

A full-length portrait of Andrew Penfold, a man with short dark hair, wearing a dark blazer over a blue and white striped shirt and khaki pants. He is standing against a light blue background. The text is located in the upper right corner of the image.

*ANDREW PENFOLD*  
CEO, AUSTRALIAN INDIGENOUS  
EDUCATION FOUNDATION

• Tragedy has a way of throwing life into sharp relief and changing the order of things, not only for those directly affected. For example, it helped propel lawyer and former investment banker Andrew Penfold towards engineering a \$40-million breakthrough in indigenous education.

In 2002 Penfold was a banker in Hong Kong, thinking about returning home and wondering what to do when he got there. After 20 years in law and finance he was ready for something new. "I wanted to do something else with my life, something that wasn't about business or making money, something with a bit more substance and enrichment," Penfold says.

Then came the Bali bombings. Among the 202 who died were 11 of Penfold's mates, men he played rugby with. Penfold and a few others in Hong Kong raised some money to support the other victims of the tragedy; the families of those caught in the blast. He discovered how enriching and profound it could be to apply energy, grit and experience to helping others. That knowledge, Penfold's interest in social issues – in particular "the appalling marginalisation of aboriginal Australia" – and his expertise in law and finance have combined to form a leader who links worlds.

Although he does not have a teaching background Penfold is very comfortable in a school environment. He is equally successful at negotiating with bureaucrats, and is one of the few whose life, job and home encompass black and white Australia.

Since his return to Australia Penfold has rattled the fundraising can. His first goal was to raise \$5 million to fund an indigenous student boarding program at his old school, St Joseph's College.

Now he's out to raise \$20 million to match another \$20 million in federal government funds to power the newly formed Australian Indigenous Education Foundation ([www.aief.com.au](http://www.aief.com.au)). This \$40-million initiative will pay for hundreds of indigenous youths to go to various boarding schools over the next 20 years. It will give them what most in this country already take for granted: the chance to learn.

"You don't give someone an education," Penfold says, "It's not like giving someone a blanket. People have to earn an education, they have to graduate, they have to do the work."

ABS data shows 43 per cent of indigenous males and 50 per cent of non-indigenous females stayed at school until Year 12 last year, compared to 70 per cent of non-indigenous males and 82 per cent of females. School dropouts are often condemned to a lifetime of welfare dependence usually because of their failure to learn, making this one of Australia's biggest economic and social problems.

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Every person on welfare costs taxpayers about \$100,000 a year once administration and compliance expenses are added onto health, travel, housing and welfare payments. "So the federal government's \$20 million will fund 20 people on welfare for 10 years or educate hundreds of kids who will never go near welfare," Penfold says.

The AIEF ([www.aief.com.au](http://www.aief.com.au)) will invest with the private sector to leverage that \$20 million further but while it's economics that drives the business plan, "it's the social outcome we are really interested in", Penfold says. "I have no doubt that having thousands of well-educated kids over the next generation will totally transform indigenous Australia. Education is the tool that empowers and creates better outcomes; for centuries it has been the most important agent of social change."

Corporate Australia has had no trouble warming to the idea: Penfold's directness and persistence make him hard to refuse. AIEF directors include Carnival Australia chief Ann Sherry and BT Investment Management's Rob Coombe. The line-up of AIEF ambassadors includes Geoff Dixon, Heather Ridout, Katie Lahey, David Gonski and Ralph Norris. Raising \$20 million is going to be tough but Penfold believes the foundation can tap into a rich vein of goodwill.

"There are so many people who want to invest in indigenous programs but they are all scared. Gun-shy. Companies want to do something in this space but they are worried about reputation, about probity, about transparency and about how the money will be spent."

Enter the foundation. It claims it can tick all the boxes on best practice, good governance and sustainability. Its contract with the government has been carefully structured to ensure schools are left alone to get on with the business of educating and not tied up in the red tape, oversight and micromanagement that traditionally accompanies government money. For those in the business of education, this is perhaps Penfold's most noteworthy achievement. For his part, the six months of negotiations that followed Prime Minister Kevin Rudd's \$20-million pledge last November was "easily the most difficult negotiating experience in my career".

He knew a traditional public sector contract would have stifled the foundation. "Our strength is [that] we are a private sector-led organisation. We don't want to spend our lives explaining ourselves in endless paperwork. The government people understood that, but grappling with how we were going to break the mould took six months."

**Emma Connors**



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