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Boarding: investing in outcomes for Aboriginal and Torres Strait Islander students

An analysis of the investment in support for Aboriginal and Torres Strait Islander students attending boarding schools and facilities

June 2019

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Our Ref: _Final Report 190624 - FINAL For Publish 23 Sep

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Acknowledgements

Grant Thornton acknowledges the contribution of the boarding providers, parents, students, principals, staff, peak bodies and government agencies that provided their time to assist with this report. We also acknowledge the traditional owners of the country on which the boarding facilities are located and pay our respects to their elders, past and present.

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1. Overview

The Department of the Prime Minister and Cabinet (PM&C) is leading work to identify and address issues faced by Aboriginal and Torres Strait Islander secondary students who study away from home.
In December 2017, PM&C released a report on Commonwealth Government support for these students and the gaps in support and service delivery: *Study Away Review: Review of Support for Aboriginal and Torres Strait Islander Secondary Students Studying Away From Home* (Study Away Review).

Following the Study Away Review, PM&C requested an independent analysis of the existing investment in support for Aboriginal and Torres Strait Islander secondary students attending boarding. The purpose of this analysis is to:

- improve the understanding of the benefits and impacts of existing investments in boarding provision
- improve the understanding of how government investment (both state and federal) in boarding provision and support services for remote Aboriginal and Torres Strait Islander secondary students can be best used by boarding providers
- inform continued benefits of the program and improved educational outcomes
- provide baseline information for future monitoring and policy development.

There were 27 boarding providers[1] identified by PM&C as part of the analysis, providing boarding for approximately 1,900 Aboriginal and Torres Strait Islander secondary students (Aboriginal and Torres Strait Islander boarding providers). The boarding providers are located in the Northern Territory (7), Queensland (12), Western Australia (6) and Victoria (2) and include government, independent and faith based boarding providers. The boarding providers are listed at Part 4 of the report.

The analysis focusses on the revenue and costs associated with boarding for Aboriginal and Torres Strait Islander students.

The data for the 27 Aboriginal and Torres Strait Islander boarding providers has been compared against similar data for 23 mainstream boarding providers located in Queensland (10), New South Wales (4), South Australia (3), Tasmania (1), Western Australia (3) and Victoria (2) (mainstream boarding providers). The mainstream boarding providers have Aboriginal and Torres Strait Islander student populations ranging from one to 16 per cent and all are classified as medium sized (between 226 and 600 total students) or large sized (over 600 total students).

[1] Two boarding providers share a common boarding house and their data has been combined for the purposes of this report

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2. Executive summary and key findings

Introduction

Aboriginal and Torres Strait Islander students attend boarding for a number of reasons, such as a lack of access to secondary schooling in their home community, to take up a scholarship opportunity, access specific courses of study, avoid community unrest or domestic issues, referrals by courts, youth service providers, churches, councils, other schools or transition support services, or because of family or community historical connections with a particular boarding provider.

This report builds on previous reviews and reports into boarding for Aboriginal and Torres Strait Islander students with the aim of improving the understanding of the benefits and impacts of the existing investment in boarding provision. In addition, it examines how government investment (both state/territory and Commonwealth) in boarding provision and support services for Aboriginal and Torres Strait Islander secondary students can be best used by boarding providers to inform continued benefits from the investment, develop sustainable and effective models of boarding delivery and achieve improved educational outcomes.

Twenty-seven Aboriginal and Torres Strait Islander boarding providers, providing boarding for approximately 1,900 Aboriginal and Torres Strait Islander secondary students were analysed for this report. The findings were compared against 23 mainstream boarding providers.

The vast majority, but not all, boarding providers operate on a financial year from 1 January to 31 December. All 50 boarding providers analysed for this report are not-for-profit (most are also registered charities) or government facilities or schools.

Collection of data

Grant Thornton adopted the following methodology for this report:

- An introduction letter explaining the background of the analysis was sent in August 2018 to all Aboriginal and Torres Strait Islander boarding providers included in the analysis, as well as peak bodies.
- A literature review was conducted of existing reviews and reports into boarding for Aboriginal and Torres Strait Islander students and what works to support them.
- Three year financial and operational trend data for 2015, 2016 and 2017 from financial questionnaires provided to the Department of Education and Training (DET) by the boarding schools included in the evaluation was analysed. Boarding revenue and costs have been separated from tuition revenue and costs in the analysis for this report.
- Face-to-face consultations were conducted with senior staff of each of all Aboriginal and Torres Strait Islander boarding providers and the majority of the peak bodies. A standardised interview checklist was developed to guide the consultations.
- Aboriginal and Torres Strait Islander boarding providers were provided with a self-assessment survey of compliance with the National Boarding Standard[2].

For this report Grant Thornton has made the following adjustments to the three-year trend data:

- To determine the split between boarding and tuition (revenue and costs), we have utilised the 2016 allocation rate in the trend data and applied that across the 2015 and 2016 data for Aboriginal and Torres Strait Islander boarding schools. The 2017 allocation rate has been utilised for the 2017 data. For the mainstream boarding schools the 2017 allocation rate has been utilised and applied across the historical data set for 2015 to 2017. For the standalone boarding providers there was no split as there is no tuition revenue or costs.
- Once boarding and tuition revenue and costs were determined, we assumed a pro rata allocation for Aboriginal and Torres Strait Islander boarding students.

[2] *Boarding Standard for Australian Schools and Residences* (AS 5725:2015)

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- For some boarding providers there were apparent anomalies in the allocation between tuition and boarding cited in the three-year trend data. To correct these anomalies, we instead allocated tuition and boarding for the boarding provider based on comparative boarding providers with similar operating and financial models, or used direct source data provided by the boarding provider.
- Northern Territory Christian College (NTCC) is closely associated with Marrara Christian College (MCC). MCC owns the campus assets and conducts classes from early learning through to Year 10. It is also responsible for the accommodation/boarding operations for students from Year 7 to Year 12. NT Christian College (NTCC) runs the senior school education programs for Year 11 and 12 from campuses located at Marrara, Palmerston and Nhulunbuy. The data for MCC and NTCC has therefore been combined.

Key findings

The key findings of this report are set out below.

Revenue and expenditure

Aboriginal and Torres Strait Islander boarding providers receive funding and income from a number of sources to meet the cost of tuition[3] and boarding for Aboriginal and Torres Strait Islander students. The main sources are:

- Commonwealth recurrent school funding
- Indigenous Advancement Strategy (IAS)—Children and Schooling Program
- state and territory funding
- donations, scholarships and other private income
- scholarships
- ABSTUDY (paid on behalf of eligible students)
- ABSTUDY fares allowance (for travel costs where the reimbursement is selected)
- private fees and parental contributions
- underpinning funding from associated bodies and other parties
- Commonwealth Block Grant Authorities (capital funding).

The allocation of boarding revenue for Aboriginal and Torres Strait Islander boarding providers by source from 2015 to 2017 is shown in Graph 1. Across the three years, an average of 85 per cent of boarding revenue was sourced by Aboriginal and Torres Strait Islander boarding providers from fees and charges (including ABSTUDY)[4].

[3] Tuition revenue and costs are largely outside the scope of this report

[4] ABSTUDY is not funding for boarding providers but support to Aboriginal and Torres Strait Islander students to pay tuition and boarding fees

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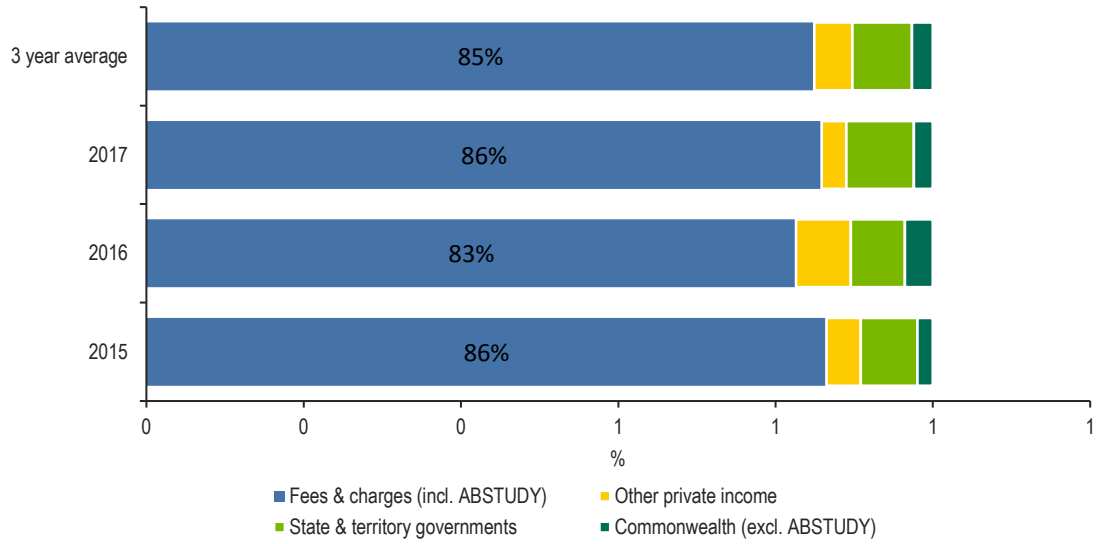
Graph 1: Sources of boarding income[5] for Aboriginal and Torres Strait Islander boarding providers



Some boarding providers are part of a school structure (boarding schools) and others are standalone facilities where boarders attend nearby or associated schools.

Commonwealth recurrent school funding is provided to schools to meet the 'in-school educational costs of schools'[6] and some schools use this funding to contribute to costs associated with supporting boarding students more broadly. Standalone boarding providers are not able to access Commonwealth recurrent school funding and there is no specific recurrent Commonwealth funding specifically for boarding operations at a school or standalone boarding provider. One standalone boarding provider consulted for this report indicated that this has impacted upon the viability of the provider.

This report confirms the findings of previous reviews and reports that the boarding revenue of Aboriginal and Torres Strait Islander boarding providers is insufficient to meet the full costs of boarding for Aboriginal and Torres Strait Islander students.

The three-year average annual revenue per boarder from 2015 to 2017 at the 27 Aboriginal and Torres Strait Islander boarding providers analysed for this report was $16,679 and the comparative average cost per boarder was $22,927, representing an average shortfall of $6,248 per boarder.[7] Across the three-year average of 1,918 Aboriginal and Torres Strait Islander boarders attending the Aboriginal and Torres Strait Islander boarding providers included in the analysis, this represents a total revenue shortfall of $11,982,732.

The median average revenue and cost per boarder for the Aboriginal and Torres Strait Islander boarding providers in 2017 was $18,697 and $25,012 respectively—a shortfall of $6,315 per boarder.

Table 1: Average annual revenue, cost and loss per boarder 2015 — 2017 at Aboriginal and Torres Strait Islander boarding providers

$	2015	2016	2017	3 year average
Average revenue per boarder	15,559	16,776	17,703	16,679
Average cost per boarder	20,629	23,296	24,858	22,927
Average surplus / (loss) per boarder	**(5,070)**	**(6,520)**	**(7,155)**	**(6,248)**

At the 23 mainstream boarding providers analysed, the average shortfall per boarder from 2015—2017 was $1,972. However, the median revenue and cost for the mainstream boarding providers in 2017 was $17,811 and $18,316 respectively—a difference of just $505 per boarder.

[5] Excludes tuition revenue
[6] *Australian Education Act 2013*
[7] The findings from the KPMG, 2016 report (*Non-Government Indigenous Boarding Schools: Review of funding arrangements for the Northern Territory Government, Department of Education*, KPMG, 2016) were; average revenue—$15,500, average cost—$26,000 and average shortfall—$10,437. KPMG, 2016 reviewed a smaller number of boarding providers and included depreciation costs, which have been excluded for this review

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Table 2: Average annual revenue and cost per boarder 2015 — 2017 at mainstream boarding providers

$	2015	2016	2017	Average
Average revenue per boarder	17,170	17,228	17,828	17,409
Average cost per boarder	18,941	19,637	19,566	19,381
Average surplus / (loss) per boarder	**(1,771)**	**(2,409)**	**(1,738)**	**(1,972)**

Aboriginal and Torres Strait Islander boarding providers are using accrued surpluses or revenue from other sources to address the revenue shortfall in delivering boarding for Aboriginal and Torres Strait Islander secondary students. These sources include, but are not limited to, Commonwealth recurrent schools funding, one off grants, such as through the Indigenous Advancement Strategy, donations and underpinning funding from state and territory governments and associated bodies, such as religious orders and sporting organisations.

Grant Thornton found that some Aboriginal and Torres Strait Islander boarding providers are experiencing financial pressures resulting from the shortfall between boarding revenue and expenditure. A number of Aboriginal and Torres Strait Islander boarding providers have in the previous three years closed or undergone significant restructures, such as Shalom Christian College boarding, Woolaning Homeland Christian College, Kaziw Rangath and Kormilda College.

However, not all boarding providers are experiencing financial difficulties. The majority of the high cost boarding providers receive support from donors or underpinning funding from the Commonwealth or state and territory governments. One of the highest average cost boarding providers received more than $1 million in donations/philanthropic support in 2016 and achieved an operating surplus. Two boarding providers that receive underpinning funding from government explained that ABSTUDY payments were uncertain and unpredictable[8] yet the underpinning funding enabled the provider to develop plans, employ staff with certainty and develop budgets for delivering the best services without concerns around funding or viability.

A number of previous reviews and reports have considered the funding model for Aboriginal and Torres Strait Islander boarding and made recommendations for reform. CAEPR, 2017 referenced the funding structure for Commonwealth school recurrent funding under the *Australian Education Act 2013*, which, in basic terms, includes a base amount of funding plus loadings to address disadvantage and the needs of students and schools. This is commonly known as the Gonski funding model. 'The consequence of this model is that schools with larger proportions of Aboriginal and Torres Strait Islander students and with larger proportions of students from low socio-economic backgrounds have a higher loading applied to their education funding'.[9] More information on the recurrent funding structure is provided later in this report. In contrast, CAEPR noted that ABSTUDY is a welfare measure to assist Aboriginal and Torres Strait Islander people to take advantage of educational opportunities, including secondary boarding through the ABSTUDY Living Allowance.

Some Aboriginal and Torres Strait Islander boarding providers and peak bodies recommended a funding model for Aboriginal and Torres Strait Islander boarding that incorporates base funding and similar loadings for disadvantage and need as exist in the funding model for Commonwealth recurrent school funding. It was suggested that this model would provide greater funding certainty for boarding providers, address the current shortfall in revenue and enable boarding providers to better meet the high needs of most Aboriginal and Torres Strait Islander boarders. The factors contributing to the cost of boarding delivery for Aboriginal and Torres Strait Islander secondary students, along with an examination of those factors that may warrant a boarding funding loading, are discussed below.

[8] ABSTUDY payment amounts are unpredictable because the amount is determined according to the individual students' circumstances for the relevant payment period and is not a flat payment. The amount for an individual student can also vary from year to year if the personal circumstances of the student or parents/carers change

[9] CAEPR, 2017, p. 12

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Factors contributing to the cost of boarding delivery

The cost of boarding varies considerably depending on the model of delivery and the circumstances of the student cohort and the boarding provider. The three-year average annual cost per boarder of boarding at Aboriginal and Torres Strait Islander boarding providers over the period from 2015 to 2017 varied significantly from a minimum of $11,914 per boarder (small remote school/boarding provider) to a maximum of $69,072 per boarder (small regional city standalone boarding provider). Given the extent of the variables and determinants of boarding cost, it is therefore not possible to determine an optimal or standard unit cost of boarding for Aboriginal and Torres Strait Islander secondary students.

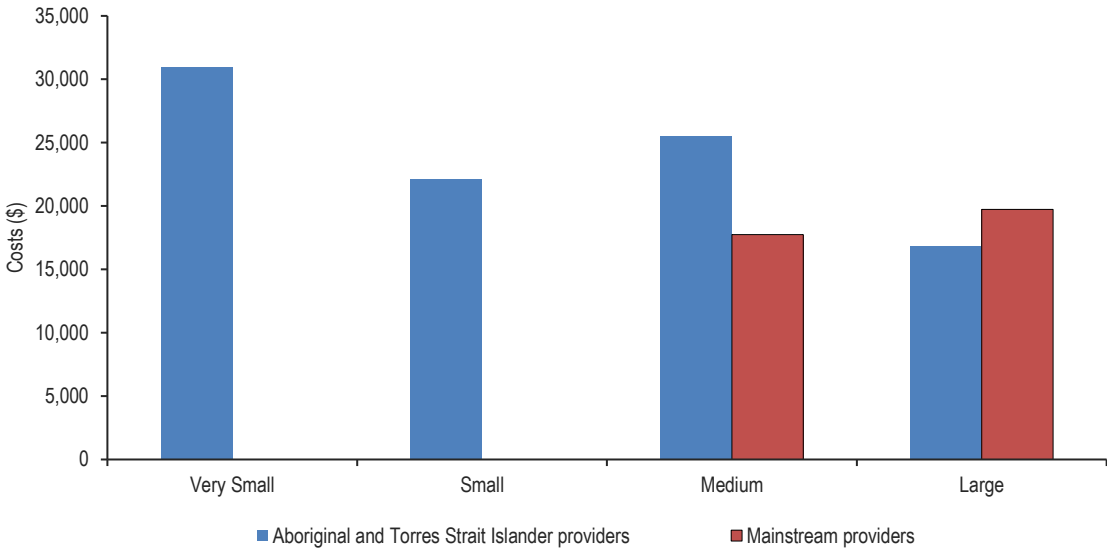
Size of boarding provider

The size of a boarding provider is a key determinant in the average cost of boarding per boarder. The data identifies clear economies of scale in the delivery of boarding services for Aboriginal and Torres Strait Islander students.

The data suggests that the size of a boarding provider is a determinant of the average cost of boarding for Aboriginal and Torres Strait Islander students. The three year average cost of boarding per boarder at very small boarding providers (less than 50 total students) and small boarding providers (50 – 225 total students) was $30,956 and $22,136 respectively, compared to $16,845 for large boarding providers (over 600 total students).

Of the 23 mainstream boarding providers analysed, five were classified as medium and 18 as large. The average three-year cost per boarder at the mainstream providers was $17,745 and $19,733 respectively. Average boarding costs at large Aboriginal and Torres Strait Islander boarding providers are comparable to the costs at large mainstream boarding providers. The four large Aboriginal and Torres Strait Islander boarding providers had between 25 and 115 Aboriginal and Torres Strait Islander boarders but the proportion of Aboriginal and Torres Strait Islander students to total students was classified as low and ranged from 6 per cent to 18 per cent. This may partly explain the comparability of average boarding cost. The proportionality of Aboriginal and Torres Strait Islander students to total students as a determinant of cost is addressed below.

Graph 2: The size of the boarding provider as a contributor towards average boarding cost at Aboriginal and Torres Strait Islander and mainstream boarding providers, 2015 — 2017



The economies of scale lacked by the very small Aboriginal and Torres Strait Islander boarding provides support for consideration of a funding loading similar to the 'school size loading' in the Schooling Resource Standard.

Socio-educational disadvantage

All Aboriginal and Torres Strait Islander boarding providers reported that Aboriginal and Torres Strait Islander boarders from disadvantaged and/or trauma backgrounds require a higher level of support services than other boarders. This is predominately health, social and emotional well-being, education and cultural support services.

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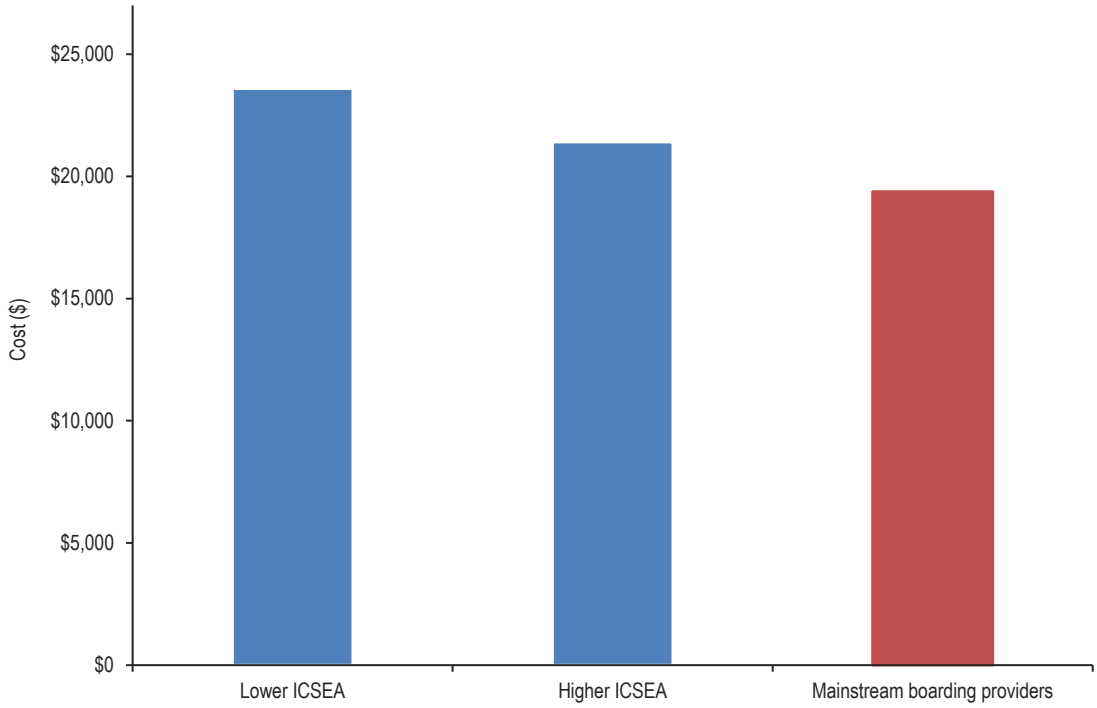
The data indicates that the cost of boarding may indeed be influenced by the socio-economic background of Aboriginal and Torres Strait Islander students.

Nearly all schools are allocated an ICSEA score.[10] ICSEA is a numerical score, where the mean is 1000 and standard deviation is 100. Values range from ~500 (extremely disadvantaged backgrounds) to ~1300 (extremely advantaged backgrounds). 'It measures the average level of educational advantage and disadvantage of a school's student population relative to those of other schools. An ICSEA score takes into account a student's family background (parents' occupation, their school education and non-school education) and a school's circumstances (geographical location and the proportion of Aboriginal and Torres Strait Islander students).'

As expected, the differential in boarding costs increases as disadvantage increases. The average annual cost of boarding per boarder for the period from 2015 — 2017 for boarding providers with a lower ICSEA score (<800) was $23,591 compared to of $21,406 for providers with an ICSEA score of greater than 800, a differential of $2,185 per boarder. If the boarding providers are clustered using the mean score of 1,000 the differential increases to $6,156 boarder ($23,342 and $17,186).

Graph 3: Average annual boarding cost per boarder by ICSEA score of Aboriginal and Torres Strait Islander and mainstream boarding providers (ranking above and below ICSEA score of 800), 2015 — 2017



The findings are similar to those in other reviews and reports—the investment required to support Aboriginal and Torres Strait Islanders in boarding increases with the level of disadvantage of the students and the boarding provider. More information regarding disadvantage is provided throughout this report.

Reviewing the structure of payments supporting Aboriginal and Torres Strait Islander boarding students to include an expanded or reviewed loading for disadvantage or need would assist in addressing the financial pressures faced by many of the Aboriginal and Torres Strait Islander boarding providers.[11] It would also enable providers to expand or improve existing support services for boarders from disadvantaged and/or trauma backgrounds. The loading should be based on the Schooling Resource Standard socio-educational disadvantage loading.

[10] The Index of Community Socio-Educational Advantage. The index is calculated by the Australian Curriculum, Assessment and Reporting Authority (ACARA), www.acara.edu.au.

[11] ABSTUDY is already a targeted equity-based payment. Aboriginal and Torres Strait Islander boarding students receive support of up to $17,000 per year compared to non-Indigenous boarding students, with means-testing built in to this amount to target support to those most in need

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Indigeneity

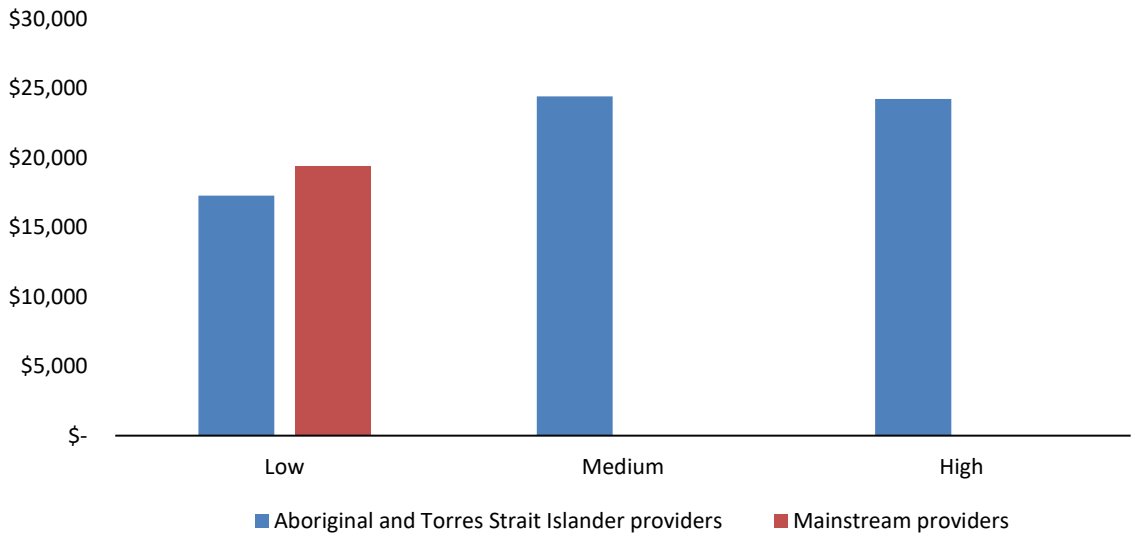
The proportion of Aboriginal and Torres Strait Islander students to total enrolments at a boarding provider has an impact on educational indicators and the cost of boarding.

The proportion of Aboriginal and Torres Strait Islander students at the Aboriginal and Torres Strait Islander boarding providers ranged from 6 per cent to 100 per cent. The median proportion was 98.8 per cent and at 12 boarding providers (44 per cent) all of the students were Aboriginal or Torres Strait Islander, or both.

Grant Thornton found that that boarding providers with a high proportion of Aboriginal and Torres Strait Islander students achieve lower NAPLAN results and attendance rates and incur greater costs in delivering boarding for Aboriginal and Torres Strait Islander secondary students. Attendance ranged from an average of 77 per cent (high proportion of Aboriginal and Torres Strait Islander students) to 91 per cent (low proportion). Average NAPLAN results[12] ranged from 431 to 547.

Aboriginal and Torres Strait Islander boarding providers with a proportion of more than 65 per cent Aboriginal and Torres Strait Islander students incurred an average cost of boarding of $24,229 per boarder, compared to just $17,267 for those providers with an Aboriginal and Torres Strait Islander student population less than 20 per cent. All mainstream boarding providers had a proportion of Aboriginal and Torres Strait Islander enrolments to total enrolments below 20 per cent. The proportion of Aboriginal and Torres Strait Islander students ranged from 1 per cent to 16 per cent and the median value was 2.5 per cent with a three-year average annual cost of $19,381 per boarder.

Graph 4: Average annual boarding cost per boarder by proportion of Aboriginal and Torres Strait Islander students, 2015 — 2017



The shortfall per boarder between revenue and costs for Aboriginal and Torres Strait Islander boarding providers was on average higher for providers with a medium or high proportion of Aboriginal and Torres Strait Islander boarders. The three year average shortfall per boarder across 2015—2017 by proportion of Aboriginal and Torres Strait Islander students was $5,934 (high), $6,762 (medium) and $4,226 (low).

There is no indication that there are economies of scale achieved by increasing the proportion of Aboriginal and Torres Strait Islander boarders. The data supports suggestions made by some boarding providers that funding for boarding at Aboriginal and Torres Strait Islander boarding should attract a loading based on the proportion of Aboriginal and Torres Strait Islander boarders.

As with socio-educational disadvantage, a loading for Aboriginal and Torres Strait Islander students already exists in the Schooling Resource Standard.

[12] The NAPLAN average is the average reported NAPLAN result for the five NAPLAN test domains (reading, writing, spelling, grammar and numeracy) for years 7 and 9, for both 2016 and 2017. This data was sourced from ACARA's My School website

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Remoteness

The data is inconclusive as to whether remoteness is a factor in the cost of boarding provision for Aboriginal and Torres Strait Islander students.

Remoteness in this report utilises the Australian Bureau of Statistics' Australian Statistical Geography Standard Remoteness Structure, which divides Australia into '*five classes of remoteness on the basis of a measure of relative access to services. Access to services are measured using the Accessibility and Remoteness Index of Australia (ARIA+)*.'[13] The five classes of remoteness and the number of Aboriginal and Torres Strait Islander boarding providers analysed in this report in each class are set out below:

- **Major Cities of Australia** (four boarding providers)
- **Inner Regional Australia** (two boarding providers)
- **Outer Regional Australia** (12 boarding providers)
- **Remote Australia** (three boarding providers)
- **Very Remote Australia** (six boarding providers).

While a number of boarding providers noted additional costs associated with remoteness, particularly around staffing costs, electricity and freight, the data indicates that the higher cost Aboriginal and Torres Strait Islander boarding providers are actually located in major cities and outer regional areas. The two highest cost boarding providers were located in a major regional centre and a capital city. The high cost of these two providers was a factor of the model of boarding provided rather than location. The lowest cost Aboriginal and Torres Strait Islander boarding providers were located in remote locations but the model of boarding delivery of these providers had a greater impact on cost than location.

The 23 mainstream boarding providers analysed in this report were located in major cities, inner regional and outer regional areas. There was little variation in the average cost of boarding provision between remoteness classifications of the mainstream boarding providers, although there were no mainstream providers located in remote or very remote locations.

Table 3: Three-year average annual cost of boarding provision by remoteness, 2015 — 2017

$	Major cities	Inner regional	Outer regional	Remote	Very remote
Aboriginal and Torres Strait Islander boarding providers	25,021	17,534	26,384	19,441	28,208
Mainstream boarding providers	20,881	18,984	18,970	-	-

Despite the additional costs associated with remoteness, Grant Thornton found that a number of Aboriginal and Torres Strait Islander boarding providers are embracing remoteness to provide better outcomes for boarders and reduce homesickness and cultural disconnect.

While the data is inconclusive in relation to remoteness as a determinant of cost of boarding, logic and the anecdotal evidence provided during consultations would suggest that boarding in remote and very remote locations would be more costly than providing the same service in other areas. The Schooling Resource Standard for Commonwealth recurrent school funding reaches this same conclusion and includes a 'school location loading'.

Age of boarder

A not insignificant number of Aboriginal and Torres Strait Islander and mainstream boarding providers receiving ABSTUDY living allowance[14] charge differential fees based on age, usually higher for older boarders.

Grant Thornton found no reliable evidence to support a finding that age plays a contributing factor in the cost of boarding or support services for Aboriginal and Torres Strait Islander students.

[13] http://www.abs.gov.au/websitedbs/D3310114.nsf/home/remoteness+structure
[14] Data supplied by the Department of Human Services of 215 schools and boarding providers that receive ABSTUDY payments in 2018 for students studying away from home

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Special assistance schools

Special assistance schools (SAS)[15] play an important role in meeting the needs of students who have had a disrupted education due to disadvantage. A number of new small scale SAS boarding providers specialising in Aboriginal and Torres Strait Islander boarding have opened in recent years, such as the Holy Spirit boarding campus in Cooktown, Queensland. These facilities provide an individualised, flexible and culturally appropriate learning environment for Aboriginal and Torres Strait Islander boarders, as well as providing access to counselling, social and emotional well-being and health services aimed at addressing disadvantage and disability.

As expected, special assistance boarding schools have lower outcomes in terms of attendance, formal qualifications (graduations) and NAPLAN results compared to non-SAS Aboriginal and Torres Strait Islander boarding schools. Despite the higher needs of students, the three-year average annual cost of boarding per boarder at special assistance boarding schools at $22,623 is unexpectedly comparable to the average cost of boarding at non-special assistance boarding schools at $22,956.[16]

Type of boarding accommodation

Aboriginal and Torres Strait Islander boarding providers deliver boarding through a wide variety of boarding accommodation types. This includes traditional dormitories, family group homes, accommodation pods, offsite standalone residences that are not part of a school structure or accommodation designed and developed specifically to meet the needs of Aboriginal and Torres Strait Islander students.

There was no identifiable variance in the average cost of boarding attributable to the type of boarding accommodation.

Sector restructuring challenges and costs

There is a transition occurring in the Aboriginal and Torres Strait Islander boarding sector away from the traditional long established large boarding providers to a new model of boarding provider that caters for smaller numbers of boarders, usually from a common background or home geographical region. In the last decade a number of new smaller boarding providers or campuses of existing facilities have also opened in remote and very remote locations to reduce the incidence of homesickness and cultural and community disconnect. Smaller boarding providers are able to provide flexible tailored services for high needs boarding students and adapt faster to changing revenue, enrolments and costs.

The transition in the sector away from large Aboriginal and Torres Strait Islander boarding providers has had an impact on the large providers in terms of enrolment numbers and financial performance.

Some Aboriginal and Torres Strait Islander boarding providers may require assistance with restructuring to meet the challenges of the changing trends in Aboriginal and Torres Strait Islander boarding.

Scholarship and social programs have also led to changes in the sector. Greater numbers of Aboriginal and Torres Strait Islander students now have the opportunity to access leading Australian schools in state capital cities and major regional centres around the country. These programs usually target high performing students and have impacted upon enrolments at the traditional long established Aboriginal and Torres Strait Islander boarding providers. Aboriginal and Torres Strait Islander boarders that may have in the past attended large Aboriginal and Torres Strait Islander boarding providers are now increasingly attending large mainstream boarding providers as a result of scholarships, ongoing investment through ABSTUDY and increasing household incomes (median weekly household income for Aboriginal and Torres Strait Islander people increased from $991 in the 2011 Census to $1,203 in the 2016 Census (21 per cent increase)[17]).

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[15] Special assistance schools 'provide alternative educational settings for students with high-level needs, such as severe social, emotional and behavioural issues, and cater for students with disability, as well as students who are at risk, or whose needs are better met by flexible learning structures that may not be available in other schools. … These schools generally serve young people who are disengaged from education and whose needs are not met by mainstream education', 2018, www.isca.edu.au.

[16] There were only four special assistance schools included in the analysis for this report and given the small sample size, caution should be exercised in interpreting the data

[17] 2016 Census, http://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/IQS036, Australian Bureau of Statistics, accessed in January 2019. While, household income has increased nationally, it has been flat in remote areas and has declined in very remote areas (Markham, 2018) and the capacity of Aboriginal and Torres Strait Islander families in remote areas to meet boarding costs (disposable income) actually decreased. In the 2016 Census and for the first time, more than half of all Aboriginal and Torres Strait Islander people in very remote areas were in income poverty (Markham, 2018). See further discussion and references under Private fees and parental contributions in Part 0

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Support services

All boarding providers reported providing specific services to assist with transitioning Aboriginal and Torres Strait Islander students to boarding, retaining students and meeting their development and cultural needs. A key component of these services is family and community engagement. These services have been developed in response to the circumstances faced by the majority of Aboriginal and Torres Strait Islander students attending boarding.

Boarding providers reported the need to address health and hygiene issues, low levels of literacy and numeracy, undiagnosed and diagnosed disabilities, maintenance of connection with culture and community, trauma backgrounds and homesickness.

Many examples were provided of successful support services for boarding students but the extent and level of the services varied widely across the boarding providers and very few providers kept accurate and reliable data relating to the actual cost (direct and indirect) of these services. The variance in support services may be explained by the need to develop individualised support services suited to the needs of particular cohorts of boarders.

The strength of evidence regarding the impact and outcomes of investment in support services for boarders is sparse and largely anecdotal[18]. There is a need for further research into the support services required by Aboriginal and Torres Strait Islander boarders and to measure the impact of the investment in support services in delivering the intended objectives of boarding.

Aboriginal and Torres Strait Islander boarding providers and peak bodies noted that the cost of support services are high and are funded not just from ABSTUDY but from a variety of income sources, including recurrent funding. While some boarding providers access free government health services it is not always possible or realistic to rely solely on government primary and secondary health services. Boarding providers identified a need for specific funding to deliver support services, similar to the Indigenous Boarding Initiative that operated from 2014 to 2016. It provided funding to 'non-government schools with more than 50 Aboriginal or Torres Strait Islander boarding students—or 50 per cent or more—from remote or very remote areas'. The funding was to assist with the 'significant additional costs, such as health care, associated with boarding and educating Indigenous students from remote areas' to reduce the reliance on 'funding from other sources to subsidise the essential services and support for Aboriginal and Torres Strait boarders'.

ABSTUDY

Aboriginal and Torres Strait Islander boarding providers rely heavily on ABSTUDY to meet the cost of boarding. Over the last 50 years ABSTUDY has enabled many Aboriginal and Torres Strait Islander students to access a quality secondary education.

Due to reporting inconsistencies and data limitations it is not possible to determine the level of reliance on ABSTUDY by all 27 Aboriginal and Torres Strait Islander boarding providers included in the analysis for this report. However, four case studies examined in this report in Part 0 are illustrative of the extent that some providers rely on ABSTUDY to meet the costs of boarding. At the four providers more than 90 per cent of boarding revenue is sourced from ABSTUDY, whereas only 8 – 23 per cent of tuition revenue is sourced from ABSTUDY. The largest source of revenue for all four boarding providers was Commonwealth recurrent school funding.

The boarding operations at some boarding providers would not be viable without ABSTUDY or a replacement source of revenue. Reliable ABSTUDY revenue data was available for other boarding providers but while they had a heavy reliance on ABSTUDY payments to support boarding their boarding revenue was also supplemented by Northern Territory or state boarding payments, Indigenous Advancement Strategy funding or private donations. The four case studies also highlight the structural differences in funding and financial support for tuition and boarding—tuition attracts both ABSTUDY and broad Commonwealth funding, while boarding attracts only ABSTUDY[19]—and the importance of Aboriginal and Torres Strait Islander boarding providers implementing fee structures and monitoring processes to maximise ABSTUDY receipts.

ABSTUDY is not direct funding from the Commonwealth to a boarding provider. It is an individual student's means tested[20] entitlement to help pay tuition and boarding fees up to a certain amount. It is paid to a boarding provider on the student's behalf. ABSTUDY is not designed to be the sole source of revenue for boarding. The intention of ABSTUDY is to support students and their families to engage in education.

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[18] Guenther, 2017

[19] Some states and territories provide funding for boarding and the Commonwealth supports some boarding through the Indigenous Advancement Strategy by way of direct support or scholarships

[20] There is a broader discussion later in this report regarding what components of ABSTUDY are means tested and not means tested and the capacity of parents to pay

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While the report confirmed a shortfall between the boarding revenue of boarding providers and the cost of boarding, there were opportunities identified for some schools to review their boarding and tuition fees to maximise receipts from ABSTUDY. Many boarding providers have also successfully diversified their sources of income to include donations, scholarships and third party partnerships.

The majority of boarding providers included as part of the analysis identified concerns and issues regarding ABSTUDY, including the inadequacy of ABSTUDY to meet the true cost of boarding, complex and inflexible administration and challenges communicating with ABSTUDY. These issues have been identified in a number of previous reviews and reports, such as *Barriers and Bureaucracy, Bridges and Brokers*[21].

The 2018-19 ABSTUDY Budget Measure has been welcomed by boarding providers and is seen as delivering positive improvements in reducing administration, increasing flexibility for travel and improving the safety of students while travelling to and from boarding. Positive changes in the administration of ABSTUDY were also identified during the analysis, such as the introduction by the Department of Human Services of verbal customer declarations in November 2016 and improvements in the administration of ABSTUDY travel in recent years.

A number of different models for ABSTUDY and recommendations have been proffered as part of previous reviews and reports and during this analysis. This is expanded upon in the section on ABSTUDY in Part 0 of this report.

Boarding providers raised concerns that many of the issues identified regarding ABSTUDY in previous reviews and reports still remain unresolved and this is impacting on their operations, and in some cases on the viability of the boarding facility.

Boarding standard

A self-assessed survey of compliance with the Boarding Standard[22] revealed that the Aboriginal and Torres Strait Islander boarding providers included in the analysis for this report complied with an average of 92 per cent of the standards in the Boarding Standard.[23] There was an 89 per cent response rate to the survey. Consultations during the analysis indicated that boarding providers had strong awareness of the standard and that the peak bodies, such as Indigenous Education and Boarding Australia, had increased compliance through awareness, training and compliance reviews.

