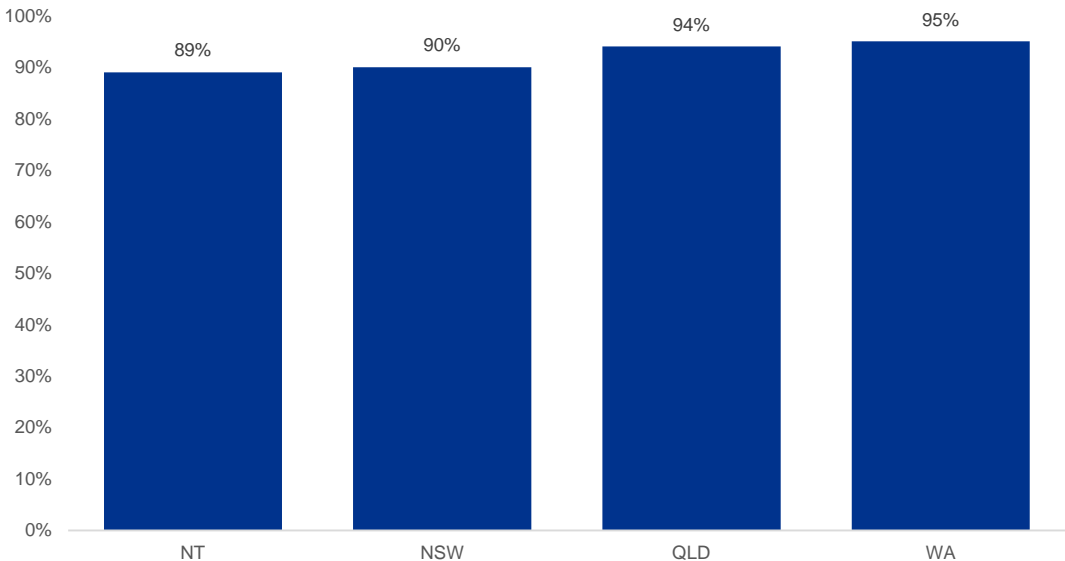
The success rate differed more substantially by state of home community in 2018, as shown in Chart 5-10. The below graph does not report on ACT, SA and VIC since student numbers were less than

<sup>34</sup> Success rate is calculated by adding retentions and completions together and dividing it by the total number of students.



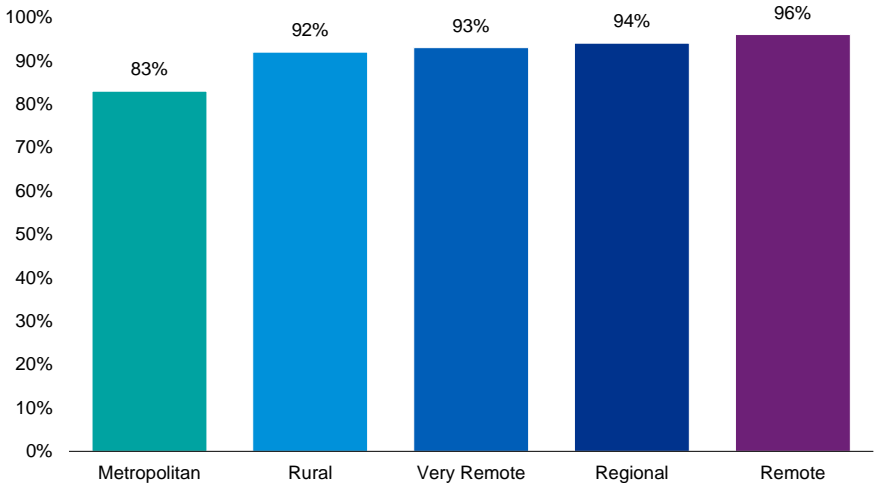
five in each of these states and therefore presented a risk of students being identified. Of the states reported, the lowest success rate was achieved by students from NT while the highest success rates were achieved by students from WA.

Chart 5-10: Success Rate by State of Home Community, 2018. NT n=38, NSW n=130, QLD n=165, WA n=64.



The highest success rate of 96 per cent (n=78/81) was achieved by students from remote home communities, and the lowest success rate of 83 per cent (n=38/46) was achieved by students from metropolitan home communities, as shown in Chart 5-11.

Chart 5-11: Home Community Success Rate, 2018. Metropolitan n= 46, Rural n= 117, Very Remote n= 101, Regional n=66, Remote n=81.



As shown in Table 5-3, retention has varied by school year since 2008, with the lowest average being Year 7 – 8 at 76 per cent and the highest average being Year 11 – 12 at 95 per cent.



Table 5-3: AIEF Retention Rate by School Year, 2008-2018.

	Year 7-8	Year 8-9	Year 9-10	Year 10-11	Year 11-12
NSW	89%	91%	87%	86%	95%
QLD	72%	87%	82%	81%	92%
SA	N/A	N/A	100%	100%	100%
VIC	50%	67%	100%	94%	95%
WA	93%	99%	97%	96%	95%
<b>Average</b>	<b>76%</b>	<b>86%</b>	<b>93%</b>	<b>91%</b>	<b>95%</b>

Source: AIEF Program data 2008-2018

AIEF sets an Eligibility Criteria for student selection, as described in Section 5.2.1. For many schools, AIEF’s Eligibility Criteria is one instrument in student selection and student’s AIEF application forms provide important information.

Partner Schools have developed their own processes for student selection and transition in, including:

1. Personal recommendations from past families and current families;
2. Establishing relationships with students up to two years before commencement;
3. Establishing relationships with specific or local Indigenous communities;
4. Undertaking in-depth interviews with students and families to assess the likelihood of success; and
5. Visiting a student’s home community to meet with families and local staff.

Schools noted that these individual school-based approaches allow schools to broaden their selection criteria so that AIEF Scholarship Students have a range of strengths which will improve their likelihood of retention and completion. A number of Partner Schools also explained that student selection is needs-focused in many instances and noted the importance of selection and transition in of students for retention rates. Multiple Partner Schools have attempted to build relationships with specific rural and remote communities, including Shoalhaven, Enngonia, Bourke, Thursday Island, Northern Queensland and the Central Coast. A number of schools have successfully established relationships with communities and in some instances AIEF has played a role in connecting people and providing contacts for this to occur.

Through interviews, four out of seven Partner Schools interviewed expressed that they prefer to accept AIEF Scholarship Students into years above Year 7 because it is often more challenging for

*“Graduating from school with an AIEF scholarship was a milestone for me. AIEF has helped me develop myself during those years”*  
AIEF Alum.

younger students to move away from home and transition into boarding school. These challenges often impact the retention of students from Year 7. However, one Partner School explained that accepting students in Year 7 enhances the school’s ability to provide support for a longer period of time and from a younger age, which increases the chance of retention and Year 12 completion. The remaining two Partner Schools did not have a preference for student selection and expressed that selection varies based on student characteristics, such as home environment and previous education. The largest proportion of students in Year 12 in 2018 had started in the program in Year 8 or 9, which reflects the view point of the

interviewed schools.

AIEF Staff explained that a number of schools seek to establish connections with children and families in community in the years prior to the children starting secondary school. Multiple Partner Schools reaffirmed this, believing that this approach helps to encourage children to stay at school for the first years of high school and prepare them for the transition to boarding school.

*"I think if I didn't have the AIEF Scholarship I may have not even been able to finish my secondary schooling, but I did finish with the immense support from the team at AIEF, forever grateful"*

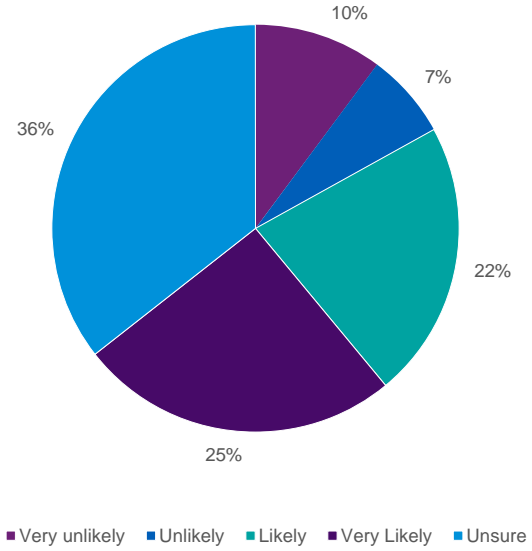
AIEF Alum.

Multiple schools explained that many AIEF Scholarship Students have complex backgrounds and support needs. Some examples of the causes of attrition included divorce and family breakdown, mental and personal health challenges, disciplinary decisions from schools and home sickness. Most accounts of students leaving AIEF Partner Schools reported by AIEF Staff and the interviewed Partner Schools were one-off decisions from students and families. In the interviews undertaken in this evaluation, there was no evidence of widespread issues with schools or the AIEF Program that were impacting retention of completion on the overall cohort of AIEF Scholarship Students in a school. The evaluation did not seek the views of students or families who left AIEF Partner Schools as they have discontinued their connection with the program.

Many schools noted that a high level of individualised pastoral support is necessary to help AIEF Scholarship Students stay and complete school. For example, one school noted the importance of staying in contact with AIEF Scholarship Students over school holidays since some students may find it challenging to return to school. Further, a number of schools expressed a desire to establish a strong cohort of Indigenous students in senior years to provide support to younger students transitioning to boarding schools.

A key eligibility criteria for students to receive an AIEF Scholarship is that students must be "enthusiastic about attending school" and that the school has sufficient supports in place so that the student is "likely to successfully complete Year 12 at the AIEF Partner School". As outlined in Chart 5-12, findings of the AIEF Alumni survey align with this criteria.

Chart 5-12: Likelihood that AIEF Alumni would have Completed Year 12 without an AIEF Scholarship. N= 59.



Source: AIEF Alumni survey. Response to the question: "How likely do you think it is that you would have completed Year 12 if you had not received an AIEF Scholarship?"

*"It has had a massive impact because it gave me the opportunity to receive a high quality education which I never would have been able to receive without the scholarship"*

AIEF Alum.

### Finding - What are the retention and school completion rates for AIEF Scholarship Students?

AIEF Scholarship Students are achieving the AIEF-set retention and school completion benchmarks. The retention and completion rates have varied over time, but have consistently stayed above 90 per cent since 2008, with the exception of 2011 when it was 89.3 per cent.

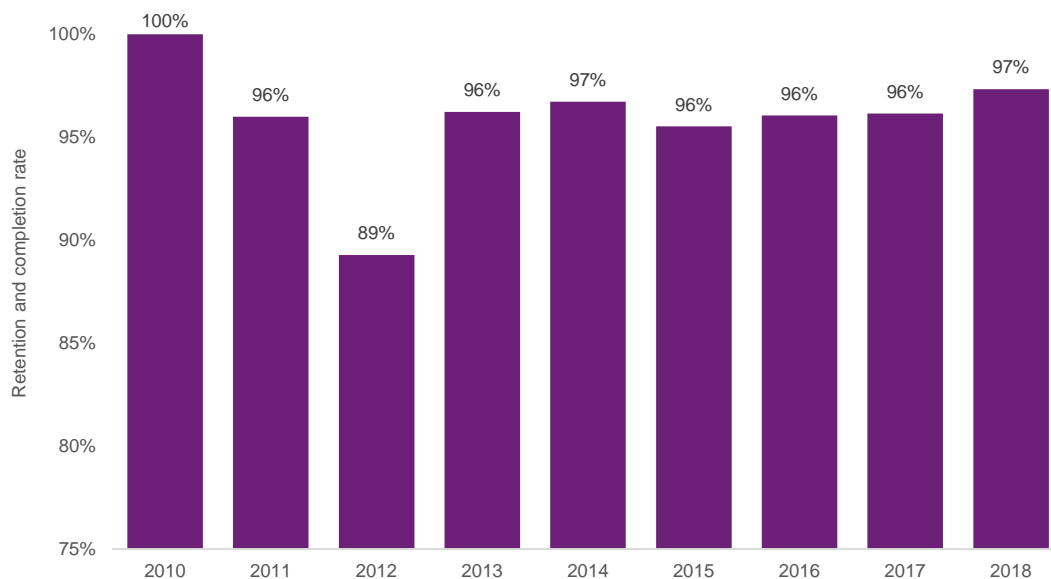
## 5.3.2 University Retention and Completion

As outlined in Section 5.1.2, AIEF Tertiary Scholarships focus on the retention and completion of students at university. Aside from financial barriers, prospective university students also face non-financial barriers which impact their potential to stay and complete university. Some of these barriers include navigating the university context and the new expectations associated with this, relocating to new places and understanding which scholarships are available.

AIEF Staff who were interviewed explained that the benchmark for tertiary retention and completion is also 90 per cent and that students must make satisfactory academic progress as part of the conditions of the scholarship.

AIEF Tertiary Scholarship Students have been consistently achieving above 95 per cent retention and completion since the program started in 2010, except in 2012 (when it was 89.3 per cent), as shown in Chart 5-13.

Chart 5-13: AIEF Tertiary Retention and Completion Rates, 2010 - 2018. 2010 n=14, 2011 n= 25, 2012 n=28, 2013 n=53, 2014 n= 61, 2015 n= 67, 2016 n= 76, 2017 n= 78, 2018 n= 75.



Source: AIEF Program data 2008 – 2018

In order to support AIEF Tertiary Scholarship Students to achieve the 90 per cent retention and completion rate, AIEF indicated that they offer ongoing monitoring, referral and career support through the AIEF Pathways Program. Students may be referred to tutoring support, work with an Advisor through a performance or career plan or maintain contact a few times a year dependent on their needs and plans post university. AIEF Staff indicated that AIEF requires AIEF Tertiary Scholarship Students to "make satisfactory academic progress" which is often determined by the university's academic standards. For students not meeting this benchmark, AIEF occasionally puts students on probation until their marks improve. During a period of probation, AIEF may link students into supports and employment, ask questions about the fit of the degree, suggest fewer subjects or a longer-time period to complete the degree.

**Finding - What are the retention and university completion rates for AIEF Scholarship Students?**

AIEF Tertiary Scholarship Students are surpassing the AIEF set retention and completion benchmarks and in 2018 the retention and completion rate was 97 per cent. These rates have been over 95 per cent in all years except 2012, when a retention and completion rate of 89.3 per cent was achieved.

## 5.4 Career Outcomes

A key objective of the AIEF Program is that AIEF Scholarship Students make a successful transition from school to further studies or employment, productive careers and fulfilling lives. In order to measure this AIEF collects data on all Alumni, which includes information such as:

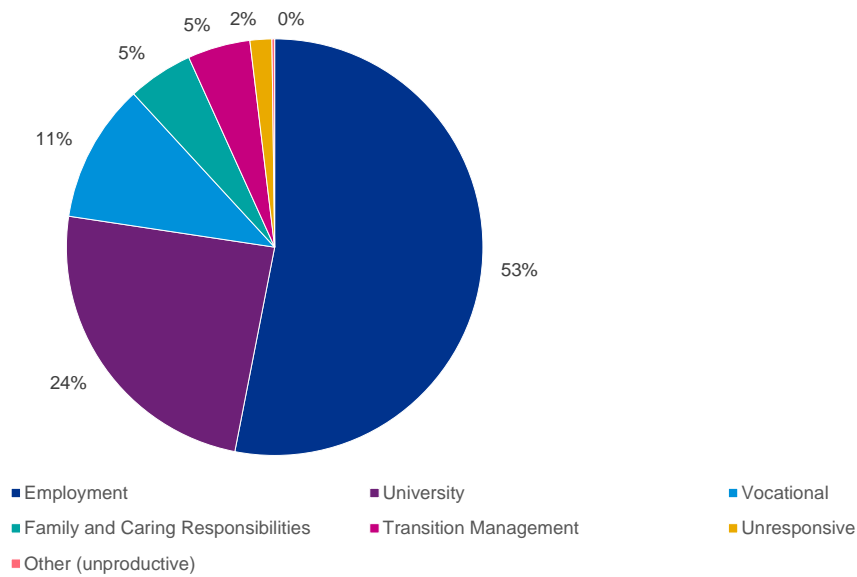
- Year completed Year 12;
- Current career status;
- Name of university/ TAFE/ employer;
- Details of Qualification or Role;
- Industry; and
- Whether Alumni are located in Home Community.

AIEF collected data for 473 School Alumni from 2009 – 2017 and for 31 Tertiary Alumni from 2011 – 2018. AIEF's data on Tertiary Alumni captures fewer individuals than the AIEF School Alumni data since the Tertiary Program has not been established as long and therefore fewer students have graduated. Furthermore, there are significantly fewer Tertiary Scholarships compared to the number of secondary school scholarships.

Chart 5-14 shows the breakdown of post-secondary pathways for all AIEF Scholarship Students from 2009 – 2017. The chart shows that the majority of AIEF Alumni (53 per cent, n= 250/473) are currently employed, followed by 24 per cent (n= 115/473) undertaking tertiary studies. Less than 10 per cent are not employed or studying, or engaged in family or caring responsibilities. This demonstrates that AIEF is achieving their outcome of enabling students to successfully transition into career pathways.

Transitional management is defined as an AIEF Alum who is not currently Productively Engaged and is being provided specialised targeted assistance by AIEF to support their transition to further education or employment.

