



Evaluation of the Australian Indigenous Education Foundation Scholarship and Pathways Programs

**Summary report for the Australian Indigenous
Education Foundation**

3 August 2020

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

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

This is our vision for reconciliation.

Disclaimer

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This report has been prepared as outlined in the Scope Section. The services provided in connection with this engagement comprise an advisory engagement, which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standards Board and, consequently no opinions or conclusions intended to convey assurance have been expressed.

This report provides a summary of KPMG's findings during the course of the work undertaken for the Australian Indigenous Education Foundation (AIEF). Therefore, the contents of this report does not represent our conclusive findings, which will only be contained in our final detailed report.

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

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

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

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The findings in this report have been formed on the above basis.

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Key Messages

KPMG was engaged by The Australian Indigenous Education Foundation (AIEF) to evaluate the outcomes of the AIEF Scholarship Program and AIEF Pathways Program. The **AIEF Scholarship Program** provides scholarships that enable Indigenous students in financial need to attend leading Australian boarding schools and universities and the **AIEF Pathways Program** supports Scholarship Students to prepare for their transition from Year 12 into further education and employment. The key findings of the outcomes and economic evaluation are detailed below:



Access and Financial barriers

The AIEF Scholarship Program reduces the financial barriers for students to attend participating boarding schools.

For the majority of AIEF Scholarship Students, these financial barriers are likely to be insurmountable without AIEF. The largest share of AIEF Scholarship Students' families contributed \$400 a year to school fees, indicating that household income was up to \$40,000 per year.

The AIEF Tertiary Scholarship reduces the financial barriers students face in accessing university.



Transition Outcomes

Most AIEF Alumni have successfully transitioned into further study or employment. Almost all AIEF Alumni are productively engaged in employment (53 per cent), at university (24 per cent), in vocational education (11 per cent) or with family and caring responsibilities (5 per cent).

Those completing Year 12 are four times more likely to enter into university compared to the Indigenous population overall.

The highest proportion of AIEF Alumni in employment are from remote or very remote home locations (55 per cent). All employment pathways under the AIEF program are associated with higher average annual wage compared to the base case.

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



Retention and Completion

AIEF Scholarship Students are estimated to be 2.3 times more likely to complete year 12 than the Indigenous population overall.

AIEF Scholarship Students and AIEF Tertiary Scholarship Students are achieving AIEF benchmarks of 90 per cent retention and completion. These metrics have varied over time, but the benchmark has been reached in all years except 2011, when it was 89.3 per cent.

The highest success rate of 96 per cent was achieved by AIEF Scholarship Students from remote home communities and the lowest success rate of 83 per cent was achieved by Scholarship Students from metropolitan home communities.



Economic Impact

AIEF is able to work effectively within the ecosystem of Indigenous education to broaden sources of funding from schools, volunteers and private organisations to facilitate educational access to high performing schools and improve the lifetime social and economic wellbeing of participants.

The results of the Economic Evaluation show a substantial economic and social return of \$9.31 for every dollar invested over participants' lifetimes is attributable to the 2018 AIEF program.

1 Introduction

Purpose and scope

This Outcomes and Economic Evaluation sought to assist AIEF with externally evaluating the outcomes of the AIEF Scholarship Program and AIEF Pathways Program. Specifically, the evaluation:

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

This document is a summary of the approach, background and findings of the Outcomes and Economic Evaluation.

The Evaluation Findings Report provides additional detail about the methodology, including the Theory of Change, Key Evaluation Questions and primary data collection approach. The Evaluation Findings Report also provides a comprehensive methodology for our Economic Evaluation and the detailed findings.

Complete details for the evaluation can be found in the Evaluation Findings Report.



Background

AIEF was established in 2008 in response to community demand from Indigenous families who choose to enrol their children in boarding schools.¹ Bringing together the government and private sector, AIEF provides scholarship funding for Indigenous students to complete Year 12 or tertiary studies, with career support to help them make a successful transition to their chosen careers. The key objectives of AIEF are outlined below.