A number of interviewees in consultations conducted during the analysis highlighted the need for minimum standards for boarding. No comments were made about the adequacy of the current Boarding Standard and whether it was appropriate for all models of Aboriginal and Torres Strait Islander boarding. Some interviewees recommended that compliance with the Boarding Standard should be legally mandated, provided additional funding was provided to assist boarding providers to move to full compliance. KPMG, 2016 estimated that the average cost in 2016 for a boarding provider to deliver a boarding service in compliance with the Boarding Standard was an additional $1,209 per boarder, and $2,709 in a Northern Territory context.[24]

Some of the literature cautions against mandating a one-size fits all boarding standard for Aboriginal and Torres Strait Islander boarding providers.

Summary of recommendations

Grant Thornton makes the following recommendations arising from the analysis and consultations for this report. More detail about the recommendations is provided in the body of the report.

Recommendation 1: Data recording

Improve and refine data collection by boarding providers for Aboriginal and Torres Strait Islander students to assist government and boarding providers to make informed decisions about boarding, funding and policy, including but not limited to expulsion, exclusion and suspension data and the separate reporting of direct and attributable costs of boarding and support services. For consistency the data, including for standalone boarding providers, should be provided to the Department of Education and Training to develop a central repository of data regarding boarders and boarding.

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[21] *Barriers and Bureaucracy, Bridges and Brokers*, Centre for Aboriginal Economic Policy Research for the Independent Schools Council of Australia, 2017

[22] *Boarding Standard for Australian Schools and Residences* (AS 5725:2015)

[23] The survey was a self-assessment and was not independently assessed or verified

[24] KPMG, 2016, p. 22

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Recommendation 2: Health management

Many Aboriginal and Torres Strait Islander students attending boarding face 'barriers to achievement'. Boarding providers deliver a range of support services to address health and hygiene issues, low levels of literacy and numeracy, undiagnosed and diagnosed disabilities, substance addictions and abuse, trauma backgrounds and homesickness. These services are more intensive when a student first transitions to boarding and at the start of school terms.

Consider funding to boarding providers to enable Aboriginal and Torres Strait Islander boarding students to undertake individual health and disability assessments[25] at the commencement of boarding and subsequent academic years and to develop and implement individual health management and education plans.

Boarding providers should develop close working relationships with local health services and providers, particularly Aboriginal and Torres Strait Islander community controlled health services, in undertaking health assessments and developing individual health management plans.

Recommendation 3: Transition support

Increase support for Aboriginal and Torres Strait Islander students to prepare for and transition to boarding through direct funding to boarding providers for support services.

Identify Commonwealth and state funding for transition support units in Western Australia, New South Wales and South Australia based on the Transition Support Services and Transition Support Unit models in Queensland and the Northern Territory to augment the support services provided by boarding providers.

Recommendation 4: Needs-based funding for support services

The support services required by Aboriginal and Torres Strait Islander boarding students vary significantly depending on the individual circumstances of students.

Provide base funding for support services for Aboriginal and Torres Strait Islander boarding students with loadings to address the disadvantage of students and boarding providers, based on the Schooling Resource Standard determinants that were introduced as part of the amendments to the *Australian Education Act 2013* that commenced on 1 January 2018.[26]

Funding allocations to boarding providers for support services for a schooling year to be notified to boarding providers by October of the previous year to enable boarding providers to plan with certainty for the support services that can be delivered. The funding should be based on the August census data.

Recommendation 5: ABSTUDY remittance advice

Reduce the administrative cost to boarding providers by providing clear, relevant and timely payment and remittance advice for ABSTUDY payments. Review the structure and timing of payments supporting Aboriginal and Torres Strait Islander boarding students to better address the needs of students and to provide greater revenue certainty for boarding providers to address those needs.

Recommendation 6: Fee structures

Provide assistance to boarding providers to improve understanding of how fee structures interact with ABSTUDY and parental contributions.

Recommendation 7: ABSTUDY travel management

Identify options for further decentralisation of ABSTUDY travel arrangements to boarding providers and transition support units to reduce costs and increase flexibility. Provide funding incentives to meet the cost of decentralised travel arrangements and administration of safe travel plans.

Improve communication to boarding providers and families where the DHS ABSTUDY travel team declines a request for a travel booking, including requested travel dates or routes.

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[25] Medicare items 715/228: A health assessment for Aboriginal and Torres Strait Islander people involves checking a patient's health and physical, psychological and social functions and deciding if preventive health care and education should be offered to the patient to improve their health and wellbeing. A Medicare funded health assessment can be undertaken every nine months

[26] The Australian Education Act does not provide for funding for boarding students. The Act provides financial assistance for schools only. Payments are based on the Schooling Resource Standard (SRS). The SRS is made up of a base amount for every primary and secondary student, along with six loadings to provide extra funding for disadvantaged students and schools. This additional funding for disadvantage is focused on Aboriginal and Torres Strait Islander students, students with disability, low English language proficiency, socio-educational disadvantage, school size and location

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Investigate mechanisms to permit, within the existing privacy framework, transition support units to communicate directly with the DHS ABSTUDY travel team or QBT in relation to the travel arrangements for a transition unit supported student.

Recommendation 8: ABSTUDY travel policies

Review ABSTUDY travel policy to provide greater flexibility for weekend travel, and for travel assistance where it is required to manage student suspensions and exclusions, provided it does not impact on engagement in education by students and their families. Review the rules and processes for the reimbursement of travel paid by boarding providers to provide greater certainty to boarding providers.

Recommendation 9: Scholarship arrangements

Review scholarship arrangements to provide greater opportunities for Aboriginal and Torres Strait Islander boarding students to attend Aboriginal and Torres Strait Islander boarding providers and other providers located in regional, remote and very remote areas.

Recommendation 10: Sector change

Provide advice on transitioning and restructuring to boarding providers experiencing difficulty with changing trends in boarding provision for Aboriginal and Torres Strait Islander students.

The professional networks of Aboriginal and Torres Strait Islander boarding providers and the composition of their boards should include a greater diversity of skills and experience relevant to financial management, boarding and cultural practices. Increase awareness of existing programs to assist not-for-profits in regional, remote and very remote regions to identify, recruit and train appropriately qualified directors and committee members, particularly Aboriginal and Torres Strait Islander people.

Recommendation 11: Boarding standards

Undertake consultations to determine whether the *Boarding Standard for Australian Schools and Residences* (AS 5725:2015) should be mandated for boarding providers receiving funding or ABSTUDY payments for Aboriginal and Torres Strait Islander students, including how the standard should be phased in and whether funding should be made available to meet the cost of compliance with voluntary or mandatory standards.

Recommendation 12: Communication

State, territory and Commonwealth governments to work with peak bodies to strengthen communication between government and boarding providers and also between boarding providers.

Conclusion

This report confirmed the findings of previous reviews and reports that the cost of boarding for Aboriginal and Torres Strait Islanders students at Aboriginal and Torres Strait Islander boarding providers exceeds the boarding revenue generated by those providers. The shortfall is met through a number of other sources but the impact has seen the closure of some Aboriginal and Torres Strait Islander boarding providers and others experiencing financial stress.

The three-year average annual revenue per boarder from 2015 to 2017 at the 27 Aboriginal and Torres Strait Islander boarding providers analysed for this report was $16,679. The comparative average cost per boarder was $22,927, representing an average revenue shortfall of $6,248 per boarder. This compares to an average shortfall of $10,437 identified in the KPMG, 2016 report for seven Northern Territory Aboriginal and Torres Strait Islander boarding providers. There was a variation in approach used by Grant Thornton and this is further explained under data limitations.

Across the three-year average of 1,918 Aboriginal and Torres Strait Islander boarders in the boarding providers included in the analysis, the shortfall per boarder represents a total annual revenue shortfall of $11,982,732.

The cost of boarding for Aboriginal and Torres Strait Islander secondary students is a product of a number of factors, particularly disadvantage, school size and the proportion of Aboriginal and Torres Strait Islander boarders to total boarders.

There is a transition occurring in the Aboriginal and Torres Strait Islander boarding sector away from the traditional long established large boarding providers to a new model of boarding provider that caters for smaller numbers of boarders. While the costs are generally higher, the smaller providers are attracting new sources of income from the private sector and government to address revenue shortfalls and the early evidence suggests that these smaller providers are delivering better outcomes for Aboriginal and Torres Strait Islander students.

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A number of recommendations have been made to improve boarding outcomes for Aboriginal and Torres Strait Islander students and their families and to better support Aboriginal and Torres Strait Islander boarding providers.

While current government investment is not intended to meet the full cost of boarding, recommendations have been made to better align investment in boarding with disadvantage and need, consistent with the Schooling Resource Standard loadings introduced as part of the amendments to the *Australian Education Act 2013*, and to provide greater funding certainty for boarding providers.

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3. Background

Attending a boarding school is a necessity for many Aboriginal and Torres Strait Islander students undertaking secondary education. This is largely due to limited secondary schooling options in many remote communities of Australia. Aboriginal and Torres Strait Islander students also attend boarding for a number of other reasons, such as accessing specific courses of study and schools with more resources, avoiding community unrest or domestic issues, referrals by courts, youth service providers, churches, councils, other schools and transition support services, or because of family or community historical connections with a particular boarding provider[27].

Benveniste, 2014[28] and Guenther, 2017[29] identified from the literature four main justifications for the investment by the community and government in boarding for Aboriginal and Torres Strait Islander secondary students:

- Government cannot provide secondary education in remote and very remote locations
- Choice for parents: Access to a good education
- Better opportunities for students: Building social capital
- Practical reconciliation: A two-way exchange and addressing disadvantage.

In the 2017 calendar year, 5,190 students received an ABSTUDY boarding related payment to attend secondary school (down from 5,267 in 2016). Of the total supported students, 4,051 students were under 16 years of age and 1,139 aged over 16. ABSTUDY payments include allowances for accommodation at boarding providers and hostels, boarding schools and private accommodation arrangements.[30] Travel is an essential component of support for Aboriginal and Torres Strait Islander boarding, with approximately 77 per cent of boarders attending non-government schools within their home state and more than 75 per cent came from an area that was classified as 'very remote' or 'remote'.[31]

Table 4: Total ABSTUDY recipients (students) with boarding related payment entitlement (secondary level studies), 2016 and 2017[32]

Age as at 1 January	2016	2017
Under 16 ($)	4,182	4,051
16 and over ($)	1,085	1,139
Total ($)	**5,267**	**5,190**

Research has shown that the longer a student is undertaking education, the greater the return to the individual and the broader community on the investment in that education.[33]

[27] The Study Away Review, details the main reasons for accessing ABSTUDY to attend boarding, p. 12
[28] *A brief review of literature on boarding school education for Indigenous students and recent Australian media coverage of the issue*, Benveniste, T, Disbray, S, & Guenther, J, 2014, (Benveniste, 2014), https://www.academia.edu/8776088/A_brief_review_of_literature_on_boarding_school_education_for_indigenous_students_and_recent_Australian_media_coverage_of_the_issue.
[29] *Theorising the mechanisms and outcomes pathways from boarding school participation for remote Aboriginal and Torres Strait Islander students*, Guenther, John; Redman-MacLaren, Michelle; Mander, David; Stewart, Richard; Bobongie, Francis; McCalman, Janya; Barrett, Peter; Fogarty, Bill; Milgate, Gina; Lloyd, Andrew; O'Bryan, Marnie; Osborne, Sam and Benveniste, Tessa, 2017 (Guenther, 2017).
[30] Source: Department of Social Services and House of Representatives Standing Committee on Indigenous Affairs, *The power of education: From surviving to thriving—Educational opportunities for Aboriginal and Torres Strait Islander students*, Department of Social Services, 2017, Submission 67,
[31] Commonwealth of Australia, Department of the Prime Minister and Cabinet, *Study Away Review: Review of Support for Aboriginal and Torres Strait Islander Secondary Students Studying Away From Home*; December 2017, p. 6
[32] Source: Department of Human Services administrative data (Department of Social Services extract), 22 January 2019. Unique count of ABSTUDY boarding recipients determined to be current (i.e. entitled to be paid) at any stage in the period 1 January to 31 December on the Centrelink payment system recorded as undertaking secondary level studies. Recipient age is calculated as at the start of the reporting period, 1 January
[33] *Boarding school for remote Aboriginal and Torres Strait Islander students can have very damaging effects: new evidence-based research*, Guenther, John, https://www.aare.edu.au/blog/?tag=john-guenther, accessed in January 2019

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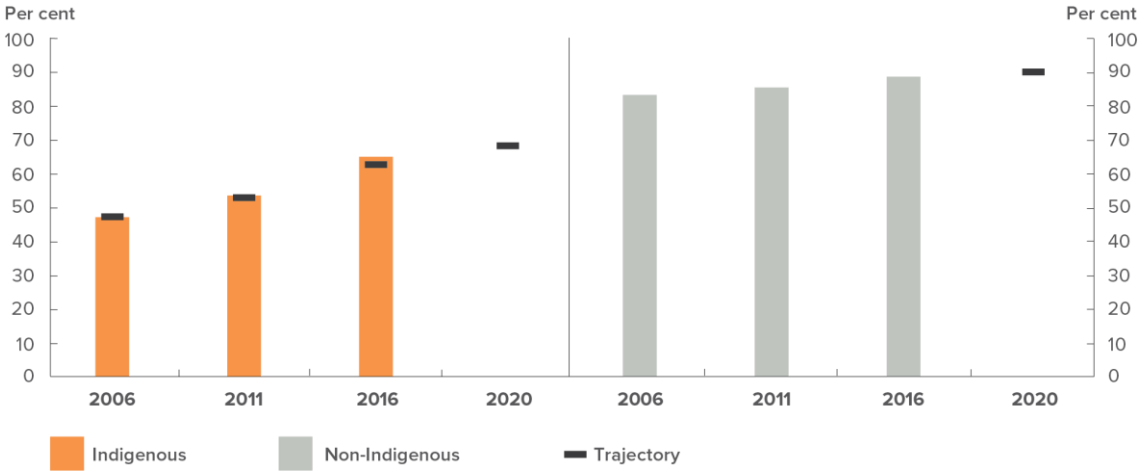
Boarding and ABSTUDY support play an important part in the education of Aboriginal and Torres Strait Islander secondary students and in closing the gap in education. Year 12 or equivalent attainment for Aboriginal and Torres Strait Islander 20 to 24 year-olds increased significantly from 47.4 per cent in 2006 to 65.3 per cent in 2016 (an improvement of 17.9 percentage points). By comparison, over the same period the Year 12 attainment rate for non-Indigenous Australians improved from 83.8 per cent to 89.1 per cent (an improvement of 5.3 percentage points).[34]

Graph 5: Year 12 or equivalent attainment rate, 20–24 year-olds[35]



Many Aboriginal and Torres Strait Islander students from remote Australia access boarding providers and schools that charge low fees or no additional boarding and school fees beyond a student's ABSTUDY entitlements. These boarding providers support a significant number of Aboriginal and Torres Strait Islander secondary students. A number of scholarship programs also support Aboriginal and Torres Strait Islander students to attend higher fee boarding providers, which are predominantly mainstream boarding providers.

A small number of boarding providers are not linked with a school. In addition to the students' ABSTUDY living allowance payments, some of these facilities receive supplementary funding under the Indigenous Advancement Strategy (IAS). This includes AFL Cape York House, Torres Strait Kaziw Meta and NRL Cowboys House. Those boarding providers that offer both school and boarding receive the students' ABSTUDY entitlements for both school fees and boarding payments (Living Allowance, Rent Assistance, Remote Area Allowance), while those boarding providers that offer boarding alone receive only the students' ABSTUDY boarding entitlements. Any unused school fees allowances can be accessed by boarding providers if the boarding fees exceed the living allowance amount.

Some boarding providers that specialise in boarding for Aboriginal and Torres Strait Islander students have indicated that due to limited financial resources, professional expertise and human capital they are unable to offer the optimal range of assistance measures required to support their boarding students for success. Many boarding providers in this category have low retention and attendance rates, and high rates of suspension or expulsion.

Many Aboriginal and Torres Strait Islander students and their families also find the transition away from home to studying away very difficult and face a multitude of challenges along the way. These include insufficient preparation, administrative challenges and the need to overcome significant social and cultural gaps between boarding and home.

In December 2017 PM&C released a review of boarding support for Aboriginal and Torres Strait Islander secondary students: the *Study Away Review: Review of Support for Aboriginal and Torres Strait Islander Secondary Students Studying Away From Home* [36] (Study Away Review). The review was carried out in collaboration with the Departments of Human Services, Social Services, Education and Training, and Health.

[34] *Closing the Gap: Prime Minister's Report 2018*, Department of the Prime Minister and Cabinet, 2018, pp. 64 & 67
[35] *Closing the Gap: Prime Minister's Report 2018*, Department of the Prime Minister and Cabinet, 2018, p. 64; Sources: ABS Census of Population and Housing 2006, 2011 and 2016
[36] Study Away Review

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The Study Away Review found that:

- many students are sent to boarding with little preparation
- ABSTUDY administration is experienced as being overly complex
- travel support varies from student to student and for many students it is inadequate
- many families and communities are unsure of how to prepare and support their children in boarding school
- there are a lack of alternative education options for students not suited to mainstream boarding
- there are gaps in funding and policy responsibility in a range of areas such as health management, family and community engagement, travel support and staff development (e.g. in cultural awareness and trauma informed practices).

The Study Away Review focussed on Commonwealth support for Aboriginal and Torres Strait Islander students studying away from home and identified four main pillars of support:

1. **boarding preparation**— psychological and practical preparation for boarding school for both families and the student, as well as the experience of applying for financial support (e.g. ABSTUDY and scholarships) prior to the school year
2. **student travel**— students travelling from community to school and back to community
3. **in-school and accommodation support**—activity both within the school gate and outside school hours through boarding residences. This includes pastoral care, health services, mentoring and extra-curricular activities
4. **family and community engagement**—activities to enhance collaboration and communication between home and the boarding school/residence as well as family and community engagement in students' education and boarding experiences.

The Study Away Review followed a number of other reviews and reports into boarding for Aboriginal and Torres Strait Islander students. These include:

- *Final Report to the Review of Funding for Selected Indigenous Boarding Schools*, 2013 (Deloitte, 2013)
- *A Share in the future: Review of Indigenous education in the Northern Territory*, Bruce Wilson, Northern Territory Department of Education, 2015
- *Non-Government Indigenous boarding schools: Review of funding arrangements for the Northern Territory Government, Department of Education*, 2016 (KPMG, 2016)
- *Barriers and Bureaucracy, Bridges and Brokers*, (Centre for Aboriginal Economic Policy Research for the Independent Schools Council of Australia, 2017 (CAEPR, 2017)
- *The power of education: From surviving to thriving—Educational opportunities for Aboriginal and Torres Strait Islander students*, House of Representatives Standing Committee on Indigenous Affairs, 2017 (HoRSCIA, 2017)

We need to know the true cost of Indigenous boarding school scholarships on communities, Rogers, Jessa, The Conversation, 13 June 2017, accessed 9 May 2018. Available at: https://theconversation.com/we-need-to-know-the-true-cost-of-indigenous-boarding-school-scholarships-on-communities-74622 (Rogers, 2017)

- *Red dirt education: a compilation of learnings from the Remote Education Systems project*, Ninti One Limited, Guenther J, Disbray S and Osborne S, Alice Springs, 2017, retrieved from http://www.crc-rep.com.au/resource/RedDirtEducation_CompilationLearningsRES_EBook.pdf

Theorising the mechanisms and outcomes pathways from boarding school participation for remote Aboriginal and Torres Strait Islander students, Guenther, John; Redman-MacLaren, Michelle; Mander, David; Stewart, Richard; Bobongie, Francis; McCalman, Janya; Barrett, Peter; Fogarty, Bill; Milgate, Gina; Lloyd, Andrew; O'Bryan, Marnie; Osborne, Sam and Benveniste, Tessa, 2017 (Guenther, 2017).

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The previous reviews and reports found that Aboriginal and Torres Strait Islander boarding students, particularly those from remote and very remote Australia bring additional costs compared with other students, and that there is a disconnect between the expenditure to support Aboriginal and Torres Strait Islander boarding students and funding provided by governments (Deloitte, 2013; KPMG, 2016; Study Away Review, 2016). The additional costs identified in the reviews and reports include:

- addressing and managing remote Aboriginal and Torres Strait Islander students' ongoing physical and mental health needs
- the cost of addressing low levels of literacy and numeracy
- training staff in trauma informed practices and cultural awareness
- employing extra staff to manage ABSTUDY administration
- maintenance of facilities
- employing staff to undertake community outreach activities
- providing students with one on one mentoring and tutoring and cultural connections.

The KPMG, 2016 report stated that 'the increase in the percentage mix of Aboriginal and Torres Strait Islander boarders occasioned an increase in the cost and resultant losses, as a result of incremental costs of additional boarders being unrecovered through corresponding funding available for those boarders'.[37] The CAEPR, 2017 report came to a similar conclusion—'Schools subsidise [wraparound] services from other sources; however, for some boarding schools that provide education to the most disadvantaged Indigenous secondary students from remote areas, this is unsustainable'[38].

[37] KPMG, 2016, p. 13
[38] Barriers and Bureaucracy, Bridges and Brokers, Centre for Aboriginal Economic Policy Research for the Independent Schools Council of Australia, 2017, p. 1

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4. Aboriginal and Torres Strait Islander boarding providers

The following Aboriginal and Torres Strait Islander boarding providers were identified by PM&C for inclusion in the analysis:[39]

	Name of boarding facility	Location
1.	AFL Cape York House	Cairns, Queensland
2.	Cape York Girl Academy	Wangetti (Cairns), Queensland
3.	Coolgardie Christian Aboriginal Parent-Directed School	Coolgardie, Western Australia
4.	Clontarf Aboriginal College	Waterford (Perth), Western Australia
5.	Djarragun College	Gordonvale, Queensland
6.	Edmund Rice College	Bindoon (Perth), Western Australia
7.	Haileybury Rendall School	Darwin, Northern Territory
8.	Holy Spirit College	Cooktown, Queensland
9.	La Salle College	Middle Swan (Perth), Western Australia
10.	Marrara Christian College	Darwin, Northern Territory
11.	Melbourne Indigenous Transition School	Richmond, Victoria
12.	Mount St Bernard College	Herberton, Queensland
13.	Nhulunbuy Boarding School	Nhulunbuy, Northern Territory
14.	Northern Territory Christian College[40]	Darwin, Northern Territory
15.	NRL Cowboys House	Gulliver (Townsville), Queensland
16.	Peace Lutheran College	Kamerunga (Cairns), Queensland
17.	St Brendan's College	Yeppoon, Queensland
18.	St John's College	Darwin, Northern Territory

[39] Shalom Christian College in Townsville, Queensland was originally included but was excluded as it ceased its boarding operations in 2017. Additionally, eight hostels operated by Aboriginal Hostels Limited (AHL) were also initially included but AHL advised that they were unable to participate and were also excluded from this report

[40] Northern Territory Christian College (NTCC) is closely associated with Marrara Christian College (MCC). MCC owns the campus assets and conducts classes from early learning through to grade 10. It is also responsible for the accommodation/boarding operations for students from Year 7 to Year 12. NT Christian College (NTCC) runs the senior school education programs for Year 11 and 12 from campuses located at Marrara, Palmerston and Nhulunbuy. MCC has 79 boarders (all are Aboriginal) but the majority of the students at MCC and NTCC are day students. NTCC has therefore been excluded and its boarders are for the purposes of this report are counted as boarders/students of MCC. This report therefore reviews 27 Aboriginal and Torres Strait boarding providers but encapsulates 28 providers (incorporating Northern Territory Christian College)

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19.	St Patrick's College	Townsville, Queensland
20.	St Philip's College	Alice Springs, Northern Territory
21.	St Teresa's Agricultural College	Abergowrie (Ingham), Queensland
22.	Tec-NQ (senior years only)	Townsville, Queensland
23.	Tiwi College	Pickataramoor (Tiwi Islands), Northern Territory
24.	Torres Strait Kaziw Meta Inc.	Thursday Island, Queensland
25.	Wongutha Christian Aboriginal Parent-Directed School	Gibson (Esperance), Western Australia
26.	Worawa Aboriginal College	Healesville (Melbourne), Victoria
27.	Yiramalay / Wesley Studio School	Fitzroy Crossing, Western Australia
28.	Yirara College	Alice Springs, Northern Territory

Data from 23 mainstream boarding providers located in Queensland (10), New South Wales (4), South Australia (3), Tasmania (1), Western Australia (3) and Victoria (2) was compared against the data from the Aboriginal and Torres Strait Islander boarding providers. The mainstream boarding providers have Aboriginal and Torres Strait Islander student populations ranging from one to 16 per cent and all were classified as medium sized (between 226 and 600 total students) or large sized (over 600 total students).

Peak bodies, government agencies and other boarding providers listed in Appendix A were also consulted for this report.

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5. Grant Thornton methodology

The analysis was conducted over three phases.

Phase 1

Phase 1 of the analysis collected and analysed data from nominated Aboriginal and Torres Strait Islander boarding providers relating to revenue, expenditure, enrolments (retention, expulsion and exclusion) and graduations. Included in phase 1 was the threshold question of whether there is a minimum number of boarding students required to make a boarding facility financially viable. The analysis also reviewed whether there was a gap in government funding for the cost of boarding for Aboriginal and Torres Strait Islander secondary students and if so, how boarding providers are meeting that gap. Examples of best practice in reducing costs and improving attendance and engagement were also collected.

The full list of Aboriginal and Torres Strait Islander boarding providers is set out in Part 4. The providers are based in Queensland, Western Australia, the Northern Territory and Victoria and accommodate almost 1,900 boarders. The analysis considered whether it was possible to identify variances in the cost of boarding attributable to a number of characteristics, such as the remoteness of the home community of the student, age, Indigeneity, the location of the boarding facility, the model of boarding accommodation and the quantum of students attending boarding providers.

Phase 2

Phase 2 of the analysis collected and analysed for comparative purposes, financial data from a representative sample of mainstream boarding providers that have a small cohort of Aboriginal and Torres Strait Islander boarders.

Phase 3

Phase 3 compared the analysis from Phase 1 and Phase 2 for the purpose of determining whether it was possible to benchmark an efficient level of operating costs for the provision of boarding to Aboriginal and Torres Strait Islander students under various models of boarding.

Collection of data

In conducting the analysis across each of the three phases Grant Thornton adopted the following methodology:

- An introduction letter explaining the background of the analysis was sent in August 2018 to all boarding facilities included in the analysis, as well as the peak bodies.
- A literature review was conducted of existing reviews and reports into boarding for Aboriginal and Torres Strait Islander students and what works to support them.
- Three year financial and operational trend data for 2015, 2016 and 2017 from financial questionnaires provided to the Department of Education and Training (DET) by the boarding schools included in the evaluation was analysed. Trend data was not available for all boarding providers, including those that are standalone boarding providers and not part of a school structure, and those that have only opened since 2017. Gaps in the three-year trend data have been supplemented by information obtained from publicly available information and financial statements, management accounts, census reports, enrolment data, consultation interviews and annual reports provided by boarding providers. For some boarding providers the data was incomplete and inconsistent and assumptions were made to enable accurate and reliable comparisons to be made. Boarding revenue and costs have been separated from tuition revenue and costs in the analysis for this report.
- Face-to-face consultations were conducted with senior staff of each of all Aboriginal and Torres Strait Islander boarding providers and the majority of the peak bodies. A standardised interview checklist was developed to guide the consultations. The checklist focussed on the revenue and costs of boarding, the model of boarding provided by the boarding facility, whether age and remoteness of the home communities of boarders are a factor in the cost of delivering boarding and the amount of support services required and the administration of ABSTUDY.
- Aboriginal and Torres Strait Islander boarding providers were provided with a self-assessment survey of compliance with the National Boarding Standard[41].

[41] *Boarding Standard for Australian Schools and Residences* (AS 5725:2015)

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6. Assumptions and data limitations

Assumptions

The Aboriginal and Torres Strait Islander boarding providers included in the analysis predominately support Aboriginal and Torres Strait Islander boarders. They provide boarding for 2,174 secondary students, with an estimated 1,918 or 88 per cent identifying as Aboriginal and/or Torres Strait Islander. Most of these boarding providers that are part of a school are classified by the Department of Education and Training as Majority Aboriginal and Torres Strait Islander Schools for funding purposes. The assumption is made that the data for the included boarding providers is therefore representative of boarding for Aboriginal and Torres Strait Islander secondary students.

Tables and graphs in this report refer to boarding data only unless stated otherwise.

Boarding revenue and costs have been separated from tuition revenue and costs and used for this report. The separation was undertaken by each boarding provider based on estimates.

To ensure consistency, the financial analysis in this evaluation is based on three year financial and operational trend data for 2015, 2016 and 2017 from financial questionnaires provided to the Department of Education and Training (DET) by the boarding schools[42] included in the evaluation. For some boarding providers the data was incomplete and assumptions were made to enable accurate and reliable comparisons to be made.

The accuracy of the data relies on the quality of the information provided to DET and Grant Thornton. The data was not produced, audited or independently verified by Grant Thornton.

We have used recurrent income[43] and recurrent costs[44] data as the basis for the analysis in this report for the following reasons:

- to exclude capital income and expenditure amounts. The exclusion of capital amounts improves the ability to compare the performance of the various boarding providers and also provides a more accurate representation of the underlying performance of a school (which can be skewed when capital amounts are included). This is particularly important in circumstances where a provider's income includes capital amounts but excludes the associated expenditure (with the associated expenditure treated as capital expenditure (capex) in the cash flow statement)
- to provide the greatest level of detail from the source data (the three-year trend data). The three-year trend data included more detailed information regarding recurrent income and expenditure, providing a greater level of breakdown of income and expenditure amounts. The three-year recurrent income data provides a breakdown of the various sources of income and shows what proportion of income a boarding school depends on to meet its expenses. Income from trading accounts (canteen and clothing shop) has been excluded. The three-year recurrent costs data does not include trading activities expenses/loss, depreciation or amortisation.

Interest expense has been excluded from recurrent expenditure in order to consider the underlying performance of the relevant providers. This removes the impact of any debt servicing requirements and/or variation in debt levels amongst boarding providers. Interest expenses however are negligible across the 27 Aboriginal and Torres Strait Islander boarding providers—a total of approximately $700,000 in each of 2015 and 2016, and $400,000 in 2017.

Each boarding school in its financial questionnaire provides a split of recurrent income and expenses between tuition and boarding using an allocation rate. This split was available for 2016 and 2017 for Aboriginal and Torres Strait Islander boarding providers and 2017 for mainstream boarding providers.

[42] The three-year trend data was only available for boarding schools and not for standalone boarding providers
[43] Recurrent income is income that is predictable, stable and will continue into future periods with a degree of certainty and includes fees and charges, ABSTUDY, private income sources and state/territory and Commonwealth funding
[44] Recurrent costs are those costs that are predictable and stable and an ongoing expense of the boarding provider. They include salaries, administration expenses, property maintenance, interest charges and bad and doubtful debts

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For this report Grant Thornton has made the following adjustments to the three-year trend data:

- to determine the split between boarding and tuition (revenue and costs), we have utilised the 2016 allocation rate in the trend data and applied that across the 2015 and 2016 data for Aboriginal and Torres Strait Islander boarding schools. The 2017 allocation rate has been utilised for the 2017 data. For the mainstream boarding schools the 2017 allocation rate has been utilised and applied across the historical data set for 2015 — 2017. For the standalone boarding providers there was no split as there was no tuition revenue or costs once boarding and tuition revenue and costs were determined, we assumed a pro rata allocation for Aboriginal and Torres Strait Islander boarding students
- for some boarding providers there were apparent anomalies in the allocation between tuition and boarding cited in the three-year trend data. To correct these anomalies, we have instead allocated tuition and boarding for the boarding provider based on comparative boarding providers with similar operating and financial models, or used direct source data provided by the boarding provider
- Northern Territory Christian College (NTCC) is closely associated with Marrara Christian College (MCC). MCC owns the campus assets and conducts classes from early learning through to grade 10. It is also responsible for the accommodation/boarding operations for students from Year 7 to Year 12. NT Christian College (NTCC) runs the senior school education programs for Year 11 and 12 from campuses located at Marrara, Palmerston and Nhulunbuy. The data for MCC and NTCC has therefore been combined.

For some boarding providers the three-year trend data was not used or available. The reasons for this and the relevant approach taken is as follows:

- one boarding provider operates across two distinct campuses in two different towns, one of which is entirely boarding for Aboriginal and Torres Strait Islander students and the other has no boarders. The three-year trend data for the entire operations of the entity created a clear anomaly in the data. Detailed management accounts for the boarding campus were utilised and relevant adjustments were made for revenue and costs, and depreciation was excluded
- some boarding providers are not part of a school structure and three-year trend data was therefore not available. Audited financial statements and management accounts, excluding depreciation, have been used with relevant adjustments.

Data limitations

We note that recurrent costs in the three-year trend data excludes depreciation. Whilst we consider that this is a limitation of the analysis, we note that this treatment ensures consistency with the definition of recurrent data in the available data and the assumption is consistently applied to all boarding providers included in the analysis.

The split between tuition and boarding revenue and costs in the three-year trend data is based on high level estimations undertaken by boarding providers. A small number of boarding providers also undertake a detailed attribution of direct and indirect boarding costs incurred to reflect the true cost of boarding for Aboriginal and Torres Strait Islander students. Given the limited number of boarding providers that undertake this attribution, the high level estimate by boarding providers is used for the analysis in this report.

The three-year trend data includes the total number of Aboriginal and Torres Strait Islander students (boarding and day students combined) and the total number of boarders, but not the number of Aboriginal and Torres Strait Islander boarders. We have determined the split between the number of Aboriginal and Torres Strait Islander boarders and other boarders based on our consultations with boarding providers, census data and publicly available information, and applied the resultant allocation across the three-year trend data set.

The boarding revenue and costs in the three-year data is also not allocated between Aboriginal and Torres Strait Islander boarders and other boarders. There is no data available that accurately and reliably allocates revenue and costs on this basis. KPMG, 2016 allocated boarding income and expenditure between Aboriginal and Torres Strait Islander boarding and other boarding on a per capita representation.[45] Grant Thornton has used the total number of boarders and total revenue and costs to calculate average revenue and costs. The result is relatively the same in terms of calculating averages.

[45] KPMG, 2016, *Introduction*

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A number of the boarding providers included in the analysis rely on private donations and philanthropic gifts to supplement funding from fees and charges and government funding. In 2016 two high cost boarding providers each received over $1 million in donations/philanthropic support, which represented 49 per cent of the income of one of the providers. Some boarding providers account for donations and gifts in their financial statements against boarding only while others apportion such income against tuition and boarding. In addition some of the deficits and losses incurred by boarding providers are directly met by a third party, such as a trust, donor or approved authority, including a religious diocese or parish. These are not uniformly accounted for in the financial statements of the boarding provider.

Data testing

We tested the accuracy of the three-year trend data for Aboriginal and Torres Strait Islander boarding providers by undertaking a high level comparison of the 2016 data against the associated financial statements (2016 financial statements, including comparatives). We conducted this accuracy test for 12 boarding providers and found that whilst there was some variability, these variance were within 15 per cent, with the exception of one boarding provider. Our analysis of that one boarding provider identified a recurrent revenue variance of 21 per cent for the year ended 31 December 2015. The provider reported a restatement of revenue for 2015 in its 2016 financial statements (representing approximately 6 per cent of total income in 2015), however it is unclear how and/or if this restatement has contributed to this revenue variance.

Despite this, we consider that this analysis provided sufficient evidence of correlation between the three-year trend data and the financial statements to provide a reasonable basis for the utilisation of and reliance on the three-year trend data for the 27 Aboriginal and Torres Strait Islander boarding providers.

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7. Theory of change

The purpose and objective of boarding investment

Grant Thornton has reviewed the intended purpose and objectives, or outcomes, of the social and financial investment in boarding for Aboriginal and Torres Strait Islander secondary students. A theory of change has been developed examining the interventions through boarding by government, boarding providers, families and communities to determine the actual outcomes from those interventions. The theory of change provides a framework for what works and does not work in different contexts and through different outputs and activities.

The investment in boarding for Aboriginal and Torres Strait Islander secondary students is complex and achieving the intended outcomes relies on a range of factors, including the circumstances of the student and their family and community, revenue (including funding) and expenditure, the model of boarding delivery (including size, location, accommodation type and make-up of the student population), family and community engagement and staffing ratios. The complexity of the inter-relationships between the full range of factors contributing to boarding outcomes was recently examined in detail for the first time. Guenther, 2017 identified six 'mechanisms' and 45 'elements' contributing to boarding and noted that 'adjusting one mechanism inevitably affects another (positively or negatively)'.[46] The mapping by Guenther, 2017 of the mechanisms and elements of boarding intervention is reproduced below:

Figure 1: Mechanisms contributing to boarding intervention, Guenther, 2017[47]

[46] Guenther, John; Redman-MacLaren, Michelle; Mander, David; Stewart, Richard; Bobongie, Francis; McCalman, Janya; Barrett, Peter; Fogarty, Bill; Milgate, Gina; Lloyd, Andrew; O'Bryan, Marnie; Osborne, Sam and Benveniste, Tessa, *Theorising the mechanisms and outcomes pathways from boarding school participation for remote Aboriginal and Torres Strait Islander students,* 2017 (Guenther, 2017), p. 10
[47] Guenther, 2017, p. 11 (reproduced with the permission of Guenther)

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Guenther, 2017 states that 'the complexity [of the permutations and combinations of the mechanisms and elements] suggests that a singular focus on models or on funding or on promoting aspiration will not result in a consistent set of outcomes as might be hoped for. The exception may of course be to limit the criteria so that a narrow set of students with the perceived qualities fit for a particular program are 'cherry-picked' (Thorpe, 2017) and will meet an equally narrow set of outcomes'[48]. The resultant pictorial theory of change developed by Guenther, 2017 was self-described as 'something of a confused mess' recognising the complexity and number of elements required to achieve the intended and desirable outcomes of investment in boarding.

In 2014, Indigenous Education and Boarding Australia mapped a theory of change for its programs. Its identified long term objective of investment was positive boarding outcomes for boarders: 'boarders supported to attend school, boarders enjoying a life enhancing boarding experience, boarders achieving academic and life skills and boarders go on to be successful and happy adults'.[49] It identified seven mechanisms to achieve the desired outcomes, namely, parents, communities, boarding staff, academic staff, boarding and school leadership, education and employment partners, and government. Consistent with Guenther, Indigenous Education and Boarding Australia also noted the need to identify and source information and data to measure the impact of boarding investment on the long term objective.

Examining all of the possible mechanisms and elements, and their outcomes, in relation to boarding would be a significant exercise and is outside the scope of this report. The availability of evidence to conduct such an exercise is also limited. The theory of change we have developed for the investment in boarding for Aboriginal and Torres Strait Islander students is therefore limited to government investment in the four main pillars of support identified in the Study Away Review, and the measurable factors of influence.

Ultimate outcome (long term)

The ultimate goal is to achieve equity in educational outcomes for Aboriginal and Torres Strait Islander secondary students, 'increase participation in further and higher education and improve employment prospects'[50]. It has been well established that individuals who successfully complete study in Year 12 are more likely to find employment when they leave school.[51] The opportunity to learn for many Aboriginal and Torres Strait Islander students however is often less than those of their non-Indigenous counterparts, leading to a significant achievement gap in Year 12 completion (23.8 per cent in 2016)[52]. Amongst other measures, Commonwealth, state and territory governments are aiming to address this issue by investing in support for Aboriginal and Torres Strait Islander secondary students to attend boarding. Increasing school attendance improves educational and employment outcomes.

Intermediate outcomes (short/medium term)

Although a number of factors can contribute to improved educational outcomes, the investment in boarding provision for Aboriginal and Torres Strait Islander secondary students targets the following specifically:

- increased access to educational opportunities or educational choice
- increased school attendance and retention (reduced dropout rates)
- increased literacy and numeracy skills
- increased year 12 or equivalent attainment
- improved resilience, health, wellbeing and safety
- greater social skills and the ability to walk in two worlds
- increased community capability, social cohesion and self-determination[53].

