

CHANGING OUR NATION



2015
ANNUAL
REPORT



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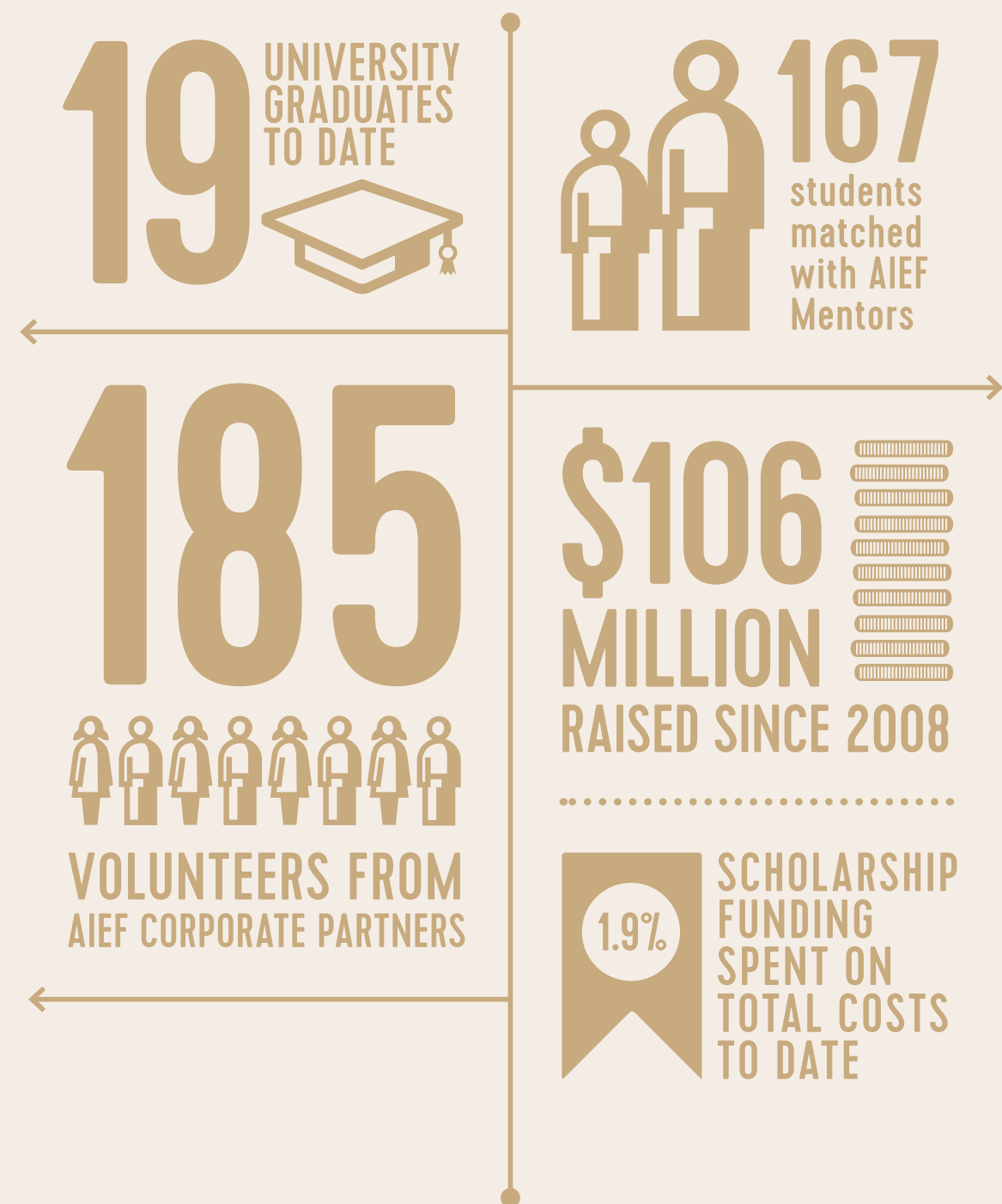
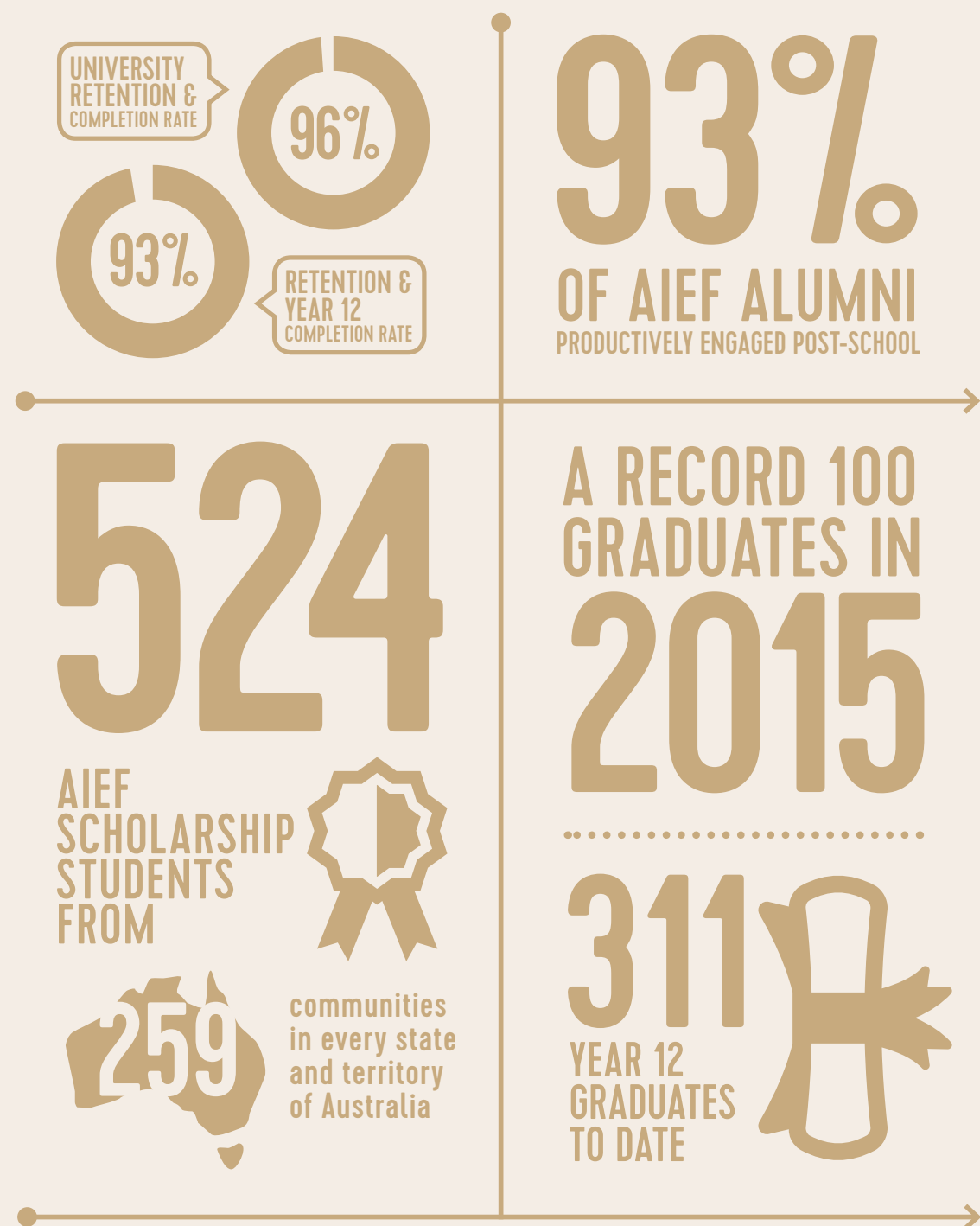
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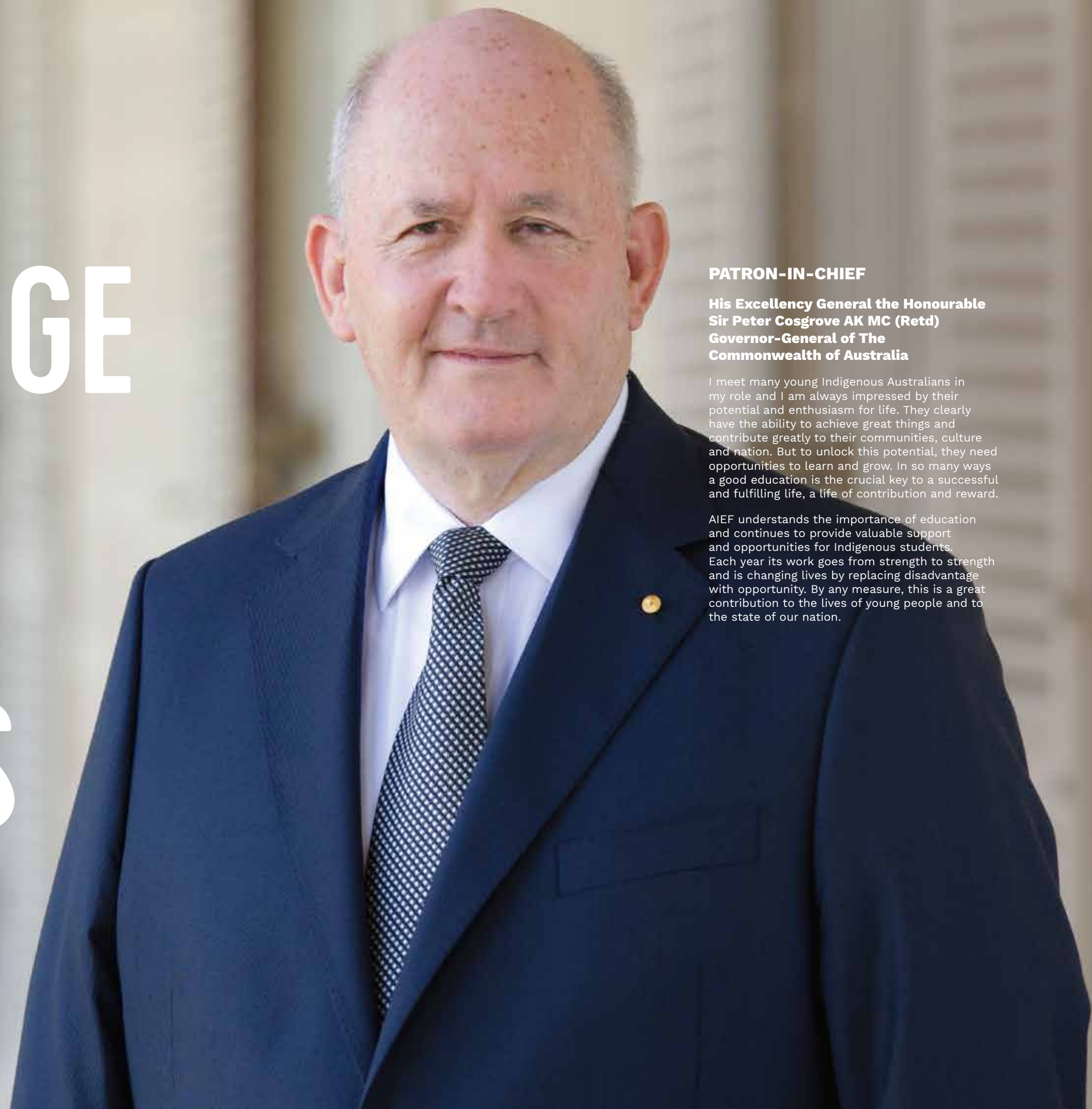
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OUR
PARTNERS