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

- An annual retention and completion rate of at least 90 per cent for AIEF Scholarships Students;
- An annual retention and completion rate of at least 90 per cent for students on AIEF Tertiary Scholarships;
- An annual rate of at least 90 per cent of students who have completed Year 12 on an AIEF scholarship are productively engaged in further study, employment and other commitments; and
- An annual rate of at least 90 per cent of students who have completed tertiary studies on an AIEF scholarship are productively engaged in further study, employment or other commitments.



To achieve these objectives for program participants, AIEF:

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

Source: AIEF

¹ KPMG Interviews with AIEF Staff.

AIEF provides its scholarships and support through two complementary programs, the AIEF Scholarship Program (the 'Scholarship Program') and the AIEF Pathways Program (the 'Pathways Program').

The **AIEF Scholarship Program** provides scholarships that enable Indigenous students in financial need to attend leading Australian boarding schools and universities. The **AIEF Pathways Program** supports Scholarship Students at school prepare for their transition from Year 12 into further education and employment, and provide ongoing monitoring, tracking and tailored career support after they leave school. The Pathways Program also supports AIEF Tertiary Scholarship Students at university in the same way.

Evaluation Approach

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

Figure 1: Evaluation Approach



Source: KPMG

Limitations

Readers should note the limitations to the evaluation outlined below.

The primary data collection approach was based on seeking input from a sample stakeholder groups, and as such the evidence does not necessarily represent the diverse views or experiences of all who have an interest in, or interaction with AIEF. To help to overcome this, KPMG sought to interview a broad spread of schools and to maximise response rates to the Alumni survey. Primary data collection was used to verify, test and triangulate the findings of analysis of other evidence and the limitations identified above will not undermine the credibility of the evaluation.

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

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

2 Outcomes Evaluation Findings

The Outcomes Evaluation was structured around a series of Key Evaluation Questions. The findings of each question are detailed in the following sub-sections.

Access and financial barriers

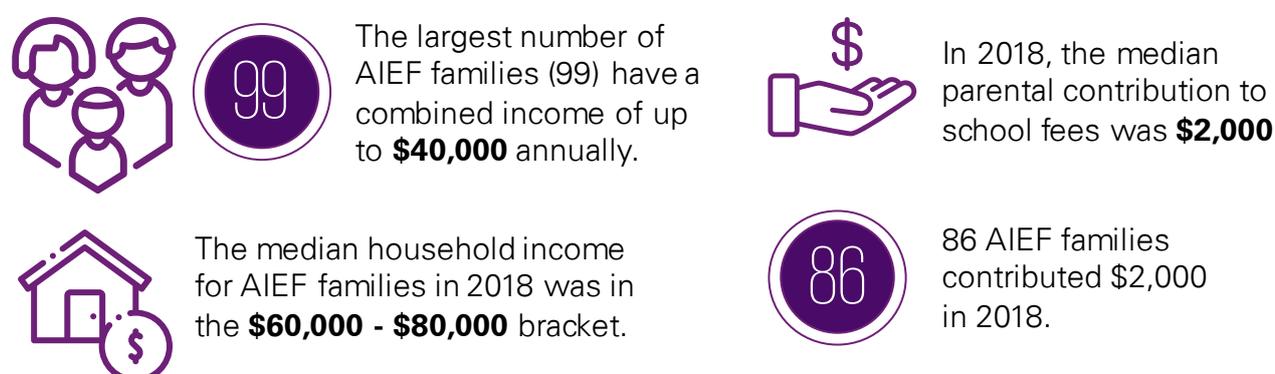
To what extent does the AIEF Scholarship Program facilitate access for Indigenous students to attend participating boarding schools?