These therefore form the key intermediate outcomes in our theory of change.[54]

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[48] Guenther, 2017
[49] Lewis, Simon, *Boarding Australia Inc., Positioning Document*, unpublished, June 2014, p. 18
[50] Guenther, 2017, Abstract
[51] *Closing the Gap: Prime Minister's Report 2018*, Department of the Prime Minister and Cabinet, 2018, p. 51
[52] Closing the Gap 2018
[53] Guenther, 2017, p. 11
[54] Based on program intended outcomes of ABSTUDY (DSS 2018), Indigenous Advancement Strategy, *Children and Schooling*, PM&C, 2016 and *Close the Gap Education Targets*, PM&C 2018

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The literature and available evidence on whether boarding is achieving its intended outcomes is limited and inconclusive. A number of recent studies have suggested that boarding may actually have negative and unintended outcomes for Aboriginal and Torres Strait Islander boarders, families, culture and communities. Potential negative or unintended outcomes identified in the literature are summarised by Guenther, 2017 (p. 11) as:

- cultural and community disconnect
- language loss
- alienation from family
- mental ill-health
- social distress
- identity confusion
- criminal behaviour.

Outputs/activities

Activities and outputs in boarding provision for Aboriginal and Torres Strait Islander secondary students can be viewed through the lens of the four main pillars of support identified in the Study Away Review:

- **boarding preparation**—including fare allowances, administrative support, awareness campaigns and infrastructure relating to the psychological and practical preparation of Aboriginal and Torres Strait Islander students for boarding school or schooling away from home
- **student travel**—including fare allowances, administrative support and infrastructure for travel from the community to the school and back to the community
- **in-school and accommodation support**—including allowances, scholarships and activities relating to the in-school and accommodation activities provided to Aboriginal and Torres Strait Islander secondary students who are boarding
- **family and community engagement**—including fare allowances, transition support services and support for the maintenance of culture.

Causality links

The theory of change reasons that investment in boarding provision for Aboriginal and Torres Strait Islander secondary students ultimately contributes to equity in educational outcomes. The theory of change makes it clear that this happens through investment in the four main pillars of support; preparation, travel, in-school and accommodation support, and family and community engagement.

Boarding preparation

The investment in preparation through fare allowances, administrative support, awareness programs, engagement and infrastructure contributes to students and their families being more aware of the benefits and opportunities associated with boarding, and able to choose the school that is right for them. Preparation of a school and boarding residence environment as culturally appropriate and welcoming to Aboriginal and Torres Strait Islander students is an important contributing element. This includes the design of facilities, cultural awareness and training for staff and students, addressing institutional racism and promoting inclusion and diversity.

Boarding preparation contributes to increased access to educational opportunities and being more prepared, both practically and psychologically for boarding, which contributes to increased access to educational outcomes and school attendance.

Student travel

Investment in travel through fare allowances, administrative support, infrastructure and scholarships enables:

- students and their families to attend school interviews, orientations and familiarisations, to reunite at the end of term and for cultural and compassionate reasons
- students participating in secondary education
- students being supported to attend and remain in boarding,
- which contributes to increased attendance to access educational opportunities.

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In-school and accommodation support

The investment in allowances, capital grants, administrative support, scholarships entitlements and recurrent school funding for in-school and accommodation support and services for Aboriginal and Torres Strait Islander boarding students contributes to increased school attendance, access to health and wellbeing services and family and community support for boarding.

Family and community engagement

The investment in fare allowances, transition support services and family and community engagement services contributes to:

- stronger family and community awareness and support for boarding as an educational option and individual students attending boarding
- preparation, travel and in-school and accommodation support outputs and activities
- enhanced collaboration and communication between community and the boarding school/residence
- reducing the cost to identity, culture and connection to community resulting from students attending boarding (Rogers, 2017),

which contributes to increased attendance to access educational opportunities.

Strength of evidence

It has been established that there is limited data currently available to definitively answer whether boarding delivers positive or negative outcomes for Aboriginal and Torres Strait Islander secondary students[55], and their families and communities. Specifically, there is a significant gap in knowledge regarding the impact and outcomes of government investment in boarding support provisions, such as ABSTUDY and scholarships[56]. The House of Representatives Standing Committee on Indigenous Affairs in 2017 also commented on the 'lack of data available regarding attendance and education outcomes for Aboriginal and Torres Strait Islander students'[57] and recommended a greater investment in the collection and analysis of data regarding attendance and outcomes. Grant Thornton also found a number of inconsistencies in the way in which boarding providers classify and report various income and expenditure relevant to boarding operations. The accurate allocation of revenue and costs between school and boarding operations was also a challenge for boarding providers, especially where items may relate to both school and boarding operations, such as a nurse or school bus. The development of guidance for the classification and allocation of school and boarding revenue and costs would assist boarding providers in the provision of standardised financial reports to government and management.

An assessment of the strength of evidence to support the theory of change is provided below.

[55] Rogers, Jessa, *We need to know the true cost of Indigenous boarding school scholarships on communities*, The Conversation, 13 June 2017, accessed 9 May 2018. Available at: https://theconversation.com/we-need-to-know-the-true-cost-of-indigenous-boarding-school-scholarships-on-communities-74622 (Rogers, 2017); Rogers, Jessa and Biddle, Nicholas, *Stuck in the Middle: The effect of boarding schools for Aboriginal and Torres Strait Islander Students*, House of Representatives Standing Committee on Indigenous Affairs Inquiry, *The power of education: From surviving to thriving – Educational opportunities for Aboriginal and Torres Strait Islander students*, submission 14, 2017; Guenther J, Disbray S and Osborne S, *Red dirt education: a compilation of learnings from the Remote Education Systems project*, Ninti One Limited, Alice Springs, 2017, retrieved from http://www.crc-rep.com.au/resource/RedDirtEducation_CompilationLearningsRES_EBook.pdf, Guenther, 2017

[56] Rogers, 2017; Smith, James A, Pollard, Kellie, Robertson, Kim and Trinidad, Sue, *What do we know about evaluation in Indigenous higher education contexts in Australia?, International Studies in Widening Participation*, Vol 4(2): 18-31, 2017

[57] HoRSCIA, 2017, p. 55

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Table 5: Theory of change: strength of evidence table

Assumption	Evidence	Strength of evidence
Investment in preparation for boarding contributes to increased access to educational opportunities, increased participation in further and higher education and improved employment	'The outcomes of boarding are largely unidentified or unreported'[58] and 'only five years ago almost no research evidence was available regarding the impact of boarding'.[59] There is anecdotal evidence that targeted communication campaigns have led to more claims being made for ABSTUDY as well as a higher rate of valid submissions and submissions on time (Study Away Review)	Low
Investment in preparation for boarding contributes to increased school attendance	There is anecdotal evidence that targeted communication campaigns have led to more claims being made for ABSTUDY as well as a higher rate of valid submissions and submissions on time (Study Away Review)	Low
Investment in travel for boarding contributes to increased access to educational opportunities	No known research or evaluation exists on the travel experience of Aboriginal and Torres Strait secondary students studying away from home (Study Away Review) Anecdotal evidence exists concerning successful initiatives	Unknown
Investment in travel initiatives for boarding contributes to increased school attendance	No known research or evaluation exists on the travel experience of Aboriginal and Torres Strait secondary students studying away from home (Study Away Review) Anecdotal evidence exists concerning successful initiatives	Unknown
Investment in in-school and accommodation support for boarding contributes to increased school attendance	No known research or evaluation exists on the impact and outcome of ABSTUDY or scholarships (Smith et al 2017, Rogers, 2017) There is a growing body of evidence to suggest health and wellbeing initiatives have improved student engagement (Study Away Review)	Low
Investment in in-school and accommodation support for boarding contributes to increased literacy and numeracy skills	P There is a growing body of evidence to suggest health and wellbeing initiatives have improved academic outcomes (Study Away Review) Literature supports the claim that academic support (in boarding) contributes to improved academic outcomes (Study Away Review)	Low
Investment in in-school and accommodation support for boarding contributes to increased Year 12 or equivalent attainment	No known research or evaluation exists on the impact and outcome of ABSTUDY or scholarships (Smith et al 2017, Rogers, 2017) There is a growing body of evidence to suggest health and wellbeing initiatives have improved student outcomes (Study Away Review)	Low
Investment in family and community engagement initiatives for boarding contributes to increased access to educational opportunities	Research has highlighted a number of successful approaches that schools have implemented for engaging with families and communities more generally (Study Away Review)	Low
Investment in family and community engagement initiatives for boarding contributes to increased school attendance	Research has highlighted a number of successful approaches that schools have implemented for engaging with families and communities more generally to retain students in boarding (Study Away Review)	Low

[58] Guenther, 2017, Introduction and HoRSCIA, 2017, p. xv
[59] Guenther, 2017, Abstract and Introduction

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The literature and the strength of evidence table above highlight the need for further research and data collection to assess whether the investment in boarding is delivering its intended and desired outcomes.

RECOMMENDATION 1: DATA RECORDING

Improve and refine data collection by boarding providers for Aboriginal and Torres Strait Islander students to assist government and boarding providers to make informed decisions about boarding, funding and policy, including but not limited to expulsion, exclusion and suspension data and the separate reporting of direct and attributable costs of boarding and support services. For consistency the data, including for standalone boarding providers, should be provided to the Department of Education and Training to develop a central repository of data regarding boarders and boarding.

Assumptions

The theory of change reasons that investment in boarding provision for Aboriginal and Torres Strait Islander secondary students ultimately contributes to equity in educational outcomes. However there are some important assumptions that underpin this claim. The theory of change assumes the provision of boarding support is adequately funded and staffed. Specifically, fare allowances, administrative support, awareness, infrastructure, travel, scholarships and recurrent funding are above a threshold of investment for activities to function effectively. Identifying specific cases where outputs and activities in boarding support and provision are more successful may lead to government altering the levels of investment and/or how it is allocated.

The theory of change we have developed must also be considered in light of the complexity and inter-relationships identified by Guenther, 2017. There is an assumption in our theory of change that the various parties with an influence on boarding outcomes are able to work together in a coordinated and consistent manner to achieve intended and desirable outcomes. This report highlights examples of what is working but these are largely a product of programs developed in isolation and through personal commitment of individuals or groups, rather than developed in a nationally coordinated way. As Guenther, 2017[60] concluded:

> In examining the causal pathways through boarding to outcomes we can confidently conclude that without a carefully coordinated and considered approach, a mixed bag of outcomes is likely for individuals, communities and families. The research evidence we have shows that this carefully considered approach must take account of the contexts students come from and engage with aspirations of communities and parents. It must work holistically with students to ensure their safety and wellbeing is prioritised. Institutions and strategic initiatives must be designed to be ethical, equitable and inclusive.

[60] Guenther, 2017, p. 16

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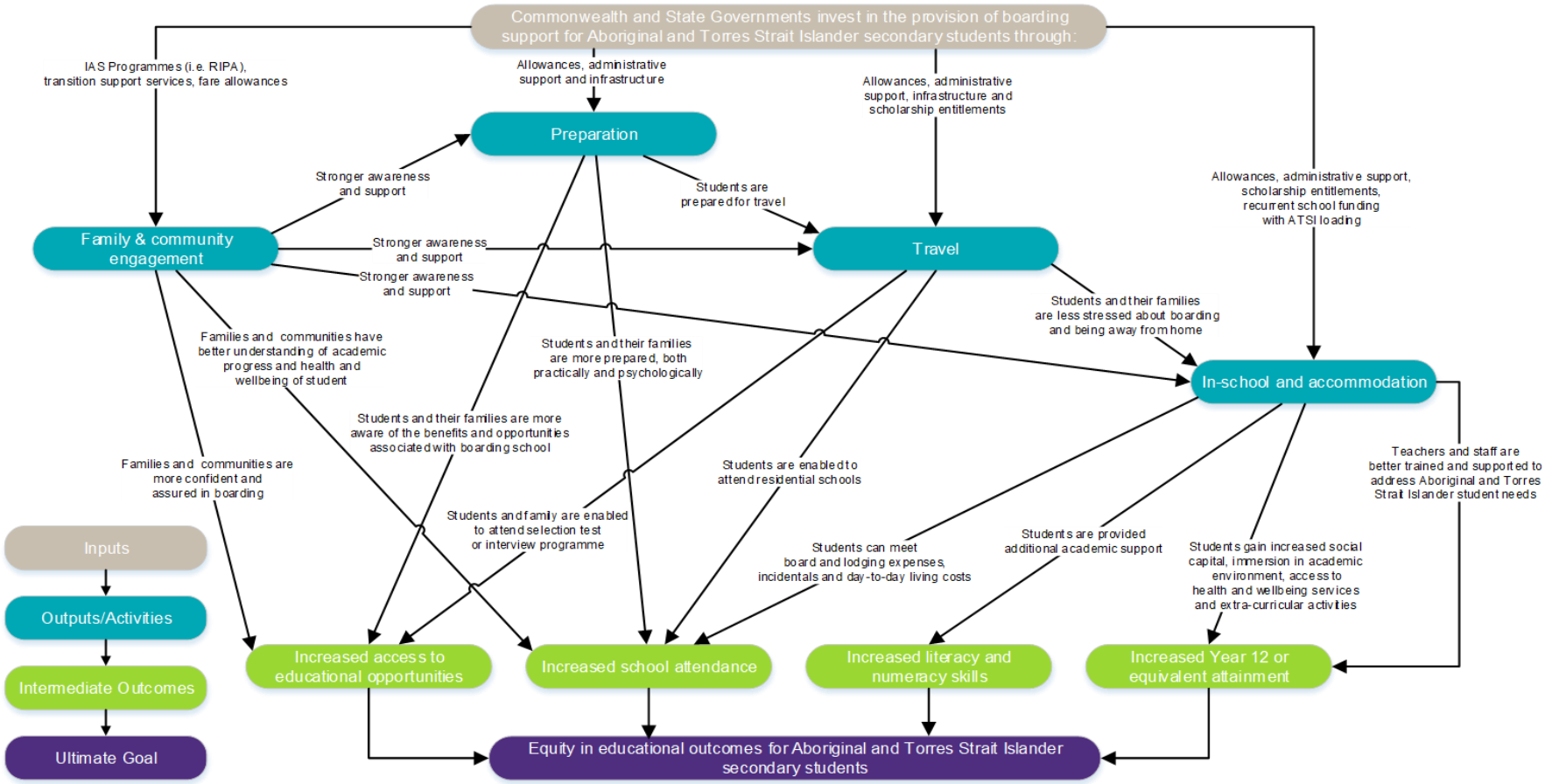
As part of the analysis for this report a theory of change was developed as a framework for analysing the activities and investment in Aboriginal and Torres Strait Islander boarding from Commonwealth and State/Territory Governments and how they contribute to their intended goals.

Figure 2: Theory of change: investment in boarding



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8. Student background and circumstances

Background of boarders

Boarding providers reported the need to address health and hygiene issues, low levels of literacy and numeracy, undiagnosed and diagnosed disabilities, substance addictions and abuse, maintenance of connection with culture and community, trauma backgrounds and homesickness. The House of Representatives Standing Committee on Indigenous Affairs[61] referred to these issues as 'barriers to achievement'.

Many of the previous reviews and reports, such as the House of Representatives Standing Committee on Indigenous Affairs report[62] have detailed the widely accepted barriers to achievement and challenges faced by remote and very remote Aboriginal and Torres Strait Islander students. A priority identified by boarding providers consulted for this report was the need to meet and address the high needs of Aboriginal and Torres Strait Islander boarding students compared to other students.

One boarding school[63] described the barriers to achievement and its approach to addressing them:

> The families, communities, and students often have as a central concern—the business of survival, coping with trauma, poverty, and chronic disease. For many of our students, the notion of graduating from school is not a given, and entry into tertiary level study, or gaining long-term employment is not a familiar expectation. The importance of the programs we have designed is in the programs' emphasis on positive outcomes, and a reluctance to accept a deficit model for young Indigenous Australians and their families. Our students often do come from families, who have experienced inter-generational trauma, and they are often moving into boarding from remote locations and onto country that is not theirs. However, our focus must be on developing strategies of support while they are away from family, and that allow them to develop, in their own time, in their own way, the confidence needed to interact with school staff, other students, and the core curricula.

Remoteness

The Study Away Review[64] identified that more than three quarters of secondary students receiving ABSTUDY to attend a boarding facility have a home address that is classified as remote or very remote. While boarding students are predominately from remote communities, most boarding providers are not located in remote locations. Of the approximate 194 schools and facilities providing schooling opportunities[65] for Aboriginal and Torres Strait Islander boarding students in 2018, only a small percentage are located in remote or very remote areas. As a result, the majority of students attending boarding are doing so in a regional or urban setting. However, there is a growing trend in recent years to establish boarding facilities in remote or very remote areas.

This report found that the remoteness of home communities presented a number of challenges for students, their families and communities and boarding providers, particularly those attending a boarding facility in regional and urban areas. Most boarding providers commented that Aboriginal and Torres Strait Islander students from remote communities require a high level of transition, orientation and support services for students to address homesickness and feelings of disconnect from community, culture and family. These difficulties transitioning into boarding can lead to attendance and retention issues.

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[61] *The power of education: From surviving to thriving—Educational opportunities for Aboriginal and Torres Strait Islander students*, House of Representatives Standing Committee on Indigenous Affairs, 2017, pp. 15-37

[62] *The power of education: From surviving to thriving—Educational opportunities for Aboriginal and Torres Strait Islander students*, House of Representatives Standing Committee on Indigenous Affairs, 2017, pp. 15-37

[63] Data has been de-identified

[64] Study Away Review, p. 13

[65] Data supplied by the Department of Human Services of schools and boarding providers that receive ABSTUDY payments in 2018 for students studying away from home. It includes schools that do not offer boarding but receive students from a nearby boarding facility

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Homesickness

Homesickness is a major disruptor for Aboriginal and Torre Strait Islander students attending boarding. Boarding providers consulted for this report identified addressing homesickness as a critical factor in Aboriginal and Torres Strait Islander students succeeding in boarding. Rogers, 2017[66] reported 'boarding students speak of feeling disconnected with family, culture and identity when they returned home after boarding. They also retold painful stories of feeling lost and trapped, not knowing who they were when they returned home after changing to fit in at boarding school'. Three in four students in the Rogers research said they had been subjected to racism and discrimination while at boarding school, increasing a sense of lack of belonging at boarding, and a desire to go home.

A number of boarding providers spoke of the degrees of action taken by some boarding students to return home either temporarily or permanently, including action that leads to expulsion or suspension.

Boarding providers indicated that addressing homesickness and disengagement is an important factor in ensuring Aboriginal and Torres Strait Islander students are successful in boarding.

Case study 1: Restorative practices

In 2012 Tiwi College in the Northern Territory introduced its Tiwi Restorative Practices framework to build positive relationships and trust with students and their families and communities.
It incorporates an understanding of the cultural context of Tiwi people. The framework is built into the induction of staff and students. Combined with the Cert IV in Community Services: Student Residential Care for staff it has reduced homesickness and suspensions, increased attendance and instilled trust in the Tiwi people of boarding at Tiwi College. Attendance rates at the college are higher than at the other secondary school in the Tiwi Islands.

Attendance at school can also be impacted by the mobility of families. Aboriginal and Torres Strait Islander people in remote and very remote areas are highly mobile and travel regularly for medical, cultural, work and family reasons. As well as geographical mobility Aboriginal and Torres Strait Islander students are often the subject of high mobility across families, moving amongst different carers. A change of residence or circumstances can affect a student's eligibility for ABSTUDY and travel assistance and impact on attendance as students may travel with family members. Providers indicated that they invest heavily in 'keeping boarders occupied' to support engagement and attendance but there is no accurate or reliable data on the quantum of the investment in these engagement programs.

Proportion of Aboriginal and Torres Strait Islander students

The average attendance of students at schools in this report with a high proportion of Aboriginal and Torres Strait Islander students was 75 per cent, compared to 91 per cent for schools with a lower proportion of Aboriginal and Torres Strait Islander students. One of the large boarding schools with a student population of 100 per cent Aboriginal students had an average attendance rate of just 37 per cent.

[66] Rogers, Jessa, *We need to know the true cost of Indigenous boarding school scholarships on communities*, The Conversation, 13 June 2017, accessed 9 May 2018. Available at: https://theconversation.com/we-need-to-know-the-true-cost-of-indigenous-boarding-school-scholarships-on-communities-74622

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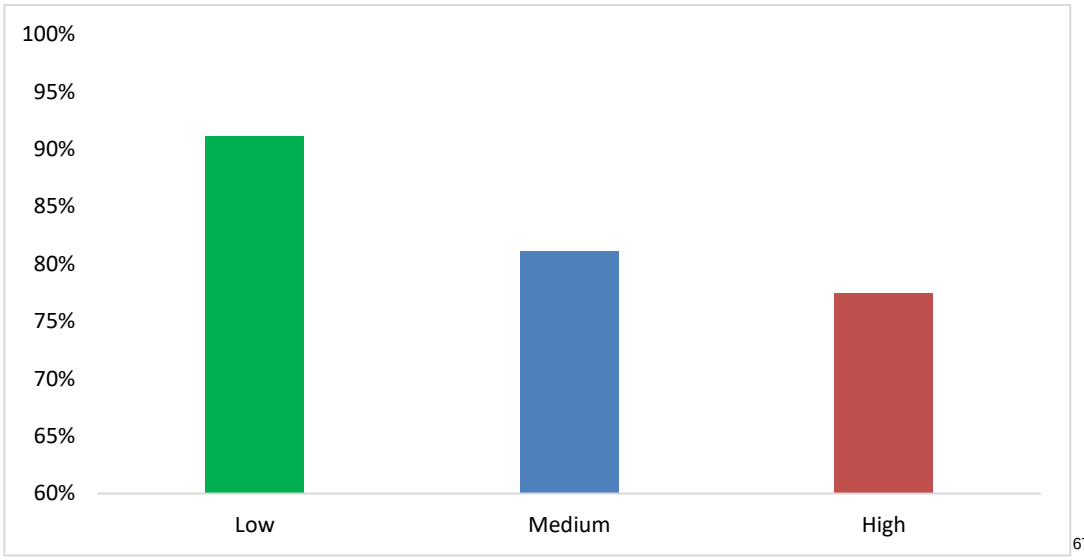
Graph 6: Comparison of average attendance at Aboriginal and Torres Strait Islander boarding schools against the proportion of Aboriginal and Torres Strait Islander boarder enrolments



[67]

The small specialist boarding schools based in very remote settings have a high proportion of Aboriginal and Torres Strait Islander students but they have been successful in achieving average attendance rates ranging between 76 and 92 per cent (average of 84 per cent). The low average attendance result for boarding schools with a high proportion of Aboriginal and Torres Strait Islander students is skewed by the very low rates of some of the high proportion boarding schools in regions. The small schools based in very remote settings specialise in engagement with, and support for students and their families, in an environment close to community. The feedback suggests the model, while expensive, has been successful in addressing homesickness and disengagement, which are major drivers of poor attendance. The average NAPLAN results for the very remote boarding providers included in this report are on a par with the selected Aboriginal and Torres Strait Islander boarding providers in capital cities and regional areas.

Many Aboriginal and Torres Strait Islander people from remote communities do not speak English as their first language. Levels of numeracy and literacy for remote and very remote Aboriginal and Torres Strait Islander students have traditionally been significantly lower than national averages. A first language other than English and low levels of literacy and numeracy can contribute to a difficult transition for a student to boarding.

[67]Attendance is the number of actual full-time equivalent student days attended by full-time students as a percentage of the total number of possible student days attended over the (reporting) period. Here this is expressed as the average attendance over Semester 1 and Term 3 for 2016 and 2017 (the latest available data). This data was sourced from ACARA's My School website. The level of Aboriginal and Torres Strait Islander enrolments is shown as the proportion of Aboriginal and Torres Strait Islander enrolments to total enrolments for each school. The average enrolments over 2016 and 2017 have been used. This data was sourced from ACARA's My School website. Categories used are Low (below 20 per cent) (7 providers), Medium (20 to 65 per cent) (6 providers) and High (over 65 per cent) (13 providers)

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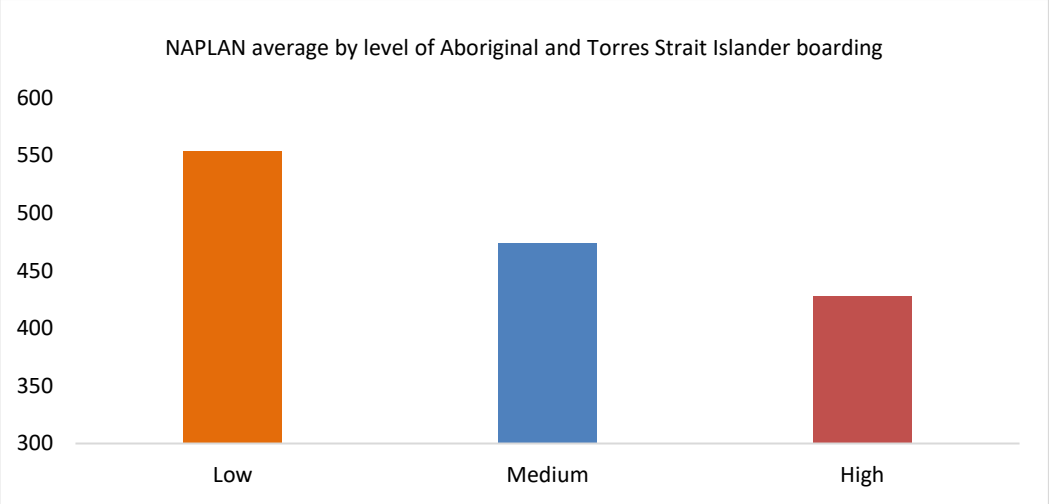
Graph 7: Comparison of average NAPLAN scores at Aboriginal and Torres Strait Islander boarding providers against the proportion of Aboriginal and Torres Strait Islander boarder enrolments



[68]

Most boarding providers consulted for this report deliver literacy and numeracy programs for students with learning disabilities and low literacy and numeracy, and in some cases, provide separate streams of education to work intensely with students. These programs are expensive but there is no accurate or reliable data on the quantum of the specific costs.

Other factors

There are a range of other community matters that boarding providers have to address that may impact on a boarding student's attendance and engagement. These include:

- lack of familial experience of attending school
- cultural obligation to participate in cultural events or sorry business
- home community unrest.

Health issues

Boarding providers report devoting significant resources to addressing the health issues of students when they arrive at or return to a boarding facility after term break. These health issues are extensive and both physical and mental. Many interviewees in consultations indicated that the vast majority of Aboriginal and Torres Strait Islander students from remote communities come from trauma backgrounds—they have experienced or witnessed trauma—and this has not been addressed before the student attends boarding. Most Aboriginal and Torres Strait Islander boarding providers therefore invest in training for staff in trauma informed care and practice.

> Nearly all Aboriginal boarders have experienced or witnessed trauma and have health issues. All boarding staff, including casuals are required to hold a Cert IV in Community Services: Student Residential Care, including core competencies in working effectively in trauma-informed care.[69]

In addition to Cert IV qualifications a number of Aboriginal and Torres Strait Islander boarding providers adopt the Berry Street model to address trauma related health concerns; *Trauma-Informed Practice for Working with Children, Adolescents and Young Adults*.[70]

The extent of the mental and physical health issues experienced by Aboriginal and Torres Strait Islander boarders, and the challenges this presents to boarding providers, is fully evident in the following case study from a boarding provider.

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[68] The NAPLAN average is the average reported NAPLAN results for the five NAPLAN test domains (reading, writing, spelling, grammar and numeracy) for Years 7 and 9, for both 2016 and 2017. This data was sourced from ACARA's MySchool website. This indicates the relative level of academic achievement for students from each school who participated in standardised NAPLAN testing over the nominated years.
[69] Consultation, St Philips College, Alice Springs, August 2018
[70] Berry Street, www.berrystreet.org.au

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Case study 2: Health issues faced by Aboriginal and Torres Strait Islander boarders

A boarding provider documented the health issues of its boarders in 2015/16.[71]

From September 2015 to November 2016, 181 young people across the primary and secondary school have had a cognitive assessments due to concerns about their educational progress. The data returned for these assessments identified 68 students (currently enrolled) who required support due to intellectual disability and 112 students with social emotional disorder who required verification paperwork to be completed and submitted to ISQ for further funding to support their learning.

Speech assessments in 2016 – we received 18 speech assessment reports following speech assessments completed by a speech therapists. There are a number of children with speech/language delays which required weekly therapy but at this time we are not funded to support this.

Twelve students who have failed their hearing re-screening have been referred to a doctor. Four of these students were to attend a special clinic but only 3 attended. According to the assessments, all of these students will probably require surgery. All surgeries will occur at the hospital. Some of these students have been on the waiting list for up to 4 years.

Approximately sixty percent (60 per cent) of current enrolments present with chronic disease issues or medical conditions requiring care plans. The majority of students with chronic disease issues and medical conditions have:

- Severe anaemia (3 who have required inpatient stays at hospital)
- Vitamin D deficiency
- Hearing problems (otitis media, mastoiditis, chronic dry ruptured ear drums)
- Asthma
- Vision problems
- Rheumatic Heart
- Kidney disease
- Heart Disease (non-rheumatic heart disease)
- Dental health and gum disease
- Diabetes (types 1 & 2)
- Anxiety and depression related social-emotional disorders.

Thirty nine percent (39 per cent) of current secondary enrolment have presented with substance use issues requiring intervention. This is usually in the form of brief intervention followed by referral to Alcohol Tobacco & Other Drugs & Substances (ATODS), Ambulance Service, GP or emergency department depending on intoxication level and threat to life.

There are currently 3 per cent of secondary students actively engaged with external agency support, to address long-term and chronic substance use issues. These young people have complex needs including histories involving trauma.

Eight percent (8 per cent) of current primary enrolments and nineteen percent (19 per cent) of current secondary enrolments have presented with self-harming behaviours that require intervention, including non-suicidal self-injury and attempted suicide. The number of students who present at risk for these behaviours is significantly higher but the school has a range of supports in place to address student support needs as quickly as is practicable through a health check screening process.

Over the years we have had interventions and screenings required due to tuberculosis diagnosis (most recent being 2015) which meant all staff/students needed to be screened. TB cases have presented from students who had spent time overseas.

[71] The case study has been de-identified

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> The dental van bases itself at the school in May each year and during this time completes dental screens for students up to 15 years of age. In 2016 dental van staff identified that 50 per cent of students had dental problems requiring follow up. However, this is a significant improvement on previous year's screenings where 90 per cent of children in primary school required dental interventions needing anaesthetic for procedures. There were also less advanced dental interventions required. Only 25 per cent of students requiring dental treatment had a subsidy to support dental treatment.
>
> Sexual health conducts a weekly confidential clinic for students. There is significant need in this area in terms of screening, education, health promotion and prevention, as well as secondary and acute treatment.
>
> Other social and emotional support needs:
>
> June 2014 - We have had meetings with staff re additional funding required to support the learning needs of children in care. Upon assessment, we have identified 43 students (please note that only 27 of these are children who are currently in state care) with significant learning gaps due to trauma, learning difficulties and intermittent educational opportunities that require at least 130 hours of tutoring bringing them up to a level that would be considered acceptable at their year/level of schooling. We are funded for 26 hours for each child in care. To provide the hours of tutoring required would mean an allocation of $3,900 per child in care. The department is currently considering the facts and statistics on an individual basis for each child identified.
>
> Children with youth justice matters – In June 2014 we had 21 children with Community Service Hours required to be completed of between 10 and 75 hours. We have been able to negotiate for some of these hours to be completed during the school holidays. Other hours are being completed between 7.00—8.00am or 3.05—4.05pm."

The case study confirms the national evidence. The Australian Bureau of Statistics (ABS) conducts a National Aboriginal and Torres Strait Islander Social Survey detailing the health and wellbeing of Aboriginal and Torres Strait Islander people. The latest completed survey of households was conducted from September 2014 to June 2015. The most recent ABS survey commenced in July 2018 and is due to be completed in March 2019. Aboriginal and Torres Strait Islander people have reported lower life expectancy than non-Indigenous people and higher rates of chronic disease and mental health issues. In 2012–13, the ABS reported that 39 per cent of Aboriginal and Torres Strait Islander people aged 15 years and over rated their health as excellent or very good, half as likely as non-Indigenous people to have reported excellent or very good health, while 6.9 per cent of Aboriginal and Torres Strait Islander people rated their health as poor. [72]

Aboriginal and Torres Strait Islander boarding providers indicated that the financial and human capital investment by government and providers in addressing the health issues of boarders is significant. The investment is most pronounced when a boarder first commences boarding and when boarders return at the beginning of each term.

The investment in health services is made by boarding providers, transition support services, public and private health providers and community organisations, including Aboriginal and Torres Strait Islander medical services. A high level review by Grant Thornton of the financial data of Aboriginal and Torres Strait Islander boarding providers indicates that the extent of the investment is possibly a product of two main factors; the proportion of Aboriginal and Torres Strait Islander boarders in a provider's total student population and the level of socio-educational disadvantage of boarders. This finding was confirmed in consultations with Aboriginal and Torres Strait Islander boarding providers and peak bodies. While some boarding providers have developed estimates of the cost of the investment by the provider, there is no accurate data available on the true cost of the investment by all parties in addressing the health of Aboriginal and Torres Strait Islander boarders.

A boarding school in the Northern Territory reported that the school through its recurrent funding provides an onsite nurse and clinic. While these services are for all students and all boarders the school reported that approximately 95 per cent of the nurse's time is spent addressing the health needs of its Aboriginal and Torres Strait Islander boarders.

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[72] http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4727.0.55.006~2012–13~Main%20Features~Key%20Findings~1 and Closing the Gap Prime Minister's Report 2018, Department of the Prime Minister and Cabinet, Chapter 6

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Many examples were provided of successful support services for boarding students but the extent and level of the services varied across the boarding providers and very few providers kept accurate and reliable data relating to the actual cost (direct and indirect) of these services. The variance in support services is explained by the need to develop individualised support services suited to the needs of particular cohorts of boarders. The boarding providers noted that the cost of these support services are high and are funded not just from ABSTUDY but from a variety of income sources, including recurrent funding. While some boarding providers access free government health services it is not always possible or realistic to rely solely on government primary and secondary health services, such as the four year wait for surgery highlighted in the above case study.

Boarding providers identified a need for specific funding to deliver support services, particularly for addressing health issues. In 2014, the Commonwealth's Department of Education and Training introduced the Indigenous Boarding Initiative to provide funding to 'non-government schools with more than 50 Aboriginal or Torres Strait Islander boarding students—or 50 per cent or more—from remote or very remote areas'. The funding was to assist with the 'significant additional costs, such as health care, associated with boarding and educating Indigenous students from remote areas' to reduce the reliance on 'funding from other sources to subsidise the essential services and support for Aboriginal and Torres Strait boarders'[73]. The payments were substantial and not means tested. They were paid directly to boarding providers by the Department of Education and Training and unlike ABSTUDY, were not a welfare measure. The initiative ceased in 2016.

Boarding providers have also developed partnership with local providers to deliver required support services.

Case study 3: Partnering with local providers

A large boarding provider in regional Queensland with a student population almost entirely made up of Aboriginal Torres Strait Islander boarding students has developed a partnership with a local Aboriginal medical service (AMS) to deliver culturally appropriate medical services to the students. Many of the school's students are from remote and very remote communities and have underlying physical and mental wellbeing to address. The AMS has a clinic on the campus of the school and works closely with school staff to integrate individual student health plans with the school's development plans.

Another Aboriginal and Torres Strait Islander boarding provider, also in regional Queensland, has partnered with free government health (including dental) and psychology services in the region to meet the primary health needs of its students. It does not have an in-house clinic or onsite doctor or nurse. The provider indicated that the services are accessible, welcoming of its students and outsourcing the delivery of services to existing free services relieves some of the financial pressures from the boarding provider.

RECOMMENDATION 2: HEALTH MANAGEMENT

Many Aboriginal and Torres Strait Islander students attending boarding face 'barriers to achievement'. Boarding providers deliver a range of support services to address health and hygiene issues, low levels of literacy and numeracy, undiagnosed and diagnosed disabilities, substance addictions and abuse, trauma backgrounds and homesickness. These services are more intensive when a student first transitions to boarding and at the start of school terms.

Consider funding to boarding providers to enable Aboriginal and Torres Strait Islander boarding students to undertake individual health and disability assessments[74] at the commencement of boarding and subsequent academic years and to develop and implement individual health management and education plans.

[73] Department of Education and Training, *More support for Indigenous school boarders*, 2014, https://docs.education.gov.au/system/files/doc/other/indigenous_boarding_students_0.pdf, accessed in April 2019

[74] Medicare items 715/228: A health assessment for Aboriginal and Torres Strait Islander people involves checking a patient's health and physical, psychological and social functions and deciding if preventive health care and education should be offered to the patient to improve their health and wellbeing. A Medicare funded health assessment can be undertaken every nine months

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Boarding providers should develop close working relationships with local health services and providers, particularly Aboriginal and Torres Strait Islander community controlled health services, in undertaking health assessments and developing individual health management plans.

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9. Support services

The need for support services

All boarding providers reported providing specific services to assist with transitioning Aboriginal and Torres Strait Islander students to boarding, retaining students and meeting their development and cultural needs. A key component of these services is family and community engagement.

Support services have been developed in response to the circumstances faced by the majority of Aboriginal and Torres Strait Islander students attending boarding. More than 75 per cent of ABSTUDY funded boarders come from an area that is classified as 'very remote' or 'remote'[75] and this brings with it challenges for the student, family, home community and the boarding provider. Boarding providers reported the need to address health and hygiene issues, low levels of literacy and numeracy, undiagnosed and diagnosed disabilities, maintenance of connection with culture and community, trauma backgrounds and homesickness.

Many examples were provided of successful support services for boarding students but the extent and level of the services varied across the boarding providers and very few providers kept accurate and reliable data relating to the actual cost (direct and indirect) of these services. The variance in support services is explained by the need to develop individualised support services suited to the needs of particular cohorts of boarders. The cost of addressing these determinants is not readily quantifiable but is significant and not always funded.

There were some common themes underlying the investment in support services:

- without a comprehensive suite of funded support services many Aboriginal and Torres Strait Islander students will not succeed in boarding
- boarding providers not only deliver an education curriculum but provide students with life skills for later life
- boarding provides a framework for addressing the health and social and emotional well-being issues of students
- training staff in trauma informed care and practice is essential given the majority of Aboriginal and Torres Strait Islander boarding providers accommodate remote students that have experienced or witnessed trauma
- the support of families and communities for a student to attend boarding is essential if a student is to succeed in boarding
- relationship based practice—all students must be treated with respect.

[75] Commonwealth of Australia, Department of the Prime Minister and Cabinet, *Study Away Review: Review of Support for Aboriginal and Torres Strait Islander Secondary Students Studying Away From Home*; December 2017, p. 6

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Case study 4: The Yiramalay/Wesley Studio School, Fitzroy Crossing[76]

'The Yiramalay/Wesley Studio School is located on Leopold Downs Station at the Yiramalay Community, which is approximately 80kms north-west of Fitzroy Crossing in the Kimberley Region of Western Australia. The studio school began operations on 15 August 2010.

In a new model of schooling, Yiramalay brings together Aboriginal and non-Aboriginal students in both remote outback and urban Australian environments. The location and residential nature of the studio school allows students to be fully immersed in the culture and local community whether in the Kimberley or in Melbourne.

The Yiramalay/Wesley Studio School has a suite of support services to support boarders. One of those services that has proven highly successful is the employment of people from the home communities of students to act as mentors for boarders. Their role is to support their health and well-being and maintain connection with culture and community.

Consultations with boarding providers and peak bodies revealed that homesickness and difficulties associated with transitioning from community to boarding are still major issues facing Aboriginal and Torres Strait Islander students. Homesickness and difficulty transitioning are however not issues restricted to students. Families and communities also struggle when a young person leaves a community to attend boarding. The four main pillars of support identified in the Study Away Review and in our theory of change include investment for support services for families and communities (family and community engagement).

Preparation of a school and boarding residence environment as culturally appropriate and welcoming to Aboriginal and Torres Strait Islander students is also an important contributor to successful boarding outcomes. This includes the design of facilities, cultural awareness and training for staff and students, addressing institutional racism and promoting inclusion and diversity.

> Students whose background and cultural knowledge is not recognised or acknowledged, can internalise a sense of 'otherness' that is a disincentive to engagement.[77]

Specific support programs and services include assistance with identifying the right boarding option for a student, preparing a student and families for boarding, and supporting boarders and families while a boarder is away from home. Investment in these programs and services is accepted as essential in delivering the intended outcomes of boarding. The Boarding Standard provides an overall framework for supporting boarders. In addition to support for boarders, Section 5 of the Boarding Standard deals with support services for families, parents and home communities as an important element of delivering positive outcomes from boarding.