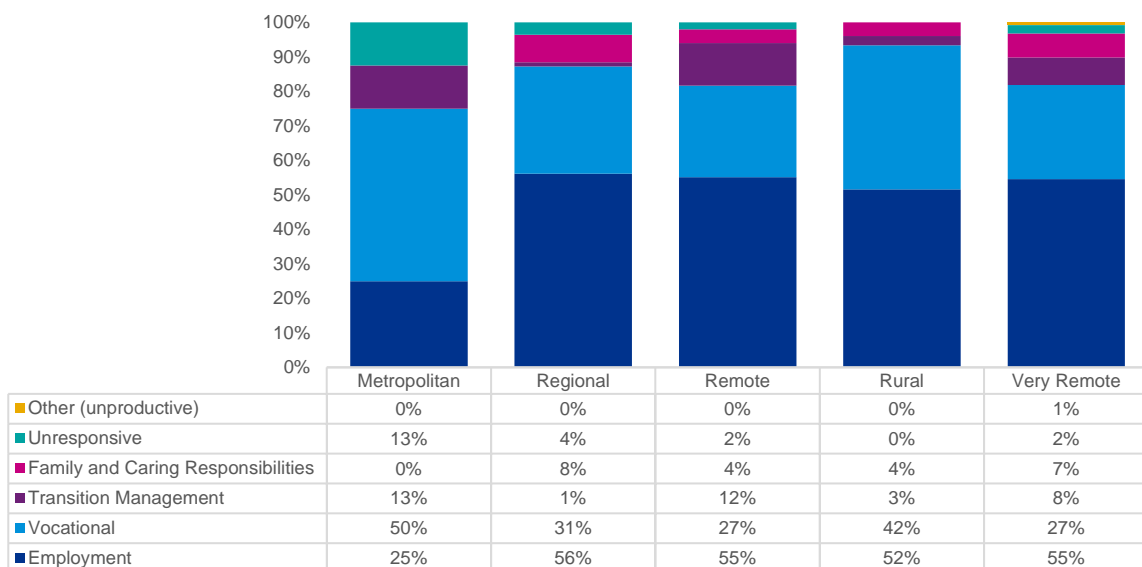
Chart 5-14: Current Career Status of AIEF Alumni, 2009 - 2017. N= 473.



Source: AIEF Alumni data 2009 – 2017

The below chart shows that current career status of AIEF Alumni from 2009 – 2017 differs based on the remoteness of participants’ home communities. The highest proportion of AIEF Alumni in employment are from remote and very remote home locations (55 per cent), while the largest proportion of alumni in vocational studies<sup>35</sup> are from metropolitan home locations (50 per cent).

Chart 5-15: Current Career Status of AIEF Alumni based on Remoteness of Home Community. Metropolitan n=8, Regional n=84, Remote n=49, Rural n=153, Very Remote n=124.



Source: AIEF Alumni data 2009 – 2017

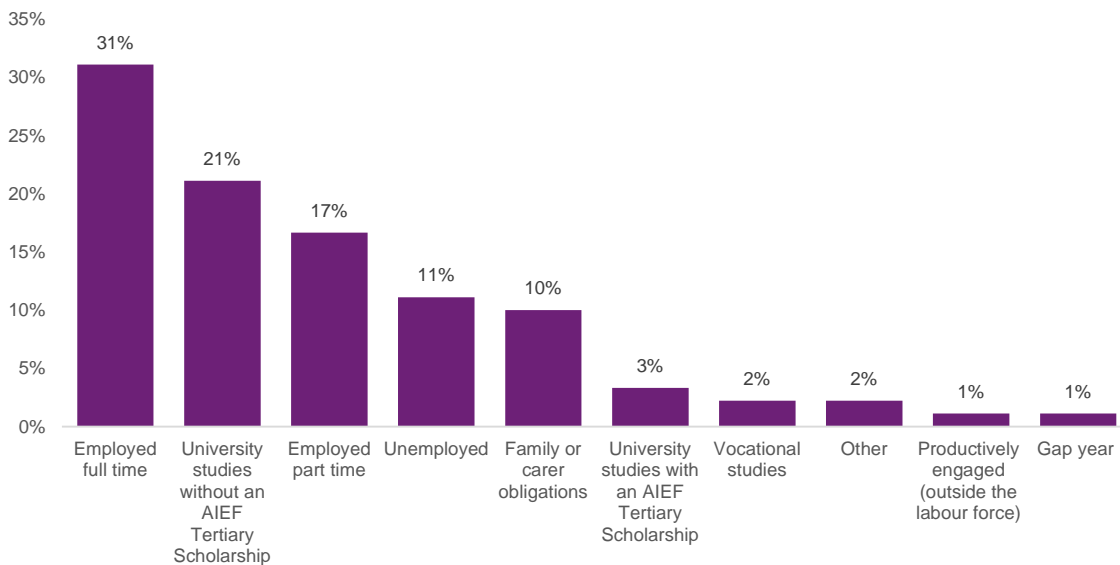
<sup>35</sup> Vocational studies includes university, TAFE, apprenticeships, traineeships and Registered Training Organisations.

AIEF data on Tertiary Alumni shows that 97 per cent (n= 30/ 31) are employed and industries of employment include engineering, medicine, legal, professional services, energy, mining and resources. Only a small proportion (six per cent n= 2/ 31) of Tertiary Alumni are located in their Home Communities.

*"AIEF had offered me many different opportunities for my career choice which my home town could not".*  
AIEF Alum.

As part of the evaluation, a survey was sent to all AIEF Alumni, with 80 completed responses received. While the feedback by respondents provides valuable insights on the AIEF Program, it should be noted that their views and experiences may not be reflective of the full alumni cohort and are point in time, e.g. current employment status. Of the School and Tertiary Alumni who responded to the AIEF Alumni survey, most were employed full-time, part-time or undertaking university studies, as shown in Chart 5-16.

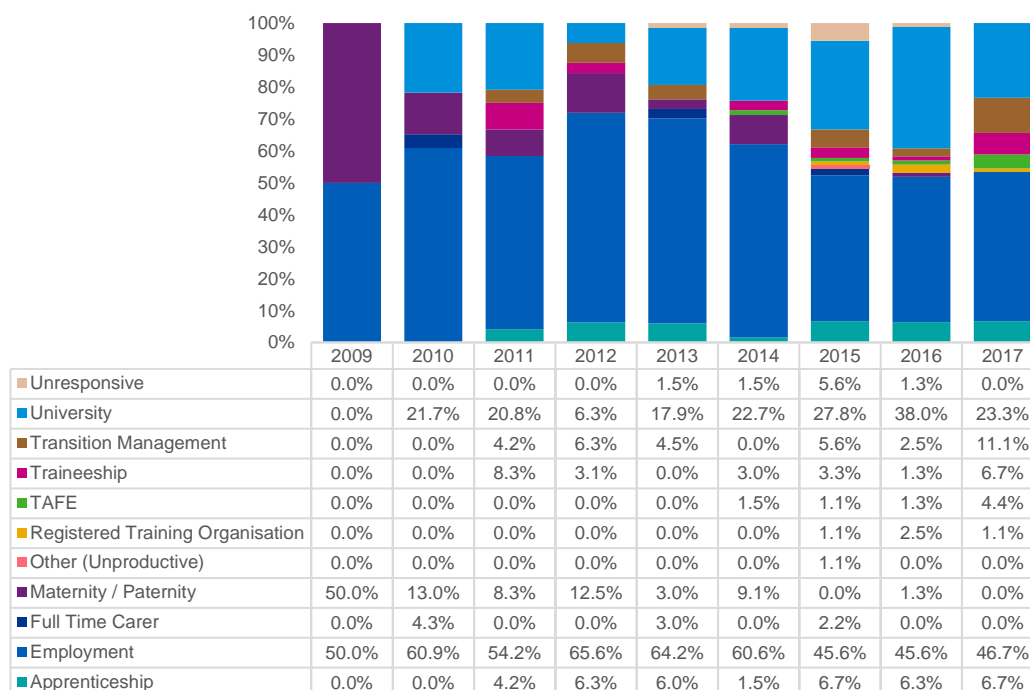
Chart 5-16: Post-School Status of AIEF Alumni Survey Respondents. N=90.



Source: AIEF Alumni survey. Response to the question: Which of the following best describes your current post-school status?"

Current career status for AIEF Alumni from 2009-2017 differs depending on the year that they graduated Year 12, as shown in Chart 5-17. The main career status for the two 2009 graduates is employment and maternity/paternity roles while the main career status for the ninety 2017 graduates is employment and university. The proportion of AIEF Alumni in employment and at university is relatively similar across all years of graduation while the proportion of Alumni who are acting as primary carers of children is higher for years prior to 2014, reflecting their older age and greater likelihood of having children.

Chart 5-17: Current Career Status of AIEF Alumni 2009-2017, based on Year of Year 12 Completion. 2009 n=2, 2010 n=23, 2011 n=24, 2012 n=32, 2013= 67, 2014 n=66, 2015 n=90, 2016 n=79, 2017 n=90.



Both AIEF Alumni data and the AIEF Alumni survey show that AIEF Alumni are employed in a diverse range of industries, including education, sports and recreation, defence, government and emergency services and creative arts.

The AIEF Alumni data shows that post-school pathways vary based on the level of education completed by AIEF Scholarship Students. The main employment pathway for students who complete Year 12 as their highest level of attainment is Accommodation and Food Services, followed by Construction, Manufacturing and Transport, Postal and Warehousing. The most common pathway for students who complete vocational education is Construction, followed by Mining. The most common pathway for students who complete tertiary education is Health Care and Social Assistance, followed by Arts and Recreation Services and then Financial and Insurance Services and Professional, Scientific and Technical Services.

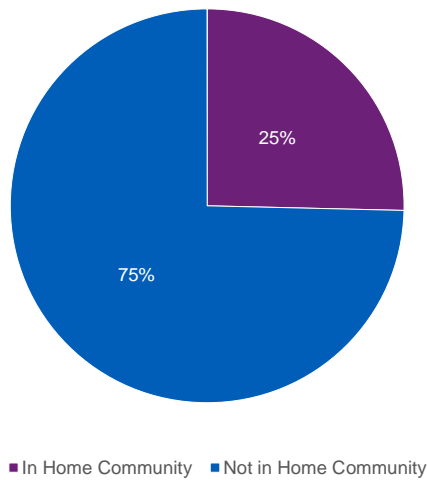
*"AIEF has changed my life, the opportunities it has given me are far beyond anything I could have been offered at home".*

AIEF Alum.

A substantial proportion (25 per cent, n= 120/473) of AIEF Alumni have returned to their home community, as shown in Chart 5-18. However, the vast majority of Alumni have not returned to their home community after finishing school.<sup>36</sup>

<sup>36</sup> AIEF Alumni may not have returned to their home community for a range of reasons, including that they could be attending university or that they are employed away from their home community.

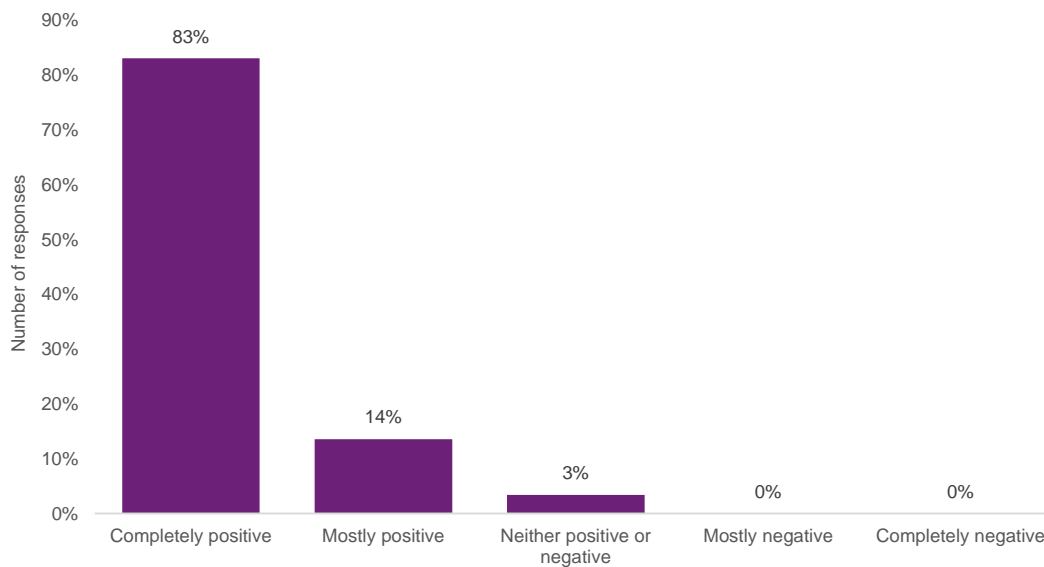
Chart 5-18: Proportion of AIEF Alumni Living in their Home Community. N= 473.



Source: AIEF Alumni data, 2009 – 2017

Data from the AIEF Alumni survey showed that 97 per cent of AIEF Alumni overwhelmingly believed that the impact of attending the Partner School on their education, future career and life was 'completely positive' or 'mostly positive', as shown in Chart 5-19. No respondents indicated that the impact had been mostly or completely negative.

Chart 5-19: Impact of Attending a Partner School on AIEF Alumni. N= 59.





Source: AIEF Alumni survey. Response to the question: "Thinking about the impact that attending your school (on an AIEF Scholarship) had on your education, future career and life, how would you categorise these impacts"

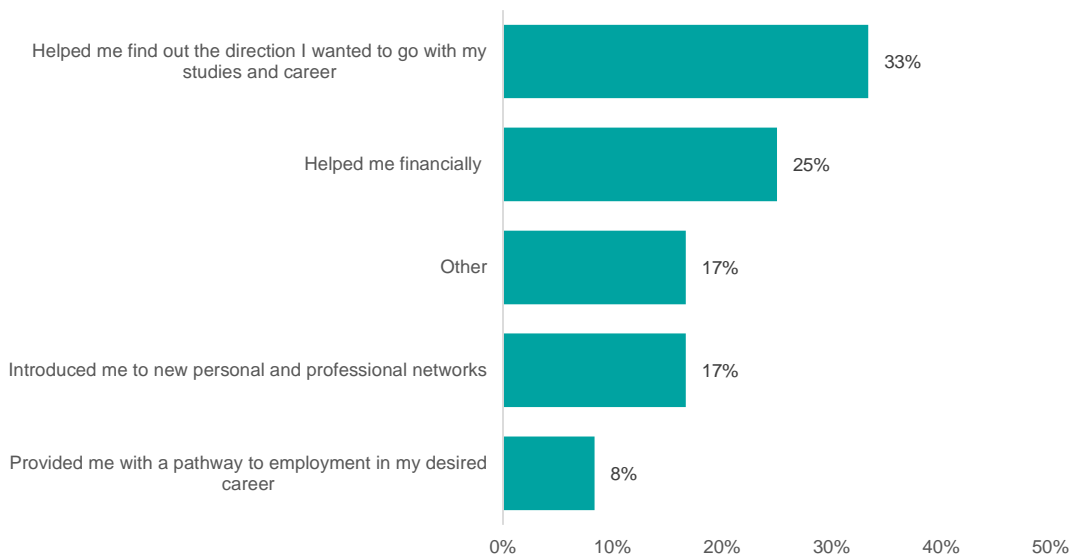
Qualitative analysis from the AIEF Alumni survey also showed that AIEF Scholarship Students felt that the Scholarship opened up post-school pathways that may not have been available in their home community.

AIEF Tertiary Alumni also thought that the Tertiary Scholarship had a number of impacts on their career pathway. The top impact selected was that the Scholarship "helped me find out the direction I wanted to go with my studies and career", as shown in Chart 5-20.

Chart 5-20: Impact of the Tertiary Scholarship on AIEF Alumni Career Pathway. N=12.

*"I grew up in place where university wasn't really talked about. I guess it opened my eyes a bit in the way that there was more kids out there like me, open to ideas of different life/career paths".*

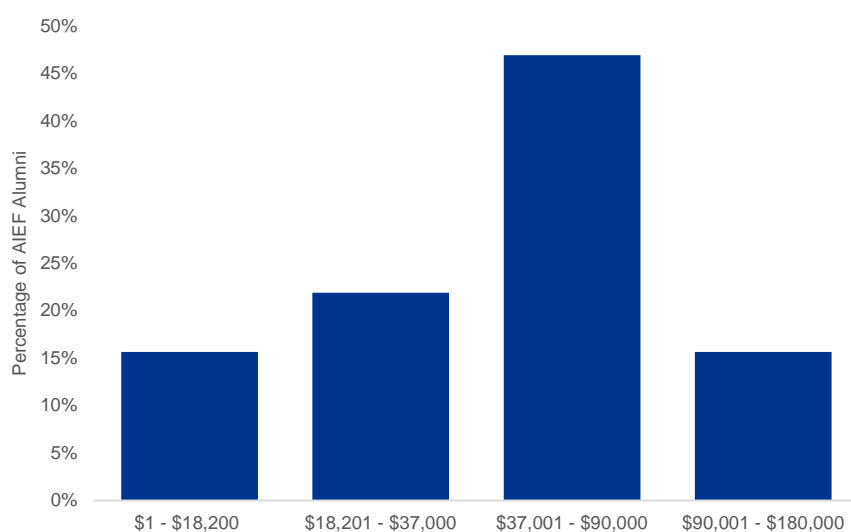
AIEF Alum.



Source: AIEF Alumni survey. Response to the question: "What was the impact of this (the Tertiary Scholarship) on your career pathway? Please select the most important impact"

The largest proportion of AIEF Alumni who responded to the survey reported earning \$37,001 – \$90,000 annually, as shown in Chart 5-22. The below chart is made up of 66 per cent full time workers and 34 per cent part-time workers.

Chart 5-21: Approximate Annual Income of AIEF Alumni. N= 32.



Source: AIEF Alumni survey. Response to the question: If you are working, what is your approximate annual income?

Some examples of the dominant sectors of employment for each income bracket are outlined in Table 5-4. This information was provided by School Scholarship and Tertiary Alumni in the AIEF Alumni survey.

Table 5-4: Dominant Sector of Employment by Annual Income, based on AIEF Alumni Survey Responses.