A MESSAGE FROM OUR PATRONS



PATRON-IN-CHIEF

**His Excellency General the Honourable
Sir Peter Cosgrove AK MC (Retd)
Governor-General of The
Commonwealth of Australia**

I meet many young Indigenous Australians in my role and I am always impressed by their potential and enthusiasm for life. They clearly have the ability to achieve great things and contribute greatly to their communities, culture and nation. But to unlock this potential, they need opportunities to learn and grow. In so many ways a good education is the crucial key to a successful and fulfilling life, a life of contribution and reward.

AIEF understands the importance of education and continues to provide valuable support and opportunities for Indigenous students. Each year its work goes from strength to strength and is changing lives by replacing disadvantage with opportunity. By any measure, this is a great contribution to the lives of young people and to the state of our nation.

A MESSAGE FROM OUR PATRONS

Professor The Honourable Dame Marie Bashir AD CVO

As Patron of the Australian Indigenous Education Foundation (AIEF), it has been my privilege to meet many young scholars from around the country.

These encounters have left me in no doubt that the dividends of their continuing success contribute to nation building. As that great man of the 20th century, Nelson Mandela, reminded us “the most powerful weapon of all is education”.

Equally, there is no doubt that AIEF, with which I am so proud and grateful to be associated, goes from strength to strength, and I would like to congratulate the foundation and the schools, students and families supported by its programs on another year of outstanding achievements.

Courtesy of The University of Sydney

David Gonski AC

It is amazing to think that another year has already passed since the publication of AIEF's 2014 Annual Report.

I thought last year that the extensive activities of AIEF in 2014 would be hard to beat in the next year — I was wrong and I compliment all those who contributed to 2015 as such a successful year.

As I watched from afar the achievements throughout 2015 two things continually came to my mind.

First, AIEF is a very focussed, high performing organisation which is moving towards its goals at speed and thereby doing marvellous work in improving the lives of now hundreds of highly intelligent and talented young people.

Second, how lucky am I to be one of the Patrons of such an organisation. Its values in supporting those that suffer potential educational disadvantage and the professional way it goes about it are very meritorious. Being associated with the AIEF even in a small way is an enormous honour for me.

Renee Nowyarger/The Australian

WELCOME FROM THE CHAIR

WARREN MUNDINE AIEF CHAIR

Over the years, myriad programs backed by billions of dollars in funding have attempted to close the gap in education and employment outcomes between Indigenous and non-Indigenous Australians. As of 2015, little meaningful progress has been made.

Many of these programs focus on activities, not outcomes. With an uncompromising focus on outcomes, AIEF is a standout.

Indigenous students supported by its efficient, low cost model consistently achieve retention and Year 12 completion and career transition rates of more than 90%.

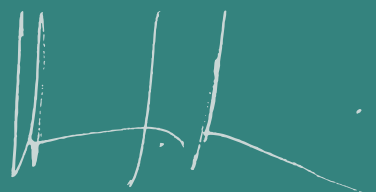
This success has seen AIEF grow from one scholarship student in 2008 to more than 500 scholarship students in 2015, backed by \$106 million in funding and strong partnerships with the public and private sectors.

AIEF does not claim to be a silver bullet solution for addressing inequality, but its programs are empowering hundreds of children through education and employment and making a real contribution towards closing the gap.

With additional funding, AIEF could change the futures of thousands of Indigenous children and in so doing, change the nation for the better.

It is an honour to serve as Chair of AIEF and I would like to thank my fellow Directors and AIEF's network of partners and supporters for their dedication to its nation changing work.

Sincerely,



WITH ADDITIONAL
FUNDING, AIEF COULD
CHANGE THE FUTURES
OF THOUSANDS OF
INDIGENOUS CHILDREN
AND IN SO DOING,
CHANGE THE NATION
FOR THE BETTER.





ANDREW PENFOLD AM EXECUTIVE DIRECTOR

Seven years ago, the Australian Government invested \$20 million in AIEF, a fledgling scholarship program supporting a handful of students in NSW.

This investment set AIEF on a path to growth that has seen us raise \$106 million, including \$38 million in government funding, while supporting a tenfold increase in the number of students on AIEF Scholarships.

In 2015, AIEF supported over 500 scholarship students and more than 300 graduates to achieve retention and Year 12 completion and career transition rates above 90% — the same benchmark outcomes achieved by growing numbers of students every year since AIEF was established, making AIEF the most successful Indigenous education program in Australia.