[76] Sourced from http://www.wesleycollege.net/Wesley-Life/Yiramalay-Wesley-Studio-School.aspx, and consultations with management
[77] O'Bryan, 2016

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Case study 5: Community engagement

Community Liaison Office, Yirara College

One of the largest boarding support services is the Community Liaison Office (CLO) at Yirara College in Alice Springs. All of Yirara College's students are Aboriginal boarders from remote communities and maintaining close relationships with families and communities is an important part of preparing students for boarding and retaining them. CLO staff are also responsible for communicating regularly with students' families and carers.

The CLO is staffed by a Director of Community Liaison, four community liaison officers and four administration staff, and operates a fleet of six specialist vehicles for travel in remote settings.

CLO staff 'ensure students are able to board at Yirara and work with the school, the students' communities, ABSTUDY and the students' families to organise paperwork to get students to school, student travel, leave passes, keeping student information up to date and ABSTUDY payments.

CLO staff travel regularly to [over 40 remote] communities—'Look for the car with the Yirara sign and say 'hello', talk about your community and your young people.'

CLO staff promote the importance and value of education and the many programs that Yirara offers.'[78]

CLO staff also manage cultural awareness training for all Yirara College staff.

Supporting students in their transition to the post-school environment is also an important focus of support services. Training and courses delivered by boarding providers at school and in boarding residences include, life skills, basic health, sexual health, respectful relationships, leadership, driving, drug and alcohol awareness, orientation, learning skills and pathways to apprenticeships. Some of these programs and support services extend post-school. At least three Aboriginal and Torres Strait Islander boarding providers actively support and assist past students during tertiary or other post school education or employment. There is currently limited government funding available for these support services and this is largely funded by the boarding providers.

Boarding providers, schools, private organisations, such as IAS funded scholarship providers[79], government agencies, health services and community organisations all provide support services for Aboriginal and Torres Strait Islander boarders and their families. Current support services for students and families, while important, can be inconsistent, disjointed and confusing as they are delivered by different parties.

Specific needs based funding for support services would deliver improved outcomes for Aboriginal and Torres Strait Islander boarders and provide greater revenue certainty for Aboriginal and Torres Strait Islander boarding providers.

RECOMMENDATION 4: NEEDS-BASED FUNDING

The support services required by Aboriginal and Torres Strait Islander boarding students vary significantly depending on the individual circumstances of students.

Provide base funding for support services for Aboriginal and Torres Strait Islander boarding students with loadings to address the disadvantage of students and boarding providers, based on the Schooling Resource Standard determinants that were introduced as part of the amendments to the *Australian Education Act 2013* that commenced on 1 January 2018.

Funding allocations to boarding providers for support services for a schooling year to be notified to boarding providers by October of the previous year to enable boarding providers to plan with certainty for the support services that can be delivered. The funding should be based on the August census data.

[78] www.yirara.nt.edu.au
[79] Under the Children and Schooling Program under the Indigenous Advancement Strategy funds scholarship providers to provide secondary school scholarships for Aboriginal and Torres Strait Islander students

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Support services in the Northern Territory and some parts of Queensland are augmented by the Transition Support Services (TSS) and Transition Support Unit (TSU). They provide a 'point of connection, liaison and communication between families, students and boarding providers'[80]. The TSS and TSU play an important role in supporting Aboriginal and Torres Strait Islander students to prepare for boarding, travel to and from boarding and to remain in boarding, including family communication. While boarding providers have a range of support services, the location of the TSU and TSS within the relevant Departments of Education allow the staff of the TSU and TSS to holistically prepare, transition and support students from primary to secondary school, including boarding. The TSU and TSS in most cases have existing relationships with many home communities and a wide range of boarding providers and can provide independent support to students and families to achieve a successful boarding outcome.

Transition Support Services (Queensland)

Transition Support Services (TSS) is part of the Queensland Department of Education and Training and has been operating since 2008. It is based in Cairns, a major transit port for Aboriginal and Torres Strait Islander boarders, but has staff based in Cape York communities (Cooktown, Pormpuraaw, and soon to be added Doomadgee and Mornington Island), Townsville and Toowoomba. TSS assists Aboriginal and Torres Strait Islander students attending boarding schools. It predominately assists students from Cape York and Palm Island but also assists Aboriginal students from other jurisdictions that are attending boarding schools in Queensland.

The TSS has 12.3 full-time equivalent staff and an annual budget of $1.3 million.

Since 2008 TSS has supported approximately 1,500 students. In 2018 TSS supported 320 students in community and in up to 30 boarding providers in Queensland.[81] The role of TSS is to:

- assist families to identify a boarding facility that will be 'best fit' for each individual student
- assist families to apply for ABSTUDY and ABSTUDY travel[82]
- assist with the travel of students to and from boarding, including the development and implementation of safe travel plans from 1 January 2019
- support students attending boarding providers through visits to and consultation with communities, families and boarding providers.

The TSS estimates that approximately 40 per cent of the time of field staff is devoted to assisting families with ABSTUDY applications and requisitions.

The Department of Education and Training (Qld) commissioned an external review of the TSS in 2017.[83] The review made a number of recommendations regarding governance, transition readiness for potential boarding students, data profiling and an expansion of the TSS' current footprint and services (particularly around post-secondary placement and tracking of TSS supported students).

> A significant challenge for TSS is to create a seamless transition process for families. One of the elements preventing seamless transition is the administrative processes associated with transitioning students from remote communities to secondary boarding schools outside of their communities. These administrative tasks vary from completing enrolment applications for secondary boarding school and ABSTUDY applications, the sourcing of supporting documentation (birth certificate, academic transcripts etc.) and sharing of important information such as travel details. A further complication is that the elements required to support a successful transition are reliant on the structure of processes (i.e. school enrolments, ABSTUDY applications). The tension is that for people living in remote communities their lives do not always fit into these structures. Their lives are very different to non-remote areas and sometimes require flexibility.
>
> At the current time these roles and functions are being undertaken by a number of stakeholders (elements being completed [by] local community, TSS and secondary boarding school). The result of several people managing and supporting these processes is that it can be clunky, information is double handled in some cases, and critical information is not always shared within the required time frames. [84]

[80] CAEPR, 2017, p. 31
[81] *Fast Facts – Transition Support Services*, Transition Support Services
[82] The TSS estimate that approximately 40 per cent of staff time in the field is devoted to assisting parents and carers with ABSTUDY administration, including applying for tax file numbers for students
[83] *Review of the Transition Support Service Program*, PwC's Indigenous Consulting for the Department of Education and Training, October 2017
[84] *Review of the Transition Support Service Program*, PIC, 2017, p. 21

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Transition Support Unit (Northern Territory)

Of the 5,200 Aboriginal and Torres Strait Islander secondary students that are supported in boarding through ABSTUDY, approximately 1,900 are resident in the Northern Territory. The Transition Support Unit (TSU) is part of the Department of Education (NT) and assists Northern Territory students with attendance at boarding providers around Australia, including in the Northern Territory. The TSU is funded by the Commonwealth Government through the *National Partnership on Northern Territory Remote Aboriginal Investment*. Its current budget is $3.8 million and it currently has 19 FTE staff (with a number of additional vacancies), located in Darwin and Alice Springs.

Of the 1,900 Northern Territory secondary boarding students, the TSU estimates that approximately 1,100 attend boarding providers in the Northern Territory and 800 board interstate. Northern Territory boarding students come from 128 locations in the territory (including Darwin and Alice Springs suburbs). The TSU has a relationship with 48 boarding providers (11 in the Northern Territory) and in 2018 supported 425 boarding students, of which 256 board in the Northern Territory and 169 board interstate.

A major part of the work of the TSU is assisting students, parents and careers with ABSTUDY administration and travel arrangements. The TSU estimate this accounts for approximately 30 per cent of the time of TSU staff.

The TSU has a number of programs to support Aboriginal students in the Northern Territory to transition to boarding, enrol in boarding, attend boarding and remain in boarding:

Transition planning—The TSU identifies remote students in year 6 and begins working with families and students prior to the end of primary schooling to identify secondary schooling options, including boarding options. Transition planning not only assists primary students but also secondary aged students that are considering boarding for the first time or have been excluded from a secondary school and are looking at other options. The TSU is currently examining options for TSU staff or TSU funded school staff to be based in remote community schools to better assist in preparing students for boarding

Transition planning—TSU works with families to identify boarding options, complete enrolment forms and ABSTUDY application forms and assist with orientation visits and enrolment interviews, where applicable

Student and family support—while students are attending boarding the TSU supports students and families. A major component of this support involves assisting students and families travelling to and from boarding at the beginning and end of term and for compassionate reasons. TSU staff will chaperone students while travelling where a family member or staff member of the boarding provider is unable to accompany the student. TSU staff use chaperoning opportunities to engage with families and communities

Student re-engagement—when a student is at risk of withdrawing from boarding, particularly as a result of homesickness, or being expelled or excluded, the TSU actively engages with students. During the school term TSU staff regularly travel to interstate boarding providers to support Northern Territory students to remain engaged in boarding.

The TSU in 2019 will also introduce a new program aimed at supporting students in years 10-12 to transition to work, higher education or a post-school trade.

The majority of Aboriginal and Torres Strait Islander boarding providers were of the view that the investment in TSU and TSS has contributed to positive outcomes from boarding for Aboriginal and Torres Strait Islander boarders and their families. Consideration should be given to establishing transition support units in jurisdictions outside the Northern Territory and Queensland where there are large numbers of Aboriginal and Torres Strait Islander students attending boarding. The role and function of the units should be expanded, particularly in relation to student travel.

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Staffing ratios

The delivery of appropriate services to support Aboriginal and Torres Strait Islander boarders and their families requires adequate staffing numbers and the right type of staff.

Section 3.6 of the Boarding Standard[85] stipulates that a boarding provider must have a process in place to determine the ratio of trained staff to boarders for the appropriate care and supervision of boarders. Section 3.7 has requirements for policies and procedures for:

- the induction and care of Aboriginal and Torres Strait Islander boarders, including acknowledgement of their culture and heritage
- the access and care of boarders with disabilities
- the support of boarders with specific education needs.

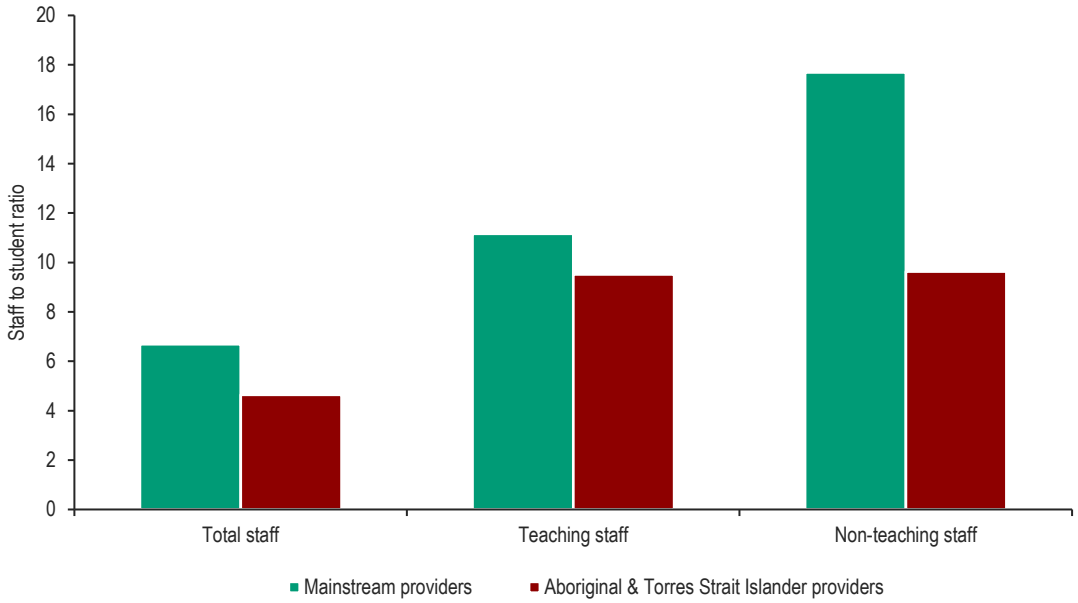
The Boarding Standard does not refer to specific staffing ratios.

HoRSCIA, 2017 referenced a number of submissions calling for lower staffing ratios in boarding facilities and a position paper from the Queensland Indigenous Education Consultative Body[86]:

> The student/houseparent ratio for Indigenous students needs to be acknowledged as requiring to be about 8-10:1 rather than the 25:1 ratio on which most boarding schools operate, in recognition of the high demand nature of the special care and interventions needed to successfully transition these students.

Grant Thornton reviewed the ratio of teaching and non-teaching staff to total students for each Aboriginal and Torres Strait Islander and mainstream boarding school from 2012 to 2017[87]. The five year average total staff to student ratio for mainstream boarding providers was 6.7 across 2012 to 2017, and 4.6 for Aboriginal and Torres Strait Islander boarding providers[88]. The median ratios were 6.6 and 4.9 respectively.

Graph 8: Five year average total staff, teaching staff and non-teaching staff to student ratio for Aboriginal and Torres Strait Islander and mainstream boarding providers, 2012 — 2017



[85] AS 5725:2015 *Boarding Standard for Australian schools and residences*
[86] HoRSCIA, 2017, p. 107; Queensland Indigenous Education Consultative Body, Position Paper, Boarding Schools, 2000, http://boardingtrainingaustralia.com.au/wp-content/uploads/2016/04/13.-QIECB_Position_Paper_indigenous-Boarding.pdf, accessed in January 2019, p. 6
[87] The ratio is the number of teaching and non-teaching staff to total students. Total students was used rather than the number of Aboriginal and Torres Strait Islander boarders or students
[88] The average ratio for the Aboriginal and Torres Strait Islander boarding providers increases to 4.9 if the standalone boarding providers with no teaching staff are excluded and 5.2 for the median ratio

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The data suggests that Aboriginal and Torres Strait Islander boarding providers are employing more staff to support Aboriginal and Torres Strait Islander boarders. As expected, the boarding providers with the lowest staff to student ratios (ranging from 1.9 to 3.5 total staff to students) were all small, very small and/or special assistance schools. These boarding providers have been established for the intended purpose of providing a higher level of support to Aboriginal and Torres Strait Islander boarders. That higher level of support comes at an increased average cost per boarder but boarding providers have pointed to better outcomes from the investment for boarders.

> Most of our boarders have been disengaged from education. Eighty per cent have experienced or been exposed to trauma and a number have mental health conditions. We are a small boarding house and have staff and programs aimed at ensuring boarders are happy and engaged, such as reading, homework and recreational programs, the Clontarf and Stars programs, and as most of boarders are from sea communities, programs focussed on the sea; fishing, junior sea rangers and boat building. All of our boarders have intense in-class support to support their learning. In the last two years we have had no incidences of vandalism or destruction—not had a single window broken and only one fight amongst boarders. Without support services for boarders in-house or locally there is a tendency for parents to remove a boarder if an issue arises in the boarding house. Our boarders still deal with issues of homesickness and trauma and some boarders still withdraw to return home but they feel safe and welcomed while they are at the boarding house and this is leading to better outcomes at school. In 2018 attendance of the boarders was at 98 per cent.
>
> In 2019 we are hoping to expand our support service to include a Cultural Liaison Officer.

The next section examines the empirical evidence base for increased investment in support services, and the model of smaller specialised boarding providers, to achieve the intended and desirable outcomes in our theory of change—equity in educational outcomes for Aboriginal and Torres Strait Islander secondary students, increased participation in further and higher education and improved employment prospects.

The impact of support services

The strength of evidence regarding the impact and outcomes of investment in support services for boarders is sparse and largely anecdotal[89]. There is a need for further research into the support services required by Aboriginal and Torres Strait Islander boarders and to measure the impact of the investment in support services in delivering the intended objectives of boarding.

RECOMMENDATION 1: DATA RECORDING

Improve and refine data collection by boarding providers for Aboriginal and Torres Strait Islander students to assist government and boarding providers to make informed decisions about boarding, funding and policy, including but not limited to expulsion, exclusion and suspension data and the separate reporting of direct and attributable costs of boarding and support services. For consistency the data, including for standalone boarding providers, should be provided to the Department of Education and Training to develop a central repository of data regarding boarders and boarding.

From the perspective of boarding providers, the objective of boarding is not just about achieving equity in educational outcomes for Aboriginal and Torres Strait Islander secondary students. It is also about preparing students for life after school.

> The school motto is “Because we care”. We try to implement this in everything we do at Marrara and NT Christian College. It is not just about academic results. It is more about being successful in integrating remote Aboriginal kids into mainstream/city living and equipping them for their future journey in life. We try to provide them with the tools they will need so that they can make a difference when they return to their communities. There is a need to measure the social capital outcomes, not just the academic results and the financial inputs.[90]

[89] Guenther, 2017
[90] Consultation—Andrew Manning, Principal, Marrara Christian College, 8 August 2018

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O'Bryan, 2016[91] reviewed attempts to measure the impact of support services and raised concerns about 'a lack of research and independent evaluations to justify claims of how strategies work to support Aboriginal and Torres Strait Islander boarders and their families and home communities'. O'Bryan, 2016 went on to develop a theoretical framework for research to gather and analyse the necessary data to determine the causal impact of investment in family and community engagement and in-school and accommodation support.

A comprehensive evaluation of the value and impact of all support services for Aboriginal and Torres Strait Islander boarders is outside the scope of this report but sufficient data and information from consultations and the three-year financial trend was available to reach some conclusions:

- Support services are essential for achieving positive outcomes for boarders and their families and communities—the services assist families in identifying the right boarding option, preparing a student and families for boarding, and supporting boarders and families while a boarder is away from home
- Support services must be culturally appropriate
- Health and well-being support services are a major component of the support services. Demand for these services are higher at the commencement of boarding and each term
- Support services add to the cost of boarding delivery and require lower staff to student ratios. There is no unit cost for support services as the nature of the services and the cost varies depending on the circumstances of boarding providers and boarders and their families
- Current support services for students and families (both internal and external), while important, can be inconsistent, disjointed and confusing
- The Transition Support Unit (NT) and Transition Support Services (Qld) provide consistent support services for boarding that augment the services provided by boarding providers. The investment in the services deliver positive outcomes for boarders and their families and communities.

RECOMMENDATION 3: TRANSITION SUPPORT

Increase support for Aboriginal and Torres Strait Islander students to prepare for and transition to boarding through direct funding to boarding providers for support services.

Identify Commonwealth and state funding for transition support units in Western Australia, New South Wales and South Australia based on the Transition Support Services and Transition Support Unit models in Queensland and the Northern Territory to augment the support services provided by boarding providers.

[91] O'Bryan, 2016, p. 50 - 51

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10. Funding investment in boarding

The main sources of funding for boarding providers are set out below.

ABSTUDY

ABSTUDY is a means tested Commonwealth Government program that provides financial assistance to increase the access and participation of Aboriginal and Torres Strait Islander students in schooling, higher education and vocational education and training. ABSTUDY celebrated its 50th anniversary in 2018. ABSTUDY provides a living allowance and other supplementary assistance for secondary students, including those in remote locations, support for tuition and boarding fees, and gives students access to quality secondary schooling opportunities for secondary education that may not otherwise be available.[92]

The delivery agency for ABSTUDY and ABSTUDY travel is the Department of Human Services and the lead policy agency is the Department of Social Services.

ABSTUDY provided secondary schooling payments in 2017-18 of $152.68 million to 18,984 students and these are projected to be $159 million in 2019-20.[93] In the 2018 budget the Commonwealth Government announced an additional $38.1 million in ABSTUDY funding over five years (2018-19 ABSTUDY budget measure) to improve support for boarding students, followed by a 2019-20 budget measure to extend family tax benefits to ABSTUDY recipients aged 16 years and over, which aims to keep students who study away from home engaged in school.

ABSTUDY is not direct funding from the Commonwealth to a boarding provider. It is an individual student entitlement to help pay tuition and boarding fees up to a certain amount. It is paid to a boarding provider on the student's behalf.

The majority of boarding providers consulted for this report identified concerns and issues regarding ABSTUDY, including the inadequacy of ABSTUDY to meet the true cost of boarding, complex and inflexible administration and challenges communicating with ABSTUDY. These issues have been identified in a number of previous reviews and reports, such as *Barriers and Bureaucracy, Bridges and Brokers*[94], and previous findings and recommendations can be categorised into a number of themes:

- ABSTUDY is a welfare measure and should be administered as an educational measure:
  - transfer administration for ABSTUDY from the Department of Human Services to an education or Indigenous affairs portfolio
  - remove the means test on all ABSTUDY boarding related payments and restrict eligibility requirements to Indigeneity and an inability to access a local secondary schooling option. Alternatively, introduce a base amount of ABSTUDY for Aboriginal and Torres Strait Islander students with loadings for disadvantage and need similar to the loadings utilised in the Commonwealth's Schooling Resource Standard funding model for recurrent school funding. The following comment was made in support of a needs based model of funding for boarding:

    > The school gets additional funding under Gonski to meet the needs of disadvantaged or high needs students while they are at school, but the boarding house doesn't receive any additional funding to support that student. The student is only at school for seven hours. They are with the boarding house for the remaining 17 hours per day plus weekends. Their needs don't change when they walk from the school to the boarding house.[95]
- simplify the administration of ABSTUDY[96] and improve the consistency of the application of the ABSTUDY policy manual
- reduce long waiting times for contact with the call centre and responses to queries
- improve communication with ABSTUDY, including the re-introduction of dedicated staff with responsibility for certain boarding providers that can be contacted directly by boarding providers as well as the parents and carers of students attending those boarding providers

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[92] *Closing the Gap Prime Minister's Report 2018*, Department of the Prime Minister and Cabinet, p. 67
[93] Department of Social Services Annual Report 2017-18, www.dss.gov.au, p. 45; Study Away Review, p. 17
[94] *Barriers and Bureaucracy, Bridges and Brokers*, Centre for Aboriginal Economic Policy Research for the Independent Schools Council of Australia, 2017
[95] Consultation—boarding provider, Northern Territory
[96] The ABSTUDY policy manual is complex and at 404 pages in length difficult to read

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- increase the quantum of ABSTUDY to meet the full cost of boarding for Aboriginal and Torres Strait Islander students, particularly for remote students. The quantum of ABSTUDY should be increased or replaced or augmented with another payment or funding that it covers the true cost of boarding, including support services that are required to address the disadvantage of Aboriginal and Torres Strait Islander students and effectively engage with students, families and communities
- eliminate the uncertainty and unpredictability of ABSTUDY receipts funding—the amount of ABSTUDY a boarding provider will receive for a student is not known until after the student has commenced. The amount of funding can also can change without notice to the boarding provider during the course of the academic year if the circumstances of the student or their parent or carer change
- reduce delays and eliminate inconsistencies in arranging and approving ABSTUDY travel or reimbursement for travel, and improve the flexibility of travel, including allowing travel for suspensions or exclusions[97]
- improve coordination between ABSTUDY and the Australian Taxation Office to simplify the process for obtaining tax file numbers for students over the age of 16 years.

Positive changes in the administration of ABSTUDY were identified by Grant Thornton and highlighted by boarding providers, such as the introduction by the Department of Human Services of verbal customer declarations in November 2016, improvements in the administration of ABSTUDY travel in recent years and the 2018 budget measure[98] that commenced on 1 January 2019. Boarding providers and peak bodies though consistently suggested that more needs to be done to improve and reduce the administration of ABSTUDY to ensure that more of boarding funding and resources are directed to providing services to boarders rather than the administration of ABSTUDY.

Recommended changes to ABSTUDY are largely outside the scope of this report and are therefore not dealt with in any depth. However, they are noted as they represented a strong theme of the feedback received during the consultations and a number of ABSTUDY related recommendations are made throughout this report. Some of the issues identified above could be addressed by improving the processes surrounding ABSTUDY payments, remittances and travel. This would reduce the administration costs of boarding for Aboriginal and Torres Strait Islander boarding providers.

RECOMMENDATION 5: ABSTUDY REMITTANCE ADVICE

Reduce the administrative cost to boarding providers by providing clear, relevant and timely payment and remittance advice for ABSTUDY payments. Review the structure and timing of payments supporting Aboriginal and Torres Strait Islander boarding students to better address the needs of students and to provide greater revenue certainty for boarding providers to address those needs.

ABSTUDY entitlement

The maximum possible annual ABSTUDY payment to a boarding facility as at 1 January 2019 was $26,903.21 per student (excluding ABSTUDY travel allowances), which is an increase of $976.32 from the 1 January 2017 payment[99]. This amount is made up of a number of components that depend on the circumstances of the student and their parents or carers. The total payment includes up to $16,065.21 a year for boarding fees (including living allowance, rent assistance and remote area allowance) and up to $10,838 for tuition fees (school fees allowance).[100]

[97] ABSTUDY fare allowance is only available for expulsions
[98] Commonwealth Budget 2018-19, *50 years of ABSTUDY—strengthening ABSTUDY for secondary students*
[99] The ABSTUDY entitlement increased slightly in March 2019 as a result of an increase in the Energy Supplement
[100] Study Away Review, pp. 17-18 and A guide to *Australian Government payments 1 January – 19 March 2019*, www.humanservices.gov.au

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Table 6: Maximum ABSTUDY entitlements for away from home secondary students as at 1 January 2019

ABSTUDY payments ($)	1 January 2019
Maximum annual amount of ABSTUDY for an eligible secondary school student approved to live away from home to attend school	**26,903.21**
Includes the following payments for tuition and board, paid directly to provider	
Living Allowance* (means-tested)	**12,050.21**
Maximum for students up to 21 y/o ($455.20 per fortnight)	*11,867.71*
plus Energy Supplement	*182.50*
School Fees Allowance (boarding rate)	**10,838.00**
Non-means-tested component	*8,422.00*
Means tested component	*2,416.00*
Rent Assistance (means-tested)	**3,540.50**
Remote Area Allowance	**474.50**

**Living Allowance eligibility and payment rates are subject to income tests. Some students may have no entitlement or receive less than the maximum amounts due to not meeting one of the approved away from home provisions*

ABSTUDY is a means tested payment and a number of boarding providers consulted referred to parents and guardians utilising cultural family caring arrangements for children to eliminate or reduce the impact of ABSTUDY means testing. Means testing is addressed in more detail under *Private fees and parental contributions*. Other models of eligibility to replace means testing have been recommended in other reports and reviews and in consultations for this report.

In a submission to the HoRSCIA inquiry,[101] the Department of Social Services identified that the average and mean ABSTUDY payments in 2016 for Aboriginal and Torres Strait Islander students attending boarding were well below the maximum ABSTUDY entitlement.

Table 7: ABSTUDY boarding related payments, mean and median in 2016 (excluding under 16 boarding supplement), Department of Social Services submission to HORSCIA, 2017

	Under 16 year olds (n=4,182)	16 year olds and over (n=1,085)
Mean	$13,370	$17,450
Median	$14,630	$19,200

The figures in the table above:

- include entitlements paid directly to a boarding school/board provider and payments made to individuals or third-parties on behalf of the ABSTUDY recipient (e.g. for private boarding arrangements).
- are subject to data maturity issues (for example, eligibility change resulting from review decisions).
- relate only to ABSTUDY entitlements, and do not include other payments such as Family Tax Benefit.
- exclude Fares Allowance entitlements.

[101] Department of Social Services, Submission 67, *The power of education: From surviving to thriving—Educational opportunities for Aboriginal and Torres Strait Islander students*, House of Representatives Standing Committee on Indigenous Affairs, Q8 answer

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The majority of the Aboriginal and Torres Strait Islander boarding providers are heavily reliant on ABSTUDY for their operations. This has been the findings of previous reviews and reports and was also confirmed by this report. Grant Thornton also confirmed that additional funding to supplement ABSTUDY is required to meet the full costs of boarding for Aboriginal and Torres Strait Islander boarding students—see the discussion in this report in the sections, *Boarding revenue* and *Boarding costs*. In a December 2017 survey by Indigenous Education and Boarding Australia of its members, 100 per cent of respondents indicated that their boarding facility could not run 'financially on ABSTUDY alone'.

Due to reporting inconsistencies and data limitations it is not possible to determine the precise level of reliance on ABSTUDY by the 27 Aboriginal and Torres Strait Islander boarding providers included in the analysis for this report. Some case studies where detailed reliable data was available are illustrative though.

The ABSTUDY revenue data for four boarding schools (combined school and boarding residences) is set out in the table below. The data indicates that 90 per cent or more of the boarding revenue of the four schools is sourced from ABSTUDY, whereas only 8 – 23 per cent of tuition revenue is sourced from ABSTUDY. The largest source of revenue for all four boarding schools was Commonwealth recurrent school funding. All schools have a proportion of Aboriginal and Torres Strait Islander students to total students in excess of 98 per cent and ICSEA scores below 690 (extremely disadvantaged). The ICSEA scores of the four schools are indicative of limited or no capacity of parents to pay fees in excess of ABSTUDY entitlements. Total private income, such as donations, parental contributions and government funding for boarding is limited to less 9 per cent of total boarding income.

Without ABSTUDY the boarding operations at these boarding schools would not be viable without a replacement source of revenue.

Table 8: Reliance on ABSTUDY, selected Aboriginal and Torres Strait Islander boarding providers, 2017

	Boarding provider 1 (Qld)	Boarding provider 2 (Qld)	Boarding provider 3 (Vic)	Boarding provider 4 (WA)
Total revenue ($)	10,769,564	12,642,854	4,214,825	3,728,459
Total tuition revenue from all sources ($)	9,762,161	10,279,762	3,294,492	2,927,871
ABSTUDY tuition revenue (% of total tuition revenue) ($)	*778,957 (8%)*	*2,367,872 (23%)*	*580,666 (18%)*	403,918 (14%)
Total boarding revenue from all sources ($)	1,007,404	2,363,092	920,333	800,588
ABSTUDY boarding revenue ($)	*914,427 (91%)*	*2,275,014 (96%)*	*835,593 (91%)*	784,075 (96%)
% of Aboriginal and Torres Strait Islander students	98%	100%	100%	100%
ICSEA score	689	649	N/A	603[102]
Average ABSTUDY payment per Aboriginal and Torres Strait Islander boarder ($)	22,578.45	23,809.67	21,788.60	16,971.33

Reliable ABSTUDY revenue data was available for other boarding providers but while they had a heavy reliance on ABSTUDY payments to support boarding their boarding revenue was also supplemented by Northern Territory or state boarding payments, Indigenous Advancement Strategy funding or private donations.

The case studies highlight the structural differences in funding and financial support for tuition and boarding—tuition attracts both ABSTUDY and Commonwealth funding, while boarding attracts ABSTUDY but not underlying broad based Commonwealth funding. Given the structural differences it is important for Aboriginal and Torres Strait Islander boarding providers to implement fee structures and monitoring processes to maximise ABSTUDY receipts.

[102] No ICSEA score available for 2017. Most recent available ICSEA score used

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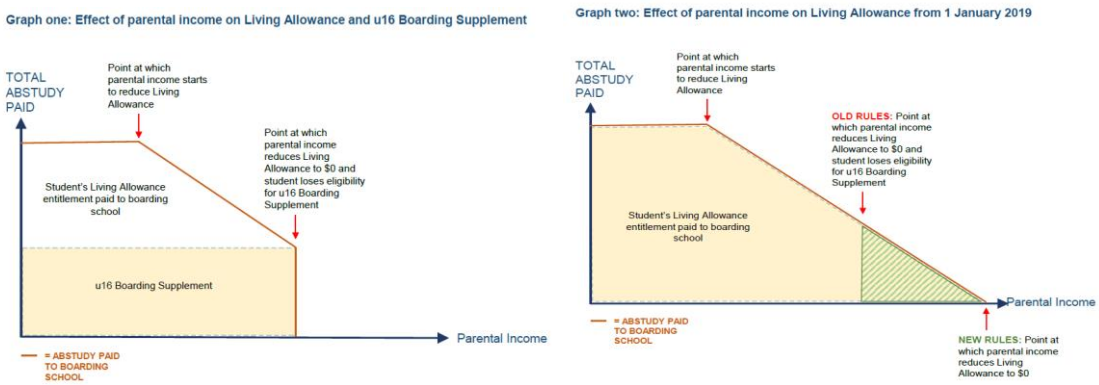
Major components of ABSTUDY payments are subject to an asset test and means testing[103] under chapter 56 of the ABSTUDY policy manual. Under the 2018-19 ABSTUDY budget measure the previously non-means tested under 16 boarding supplement was combined with the means tested living allowance. The combination of the two payments on 1 January 2019 has benefitted students that have their ABSTUDY payments reduced by means testing under chapter 56 of the ABSTUDY policy manual as the point at which ABSTUDY payments reduce to zero due to means testing is now extended, as displayed in the below graph.

Graph 9: Effect of parental income on ABSTUDY living allowance from 1 January 2019[104]



Each year in December boarding providers are required to report the level of their boarding and tuition fees for the following calendar year to the Department of Human Services. The ABSTUDY payment to a boarding school for a student cannot exceed the actual boarding and tuition fees charged by a boarding facility. A boarding facility is also not permitted to charge differential fees for ABSTUDY recipients and non-ABSTUDY recipients. Department of Human Services data reveals that the declared full time boarding fee (excluding tuition) charged by all boarding providers receiving ABSTUDY payments in 2018 was $21,227, exceeding the maximum ABSTUDY boarding entitlement[105].

Grant Thornton's analysis found that in 2018 there were 41 boarding providers charging boarding and tuition fees below the maximum ABSTUDY payment and are therefore not entitled to receive the maximum available payment for students approved to receive the maximum ABSTUDY payment.[106] Some boarding providers indicated that they have taken a business decision to set their boarding fees below the maximum ABSTUDY based on an assessment of the capacity of parents of non-ABSTUDY funded students to pay. The argument advanced was that raising boarding fees to the maximum level of ABSTUDY would reduce the ability of some parents of non-ABSTUDY funded students to afford to enrol their child in the boarding facility. In some cases this argument was justified but where the boarding provider had a high proportion of Aboriginal and Torres Strait Islander boarders, the loss of even all fees from all-non ABSTUDY funded boarders would be offset by increased ABSTUDY receipts. For those boarding providers that are incurring boarding losses and do not have other sources of income to support boarding, such as private donations or state or territory funding for boarding, the setting of boarding fees below the maximum ABSTUDY entitlement may not be financially viable in the long term. It would also be difficult to support calls for increased funding from government for Aboriginal and Torres Strait Islander boarding if providers were not maximising existing revenue opportunities.

Grant Thornton found that high fee boarding providers, such as the leading boarding schools in capital cities, and those boarding providers with students that are completely or substantially ABSTUDY funded are less challenged by the issue of and their fees are set at or above the maximum amount of ABSTUDY for differing reasons. Those boarding providers between the top and lower end of the market appear to struggle the most with the setting of fees as their target student market are more price sensitive than the students of high income parents / carers or parents / carers entitled to full ABSTUDY support.

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[103] Clauses 56.2 and 86.6.1 of the ABSTUDY policy manual. The manual sets a number of exemptions from the assets and income tests. As at 1 January 2019, $8,422 of the School Fees Allowance (boarding rate) is non-means but approximately 80 per cent of ABSTUDY approved students are entitled to the maximum rate of assistance

[104] Source: Department of Social Services

[105] Data supplied by the Department of Human Services of schools and boarding providers that receive ABSTUDY payments in 2018 for students studying away from home

[106] ABSTUDY is an entitlement based on the individual circumstances of each student. The total quantum of ABSTUDY revenue foregone by providers not setting fees at the maximum ABSTUDY entitlement cannot be calculated without accessing the personal circumstances of each student and is therefore outside the scope of this report

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There are opportunities for some boarding providers to review their boarding and tuition fees to increase their ABSTUDY receipts to better reflect the actual cost of delivering boarding.

RECOMMENDATION 6: FEE STRUCTURES

Provide assistance to boarding providers to improve understanding of how fee structures interact with ABSTUDY and parental contributions.

Aboriginal and Torres Strait Islander boarding providers referred to the complex structure of ABSTUDY payments and a number highlighted the importance of engaging experienced business managers to manage ABSTUDY claims, reconciliation and payment processes and fee setting to maximise ABSTUDY receipts, particularly if the provider is heavily reliant on ABSTUDY.

Case study 6: Managing ABSTUDY receipts

A large boarding provider explained the importance of monitoring and managing ABSTUDY receipts. It had experienced difficulties with unprocessed claims and under-payments. This had reduced the income of the provider and the services that could be provided to boarders. An internal audit of the provider's ABSTUDY claims in 2016 revealed the unprocessed claims and under-payments across the three proceeding years. Outstanding ABSTUDY paperwork was submitted to the Department of Human Services in conjunction with parents and carers and the department paid a total of $843,000 to the provider for previously unclaimed or paid entitlements. While enrolments declined from 2015 to 2016, ABSTUDY receipts actually increased from $3.1 million to $3.8 million as a result of the back payment.

As previously discussed, there have been positive changes noted by boarding providers in the administration of ABSTUDY. In 2016–17, the average speed of answer for the ABSTUDY line was 15 minutes and 59 seconds. In 2017–18 (until 13 October 2017), the average speed of answer was 13 minutes and 34 seconds. Recent refinement of the telephony system means that no calls wait longer than around one hour, and the average wait time is less than 16 minutes. In the past there was, in 2016-17, one isolated instance of a call that waited 2 hours and 6 minutes, and in the 2017-18 there was one isolated instance of a call that waited 1 hour and 17 minutes.[107]

On 28 November 2016, the Department of Human Services commenced a trial of verbal customer declarations, which removed the need for parents to submit signed declaration forms to Centrelink after a telephone inquiry requiring information or confirmation of information about a parent's circumstances. The department reported that ABSTUDY claims were finalised 50 per cent faster when the verbal declaration process was used. As a result of the success of the trial the process is now an ongoing process. A number of boarding providers indicated that the introduction of the verbal declaration process had led to a noticeable reduction in ABSTUDY processing times. Those boarding providers now recommend the use of the process by parents when there is an issue with an ABSTUDY application or payment. One boarding provider indicated that their staff sit with a parent during telephone calls to Centrelink where the parent has difficulties with English.[108]

Centrelink's Remote Serving Teams also provide face-to-face support to families with ABSTUDY. In the 2016-17 financial year Centrelink reported that the teams had visited more than 300 communities a total of 1,521 times.[109] The agency also uses Remote and ABSTUDY Smart Centres to reduce barriers for Aboriginal and Torres Strait Islander people in remote and very remote communities.

However, boarding providers raised concerns that many of the issues identified regarding ABSTUDY in previous reviews and reports still remain unresolved and this is impacting on their operations, and in some cases affecting the viability of the boarding operations. With the exception of two boarding providers, boarding providers and peak bodies consulted indicated that the current administration of ABSTUDY impacts negatively on the revenue and costs of boarding, and significant efficiencies could be delivered for boarding providers with further reforms to the administration of ABSTUDY.

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[107] Department of Human Services, Submission 50 – supplementary submission, *The power of education: From surviving to thriving—Educational opportunities for Aboriginal and Torres Strait Islander students, House of Representatives Standing Committee on Indigenous Affairs*, p. 5

[108] Department of Human Services, Submission 50 – supplementary submission, Q1 answer

[109] Department of Human Services, Submission 50 – supplementary submission, *The power of education: From surviving to thriving—Educational opportunities for Aboriginal and Torres Strait Islander students*, House of Representatives Standing Committee on Indigenous Affairs, Q10 answer

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Fares allowance—ABSTUDY travel

ABSTUDY funds the travel of Aboriginal and Torres Strait Islander boarding between their home and boarding facility. Travel for accompanying family members and supervisors is also funded by ABSTUDY. The Department of Human Services (DHS) ABSTUDY travel team will book travel for students and accompanying people through a travel agency, QBT, or alternatively a boarding provider is able to arrange travel directly and then seek reimbursement from DHS. The fares allowances are an essential investment in the participation of Aboriginal and Torres Strait Islander students in boarding and the engagement by boarding providers and transition support units with families and communities.

Managing student travel at a national level is a complex exercise. Each term, the DHS ABSTUDY travel team, through QBT or boarding providers, coordinates the movement of more than 5,000 children across Australia in a small window of time. For many destinations there are limited transport options, such as air charters only, and ABSTUDY must in certain instances coordinate students travelling to multiple boarding providers from the same community. To ensure the efficient use of the investment in student travel, concessions are made by ABSTUDY. For example, a single charter flight may be used to transport a number of students from a single community or series of nearby communities to a regional airport hub. As a result not all student or boarding provider route or schedule requests can be accommodated.