*“AIEF gave me the opportunity and education that I needed in order to fulfil my dream as a police officer”.*

AIEF Alum.

Annual approximate income	Number of Alumni	Dominant sectors of employment
\$1 - \$18,200	5	<ul style="list-style-type: none"> <li>• Health and Health Science;</li> <li>• Hospitality and Tourism; and</li> <li>• Construction.</li> </ul>
\$18,201 - \$37,000	7	<ul style="list-style-type: none"> <li>• Sports and Recreation;</li> <li>• Construction; and</li> <li>• Administration and Office Support.</li> </ul>
\$37,001 - \$90,000	15	<ul style="list-style-type: none"> <li>• Education;</li> <li>• Government and Emergency Services; and</li> <li>• Sports and Recreation.</li> </ul>
\$90,001 - \$180,000	5	<ul style="list-style-type: none"> <li>• Energy, Mining and Resources;</li> <li>• Legal; and</li> <li>• Defence.</li> </ul>

**Finding - What are the transition outcomes for AIEF Scholarship Students who have completed Year 12?**

**What are the transition outcomes for AIEF Scholarship Students who have completed tertiary education?**

Most AIEF Alumni are employed or in further study. The majority of AIEF Alumni (53 per cent) are currently employed and 24 per cent are undertaking tertiary studies. A further 11 per cent are in vocational education and 5 per cent are productively engaged in family or caring responsibilities.

Post-school pathways in terms of industries of employment vary based on the level of education completed by AIEF Scholarship Students. 25 per cent of school alumni have returned to their home community.

Almost all (97 per cent) tertiary alumni are employed. Industries of employment include engineering, medicine, legal, professional services, energy, mining and resources.

6 per cent of tertiary alumni have returned to their home community.

## 5.4.1 Contribution of Pathways

The AIEF Pathways Program supports AIEF Scholarship Students while at school to prepare for their transition from Year 12 into further education and careers, and provide ongoing career support after they leave school.

The AIEF Pathways Program aims to:

1. Prepare AIEF Scholarship Students for their careers while they are at school;
2. Support AIEF Scholarship Students with one-on-one career support as they make the transition from their education to their careers; and
3. Monitor and track students' career progression and provide ongoing career support as needed.<sup>37</sup>

*"It (the AIEF Scholarship and Pathways Program) had a significant impact on my life in the sense that without the higher level education I received I would not have the career opportunities I have today".*

AIEF Alum.

<sup>37</sup> Australian Indigenous Education Foundation, Additional Information about AIEF, available at: <http://aief.com.au/cms/workspace/uploads/additional-information-about-aief.pdf>.

The range of activities offered as part of the Pathways Program are outlined in the below figure.<sup>38</sup>

Figure 5-2: Pathways Program Activities.



Source: AIEF.

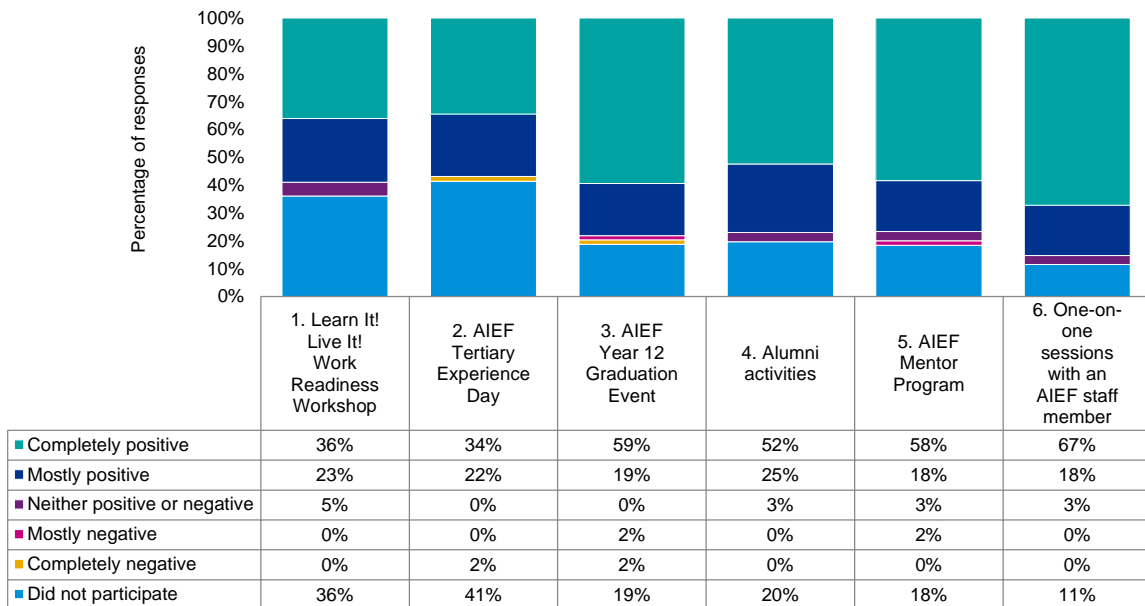
The majority of Alumni who responded to the AIEF Alumni survey believed that most pathways activities had either a “completely positive” impact on their decision to pursue further education or employment, as shown in Chart 5-22.

*“Without AIEF I wouldn’t have been given the opportunities to get a quality education and a chance to be someone successful, in a field of work that I felt passionate about”.*

AIEF Alum.

<sup>38</sup> AIEF provided information.

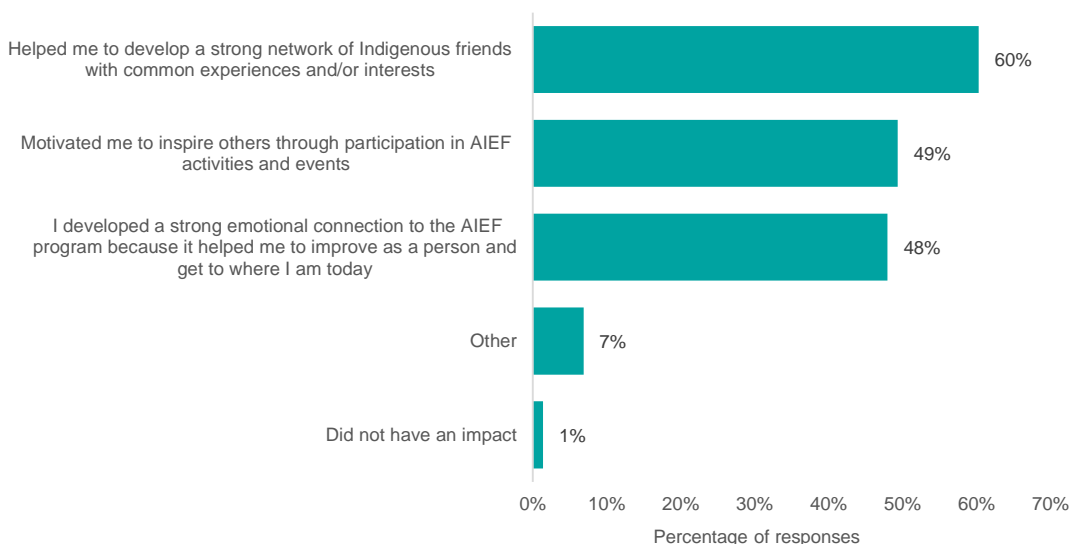
Chart 5-22: Impact of Pathways Program Activities on AIEF Alumni's Decisions to Pursue Further Education or Employment. Activity 1 n= 61, Activity 2 n= 58, Activity 3 n= 64, Activity 4 n= 61, Activity 5 n= 60, Activity 6 n= 61.



Source: AIEF Alumni survey. Response to the question "What impact did these Pathways Program activities have on your decision to pursue further education or employment?"

A number of Partner Schools highlighted the benefit for AIEF Scholarship Students to have a network of students in comparable situations who have had similar experiences moving away to boarding schools from Indigenous communities. AIEF Alumni agreed that the Pathways Program impacted their connection with AIEF and other Indigenous students, as outlined in Chart 5-23 below. The largest proportion of responses was that the Pathways Program "helped me to develop a strong network of Indigenous friends with common experiences and/or interests".

Chart 5-23: Impact of the Pathways Program on AIEF Alumni.



Source: AIEF Alumni survey. Response to the question: "What impact did these Pathways Program activities have on your connection with AIEF and other Indigenous students? - Multiple Choice allowed"

'Other' responses to the question of the impact of the Pathways Program activities on Alumni's connection with AIEF and other Indigenous students included:

- "Good time to bond with others";
- "Allowed me to meet and share stories and the struggles that we faced being so far away from home and our families, AIEF became my family";
- "Helped me become better";
- "Showed me to stay focussed on life goals"; and
- "Assisted in the development of a strong support network".

However, some Partner Schools interviewed expressed the view that there was room for improvement in the Pathways Program. They expressed that there is a gap in the support provided by the Pathways Program between school and university, which may impact the ability of the program to enable the transition to further study. The gap identified by some of the Partner Schools related to funding and accommodation for students to attend tertiary open days and orientation events and support for students to complete administrative tasks and paperwork in the gap between school and university. For example, not all AIEF Scholarship Students have access to internet or computers in their home communities which may be required to complete application and enrolment processes.

In these instances, Partner Schools indicated that they played a key role in facilitating transitions to work or study after school completion. This is done through providing advice, accommodation, financial support and connections with opportunities. One school called for greater clarity from AIEF regarding the roles of schools and AIEF in the interim period between school and university. AIEF noted that schools may not have all of the information about what their former students are doing following Year 12 completion. Importantly, this evidence only relates to selected experiences of schools and students where these issues came to the attention of those schools. The evaluators do not have evidence about how wide spread this issue is or what impact (if any) it has on whether students attend further education or transition to work, but it does seem to be a challenge some schools are grappling with in some circumstances.

*"My AIEF Mentors were always someone I could turn to for help when I was in school with my assessment. Even when I finished school and moved away from home AIEF helped me search for jobs."*

AIEF Alum.

*"Made me more confident on decision making, socialising and develop strong leadership qualities. And guiding me to reach my goals".*

AIEF Alum.

Some of the interviewed schools also suggested improvements could be undertaken to the mentoring program with one suggesting there is a disconnect between students and professional mentors. Some interviewed schools have experienced instances in which mentors are not present at sessions and mentors failing to provide reporting and feedback on their sessions to the school. In contrast, other schools interviewed expressed positive feedback about the Pathways

Program. For example, one school noted that the Tertiary Experience Day provides students with a one-on-one opportunity to find out about university and that this is not something that the school would be able to organise independently.

Six out of 18 Tertiary Scholarship students responded that they had not participated in Pathways Program activities. However, the highest number of AIEF Tertiary Scholarship Students responded that they have taken part in one-on-one sessions with an AIEF Staff member. Of the 11 responses to the question "What impact did these Pathways Program activities have on your decision to pursue further education or employment? - One-on-one sessions with an AIEF Staff member", eight responses were 'completely positive' and three were 'mostly positive'.

**Finding - To what extent does the AIEF Pathways Program enable transitions to work or study after school completion?**

**To what extent does the AIEF Pathways Program enable transitions to work or further study after tertiary completion?**

School scholarship alumni who had taken part in Pathways Program activities primarily thought that the activities had either a 'mostly positive' or 'completely positive' impact on their decision to pursue further work or education.

AIEF Alumni also expressed that the program activities also had positive impacts on their leadership skills and confidence.

School and Tertiary Alumni both expressed that the Pathways Program had a positive impact on enabling transitions to work or study after university.

Tertiary Scholarship Students thought that the impact of one-on-one AIEF Staff members on their decision to pursue further education or employment was either 'mostly positive' or 'completely positive'.

## 5.5 Other Impacts

Interviews with Partner Schools and analysis from the Alumni survey have highlighted a number of other impacts associated with the AIEF Scholarship and Pathways Programs. All other impacts described were positive for AIEF Scholarship Students, families or school communities. The most commonly reported other impacts are outlined below.

### Increased understanding and knowledge about Indigenous culture

The most prevalent other impact described by Partner Schools was the positive impact of having AIEF supported Indigenous students in their school for the broader school community's understanding of Indigenous culture. Schools described the positive impact of AIEF Scholarship Students' involvement in school activities, such as leading cultural assemblies, presenting at NAIDOC week and educating peers about Indigenous culture, stories and traditions. Some schools also provided examples of children going to visit Indigenous students' home communities during school holidays, which contributed to their cultural understanding and sensitivity. Schools also acknowledged the positive impacts of Indigenous and non-Indigenous students being peers, together in the same classroom or school as a way of breaking down barriers.

*"Indigenous students not only face financial barriers but also social barriers. The AIEF Scholarship has raised eyes and lifted the heads of people in communities who may return and are actively making change. The hope is that these people will be able to fund their own children to go to school after this opportunity."*

AIEF Partner School.

### Involvement of Indigenous parents and families

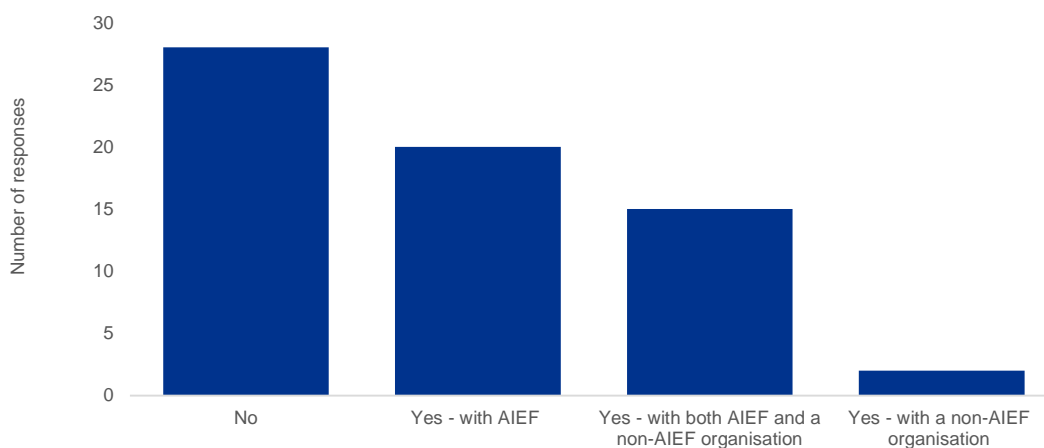
Partner Schools expressed that student participation in the Scholarship Program also created opportunities for their families to become involved in the school community. Some schools interviewed expressed that parents and families are very interested in these opportunities and have become involved in fundraising for the Scholarship Program. Another example of involvement provided by a Partner School was a Skype based parent book club that was set up for parents and families of AIEF Scholarship Students.

Furthermore, one family members’ participation in the AIEF Program often creates opportunities for siblings to become involved as well. Schools interviewed described that it is common for AIEF Scholarship Students’ siblings to attend the same school. One respondent to the Alumni survey also stated: “Thank you, this opportunity has improved and changed the entire direction of my life and the opportunities available to me. It has also created a ripple effect within my family”. One school interview participant described positive outcomes for family members of an AIEF student—with siblings who did not attend the AIEF Partner School seeking out work and study opportunities, inspired by the AIEF Scholarship recipient.

### Participation in community and leadership activities

A further other impact of the AIEF Program is that alumni become involved in community and leadership activities after finishing school. In a number of instances, this involvement continued through AIEF. A number of alumni also responded that they have participated in community or leadership activities, as shown in Chart 5-24.

Chart 5-24: AIEF Alumni Participation in Community or Leadership Activities. N= 65.



Source: AIEF Alumni survey. Response to the question: “Have you participated in any Alumni events, mentoring or speaking opportunities or any other community or leadership activity?”

#### **Finding - Have there been any other impacts of the programs for students, communities or schools?**

A number of other positive impacts were reported by AIEF Staff, AIEF Alumni and Partner Schools. These included:

- Increased understanding and knowledge about Indigenous culture;
- Ripple effects within Indigenous families, as involvement in the AIEF Program inspired other family members to seek out similar opportunities;
- Involvement of Indigenous parents and families in school activities; and
- Involvement of alumni in community or leadership activities.



## 5.6 Summary of Outcomes Evaluation Findings

Overall, the findings of the Outcomes Evaluation demonstrate that the AIEF Scholarship Program is achieving the outcomes of an annual 90 per cent benchmark of retention and Year 12 and Tertiary completion and the successful transition of participants into a career. The AIEF Scholarship Program is facilitating access for participating students to attend participating boarding schools and reducing financial barriers of accessing and completing university. AIEF creates a framework within which school partners can enrol, educate and support students and achieve success in retention and completion outcomes. The findings of this evaluation demonstrate that this model is working well and helping outcomes to be achieved.

# 6 Economic Evaluation Findings

The following section outlines the findings of a CBA of the AIEF Scholarship and Pathways Programs relative to the Indigenous population average.

## 6.1 Headline Findings

The analysis shows that **for every dollar invested** by AIEF, its partners and the Australian Government, **a benefit of \$9.31 is realised** over the working life of program participants.

This result is based on an estimated net benefit of approximately **\$737 million** associated with the 2018 AIEF Program over the lifetime of participants. This represents the difference between the direct employment, earnings and health benefits experienced by AIEF Scholarship Students and the total program costs (direct and indirect).

As documented in the Outcomes Evaluation, AIEF Programs lead to a range of positive benefits for participants, schools and communities, many of which cannot be quantified. This means that the **estimated benefits are conservative**.

## 6.2 Benefits

This section considers the benefits associated with AIEF Scholarship and Pathways Programs compared to the Indigenous population average (Base Case). These benefits include:

- Increased rates of secondary school retention and Year 12 completion;
- Increased participation and completion in post-secondary school education;
- Higher wage earnings once AIEF Scholarship Students enter the workforce;
- Avoided healthcare costs as a consequence of higher levels of education; and
- Families having reduced day-to-day food and personal care costs for their child while they are away from home.