With the support of HSBC Bank Australia, we also published and distributed 1,000 copies of the *AIEF Compendium of Best Practice for Achieving Successful Outcomes with Indigenous Students in Australian Boarding Schools*, a practical guide to best practice in Indigenous education.

Backed by a campaign in *The Australian*, the launch of the AIEF Compendium gained national attention and a year on, it continues to inform teachers, schools, politicians and policy makers across the country.

Over the past eight years, the AIEF model has proven itself to be effective, efficient and scalable. It has helped to empower hundreds of Indigenous children and can continue to be scaled to empower thousands more.

However, AIEF funds raised to date are fully committed to support current scholarship students and significant investment is needed to sustain existing scholarship places and keep up with demand from Indigenous students and families.

Our partners and supporters have provided the foundation for our success so far, and many of them have been with AIEF since day one. They have watched us grow, heard from scholarship students and graduates and know that our work is changing the nation.

Together, we're asking the Australian Government and the private sector to continue to invest in AIEF and the dreams and aspirations of Indigenous children.

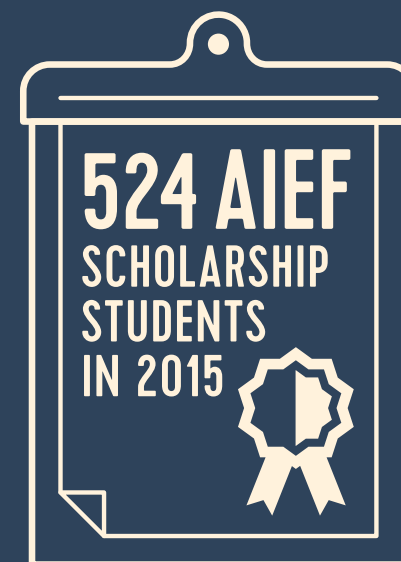
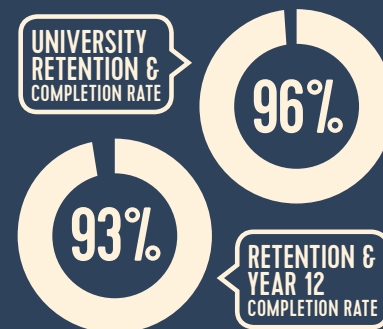
With your support, we want to ensure that students who want to pursue their education on an AIEF Scholarship are not denied the opportunity, and that all of these students are empowered to shape Australia's future.

Sincerely,



AIEF SCHOLARSHIP PROGRAM

In 2015 the number of students attending school and university on AIEF Scholarships exceeded 500 for the first time in AIEF's history.



School students supported by the program achieved a 93% retention and Year 12 completion rate and 96% of tertiary scholarship students continued or completed their university studies during the year.

Student numbers rose to 524 in 2015, including 460 school and 64 tertiary students attending 34 Partner Schools and Colleges and 13 universities across Australia.

AIEF expanded its network of partners to include two ‘firsts’: a partnership with a school in SA, Seymour College, and a partnership with a university, the University of Technology, Sydney (UTS).

AIEF will offer scholarships at Seymour College and UTS from 2016, with scholarships offered in partnership with UTS to cover the cost of accommodation at UTS Housing Service Residences and provide a living allowance that will enable students to live on campus and access the support they need to excel in their studies.

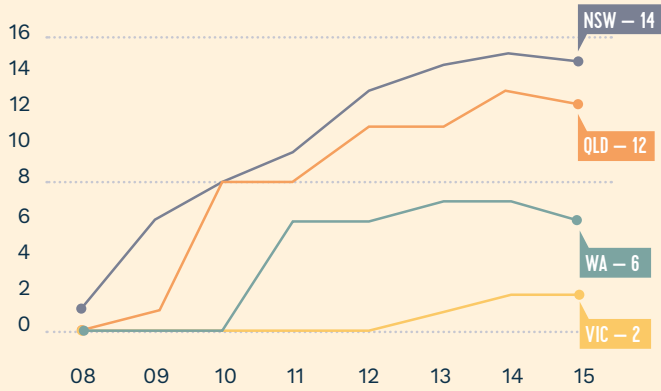
AIEF also increased its reach in 2015, supporting students from a record 259 communities in every state and territory of Australia, with 37% of students coming from remote and very remote communities, 23% from rural communities and 40% from regional and metropolitan communities

In partnership with the Goodes O’Loughlin Foundation, AIEF awarded the first 11 AIEF-GO Foundation Scholarships for Indigenous day students in 2015.

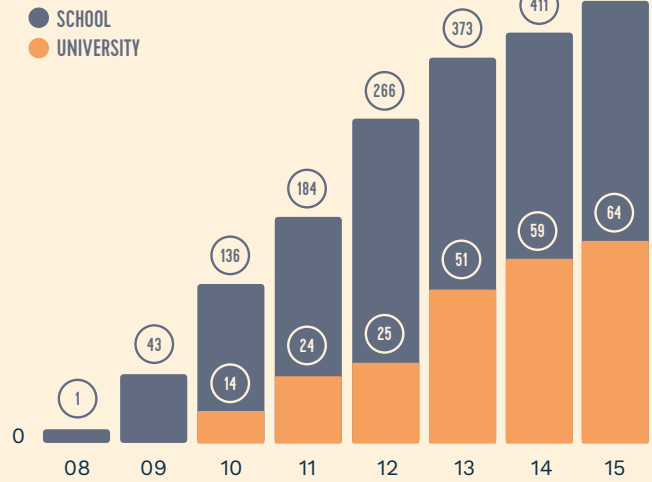
The scholarship, which provides mentoring and career support through the AIEF Pathways Program in addition to financial assistance, supported students at four Partner Schools in Sydney: Loreto Normanhurst, Knox Grammar School, St Gregory’s College Campbelltown and Pymble Ladies’ College. AIEF-GO Foundation Scholarships awarded in late 2015 will support an additional six students at these schools in 2016.

AIEF also awarded seven new AIEF-BHP Billiton Tertiary Scholarships to outstanding students studying engineering and other mining-related degrees in 2015, including one postgraduate student, bringing the total number of students supported by the scholarship to 16.

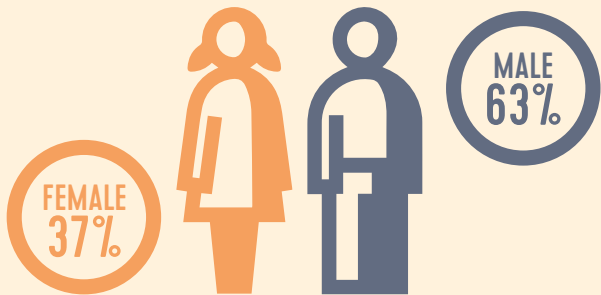
GRAPH 1: AIEF EDUCATIONAL PARTNERS 2015



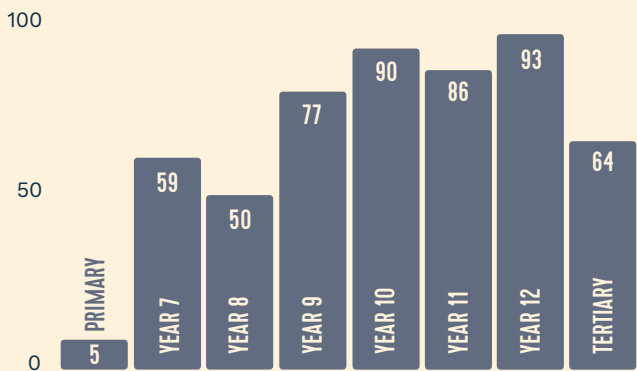
GRAPH 2: AIEF SCHOLARSHIPS 2008-2015



GRAPH 3: AIEF SCHOLARSHIP STUDENTS BY GENDER 2015



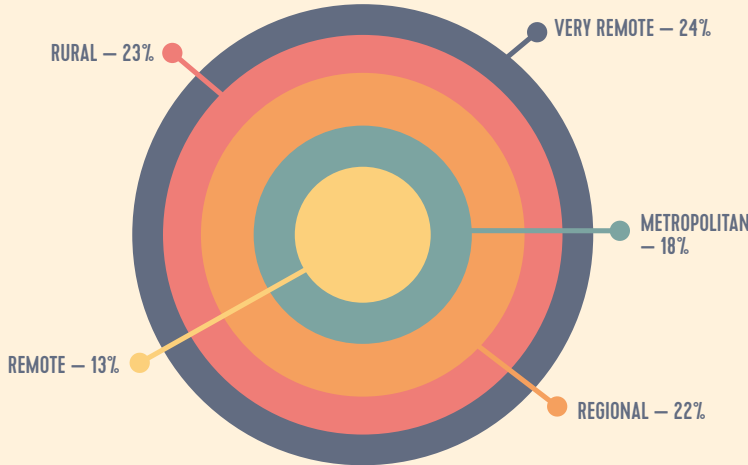
GRAPH 4: AIEF SCHOLARSHIP STUDENTS BY GRADE 2015