Aboriginal and Torres Strait Islander boarding providers and the transition support units acknowledged the complexity of managing travel but indicated there was a need for increased flexibility and improved communication. Examples were provided of unusual travel itineraries, inflexibility leading to missed flights and non-attendance at school, and unnecessary costs associated with centrally organised travel.

The majority of boarding providers requiring student travel use the DHS ABSTUDY travel team and QBT to book and coordinate travel. A small number of providers book travel and seek reimbursement from DHS for the cost.

Boarding providers indicated that ABSTUDY travel is complicated and overly resource intensive, which creates an additional cost that is borne by boarding providers or transition support units.[110] During consultations a number of Aboriginal and Torres Strait Islander providers[111] indicated a preference for booking their own student travel, for the following reasons:

- preferred routes, dates and times can be selected, including weekend travel, which at the moment is only permitted in limited circumstances
- itineraries can be provided directly to transition support units to assist in the coordination of travel, which is not the case when travel is booked by the DHS ABSTUDY travel team, due to issues of privacy
- it reduces delays and missed travel, and increases engagement opportunities with families and home communities
- it is easier to manage safe travel plans.

However, a number of providers indicated that they do not book travel due to delays in reimbursement from DHS affecting cash flow, uncertainty as to whether the full cost of travel will be reimbursed by DHS due to the complexity of the travel rules and the administrative cost of managing travel. The boarding providers that currently book their own travel have, in most cases, underpinning funding from government or a donor/s, and do not have the same funding pressures as some other boarding providers.

While decentralising travel provides the benefit of local management, it also has potential costs. Checks and balances would need to be introduced to ensure that the investment in student travel remains an efficient use of Commonwealth resources. For instance, to ensure that multiple schools did not charter individual flights to the same community at the same time for different students. Expanding the role of the transition support units to manage and coordinate travel would provide the benefits of decentralisation to a local level, while ensuring a coordinated approach to travel management. Both the Transition Support Services (Qld) and the Transition Support Unit (NT) expressed a willingness to consider the management of student travel, provided the cost of administering the travel was funded.

The Transition Support Services (Qld) and the Transition Support Unit (NT) currently play an important and active role in assisting with the travel of students to and from boarding, including the development and implementation of safe travel plans from 1 January 2019. The services have developed close relationships with Aboriginal and Torres Strait Islander boarding providers around Australia and Aboriginal

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[110] During consultations no boarding provider or transition support unit was able to quantify the cost

[111] One peak body consulted indicated that the majority of its members would prefer to book student travel directly, provided there was additional funding, such as the existing booking fee paid to QBT per booking, to meet the additional administrative costs, and there was certainty of reimbursement of travel costs in a timely manner. However, two Aboriginal and Torres Strait Islander boarding providers indicated that they were satisfied with the currently student travel processes and/or did not want the administrative burden of managing travel for students

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and Torres Strait Islander communities and families throughout Queensland and the Northern Territory. These relationships can be leveraged to improve the delivery of student travel.

While the transition units facilitate the travel of many students, they noted that they are unable to seek travel details from the DHS ABSTUDY travel team or the travel agency, QBT, or make travel changes due to privacy limitations. The units are required to liaise through boarding providers. This adds an additional administrative cost and time to the process. Allowing transition support units to manage student travel, within certain parameters, is likely to deliver cost reductions to government and boarding providers and provide improved outcomes from the investment in student travel.

In the interim, until the decentralisation of ABSTUDY travel can be fully evaluated, it is recommended that the DHS ABSTUDY travel team improve communication to boarding providers and families where decisions are taken not to accommodate certain date or routing requests. It is also recommended that ABSTUDY investigate mechanisms to permit, within the existing privacy framework, transition support units to communicate directly with ABSTUDY travel or QBT in relation to the travel arrangements for a transition unit supported student.

RECOMMENDATION 7: ABSTUDY TRAVEL MANAGEMENT

Identify options for further decentralisation of ABSTUDY travel arrangements to boarding providers and transition support units to reduce costs and increase flexibility. Provide funding incentives to meet the cost of decentralised travel arrangements and administration of safe travel plans.

Improve communication to boarding providers and families where the DHS ABSTUDY travel team declines a request for a travel booking, including requested travel dates or routes.

Investigate mechanisms to permit, within the existing privacy framework, transition support units to communicate directly with the DHS ABSTUDY travel team or QBT in relation to the travel arrangements for a transition unit supported student.

Boarding providers also recommended changes to ABSTUDY travel policy to permit increased flexibility for weekend travel (currently only in limited circumstances) and travel home when a student is suspended.[112] Currently, ABSTUDY travel for exclusions is limited to expulsions, and only in certain circumstances. This limits the ability of a boarding provider to suspend a student as most parents do not have the financial capacity to retrieve a suspended student or pay for the cost of flights. The boarding provider must therefore pay for the cost of the home travel, expel the student to access ABSTUDY travel or retain the student at the boarding facility, which may be disruptive to other students or staff.[113] The current rules create a disincentive to suspend a student. One boarding provider has renovated an on campus house to use for the 'internal exclusion of students'. The student is excluded from other students but remains in a safe, protected and supervised environment on campus.

The disadvantage of introducing greater flexibility for travel associated with the suspension of a student is that it can lead to the disengagement of students from education as it is difficult to re-engage a student in schooling once they have returned home during a school term. Some schools have rules preventing the suspension of a student within a period of time after the commencement of boarding to support the transition of new boarders into boarding. Any amendment to the travel eligibility rules regarding suspensions would need to include mechanisms to minimise disengagement by a suspended student if they return home. One Aboriginal and Torres Strait Islander boarding provider has a policy of using expulsions and suspensions as a last resort.

> We case manage each disciplinary incident and endeavour to implement individual student specific remedial programs. Expulsion is a last resort and suspensions are avoided wherever possible. The school looks for alternative solutions and seeks to establish the cause for poor behaviour. Bad behaviour has been used at times in order to achieve a desired result, such as where a student desperately wants to go home, so they behave in a way that will lead to expulsion or being sent home. By developing a close working relationship with each student, and gaining their confidence and trust, issues can sometimes be dealt with proactively, thereby avoiding consequential bad behaviour.[114]

[112] Provisions and practices for suspension and expulsion travel were reviewed in 2011 in response to concerns about the high number of students returning home mid-term and disengaging from education completely. Source: PM&C, November 2018

[113] Where a student is experiencing a high level of distress in boarding, or is a risk to themselves or others, travel for compassionate and health reasons is permitted

[114] Consultation—medium sized Aboriginal and Torres Strait Islander boarding provider in Queensland

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RECOMMENDATION 8: ABSTUDY TRAVEL POLICIES

Review ABSTUDY travel policy to provide greater flexibility for weekend travel, and for travel assistance where it is required to manage student suspensions and exclusions, provided it does not impact on engagement in education by students and their families. Review the rules and processes for the reimbursement of travel paid by boarding providers to provide greater certainty to boarding providers.

The Commonwealth Government introduced changes to ABSTUDY travel and fares allowance from 1 January 2019 as part of the 2018-19 ABSTUDY budget measure. The changes are aimed at improving the safety, fairness and flexibility for students, their parents or carers and support personnel, such as school or transition support staff. The changes include:

- introducing Safe Travel Plans (STPs) for school student travellers[115]
- increasing the maximum number of supported family and community member visits for school events each year or for boarding school staff to visit families and carers in community[116]
- providing greater flexibility for travel to or from locations other than the student's home and school (includes travel to and from boarding but also for compassionate reasons, such as funerals)[117]
- fairer rules for travel to interstate schools and streamlining the process for determining the cost effectiveness of that travel
- introducing fairer penalties[118] for missed travel arrangements.[119]

The 2018-19 ABSTUDY budget measure has been welcomed by boarding providers and is seen as delivering positive improvements in reducing administration, increasing flexibility for travel and improving the safety of students while travelling to and from boarding. Positive changes in the administration of ABSTUDY travel in recent years were also identified during consultations with boarding providers. These were well received by boarding providers. More information regarding safe travel plans is set out in Appendix C.

Support services such as the Transition Support Services (TSS) and Transition Support Unit (TSU)[120] play an important role in supporting student travel to and from boarding providers. TSS reported that at the start of Term 2, 2018, 90 per cent of students took up their first ABSTUDY travel flight.[121] These support services will also play an important role in developing and implementing safe travel pans as part of the 2018 budget measures that commenced on 1 January 2019.

Adopting the recommendation to decentralise ABSTUDY travel arrangements to boarding providers and transition support units boarding providers would improve the effectiveness and implementation of safe travel plans.

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[115] STPs are optional from 1 January 2019 but will be mandatory for all students from 1 July 2019. They are the joint responsibility of boarding providers and the parents and carers of students. STPs have been introduced to address travel safety issues identified in the Study Away Review and the need to make boarding 'safer for students' in light of the findings and recommendations of the Royal Commission into Institutional Responses to Child Sexual Abuse

[116] 'Family members can now get up to three return trips for any of the following reasons, to attend an event at school, like a graduation, school performance or award ceremony, if a boarder is homesick, or at risk of suspension or expulsion and a family visit will help the boarder stay in school. Parents can still use ABSTUDY Fares Allowance for 1 return trip to visit a student at school for compassionate reasons. Source: https://www.humanservices.gov.au/individuals/subjects/changes-student-payments-from-1-january-2019#a3, accessed in January 2019

[117] Students can now travel to locations other than school and home if they're on the student's usual travel route. For example, if there's a camp at the end of the term, a student can travel directly home after camp. Previously, a boarder may have had to travel back to school first. https://www.humanservices.gov.au/individuals/subjects/changes-student-payments-from-1-january-2019#a3, accessed in January 2019

[118] This measure will remove all penalties for missed travel other than a flat $100 penalty per missed travel. The actual cost of missed travel will no longer be charged to parents or carers after two missed travel arrangements to remove the disincentive for parents and carers to return students to boarding after missed travel

[119] Department of Social Services factsheet, *Student measures 2018 Budget, 2018*, www.dss.gov.au

[120] Refer to page 52 for more information

[121] *Fast Facts – Transition Support Services*, Transition Support Services

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Donations, scholarships and other private income

Boarding providers receive financial support through donations, scholarships, philanthropic support and other private contributions.

The ability for Aboriginal and Torres Strait Islander boarding providers to raise revenue for boarding, other than from fees and government funding, is important in addressing the shortfall between boarding revenue and costs identified in Table 1.

Donations

Accessing donations and other private income is increasingly becoming an important source of funding to support Aboriginal and Torres Strait Islander boarding.

A number of the boarding providers rely on private donations, contributions from charitable trusts and philanthropic gifts to meet the full costs of their operations. In 2016 two high cost boarding providers each received over $1 million in donations/philanthropic support, which represented 49 per cent of the income of one of the providers.

Scholarships

Scholarship programs have led to structural changes in the Aboriginal and Torres Strait Islander boarding sector. Greater numbers of Aboriginal and Torres Strait Islander students now have the opportunity to access leading Australian schools in state capital cities and major regional centres around the country. In 2017 the Australian Indigenous Education Foundation (AIEF) provided scholarships to 436 Aboriginal and Torres Strait Islander students from 256 communities around Australia (41 per cent from remote and very remote communities) to attend leading Australian secondary schools, including boarding schools. The program has delivered successful outcomes with a 94 per cent retention and Year 12 completion rate, and 94 Year 12 graduations in 2017.[122]

Other important sources of scholarships for Aboriginal and Torres Strait Islander boarders are scholarships and bursaries provided directly by schools and their associated charitable funds, and private charitable trusts and funds. Examples are:

- scholarships established by mining companies as compensation for mining activities on Aboriginal land. In Queensland the Ely Bursary Education Assistance Scheme provides scholarships for Aboriginal students to attend boarding[123]
- scholarships funded by land councils and native title bodies.

Case study 7: Land council scholarships

The Central Land Council's charitable Centrecorp Foundation has a community development program that funds education scholarships for Central Australian Aboriginal people. 'It provides assistance to youths from disadvantaged families who might otherwise be unable to pursue their aspirations and abilities at primary and secondary school, including boarding.'[124] The maximum amount of funding for inter and intrastate boarding is $10,000 per annum.[125] St Philips College in Alice Springs indicated that the Centrecorp scholarships are an important funding source for Aboriginal students seeking to board at the college.

[122] *2017 Annual Report*, Australian Indigenous Education Foundation, 2017, www.aief.com.au
[123] www.elytrust.com.au, access in November 2018
[124] https://www.clc.org.au/index.php?/media-releases/article/throwing-out-the-land-rights-act-not-the-key, accessed in January 2019
[125] http://www.centrecorpfoundation.com.au/centrecorp-foundation-community-support-program/centrecorp-foundation-community-support-program-additional-information-for-applicants, accessed in January 2019

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The 2018–19 Budget Measure for ABSTUDY included positive changes welcomed by the sector regarding the treatment of scholarships:

> **Simplified criteria and guidelines for approval of scholarships under ABSTUDY**
>
> From 1 January 2019, the Government will streamline the approval process of secondary school scholarships for ABSTUDY assistance.
>
> A scholarship offered by an independent boarding school will be approved for ABSTUDY assistance if:
>
> - the minimum scholarship value is $6,000, or
> - 25 percent of the school's annual boarding and tuition fees each year, whichever is the greater.
>
> Secondary students who are already approved for ABSTUDY assistance for their scholarship will not be impacted by the change.
>
> **Who is eligible?**
>
> This will affect Aboriginal and Torres Strait Islander secondary school students who, after 1 January 2019, are offered an approved scholarship by a boarding school to study away from home.

The Australian Government is working with all scholarship providers funded under the Indigenous Advancement Strategy (IAS), including AIEF, to understand the effectiveness and impact of all scholarships provided to Aboriginal and Torres Strait Islander students. The Department of the Prime Minister and Cabinet engaged PricewaterhouseCoopers Indigenous Consulting in September 2018 to develop a Monitoring and Evaluation Strategy for IAS scholarship activities, which will underpin and support future evaluation policy, prioritisation and investment.

Scholarship programs usually target high performing students and have impacted upon enrolments at the traditional long established Aboriginal and Torres Strait Islander boarding providers.

During consultations for this report some interviewees raised concerns that high value scholarships, particularly those funded by government, are only being used for students to attend high fee paying boarding providers and are by-passing the boarding providers that have traditionally focussed specifically on boarding for Aboriginal and Torres Strait Islander students. While the greater opportunities for Aboriginal and Torres Strait Islander students are welcomed the loss of potential income is putting further financial pressure on Aboriginal and Torres Strait Islander boarding providers. In addition, the scholarship holders are usually high performing leaders or potential leaders from communities. These students would have traditionally played an important leadership role at the Aboriginal and Torres Strait Islander boarding providers.

The House of Representatives Standing Committee on Indigenous Affairs[126] considered scholarships that support Aboriginal and Torres Strait Islander students to attend educational establishments.

> The Federal Government funds a range of scholarship and mobility projects through the Children and Schooling Programme. PM&C told the committee that, in 2015, the Federal Government 'will provide $15.2 million to support 778 secondary scholarship holders across 70 schools'.
>
> … the Federal Government has 'provided a total of $38 million since 2009 to the Australian Indigenous Education Foundation [AIEF] to provide scholarships to support Aboriginal and Torres Strait Islander students to assist with pastoral care, tuition and other boarding-related costs'.
>
> Furthermore, in 2017 the Federal Government announced that the AIEF will be provided with $30 million to 'support up to 500 students each year for three years (up to December 2020) to attend leading Australian secondary colleges' and provide mentoring.
>
> Mr Richard Stewart, AFL Cape York House, explained that:
>
> I think we need to be quite clear about how we determine success. The AIEF talk about a 93 per cent success rate…I think that fact needs to be publically challenged—93 per cent of what? If you take a kid away from Cairns who has finished year 10, from an aspirational, urban, middle class Indigenous family, and value-add…anyone can value-add…to say that you have a 93 per cent success rate and then not be open to any real scrutiny is quite outrageous.

[126] *The power of education: From surviving to thriving—Educational opportunities for Aboriginal and Torres Strait Islander students*, House of Representatives Standing Committee on Indigenous Affairs, 2017, pp. 117, 151 - 154

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> Mr Anthony Bennett, Manager, Wiltja Boarding, noted that 'a lot of money' goes into programs such as the AIEF, but only a small percentage of Indigenous students benefit. He explained that:
>
> 99 per cent of kids will never ever access any of those programs. … So I really doubt the effect and traction that they actually get…If we rely on programs like AIEF then 99-point-whatever per cent of kids are not going to get any opportunity. That is the big problem for me at a professional level and at a personal level. A lot of money goes into it.
>
> …..
>
> The AEU noted that 'the cost of supporting a student through the AIEF exceeds the average per student public funding paid to a government school to educate an Indigenous child'. …. The AEU stated that between 2009 and 2014, the AIEF's scholarship program received $32 million from the Federal Government and $37 million from private sources, with an average net scholarship cost of approximately $19,000 per student per annum. By comparison, the average funding (State and Federal) received by government schools was considerably less, at only $10,783 per student in 2013.'

The impact of scholarships on remote communities was also considered by Jessa Rogers in '*We need to know the true cost of Indigenous boarding school scholarships on communities*', The Conversation, 13 June 2017[127]. Rogers, 2017 refers to 'the cost to identity, culture and connection to community' resulting from students attending boarding and that this is not discussed with students and parents and carers as part of considering and preparing for boarding.

The PricewaterhouseCoopers Indigenous Consulting engagement by PM&C to develop a Monitoring and Evaluation Strategy for IAS scholarship activities will strengthen the evidence base for determining whether the investment in boarding scholarships is delivering its intended outcomes. As part of this engagement it is recommended that the scholarship program guidelines be reviewed to provide greater opportunities for Aboriginal and Torres Strait Islander boarding providers and other providers located in regional, remote and very remote areas.

RECOMMENDATION 9: SCHOLARSHIP ARRANGEMENTS

Review scholarship funding arrangements to provide greater opportunities for Aboriginal and Torres Strait Islander boarding students to attend Aboriginal and Torres Strait Islander boarding providers and other providers located in regional, remote and very remote areas.

Private fees and parental contributions

Another important source of income for boarding providers are boarding fees charged to parents. An Aboriginal or Torres Strait Islander student may not be eligible for full ABSTUDY due to the level of income and assets of a student's parents or carers[128]. Some boarding providers will charge a parent the difference between approved ABSTUDY, if any, and the actual boarding and tuition fees.

The engagement of parents and carers in the education and boarding life of Aboriginal and Torres Strait Islander students is considered crucial in the success of a student in boarding. Some boarding providers have adopted a policy of ensuring that all parents make a contribution to boarding, whether as a payment towards fees, recreational activities or pocket money for students. This is based on the principle that education is a partnership between the student, the school and the family/community, and that even a small parental contribution signals the family's commitment to boarding and education.

Centrepay is a common mechanism used by boarding providers and parents and carers to facilitate parental contributions towards their child's boarding and schooling.

However, the majority of boarding providers that have high concentrations of Aboriginal and Torres Strait Islander students from remote and very remote areas have policies of writing off fees that are not funded by ABSTUDY. They do so because the parents and carers have almost no or little capacity to pay or contribute to boarding fees and the cost of debt recovery in remote and very remote areas is not cost effective.

[127] Available at: https://theconversation.com/we-need-to-know-the-true-cost-of-indigenous-boarding-school-scholarships-on-communities-74622
[128] Parental income only reduces means tested ABSTUDY payments and wouldn't cause secondary students to have nil ABSTUDY eligibility

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Grant Thornton consistently heard that there is a clear distinction between a 'means tested' level of income of a parent or carer and the person's actual capacity to pay or disposable income. Even the small number of parents in remote and very remote areas that are employed have little or no capacity to pay. Cultural and family obligations and the high level of disadvantage in remote communities means the disposable income or capacity to pay, of even employed parents is little to nil.

> Although Indigenous incomes are growing steadily in urban areas, where median disposable equivalised household income rose by $57 per week in real terms between 2011 and 2016, median disposable equivalised household income in very remote areas fell by $12 per week over the same period. Indigenous cash poverty rates in very remote areas rose from 46.9% in 2011 to 53.4% in 2016.[129]

One boarding provider indicated that the school's policy is to invoice parents for any differential between boarding fees and ABSTUDY. The provider offers repayment plans as low as $5 per week but still writes off approximately 80 per cent of debts due to the limited capacity of parents to pay and the ineffectiveness of debt recovery in remote communities.

While some parents and carers will have the capacity to make a contribution towards boarding costs and the financial support of students at boarding, and many do, it is unlikely that the shortfall between boarding revenue and boarding costs in those boarding providers catering predominately for remote Aboriginal and Torres Strait Islander students can be covered entirely by contributions from Aboriginal parents and carers. Reference is made again to Markham, 2018 and the data around cash poverty rates. Where there is limited capacity to pay, parental contributions that reflect their circumstances, should be encouraged and viewed from the lens of an investment in family and community engagement, rather than as a source of funding for boarding providers.

Indigenous Advancement Strategy (IAS)—Children and Schooling Program

The Commonwealth's IAS Children and Schooling program funds a range of programs to support school access, attendance and achievement for Aboriginal and Torres Strait Islander students.

In 2015, the Commonwealth provided $15.2 million to support 778 secondary scholarship holders across 70 schools. On 24 May 2017, the Commonwealth Government announced an additional $32 million for secondary scholarships. Scholarship funding under the IAS is provided to approximately ten scholarship administrators, with a focus on assisting Aboriginal and Torres Strait Islander students to attend high fee boarding schools.[130]

Scholarship funds can be used for tutoring, leadership activities, sporting opportunities, and a personal allowance but most funding is used to supplement ABSTUDY.

Only a small number of Aboriginal and Torres Strait Islander boarding providers attract students on IAS scholarships. The majority of scholarships support students to attend mainstream high fee boarding schools. The Study Away Review found that while the IAS scholarships are welcomed in the sector, governments needs to consider how the efficiency and effectiveness of the investment in Aboriginal and Torres Strait Islander secondary students in boarding can be improved, as students with the greatest need are not attracting sufficient IAS scholarship students.

The broader issue of scholarships are dealt with below in Part 10.

Underpinning funding from associated bodies and other parties

A number of the boarding providers consulted rely on underpinning funding from associated bodies or other third parties. This includes religious institutions and sporting organisations. Examples of sporting organisations supporting Aboriginal and Torres Strait Islander boarding providers, are AFL Cape York House and NRL Cowboys House.

[129] Markham, F and Biddle, N, *Income, Poverty and Inequality: CAEPR 2016 Census Paper No. 2*, CAEPR, 2018 (Markham, 2018), p. iii
[130] Study Away Review, p. 19

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State and territory funding

Some state and territory governments also provide recurrent funding to boarding providers to assist with boarding costs. For example, the Queensland Department of Education funds the Student Hostel Support Scheme. It 'provides recurrent (Student Hostel Recurrent Grant) to eligible non-profit organisations providing hostel accommodation in rural areas to accommodate geographically isolated primary and secondary students (including students with disabilities) so they may have daily access to schools'[131]. The recurrent funding is a per capita grant.

Some boarding providers are part of the state or territory education system and receive underpinning funding for their operations. The type of funding and the level of funding depends on the jurisdiction. In the Northern Territory one type of funding is referred to as targeted funding. Government boarding providers receiving this underpinning funding noted that funding is certain and enables the provider to budget and plan for the year ahead.

The Northern Territory Government has provided an Annual Supplementary Assistance Grant for boarding to a small number of specified boarding schools during the period covered by this report—Kormilda College ($400,000 per annum since 1991), Yirara College ($500,000 per annum since 2000), Woolaning Homeland Christina College ($200,000 since 2016) and St Philip's College ($250,000 per annum since 1987). The Annual Supplementary Assistance Grant for boarding was fixed and not indexed. In 2018, the Northern Territory Government announced that the historical funding arrangements under the Annual Supplementary Assistance Grant would cease and funding would be made available to all boarding providers in the Northern Territory from 1 July 2018 as Supplementary Boarding Funding (SBF). The quantum of the funding under SBF is based on student enrolments and the level of student attendance. The funding commenced on 1 July 2018. The SBF for the legacy schools is forecast to be lower than the existing Annual Supplementary Assistance Grant with the pool of funding now available to all boarding schools. On 21 September 2018, Minister for Education, Hon Selena Uibo announced that the Annual Supplementary Assistance Grant funding for St Philip's College alone would continue in 2019 and 2020.

[131] Queensland Government Student Hostel Support Scheme, https://education.qld.gov.au/about-us/budgets-funding-grants/grants/other-organisations/students-hostels-assistance, accessed in January 2019. One small boarding provider indicated that it receives approximately $100,000 per annum through this scheme for operational costs

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11. Funding for tuition and capital

Funding for tuition or schooling costs is outside the scope of this report. However, a summary is included below as many Aboriginal and Torres Strait Islander boarding schools are using tuition or schooling income or funding to subsidise the cost of boarding and it is important to therefore understand the eligible uses for the income or funding.

Commonwealth recurrent school funding

A major component of funding to boarding schools (excludes standalone boarding only facilities) is recurrent school funding provided by the Commonwealth Government under the *Australian Education Act 2013*. The purpose of this funding is to meet 'in-school educational costs of schools'. The purposes for which the funding can be used are set out in the *Australian Education Act 2013* and *Australian Education Regulation 2013*.

The Commonwealth Department of Education and Training has produced a fact sheet on the approved uses for recurrent school funding—*A guide for approved authorities on the use of recurrent funding Australian Education Act 2013*.[132]

> **School education**
>
> Recurrent funding must be used for the purpose of providing **school education** (emphasis added)—that is, primary education or secondary education—as defined in section 15 of the Act. It cannot be used for the purpose of providing pre-school education or programs, nor for early childhood education and care, before and after-school care or vacation care, nor vocational education and training that is not part of a recognised secondary school curriculum.

Recurrent school funding can be used for the non-exhaustive list of examples of general recurrent costs of providing school education set out in Subsection 29(2) of the Regulation:

> **Section 29 *Australian Education Regulation 2013***
>
> Approved authorities - Recurrent funding
>
> (1) For paragraph 78(2)(a) of the Act, an approved authority for a school must spend, or commit to spend, financial assistance that is payable to the authority in accordance with Division 2 of Part 3 of the Act (recurrent funding for schools) for the purpose of providing school education at a school for which the approved authority is approved.
>
> (2) Without limiting subsection (1), the purpose mentioned in that subsection includes the following:
>
> (a) salaries and other expenses relating to staff at the school, including expenses related to the professional development of the staff;
>
> (b) developing materials related to the school's curriculum;
>
> (c) general operating expenses of the school;
>
> (d) maintaining the school's land and buildings;
>
> (e) purchasing capital equipment for the school;
>
> (g) in any case—administrative costs associated with the approved authority's compliance with the Act and the Regulation.[133]

'….. special assistance schools, sole provider schools and majority Aboriginal and Torres Strait Islander schools may also use recurrent funding for purchasing land or buildings; construction of buildings, or parts of buildings; capital improvements; and any related loan, credit or other arrangement (including interest repayments), so long as it is for the school and for **the purpose of providing school education** (emphasis added).'

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[132] Department of Education and Training, *A guide for approved authorities on the use of recurrent funding Australian Education Act 2013*, www.education.gov.au, accessed in May 2019

[133] There is no subsection 2(f). Examples of administrative costs include staff costs in meeting Australian Government reporting requirements, participating in NAPLAN or other national assessments

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Grant Thornton found that a majority of boarding schools supplemented to varying degrees the cost of boarding with Commonwealth recurrent school funding. However, the ability to use Commonwealth recurrent school funding for 'wrap around' support services of boarding is limited—it must be related to the provision of school education.

Boarding providers that are not part of a school structure do not have access to Commonwealth recurrent school funding.

As set out in the Australian Education Act 2013, the SRS is made up of amendments to the *Australian Education Act 2013* is made up of a base amount for every student, along with six loadings to provide extra funding for disadvantaged students and schools.

More information about Commonwealth recurrent school funding is set out in Appendix B.

State and territory funding

Under the Commonwealth's recurrent school funding regime the relevant state and territory government must provide a certain level of funding to a school, depending on whether it is a government or non-government school.

State and territory governments also provide capital funding to boarding providers to assist with boarding infrastructure. For example, the Queensland Department of Education funds the Student Hostel Support Scheme. It 'provides capital assistance to eligible non-profit organisations providing hostel accommodation in rural areas to accommodate geographically isolated primary and secondary students (including students with disabilities) so they may have daily access to schools'[134]. The capital grant is matched dollar for dollar funding up to a fixed amount. The Northern Territory Government provides capital funding of $300,000 to every school through the Building Better Schools program over a four year period from 2017-18 for the purposes of new and improved school facilities. The program initiative was to provide new and improved school facilities that enhance students' education experience and facilitate quality learning outcomes.

Block Grant Authorities

Block grant authorities are bodies corporate the Australian Government has approved to administer capital grants for non-government schools to improve capital infrastructure at those schools. While this funding is capital in nature and not income, the grants reduce cost pressures in a boarding facility, such as in relation to repairs and maintenance.

There are two block grant authorities in each state: one for Catholic schools and one for independent schools. In the Northern Territory and in the Australian Capital Territory, there are joint block grant authorities for Catholic and independent schools.

[134] Queensland Government Student Hostel Support Scheme, https://education.qld.gov.au/about-us/budgets-funding-grants/grants/other-organisations/students-hostels-assistance, accessed in January 2019. One small boarding provider indicated that it receives approximately $50,000 per annum through this scheme for capital expenditure

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12. Boarding revenue

Introduction

Previous reviews and reports have identified a gap or shortfall between the revenue for boarding and the actual cost of boarding. In recent years a number of Aboriginal and Torres Strait Islander boarding providers have experienced financial stress and this has resulted in closures and/or restructures (Shalom Christian College boarding, Woolaning Homeland Christian College, Kaziw Rangath and Kormilda College). During consultations some boarding providers indicated that they are actively considering whether to cease boarding for Aboriginal and Torres Strait Islander students.

A 2017 Indigenous Education and Boarding Australia survey of its members addressed the question of financial position and financial health of boarding providers. Of the boarding providers with a boarding cohort of more than 75 per cent Aboriginal and Torres Strait Islander students, 63 per cent reported that their boarding facility was in 'poor financial health' and 81 per cent were in a worse financial position than three years ago.

An analysis of financial data has been undertaken to determine whether there is a gap in funding at the Aboriginal and Torres Strait Islander boarding providers analysed for this report, and if so, compare the findings against the findings of previous reviews and reports.

The consultations consistently revealed that boarding is unique in the education setting and is generally providing positive outcomes for Aboriginal and Torres Strait Islander students, particularly those with no secondary schooling options in or near their home communities. The consultations and analysis identified unique costs and investment that are incurred or made in delivering boarding for Aboriginal and Torres Strait Islander students, such as:

- support services to address higher incidence of health and behavioural issues
- family, community and cultural pressures on Aboriginal and Torres Strait Islander students
- lack of resources of parents to meet schooling and personal costs of students
- high need for counselling and allied health professionals (including costs associated with transport to health appointments)
- higher staffing costs and ratios because of the high student needs.

Our financial analysis incorporates a number of assumptions that are summarised in Part 6.

The financial analysis in this report is based on three-year financial and operational trend data for 2015, 2016 and 2017 from financial questionnaires provided to the Department of Education and Training (DET) by the boarding schools[135] included in this report. Gaps in the data has been supplemented by information from publicly available sources and financial statements, management accounts, census reports, enrolment data, consultation interviews and annual reports provided by boarding providers. For some boarding providers the data was incomplete and inconsistent, and assumptions were made to enable accurate and reliable comparisons to be made.

[135] The three-year trend data was only available for boarding schools and not for standalone boarding providers

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The level of investment

Aboriginal and Torres Strait Islander boarding providers receive funding and income from a number of sources to meet the cost of boarding for Aboriginal and Torres Strait Islander students. The total boarding revenue (excluding tuition revenue, which is outside the scope of this report) generated by the Aboriginal and Torres Strait Islander boarding providers from 2015 to 2017 is set out in the following table.

Table 9: Total boarding revenue and boarders 2015 — 2017, Aboriginal and Torres Strait Islander boarding providers

	2015	2016	2017	3 year average
No. of total boarders	2,174	2,193	2,155	2,174
No. of Aboriginal and Torres Strait Islander boarders	1,882	1,946	1,926	1,918
Total boarding revenue ($)	33,828,960	36,781,416	38,154,715	36,255,030

The increase in total boarding revenue from $33.8 million to $36.3 million is the largely the result of three new Aboriginal and Torres Strait Islander boarding providers commencing operations in 2016 or 2017. All three were classified as very small and did not have a major impact on the number of boarders in boarding. At the same time, the number of boarders at two medium sized boarding providers in the Northern Territory declined by 25 per cent and 30 per cent respectively, which had a measurable impact on the number of total boarders at the Aboriginal and Torres Strait Islander boarding providers.

The main sources of revenue for boarding providers are:

- Commonwealth recurrent school funding
- Indigenous Advancement Strategy (IAS)—Children and Schooling Program
- State and territory funding
- Donations, scholarships and other private income
- Scholarships
- ABSTUDY
- ABSTUDY fares allowance (reimbursement for travel costs)
- Private fees and parental contributions
- Underpinning funding from associated bodies and other parties
- Commonwealth Block Grant Authorities (capital funding).

The allocation of boarding revenue for Aboriginal and Torres Strait Islander boarding providers by source from 2015 to 2017 is shown in Graph 1. Across the three years, an average of 85 per cent of boarding revenue was sourced by Aboriginal and Torres Strait Islander boarding providers from fees and charges (including ABSTUDY)[136].

[136] ABSTUDY is not funding for boarding providers but support to Aboriginal and Torres Strait Islander students to pay boarding fees

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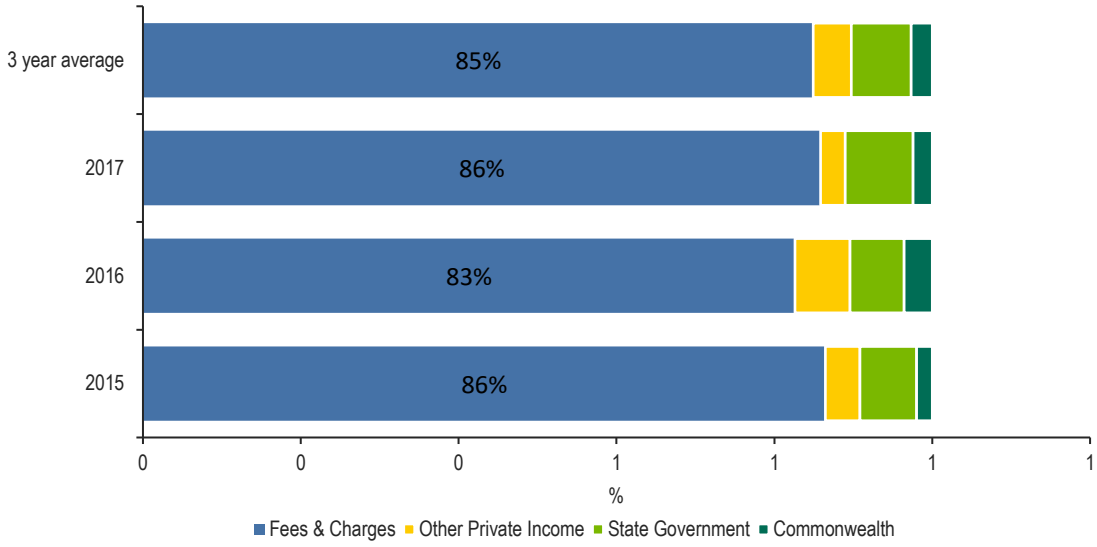
Graph 1: Sources of boarding income[137] for Aboriginal and Torres Strait Islander boarding providers



Boarding providers report fees and charges revenue, and the split of that revenue between tuition and boarding, in different ways. As such, it was not possible to determine the total ABSTUDY receipts for boarding only at each of the Aboriginal and Torres Strait Islander boarding providers.

Some boarding facilities are part of a school structure (boarding schools) and others are standalone facilities and boarders attend nearby or associated schools. Commonwealth recurrent school funding is provided to schools to meet the 'in-school educational costs of schools'[138] and some schools use this funding to contribute to costs associated with supporting boarding students more broadly. Standalone boarding providers are not able to access Commonwealth recurrent school funding and there is no specific recurrent Commonwealth funding specifically for boarding operations at a school or standalone boarding provider.

This report confirmed the findings of previous reviews and reports that the boarding revenue of Aboriginal and Torres Strait Islander boarding providers is insufficient to meet the full costs of boarding for Aboriginal and Torres Strait Islander students.

The three-year average annual revenue per boarder from 2015 to 2017 at the 27 Aboriginal and Torres Strait Islander boarding providers analysed for this report was $16,679 and the comparative average cost per boarder was $22,927, representing an average shortfall of $6,248 per boarder.[139] Across the three-year average of 1,918 Aboriginal and Torres Strait Islander boarders attending the boarding providers included in the analysis, this represents a total revenue shortfall of $11,982,732.

The median average revenue and cost per boarder for the Aboriginal and Torres Strait Islander boarding providers in 2017 was $18,697 and $25,012 respectively—a difference of $6,315 per boarder.

Table 1: Average annual revenue, cost and loss per boarder 2015 — 2017 at Aboriginal and Torres Strait Islander boarding providers

$	2015	2016	2017	3 year average
Average revenue per boarder	15,559	16,776	17,703	16,679
Average cost per boarder	20,629	23,296	24,858	22,927
Average surplus / (loss) per boarder	**(5,070)**	**(6,520)**	**(7,155)**	**(6,248)**

[137] Excludes tuition revenue
[138] *Australian Education Act 2013*
[139] The findings from the KPMG, 2016 report (*Non-Government Indigenous Boarding Schools: Review of funding arrangements for the Northern Territory Government, Department of Education*, KPMG, 2016) were; average revenue—$15,500, average cost—$26,000 and average shortfall—$10,437. KPMG, 2016 reviewed a smaller number of boarding providers and included depreciation costs, which have been excluded for this review

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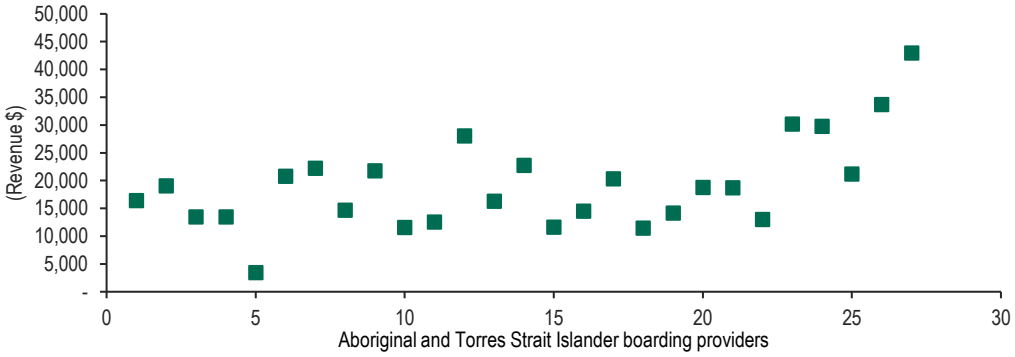
Graph 10: Average annual revenue, cost and loss per boarder 2015 — 2017 at Aboriginal and Torres Strait Islander boarding providers

As shown in Graph 10, revenue per boarder increased from 2015 to 2017 but the rate of increase of costs per boarder over the same period exceeded the growth in revenue leading to higher losses per boarder.

The average revenue and costs per boarder of Aboriginal and Torres Strait boarding providers vary significantly, depending on the circumstances of the boarding provider and its boarding population, and the model and location of boarding provision. Some providers are able to attract significant donations and contributions from philanthropics, leading to higher than average income. Also, some boarding providers are in start-up or standalone boarding facilities and cannot access Commonwealth or state/territory recurrent school funding and the costs of boarding is significantly higher than the average.

The following graphs show the distribution of the average boarding revenue and costs for Aboriginal and Torres Strait Islander boarding providers in 2017.