### 6.2.1 Increased School Retention and Completion

Education is known to have significant positive impacts on an individual's economic, physical and psychological outcomes over their life.<sup>39</sup> The AIEF Scholarship and Pathways Program contribute to increasing the likelihood that participants will complete Year 12 and enter into and finish tertiary or vocational education, compared to Indigenous young people in Australia overall.

To quantify the benefits of this uplift in educational attainment, the analysis uses a conditional probability approach. Educational and employment pathways are developed for the Program Case and the Base Case, where the probability of entering into each possible pathway is related to the probability of each preceding step along the pathway. The conditional probability approach is based on the current (2018) cohort and the 380 students in it.

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<sup>39</sup> Global Partnership for Education (no date), The Benefits of Education, available at: <https://www.globalpartnership.org/education/the-benefits-of-education>.

## Increased school retention

School retention can help to provide students with important skills for effective participation in society and the workforce such as basic literacy and numeracy skills, and social skills. Secondary school retention, particularly in Years 10-12, enables continued development of these vital social and cognitive skills, and provides a pathway into post-secondary education. Education and training are particularly important determinants of employment outcomes for Indigenous people.<sup>40</sup>

Table 6-1 shows the effective progression rate through secondary school years under the AIEF Program relative to the Base Case of the Australian Indigenous population overall.

Table 6-1: Secondary School Progression Rates from Years 7-12.

		Year 7-8	Year 8-9	Year 9-10	Year 10-11	Year 11-12
<b>Average</b>	<b>Base and AIEF attritions</b>	<b>100%</b>	<b>100%</b>	<b>87%</b>	<b>83%</b>	<b>77%</b>
	<b>AIEF Scholarship Students at AIEF Partner Schools</b>	<b>98%</b>	<b>98%</b>	<b>98%</b>	<b>91%</b>	<b>95%</b>

Note: This table compares secondary school retention rates for the Indigenous population overall with AIEF Scholarship Students. Importantly, these results should not be interpreted as implying that AIEF has negative outcomes in lower years. Instead, the students who do not progress at their AIEF Partner School, which occurs for a range of reasons, are assumed to have school progression rates in line with the overall Australia Indigenous rate.

Source: ABS Census 2016, AIEF Program data 2008-2018

## Increased Year 12 Completion

Using the secondary school progression rates in Table 6-1, 400 students are estimated to complete Year 12 under the Base Case. AIEF Year 12 completion data is combined with projections based on historical school progression and completion rates to estimate that 911 students complete Year 12 under the Program Case.

On this basis, AIEF students are estimated to be 2.3 times more likely to complete Year 12 than the Indigenous population overall.

## 6.2.2 Increased Tertiary Participation and Completion

AIEF Programs are associated with increased participation in post-secondary school education and increased completion rates compared to the Australian Indigenous population overall.

There are many benefits associated with participation in tertiary education. Exposure to tertiary curriculum and development of a peer network can positively impact employment outcomes, and social determinants of wellbeing including self-esteem, community and social engagement. This analysis focuses on the employment outcomes and is therefore a conservative picture of the total economic benefits to the individual and the community.

Post-school progression for the AIEF Program Case is based on AIEF Program data. Post-school pathways for the Base Case reflect the pathways of Indigenous Australians overall (Table 6-2).

Table 6-2: Post-School Pathways, Progression and Completion.

		Proportion entering	Progression	Completion
<b>Tertiary</b>	<b>Base</b>	<b>6%</b>	<b>80%</b>	<b>41%</b>

<sup>40</sup> Hunter, B. (1996). The determinants of Indigenous employment outcomes: the importance of education and training, Australian National University Centre for Aboriginal Economic Policy Research.

		Proportion entering	Progression	Completion
	<b>AIEF Tertiary Scholarship Students</b>	<b>100%</b>	<b>96%</b>	<b>85%</b>
	<b>AIEF Alumni</b>	<b>25%</b>	<b>90%</b>	<b>66%</b>
<b>Vocational</b>	<b>Base</b>	<b>22%</b>	<b>45%</b>	<b>20%</b>
	<b>AIEF</b>	<b>11%</b>	<b>74%</b>	<b>55%</b>

Source: ABS Census 2016, AIEF Program data 2008-2018, NCVET 2017, Commonwealth Department of Education and Training 2016

## Increased Tertiary Participation

Using the progression data in Table 6-2, under the Base Case, it is estimated that 128 students transition into university education after Year 12 completion and 88 enter vocational education. Under the Program Case, a total of 325 students enter into university education and 143 enter vocational education.<sup>41</sup>

For those completing Year 12, students under the AIEF Program are more than four times as likely to enter into university education than the Indigenous population overall.

## Increased Tertiary Retention and Completion

In addition to being more likely to enter into post-school education after completing Year 12, AIEF Scholarship Students at Partner Schools that enter into tertiary education are significantly more likely to complete their tertiary studies.

AIEF Program data indicates that 96 per cent of AIEF Tertiary Scholarship Students progress each year, with an overall completion rate of 85 per cent, compared to a 41 per cent completion rate for the Australian Indigenous population overall.

On the basis of the strong performance of AIEF Tertiary Scholarship Students at University and in recognition of the ongoing Pathways Program support that all AIEF Scholarship Students receive, AIEF Alumni are assumed to be as likely to complete post-school study as the Australian population overall. On this basis, 255 AIEF Scholarship Students are estimated to complete university and 73 AIEF Scholarship Students are estimated to complete vocational study.

## 6.2.3 Higher Wage Earnings

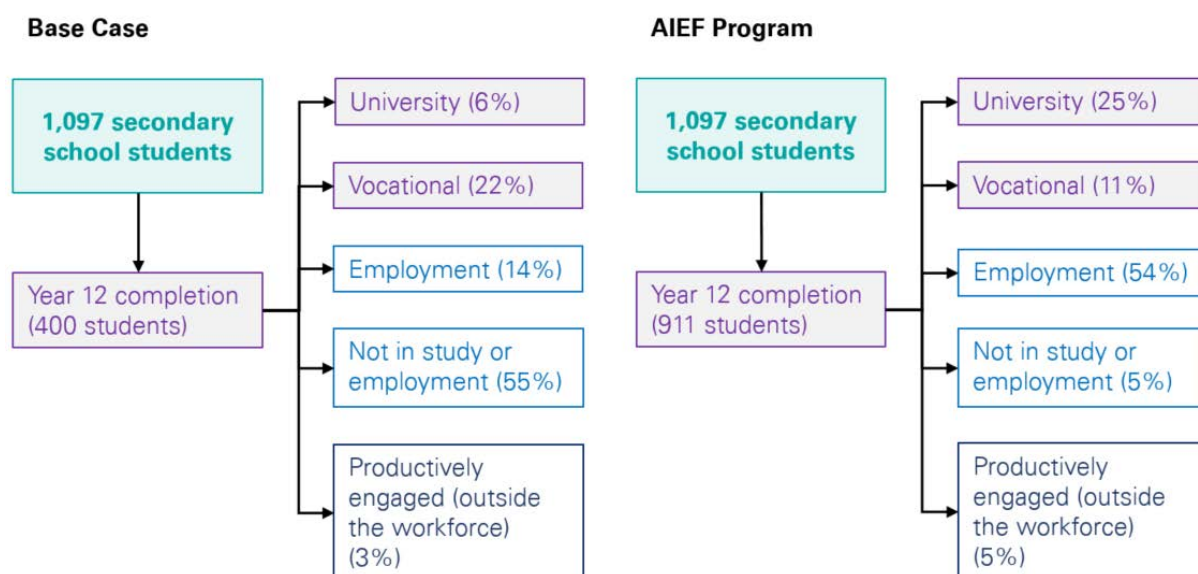
This analysis uses two approaches to estimate higher wage earning benefits. Firstly, benefits accrue due to the relative shift in the proportion of people graduating from educational pathways associated with more highly paid career pathways in the Program Case relative to the Base Case. Secondly, a component of wages is assumed to be a proxy for some of the human capital benefits of AIEF Programs that cannot be readily quantified.

### Higher earnings pathways

As outlined above and summarised in Chart 6-1 below, AIEF Scholarship Students take different pathways than the Indigenous population overall.

<sup>41</sup> These figures include students entering university after completing their studies at an AIEF partner high school, former AIEF Scholarship Students who have completed high school at another institution and AIEF Tertiary Scholarship Students.

Chart 6-1: Comparison of Post-School Pathways for Students who Complete Year 12 under the Base Case of Indigenous Australian average and AIEF Program (for AIEF Scholarship Students)



Source: ABS Census data, AIEF Program data

Note: This diagram focuses on pathways for students who complete Year 12 for illustrative purposes. The analysis captures differences in pathways between the Base Case and the Program Case across all levels of school completion.

Increased educational attainment provides individuals with an opportunity for a higher earning and more secure employment pathway. By developing specialised skills and knowledge, they are able to distinguish themselves from those without post-school qualifications in the labour force and move into higher paid positions.

### Program Case wages as a proxy

For the Program Case, average annual earnings were estimated by creating a weighted average based on the proportion of AIEF alumni that enter particular industries of employment on the basis of their highest level of educational attainment (up to Year 12 completion, vocational or tertiary)<sup>42</sup> (Table 6-3). These figures are based on ABS Census data about average Australian wages in these industries.

Table 6-3: Estimated Annual Wage for AIEF Scholarship Students based on Employment Industries by level of Educational Attainment

Educational pathway		Estimated starting wage	Top employment industries for AIEF Alumni			
			1	2	3	4
No post school qualification	AIEF	\$56,528, peaking at average wage of \$86,082	Accommodation and Food Services (12%)	Construction (11%)	Education and Training (10%)	Manufacturing (10%)
Vocational	AIEF	\$62,066, peaking at average wage of \$94,557	Construction (36%)	Mining (13%)	Professional, Scientific and Technical Services (6%)	Education and Training (6%)

<sup>42</sup> Australian Bureau of Statistics 2016, *Census of Population and Housing 2016*, ABS, Canberra.

Educational pathway		Estimated starting wage	Top employment industries for AIEF Alumni			
			1	2	3	4
University	AIEF	\$60,297, peaking at average wage of \$94,704	Health Care and Social Assistance (26%)	Financial and Insurance Services (21%)	Professional, Scientific and Technical Services (17%)	Arts and Recreation Services (17%)

Source: ABS Census data, AIEF Program data

Note that these wages are the estimate for the overall cohort and consider their career earnings. They do not directly align with the results of the alumni survey relating to current earnings.

The Base Case wages are the median income for Indigenous Australians by highest educational attainment for the working age population (15 to 64 years), as reported in the 2016 ABS Census.

All employment pathways under the AIEF Program are associated with a higher average annual wage compared to the Base Case. This assumption is made on the following basis:

- The higher Program Case wages reflect evidence from AIEF Program data that Scholarship Students are disproportionately represented in higher earning industries; and
- Wages are assumed to account in part for the intensity of the AIEF Program, as documented in Section 2.3. Wages act as a proxy for the resulting benefits that cannot be quantified but are expected to lead to rewards in the labour market such as exposure to broader social networks and the associated opportunities this affords; enhanced social capital; leadership opportunities and exposure to the breadth of employment opportunities in metropolitan areas. Non-monetary benefits of the AIEF Program that are expected to be associated with increased wages include for example, greater labour market productivity.<sup>43</sup>

All employment pathways under the AIEF Program are also assumed to be associated with real wage growth over time. Under the Program Case, there is real wage growth from a starting salary to the average wage for each employment pathway. This average wage represents peak earning capacity for each individual, with wages normally distributed to reach this peak. This assumption is made on the following basis:

- AIEF Scholarship Students are expected to experience real wage growth during their early careers as a result of the human capital, social networks and leadership experience they develop as a consequence of the AIEF Program; and
- AIEF Scholarship Students are expected to have enhanced opportunities to move into higher paid positions and industries across their careers due to the continued support of the Pathways Program and relationships with Corporate Partners and mentors.

This assumption is further supported by the research evidence that education is associated with a broad range of benefits for the community as a whole such as social well-being and economic growth<sup>44</sup> which are not otherwise captured in the analysis. Non-marketed benefits—both private and external—have been estimated to double the rate of returns to education.<sup>45</sup>

Real wages are assumed to be stable in the Base Case. Sensitivity analysis was undertaken to test the impact of this assumption on the analysis findings.

The key assumptions relating to educational pathways and earnings are summarised in Table 6-4.

<sup>43</sup> Vila, L. E. (2000), 'The non-monetary benefits of education', *European Journal of Education*, 35(1), 1, 21-32.

<sup>44</sup> Wolfe, B.L. and Haveman, R. H. (2002), 'Social and nonmarket benefits from education in an advanced economy', Conference Series, Federal Reserve Bank of Boston (47), 97-142.

<sup>45</sup> Haveman, R. and Wolfe, B. (1984), 'Schooling and economic well-being: the role of nonmarket effects', *Journal of Human Resources*, 19, 377-407.

Table 6-4: Higher Wage Earnings (\$ real 2018). Note that the assumed number of students is estimated based on conditional probabilities and may not add to the total due to rounding.

Description	Assumption		Source of Information
<b>General Assumptions</b>			
<b>Students in the evaluation cohort (no.)</b>	1,201 students including 1,097 secondary school students and 104 students who are recipients of one or more AIEF School or Tertiary Scholarships. 33 students in the cohort received both school and Tertiary Scholarships.		Based on the number of students currently participating in the AIEF Scholarship Program and program alumni derived from AIEF Program data.
<b>No post-school qualifications</b>			
	<b>Base Case</b>	<b>AIEF Program</b>	
<b>Students (no.)</b>	420	623	The number of students under the Base Case and AIEF Program entering into employment with no post-school qualifications, sourced from ABS Census 2016 and AIEF Program data with KPMG calculations. This includes the individuals who are attritions from vocational and tertiary education.
<b>Starting wage (\$/p.a.)</b>	\$23,339.50	\$56,528	Program Case - the average entry level and average salary weighted (by ANZSIC category) in proportion to the number of individuals entering into industry of employment with growth normally distributed, sourced from Payscale.com, ABS Census Data 2006, 2011, 2016, AIEF Program data with KPMG calculations. Base Case – median income for Indigenous Australians with non-post school qualifications, ABS Census 2016.
<b>Peak wage (\$/p.a.)</b>	\$23,339.50	\$86,082	

Description	Assumption		Source of Information
<b>Vocational completion</b>			
	<b>Base Case</b>	<b>AIEF Program</b>	
<b>Students (no.)</b>	18	73	The number of students under the Base Case and AIEF Program entering into employment after vocational completion. Base Case assumed to complete in line with the overall Indigenous population, Program Case assumed to complete in line with the Australian population. NCVER 2017, Commonwealth Department of Education and Training 2016, AIEF Program data with KPMG calculations.
<b>Starting wage (\$/p.a.)</b>	\$38,489.20	\$62,066	Program Case - The average entry level and average salary weighted (by ANZSIC category) in proportion to the number of individuals entering into industry of employment with growth normally distributed, sourced from Payscale.com, ABS Census Data 2006, 2011, 2016, AIEF Program data with KPMG calculations. Base Case – median income for Indigenous Australians with vocational qualifications, ABS Census 2016.
<b>Peak wage (\$/p.a.)</b>	\$38,489.20	\$94,557	
<b>Tertiary completion</b>			
	<b>Base Case</b>	<b>AIEF Program</b>	
<b>Students (no.)</b>	61	255	The number of students under the Base Case and AIEF Program entering into employment after tertiary completion. Base Case assumed to complete in line with the overall Indigenous population, Program Case assumed to complete in line with the Australian population. NCVER 2017, Commonwealth Department of Education and Training 2016, AIEF Program data with KPMG calculations.
<b>Starting wage (\$/p.a.)</b>	\$65,844.53	\$60,297	Program Case - The average entry level and average salary weighted (by ANZSIC category) in proportion to the number of individuals entering into industry of employment with growth normally distributed, sourced from Payscale.com, ABS Census
<b>Peak wage (\$/p.a.)</b>	\$65,844.53	\$94,704	

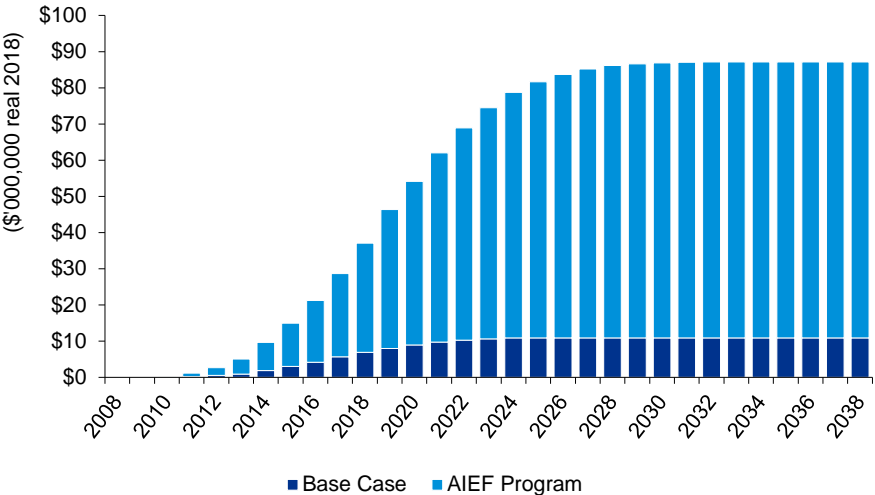


Description	Assumption		Source of Information
			Data 2006, 2011, 2016, AIEF Program data with KPMG calculations Base Case – median income for Indigenous Australians with Tertiary qualifications, ABS Census 2016.
<b>Productively engaged (outside labour force)</b>			
	<b>Base Case</b>	<b>AIEF Program</b>	
<b>Students (no.)</b>	69	76	The number of students under the Base Case and AIEF Program entering into productively engaged work outside of the labour force. Base Case rates in line with the overall Indigenous population, Program Case Based on AIEF data.
<b>Starting wage (\$/p.a.)</b> <b>Average wage (\$/p.a.)</b>	\$0	\$0	The students who are unemployed but productively engaged would likely receive a range of government payments. Such payments are considered transfers and are not included in cost-benefit analysis.
<b>Not productively engaged</b>			
	<b>Base Case</b>	<b>AIEF Program</b>	
<b>Students (no.)</b>	616	172	The number of students under the Base Case and AIEF Program who are not employed. This definition is broader than the definition of unemployment and includes students who are outside the labour force but not productively engaged.
<b>Starting wage (\$/p.a.)</b> <b>Average wage (\$/p.a.)</b>	\$0	\$0	The students who are unemployed would likely receive a range of government payments. Such payments are considered transfers and are not included in cost-benefit analysis.