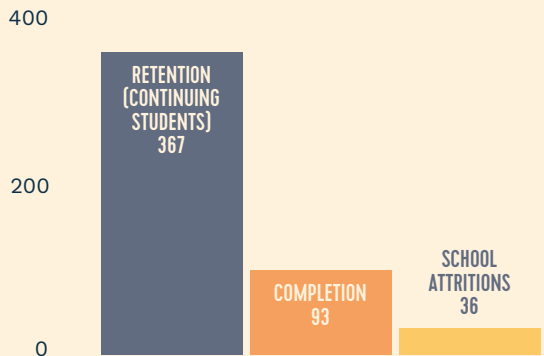
GRAPH 5: AIEF SCHOLARSHIP STUDENTS BY STATE 2015



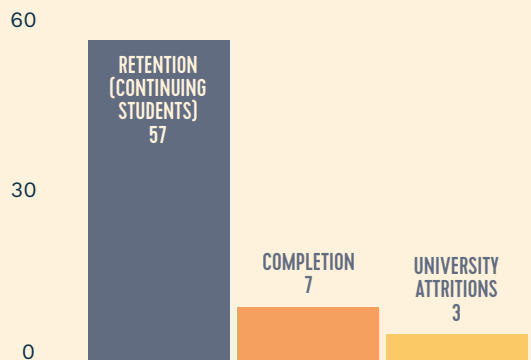
GRAPH 6: AIEF SCHOLARSHIP STUDENTS BY REMOTENESS 2015



GRAPH 7: SCHOOL RETENTION AND YEAR 12 COMPLETION RATE 2015



GRAPH 8: UNIVERSITY RETENTION AND COMPLETION RATE 2015



One student successfully completed his undergraduate degree and will embark on postgraduate study with scholarship support in 2016. Four students successfully applied to the BHP Billiton Australian Undergraduate Program in 2015, and 2014 graduate Tim Hill continued his employment as a Graduate Mine Engineer within the prestigious BHP Billiton Foundations for Graduates Program.

Looking ahead, AIEF remains focussed on achieving benchmark outcomes, including retention and completion rates above 90%.

The AIEF Scholarship Program is driven by the hard-work and enthusiasm of our Educational Partners and our success would not be possible without the passion and commitment they dedicate to the education and pastoral care of each individual AIEF Scholarship Student, as well as the essential administrative support they provide.

The achievements of the AIEF Scholarship Program in 2015 reflect the achievements of our Educational Partners, and we would like to thank and acknowledge them for ensuring AIEF’s continued success. ■

SCHOOL STUDENTS SUPPORTED BY THE PROGRAM ACHIEVED A 93% RETENTION AND YEAR 12 COMPLETION RATE AND 96% OF TERTIARY SCHOLARSHIP STUDENTS CONTINUED OR COMPLETED THEIR UNIVERSITY STUDIES DURING THE YEAR.

MICHAEL LINDSAY, DIRECTOR OF THE TENIX FOUNDATION, ACCEPTS CUSTODIANSHIP OF THE AIEF DREAMING FROM MICHELLE PENFOLD, PARTNERSHIPS AND COMMUNICATIONS DIRECTOR AT AIEF, IN RECOGNITION OF HIS SEVEN YEARS OF SERVICE TO THE AIEF BOARD AND INVESTMENT COMMITTEE AND HIS ONGOING SUPPORT AS AN AIEF AMBASSADOR, NOVEMBER 2015.

Image: Damien Milan Photography



Adam Goodes and Michael O'Loughlin, founders of the GO Foundation, congratulate new AIEF-GO Foundation Scholarship Students at a reception in Sydney, December 2015.

Katriina Heikkanen, Indigenous Programs Manager at the AFL shows students how culture can be an asset at work at the Learn It, Live It! Work Readiness Workshop in Brisbane, October 2015.



"MATT IS A GOOD BLOKE, HE'S FUN TO HANG AROUND WITH. HE IS REALLY KIND AND IS ALWAYS CHECKING UP ON ME, WHICH IS GOOD."
— AIEF SCHOLARSHIP STUDENT KONAMA ON HIS MENTOR, MATTHEW RIX FROM COMMONWEALTH BANK.

Image: Damien Milan Photography

AIEF PARTNERSHIPS AND COMMUNICATIONS DIRECTOR MICHELLE PENFOLD WITH HIS EXCELLENCY NOEL WHITE, AMBASSADOR OF IRELAND TO AUSTRALIA AND RODNEY O'NEIL, GOVERNOR OF THE AUSTRALIAN IRELAND FUND, AT THE ANNOUNCEMENT OF A NEW FIVE YEAR COMMITMENT TO AIEF BY THE AUSTRALIAN IRELAND FUND, MARCH 2015.



AIEF Director Carlie Smart becomes the first AIEF Alum to be admitted to the Supreme Court of New South Wales, with AIEF Executive Director Andrew Penfold AM, December 2015.



CATHY FREEMAN OAM CONGRATULATES EDNA, WHO GRADUATED IN 2015 ON A SCHOLARSHIP PROVIDED BY AIEF IN PARTNERSHIP WITH THE CATHY FREEMAN FOUNDATION, DECEMBER 2015.

Image: Cameron Laird/The Australian



Students discuss finding and following your dream career with Andy Holmes, President BP Australasia, at a Food for Thought Boardroom Lunch, May 2015.



AIEF-BHP BILLITON SCHOLARSHIP STUDENTS EXPLORE CAREER OPPORTUNITIES AT BHP BILLITON'S PERTH TRAINING CENTRE, SEPTEMBER 2015.

STUDENTS PRACTISE THEIR RUGBY AND TEAMWORK SKILLS WITH THE QANTAS WALLABIES AT THE HSBC RUGBY FESTIVAL IN SYDNEY, AUGUST 2015.



"It's really good, it builds a bond with the students being able to have a bit of fun" — AIEF Alum Brett Russell on leading current students on a Brindabella experience, hosted by KPMG, March 2015.

Image: Renee Nowytarger/The Australian



"I NEVER BELIEVED THAT I COULD GO ON TO ACHIEVE THE THINGS THAT I'M ACHIEVING NOW...I OWE WHERE I AM TO AIEF. THE TWO YEARS THAT I SPENT AT KNOX GRAMMAR SCHOOL AND THE UNRIVALLED SUPPORT THAT I'M STILL RECEIVING HAVE HELPED ME TO GET TO WHERE I AM TODAY." — AIEF ALUM JIMMY WIDDERS-LEECE SPEAKING AT THE PERPETUAL NAIDOC WEEK EVENT IN SYDNEY, JULY 2015.



Mentors and students explore the Qantas heavy maintenance base in Brisbane and learn about careers in aviation engineering, July 2015.



AIEF Scholarship Students and Alumni enjoy Queensland Theatre Company's production of *Black Diggers* in Melbourne after discussing careers in law with representatives from Allens, April 2015.