Graph 11: Distribution of average boarding revenue per boarder at Aboriginal and Torres Strait Islander boarding providers, 2017



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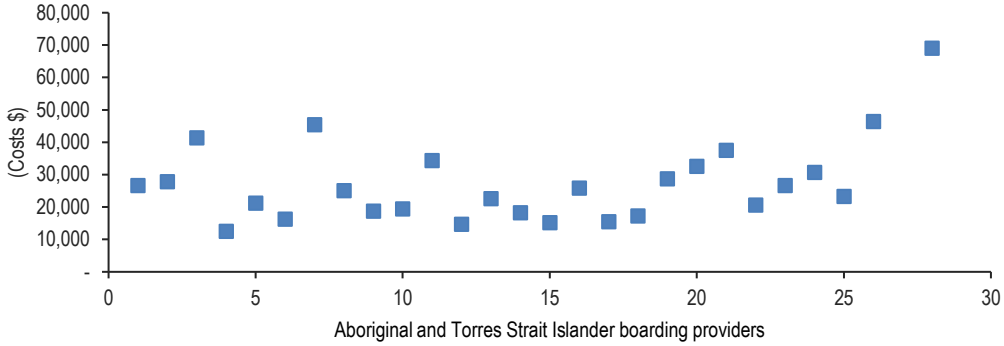
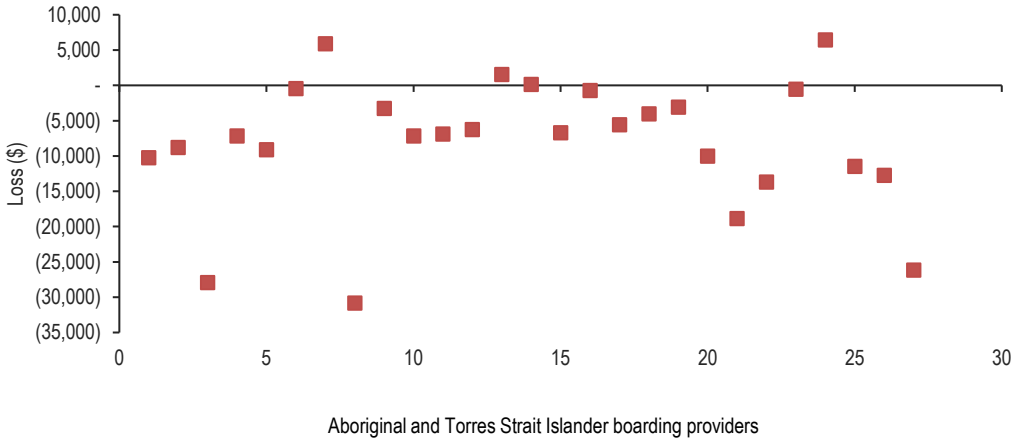
Graph 12: Distribution of average cost per boarder at Aboriginal and Torres Strait Islander boarding providers, 2017



The majority of the Aboriginal and Torres Strait Islander boarding providers included in this report incurred losses in their boarding operations from 2015 to 2017. Just six achieved a surplus in 2015, five in 2016 and four in 2017.

Graph 13: Distribution of average boarding surplus / (loss) per boarder at Aboriginal and Torres Strait Islander boarding providers, 2017



While only four Aboriginal and Torres Strait Islander boarding providers achieved a surplus per boarder in 2017, three of the providers achieved a consistent surplus per boarder in 2015, 2016 and 2017 and, as the above distribution graph indicates, a number of other providers reported only a small deficit in 2017. No common factors were identified as to why some boarding providers were achieving a surplus or a small deficit per boarder. The four providers that reported a surplus per boarder in 2017 had very different circumstances (Indigeneity, remoteness, size and school/standalone provider).

The revenue shortfall for Aboriginal and Torres Strait Islander boarding providers identified in this report is approximately 60 per cent of that identified by KPMG for the period from 2013 — 2015. While the average revenue identified by KPMG ($15,500) was comparable (7.6 per cent variance), the average cost ($26,000) was noticeably higher and therefore the average shortfall ($10,437) was also higher in the KPMG report.[140] KPMG, 2016 reviewed seven Northern Territory boarding providers[141] and six of the seven were also reviewed for this report. For those six Northern Territory boarding providers the three-year average annual cost per boarder for the period from 2015 — 2017 was $26,323 (excluding depreciation), which is equivalent to the KPMG, 2016 finding, which included depreciation.

[140] The findings from the KPMG, 2016 report (*Non-Government Indigenous Boarding Schools: Review of funding arrangements for the Northern Territory Government, Department of Education*, KPMG, 2016)
[141] St Philips College, Tiwi College, Kormilda College (Haileybury Rendall), St Johns Catholic College, Yirara College, Woolaning Homeland Christian College and Marrara Christian College, KPMG, 2016, p. 2

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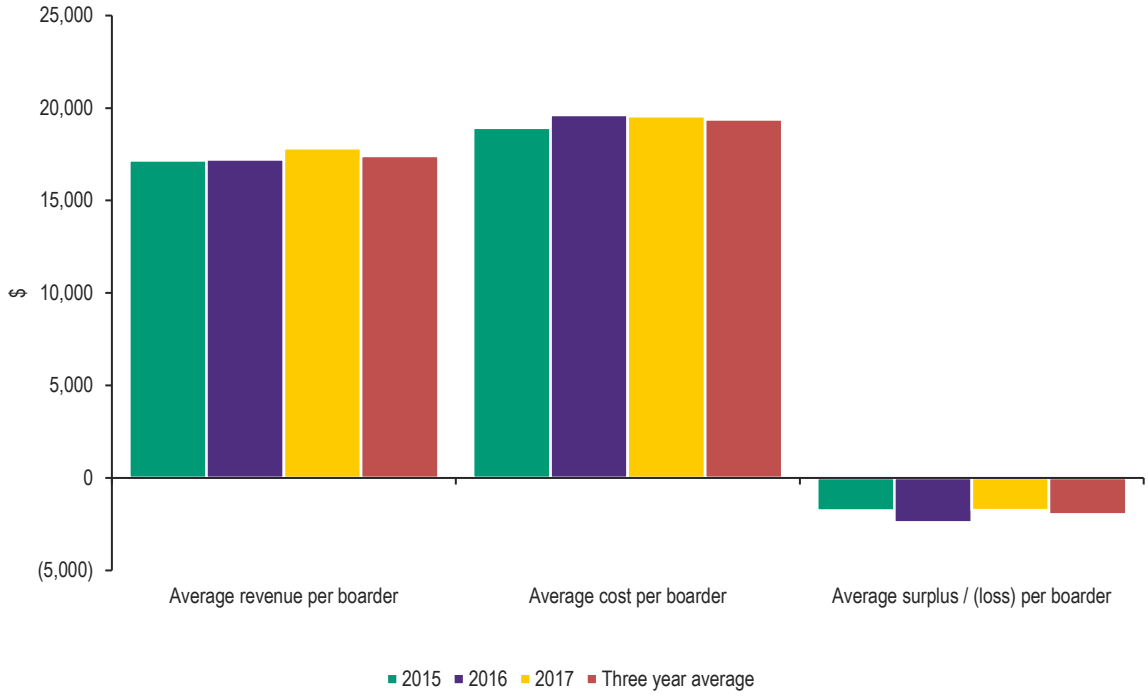
At the 23 mainstream boarding providers analysed, the average shortfall per boarder from 2015 — 2017 was $1,972. However, the median revenue and cost for the mainstream boarding providers in 2017 was $17,811 and $18,316 respectively—a difference of just $505 per boarder.

Table 2: Average annual revenue, cost and loss per boarder 2015 — 2017 at mainstream boarding providers

$	2015	2016	2017	Average
Average revenue per boarder	17,170	17,228	17,828	17,409
Average cost per boarder	18,941	19,637	19,566	19,381
Average surplus / (loss) per boarder	**(1,771)**	**(2,409)**	**(1,738)**	**(1,972)**

Graph 14: Average annual revenue, cost and loss per boarder 2015 — 2017 at mainstream boarding providers



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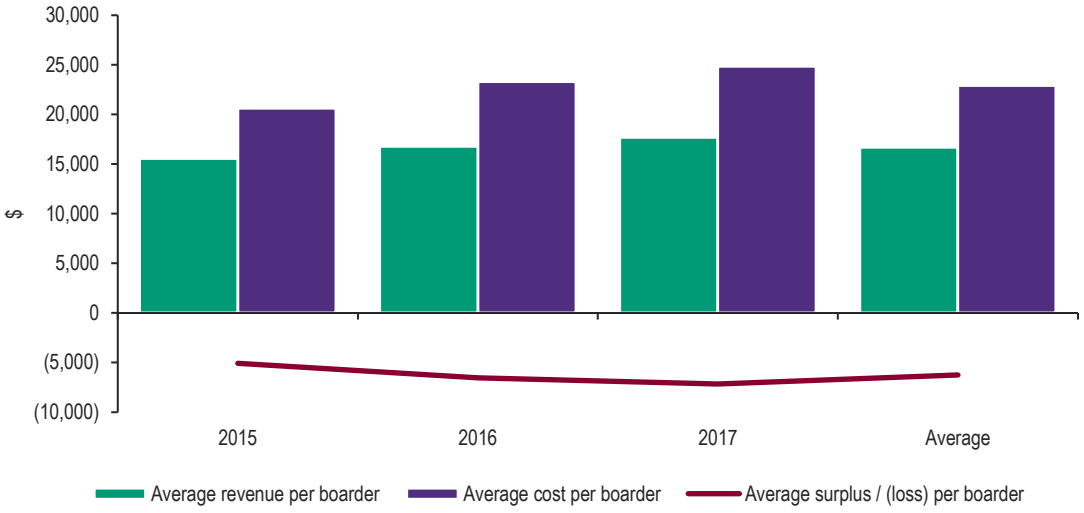
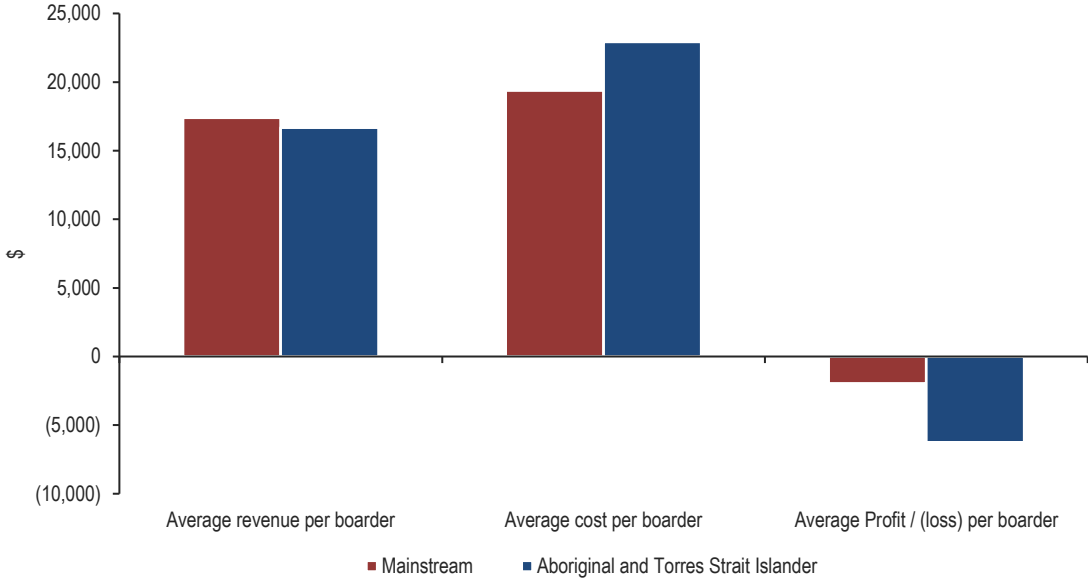
The comparison of the average three-year and yearly revenue and costs per boarder at Aboriginal and Torres Strait Islander and mainstream boarding providers are shown in the following graphs.

Graph 15: Comparison of annual average revenue, cost and loss per boarder 2015 — 2017: Aboriginal and Torres Strait Islander boarding providers



Revenue is lower and costs are higher for Aboriginal and Torres Strait Islander boarding providers.

Graph 16: Comparison of three-year average annual revenue, cost and loss per boarder 2015 — 2017: Aboriginal and Torres Strait Islander and mainstream boarding providers



Aboriginal and Torres Strait Islander boarding providers are using accrued surpluses or funding from other sources to address the revenue shortfall in delivering boarding for Aboriginal and Torres Strait Islander secondary students. These sources include, but are not limited to, Commonwealth recurrent school funding, one off grants, such as through the Indigenous Advancement Strategy, donations and underpinning funding from state and territory governments and associated bodies, such as religious orders and sporting organisations.

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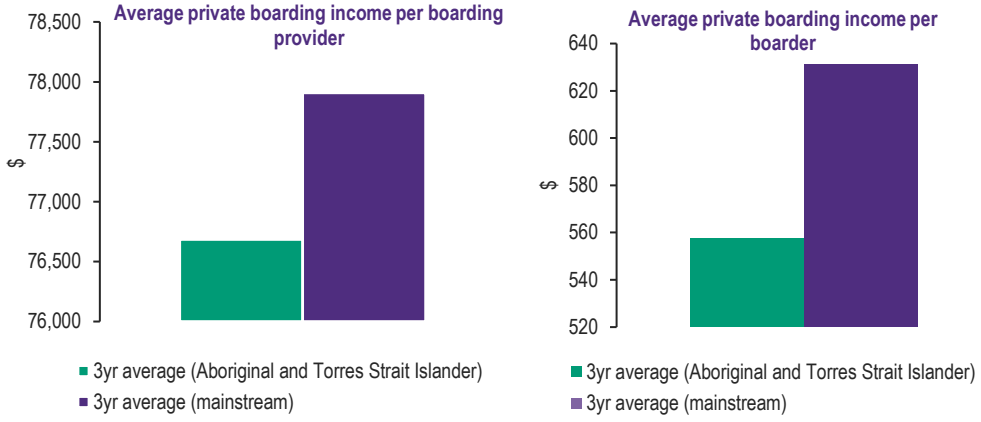
Some boarding providers have been very successful in identifying other sources of revenue to support boarding. The majority of the high cost boarding providers receive support from donors or underpinning funding from state and territory governments. One of the highest average cost boarding providers received more than $1 million in donations/philanthropic support in 2016 and achieved an operating surplus. Two boarding providers that receive underpinning funding from government explained that ABSTUDY payments were uncertain and unpredictable and the underpinning funding enabled the provider to develop plans, employ staff with certainty and develop budgets for delivering the best services without relying solely on ABSTUDY.

The total private other boarding income generated by Aboriginal and Torres Strait Islander boarding providers represents only 5 per cent of the income but is an important contributor to meeting shortfalls in revenue from other sources. As referred to above, some of the smaller boarding providers delivering newer models of boarding for Aboriginal and Torres Strait Islander students have generous donors and supporters and rely heavily on this source of income to meet the costs of boarding. In 2016 this source of income accounted for 64 per cent of the total boarding income for one very small provider and 20 per cent for another small provider, compared to an average of seven per cent for all Aboriginal and Torres Strait Islander boarding providers in 2016.

The level of private other boarding income at Aboriginal and Torres Strait Islander boarding providers is lower than for the mainstream boarding providers in terms of averages per school and per boarder, but not significantly as shown in the following graphs.

Graph 17: Private recurrent boarding income of Aboriginal and Torres Strait Islander boarding providers and mainstream boarding providers, three-year average per school and boarder, 2015 — 2017



The funding model

A number of previous reviews and reports have considered the funding model for Aboriginal and Torres Strait Islander boarding and made recommendations for reform. CAEPR, 2017 referenced the funding structure for school recurrent Commonwealth funding for tuition under the *Australian Education Act 2013*, which, in basic terms, includes a base amount of funding plus loadings to address disadvantage and the needs of students and schools. This is commonly known as the Gonski funding model. 'The consequence of this model is that schools with larger proportions of Aboriginal and Torres Strait Islander students and with larger proportions of students from low socio-economic backgrounds have a higher loading applied to their education funding'.[142] More information on the recurrent funding structure is provided in Part 11.

[142] CAEPR, 2017, p. 12

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In contrast, CAEPR noted that ABSTUDY is a welfare measure to assist Aboriginal and Torres Strait Islander people to take advantage of educational opportunities, including secondary boarding through the ABSTUDY Living Allowance. ABSTUDY Living Allowance is means tested and reduces as the income of parents or carers increases[143]. As noted previously, ABSTUDY is not direct funding from the Commonwealth to a boarding provider. It is an individual student entitlement to help pay tuition and boarding fees up to a certain amount. It is paid to a boarding provider on the student's behalf. A number of boarding providers consulted referred to parents and guardians utilising cultural family caring arrangements for children to eliminate or reduce the impact of ABSTUDY means testing, and noted a potential impact on employment.

> ABSTUDY is a disincentive to take up employment as it is a means tested welfare measure.[144]
> Some parents won't work because it will mean they will lose ABSTUDY.[145]

Some Aboriginal and Torres Strait Islander boarding providers and peak bodies recommended a funding model for Aboriginal and Torres Strait Islander boarding that incorporates base funding and similar loadings for disadvantage and need as exist in the funding model for Commonwealth recurrent school funding. It was suggested that this model would provide greater funding certainty for boarding providers, address the current shortfall in revenue and enable boarding providers to better meet the high needs of most Aboriginal and Torres Strait Islander boarders. The factors contributing to the cost of boarding delivery for Aboriginal and Torres Strait Islander, along with an examination of those factors that may warrant a boarding funding loading, are discussed in Part 13.

[143] ABSTUDY Living Allowance reduces by 20 cents for every dollar of parental income over $53,728 up to $160,000 (increased from $150,000 from 1 January 2019 and increases by $10,000 for every dependent child under 22 years). The more children in a family (the family pool), the less the parents' or guardians' income affects the allowance, https://www.humanservices.gov.au/individuals/subjects/changes-student-payments-from-1-january-2019, accessed in January 2019

[144] Consultation—very small boarding provider, Northern Territory

[145] Consultation—small boarding provider, Queensland

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13. Boarding costs

An analysis has been undertaken of the costs of providing boarding at the boarding providers included in this report to:

- understand the quantum and adequacy of funding
- understand the ways in which funding and other revenue sources are being expended to best meet the boarding needs of Aboriginal and Torres Strait Islander students.

The analysis does not consider whether the costs or the quantum of costs were appropriate or efficient in the delivery of boarding.

The analysis found that the cost of boarding varies considerably depending on the model of delivery and the circumstances of the student cohort and the boarding provider. The three year average annual cost per boarder of boarding at Aboriginal and Torres Strait Islander boarding providers over the period from 2015 to 2017 varied significantly from a minimum of $11,914 per boarder (small remote school/boarding provider) to a maximum of $69,072 per boarder (small regional city standalone boarding provider). Given the extent of the variables and determinants of boarding cost, it is therefore not possible to determine an optimal or standard unit cost of boarding for Aboriginal and Torres Strait Islander secondary students. This conclusion is consistent with the Guenther, 2017—'the complexity [of the permutations and combinations of the mechanisms and elements] suggests that a singular focus on models or on funding or on promoting aspiration will not result in a consistent set of outcomes as might be hoped for.'

Size of boarding provider

The size of a boarding provider is a key determinant in the average cost of boarding per boarder. The data identifies clear economies of scale in the delivery of boarding services for Aboriginal and Torres Strait Islander students.

Boarding providers were categorised into size based on their total enrolment.[146] The average of total enrolment across 2016 and 2017 was used to address any anomalies. School size categories used for the purposes of the analysis in this report and the number of Aboriginal and Torres Strait Islander boarding providers in each size category are set out below:

- **very small**—less than 50 students (six boarding providers)
- **small**—between 50 and 225 students (nine boarding providers)
- **medium**—between 226 and 600 students (eight boarding providers)
- **large**—over 600 students (four boarding providers).

The data suggests that the size of a boarding provider is a determinant of the average cost of boarding for Aboriginal and Torres Strait Islander students. The average cost of boarding at very small boarding providers (less than 50 students) and small boarding providers (50 – 225 students) was $30,956 and $22,136 respectively, compared to $16,845 for large providers (over 600 students).

Of the 23 mainstream boarding providers analysed, five were classified as medium and 18 as large. The average three-year cost per boarder was $17,745 and $19,733 respectively. Average boarding costs at large Aboriginal and Torres Strait Islander boarding providers are comparable to the costs at medium mainstream boarding providers and lower than the large mainstream providers. The four large Aboriginal and Torres Strait Islander boarding providers by total enrolments had between 25 and 115 Aboriginal and Torres Strait Islander boarders but the proportion of Aboriginal and Torres Strait Islander students to total students was classified as low and ranged from 6 per cent to 18 per cent. This, and the small sample size, may partly explain the comparability of average boarding cost. The proportionality of Aboriginal and Torres Strait Islander students to total students as a determinant of cost is addressed below.

[146] Total enrolments are used in classifying boarding providers by size rather than boarding students as it is more reflective of the overall operations of a boarding facility. Where the boarding facility is also a school total enrolments include day students as well as boarders. The numbers of boarding providers in each category is small and caution should be exercised in interpreting the data by size of boarding provider

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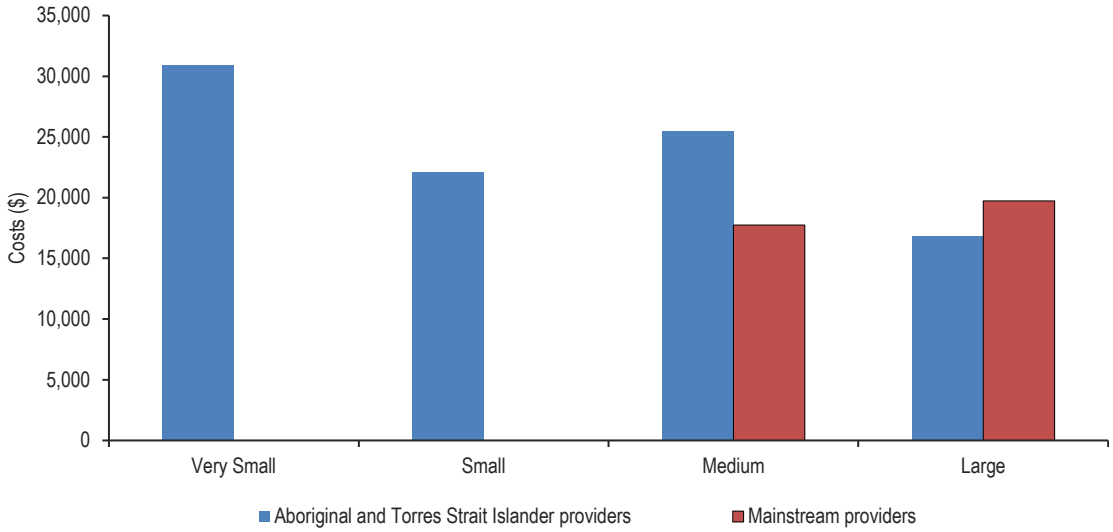
Graph 18: Comparison of three-year average annual boarding costs at Aboriginal and Torres Strait Islander and mainstream boarding providers by size of provider, 2015 — 2017



Despite the additional costs per boarder associated with operating as a small or very small boarding provider, some Aboriginal and Torres Strait Islander boarding providers have taken a conscious decision to limit the number of enrolments to provide a tailored and flexible boarding experience for students. The providers indicated that they are better able to individually address the needs of a boarder, particularly for those students with high needs or disadvantage. The principal of a very small Aboriginal and Torres Strait Islander boarding provider in a remote location also noted that small enrolments enabled staff and management to better manage costs and operations. The principal indicated that even though the provider may not be able to provide the same level of services as a large boarding provider, it has been able to achieve small surpluses in each year of its operations across combined tuition and boarding.

The economies of scale lacked by the very small and small Aboriginal and Torres Strait Islander boarding provides support for consideration of a funding loading based on total enrolments. As set out in the Australian Education Act 2013, the SRS is made up of amendments to the *Australian Education Act 2013* is made up of a base amount for every student, along with six loadings to provide extra funding for disadvantaged students and schools. A 'school size loading' already exists in the Schooling Resource Standard (SRS). 'This loading provides extra funding for medium, small and very small schools in recognition that they cannot achieve the same efficiencies of scale as a large school. This is the only tuition loading that is calculated as a set dollar or fixed amount (rather than proportion of the base amount) depending on the size of a school. Secondary schools with up to 700 students attract a size loading. The size loading is scaled, with primary schools with between 15 and 200 students attracting the maximum loading of $178,877 and secondary schools with between 100 and 500 students attracting the maximum loading of $286,203 in 2019.[147]'

Socio-economic background of boarders

> Parents' affluence (reflected in their occupation and the suburb where they live) and their level of educational attainment are known to have a major influence on the education attainment of their children.[148]

All Aboriginal and Torres Strait Islander boarding providers reported that Aboriginal and Torres Strait Islander boarders from disadvantaged and/or trauma backgrounds require a higher level of support services than other boarders. This is predominately health, emotional well-being, education, cultural and social support services.

> Approximately 95 per cent of the time of the school nurse is devoted to addressing the health issues of Aboriginal boarders but the salary and on-costs of the nurse are charged to tuition.[149]

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[147] https://www.education.gov.au/what-schooling-resource-standard-and-how-does-it-work, accessed January 2019
[148] O'Bryan, M, Shaping futures, shaping lives: an investigation into the lived experience of Aboriginal and Torres Strait Islander students in Australian boarding schools, University of Melbourne, 2016 (O'Bryan, 2016)
[149] Consultation with remote Aboriginal and Torres Strait Islander boarding provider

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The data indicates that the cost of boarding may indeed be influenced by the socio-economic background of Aboriginal and Torres Strait Islander students.

Twenty-three of the Aboriginal and Torres Strait Islander boarding providers[150] have an allocated ICSEA score.[151] The ICSEA measures the occupational and educational status of students' parents by looking at factors like occupation, completed school education and highest level of post-school education. It was developed by the Australian Curriculum, Assessment and Reporting Authority.

Only four of the providers had an ICSEA score above the mean score of 1,000. Two of the boarding providers had ICSEA scores of just 591 and 603 respectively, some of the lowest for any secondary schools in Australia, placing them in the category of extremely disadvantaged. One boarding provider had an ICSEA score of 651 in 2017 but in 2018 this declined to a score of just 546. Given the predominance of ICSEA scores below the mean, clusters below the national mean score were used for the ICSEA scores of the boarding providers under analysis, being:

- **Lower**—below an ICSEA score of 800 (11 providers)
- **Higher**—over an ICSEA score of 800 (11 providers).

Twenty-three of the Aboriginal and Torres Strait Islander boarding providers were analysed.[152] Eleven of the providers had an ICSEA score lower than 800 and 11 had a score in excess of 800.

NAPLAN results and attendance rates for Aboriginal and Torres Strait Islander boarding providers with lower ICSEA scores are significantly lower than the providers with higher ICSEA scores and mainstream boarding providers. Seven of the 23 Aboriginal and Torres Strait Islander boarding providers (30 per cent) had nil senior certificates[153] awarded across 2015 and 2016. Six of those seven schools had an allocated ICSEA score and all scores were in the lower range, ranging from 588 - 794.

Of the 23 mainstream boarding providers, only two (9 per cent) had an ICSEA score below the mean of 1,000. The limited disadvantage of the mainstream boarding providers and their student population provides a useful benchmark for estimating the additional cost of boarding services for Aboriginal and Torres Strait Islander students and comparing educational indicators. As expected the NAPLAN results and attendance rates for students at the mainstream boarding providers exceeded the comparable figures for even the Aboriginal and Torres Strait Islander boarding providers within the cluster of higher ICSEA scores. By way of emphasis, the figures for the Aboriginal and Torres Strait Islander boarding provider with the highest ICSEA score (1,077) were below the averages for the mainstream boarding providers.

Table 10: Educational indicators: NAPLAN and attendance—comparison between Aboriginal and Torres Strait Islander and mainstream boarding providers, 2015 — 2017

	NAPLAN average[154]	Average attendance[155]
All Aboriginal and Torres Strait Islander boarding providers	475	82%
Aboriginal and Torres Strait Islander boarding providers (ICSEA score <800)	459	73%
Aboriginal and Torres Strait Islander boarding providers (ICSEA score >800)	557	89%
Aboriginal and Torres Strait Islander boarding provider with highest ICSEA score (1,077)	566	91%
Mainstream boarding providers	581	93%

[150] Only schools receive an ICSEA score. Standalone boarding providers are therefore excluded from the analysis of the socio-economic background of boarders. Not all schools were allocated an ICSEA in 2017. In these cases the most recent ICSEA score available was utilised
[151] This data was sourced from ACARA's My School website. The latest available data for each school has been used, which in most cases is 2017
[152] A combined ICSEA score is utilised for Marrara Christian College and NT Christian College using the Marrara Christian College score, reducing the number of schools from 23 to 22
[153] Data sourced from ACARA's My School website, www.myschool.gov.au
[154] The NAPLAN average is the average reported NAPLAN result for the five NAPLAN test domains (reading, writing, spelling, grammar and numeracy) for years 7 and 9, for both 2016 and 2017. This data was sourced from ACARA's My School website. This indicates the relative level of academic achievement for students from each school who participated in standardised NAPLAN testing over these years
[155] Attendance is the number of actual full-time equivalent student days attended by full-time students as a percentage of the total number of possible student days attended over the (reporting) period for years 1 - 10. Here this is expressed as the average attendance over Semester 1 and Term 3 for 2016 and 2017 (the latest available data). This data was sourced from ACARA's My School website

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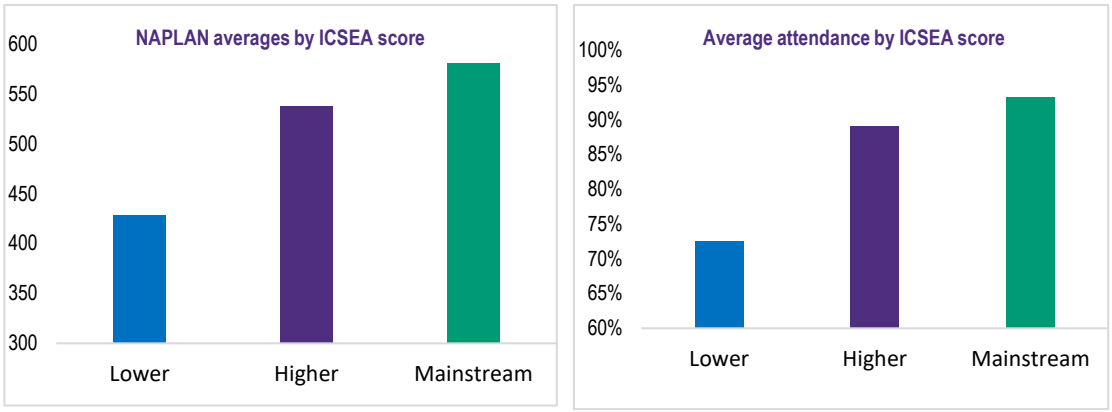
Graph 19: Educational indicators: NAPLAN and attendance—comparison between Aboriginal and Torres Strait Islander and mainstream boarding providers by ICSEA score, 2015 — 2017



What is the actual cost of providing additional support services to address the disadvantage of Aboriginal and Torres Strait Islander boarding students?

As expected, the differential in boarding costs increases as disadvantage increases. The average annual cost of boarding per boarder for the period from 2015 — 2017 for boarding providers with a lower ICSEA score (<800) was $23,591 compared to $21,406 for providers with an ICSEA score of greater than 800, a differential of $2,185 per boarder. However, if the boarding providers are clustered using the mean score of 1,000 the differential increases significantly to $6,156 boarder ($23,342 and $17,186).

Graph 20: Average annual boarding cost per boarder by ICSEA score of Aboriginal and Torres Strait Islander and mainstream boarding providers, 2015 — 2017

The differential in the average cost of boarding at the Aboriginal and Torres Strait Islander boarding providers with a lower ICSEA score ($23,951), and the mainstream boarding providers ($19,381), is $4,570 per boarder.

A comparison of the three-year averages of annual revenue, costs and surplus/(loss) per boarder by ICSEA classification of Aboriginal and Torres Strait Islander boarding providers is set out in the following graph.

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Graph 21: Three-year average revenue, cost and loss per boarder at Aboriginal and Torres Strait Islander boarding providers by ICSEA score, 2015 — 2017

The findings in this report are similar to those in other reviews and reports—the investment required to support Aboriginal and Torres Strait Islanders in boarding increases with the level of disadvantage of the students and the boarding provider. More information regarding disadvantage is provided throughout this report.

ABSTUDY payments are already structured in way that is intended to address elements of disadvantage.[156]

ABSTUDY Living Allowance is means tested and parents and guardians with lower incomes will be entitled to the maximum payment rate. The entitlement reduces for dependent children as parental income in the previous financial year increases (subject to certain prescribed exemptions). Boarding providers with a higher proportion of ABSTUDY supported students from lower income families will therefore receive higher proportional fee revenue from ABSTUDY.

Table 11: The effect of parental income for tax year 2017-18 on ABSTUDY means tested payments in 2019[157]

Parental income	Effect on payment
$53,728 or less	No change, however the maintenance income test may still affect it.
More than $53,728	Reduced by 20 cents for every dollar over. This depends on number of children in family pool.

Parental income includes:

- combined parental taxable income
- tax free pensions and benefits
- fringe benefits
- income from outside Australia
- reportable superannuation contributions, and
- total net investment losses such as negative gearing losses.

[156] ABSTUDY is a targeted equity-based payment. Aboriginal and Torres Strait Islander boarding students receive support of up to $17,000 per year compared to non-Indigenous boarding students, with means-testing built in to this amount to target support to those most in need
[157] https://www.humanservices.gov.au/individuals/services/centrelink/abstudy/eligibility/income-and-assets-tests#personalincome, accessed in March 2019

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In addition, ABSTUDY supported students from remote and very remote locations are entitled to a non-means tested remote area allowance. As earlier referenced in this report, in the 2016 Census and for the first time, more than half of all Aboriginal and Torres Strait Islander people in very remote areas were in income poverty (Markham, 2018). The ABSTUDY remote area allowance, while only $474.50 per student in 2019, is therefore likely to contribute to slightly higher revenue for boarding providers to address the high proportion of disadvantage experienced by boarders from remote and very remote locations.

Reviewing the structure of payments supporting Aboriginal and Torres Strait Islander boarding students to include an expanded or directly targeted loading for disadvantage or need though would assist in addressing the financial pressures faced by many Aboriginal and Torres Strait Islander boarding providers. It would also enable providers to expand or improve existing support services for boarders from disadvantaged and/or trauma backgrounds. The loading could be based on the Schooling Resource Standard socio-educational disadvantage loading set out in the *Australian Education Act 2013*. This loading provides 'extra funding' on top of the base amount for each student from a socio-educationally disadvantaged background. The loading amount is based on the percentage of students in the lowest two quartiles of socio-educational advantage (ICSEA). In 2019, the socio-educational disadvantage loading is expected to account for 9.5 per cent of all Commonwealth recurrent school funding, highlighting its importance to schools in meeting the additional tuition costs of students from disadvantaged backgrounds[158]. Similar direct funding for Aboriginal and Torres Strait Islander boarders from disadvantaged backgrounds would be of equal value to boarding providers in meeting the recognised additional boarding costs associated with disadvantage.

Indigeneity

The proportion of Aboriginal and Torres Strait Islander students to total enrolments at a boarding provider has an impact on educational indicators and the cost of boarding.

For years 7 and 9 in both 2016 and 2017, the NAPLAN results for all Aboriginal and Torres Strait Islander students were below that of non-Indigenous students in all five test domains (as set in the table below). The Prime Minister's 2018 Closing the Gap Report indicated that there remains challenges in closing the gap in terms of literacy and numeracy for Aboriginal and Torres Strait Islander students with the proportion of Indigenous students achieving national minimum standards in NAPLAN on track in only one area (year 9 numeracy).[159]

Table 12: NAPLAN comparison results for all Aboriginal and Torres Strait Islander and non-Indigenous students, 2016 & 2017

	2017					2016					2 year average
	Reading	Writing	Spelling	Grammar	Numeracy	Reading	Writing	Spelling	Grammar	Numeracy	
Aboriginal and Torres Strait Islander students											
Year 7	476	435.4	489	466	484.7	476.2	442.7	482.4	467.4	479.8	**470.0**
Year 9	516.9	465.4	520.9	500.2	533.7	520.2	474.3	519.4	507.4	526.6	**508.5**
Overall NAPLAN average											**489.2**
Non-Indigenous students											
Year 7	548.9	517.6	553.2	546	558	544.6	519.3	546.4	544.2	553.7	**543.2**
Year 9	584.6	557	584.9	577.8	595.3	584.3	553.5	583.9	572.9	592.5	**578.7**
Overall NAPLAN average											**560.9**

Another measure of student educational outcomes is attendance. Data published by the Australian Curriculum, Assessment and Reporting Authority (ACARA) indicates that the national school attendance rate for Aboriginal and Torres Strait Islander students in 2018 was 82.3 per cent, compared to 92.5 per cent for non-Indigenous students[160].

[158] https://www.education.gov.au/what-schooling-resource-standard-and-how-does-it-work, accessed January 2019
[159] *Closing the Gap: Prime Minister's Report 2018*, Department of the Prime Minister and Cabinet, 2018, p. 58
[160] Student attendance rate by Indigenous status and state/territory for years 1-10 students in all schools, 2018; www.acara.edu.au, accessed in January 2019. Attendance rate is defined as the number of actual full-time equivalent student-days attended by full-time students in Years 1-10 as a percentage of the total number of possible student-days attended over the period.

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Case study 8: Improving attendance

> The average attendance rate of Aboriginal and Torres Strait Islander students in 2018 at the 23 mainstream boarding schools included in this report was 92.7 per cent, and only slightly below the rate of 94.4 per cent for non-Indigenous students at the same boarding schools. At one mainstream boarding provider the attendance rate for Aboriginal and Torres Strait Islander students at 95 per cent actually exceeded the attendance rate for non-Indigenous students.[161]

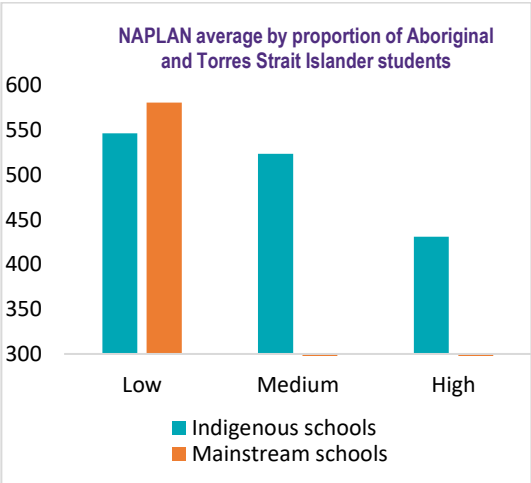
The Aboriginal and Torres Strait Islander boarding providers analysed in this report have been classified into three categories according to the proportion of Aboriginal and Torres Strait Islander enrolments to total enrolments. The average enrolments over 2016 and 2017 have been used. This data was sourced from ACARA's MySchool website and from consultations with boarding providers. The categories used are:

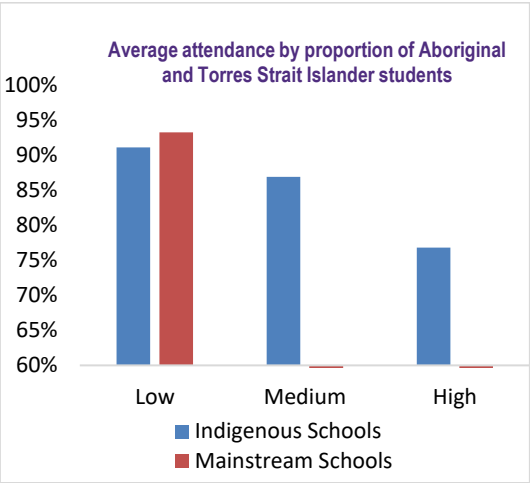
- **Low**—the proportion of Aboriginal and Torres Strait Islander enrolments is below 20 per cent of the total enrolments (5 providers)
- **Medium**—20 to 65 per cent (5 providers)
- **High**—over 65 per cent (17 providers)

The proportion of Aboriginal and Torres Strait Islander students at the Aboriginal and Torres Strait Islander boarding providers ranged from 6 per cent to 100 per cent. The median proportion was 98.8 per cent and at 12 boarding providers (44 per cent) all of the students were Aboriginal or Torres Strait Islander, or both.

Grant Thornton found that that boarding providers with a high proportion of Aboriginal and Torres Strait Islander students achieve lower NAPLAN results and attendance rates, which is consistent with the ACARA data, and incur greater costs in delivering boarding. Attendance ranged from an average of 77 per cent (high proportion of Aboriginal and Torres Strait Islander students) to 91 per cent (low proportion). Average NAPLAN results[162] ranged from 431 to 547.