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

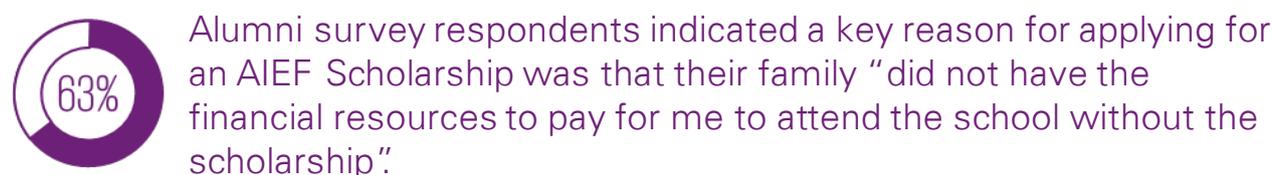
The below figure outlines household incomes of AIEF families, which is calculated based on the level of parental contributions made to school fees. This demonstrates that significant financial barriers are faced by AIEF families in paying the average Partner School fees, with the average annual cost at a partner school more than the total household income for close to 30 per cent of families.

\$47,759
Average cost of
AIEF Partner
School per
annum in 2018

Figure 2: Financial Profile of Families in 2018²



Source: KPMG analysis of AIEF data



Source: KPMG analysis of AIEF Alumni survey

² 370 families contributed a payment to AIEF in 2018. An additional 10 students (and by extension their families) did not contribute in 2018 as they are categorised as zero-funded students.

To what extent does the AIEF Tertiary Scholarship Program reduce the financial barriers of accessing and completing university?

The financial barriers faced by AIEF Tertiary Scholarship Students primarily relate to accommodation and living expenses, as Commonwealth supported places cover tuition fees. AIEF Staff estimated that accommodation and living expenses could cost \$20,000 - \$25,000.

AIEF Tertiary Scholarships reduce the financial barriers associated with living away from home to attend university by enabling students to focus on their studies rather than working, helping them to independently move away from home and helping students to afford university materials.

Overall, results of the AIEF Alumni survey and interviews with AIEF Staff show that the AIEF Tertiary Scholarship reduces the financial barriers of accessing and completing university.

Accountability of Partner Schools

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

AIEF creates a framework within which Partner Schools can succeed at achieving program outcomes. AIEF sets the parameters of the framework for success in the following ways.

Figure 3: AIEF Approach to Achieving Program Outcomes.



Selecting Partner Schools that have a proven commitment to Indigenous education and support structures in place for Indigenous students



Setting an eligibility criteria for students applying for the AIEF Scholarship



Regularly engaging with Partner Schools



Connecting Partner Schools to facilitate learning from each other



Providing the Compendium of Best Practice to all Partner Schools



Providing mentoring and career advice to school and tertiary students through the Pathways Program

Source: AIEF

AIEF adopts a parent and school-led model, whereby “schools are responsible for education and pastoral care (enabled through the AIEF Scholarship Program), and AIEF is responsible and accountable for each student’s successful transition to their chosen career after Year 12”.³