ALLAN FIDOCK, MANAGING DIRECTOR OF HSE GROUP, A SWIRE COMPANY, WITH YEAR 12 GRADUATES KALINA AND MITCHELL AT THE AIEF GRADUATION EVENT IN BRISBANE, OCTOBER 2015.

Image: Jack Harlem Photography



AIEF MENTORS AND STUDENTS ENJOY A TOUR OF SAP'S MELBOURNE OFFICE AND A VIEW OF THE MELBOURNE GRAND PRIX, MARCH 2015.



AIEF SCHOLARSHIP PROGRAM

Name: Neerim Callope
Age: 23
Graduated: Year 12 2010
St Augustine's College
Studying: Bachelor of Arts
The University of Melbourne
From: Normanton, QLD



“When I came down to Melbourne to attend the university open day, AIEF put me in touch with Murrup Barak [Melbourne Institute for Indigenous Development] and Trinity College, where I'm living now.”

“The transition has been smooth and that's largely thanks to knowing other AIEF students here — I knew I already had friends, and that made the move a lot easier.”

Through the program, Neerim successfully applied for the AIEF-HSBC Summer Work Placement and spent 11 weeks working in analysis and research within HSBC's commercial and global banking divisions.

“When you work in a bank you get to understand companies that are banking between hundreds of thousands and billions of dollars. It was a great learning experience that helped me understand how some of these companies operate.”

“HSBC was also the most pleasant and multicultural environment I've ever worked in. We met the entire executive committee and the CEO was genuinely invested in the success of the program.”

“The opportunity to meet the other interns, Jerone and Chris, and come together as young Indigenous men with big goals, and collaborate and share in the experience was probably one of the most profound things about the whole journey.”

Long-term, Neerim hopes his studies will help him become an entrepreneur and leader, and he encourages other young Indigenous Australians to forge their own path.

“I want to be my own boss, and for me understanding finance and accounting is going to give me all the tools I need to be able to do that.”

“I can also see myself going in to politics, not just as a representative, but as a leader. I feel I can represent Aboriginal people and also meet the obligations of being a leader for all Australians.”

In 2010, Neerim completed Year 12 on an AIEF Scholarship. Since then his ambition has driven him to study law, education and business, speak at national and international conferences, lead his university's Indigenous student association and become one of the first alumni to undertake the AIEF-HSBC Summer Work Placement.

His journey began in Normanton, a small community in north-west Queensland's gulf country, where he grew up and attended primary school.

“I applied to St Augustine's College in Cairns because my big brother went there. It was a huge change, coming from a school with a large Aboriginal population where everyone's family, but it didn't take long for me to adjust.”

Neerim graduated in 2010 set on a career path that would allow him to effect change in Indigenous communities, studying law then education at James Cook University (JCU).

“I wanted to work grassroots and I wanted to empower people through ideas and critical thinking. And I still believe that education, and the ability to govern your own life and your own circumstances is going to be a catalyst for Aboriginal people to break the cycle. But I came to the conclusion that economics was an avenue where I could make more of a difference to more people.”

In 2015, Neerim transferred to Commerce at JCU and applied to continue his studies at the University of Melbourne, where he commenced a Bachelor of Arts with a view to studying finance and accounting in 2016.

He says the ongoing support he receives from AIEF has been vital to his success.

“One of the biggest benefits has been having an objective sounding board. Your sole focus is me and helping me find the avenues where I'll be happy and successful.”

“My advice to other young Indigenous Australians is not to feel like you need to compromise your goals for your culture, or for anyone else. Your dreams and your Dreaming can live symbiotically.”

“I think that when one person succeeds the whole community succeeds. When one member of a family graduates from high school, everyone sees that and believes they can do it. When one person graduates from university, everyone sees that and believes they can do it.”

“That's how our culture will survive — not through conservation in practice, but through aspiration in action.”

AIEF PATHWAYS PROGRAM

In 2015, the AIEF Pathways Program supported 561 students and alumni, including a record 100 scholarship graduates.



AIEF PATHWAYS PROGRAM

IN A FIRST FOR THE PROGRAM, AIEF OFFERED CADETSHIPS AND INTERNSHIPS FOR ALUMNI AND TERTIARY SCHOLARSHIP STUDENTS IN PARTNERSHIP WITH HSBC AND ALLENS.

The 93 Year 12 and 7 tertiary graduates who made up AIEF's Class of 2015 were among 561 students and alumni supported by two core programs during the year:

- The AIEF Mentor Program, which pairs students with volunteer mentors from AIEF's Corporate Partners and aims to create structured and trusting relationships that will support students through their senior years at school and beyond.
- The AIEF Transition Support Program, which provides one-on-one support to students from Year 11 onwards, including tailored support for AIEF's ever growing network of alumni and tertiary scholarship students.

The AIEF Mentor Program supported 167 mentor-student pairs, including 52 pairs new to the program in 2015 and 40 pairs continuing after graduation.

Mentors also contributed to the Transition Support Program, which facilitated regular career sessions and events for 186 Year 11 and Year 12 students, such as the 'Learn It, Live It!' Work Readiness Workshop.

AIEF introduced dedicated workshops for each year group in 2015 to support students to develop a wider range of vital skills. The Year 11 workshop focussed on developing students' interpersonal skills, resilience and motivation, with sessions on strengths and values, emotional intelligence and culture and identity, while the Year 12 workshop focussed on practical skills, with sessions on financial literacy, public speaking and interview skills.

268 alumni and tertiary scholarship students participated in the Transition Support Program, which is tailored to individual needs post-school, ranging from intensive support — such as help searching and applying for jobs, courses and accommodation, interview preparation and skill development — to quarterly check-ins with alumni well established at university or in the workforce.

In a first for the Transition Support Program, AIEF offered cadetships and internships for alumni and tertiary scholarship students in partnership with HSBC and Allens in 2015. Three alumni (Chris O'Donnell, Jerone Wills and Neerim Callope) completed the inaugural AIEF-HSBC Summer Work Placement, a unique opportunity to gain knowledge, skills and exposure to careers at HSBC; and AIEF-Shalom Gamarada Scholarship Student Dylan Booth will complete a 12 month finance cadetship with Allens in 2016.

Our interns were among the 93% of AIEF Alumni participating in the program, who were productively engaged in career pathways such as tertiary study and full time employment in 2015. Five industries engaged more than half of the alumni and tertiary scholarship students in the program, with 10% studying or working in law, 10% in construction, 9% in business, 8% in medicine, 8% in education and 7% in engineering. 29% of alumni were living, working and studying in their home community during the year.

Building a strong and supportive peer network remained a focus of the Transition Support Program and AIEF hosted four Alumni Connect events bringing together 51 alumni and tertiary scholarship students in Sydney and Brisbane, as well as the first Yarn'n Circle, where 17 alumni from across Australia provided feedback and insights that continue to shape the development of the AIEF Pathways Program.

27 alumni developed skills while contributing to the program as volunteers, presenting and facilitating events and working with AIEF to help students define their aspirations and prepare to make a successful transition from school to further studies or employment, productive careers and fulfilling lives. ■

93% OF AIEF ALUMNI PRODUCTIVELY ENGAGED POST-SCHOOL

THE AIEF
PATHWAYS
PROGRAM
SUPPORTED



561

students and alumni



INCLUDING A RECORD
100 GRADUATES

185

VOLUNTEERS FROM
AIEF CORPORATE PARTNERS

31 CEOS AND
LEADERS WERE
PERSONALLY
ENGAGED
WITH AIEF



CASE STUDIES



Damien Milan Photography

Name: Indiana
Age: 18
Graduated: Year 12 2015
St Vincent's College
Potts Point
Studying: Bachelor of
Occupational Therapy
Monash University
From: Umina Beach, NSW

In 2013, a Google search for schools with a wide selection of senior subjects led Indiana, then in Year 10, to the St Vincent's College, Potts Point website.

With help from her mum, Indiana successfully applied for an AIEF Scholarship at the school, where she began boarding in Year 11.

"It was a massive change at first, but I loved it, and it was probably one of the best things I've ever done."