Sources: AIEF Program data; Australian Bureau of Statistics (ABS); Payscale.doc; NCVET 2017; Commonwealth Department of Training and Education 2016.

Annual benefits associated with higher wage earnings for the analysis cohort are illustrated in Chart 6-2.

Chart 6-2: Annual Wage Earnings, 20-year Evaluation Period (\$ Real 2018).



Source: KPMG analysis

The present value of total wage earnings under the Base Case was estimated to be \$158 million over the lifetime evaluation period. Consistent with an increased level of educational attainment and subsequent higher annual income per individual, the present value of total wage earnings was estimated to be \$969 million with the AIEF Program.

This suggests an incremental net present benefit from the AIEF Program of \$811 million over the working life of AIEF Scholarship Students.

### 6.2.4 Avoided Healthcare Costs

Education has positive lifelong effects on health through increased employment opportunities and income, better living conditions, confidence levels and increased literacy, including health literacy.<sup>46</sup> The Medical Journal of Australia has suggested that improving educational attainment may increase Indigenous life expectancy by up to 12 years through a synergy of increased financial resources, reduced levels of stress and anxiety, and increased health literacy.<sup>47</sup> Though available literature provides strong support for a link between improved education and health,<sup>48</sup> there is less evidence quantifying this relationship due to multiple ways education leads to improved health including education and skills development, income for healthy living and approach to prevention.<sup>49</sup>

Recognising this diverse relationship between improved educational attainment and health outcomes, this analysis attempts to quantify the potential avoided costs to the public health system through reduced incidences of hospitalisations from moving up one quintile in education and income disadvantage.<sup>50</sup>

<sup>46</sup> World Health Organisation, Regional Office for Europe 2015, *Health 2020: Education and health through the life-course, Sector brief on education health*, available at: [http://www.euro.who.int/\\_\\_data/assets/pdf\\_file/0007/324619/Health-2020-Education-and-health-through-the-life-course-en.pdf?ua=1](http://www.euro.who.int/__data/assets/pdf_file/0007/324619/Health-2020-Education-and-health-through-the-life-course-en.pdf?ua=1).

<sup>47</sup> Hart, M., Moore, M., Lavery, M. 2017, 'Improving Indigenous health through education', *The Medical Journal of Australia*, MJA, available at: [https://www.mja.com.au/system/files/issues/207\\_01/10.5694mja17.00319.pdf](https://www.mja.com.au/system/files/issues/207_01/10.5694mja17.00319.pdf).

<sup>48</sup> Ibid.

<sup>49</sup> Ibid.

<sup>50</sup> Zhao, Y., You, J., Guthridge, S., Lee, A. 2011, 'A multilevel analysis on the relationship between neighbourhood poverty and public hospital utilization: is the high Indigenous morbidity avoidable?', *BMC Public Health*, 11:737.

The avoided costs are quantified by multiplying the average cost of the reduced number of individuals likely to experience a long term health condition by the annual government expenditure on long term health conditions per Indigenous person. These assumptions are summarised in Table 6-5.

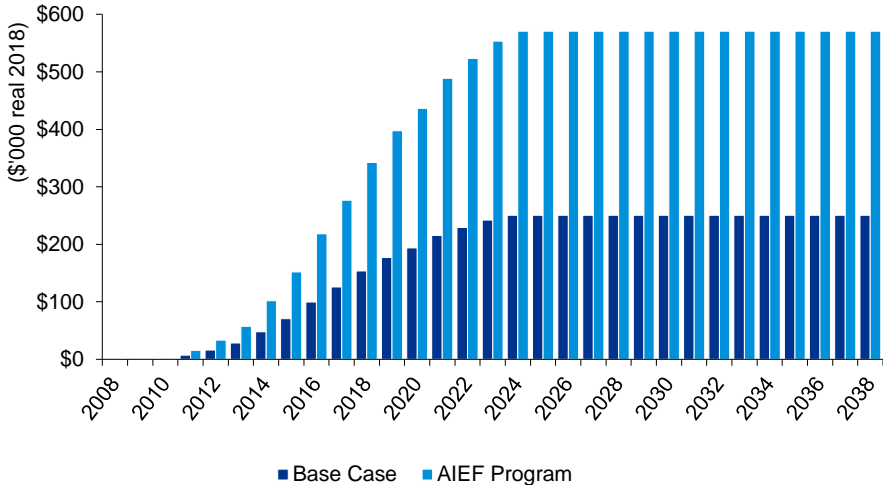
Table 6-5: Avoided Annual Public Healthcare Costs.

Description	Assumption	Basis and Source of Information
<b>General Assumptions</b>		
<b>Students in the evaluation cohort (no.)</b>	1,097	Based on the number of secondary school AIEF Scholarship Program Students and program alumni derived from AIEF Program data.
<b>AIEF Program</b>		
<b>Incremental number of students completing Year 12 (no.)</b>	510	Based on the difference between AIEF completion rate (AIEF Program data) and the Base Case completion rate which reflects the Indigenous population overall (ABS Census Data).
<b>Decreased likelihood of requiring government provided healthcare from an increase educational quintile (%)</b>	8.3%	The percentage less likely an Indigenous person completing Year 12 is to incur health related government expenditure, sourced from Zhao, Y., You, J., Guthridge, S., Lee, A. 2011, 'A multilevel analysis on the relationship between neighbourhood poverty and public hospital utilization: is the high Indigenous morbidity avoidable?'
<b>Average per person healthcare costs in Australia (\$/p.a.)</b>	\$7,553 per person	Based on the average government healthcare expenditure per person in 2018 dollars sourced from AIHW, Health Expenditure Australia, 2016-17.

Sources: AIEF Program data; ABS; Australian Institute of Health and Welfare.

Annual benefits associated with avoided healthcare costs for the analysis cohort are illustrated in Chart 6-3.

Chart 6-3: Annual Avoided Healthcare Costs, 20-year Evaluation Period (\$ Real 2018).



Source: KPMG analysis

Under the AIEF Program, 511 more students are expected to complete Year 12. Individuals with Year 12 attainment are estimated to have shifted their education and income disadvantage by at least one quintile, which through reduced hospitalisations is associated with an 8.3 per cent reduction in public healthcare.<sup>51</sup> Under the Program Case, there is an incremental benefit of \$4.6 million in real terms over the working lifetime of participants.

## 6.2.5 Avoided Costs of Living Expenses

Research conducted by the Australian Institute of Family Studies found that out of the total weekly expenses in raising a child for healthy living, low-paid families spent 24 per cent on food and personal care necessities.<sup>52</sup> For low to middle income families this amounts to an incremental saving of \$2,861 per child per 44-week school year.

These assumptions are summarised in Table 6-6.

Table 6-6: Annual Avoided Costs of Living Expenses.

Description	Assumption	Basis and Source of Information
<b>AIEF Program</b>		
<b>Students (no.)</b>	1,097	Based on the number of students currently receiving a secondary AIEF Scholarship and program alumni derived from AIEF Program data.
<b>Average years of Schooling (no.)</b>	3.44 years	Based on the number of total school years completed divided by the number of AIEF Scholarship Students at Partner School, sourced from AIEF Program data and KPMG calculations.
<b>Avoided cost of living expenses (\$/p.a.)</b>	\$2,861 per student	The average yearly costs of providing food and personal care necessities over 44 school weeks for a child for poor and middle income families sourced from National Centre For Social And Economic Modelling; Australian Institute of Family Studies, New estimates of the costs of children, inflated to \$2018.

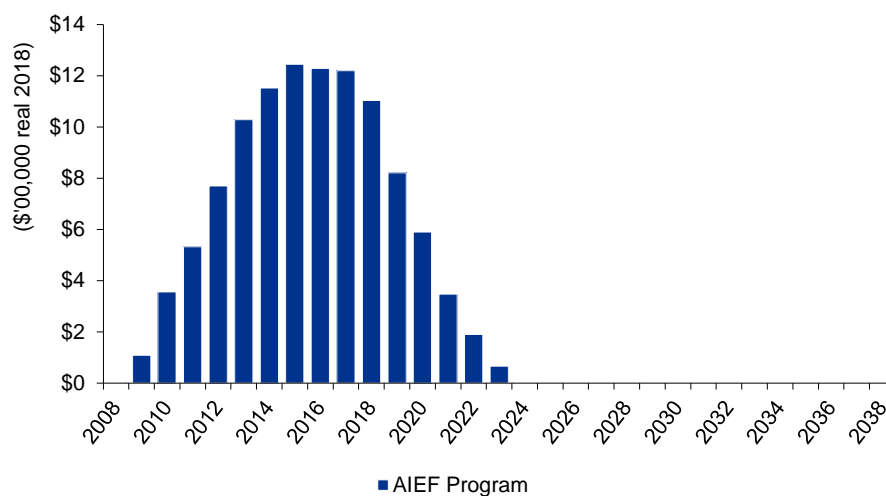
Sources: AIEF Program data; Australian Institute of Family Studies

Avoided annual costs associated with a child's cost of living expenses during the school year for the analysis cohort are illustrated in Chart 6-4.

<sup>51</sup> Zhao, Y., You, J., Guthridge, S., Lee, A. 2011, 'A multilevel analysis on the relationship between neighbourhood poverty and public hospital utilization: is the high Indigenous morbidity avoidable?', *BMC Public Health*, 11:737.

<sup>52</sup> Australian Institute of Family Studies 2018, *New estimates of the costs of raising children in Australia*, available at: <https://aifs.gov.au/media-releases/new-estimates-costs-raising-children-australia>.

Chart 6-4: Annual Savings of Cost of Living Expenses (\$ Real 2018)



Source: KPMG analysis

Under the Base Case there are no savings related to the day-to-day food and personal care costs for raising a child. An incremental saving of \$10.3 million in real terms is realised under the Program Case.

## 6.3 Costs

The following section considers the costs associated with AIEF Programs compared with the Base Case costs, including:

- AIEF Scholarship distribution;
- Parental contribution to schooling costs;
- Government supported school tuition costs;
- AIEF Program costs;
- Tertiary tuition costs;
- Vocational tuition costs; and
- In-kind contributions to the AIEF Program.

### 6.3.1 AIEF Scholarship Distribution

AIEF Scholarship funding is provided to cover the shortfall between total tuition and boarding fees and the contributions from parents, schools and ABSTUDY, plus student travel, accommodation and other Pathways Program costs included in the Scholarship.

This is in addition to Scholarship funding provided to tertiary students.

The quantification of these costs was based on the number of alumni and students participating in the AIEF Program, the average AIEF contribution amount per student year, and the number of years of school. These costs are not incurred under the Base Case.

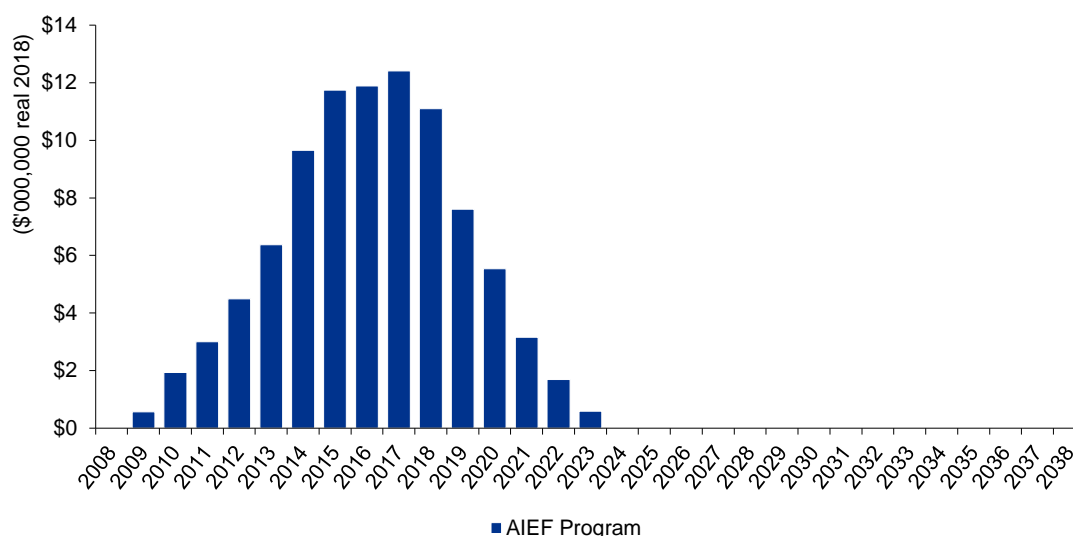
Table 6-7: AIEF Contribution to Educational Costs through Scholarships, 20-year Evaluation Period (\$ Real 2018).

Description	Assumption	Basis and Source of Information
<b>AIEF Program</b>		
<b>Students (no.)</b>	1,097	Based on the number of students currently participating in the AIEF Scholarship Program and AIEF Alumni derived from AIEF Program data.
<b>Years of AIEF funded secondary education</b>	3,771	Based on the number of students currently participating in the AIEF Scholarship Program, AIEF Alumni and program exits derived from AIEF Program data. Projected student numbers are based on the outputs of the conditional probability model for student progression.
<b>Years of Schooling (no.)</b>	4.30 years	The average number of school years per AIEF Partner School participant based on AIEF Program data, and program exits entering the Base Case pathway. This includes an average of 3.44 years at an AIEF Partner School and 0.86 years at a Government school.
<b>AIEF school scholarship (\$ per student/p.a.)</b>	\$25,949 per year (2018)	Based on actual average annual AIEF contribution from 2008-2018, sourced from AIEF Program data. 2018 costs per student per year used for forward estimates (AIEF School Scholarship - \$25,949 per student per year).
<b>Years of AIEF funded tertiary education (no.)</b>	511	Based on the number of students currently participating in the AIEF Tertiary Scholarship Program and AIEF Alumni derived from AIEF Program data. Projected student numbers are based on the outputs of the conditional probability model for student progression.
<b>AIEF tertiary scholarship (\$ per student/p.a.)</b>	\$19,620 per year (2018)	Based on actual average AIEF contribution from 2008-2018, sourced from AIEF Program data. 2018 costs per student per year used for forward estimates (AIEF Tertiary Scholarship - \$19,620 per student per year).

Source: AIEF Program data; KPMG analysis.

Annual costs associated with AIEF contribution for the analysis cohort are illustrated in Chart 6-5.

Chart 6-5: AIEF Contribution to Schooling Costs (\$ Real 2018).



Source: KPMG analysis

There are no AIEF contribution costs under the Base Case. Under the AIEF Program, \$87.1 million in real terms is distributed as Scholarships. Consistent with the focus on the 2018 cohort of participants only, for the purpose of the analysis the costs taper off and cease as current participants complete the program.

### 6.3.2 Parental Contribution to Schooling Costs

Parental contribution to school fees represents the costs incurred by parents to pay for a child’s education. Quantification of these costs was based on the number of students, the average cost of schooling per year, the number of years of schooling and proportion of students entering into government and non-government schools. These assumptions are summarised in Table 6-8.

Table 6-8: Parental Contribution to Schooling Costs (\$ Real 2018).