Graph 22: Educational indicators for Aboriginal and Torres Strait Islander boarders by proportion of Aboriginal and Torres Strait Islander students





Aboriginal and Torres Strait Islander boarding providers with a proportion of more than 65 per cent Aboriginal and Torres Strait Islander students incurred an average cost of boarding of $24,229 per boarder, compared to just $17,267 for those providers with an Aboriginal and Torres Strait Islander student population less than 20 per cent. All mainstream boarding providers had a proportion of Aboriginal and Torres Strait Islander enrolments to total enrolments below 20 per cent. The proportion of Aboriginal and Torres Strait Islander students at mainstream providers ranged from 1 per cent to 16 per cent and the median value was 2.5 per cent with a three year average cost of $19,381 per boarder.

[161] Data sourced from ACARA's My School website, www.acara.edu.au, accessed in January 2019
[162] The NAPLAN average is the average reported NAPLAN result for the five NAPLAN test domains (reading, writing, spelling, grammar and numeracy) for years 7 and 9, for both 2016 and 2017. This data was sourced from ACARA's My School website

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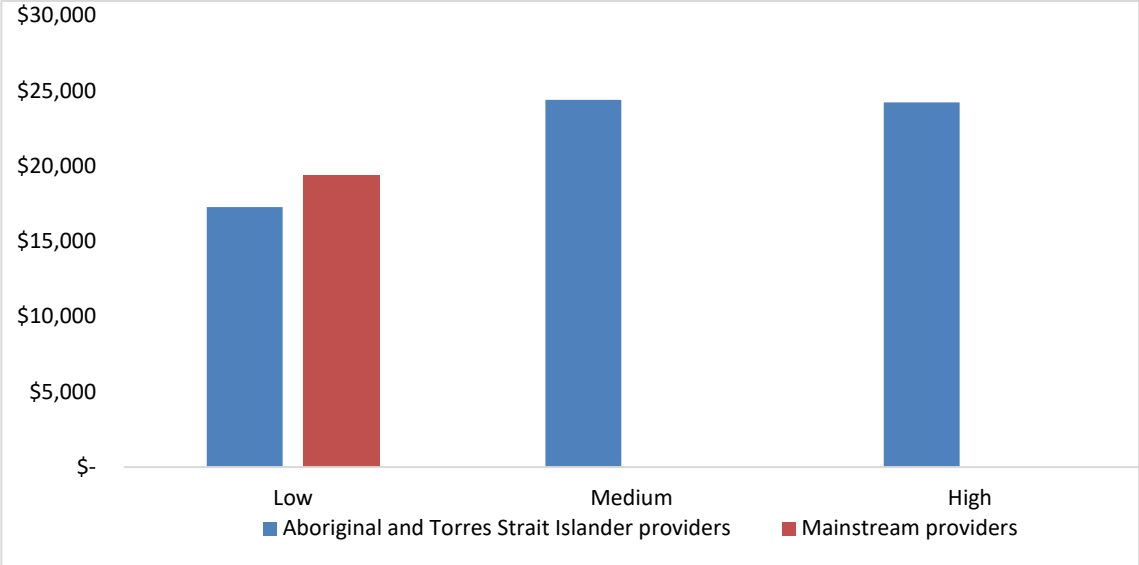
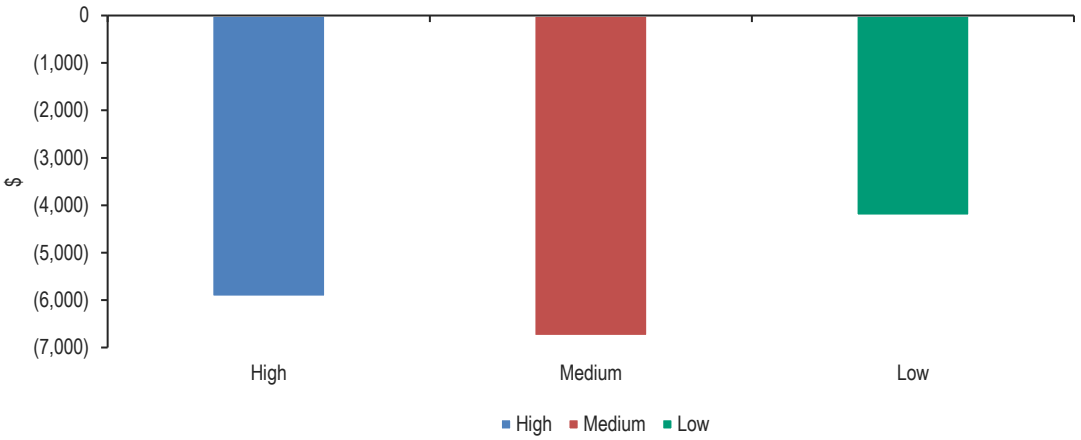
Graph 23: Average boarding cost per boarder by proportion of Aboriginal and Torres Strait Islander students, 2015 — 2017



The shortfall per boarder between revenue and costs for Aboriginal and Torres Strait Islander boarding providers was on average higher for providers with a medium or high proportion of Aboriginal and Torres Strait Islander boarders. The three year average shortfall per boarder across 2015—2017 by proportion of Aboriginal and Torres Strait Islander students was $5,934 (high), $6,762 (medium) and $4,226 (low) and is set out in the following graph.

Graph 24: Three year average shortfall per boarder at Aboriginal and Torres Strait Islander boarding providers as proportion of Aboriginal and Torres Strait Islander students, 2015 — 2017



There is no indication that there are economies of scale achieved by increasing the proportion of Aboriginal and Torres Strait Islander boarders. The data supports suggestions made by some boarding providers that funding for boarding at Aboriginal and Torres Strait Islander boarding should attract a loading based on the proportion of Aboriginal and Torres Strait Islander boarders.

As with socio-educational disadvantage, a similar loading already exists in the Schooling Resource Standard set out in the *Australian Education Act 2013*. 'This loading provides extra funding on top of the base amount for each Aboriginal and Torres Strait Islander student. The amount of extra funding for each student depends on the proportion of Aboriginal and Torres Strait Islander students in a school. If there is a single Aboriginal or Torres Strait Islander student in the school, the loading is 20 per cent of the base amount. If 100 per cent of the students in the school are Aboriginal and Torres Strait Islander students, the loading is 120 per cent of the base amount.[163]'

[163] https://www.education.gov.au/what-schooling-resource-standard-and-how-does-it-work, accessed January 2019

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Remoteness

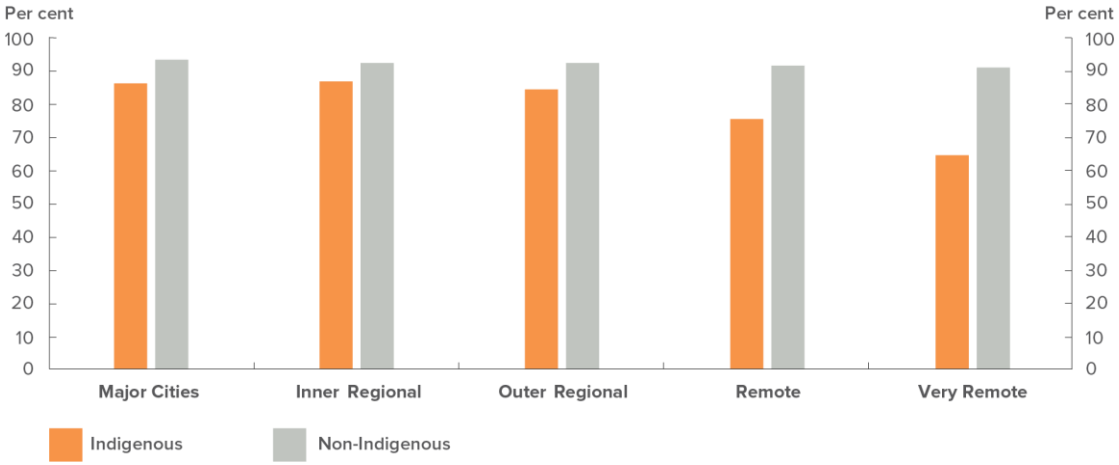
The data is inconclusive as to whether remoteness is a factor in the cost of boarding provision for Aboriginal and Torres Strait Islander students.

Remoteness in this report utilises the Australian Bureau of Statistics' Australian Statistical Geography Standard Remoteness Structure, which divides Australia into '*five classes of remoteness on the basis of a measure of relative access to services. Access to services are measured using the Accessibility and Remoteness Index of Australia (ARIA+)*.'[164] The five classes of remoteness and the number of Aboriginal and Torres Strait Islander boarding providers analysed in this report in each class are set out below:

- **Major Cities of Australia** (four boarding providers)
- **Inner Regional Australia** (two boarding providers)
- **Outer Regional Australia** (12 boarding providers)
- **Remote Australia** (three boarding providers)
- **Very Remote Australia** (six boarding providers).

Attendance rates[165] for all Aboriginal and Torres Strait Islander students are lower in remote and very remote areas, as shown in the below graph.

Graph 25: Student attendance rates, by remoteness, Semester 1, 2017[166]



While the attendance rates of students at Aboriginal and Torres Strait Islander boarding providers167 is below the rate for the mainstream boarding providers it exceeds the national school attendance rate of 83.2 per cent for all remoteness categories, other than remote. The average attendance rate at the five very remote Aboriginal and Torres Strait Islander boarding providers included in the data set (84 per cent) actually exceeds the national attendance rate for Aboriginal and Torres Strait Islander students (83.2 per cent) and the average attendance rate of all Aboriginal and Torres Strait Islander students in very remote areas (65 per cent).

[164] http://www.abs.gov.au/websitedbs/D3310114.nsf/home/remoteness+structure
[165] Attendance rates refers to number of actual full-time equivalent student days attended by full-time students in Years 1–10 as a percentage of the total number of possible student days attended over the (reporting) period. It does not include year 11 and 12 students. Data sourced from ACARA, www.acara.edu.au
[166] Closing the Gap: Prime Minister's Report 2018, Department of the Prime Minister and Cabinet, 2018, p. 53, data for year 1 — 10 students, data source, ACARA, 2017
[167] Where the boarders of a standalone boarding provider attended one school only, the attendance rate of that school was used as the indicative attendance rate for that boarding provider. Where boarders attended multiple schools, no attendance rate was allocated to the standalone boarding provider

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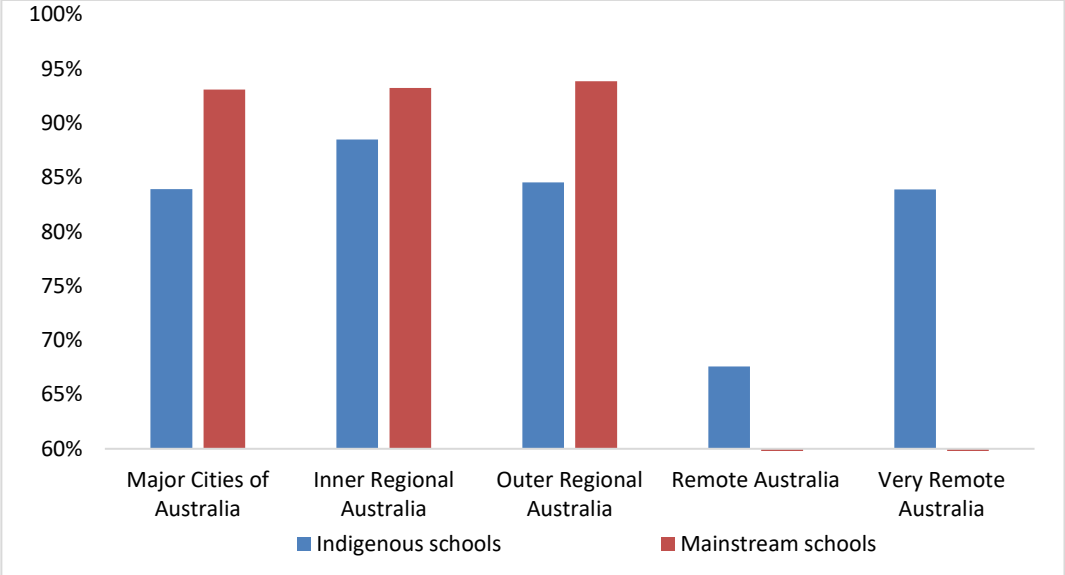
Graph 26: Average attendance at Aboriginal and Torres Strait Islander boarding providers and mainstream boarding providers, 2015 — 2017

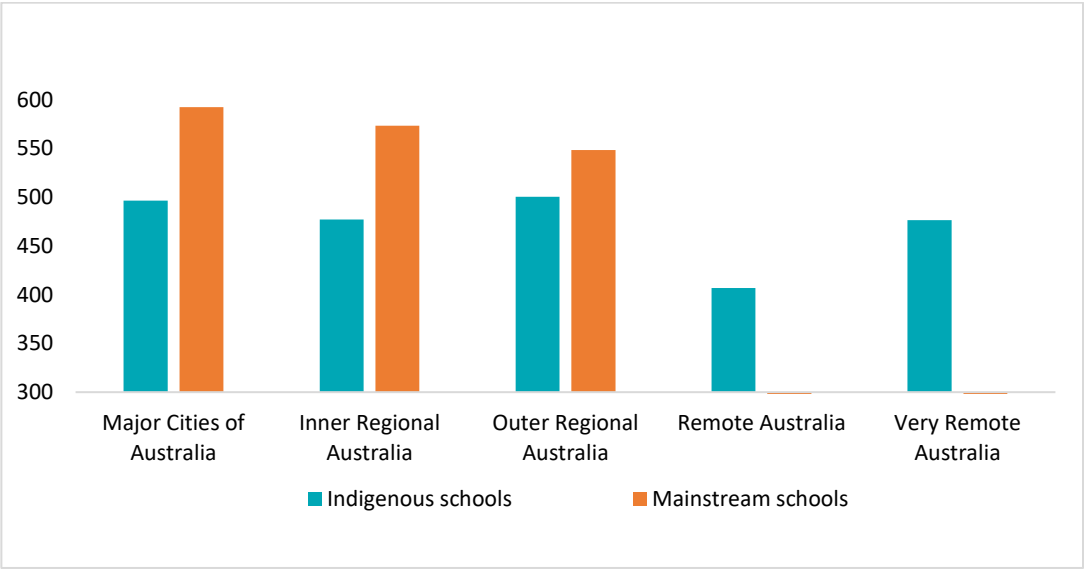


In the 2016 Census 47 per cent of Aboriginal and Torres Strait Islander people aged 20 to 24 years reported that they had completed Year 12 or its equivalent—up from 32 per cent in the 2006 Census. The comparable figure for non-Indigenous people in the 2016 Census was 79 per cent.[168]

Year 12 attainment rates are also lower in remote and very remote areas. In 2014-15 Aboriginal and Torres Strait Islander year 12 attainment rates in remote and very remote regions was 41.7 per cent compared to 63.1 per cent for major cities.[169]

NAPLAN results for students at the very remote Aboriginal and Torres Strait Islander boarding providers are higher than expected, with better outcomes than remote Aboriginal and Torres Strait Islander boarding providers and equivalent to outcomes at the inner regional providers.

Graph 27: Average NAPLAN at boarding providers, 2015 — 2017



[168] Australian Bureau of Statistics, *Aboriginal and Torres Strait Islander Population, 2016*, www.abs.gov.au, accessed in January 2019
[169] Department of the Prime Minister and Cabinet, *Closing the Gap: Prime Minister's Report 2018*, 2018, p. 66, Source: Steering Committee for the Review of Government Service Provision, 2016

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All five of the very remote Aboriginal and Torres Strait Islander boarding providers are categorised as small or very small. While caution is required given the small sample size, the data supports some of the anecdotal feedback received that smaller specialised boarding facilities in very remote locations are able to achieve higher levels of engagement with Aboriginal and Torres Strait Islander students and better educational outcomes.

A number of boarding providers noted additional costs associated with remoteness, particularly around staffing costs, electricity and freight. The three-year average cost per boarder was highest at very remote Aboriginal and Torres Strait Islander boarding providers ($28,208). However, the average cost of Aboriginal and Torres Strait Islander boarding providers in major cities ($25,021) and outer regional areas ($26,384) was only slightly lower very remote providers and actually higher than remote providers ($19,441).

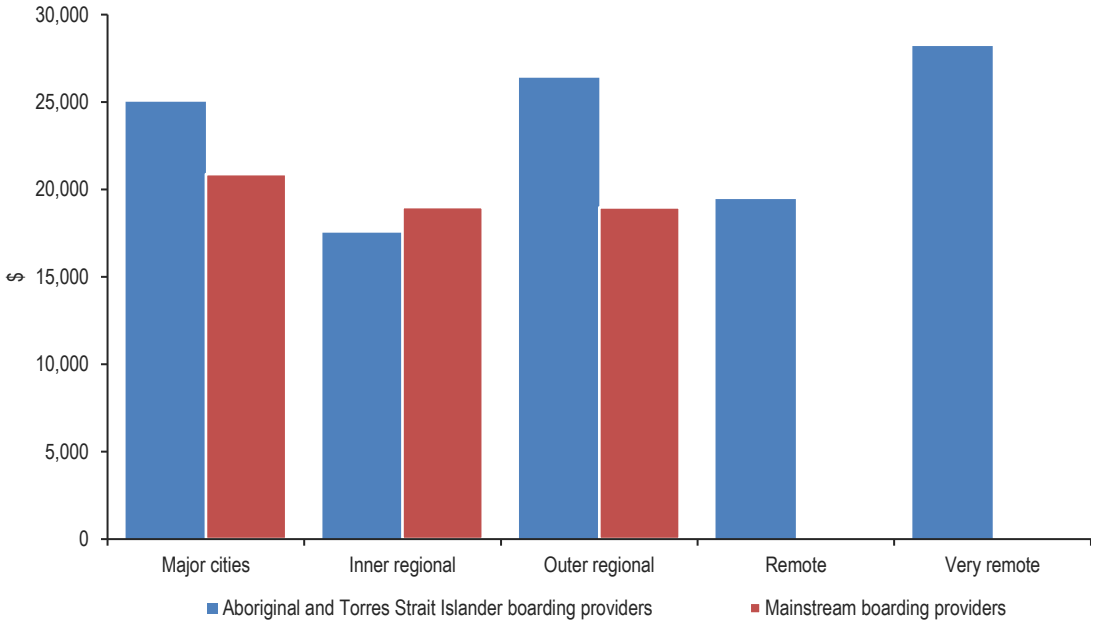
The two highest cost individual Aboriginal and Torres Strait Islander boarding providers were actually located in a major regional centre and a capital city. The high cost of these two providers was however a factor of the model of boarding provided rather than location. The lowest cost Aboriginal and Torres Strait Islander boarding providers were located in remote locations but the model of boarding delivery of these providers had a greater impact on cost than location.

The 23 mainstream boarding providers analysed in this report were located in major cities, inner regional and outer regional areas. There only slight variations in the average cost of boarding provision between remoteness classifications of the mainstream boarding providers, although there were no mainstream providers located in remote or very remote locations.

Table 13: Three-year average cost of boarding provision per boarder at Aboriginal and Torres Strait Islander boarding providers and mainstream boarding providers by remoteness 2015 — 2017

$	Major cities	Inner regional	Outer regional	Remote	Very remote
Aboriginal and Torres Strait Islander boarding providers	25,021	17,534	26,384	19,441	28,208
Mainstream boarding providers	20,881	18,984	18,970	-	-

Graph 28: Three-year average cost of boarding provision by remoteness 2015 — 2017



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Case study 9: The cost of remoteness

One boarding provider in a very remote location provided examples of the additional costs of remoteness. Over the three year period from 2015 — 2017 the provider paid an average of $32,890 per annum in freight ($539 per boarder). Despite the higher costs associated with remoteness, the provider has taken a deliberate approach to reduce costs to ensure their fees remain competitive with boarding providers in capital cities and regional centres. The provider, a standalone boarding provider, also noted that while Commonwealth recurrent funding for tuition received a loading for remoteness, ABSTUDY did not attract a similar loading to meet higher boarding fees at a remote or very remote provider. The maximum ABSTUDY entitlement to meet boarding fees is currently the same whether a student attended a capital city boarding provider or a very remote provider.

Despite the additional costs associated with remoteness, Grant Thornton found that a number of Aboriginal and Torres Strait Islander boarding providers are embracing remoteness to provide better outcomes for boarders and reduce homesickness and cultural disconnect.

Case study 10: Embracing remoteness

One small Aboriginal and Torres Strait Islander boarding provider established its facilities in a very remote location away from home communities and made a conscious decision to not install a mobile phone tower at the location to minimise community distractions that can affect attendance. The provider also provides a wide range of sporting and other activities to keep students engaged and 'to assist students in developing resilience and learning how to cope with the demands of boarding school life' in the remote location. The attendance rate at the boarding provider in 2017 (75.5 per cent) exceeded the attendance rate at the other secondary school in the region (62 per cent) by 13.5 per cent and the jurisdiction wide attendance rate of 66 per cent.

Case study 11: Connecting culture with education, The Yiramalay/Wesley Studio School, Fitzroy Crossing, Western Australia[170]

'In November 2004, a unique and special partnership between the Bunuba Aboriginal people of the Fitzroy Valley Community in the Kimberley, Western Australia, and the community of Wesley College Melbourne, was established to bring about positive change through education.

The Yiramalay/Wesley Studio School is named after the Yiramalay Spring and is located on Leopold Downs Station at the Yiramalay Community, which is approximately 80kms north-west of Fitzroy Crossing in the Kimberley Region of Western Australia. The studio school began operations on 15 August 2010.

In a new model of schooling, Yiramalay brings together Aboriginal and non-Aboriginal students in both remote outback and urban Australian environments. The concept of the studio school is a place of hands-on practical, work-related learning on country which allows students in Years 10, 11 and 12 to build relationships and to participate fully in the opportunities for industry learning and personal/social learning across cultures in a residential setting. The location and residential nature of the studio school allows students to be fully immersed in the culture and local community whether in the Kimberley or in Melbourne. Students spend two terms of the school year on country at Yiramalay during the dry season (Terms 2 and 3) and two terms in Melbourne (Terms 1 and 4) at Wesley College. Although the business model allows flexibility to cater for each individual boarder's needs.

[170] Sourced from http://www.wesleycollege.net/Wesley-Life/Yiramalay-Wesley-Studio-School.aspx, and the ACARA MySchool website, accessed in January 2019

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Wesley College, Melbourne, is the educational provider of the Studio School educational programs at both Yiramalay and in Melbourne. All teaching and pastoral staff are appointed by Wesley College and local people are involved in the development and delivery of the language, culture, history and on country aspects of the program.

Average student attendance over 2016 and 2017 was 82 per cent and 70 per cent of students at Yiramalay completed year 12 and 80 per cent completed year 11—all well above the national averages for students in very remote areas. Nearly 75 per cent of students go on to employment continued education. The school has also reported measurable improvements in student health—increased mental well-being, improved sleep and improved physical fitness.'

The Yiramalay/Wesley Studio School employs people from the home communities of students to act as mentors for boarders to support their health and well-being and maintain connection with culture and community.

While the data is inconclusive in relation to remoteness as a determinant of cost of boarding, logic and the anecdotal evidence provided during consultations would suggest that boarding in remote and very remote locations would be more costly than providing the same service in other areas. The Schooling Resource Standard for recurrent Commonwealth school funding reaches this same conclusion and includes a 'school location loading'. 'This loading provides extra funding for schools in regional and remote locations in recognition that it generally costs more to educate students going to school in regional and remote areas than it does for students in city-based schools. The loading is based on a school's Accessibility/Remoteness Index of Australia (ARIA) score, a measure of the remoteness or accessibility of every location in Australia, as a percentage to both the per student base amount and the school's size loading.'[171]

Age of boarders

A not insignificant number of Aboriginal and Torres Strait Islander and mainstream boarding providers receiving ABSTUDY living allowance[172] charge differential fees based on age, usually higher for older boarders.

Grant Thornton found no reliable evidence to support a finding that age plays a contributing factor in the cost of boarding or support services for Aboriginal and Torres Strait Islander students. This finding was supported by most of the consultations with boarding providers and peak bodies. This would tend to support the combination of the ABSTUDY under 16 supplement with the ABSTUDY living allowance to create consistent ABSTUDY living allowances for boarding students from 1 January 2019.[173]

All boarding providers highlighted the importance and cost of successfully transitioning Aboriginal and Torres Strait Islander students into boarding. The providers have extensive support services in place for students and families to ameliorate homesickness and cultural disconnect, and to address the high levels of disadvantage and trauma backgrounds within the Aboriginal and Torres Strait Islander boarder cohort. These support services are expensive. Most students transitioning to boarding are in the younger age groups but older students also transition to boarding for the first time and access transition support services. The cost of these services though are a factor of transitioning to boarding for the first time or to a new boarding provider, and not age.

Special assistance schools

Special assistance schools (SAS)[174] play an important role in meeting the needs of students that have had a disrupted education due to disadvantage. A number of new small scale SAS boarding providers specialising in Aboriginal and Torres Strait Islander boarding have opened in recent years, such as the Holy Spirit boarding campus in Cooktown, Queensland. These facilities provide an individualised, flexible and culturally appropriate learning environment for Aboriginal and Torres Strait Islander boarders, as well

[171] https://www.education.gov.au/what-schooling-resource-standard-and-how-does-it-work, accessed January 2019
[172] Data supplied by the Department of Human Services of 215 schools and boarding providers that receive ABSTUDY payments in 2018 for students studying away from home
[173] *Student measures 2018 Budget, 2018*, www.dss.gov.au
[174] Special assistance schools 'provide alternative educational settings for students with high-level needs, such as severe social, emotional and behavioural issues, and cater for students with disability, as well as students who are at risk, or whose needs are better met by flexible learning structures that may not be available in other schools. … These schools generally serve young people who are disengaged from education and whose needs are not met by mainstream education', 2018, www.isca.edu.au.

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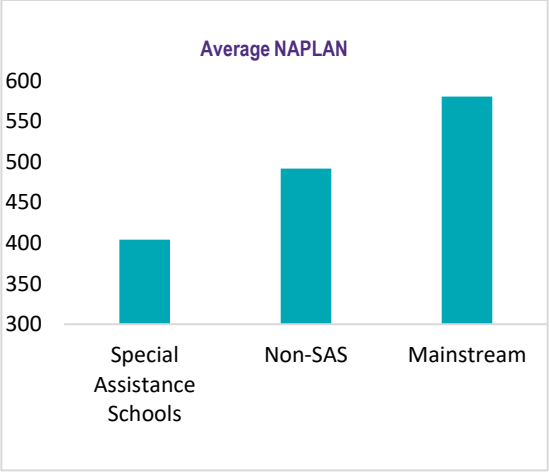
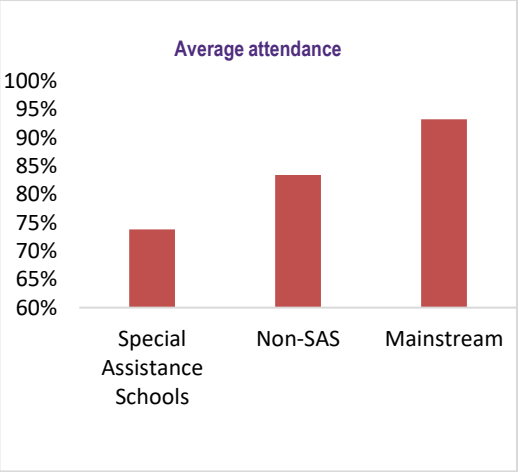
as providing access to counselling, social and emotional well-being and health services aimed at addressing disadvantage and disability.

As expected, special assistance boarding schools have lower outcomes in terms of attendance, formal qualifications (graduations) and NAPLAN results compared to non-SAS Aboriginal and Torres Strait Islander boarding schools. Despite the higher needs of students, the three-year average cost of boarding per boarder at such SAS at $22,623 is unexpectedly comparable to the average cost of boarding at non-SAS at $22,956.[175] SAS receive additional funding to meet the additional cost of educating their students but not for boarding. SAS are exempt from the 'capacity to contribute' discount applied to Schooling Resource Standard funding (Gonski funding) and receive a disability[176] loading for each student based on the Nationally Consistent Collection of Data on School Students with Disability.[177]

Graph 29: Aboriginal and Torres Strait Islander special assistance boarding providers and mainstream boarding providers, NAPLAN results and attendance, 2015 — 2017





[175] There were only four special assistance schools included in the analysis for this report and given the small sample size, caution should be exercised in interpreting the data
[176] Additional funding is available for physical, cognitive, sensory and social/emotional disabilities defined in the *Disability Discrimination Act 1992*
[177] Department of Education and Training website, www.education.gov.au, accessed January 2019

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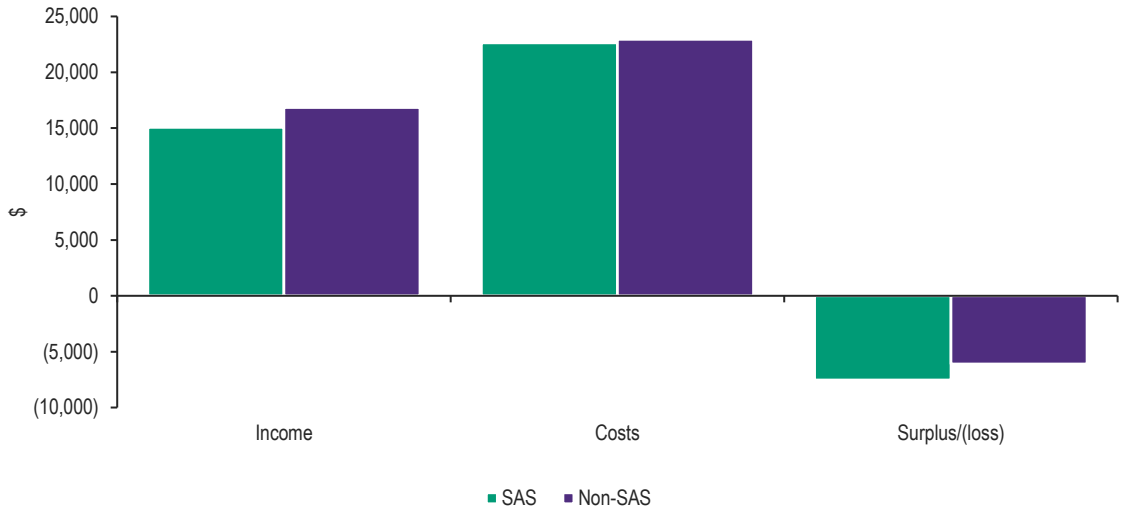
Graph 30: Aboriginal and Torres Strait Islander special assistance schools, three-year revenue, costs and deficit, 2015 — 2017



Type of boarding accommodation

Grant Thornton found no discernible variance in average cost based on the type of boarding accommodation. This is consistent with the findings of KPMG, 2016.

Aboriginal and Torres Strait Islander boarding providers deliver boarding through a wide variety of boarding accommodation types. This includes traditional dormitories, family group homes, accommodation pods, offsite standalone residences that are not part of a school structure or accommodation designed and developed specifically to meet the needs of Aboriginal and Torres Strait Islander students, and models combining a number of different types of residence and accommodation.

> Boarding Australia has seen a range of innovative and emerging approaches to Indigenous boarding emerge in recent years. Such approaches include derivatives of the family group home model, hostel accommodation and dormitory style boarding schools. Each model has strengths and weaknesses, and parents are attracted to different elements of each model.[178]

There is no one type of boarding accommodation that will meet the needs of all Aboriginal and Torres Strait Islander boarders. The variety of accommodation types on offer across Australia provide options for parents and their children.

Aboriginal and Torres Strait Islander boarding providers highlighted the importance of providing 'culturally safe accommodation'. A number of providers noted the importance of also providing options for shared accommodation (dormitories, multiple bed rooms or pods) for Aboriginal and Torres Strait Islander boarders to ameliorate homesickness. Examples were provided of boarders moving their bed or mattress from a single room to the room of a friend as a coping mechanism against homesickness.

Marrara Christian College in Darwin in the Northern Territory operates a family group home boarding model, with students living in family group homes (two are located on-campus and eight off-campus). KPMG, 2016[179] identified Marrara as the lowest cost per boarder model of the eight boarding providers included in its review. Another family group home boarding provider, Tiwi College, was also included in the KPMG, 2016 review and it was the highest cost per boarder provider of the eight providers. This was consistent with Grant Thornton's findings. This would suggest that the average cost per boarder was a factor of variables other than type of boarding accommodation.

[178] Boarding Australia, *National Indigenous Boarding Strategy: Submission to inquiry into educational opportunities for Aboriginal and Torres Strait Islander students*, submission 21, https://www.aph.gov.au/Parliamentary_Business/Committees/House/Indigenous_Affairs/EducationalOpportunities/Submissions?main_0_content_1_RadGrid1ChangePage=1_20, p. 3, accessed in January 2019,
[179] KPMG, 2016, p. 12

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Standalone v combined

As discussed in Part 12, Aboriginal and Torres Strait Islander boarding providers are structured as either part of a school structure (boarding schools) or as standalone facilities with boarders attending nearby or associated schools. Boarding schools are able to utilise Commonwealth recurrent 'in-school educational' funding to contribute to costs associated with supporting boarding students. Standalone boarding providers are unable to access this funding. For instance, the cost of a counsellor at a boarding school may be split between tuition and boarding, whereas at a standalone boarding provider the cost is entirely a boarding cost.

Grant Thornton also found a strong correlation between the operational performance of school and boarding operations at boarding schools. If the school was performing well, so was the boarding residence, and vice versa.

Five of the Aboriginal and Torres Islander boarding providers included in the analysis for this report are standalone. The average cost per boarder in 2017 at the five standalone providers all exceeded the three year average annual cost per boarder at all Aboriginal and Torres Strait Islander boarding providers ($22,927). The average cost at one boarding provider in 2017 though was lower than the 2017 median average cost of $25,012. The average cost per boarder in 2017 at the other standalone boarding providers significantly exceeded the 2017 median.

The data justifies consideration of a loading or additional funding support for standalone boarding providers.

Sector restructuring challenges and costs

There is a transition occurring in the Aboriginal and Torres Strait Islander boarding sector away from the traditional long established large boarding providers to a new model of boarding provider that caters for smaller numbers of boarders, usually from a common background or home geographical region. In the last decade a number of new smaller boarding providers or campuses of existing facilities have also opened in remote and very remote locations to reduce the incidence of homesickness and cultural and community disconnect. Smaller boarding providers are able to provide flexible tailored services for high needs boarding students and adapt faster to changing funding, enrolments and costs.

> We need to understand where it is we are getting results so we can hone in on those and apply the methods elsewhere. ….. Ultimately, we need to find local solutions that empower parents and children and deliver what is needed in their particular community.[180]

Case study 12: Dawurr Boarding

Nhulunbuy High, Dawurr Boarding, Nhulunbuy Northern Territory

Dawurr Boarding is part of the Northern Territory Government's Nhulunbuy High School. It accepted its first students in 2017. It was jointly funded by the Northern Territory and Commonwealth Government and represents an investment of $20 million into boarding for Aboriginal students in North East Arnhem Land.

The aim of Dawurr is to 'provide students and their parents with the choice of schooling closer to home'. All of the boarders in 2018 were from Arnhem Land but none were from the Laynhapuy homelands, the remote homelands closest to Nhulunbuy. Most of the boarders came from home communities on islands off the Arnhem Land coast.

Dawurr boarding has capacity for up to 40 boarders in one, two and four student bedrooms. It has a commercial kitchen and dining room, tuition rooms, a multi-purpose art and music centre, amphitheatre as well as sporting facilities and open plan gardens. "During the planning, we recognised that distance and being away from family was going to be a challenge for students and we have extensive support programs in place to help students transition smoothly into boarding life," Sabina Smith, Principal, Nhulunbuy High.[181] Dawurr Boarding is funded through ABSTUDY payments and targeted funding from the Northern Territory Government.

[180] Edward Tudor, Executive Director, Melbourne Indigenous Transition School, interview with *The Australian*, 17 February 2017, www.mits.vic.edu.au

[181] Media release, Eva Lawler, then Minister for Education (NT), 20 May 2017, www.newsroom.nt.gov.au and consultation information provided by Dawurr Boarding in October 2018

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Case study 13: Tiwi College, Pickataramoor

Tiwi College, Pickataramoor, Melville Island, Northern Territory

Tiwi College is an independent boarding school established in 2008. It is owned and managed by Tiwi Islanders through the Tiwi Education Board. It is located at Pickataramoor on Melville Island, approximately 50kms from the nearest community. There is no mobile phone reception in Pickataramoor.

The Tiwi elders that had the original vision for the college wanted it located central to the three main communities on the Tiwi islands but still isolated from the communities of the islands. This enables students to be 'on site and thus able to be involved in a 24 hour learning environment, uninterrupted in order to help them be "work ready"'. Locating the college on country has enabled students to remain connected with their community and culture.

Students board during the week and are accommodated in family group homes. They return to their home communities on Friday afternoon of each week. The cost of this travel is borne by the college and not met through ABSTUDY travel.

The average cost per student of Tiwi College is relatively high at $81,800 ($31,032[182] for boarding costs) but the college has been successful in delivering improved educational outcomes with NAPLAN results improving since 2008, and consistently high attendance rates (average student attendance rates at Tiwi College exceed the all Northern Territory average and the attendance rate of the other secondary school on the Tiwi Islands). The high cost is related to the remoteness of the boarding provider, but also its intensive support services for boarders, including its Restorative Practices framework. The college's success attracts generous donations and philanthropic support.

The current trend away from the traditional long established large Aboriginal and Torres Strait Islander boarding providers is interesting as it is diametrically opposed to the trend that occurred before the year 2000. In a 2014 paper[183], Indigenous Education and Boarding Australia noted that most of the original network of smaller remote boarding residences, often with a high proportion of Aboriginal and Torres Strait Islander boarders, had closed over time and boarders had 'migrated to larger regional boarding schools'. As a result, the Northern Territory Government was 'focussing its future funding on larger boarding schools'.

The transition in the sector away from large Aboriginal and Torres Strait Islander boarding providers has had an impact on the large providers in terms of enrolment numbers and financial performance. One large well respected Aboriginal and Torres Strait Islander boarding provider that has been in operation for more than 50 years, has seen its predominately Aboriginal and Torres Strait Islander boarding population decline from 177 boarders in 2012 to 74 in 2018 (a 58 per cent reduction).

In February 2018, the Independent Schools Council of Australia issued a media statement highlighting the issue.

> The Independent Schools Council of Australia (ISCA) is warning that there may not be any large-scale Independent boarding schools for Indigenous secondary students remaining unless changes are urgently made to the structure and level of ABSTUDY funding.
>
> ISCA commissioned a comprehensive ABSTUDY review last year by the Centre for Aboriginal Economic Policy Research at the Australian National University (ANU). The report, "*Barriers and Bureaucracy, Bridges and Brokers*", highlighted that Independent schools were struggling with significant issues associated with managing ABSTUDY.
>
> ……

[182] Three-year average cost per boarder, 2015 — 2017 (boarding income only). This figure is identical to the finding of KPMG, 2016, p. 12 for the years 2013 — 2015
[183] Lewis, Simon, *Boarding Australia Inc., Positioning Document*, unpublished, June 2014

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> ISCA Executive Director Colette Colman said, "The Independent sector is currently Australia's largest provider of Indigenous boarding facilities, and is frequently the only provider of educational boarding for these students in locations outside of metropolitan areas. Currently there are around 12,500 Indigenous students in Independent schools with around 2,400 of these students boarding. However, around 250 boarding beds have already closed in the last two years with the potential for a further 200 beds to close in the next 12 months."[184]

A number of the smaller specialised boarding providers have also been established as special assistance schools to cater for Aboriginal and Torres Strait Islander students with high-level needs, severe trauma backgrounds and behavioural issues. Another noticeable trend is for philanthropics, sporting organisations or large mainstream schools for to establish or support smaller specialist boarding providers as a genuine contribution to closing the gap in Aboriginal and Torres Strait Islander educational outcomes.

Case study 14: Holy Spirit, Cooktown

Holy Spirit, Cooktown, Queensland

Holy Spirit is a Catholic special assistance school for high needs Aboriginal students and operates across two campuses, one in Manoora, Cairns and a co-ed boarding facility in Cooktown. Boarding opened in mid-2015 in response to a need to provide boarding options for Cape York students, particularly those from the community of Hopevale.

The Cooktown campus has a capacity for 38 boarders and in term 3, 2018 had an enrolment of 26. The majority of boarders are from Hopevale and they are free to return to community on weekends.

Holy Spirit focusses on students that dis-engaged from mainstream education and provides a modified school program for students based on an individual development plan for each student. The development plan typically include employment and training options as well as transitioning to mainstream schools or boarding providers. Holy Spirit has comparatively higher staff to student ratios than other comparable boarding providers in remote areas but focuses on employing the right staff with the skills and background to work with its high needs students.