Indiana says taking part in school and AIEF programs, particularly the AIEF Mentor Program, helped her settle in to boarding and start thinking about her future.

"At first I wasn't really sure what mentoring was and how helpful it would be, but I've really enjoyed it. Steph [Brantz, ABC presenter and AIEF Ambassador] has given me a lot of support and advice on school and going to uni."

During Year 12, regular sessions with the AIEF Transition Support Team helped Indiana turn an interest, sparked by watching her cousin develop through occupational therapy, into a career path.

"I didn't really know what occupational therapy was until my aunty said my cousin was going to one. I really liked what she was doing for him and seeing how much of an impact it could have on people."

"When I didn't really know what I wanted to do AIEF helped me look at all the different options and write a resume, and when I decided to study a Bachelor of Occupational Therapy AIEF helped me complete my applications."

"I chose Monash University because they had the course I wanted and a really good Indigenous unit and AIEF helped me apply for an Indigenous scholarship that covers all my accommodation costs."

"The scholarship gives me peace of mind and lets me focus on study instead of worrying about money — when you're living in a new state having one less thing to worry about makes a big difference."

In the future Indiana wants to work with children, and she's currently focussed on working with children on the autism spectrum.

"Occupational therapy is helping people live a normal life to their full potential. It's 'client centred' care, which is about helping the client do what they want to do rather than helping them do what other people say they should do. It's focussed on what the client wants, which I think is a really interesting concept."

"It was a massive change at first, but I loved it, and it was probably one of the best things I've ever one."



Peter Davies

Name: Kahn
Age: 17
Studying: Year 10 2015
Melbourne Grammar School
From: Bairnsdale, VIC

"The people you surround yourself with are really important and in this school you're surrounded by really good teachers who support you and want you to succeed."

When Kahn left the family farm near Kyabram for boarding school in 2014, he was the seventh of 12 brothers and sisters to make the journey.

The achievements of his older siblings, who went on to study degrees including medicine, dentistry, physiotherapy and environmental science, inspired him to apply for a scholarship at Melbourne Grammar School (MGS) in Year 8.

"My brothers and sisters went to boarding school and most of them went to Melbourne Uni, and I'm following in their footsteps."

Kahn joined the AIEF Mentor Program in 2015 and says his mentor Marcus Civelles has become an important source of support outside school.

"Talking about something else and getting out of the bubble is good too. When I see my mentor we talk about things we enjoy, how we're going, about home, and it's like being out of school with your friends."

Marcus, a Supply Process Optimization Specialist with BP, says common interests have provided the foundation for his relationship with Kahn.

"It helps to have some common ground. We both love sport and the outdoors and that's helped us relate to one another."

"When we catch up after school, Kahn has been in class for eight or nine hours. The last thing he wants to do is sit down and plan a study timetable."

"He knows he can ask for my advice on schoolwork but what we'll often do is just go and kick the football around and talk. And I've found that doing something physical is a way to start talking about school or about life and to bring these things out."

A year on, Marcus and Kahn encourage their colleagues and classmates to join the program, and look forward to continuing their relationship when Kahn finishes school and makes the transition to university.

"I think it's been a success here at MGS and I hope they keep bringing in good people like my mentor," Kahn says.

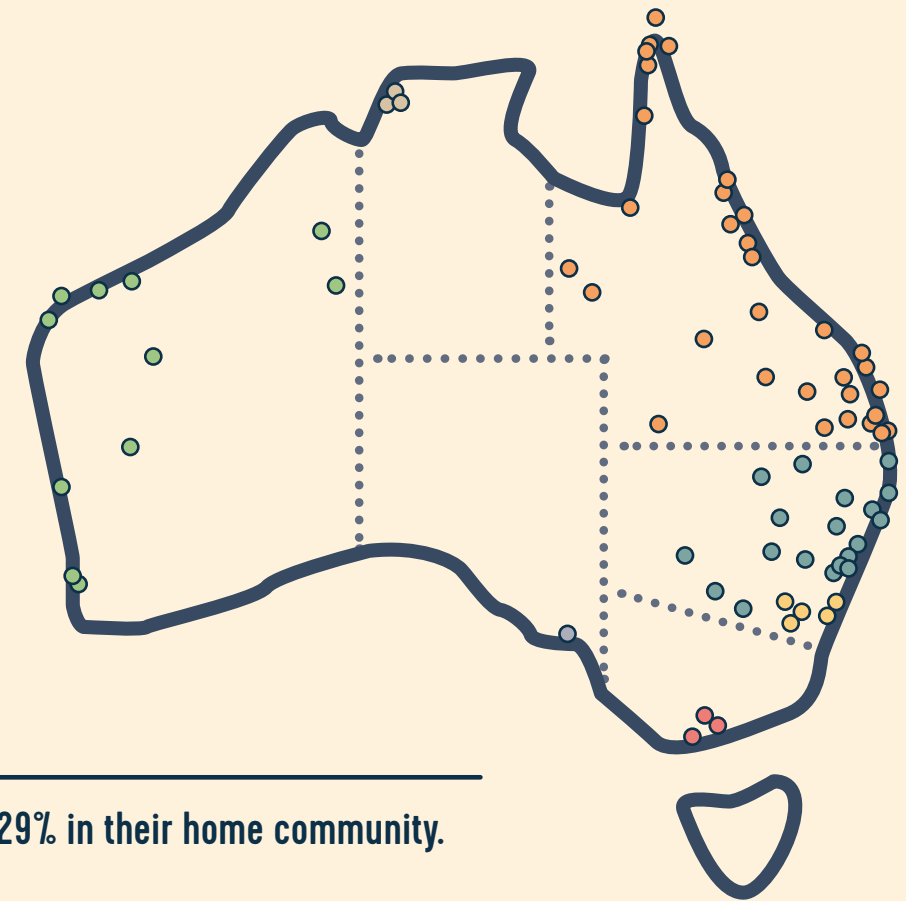
"This is a great program that BP is proud to sponsor, demonstrating BP's RAP commitments to closing the gap. By supporting the program, BP is creating great opportunities for both mentors and students to get involved," Marcus says.

"When you start the program, you're asked to meet your student every fortnight and check in between meetings. This is not a guide — it's what you need to do to build the relationship."

"As a mentor, you've got to dedicate time to it. It's about showing them that you're going to be there to help from now on."



OUR RECORD 100 GRADUATES IN 2015 JOIN A NETWORK OF ALUMNI LIVING, WORKING AND STUDYING ACROSS AUSTRALIA.

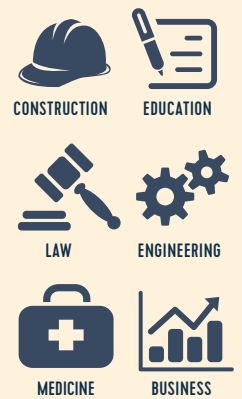


Including 29% in their home community.

93%
OF ALUMNI WERE
PRODUCTIVELY ENGAGED

**OVER
50%**

of alumni and
tertiary scholarship
students working
or studying in
six industries:



43%
UNIVERSITY

50%
IN EMPLOYMENT

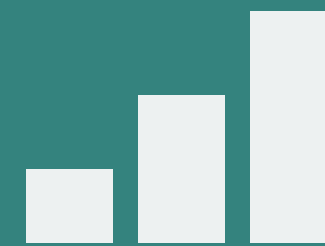
2015 FINANCIAL SUMMARY

The financial report for the year ending 31 March 2016 highlights AIEF's strong financial performance in three key areas: funding, investments and costs.



Funding

As at 31 March 2016 AIEF has raised a cumulative total of \$106 million. This represents an increase of \$12 million in reportable income and pledges since AIEF's 2014 Annual Report.



Investments

AIEF continued to implement its conservative investment strategy focussed on protection of capital and risk minimisation, and its investment portfolio generated investment earnings of \$1.3 million representing a return of approximately 2.44% during the year.



Costs

AIEF's low cost base continues to set a benchmark across the non-profit sector, with AIEF having spent an amount equivalent to only 1.9% of its scholarship funding on total administration costs to date after other income generated by AIEF for costs is taken into account.