Description	Assumption	Basis and Source of Information
<b>General Assumptions</b>		
<b>Students (no.)</b>	1,097	Based on the number of students currently participating in the AIEF Scholarship Program and AIEF Alumni derived from AIEF Program data.
<b>Base Case</b>		
<b>Years of Schooling (no.)</b>	3.58 years	Based on the ARR between school years 7-12 for the Australian Indigenous population overall, derived from ABS Census 2016 data.
<b>Weighted average public/private parental contribution (\$/p.a.)</b>	\$4,227 per year	A weighted average based on the percentage of Indigenous students attending government (84 per cent) and non-government schools (16 per cent) and the average parental contribution made to attend those schools, sourced from Australian Institute of Family Studies, New estimates of the costs of

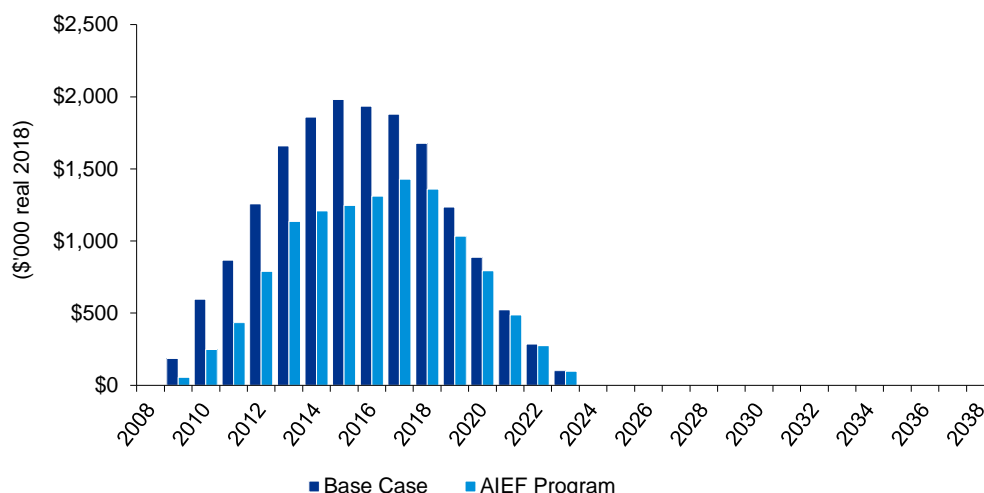
Description	Assumption	Basis and Source of Information
		children and ABS Schools Australia 2018, Australian Scholarship Group.
<b>AIEF Program</b>		
<b>Years of Schooling at AIEF school (no.)</b>	3.44	The average number of school years per AIEF Scholarship Student at Partner Schools based on AIEF Program data, and program exits entering the Base Case pathway.
<b>Parental contributions to school tuition (\$/p.a.)</b>	\$2,567 per year	<p>Based on average parental contribution to school tuition sourced from AIEF Program data.</p> <p>AIEF Program data was used to determine the average parental contributions from 2008-2018, which ranged from \$656 in 2009 to \$2,567 in 2018.</p> <p>For the remainder of the evaluation period the number of school years was projected using the average retention rate of the AIEF Program for each grade. The total number of school years at an AIEF Partner School was multiplied by the parental contribution per school year in 2018.</p>
<b>Years of Schooling at a non-AIEF school (no.)</b>	0.86	The average number of school years per AIEF Scholarship Student at a non-AIEF Partner School based on AIEF Program data, and program exits entering the Base Case pathway.
<b>Parental contributions to school tuition (\$/p.a.)</b>	\$4,227 per year	<p>A weighted average based on the percentage of Indigenous students attending government (84 per cent) and non-government schools (16 per cent) and the average parental contribution made to attend those schools, sourced from Australian Institute of Family Studies, New estimates of the costs of children and ABS Schools Australia 2018, Australian Scholarship Group.</p> <p>The total number of school years at a non-AIEF Partner School was multiplied by the parental contribution per school year in 2018.</p>

Sources: AIEF Program data; ABS; Australian Scholarship Group; KPMG analysis.

Annual costs associated with parental contribution for the analysis cohort are illustrated in Chart 6-6.



Chart 6-6: Annual Cost of Parental Contribution (\$ Real 2018).



Source: KPMG analysis

Under the Base Case, the total parental contribution is estimated to be \$16.3 million in real terms over the lifetime analysis. Under the AIEF Program, consistent with a relatively nominal parental contribution that is intended to facilitate educational access, the parental contribution costs are estimated to be \$11.3 million in real terms, with an incremental cost of \$5.0 million under the Base Case relative to the Program Case over the analysis.

### 6.3.3 Government supported school tuition

Education in Australia incurs costs to government. Different types of schools receive different levels of funding overall, and different relative contributions from the Australian Government and State and Territory Governments.

Part of the cost of tuition for Indigenous students is covered by the Australian Government through ABSTUDY, with payment levels depending on recipient age and location. For the purpose of the CBA, government benefits, including ABSTUDY, are classified as transfer payments. In these instances, benefits that arise from payments to one group are offset by the costs to other groups, creating zero net effect. Such costs are therefore excluded from the analysis.

Government funding to schools are economic costs and are included in the analysis. Government supported school tuition is the product of the number of students and the funding level.

In the Program Case, the cost to government is comprised of:

- The cost to government of funding a student in a non-AIEF Partner School multiplied by the number of total numbers of school years for AIEF Scholarship Students who have not yet commenced at AIEF Partner Schools or who left AIEF Partner Schools; and
- The cost to government of a student in an AIEF Partner School multiplied by the number of AIEF Partner School years.

The key calculation assumptions for this cost stream are summarised in Table 6-9 below.

Table 6-9: Non-AIEF Supported School Tuition Costs (\$ Real 2018).

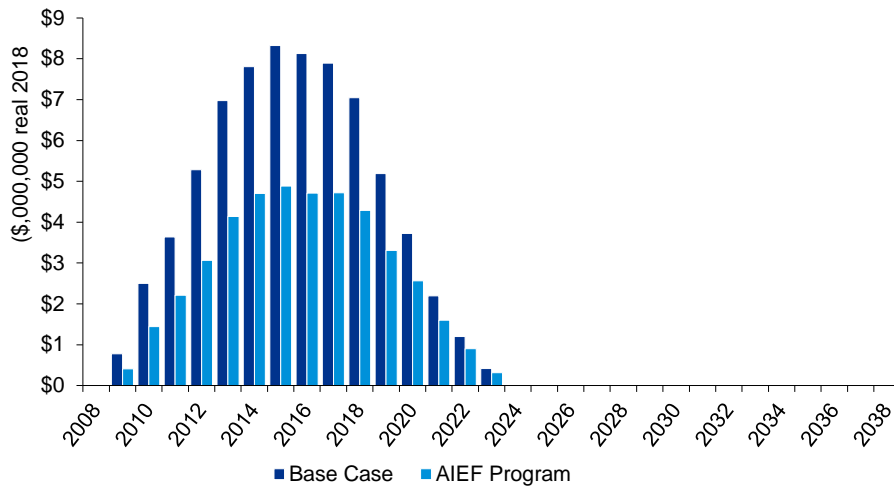
Description	Assumption	Basis and Source of Information
<b>General Assumptions</b>		
<b>Students (no.)</b>	1,097	Based on the number of students currently participating in the AIEF

		Scholarship Program and AIEF Alumni derived from AIEF Program data.
<b>Government contribution to student schooling for non AIEF schools (\$/per student)</b>	\$20,211 per year	A weighted average based on the percentage of Indigenous students attending government (84 per cent) and non-government schools (16 per cent) based on ABS Schools, 2018. Average recurrent cost to government of a student in an Australian Government secondary school of \$20,211 (\$2018) and average recurrent costs to government of a student in a non-Government school of \$10,808.72 (\$2018). National Report on Schooling in Australia 2017, Australian Curriculum, Assessment and Reporting Authority.
<b>Government contribution to school at an AIEF Partner School (\$/student)</b>	\$6,957 per year	Average recurrent cost to Government of a student in an AIEF Partner School, based on actual historical data from relevant My School pages of Australian Curriculum, Assessment and Reporting Authority website, inflated to \$2018. 2017 costs, inflated to \$2018, used for 2018 due to data availability.
<b>Base Case</b>		
<b>Number of school years (no.)</b>	3,933 years	Total number of secondary school years completed based on the ARR between school years 7-12 derived from ABS Census 2016 and KPMG calculations.
<b>AIEF Program</b>		
<b>Number of school years (no.)</b>	4,713 years	Total number of secondary school years completed based on AIEF Program data and the outputs of the conditional probability model for future years. This includes 3,771 years at AIEF Partner Schools and 942 years at non-AIEF Partner Schools.

Sources: AIEF Program data; ABS Census 2016; Australian Curriculum, Assessment and Reporting Authority, National Report on Schooling in Australia 2017; My Schools, KPMG analysis.

Annual costs associated with AIEF Program costs for the analysis cohort are illustrated in Chart 6-7.

Chart 6-7: Non-AIEF Supported School Tuition Costs (\$ Real 2018).



Source: KPMG analysis

Under the Base Case, the total non-AIEF supported tuition costs was estimated to be \$68.3 million in real terms. Consistent with non-government schools receiving a lower amount of government funding per student, the total non-AIEF tuition costs was \$41.4 million in real terms with the AIEF Program. Overall, it is estimated that there is an incremental cost of \$27.0 million under the Base Case relative to the Program Case over the life of the analysis.

### 6.3.4 AIEF Program Operating Costs

Costs are incurred by AIEF to run the AIEF Scholarship program. This includes administrative and program delivery staffing costs and office and operating expenses. The costs of the Pathways Program include student related costs such as travel and accommodation, and are included in AIEF Scholarship distribution figures on a per student basis.

Actual historical data from AIEF was used for 2008-2018. The operating costs provided by AIEF exclude one-off funding received for specific activities unrelated to the Pathways and/or Scholarship Programs and costs related to the Pathways Program that are already captured in the Scholarship distribution cost item. For this reason, the included costs vary from the total operating costs reported in historical annual reports.

From 2024-2027, none of the 2018 cohort remain at secondary school. The operating costs are assumed to be largely fixed, with the variable component captured in the per student Scholarship distribution. However, from 2019-2023, program costs are reduced by 20 per cent each year to reflect the smaller overall program size and expected future efficiencies. This is a conservative assumption which may overstate future program costs.

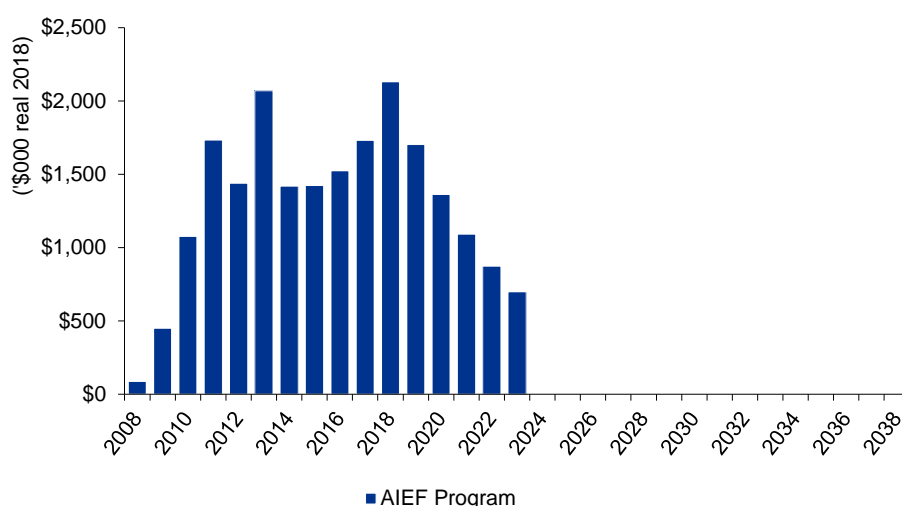
Table 6-10: AIEF Program Costs; KPMG analysis (\$2018).

Description	Assumption	Basis and Source of Information
<b>AIEF Program</b>		
<b>Program Costs 2008-2017</b>	Average of \$1.3 million per year	AIEF Program administrative costs for providing the Scholarship and Pathways Programs, provided by AIEF.
<b>Program Costs 2018-2023</b>	Average of \$1.3 million per year	Based on the 2018 operating costs, provided by AIEF, with a 20 per cent cost saving each year.

Source: AIEF data; KPMG analysis

Annual costs associated with AIEF Program costs for the analysis cohort are illustrated in Chart 6-8

Chart 6-8: Annual AIEF Program Costs (\$ Real 2018).



Source: KPMG analysis

No AIEF Program costs are incurred under the Base Case. Under the AIEF Program, total program costs are \$19.5 million for the evaluation cohort.

### 6.3.5 Tertiary Tuition Costs

Under the AIEF Program, a greater proportion of participants completing Year 12 enter into tertiary education relative to the Base Case with associated uplifts in expenditure on tertiary education by individuals and government.

The total tertiary tuition cost is the number of years completed in tertiary education for each student entering into tertiary education multiplied by the total average yearly costs of attending tertiary education. These assumptions are summarised in Table 6-11.

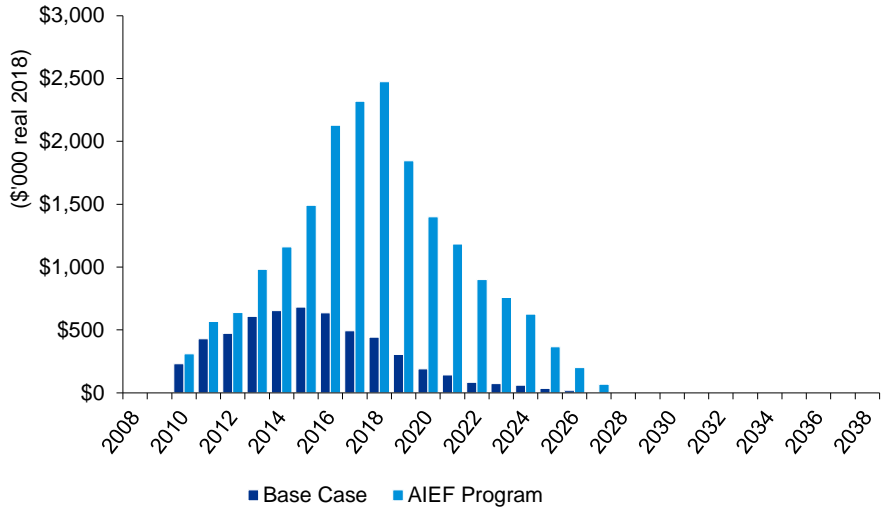
Table 6-11: Tertiary Tuition Costs (\$ Real 2018).

Description	Assumption	Basis and Source of Information
<b>General Assumptions</b>		
<b>Students in the evaluation cohort (no.)</b>	1,201 individual participants that are recipients of one or more AIEF school or Tertiary Scholarships	Based on the number of students currently participating in the AIEF Scholarship Program and AIEF Alumni derived from AIEF Program data.
<b>Cost of tertiary tuition</b>	\$16,357.94	Average total cost of university education per student, per year with course assumed to take four years, based on Australian Government Department of Education and Training.
<b>Base Case</b>		
<b>Students entering tertiary education (no.)</b>	128	The number of students from the evaluation cohort that complete Year 12 and enter into tertiary education under the Base Case based on Indigenous population overall, ABS Census 2016.
<b>Number of years completed at university (no.)</b>	340	The number of years of tertiary schooling for all students entering university under the Base Case and based on the proportion of Indigenous students that complete university sourced from Grattan Institute, University attrition: what helps and what hinders university completion.
<b>AIEF Program</b>		
<b>Students entering into tertiary education (no.)</b>	325	The number of AIEF Scholarship Students at Partner Schools from the evaluation cohort that enter into tertiary education, sourced from AIEF Program data.
<b>Number of years completed at university (no.)</b>	1,188	The number of years of tertiary schooling for all students entering into university under the AIEF Program based on the university retention and completion rate of AIEF Tertiary Scholarship Students sourced from AIEF Program data.  The higher number of years of schooling reflects the greater number of students participating in tertiary education than under the Base Case and the higher tertiary retention and completion rate under the AIEF Program.

Sources: AIEF Program data; ABS Census; Department of Education; KPMG analysis.

Annual costs associated with tertiary tuition for the analysis cohort are illustrated in Chart 6-9

Chart 6-9: Annual Cost of Tertiary Tuition (\$ Real 2018).



Source: KPMG analysis

Under the Base Case, total tertiary tuition costs are estimated to be \$5.3 million in real terms. Consistent with the greater number of students entering tertiary education and higher retention rates, total tertiary tuition costs are estimated to be \$17.5 million in real terms with the AIEF Program. There is an incremental cost of \$12.1 million under the Program Case relative to the Base Case over the life of the analysis.

### 6.3.6 Vocational Tuition Costs

Vocational tuition costs represents the costs incurred by individuals to pay for their vocational education. Under the Program Case, more students enter into and complete vocational education, with associated uplifts in expenditure.

Quantification of these costs was based on the number of students, the average cost of vocational education per year and the number of years of vocational education completed under both options. These assumption are summarised in Table 6-12.

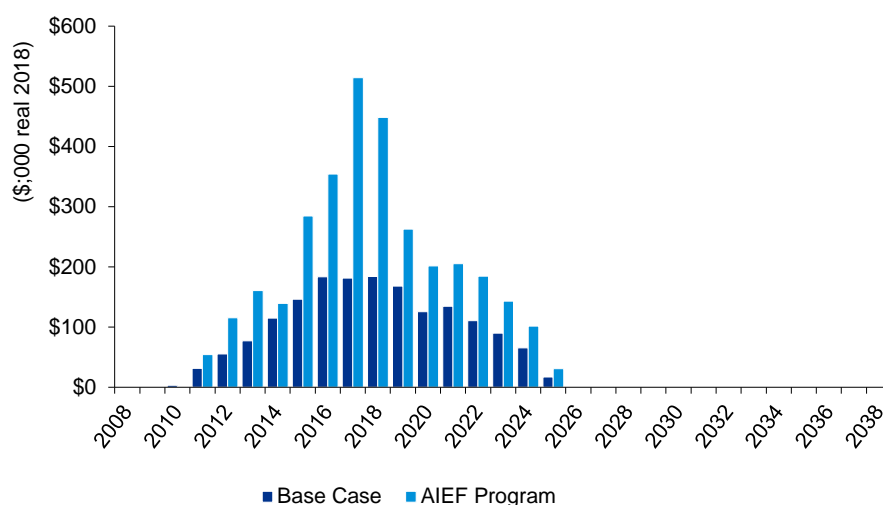
Table 6-12: Vocational Tuition Costs (\$ Real 2018).

Description	Assumption	Basis and Source of Information
<b>General Assumptions</b>		
<b>Students in the evaluation cohort (no.)</b>	1,201	Based on the number of students currently participating in the AIEF Scholarship Program and AIEF Alumni derived from AIEF Program data.
<b>Vocational Costs (\$/p.a.)</b>	\$13,270 per student	The average costs of vocational education based on the maximum and minimum costs of vocational courses offered across Australia sourced from Studies in Australia, Vocational education
<b>Base Case</b>		
<b>Students (no.)</b>	88	The number of students in the evaluation cohort that complete Year 12 and enter

		into vocational education under the Base Case, based on ABS Census, 2016.
<b>Number of years completed in vocational education (no.)</b>	127	The number of years of vocational schooling for all students entering into vocational education based on the proportion of Indigenous students that complete vocational education, sourced from NCVET, 'Indigenous VET participation, completion and outcomes: change over the past decade' with KPMG calculations.
<b>AIEF Program</b>		
<b>Students (no.)</b>	143	The number of AIEF Scholarship Students that enter into vocational education sourced from AIEF Program data.
<b>Number of years completed in vocational education (no.)</b>	241	The number of years of vocational schooling for all students entering into vocational education under the AIEF Program, based on the overall Australian vocational retention and completion rate based on NCVET.