Construction of the boarding facilities in Cooktown was funded by the Queensland Government.

The operations of the boarding facility are entirely funded from ABSTUDY receipts and government recurrent funding. The school generates a small surplus each year before depreciation.

Long established regional and remote Aboriginal and Torres Strait Islander boarding providers also spoke of the impact of the increasing investment by largely capital city based mainstream boarding providers in boarding for Aboriginal and Torres Strait Islander students from regional, remote and very remote areas. These providers and some of the peak bodies raised concerns about what is referred to in the sector as 'cherry picking' or 'harvesting' of potential boarding students. While the intervention of leading mainstream schools into the provision of boarding for Aboriginal and Torres Strait Islander students is welcomed, it is recognised that this is placing increased financial pressure on some Aboriginal and Torres Strait Islander boarding providers, particularly the larger long established providers. This financial pressure is attributable to a number of factors, but the main two factors are reduced enrolments from increased competition and a higher proportion of high needs students, requiring a greater investment in support services.

Guenther, 2017[185] addressed cherry picking and noted that limiting investment to a narrow set of students with strong attributes will deliver a narrow set of outcomes and not have the same outcomes as broader investment in boarding.

Some Aboriginal and Torres Strait Islander boarding providers may require assistance with restructuring to meet the challenges of the changing trends in Aboriginal and Torres Strait Islander boarding. Such assistance could include restructuring funding, external advice on boarding delivery and the use of underutilised facilities, and support to build the internal capacity of boarding providers.

[184] https://isca.edu.au/2018/02/12/indigenous-boarding-schools-threat-unless-abstudy-issues-urgently-addressed/, 12 February 2018, accessed in January 2019
[185] Guenther, 2017, p. 10

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RECOMMENDATION 10: SECTOR CHANGE

Provide advice on transitioning and restructuring to boarding providers experiencing difficulty with changing trends in boarding provision for Aboriginal and Torres Strait Islander students.

The professional networks of Aboriginal and Torres Strait Islander boarding providers and the composition of their boards should include a greater diversity of skills and experience relevant to financial management, boarding and cultural practices. Increase awareness of existing programs to assist not for profits in regional, remote and very remote regions to identify, recruit and train appropriately qualified directors and committee members, particularly Aboriginal and Torres Strait Islander people.

Scholarship and social programs have also led to changes in the sector. Greater numbers of Aboriginal and Torres Strait Islander students now have the opportunity to access leading Australian schools in state capital cities and major regional centres around the country. These programs usually target high performing students and have impacted upon enrolments at the traditional long established Aboriginal and Torres Strait Islander boarding providers. Aboriginal and Torres Strait Islander boarders that may have in the past attended large Aboriginal and Torres Strait Islander boarding providers are now increasingly attending large mainstream boarding providers as a result of scholarships, ongoing investment through ABSTUDY and increasing household incomes (median weekly household income for Aboriginal and Torres Strait Islander people increased from $991 in the 2011 Census to $1,203 in the 2016 Census (a 21 per cent increase)[186]).

A relevant recommendation relating to scholarships is made in Part 0 and is repeated below.

RECOMMENDATION 9: SCHOLARSHIP ARRANGEMENTS

Review scholarship funding arrangements to provide greater opportunities for Aboriginal and Torres Strait Islander boarding students to attend Aboriginal and Torres Strait Islander boarding providers and other providers located in regional, remote and very remote areas.

Critical mass for boarding

Is there a minimum number of boarders required to make a boarding facility viable based on existing available funding?

It is difficult to accurately determine a critical mass for boarding delivery for Aboriginal and Torres Strait Islander students given the significant variances in the type and purpose of boarding at Aboriginal and Torres Strait Islander boarding providers. One Aboriginal and Torres Strait Islander boarding school (the boarding residence is part of a school) in a remote location has undertaken an analysis of the critical mass required for a viable boarding house and calculated that it requires 48 boarders at that particular school for a break even position. However, this number will be very different for other boarding providers as the boarding revenue, cost and loss figures vary from boarding provider to boarding provider.

As referred to previously in this part, the data suggests the average cost per boarder is higher for smaller Aboriginal and Torres Strait Islander boarding providers. The average cost of boarding at very small boarding providers (less than 50 students) and small boarding providers (50 – 225 students) was $30,956 and $22,136 respectively, compared to $16,845 for large schools (over 600 students).

When comparing the maximum possible level of ABSTUDY in 2019 of $27,478[187] against the average cost of boarding in small and medium boarding providers, the data suggests that the average boarding facility with less than 225 total students will require additional sources of revenue or funding to meet the cost of boarding.

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[186] 2016 Census, http://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/IQS036, Australian Bureau of Statistics, accessed in January 2019. While, household income has increased nationally, it has been flat in remote areas and has declined in very remote areas (Markham, 2018) and the capacity of Aboriginal and Torres Strait Islander families in remote areas to meet boarding costs (disposable income) actually decreased. In the 2016 Census and for the first time, more than half of all Aboriginal and Torres Strait Islander people in very remote areas were in income poverty (Markham, 2018). See further discussion and references under Private fees and parental contributions in Part 0

[187] Source: Department of Social Services, 4 December 2018

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However, the providers established in recent years that are based on newer models of boarding delivery have indicated that the focus should not be on critical mass and viability, but rather on the best model to deliver positive outcomes for Aboriginal and Torres Strait Islander students. There is a current trend to establish smaller boarding providers, increasingly based in very remote locations, catering to specific cohorts of students and their needs. Traditional thinking has been to create larger boarding providers to leverage off economies of scale. The smaller boarding providers, and one of the former larger providers, Haileybury Rendall that has significantly reduced the number of boarders, have indicated that the benefits of boarding for Aboriginal and Torres Strait Islander boarders diminish as the size of the boarding facility increases. The view proffered was that as size increases the ability to deliver tailored and personal support services to address disadvantage decreases and the possibility of conflict between boarders of different cultural backgrounds increases.

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14. Retention, expulsion, suspensions and graduations

It is long established that increased school attendance leads to stronger educational outcomes. Closing the gap between Aboriginal and Torres Strait Islander and non-Indigenous school attendance by 2018 is one of the Australian Government's closing the gap targets. The impact of investment in boarding on attendance has been addressed throughout this report. Key impactors on attendance rates are expulsions, suspensions, exclusions and retention rates.

While all schools report on year 12 or equivalent outcomes and attendance, Grant Thornton found that not all boarding providers retain and report data regarding expulsions and suspensions—numbers and reasons. This data would assist government and boarding providers in making informed decisions about boarding, funding and policy. It is recommended that existing data collection be expanded to include consistently measured data regarding suspensions and expulsions (noting limited expulsion data is available through ABSTUDY).

RECOMMENDATION 1: DATA RECORDING

Improve and refine data collection by boarding providers for Aboriginal and Torres Strait Islander students to assist government and boarding providers to make informed decisions about boarding, funding and policy, including but not limited to expulsion, exclusion and suspension data and the separate reporting of direct and attributable costs of boarding and support services. For consistency the data, including for standalone boarding providers, should be provided to the Department of Education and Training to develop a central repository of data regarding boarders and boarding.

A number of reports and reviews, and interviewees for this report, referred to the impact of suspensions and expulsions on ABSTUDY receipts.

Pursuant to clause 49.5 of the ABSTUDY policy manual a secondary school student is not entitled to ABSTUDY[188] for a period during which a student is expelled, suspended or excluded from school.

Travel is an important investment in supporting students, parents and carers and managing unacceptable behaviours. ABSTUDY does not fund suspension travel and it funds exclusion travel only in very limited circumstances. As a result, some boarding providers are reluctant to suspend students and suspension is used only as a last resort. Some boarding providers pay for suspension or exclusion travel from their own limited resources where suspension or exclusion cannot be avoided.

However, there are valid policy justifications for ABSTUDY not generally funding suspension travel—provisions and practices for suspension and expulsion travel were reviewed in 2011 in response to concerns about the high number of students returning home mid-term and disengaging from education completely (Source: PM&C, November 2018). Any changes to the policy would require mechanisms to maintain the engagement of suspended students with education. See Part 0 (Fares allowance) for further discussion of the issues.

It is recommended that the policy around ABSTUDY travel for suspensions and exclusions is reviewed within a framework of minimising disengagement from education of boarders. This is consistent with the recommendation regarding ABSTUDY travel—Recommendation 8.

RECOMMENDATION 8: ABSTUDY TRAVEL POLICIES

Review ABSTUDY travel policy to provide greater flexibility for weekend travel, and for travel assistance where it is required to manage student suspensions and exclusions, provided it does not impact on engagement in education by students and their families. Review the rules and processes for the reimbursement of travel paid by boarding providers to provide greater certainty to boarding providers.

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[188] Currently the non-entitlement applies to living allowance, rent assistance, remote area allowance or pharmaceutical allowance (excluding the under 16 boarding supplement where a student is suspended or excluded). Under the 2018-19 ABSTUDY budget measures the under 16 boarding supplement will be combined with the living allowance from 1 January 2019 and a boarding facility will not be eligible for this payment if a student is expelled or suspended

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15. Boarding standard

The legislative and regulatory arrangements for boarding providers vary across jurisdictions.

In July 2015, *AS 5725:2015 Boarding Standard for Australian schools and residences* (the Boarding Standard) was released to provide a best practice framework for boarding in Australia and to assist providers to identify and manage risks. It was developed in consultation with the main peak bodies for boarding.

The boarding standard is voluntary but section 101 of the Northern Territory *Education Act* requires an entity providing accommodation for a student attending a Northern Territory Government school to comply with any Australian Standard, in this case the Boarding Standard. Nhulunbuy High's Dawurr boarding facility, opened in 2017 and was included in the boarding providers analysed for this report. Nhulunbuy High is a Northern Territory Government school. In August 2018 Nhulunbuy High engaged Indigenous Education and Boarding Australia to conduct an audit of Dawurr against the Boarding Standard. The audit found that Dawurr was largely in compliance with the Boarding Standard and made a number of recommendations for improvement. Nhulunbuy High indicated that the Boarding Standard and the audit by Indigenous Education and Boarding Australia was useful in structuring and reviewing Dawurr's boarding facilities and services.

The Boarding Standard has six sections with various requirements that boarding providers must comply with in order to meet the requirements of the standard:

- scope and general
- governance and management
- boarders
- staff
- parent, family and community engagement
- facilities.[189]

The KPMG report (KPMG, 2016) estimated that the average cost in 2016 for a boarding provider to deliver a boarding service in compliance with the Boarding Standard was $1,209 per boarder, and $2,709 in a Northern Territory context[190]. The estimated cost was higher for smaller boarding providers. This average cost per boarder was in addition to the revenue shortfall identified by KPMG in delivering the existing boarding service at the Northern Territory Aboriginal boarding providers reviewed by KPMG.

As a means of establishing the context, extent and type of boarding support provided by boarding providers, Grant Thornton developed a structured survey based on AS 5725:2015 *Boarding Standard for Australian schools and residences* (the Boarding Standard). The survey was a self-assessment of compliance with the standard. The survey was delivered online via the Qualtrics platform and could also be completed in hard copy.

The survey was issued to 27 boarding providers[191] and 24 responses were received. Two related schools completed a joint response. This represents a response rate of 89 per cent.

The survey revealed that the boarding providers included in the analysis for this report complied with an average of 92 per cent of the standards in the Boarding Standard.[192] Consultations for this report indicated that boarding providers had greater awareness of the standard and peak bodies, such as Indigenous Education and Boarding Australia, had increased compliance through awareness, training and compliance reviews.

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[189] AS 5725:2015 *Boarding Standard for Australian schools and residences; Briefing paper for Governors, Principals, Bursars and Business Managers of non-government schools that provide a boarding service*, www.schoolgovernance.net.au, June 2017
[190] KPMG, 2016, p. 22
[191] Shalom Christian College in Townsville, Queensland and eight hostels operated by Aboriginal Hostels Limited were originally included in the analysis for this report. Surveys were therefore issued to those boarding providers but as the providers were subsequently excluded, the surveys were withdrawn. Two boarding providers share a boarding facility and they completed a joint survey
[192] The survey was a self-assessment and was not independently assessed or verified

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A number of interviewees in consultations conducted during the analysis highlighted the need for minimum legislated standards for boarding. Those that commented noted that the safety and risk management arrangements for children in the care of boarding providers needed to be raised in light of the findings and recommendations of the Royal Commission into Institutional Responses to Child Sexual Abuse. Section 3.2 of the Boarding Standard currently sets out a basic child protection framework for boarders.

No comments were made about the adequacy of the current Boarding Standard and whether it was appropriate for all models of Aboriginal and Torres Strait Islander boarding. Some interviewees recommended that compliance with the Boarding Standard should be legally mandated, provided additional funding was provided to assist boarding providers to move to full compliance. As noted above, the Boarding Standard is already mandated for Northern Territory Government boarding schools.

The House of Representatives Standing Committee on Indigenous Affairs recommended all boarding providers meet the Boarding Standard and the development of a 'National Indigenous Boarding Strategy'. Since 2016 Indigenous Education and Boarding Australia has also called for the development of a National Indigenous Boarding Strategy to 'improve the quality and availability of Aboriginal and Torres Strait Islander boarding'[193].

The House of Representatives Standing Committee on Indigenous Affairs further recommended that compliance with the standard and strategy should be a qualifying criteria for Commonwealth funding and ABSTUDY.[194]

Some researchers have however cautioned against mandating or adopting a uniform standard for Aboriginal and Torres Strait Islander boarding.

> Boarding Standards are similarly seductive. While the Standards do set a benchmark, the point is, they do not have an articulated evidence base, and because they are a standalone mechanism will almost certainly lead to as many unintended and undesirable outcomes as intended ones and may therefore lead to harm.[195]

RECOMMENDATION 11: BOARDING STANDARDS

Undertake consultations to determine whether the *Boarding Standard for Australian Schools and Residences* (AS 5725:2015) should be mandated for boarding providers receiving funding or ABSTUDY payments for Aboriginal and Torres Strait Islander students, including how the standard should be phased in and whether funding should be made available to meet the cost of compliance with voluntary or mandatory standards.

[193] Boarding Australia, *National Indigenous Boarding Strategy: Submission to inquiry into educational opportunities for Aboriginal and Torres Strait Islander students*, submission 21, 2017
[194] *The power of education: From surviving to thriving—Educational opportunities for Aboriginal and Torres Strait Islander students*, House of Representatives Standing Committee on Indigenous Affairs, 2017 (HoRSCIA, 2017)
[195] Guenther, 2017, p. 15

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16. Peak bodies

The peak bodies in the Aboriginal and Torres Strait Islander boarding sector play an important part in delivering positive outcomes from boarding. They provide advocacy, expert advice, training and development, standard development and resources. They have provided invaluable input for this report and many other reports and played an active role in advocating for policy change relevant to the sector.

Aboriginal and Torres Strait Islander boarding providers are members of at least one peak body, and some are members of multiple bodies. The peak bodies are therefore an important interface between government and boarding providers. They are coordinating regional and national conferences but also delivering webinars and information sessions to small groups, most recently around the 2018–19 Budget Measure for ABSTUDY.

While there is already a lot of work on communication within the sector, the funding and resources of the peak bodies is limited and communication and meetings can be expensive, given the remoteness of some Aboriginal and Torres Strait Islander boarding providers. The communication mechanisms in the sector should be reviewed to identify opportunities for increased cooperation between peak bodies and also with government, and also between government and Aboriginal and Torres Strait Islander boarding providers.

RECOMMENDATION 12: COMMUNICATION

State, territory and Commonwealth governments to work with peak bodies to strengthen communication between government and boarding providers and also between boarding providers.

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17. Cultural respect and collaboration

Grant Thornton acknowledges Aboriginal and Torres Strait Islander people have a unique culture with a deep and abiding relationship to Country, and that developing a universal respect for Country lies at the heart of reconciliation. Aboriginal and Torres Strait Islander people have demonstrated great resilience but continue to experience disadvantage, disrespect and lack of understanding in their daily lives, which must be addressed for reconciliation to be advanced.

We acknowledge the traditional owners of the country on which the boarding facilities are located and pay our respects to their elders, past and present.

This report has considered the importance of boarding as an education option for Aboriginal and Torres Strait Islander students. We have worked with and meaningfully consulted Aboriginal and Torres Strait Islander boarding providers for this report. The consultations have provided an insight into what is working in the sector for providers, parents and students, and the priority areas of reform for the sector.
Our findings and recommendations will improve the understanding of the benefits and impacts of the existing investment in boarding and enable government to consider further policy and funding options to improve the outcomes from boarding for Aboriginal and Torres Strait Islander boarders and their families and communities.

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18. Glossary and acronyms

Aboriginal and Torres Strait Islander boarding providers—the 27 Aboriginal and Torres Strait Islander boarding providers analysed for this report. They are predominately funded as Majority Aboriginal and Torres Strait Islander Schools by DET

ABS—Australian Bureau of Statistics, www.abs.gov.au

ABSTUDY—a group of payments for Aboriginal or Torres Strait Islander students or apprentices, including payments to assist Aboriginal and Torres Strait Islander students to attend boarding and pay tuition and boarding costs; https://www.humanservices.gov.au/individuals/services/centrelink/abstudy. References to ABSTUDY or ABSTUDY travel include the delivery agency for ABSTUDY, the Department of Human Services and the lead policy agency, the Department of Social Services

ACARA— Australian Curriculum, Assessment and Reporting Authority; www.acara.edu.au

Indigenous Education and Boarding Australia—Indigenous Education and Boarding Australia is based in Adelaide, South Australia and was established in July 1995 as the National Association for Rural Student Accommodation (NARSA). It was renamed as Boarding Australia in 2011 and as Indigenous Education and Boarding Australia in 2019. It acts as a peak national body to represent and support regional and remote boarding services with children in education (predominantly of secondary school age); www.boardingaustralia.edu.au

Boarding revenue and costs—revenue and costs associated with the boarding of students at a boarding provider

Boarding Standard—AS 5725:2015 *Boarding Standard for Australian schools and residences*

DET—Department of Education and Training (Commonwealth)

ICSEA—the Index of Community Socio-Educational Advantage. ICSEA provides an indication of the socio-educational backgrounds of students; it has nothing to do with the staff, school facilities or teaching programs at the school

Indigenous Advancement Strategy (IAS)—is the way in which the Australian Government funds and delivers a range of programmes targeting Aboriginal and Torres Strait Islander peoples. It has five flexible, broad-based programmes:

- Jobs, Land and Economy
- Children and Schooling
- Safety and Wellbeing
- Culture and Capability
- Remote Australia Strategies.

https://www.pmc.gov.au/indigenous-affairs/indigenous-advancement-strategy

Mainstream boarding providers—twenty three mainstream boarding providers selected for data comparison against the 27 Aboriginal and Torres Strait Islander boarding providers. Each provides boarding services to a small number of Aboriginal and Torres Strait Islander students and is a recipient of ABSTUDY or scholarships funded through the Indigenous Advancement Strategy by the Department of the Prime Minister and Cabinet

Peak bodies—in this report, refers to those national bodies that represent Aboriginal and Torres Strait Islander boarders and boarding providers and include, Indigenous Education and Boarding Australia, the Independent Schools Council of Australia, National Catholic Education Commission, Remote Indigenous Parents Australia and the Australian Boarding Schools Association

PM&C—The Department of the Prime Minister and Cabinet, www.dpmc.gov.au. The department has overall policy responsibility at the Commonwealth level for Indigenous Affairs. It also funds a number of programs to benefit Aboriginal and Torres Strait Islander people

RAP—Reconciliation Action Plan

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Transition support service—a government service that supports Aboriginal and Torres Strait Islander boarders and their families to identify a boarding facility that will be 'best fit' for each individual student, assist families to apply for ABSTUDY and ABSTUDY travel, assist with the travel of students to and from boarding, including the development of implementation of safe travel plans from 1 January 2019, support students attending boarding providers through visits to and consultation with communities, families and boarding providers

Transition Support Services (Qld) (TSS)—is part of the Queensland Department of Education and Training and has been operating since 2008. It is based in Cairns, a major transit port for Aboriginal and Torres Strait Islander boarders, but has staff based in Cape York communities (Cooktown, Pormpuraaw, and soon to be added Doomadgee and Mornington Island), Townsville and Toowoomba. TSS assists Aboriginal and Torres Strait Islander students attending boarding schools. It predominately assists students from Cape York and Palm Island but also assists Aboriginal students from other jurisdictions that are attending boarding schools in Queensland.

Transition Support Unit (NT) (TSU)—is part of the Department of Education (NT) and assists Northern Territory students with attendance at boarding providers around Australia. The TSU is funded by the Commonwealth Government through the *National Partnership on Northern Territory Remote Aboriginal Investment*. IT currently has 19 FTE staff located in Darwin and Alice Springs.

Tuition revenue and costs—revenue and costs associated with the in-school education of students.

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19. References

Australian Bureau of Statistics, *2016 Census*, www.abs.gov.au

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20. Appendix A – Additional consultations

In addition to the 27 Aboriginal and Torres Strait Islander boarding providers, the following peak bodies, government agencies and other boarding providers were consulted for this report.

Indigenous Education and Boarding Australia

Indigenous Education and Boarding Australia was established in July 1995 as the National Association for Rural Student Accommodation (NARSA). It was renamed as Boarding Australia in 2011 and as Indigenous Education and Boarding Australia in 2019. It acts as a peak national body to represent and support regional and remote boarding services with children in education (predominantly of secondary school age). Indigenous Education and Boarding Australia's services include:

- specialist advice and reviews for Aboriginal and Torres Strait Islander boarding providers
- resources to support quality improvement and standard compliance
- advisory services and research projects
- advocacy.[196]

Independent Schools Council of Australia

The Independent Schools Council of Australia represents the interests of the independent school sector and provides national support, representation and advocacy for the Association of Independent Schools in each state and territory.

There are 1,123 independent schools in Australia with over 604,436 students. Independent schools are a major provider of boarding for Aboriginal and Torres Strait Islander students, with nearly 2,350 Indigenous boarders attending 121 Independent schools. Half of these boarding students attend schools with either very large numbers or a high concentration of Indigenous boarders.[197]

National Catholic Education Commission

The National Catholic Education Commission (NCEC) was established in 1974 by the 'Australian Catholic Bishops Conference through the Bishops Commission for Catholic Education to maintain effective liaison with the Commonwealth Government and other key national education bodies. NCEC complements and supports at the national level the work of the State and Territory Catholic Education Commissions.'[198]

Remote Indigenous Parents Australia

Remote Indigenous Parents Australia (RIPA) was incorporated on 5 April 2017 to represent remote Aboriginal and Torres Strait Islander parents and families in relation to the education of their children, particularly those attending boarding school. RIPA was originally established as part of Indigenous Education and Boarding Australia through Commonwealth Government funding but is now a standalone body.

Transition Support Services (Qld)

Transition Support Services (TSS) is part of the Department of Education and Training (Qld) and was established in 2008. More information about the TSS and the role that it plays to support Aboriginal and Torres Strait Islander students to attend boarding is set out on page 47.

Transition Support Unit (NT)

The Transition Support Unit is part of the Department of Education (NT) and is funded by the Commonwealth Government. It is based on the TSS model. More information about the TSU and its role is set out on page 48.

[196] www.boardingaustralia.edu.au
[197] www.isca.edu.au
[198] www.ncec.catholic.edu.au

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Department of Education (NT)

With almost 40 per cent of all Aboriginal and Torres Strait Islander boarders resident in the Northern Territory, the Department of Education (NT) plays an important role in supporting Aboriginal students to attend boarding. The department leads the Northern Territory Government's policy work around boarding, commissioned the KPMG review of seven Northern Territory boarding schools in 2016, auspices the TSU, provides direct funding to boarding providers in the Northern Territory and operates the Nhulunbuy High School Dawurr boarding facility in Nhulunbuy, that was opened in 2017.

Wiltja Boarding (SA)

Wiltja Boarding has operated for over 20 years and provides boarding in Adelaide for Aboriginal students from the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands and southern Northern Territory attending Adelaide secondary schools. While it was not a selected boarding facility Wiltja Boarding were consulted as part of the analysis.

Wiltja Boarding receives ABSTUDY from the Commonwealth Government and operational underpinning funding from the South Australia Government for the cost of staff, utilities and facilities. Indigenous Education and Boarding Australia is also located on the grounds of Wiltja Boarding. The facility's *Taste of Wiltja* program to transition primary school students to boarding was a featured case study in the Study Away Review[199]. During the consultations Wiltja Boarding reported that the *Taste of Wiltja* program has significantly improved retention and reduced homesickness withdrawals to zero since it was introduced.

In the last 15 years, 77 students attending Wiltja Boarding have completed their South Australian Certificate of Education qualification compared to only three graduations over the same period for students attending secondary school in their home community on the APY Lands.

[199] Study Away Review, p. 22

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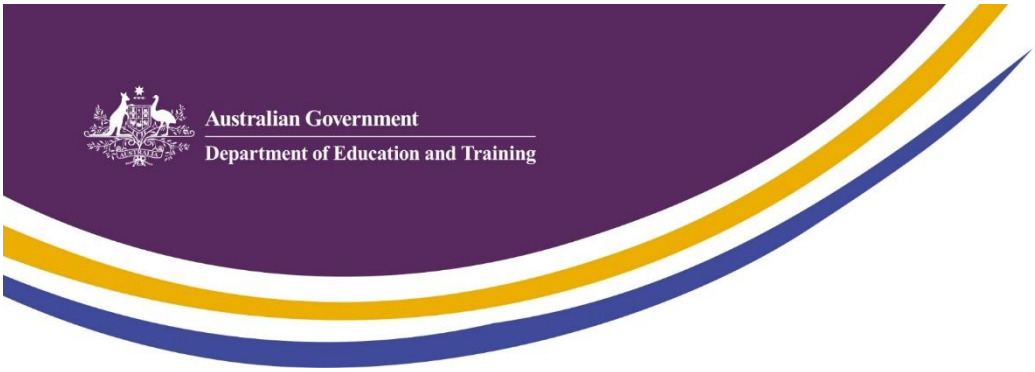
21. Appendix B – Commonwealth recurrent school funding

From 1 January 2018 amendments to the *Australian Education Act 2013* (the Act) took effect. Schools are transitioning over 6 or 10 years to 80 per cent of the Schooling Resource Standard (SRS) for non-government schools and 20 per cent for government schools. The Schooling Resource Standard (SRS) is an estimate of how much total public funding a school needs to meet the educational needs of its students, as recommended by the 2011 Gonski Review of Funding for Schooling.



What is the Schooling Resource Standard and how does it work?

The Schooling Resource Standard (SRS) is an estimate of how much total public funding a school needs to meet the educational needs of its students, and is based on recommendations of the 2011 Gonski Review of Funding for Schooling.

The SRS is made up of a base amount for every primary and secondary student, along with six loadings to provide extra funding for disadvantaged students and schools.

By 2029, all schools will be funded on a fair share of the Commonwealth SRS. In line with states having full constitutional responsibility for schools, the Commonwealth will fund:

- at least 20 per cent of the total SRS for government systems by 2023, reflecting the Commonwealth's role as the minority public funder of government schools
- at least 80 per cent of the total SRS for non-government schools and systems by 2023, reflecting the Commonwealth's role as the majority public funder of non-government schools.

Schools or systems funded below their Commonwealth target share of the SRS will transition to the consistent shares by 2023. Schools that are currently funded above the consistent Commonwealth shares will transition to them by 2029.

Base amount provides funding for every student

The SRS base amount was calculated by analysing funding levels in schools (known as 'reference schools') where at least 80 per cent of students had achieved above the national minimum standard in NAPLAN for reading and numeracy for three years in a row.

The base amount is set at $11,343 for primary students and $14,254 for secondary students in 2019. It is estimated that the base amount will account for 75.4 per cent of Commonwealth recurrent school funding expenditure in 2019.

For most non government schools, the base amount is discounted by the anticipated capacity of their school community to financially contribute towards the school's operating costs.

This is called the 'capacity to contribute' assessment and it is based on the socio economic status (SES) score of the school. 'Capacity to contribute' does not apply to government schools and non government special schools and special assistance schools, non government majority Aboriginal and Torres Strait Islander schools, and non government sole provider schools. There is no 'capacity to contribute' discount applied to the loadings. The higher the school's SES score, the more the base amount is discounted, up to a cap of 80 per cent of the base amount.

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Previously, SES scores were calculated using student residential addresses collected by the department between 2012–2016 and 2011 ABS Census data.

Following a review by the National School Resourcing Board, in 2019, for those schools that would receive a benefit, funding will be based on scores using 2017 residential addresses and 2016 ABS Census data.

The Government will introduce a new method for calculating a school community's capacity to contribute based on a direct measure of income of parents and guardians of students at a school. The Government is working with the non-government school sector to transition to these new arrangements from 2020.

As an interim measure to provide financial certainty to schools in 2019 the Government will provide approximately an additional $170.8 million in additional assistance, including:

- Financial assistance for low funding growth independent schools in 2019 guaranteeing a minimum of 3 per cent growth in Commonwealth Recurrent funding.
- Financial assistance for system weighted average SES schools in 2019.
- Financial assistance equivalent to the benefit that a school would receive if updated 2016 Census data were used to calculate SES scores in 2019.

Loadings provide extra funding for disadvantage

'Loadings' were developed by looking at how much additional funding on top of the base amount was required to help students facing different types of disadvantage.

Students with disability loading

This loading provides extra funding on top of the base amount for each student with disability.

From 2018, the loading is based on the Nationally Consistent Collection of Data on School Students with Disability (NCCD), which collects information on students with disability by the level of additional support they are provided to access and participate in learning. Under the NCCD, teachers and schools use their professional, evidence based judgement to capture information on the level of additional support a student is provided in the classroom.

Students with disability who are counted in the top three levels of the NCCD (extensive, substantial and supplementary levels) attract a loading. The amount of the loading reflects the level of support they need to participate fully in school, with higher funding for those who need higher levels of support.

The collection has a fourth level of support defined as 'support provided within quality differentiated teaching practice'. These students are supported within the classroom as part of standard teaching practice which is responsive to the needs of all students and delivered without the need for additional funding.

It is estimated the student with disability loading will account for 9.3 per cent of Commonwealth recurrent school funding expenditure in 2019. Funding for the students with disability loading is estimated to grow, on average, by 5.1 per cent per year over 2018 to 2029.

Low English language proficiency loading

This loading provides extra funding on top of the base amount for a student that comes from a language background other than English and at least one of the student's parents completed school education only to Year 9 (or equivalent) or below. This may include recently settled migrants and refugees. The loading is 10 per cent of the base amount.

It is estimated the Low English language proficiency loading will account for 0.2 per cent of Commonwealth recurrent school funding expenditure in 2019.

Funding for the Low English language proficiency loading is estimated to grow, on average, by 5.3 per cent per year over 2018 to 2029.

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Aboriginal and Torres Strait Islander student loading

This loading provides extra funding on top of the base amount for each Aboriginal and Torres Strait Islander student. The amount of extra funding for each student depends on the proportion of Indigenous students in the school. If there is a single Indigenous student in the school, the loading is 20 per cent of the base amount. If 100 per cent of the students in the school are Indigenous students, the loading is 120 per cent of the base amount.

It is estimated the Aboriginal and Torres Strait Islander student loading will account for 1.7 per cent of Commonwealth recurrent school funding expenditure in 2019.

Funding for the Aboriginal and Torres Strait Islander student loading is estimated to grow, on average, by 4.6 per cent per year over 2018 to 2029.

Socio educational disadvantage loading

This loading provides extra funding on top of the base amount for each student from a socio educationally disadvantaged background.

The loading amount is based on the percentage of students in the lowest two quartiles of socio educational advantage (SEA) developed by the Australian Curriculum, Assessment and Reporting Authority. The SEA measures the occupational and educational status of students' parents by looking at factors like occupation, completed school education and highest level of post school education.

The greater the percentage of a school's students in each of the bottom two quartiles of the SEA, the higher the loading, up to a maximum of 50 per cent for Quartile 1 and 37.5 per cent for Quartile 2.

It is estimated the socio educational disadvantage loading (previously known as the low socio economic status loading) will account for 9.5 per cent of Commonwealth recurrent school funding expenditure in 2019.

Funding for the loading for socio educational disadvantage is estimated to grow, on average, by 5.2 per cent per year over 2018 to 2029.

Note: The calculation of the socio educational disadvantage loading is unrelated to the methodology used to determine a non government school's SES score for the 'capacity to contribute' assessment referenced on the first page of this factsheet.

School location loading

This loading provides extra funding for schools in regional and remote locations in recognition that it generally costs more to educate students going to school in regional and remote areas than it does for students in city based schools. The loading is based on a school’s Accessibility/Remoteness Index of Australia (ARIA) score, a measure of the remoteness or accessibility of every location in Australia, as a percentage to both the per student base amount and the school's size loading.

It is estimated the location loading will account for 2.3 per cent of Commonwealth recurrent school funding expenditure in 2019. Funding for the loading for remote and regional schools is estimated to grow, on average, by 4.5 per cent per year over 2018 to 2029.

School size loading

This loading provides extra funding for medium, small and very small schools in recognition that they cannot achieve the same efficiencies of scale as a large school. This is the only loading that is calculated as a set dollar amount (rather than proportion of the base amount) depending on the size of a school.

Primary schools with up to 300 students and secondary schools with up to 700 students attract a size loading. The size loading is scaled, with primary schools with between 15 and 200 students attracting the maximum loading of $178,877 and secondary schools with between 100 and 500 students attracting the maximum loading of $286,203 in 2019.

It is estimated the size loading will account for 1.6 per cent of Commonwealth recurrent school funding expenditure in 2019. Funding for the size loading is estimated to grow, on average, by 3.6 per cent per year over 2018 to 2029.

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Commonwealth share of the SRS

Under the Quality Schools arrangements, the Commonwealth will contribute a consistent share of the SRS for each school. The Commonwealth's share will increase to 80 per cent of the Schooling Resource Standard (SRS) for non-government schools and 20 per cent for government schools.

The majority of schools and systems currently attract less than the consistent Commonwealth shares. To ensure they receive their fair share of Commonwealth funding sooner these schools and systems will transition to the consistent shares by 2023. Schools and systems that are currently funded above the consistent Commonwealth shares will transition to them by 2029.

Alongside the Commonwealth's increased investment, state and territory governments are also required to deliver their share of total public funding. Further information about state funding requirements is available at: How are schools funded in Australia?

Example of calculating a school's SRS

The following is an example of the SRS calculation in 2019 for a hypothetical combined non government school in a regional location with 500 primary students and 500 secondary students.

Note: The following table shows the 2019 amounts under the full SRS and does not take into account a school's transition arrangements to the consistent Commonwealth shares of the SRS.

The school has a socio economic status (SES) score of 93.

- 50 students have a disability.
- 20 students have low English language proficiency.
- 150 students identify as Aboriginal or Torres Strait Islander.
- 600 students have socio educational disadvantage.

SRS Component	Calculation	Amount*
Base funding	500 primary students x base amount of $11,343 = $5,671,500. 500 secondary students x base amount of $14,254 = $7,127,000. $5,671,500+ $7,127,000= $12,798,500	$12,798,500
Capacity to contribute discount (note this does not apply to government schools)	An SES score of 93 equates to a 10 per cent capacity to contribute discount rate per student. $12,798,500 (total base funding) x 10% (discount) = $1,279,850 discount	-$1,279,850
Students with disability loading	20 primary school students with disability who attract a supplementary level of support x $4,764 = $95,280. 15 secondary school students with disability who attract a supplementary level of support x $4,704 = $70,560. 10 primary school students with disability who attract a substantial level of support x $16,561 = $165,610. 5 secondary school students with disability who attract an extensive level of support x $35,350 = $176,750. $95,280 + $70,560 + $165,610 + $176,750 = $508,290	$508,290
Low English language proficiency loading	20 students (or 2 per cent of students) are identified as having low English language proficiency, which provides a 10 per cent loading per student.	$25,597

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SRS Component	Calculation	Amount*
	$12,798,500 (total base funding) x 2% (base funding for 20 students) x 10% (loading) = $25,597	
Aboriginal and Torres Strait Islander loading	15 per cent of students (150 students) identify as Indigenous, which provides a 35 per cent loading per student. $12,798,500 (total base funding) x 15% (base funding for 150 students) x 35% (loading) = $671,921	$671,921
Socio-educational disadvantage loading	35 per cent of students (350 students) are in the first SEA quartile, which provides a 31.3 per cent loading per student. $12,798,500 (total base funding) x 35% (base funding for 350 students) x 31.3% (loading) = $1,402,076. 25 per cent of students (250 students) are in the second SEA quartile, which provides a 17.5 per cent loading per student. $12,798,500 (total base funding) x 25% (base funding for 250 students) x 17.5% (loading) = $559,934. $1,402,076 + $559,934 = $1,962,010	$1,962,010
School location loading	The school is in a regional location and has an ARIA score of 5, which provides a 24.4 per cent loading per student. $12,798,500 (total base funding) x 24.4% = $3,122,834	$3,122,834
School size loading	The school is considered to be a large school and therefore no size loading applies.	$0
Total SRS for 2018		**$17,809,302**

* All amounts have been rounded to the nearest $1.

Source: Department of Education and Training.[200]

[200] https://www.education.gov.au/what-schooling-resource-standard-and-how-does-it-work, accessed in May 2019

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22. Appendix C – Safe travel plans

The following is an extract from the Department of Social Services fact sheet regarding safe travel plans (STPs).

The Study Away Review found that remote Aboriginal and Torres Strait Islander students face multiple challenges when travelling from community to school/boarding and back, including:

- long periods waiting for travel connections
- disrupted travel (where a travel connection is missed or cancelled)
- a lack of contingency planning for disrupted travel
- being assisted by travel supervisors with no experience, and/or
- travelling unaccompanied and trying to navigate travel schedules and airports with no or limited travel experience.

The Review also found that some of the issues leading to these challenges were:

- a lack of clarity around roles and responsibilities for care of the student when the student is in transit and during travel disruptions;
- no requirement for a risk assessment or management plan for students travelling unaccompanied or on the suitability of the travel supervisor; and

ABSTUDY Fares Allowance rules lacking flexibility to cover all travel scenarios.

2018–19 Budget Measure for ABSTUDY

STPs, along with other improvements to Fares Allowance announced in the 2018–19 Budget, are a direct response to the findings from the Study Away Review and the need to improve the safety, fairness and flexibility of travel arrangements for Aboriginal and Torres Strait Islander primary and secondary school students who study away from home.

From 1 January 2019, changes will allow more flexibility for a student's travel and family and community engagement, by:

- increasing the maximum number of supported family and community member visits for school events to two return trips per year to attend school activities such as graduations, award ceremonies and sporting events in which the student is participating. Education representatives may also access these trips to travel to the student's community if the parent or community member is unable to travel to the school or boarding provider;
- providing greater flexibility for travel to or from locations other than the student's home and school, for example where the family of a Cape York student is in Cairns for a shopping trip the student can be collected from Cairns airport instead of travelling back to their home and then finding their way back to Cairns;
- fairer rules for travel to interstate schools to allow for siblings of students already approved under cost effectiveness criteria for ABSTUDY Fares Allowance to attend the same school; and
- the introduction of Safe Travel Plans, which would be voluntary from 1 January 2019 and become mandatory from 1 July 2019, to alleviate the risks to students who have to travel multiple journeys to attend school.

STPs are also an opportunity for schools and boarding providers to strengthen their relationships with parent/guardians, Indigenous communities and other schools and boarding providers to provide more holistic transition support to students.

In addition to the above, approximately 30 or more boarding providers will also be required to create STPs for their students in consultation with the student's parent/guardian and school.

It will be the responsibility of whoever organises the student's travel, either the school or boarding provider, to create and store the STP.

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How many incidents of disrupted travel are there?

In the 2016–17 financial year, DHS recorded 471* travel disruptions. The majority of these were travellers impacted by weather or airline disruptions, who experienced a same day delay at a transit location.

DHS recorded 23* travel disruptions where overnight supervision was required for a student. There was only one instance where no family, friends, schools or boarding providers were available to assist the student. In this rare circumstance, as a last resort DHS provided a volunteer supervisor to support and supervise the student.

*These statistics are of instances that DHS managed or were advised of. As such, these statistics may under report the actual number of disruptions.

What risks exist under current processes?

The Study Away Review found in rare circumstances, DHS, who have no connection to the student, their family or community, are forced to organise supervision and in extreme cases, supervise the student themselves. Significant risk exists for DHS volunteer employee supervisors and as such DHS will no longer provide this supervision or support for disrupted travellers.

The current approach is ad hoc and there is confusion about who has responsibility for the student while they are in transit.

Source: Department of Social Services, www.dss.gov.au

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