KEY HIGHLIGHTS TO DATE

	\$
Contracted funding target for Scholarship Program	76,000,000
Total scholarship funding to date	100,840,537
Exceeded target to date by:	24,840,537

FUNDS RAISED TO DATE

	\$
Government scholarship funding	38,000,000
Investment income in government scholarship fund	4,021,580
Non-government funding in scholarship fund	42,671,131
Investment income in non-government scholarship fund	4,544,172
Investment income in operating account	1,537,422
Fee for service income	4,056,126
Pledged contributions	11,603,654
Total funds raised to date	106,434,085
Total equivalent expenditure to date from scholarship funding (2007-2016)	1,880,167

AIEF provides evidence that the private sector has an appetite to invest in strategies to help close the gap and to invest in a joint venture with the public sector that is efficient, effective, proven and low-cost, where the venture has detailed and transparent public reporting.

AIEF’s financial results provide additional compelling evidence of how a private sector led, non-profit initiative with an efficient and scalable model, hard-headed business discipline and leading implementation capability can make a strong impact in this vital work.

Capital Raising

Under the contract AIEF entered into with the Australian Government in 2009, the Australian Government committed to invest \$20 million over three years. This was subsequently increased to \$22 million in 2012, to \$32 million in 2013 and to \$38 million in 2015.

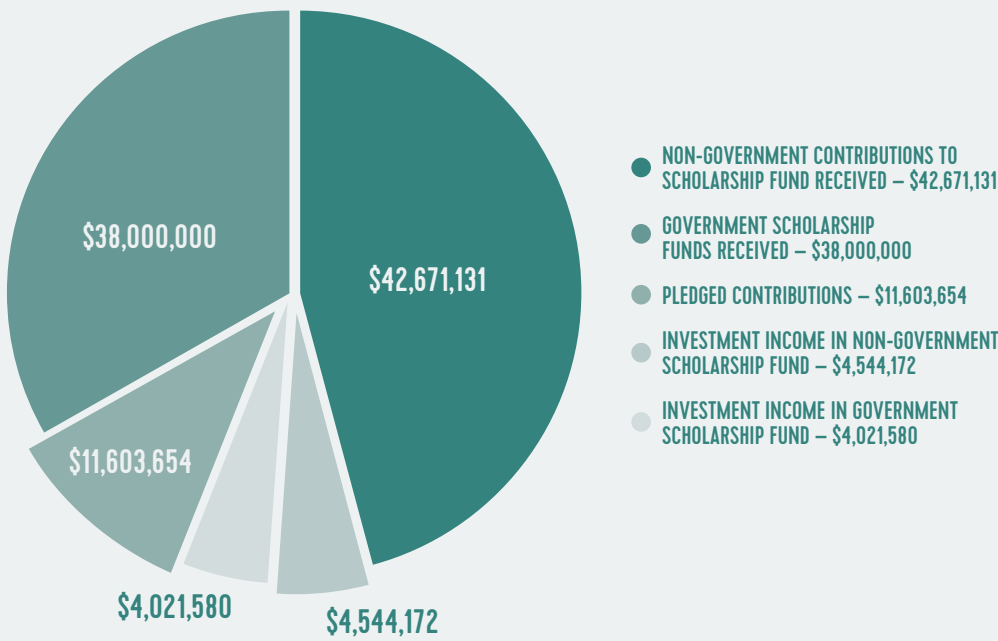
AIEF committed to use its best endeavours to match this \$38 million in Government funding over a period of 20 years, with an undertaking to raise \$5 million in the first five years. AIEF took this commitment seriously, and as at the end of March 2016, less than seven years since signing the contract with the Australian Government, AIEF has raised \$25 million more than the contracted \$76 million 20-year target, with cumulative cash and pledges standing at \$101 million and fees and other income at \$5 million, for a cumulative total of \$106 million.

Instead of raising \$76 million in a period of 20 years, AIEF has raised \$101 million in seven years.

However, all remaining funds are fully allocated to support current scholarship students and AIEF needs to raise additional funds to create more opportunities and support benchmark outcomes for more Indigenous students.

AIEF is indebted to its visionary and committed partners for supporting its work. AIEF is backed by more than 2,000 financial supporters as well as hundreds of program partners and volunteers and dozens of pro-bono and in-kind supporters. AIEF’s model of engaged collaboration is built on best practice partnership principles and this approach, and the support of its partners, is fundamental to its success.

OUT-PERFORMANCE ON AIEF’S \$76 MILLION CONTRACTED FUNDING TARGET (REACHED \$101 MILLION IN TOTAL)



Investments

AIEF has delivered a satisfactory performance in a tough investment environment by proceeding with caution and diligence in a defensive portfolio predominantly in cash, to deliver an investment return of around 2.44% in 2015. Total investment returns over the past seven years amount to over \$10.1 million.

AIEF believes that its investment function is to protect and preserve the money contributed to its programs and to be prudent, conservative and diligent with investments so that it can apply the funds for the purpose they were contributed — the education of Indigenous students.

In addition to its investment portfolio, some listed equities have been donated in-specie to AIEF to hold for dividend income. Those equities fall outside AIEF’s investment portfolio since AIEF is directed to retain those shares to generate ongoing dividend income in accordance with the wishes of the donor and AIEF did not pay any consideration for these shares. These shares increased in value in 2015.

AIEF has a professional and experienced Investment Committee chaired by AIEF Director Rob Coombe, CEO of Quick Service Restaurant Holdings and also including AIEF Director Greg Cooper, CEO of Schroder Investment Management Australia Ltd; asset allocation expert John Schaffer; and AIEF’s Executive Director and former investment banker Andrew Penfold AM. The AIEF Investment Committee maintains discussions and market monitoring to ensure investments are appropriate for the AIEF business model and objectives.

Costs

AIEF’s low cost base continues to set a benchmark across the non-profit sector, with AIEF having spent an amount equivalent to only 1.9% of its scholarship funding on total administration costs to date after other income generated by AIEF for costs is taken into account.

AIEF generates income to meet its total operating costs (i.e. all costs other than scholarship distributions) from a number of sources including a proportion of scholarship donations and investment returns, administrative and other fees for services, contributions made specifically for capacity costs and investment income in the AIEF operating account.

Total equivalent expenditure to date from scholarship funding (2007-2016) represents AIEF’s total operating costs from 2007 until 31 March 2016, once total income generated for operating costs from all sources other than scholarship contributions is taken in to account.

EQUIVALENT SCHOLARSHIP FUNDING AND COSTS 2007 — MARCH 2016



Accounts

Under the legal, regulatory, tax and contractual framework AIEF operates within, AIEF is required to keep various separate books of account and segregation of funds (for example segregation of government and non-government funds) for accounting, investment, distribution and treasury functions. AIEF’s statutory accounts comply with all such requirements in full and are always filed within the required legal and regulatory timeframes.

For the purposes of this Annual Report, AIEF has summarised its statutory accounts into two convenient components as follows:

- 1. The AIEF Scholarship Program, which contains details of all income, expenditure, assets and liabilities relating to that program from both government and non-government sources; and
- 2. The AIEF Corporate Account comprising the financial statements for AIEF’s operating accounts where all operating income and expenses are captured.

The business model for the AIEF Scholarship Program creates a scholarship fund which will be invested and distributed for Indigenous scholarships over a number of years. When funding is received for the AIEF Scholarship Program, 15% of the funding amount is transferred to the AIEF Corporate Account to contribute to operating costs over the full business plan period. Similarly, 15% of investment earnings of the Scholarship Program accounts is transferred to the AIEF Corporate Account.