Annual costs associated with vocational tuition for the analysis cohort are illustrated in Chart 6-10.

Chart 6-10: Annual Cost of Vocational Tuition (\$ Real 2018).



Source: KPMG analysis

Under the Base Case, the total vocational tuition costs was estimated to be \$1.5 million in real terms compared to \$2.9 million in real terms with the AIEF Program. There is an incremental cost of \$1.4 million under the Program Case relative to the Base Case.

### 6.3.7 In-kind Costs

In-kind costs represents the time and other contributions made by AIEF corporate and program partners, sponsors and volunteers, such as venue hire. AIEF has indicated that it would not pay market rates for these facilities in the absence of in-kind contributions—instead seeking out alternative, no cost facilities. However, in-kind costs are a standard inclusion in a CBA.

The value of in-kind contributions in 2018 of \$140,984 was estimated based on the number of volunteers, volunteered hours, hours of venue hire provided and market rates for catering and facilities. The assumptions are summarised in in Table 6-13.

Costs for years other than 2018 are a proportion of the 2018 costs based on the size of the scholarship distribution in that year relative to 2018. This ranges from 5 per cent in 2009 to 106 per cent in 2017.

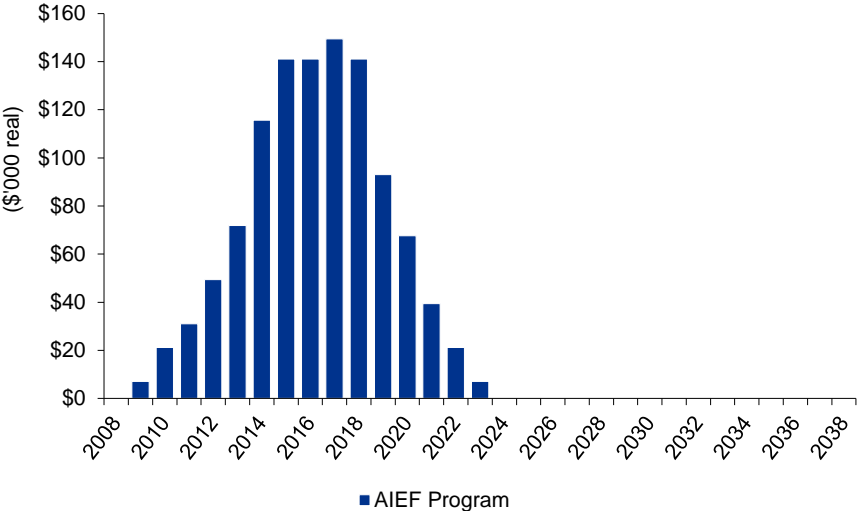
Table 6-13: In-kind Costs for 2018 (\$ Real 2018).

Description	Assumption	Basis and Source of Information
<b>AIEF Program</b>		
<b>Number of in-kind volunteer hours 2018 (no.)</b>	577 hours	The total number of in-kind volunteer hours provided through the AIEF Program in 2018 sourced from AIEF Program data (2018 only).
<b>Cost of in-kind volunteer hour 2018 (\$/per hour)</b>	\$41 per hour	The average per hour cost of volunteer hours is taken as the per hour wage of employed persons in the 'Community services and development' industry sourced from ABS Average weekly earnings 2018, AIEF Program data (2018 only) with KPMG calculations.
<b>Number of in-kind venue hire hours 2018 (no.)</b>	1,222 hours	The total number of in-kind contributed venue hours provided through the AIEF Program in 2018 sourced from AIEF Program data (2018 only).
<b>Cost of in-kind venue hire hour 2018 (\$ per hour)</b>	\$101 per hour	The average cost of hiring multi-function venues across Australia sourced from Spare Workspace.

AIEF Program data; ABS; Spare Workspace; KPMG analysis.

Annual in-kind costs contributed through the AIEF Program are illustrated in Chart 6-11.

Chart 6-11: Annual In-Kind Costs through AIEF Program (\$ Real 2018).



Source: KPMG analysis



There are no in-kind costs under the Base Case. Under the AIEF Program, the total in-kind cost is \$1.0 million in real terms over the life of the analysis.

# 6.4 Results and Sensitivity Analysis

## 6.4.1 Results Summary

For every dollar invested into the AIEF Program, a benefit of \$9.31 is realised over the working lifetime of participants. This result is based on an estimated net benefit of approximately \$737.4 million in real terms that is generated by the evaluation cohort over their working lifetime (2008 – 2068) under the AIEF Program.

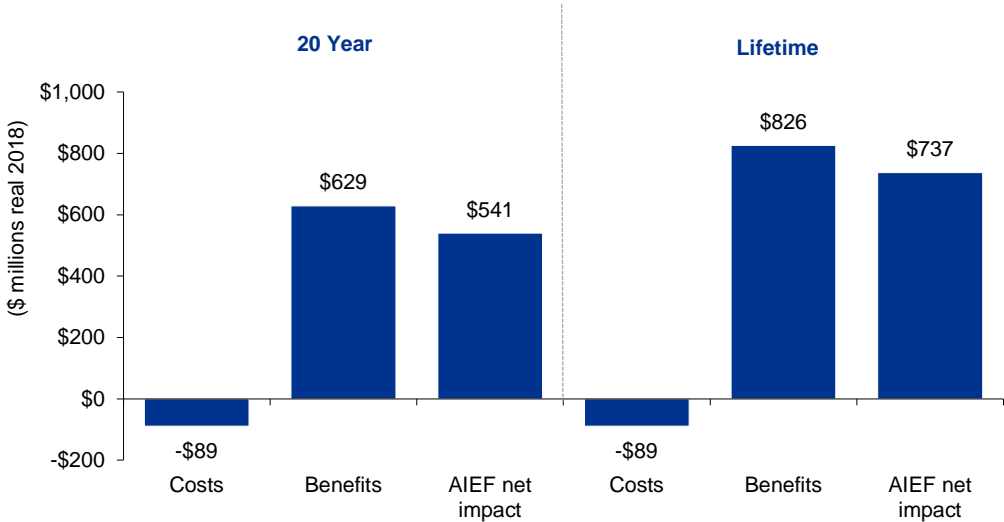
Over a 20 year evaluation period, a benefit of \$7.09 is realised. This is based on an estimated net benefit of approximately \$540.5 million generated by the evaluation cohort.

The net benefit represents the incremental benefits over the Base Case derived from higher earning educational and employment pathways entered into by AIEF Scholarship Students, in comparison to the wage earnings associated with the educational and employment pathways of the Indigenous population overall.

Additional non-immediate benefits are also included in these headline figures. These benefits include avoided health costs to government, and avoided costs of raising a child at home during the school term.

Chart 6-12 below shows the net present value of the benefits and costs of the AIEF Program using a 7 per cent discount rate.

Chart 6-12: Net Present Value of Impact of 2018 AIEF Program (20-year and lifetime evaluation period)



Note: 2018 prices using a discount rate of seven per cent.

Source: KPMG calculations

Table 6-14 summarises the present value results of all the benefits and costs quantified under this model using a discount rate of 7 per cent. It shows a strong positive result.

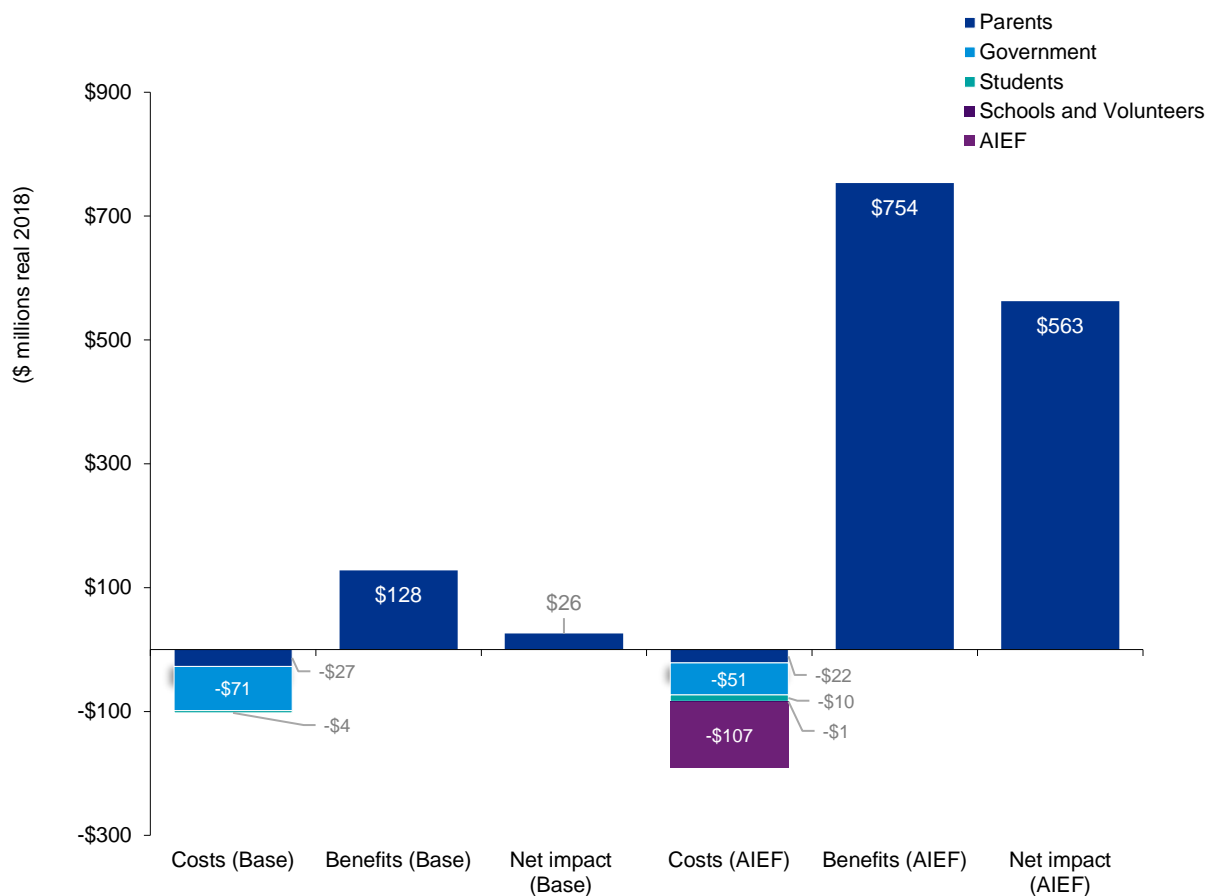
Table 6-14: Results Summary.

Results	20 year period (\$ million)	Lifetime (\$ million)
Parental costs	(5.0)	(5.0)
Scholarship distribution	87.1	87.1
Government contribution	(27.0)	(27.0)
AIEF Program costs	19.5	19.5
Tertiary education	12.1	12.1
Vocational education	1.4	1.4
In-kind costs	1.0	1.0
Cost of living expenses	(0.5)	(0.5)
<b>Total Costs</b>	<b>88.8</b>	<b>88.8</b>
Higher wage earnings	615.4	811.3
Avoided healthcare costs	3.6	4.6
Avoided costs of living expenses	10.3	10.3
<b>Total Benefits</b>	<b>629.3</b>	<b>826.1</b>
<b>NPV</b>	<b>540.5</b>	<b>737.4</b>
<b>BCR – Total</b>	<b>7.09</b>	<b>9.31</b>

Source: KPMG calculations

Under AIEF's program and funding model, costs are leveraged from a number of sources to achieve returns for participants. Chart 6-13 illustrates the benefits and costs by source, under both the Base Case and AIEF Program over the 20-year evaluation period. The chart indicates a broader funding base under the AIEF Program with 56 per cent of costs attributable to AIEF (\$106.6 million), and the remaining 44 per cent coming from parents, schools, volunteers and government sources (\$84.4 million). Under the Base Case, parents, students and government contributions account for the full costs associated with educational pathways of students (\$102.3 million). This suggests that AIEF is able to work effectively within the ecosystem of Indigenous education to broaden sources of funding from schools, volunteers and private organisations to facilitate educational access to high performing schools and improve the lifetime social and economic wellbeing of participants.

Chart 6-13: Present Value of Costs (by bearer) and Benefits under the Base Case and AIEF Program (20 year Evaluation Period)



Note: 2018 prices using a discount rate of seven per cent. Results in this chart have been rounded for illustration purposes, and may vary from actual totals.

Source: KPMG calculations

## 6.4.2 Sensitivity Analysis

A sensitivity analysis was completed to evaluate the impact of changes to key variables and assumptions on the overall model results. This included using alternative discount rates in the modelling and assessing variability in benefits.

### Alternate Discount Rates

The first sensitivity test applied was to change the discount rate in line with Australian Government guidelines. The recommended sensitivity testing should be undertaken at 3 per cent and 10 per cent<sup>53</sup> according to the Australian Department of Prime Minister and Cabinet, with the results of this testing shown in Table 6-15 below.

<sup>53</sup> Department of Prime Minister and Cabinet, Office of Best Practice Regulation, 2016, *Guidance Note, Cost-Benefit Analysis*, Department of Prime Minister and Cabinet, Canberra.

Table 6-15: Net Present Value and BCR of the 2018 AIEF Program Based on Changes to Discount Rates.

Discount rate	Total cost (\$ million)	Total benefit (\$ million)	Net impact (\$ million)	BCR (20-year)
<b>3 per cent</b>	92.2	911.5	819.3	9.89
<b>7 per cent</b>	88.8	629.3	540.5	7.09
<b>10 per cent</b>	86.6	497.2	410.6	5.74

Note: 2018 prices. Source: KPMG calculations

## Alternate Benefits

This analysis is based on a combination of AIEF Program data and data from other sources. Wherever possible, historical actuals are used as an input. Future costs and benefits however are the product of the assumptions outlined above.

This sensitivity analysis uses variation in the benefits to highlight the impact of over or understating the benefits of the AIEF Program. Some potential channels through which this may occur are outlined below:

- Use of the overall Indigenous population as a Base Case may overstate the benefits of the AIEF Program. For example, this could arise if those individuals who choose to seek out an AIEF Scholarship and are accepted by schools are inherently more likely to complete school. This is possible given that likelihood to complete Year 12 is a stated selection criteria for AIEF Scholarship Students.
- The assumption that AIEF Scholarship Students (excluding AIEF Tertiary Scholarship Students) are as likely to complete university or vocational studies as the Australian population overall may overstate the benefits of AIEF.
- The AIEF Program is associated with a broad range of benefits that go beyond increased educational attainment, higher earnings and avoided healthcare costs. These other benefits cannot be quantified, so the overall benefit of the program is likely to be understated.

Table 6-16 below show the impact of the alternative benefit assumptions on the overall model results.

Table 6-16: Alternate Benefits.

Results	40% reduction in benefits	20% reduction in benefits	No change	20% increase in benefits	40% increase in benefits
<b>20 year analysis</b>	4.25	5.67	7.09	8.51	9.92
<b>Lifetime analysis</b>	5.58	7.44	9.31	11.17	13.01

Note: 2018 prices. Source: KPMG calculations

Specific sensitivity analysis was also undertaken to test the impact of variation in the assumptions relating to the timing of real wage growth. Table 6-17 below shows the impact of the assumed timing of wage increases on the overall model results.

Table 6-17: Changes in Timing of Wage Growth.

Results	No change (7.5 years to peak wage)	10 years to peak wage	12.5 years to peak wage	15 years to peak wage
<b>20 year analysis</b>	7.09	6.83	6.60	6.38
<b>Lifetime analysis</b>	9.31	9.05	8.81	8.60

Note: 2018 prices. Source: KPMG calculations

### 6.4.3 Conclusions

The results of the Economic Evaluation show a substantial economic and social return is attributable to the 2018 AIEF Program, with an overall benefit of \$9.31 per dollar invested into the AIEF Program over participant’s lifetimes.

This overall result understates the full benefits to participants and Government because:

- Benefits derived through the AIEF Program that are not able to be quantified such as leadership skills, community engagement and inspiring Indigenous youth have not been included;
- The assumptions applied in the analysis, particularly in relation to future income levels for AIEF Scholarship Students and the indirect benefits, are conservative; and
- This result represents the costs and benefits associated with the 2018 delivery of the AIEF Program. It is likely that broader access to the program would result in a corresponding increase in the assessed level of benefits.

#### **Findings:**

The results of the Economic Evaluation show a substantial economic and social return is attributable to the AIEF Program, with an overall benefit over the working lifetime of participants of \$9.31 per dollar invested into the AIEF Program. This does not include additional benefits that are not able to be quantified in this analysis.

# 7 Summary of Key Insights and Findings

This section of the report summarises the key insights and findings of the evaluation of the AIEF Scholarship and Pathways Programs and some considerations for the future.

AIEF was established in response to community demand and provides co-funding for Indigenous families who choose to send their children to boarding school and for Indigenous students who choose to apply for university scholarships. AIEF also seeks to help prepare AIEF Scholarship Students for post-school and post-university pathways through the Pathways Program.

The AIEF Program represents a considerable investment of public and private funds. AIEF is supported by partnerships with the Australian Government and the private sector, and has committed to matching \$116.2 million in Australian Government funding over a period of 20 years by raising funds from non-government sources.<sup>54</sup>

This evaluation draws on a number of data sources, including:

- AIEF Program data, 2008 – 2018;
- AIEF Alumni data, 2009 – 2017;
- Interviews with AIEF Scholarship Staff;
- Interviews with AIEF Pathways Staff;
- Interviews with seven AIEF Partner Schools; and
- An AIEF Alumni survey which received 80 responses.

## Key insights

This evaluation demonstrates that AIEF Scholarship and Pathways Programs are achieving the intended outcomes and achieving an economic and social return for investment.

- The AIEF Scholarship Program reduces the financial barriers for students to attend participating boarding schools. For the majority of AIEF Scholarship Students, these financial barriers are insurmountable without AIEF. ABSTUDY is also an important component of how AIEF student's tuition is paid.
- One of the primary barriers that students face in accessing university is the cost of accommodation and living expenses to attend university. The AIEF Tertiary Scholarship reduces the financial barriers students face in accessing and completing university by reducing the financial barriers associated with living away from home. The Tertiary Scholarship enables students to independently move away from home and to focus on their studies rather than working, while also supporting the cost of university materials.
- AIEF ensures the accountability of Partner Schools in delivering retention and completion outcomes to a significant extent. AIEF has a number of mechanisms in place to create accountability and achieve retention and completion benchmarks. This includes the deliberate design of the parent and school-led model as a joint-partnership and risk sharing approach with schools clearly responsible for selection, enrolment, education, pastoral care and providing a

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<sup>54</sup> Australian Indigenous Education Foundation 2017, *Changing our Nation: 2017 Annual Report*, AIEF, Sydney.

culturally welcoming environment; the selection of suitable Partner Schools and regular engagement with them; reviews of completion and retention outcomes and implementing appropriate measures if required; in some instances ceasing partnerships; and AIEF materials such as the Compendium of Best Practice.

- AIEF Scholarship and AIEF Tertiary Scholarship Students are achieving AIEF benchmarks of 90 per cent retention and completion. These metrics have varied over time, but the benchmark has been reached in all years except 2011 for the AIEF Scholarship Program, when it was 89.3 per cent, and 2012 for the AIEF Tertiary Scholarship when it was also 89.3 per cent.
- Most AIEF Alumni have successfully transitioned into further study or employment. Almost all AIEF Alumni are productively engaged in employment (53 per cent), at university (24 per cent), vocational education (11 per cent) or with family and caring responsibilities (5 per cent). Almost all AIEF Tertiary Alumni are employed (97 per cent).
- The results of the Economic Evaluation show a substantial economic and social return is attributable to the 2018 AIEF Program.

# Appendix A: Key Evaluation Questions

A set of KEQs have guided the data collection and analysis for this evaluation. The questions focus on how AIEF enables students and schools to achieve completion and retention outcomes. Table A-1 presents the KEQs, aspects to consider, measures and indicators and data sources used.

Table A-1: Evaluation Questions.

Evaluation question	Aspects to consider	Measures/indicators	Methods/data sources
To what extent does the AIEF Scholarship Program facilitate <b>access</b> for Indigenous students to attend participating boarding schools?	<p>How many school students are funded through the AIEF Scholarship Program? How has this changed over time?</p> <p>Where are AIEF Scholarship Students attending school? How has this changed over time?</p> <p>To what extent do AIEF Scholarships reduce the financial barriers to access Partner Schools?</p> <p>Are all families means tested? What method is used to apply the means test?</p> <p>Are there other access barriers that AIEF Scholarships are addressing? If so what are they?</p>	<p>Number and distribution of AIEF Scholarship Students by participant characteristics (e.g. age, gender, postcode, family income, remoteness)</p> <p>Number and distribution of AIEF Partner Schools by school characteristics (e.g. geography, religious affiliation, size, fee level)</p> <p>AIEF Staff perceptions about the financial barriers students face and any means testing</p> <p>Stakeholder perceptions of the financial barriers students faced and any means testing</p>	<p>AIEF Program data and documentation</p> <p>Interviews with AIEF Staff</p> <p>Interviews with Partner Schools</p> <p>Alumni survey</p>



Evaluation question	Aspects to consider	Measures/indicators	Methods/data sources
	<p>How many schools are in the pipeline as potential Partner Schools? What are their characteristics?</p> <p>To what degree is AIEF meeting expressed demand, with consideration of:</p> <ul style="list-style-type: none"> <li>• For each Indigenous boarding place at a school, how many applications does a school typically receive?</li> <li>• Would schools expand their Indigenous education programs if more funds were available?</li> <li>• If funding was available, how many Indigenous boarders would schools like to be able to have in their school?</li> <li>• What school year is preferable for Indigenous students to commence?</li> <li>• If schools wished to grow the Indigenous Education Program at their school would their preference be to work with a single or multiple scholarship provider?</li> </ul>	<p>Stakeholder perceptions of demand for AIEF Scholarships</p> <p>Stakeholder perceptions of demand for AIEF Scholarships and views about the number of students they would like to have and the preferred year level for commencement</p> <p>AIEF documentation on the number of schools in the pipeline and their readiness</p>	
<p>To what extent has AIEF ensured the <b>accountability</b> of Partner</p>	<p><i>NB: We understand the schools have autonomy for student support and teaching activities. Noting this, AIEF hold</i></p>	<p>Stakeholder perceptions on the role and contribution of AIEF activities to overall program outcomes.</p>	<p>Interviews with AIEF Staff</p>

Evaluation question	Aspects to consider	Measures/indicators	Methods/data sources
Schools in delivering retention and completion outcomes?	<p><i>responsibility for ensuring the schools the program partner with maintains required levels of retention and completion. It is important to understand this function (and whether schools have made any changes to be part of the AIEF Program) in order to assess and explain the overall outcomes achieved by the program.</i></p> <p>How does AIEF's approach to setting eligibility criteria, selecting Partner Schools and engagement ensure the accountability of Partner Schools to deliver retention and completion outcomes?</p> <p>Have changes been made in Partner Schools in order to become or remain an AIEF participating institution? What changes have been made?</p> <p>To what extent has this approach ensured the school's and AIEF's mutual goals for retention and completion are achieved?</p>		<p>Interviews with Partner Schools</p> <p>AIEF Program documentation</p>
What are the <b>retention and school completion rates</b> for AIEF Scholarship Students?	<p>What are retention and completion rates among AIEF Scholarship Students?</p> <p>How have retention and completion rates among AIEF Scholarship Students changed over time?</p>	<p>AIEF student school retention and completion rates, by participant and school characteristics</p> <p>Year on year school retention and completion rates for AIEF Scholarship</p>	<p>AIEF Program data</p> <p>Interviews with Partner Schools</p>

Evaluation question	Aspects to consider	Measures/indicators	Methods/data sources
	<p>How does retention and completion vary with participant characteristics?</p> <p>How does retention and completion vary with school characteristics?</p> <p>How do retention and completion rates among AIEF Scholarship Students compare with Australian students overall?</p> <p>How do retention and completion rates among AIEF Scholarship Students compare with Indigenous students overall?</p>	<p>Students by participant and school characteristics</p> <p>School stakeholder perceptions about school retention and completion rates for their AIEF Scholarship Students and overall student population in AIEF Partner Schools</p> <p>Year on year school retention and completion rates for AIEF Scholarship Students and a suitable comparison cohort</p>	<p>Comparison retention and completion data</p> <p>ABS, Schools, Australia, 2017</p> <p>Department of Social Services, Footprints in Time - The Longitudinal Study of Indigenous Children (LSIC)</p> <p>Department of Social Services, the Australian Institute of Family Studies and the Australian Bureau of Statistics, Growing Up in Australia: The Longitudinal Study of Australian Children (LSAC)</p>
<p>What are the <b>transition outcomes</b> for AIEF Scholarship Students who have completed Year 12?</p>	<p>How many and what proportion of AIEF Alumni are in tertiary education?</p> <p>How many and what proportion of AIEF Alumni are employed?</p>	<p>Stakeholder reports on their post-school pathway and perceptions about the contribution of an AIEF Scholarship to their post-school pathway</p>	<p>AIEF Program data</p> <p>Survey of AIEF Alumni</p> <p>Interviews with AIEF Staff</p>

Evaluation question	Aspects to consider	Measures/indicators	Methods/data sources
	<p>How many and what proportion of AIEF Alumni are undertaking other activities?</p> <p>To what extent did the AIEF Scholarship Program contribute to their post school pathway?</p> <p>To what extent are AIEF Scholarship Program participants satisfied with the choices they had following school?</p> <p>How do outcomes vary with participant or school profiles?</p> <p>What are the barriers to the achievement of the desired outcome?</p>		
<p>What are the <b>transition outcomes</b> for AIEF Scholarship Students who have completed tertiary education?</p>	<p>How many and what proportion of AIEF Alumni are in further tertiary education?</p> <p>How many and what proportion of AIEF Alumni are employed?</p> <p>How many and what proportion of AIEF Alumni are undertaking other activities?</p> <p>To what extent did the AIEF Scholarship Program contribute to their post Tertiary pathway?</p> <p>To what extent are AIEF Scholarship Program participants satisfied with the</p>	<p>Stakeholder reports on their post-Tertiary pathway and perceptions about the contribution of an AIEF Scholarship to their post-Tertiary pathway</p>	<p>AIEF Program data</p> <p>Survey of AIEF Alumni</p> <p>Interviews with AIEF Staff</p>

Evaluation question	Aspects to consider	Measures/indicators	Methods/data sources
	<p>choices they had following their Tertiary education?</p> <p>How do outcomes vary with participant or university profiles?</p> <p>What are the barriers to the achievement of the desired outcome?</p>		
<p>To what extent does the AIEF Pathways Program enable <b>transitions</b> to work or study after school completion?</p>	<p>What proportion of AIEF Scholarships students undertake Pathways Program activities? Which activities do they participate in?</p> <p>To what extent did exposure to tertiary days or visits to workplaces contribute to post school pathways?</p> <p>To what extent did mentoring contribute to post school pathways?</p> <p>To what extent did one-on-one transition support contribute to post school pathways?</p> <p>To what extent did work readiness training contribute to post school pathways?</p> <p>To what extent are AIEF Pathways Program participants satisfied with the choices they had following school?</p>	<p>AIEF Pathways Program participation data, by participant and school characteristics</p> <p>Stakeholder reports on their post-school pathway and perceptions about the contribution of AIEF Pathways Program to their post-school pathway</p>	<p>AIEF Program data</p> <p>Survey of AIEF Alumni</p>

Evaluation question	Aspects to consider	Measures/indicators	Methods/data sources
	<p>How are outcomes shaped by participant and school profiles?</p> <p>How are outcomes shaped by the extent of participation in the Pathways Program?</p> <p>What are the barriers to the achievement of the desired outcome?</p>		
<p>To what extent does the AIEF Pathways Program enable <b>transitions</b> to work or further study after supported tertiary completion?</p>	<p>What proportion of AIEF Scholarships students undertake Pathways Program activities? Which activities do they participate in?</p> <p>To what extent did exposure to tertiary days or visits to workplaces contribute to post tertiary pathways?</p> <p>To what extent did mentoring contribute to post tertiary pathways?</p> <p>To what extent did one-on-one transition support contribute to post tertiary pathways?</p> <p>To what extent did work readiness training contribute to post tertiary pathways?</p> <p>To what extent have activities within the AIEF Pathways Program supported AIEF Tertiary Scholarship Students to transition to a career of their choice?</p>	<p>To what extent does the AIEF Pathways Program enable transitions to work or study after school completion?</p>	<p>AIEF Program data</p> <p>Survey of AIEF Alumni</p>

Evaluation question	Aspects to consider	Measures/indicators	Methods/data sources
	<p>How are outcomes shaped by participant and university profiles?</p> <p>How are outcomes shaped by the extent of participation in the Pathways Program?</p> <p>What are the barriers to the achievement of the desired outcome?</p>		
<p>Have there been any <b>other impacts</b> of the programs for students, communities or schools?</p>	<p>Have the AIEF Scholarship or Pathways Programs contributed to unintended outcomes? Are these positive or negative?</p>	<p>Stakeholder perceptions of the outcomes they experienced through AIEF Programs and whether these were expected</p>	<p>Survey of AIEF Alumni</p> <p>Interviews with AIEF Staff</p> <p>Interviews with Partner Schools</p>
<p>To what extent does AIEF Tertiary Scholarships reduce the financial barriers of accessing and completing <b>university</b>?</p>	<p>How many university students are funded through the AIEF Scholarship Program? How has this changed over time?</p> <p>Where are AIEF Scholarship Students attending university? How has this changed over time?</p> <p>What financial barriers to accessing and completing university did the AIEF Scholarship help to overcome?</p>	<p>AIEF Scholarship Program data by participant and university characteristics</p> <p>Stakeholder perceptions of the financial barriers students face in entering, attending and completing university</p>	<p>AIEF Program data</p> <p>Survey of AIEF Alumni</p>

Evaluation question	Aspects to consider	Measures/indicators	Methods/data sources
	<p>How did receiving an AIEF Tertiary Scholarship impact on students' decision to attend and complete university?</p> <p>What are retention and completion rates among AIEF Scholarship Students?</p> <p>To what extent do AIEF internships with Corporate Partners support students to transition to a career of their choice?</p>		
<p>What is the <b>economic impact</b> of the AIEF Scholarship and Pathways Programs?</p>	<p>What are the financial, economic, social and community costs of the AIEF Scholarship and Pathways Programs?</p> <p>What are the financial, economic, social and community benefits associated with the AIEF Scholarship and Pathways Programs?</p>	<p>See Economic Evaluation in Section 6</p>	<p>See Economic Evaluation in 6</p>



# Appendix B: Primary Data Collection

## Interviews with AIEF Partner Schools

As part of the primary data collection, the evaluator undertook interviews with the following AIEF Partner Schools:

- Aquinas College;
- Ipswich Grammar School;
- Knox Grammar School;
- Presbyterian Ladies' College Sydney;
- Seymour College;
- St Catherine's; and
- St Joseph's College Nudgee.

The schools interviewed were selected from a list prepared by AIEF based on willingness to participate in the research with consideration of achieving balance in duration of AIEF partnership, state, school characteristics and size of AIEF Program as summarised in Table B-1.

*Table B-1: Characteristics of AIEF Partner Schools Interviewed.*

Partner School	Partnership commenced	State	Gender	Size of school	Size of AIEF Program	Fees	Location
St Catherine's School	2009	NSW	Female	Small	Small	High	Metropolitan
Presbyterian Ladies' College, Sydney	2009	NSW	Female	Average	Small	High	Metropolitan
St Joseph's Nudgee College	2010	QLD	Male	Large	Large	Average	Metropolitan
Aquinas College, Perth	2011	WA	Male	Average	Average	Average	Metropolitan
Ipswich Grammar School	2012	QLD	Male	Large	Large	Average	Regional

Partner School	Partnership commenced	State	Gender	Size of school	Size of AIEF Program	Fees	Location
Knox Grammar School	2013	NSW	Male	Average	Average	High	Metropolitan
Seymour College	2016	SA	Female	Small	Small	Average	Metropolitan

Note: Information about partnership commencement, state, gender, school size, program size, fee level and location was provided by AIEF.

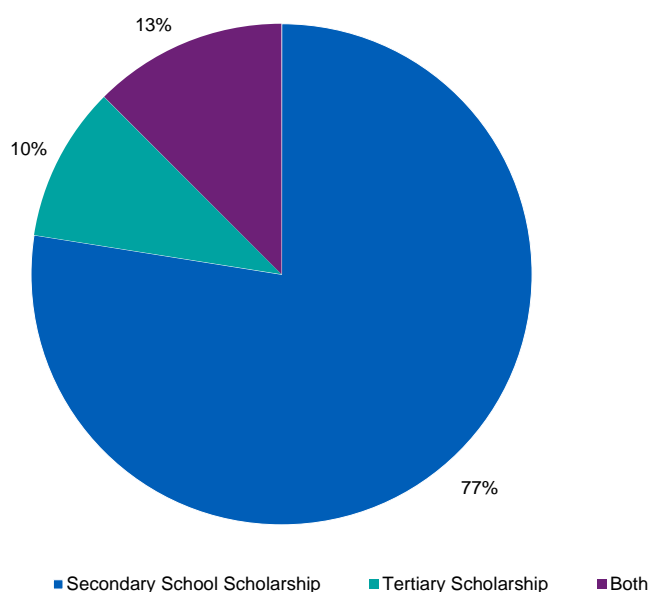
The interview participants (nominated by schools) varied in their role and included Principals, Indigenous Student Co-ordinators and others in enrolment, marketing and development positions.

## AIEF Alumni survey

80 AIEF Alumni out of 566 recipients responded to a survey developed by KPMG in consultation with AIEF and distributed by AIEF, accounting for approximately 14 per cent of all alumni.

Chart B-1 shows the scholarship type held by alumni who responded to the survey. While providing a valuable insight into their perspectives and experiences, the views of the approximately 10 per cent of respondents can not be extrapolated to the entire alumni cohort. Further, as AIEF collects longitudinal data regarding the entire AIEF Alumni cohort, the results should be viewed as a complementary source of data on alumni outcomes. Relative to the overall pool of AIEF Scholarship Students, a slightly higher proportion of respondents either held a Tertiary Scholarship or both a Tertiary Scholarship and a school scholarship.

Chart B-1: Scholarship Type held by Alumni who Responded to Survey (n=80)



56 per cent of respondents (45/80) were female, while 46 per cent (35/80) were male (Chart B-2).

The geographic distribution of survey respondents (Chart B-2) was broadly in line with the distribution of AIEF Scholarship Students overall.

Chart B-2: State Where the Student Was Living Prior to Receiving an AIEF Scholarship. N=80.