AIEF SCHOLARSHIP PROGRAM STATEMENT OF INCOME AND EXPENDITURE FOR YEAR ENDING 31 MARCH 2016

Income	2016 \$	2015 \$
Government funding for scholarships	4,800,000	-
Government establishment grant contribution	1,200,000	-
Non-government funding for scholarships	5,842,932	5,070,099
Non-government capacity donations	262,309	442,607
Investment earnings	944,217	2,093,171
Total income	13,049,458	7,605,877
Expenditure		
Capacity donations to Corporate Account	262,309	442,607
15% allocation to Corporate Account	2,184,583	1,175,555
Total expenditure	2,446,892	1,618,162
Operating surplus	10,602,566	5,987,715
Distributions		
School scholarship distributions	9,720,540	8,397,643
Tertiary scholarship distributions	1,114,087	848,652
Total scholarship distributions	10,834,627	9,246,295
(Deficit)	(232,061)	(3,258,580)

AIEF’s operating income is supplemented by income generated from other activities undertaken by AIEF to ensure AIEF can continue to operate on a sustainable basis. This other income is shown in the AIEF Corporate Account as ‘fee for service income’.

Whilst scholarship funds are being raised, AIEF is also distributing scholarship funds each year. AIEF’s average net scholarship cost is approximately \$20,000 per student per annum, which includes the net amount we fund for boarding and tuition fees; incidentals such as uniforms, books, extra-curricular activities, camps and excursions; and support for work readiness training, mentoring and post-school transition support. In 2015, AIEF distributed a total of \$10.8 million in scholarship funds.

In addition to the net assets shown above, AIEF has \$11.6 million in pledges already committed to AIEF as at 31 March 2016 but not shown in AIEF’s official accounts until the time of receipt.

AIEF SCHOLARSHIP PROGRAM BALANCE SHEET AS AT 31 MARCH 2016		
	2016 \$	2015 \$
Retained funds as at beginning of year	36,820,114	40,407,694
Deficit and change in valuation of equities donated in-kind for the year	(173,061)	(3,587,580)
Total scholarship funds	36,647,053	36,820,114
Represented by:		
Bank and term deposits	32,162,324	31,992,167
Scholarship fund balanced investments	5,884,028	6,100,190
Equities donated in-kind	255,000	196,000
Interest receivable	180,569	433,214
Donations receivable	246,867	166,666
Other receivables	857	4,286
Total assets	38,729,645	38,892,523
Scholarship payable	2,082,592	2,072,409
Total liabilities	2,082,592	2,072,409
Net assets	36,647,053	36,820,114

AIEF Corporate Account

The AIEF Corporate Account is the operational limb of the AIEF financial statements. For simplicity and transparency, all operating income and operating expenditure is accounted for in the AIEF Corporate Account.

As at 31 March 2016, AIEF had a total staff headcount of 27, representing 25 staff on a FTE basis.

AIEF’s 20-year business plan has operating income ‘front loaded’ into the first few years (during the funding phase) which then provides a capital base reserve for future operating costs during the long-term roll-out of the AIEF Scholarship Program.

AIEF CORPORATE ACCOUNT STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDING 31 MARCH 2016

Income	2016 \$	2015 \$
Capacity donations	262,309	442,607
Costs contribution from Scholarship Program	2,184,583	1,175,555
Fee for service income	898,403	855,615
Investment earnings in Corporate Account	339,643	307,965
Annual Pathways Support Amount	1,637,895	1,088,474
Total income	5,322,833	3,870,216
Expenditure		
Staffing costs	2,381,687	2,046,308
Office and operating expenses	814,717	729,424
Depreciation	31,372	26,606
Accounting, legal and consulting	27,186	59,126
Total expenditure	3,254,962	2,861,464
Surplus	2,067,871	1,008,752

AIEF CORPORATE ACCOUNT BALANCE SHEET AS AT 31 MARCH 2016

	2016 \$	2015 \$
Retained funds as at beginning of year	9,952,054	8,943,301
Surplus for the year	2,067,871	1,008,752
Total operational funds	12,019,925	9,952,053
Represented by:		
Cash and term deposits	11,807,763	9,619,388
Interest receivable	127,213	161,834
Other receivables	229,162	208,187
Plant and equipment less accumulated depreciation	140,568	143,292
Other assets	33,656	32,676
Total assets	12,338,362	10,165,377
Liabilities		
Trade and other payables	145,599	97,752
Employee benefits	172,838	115,572
Total liabilities	318,437	213,324
Net assets	12,019,925	9,952,053

Audit

The full financial report for AIEF for the year from 1 April 2015 to 31 March 2016 has been filed on time with ACNC in accordance with the requirements of the Australian Charities and Not-for-profits Commission Act 2012. The financial statements have been prepared in accordance with the Australian Accounting Standards and audited by BDO East Coast Partnership in accordance with Australian Auditing Standards. ■



Kelly Barnes/The Australian

GOVERNANCE AND PEOPLE



AMBASSADORS

Janet Albrechtsen Mark Arbib Andrew Barkla Stephanie Brantz Jennifer Byrne Kerry Chikarovski



Brett Clegg Bruce Corlett AM Tony Cripps Patricia Cross Geoff Cundle Charles Curran AC Jenny Dean



Geoff Dixon Tom Drake-Brockman John Eales AM Dr Peter Farrell AM Andrew Forrest Nicola Forrest Angelos Frangopoulos Adriana Gardos



Danny Gilbert AM Stan Grant Caroline Gurney Steve Harker John Hartigan Matthew Hayden AM Janie Hicks



Andy Holmes Greg Hughes Alan Joyce Alan Kohler Tristan Landers Liz Lewin Michael Lindsay Sharri Markson



Nigel Marsh Peter Mason AM Greg Miller David Mortimer AO David Murray AO Ian Narev Peter Nash



Ralph Norris John O'Sullivan James Paterson Guy Reynolds AM Aden Ridgeway Michael Rose AM John Schaffer Jillian Segal AM



Mary Shaw Ann Sherry AO Geoff Walsh AO Dr Nikki Williams Geoff Wilson Frank Zipfinger

His Excellency
General the
Honourable Sir
Peter Cosgrove
AK MC (Retd)
Patron in Chief
Governor-
General of The
Commonwealth
of Australia

Professor
The Honourable
Dame Marie Bashir
AD CVO

David Gonski AC



PATRONS



Warren Mundine - Chair Rob Coombe Greg Cooper Helen McCabe Carlie Smart Michelle Penfold Andrew Penfold AM - Executive Director



Rob Coombe Greg Cooper John Schaffer Andrew Penfold AM

INVESTMENT
COMMITTEE



Chantell Burns Miranda Bush Renée Coffey Tess Crellin Emily Davidson Christine Dernee

TEAM



Rebecca Dupen Margaret Gilroy Aaron Gow Frosanna Kelso Andrew Killen Anna Mackiewicz



Nicole Nelves Natalie Nicolson Gillian Odbert Andrew Penfold AM Michelle Penfold Farah Rind Bianca Roberts



Jill Roy Tamara Salamacha Trista Sa'u Alayna Walsh Jason Whitfield Zak Wild Patrice Wills

BOARD

OUR PARTNERS



The AIEF Scholarship Program and the AIEF Pathways Program are supported by the Australian Government in collaboration with individual, philanthropic and corporate supporters from the private sector.



Jack Harlem Photography

AIEF’S WORK AND THE PRODUCTION OF THIS REPORT HAVE BEEN SUPPORTED BY PRO-BONO WORK FROM:





Thank you AIEF for giving me the opportunity to receive a quality education, it has changed my life in many ways. I now look forward to finishing my degree in primary teaching so I can return to the Kimberley region and work toward educating and inspiring Indigenous children to achieve whatever they set their minds to.

- Sarah Treacy, Loreto Normanhurst,
Class of 2012

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THE ARTWORK ON THE COVER OF THIS REPORT IS *PEACE* BY BRYCE TURVEY, A PROUD NOONGAR/BALLADONG MAN WHO COMPLETED YEAR 12 AT WESLEY COLLEGE, SOUTH PERTH IN 2015 ON AN AIEF SCHOLARSHIP.

Peace shows how all peoples can come together as one, with each section of the painting representing a different community. It symbolises Indigenous peoples coming together, the animals of Australia coming together, and non-Indigenous people gathering around Indigenous communities, united by the peace symbol.

Cover image: Yvonne Wiese