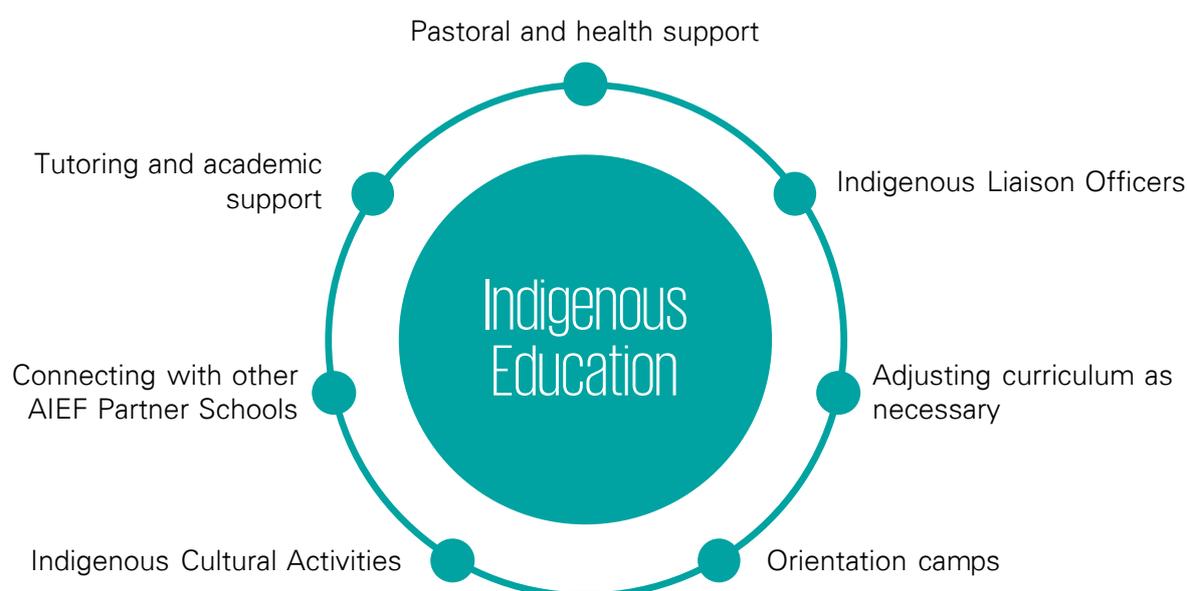
³ Australian Indigenous Education Foundation 2019, *2019 Schools Handbook: A practical guide to the AIEF Scholarship Program*, AIEF, Sydney, p. 5.

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

AIEF Partner School

AIEF partners “with schools that have a demonstrated commitment to Indigenous education, appropriate student support and pastoral care and their own relationships with Indigenous families and communities”.⁴ Figure 4 summarises examples of the approach to Indigenous Education taken by Partner Schools.

Figure 4: Partner Schools Approach to Indigenous Education



Source: KPMG analysis of interviews with AIEF Partner Schools

⁴ Australian Indigenous Education Foundation 2019, *2019 Schools Handbook: A practical guide to the AIEF Scholarship Program*, AIEF, Sydney, p. 4.

Retention and Completion

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



School retention and completion rate since the program started (except 2011, when it was 89.3 per cent).



University retention and completion rate since the program started in 2018 (except 2012, when it was 89 per cent).

Source: KPMG analysis of AIEF data

AIEF's 90 per cent benchmark for retention and completion has been consistently met for School Scholarship recipients since AIEF's establishment in 2008, except for 2011 when it was at 89.3 per cent.

AIEF Tertiary Scholarship Students are surpassing the AIEF set retention and completion benchmarks. In 2018 the university retention and completion rate was 97 per cent. These rates have changed over time, though the only year the 90 per cent benchmark was not achieved was in 2012, when it was 89.3 per cent.

Partner Schools noted that the individual school-based approaches adopted allow schools to broaden the selection criteria to choose AIEF Scholarship Students with a high likelihood of retention and completion.

AIEF Alumni had a range of positive responses about the contribution of their Scholarship.

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

AIEF alum

"The AIEF model is very important to schools and contributes to the success of students completing Year 12."

AIEF Partner School

“The model is effective in enabling retention and Year 12 completion, as it means the schools can select students that align with the school’s values and an adapt to the boarding school environment”

AIEF Partner School

Transition outcomes

What are the transition outcomes for AIEF Scholarship Students who have completed Year 12? What are the transition outcomes for AIEF Tertiary Scholarship Students who have completed tertiary education?



The majority of AIEF Alumni are currently employed



AIEF Alumni are undertaking tertiary studies



Less than 10 per cent of alumni are not employed, engaged in family or caring responsibilities or studying

Source: KPMG analysis of AIEF data

AIEF is achieving their outcome of enabling students to successfully transition into sustainable career. Respondents of the AIEF Alumni survey also described the positive ways in which the AIEF Scholarships impacted on their post-school pathways.

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

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

AIEF Alumni

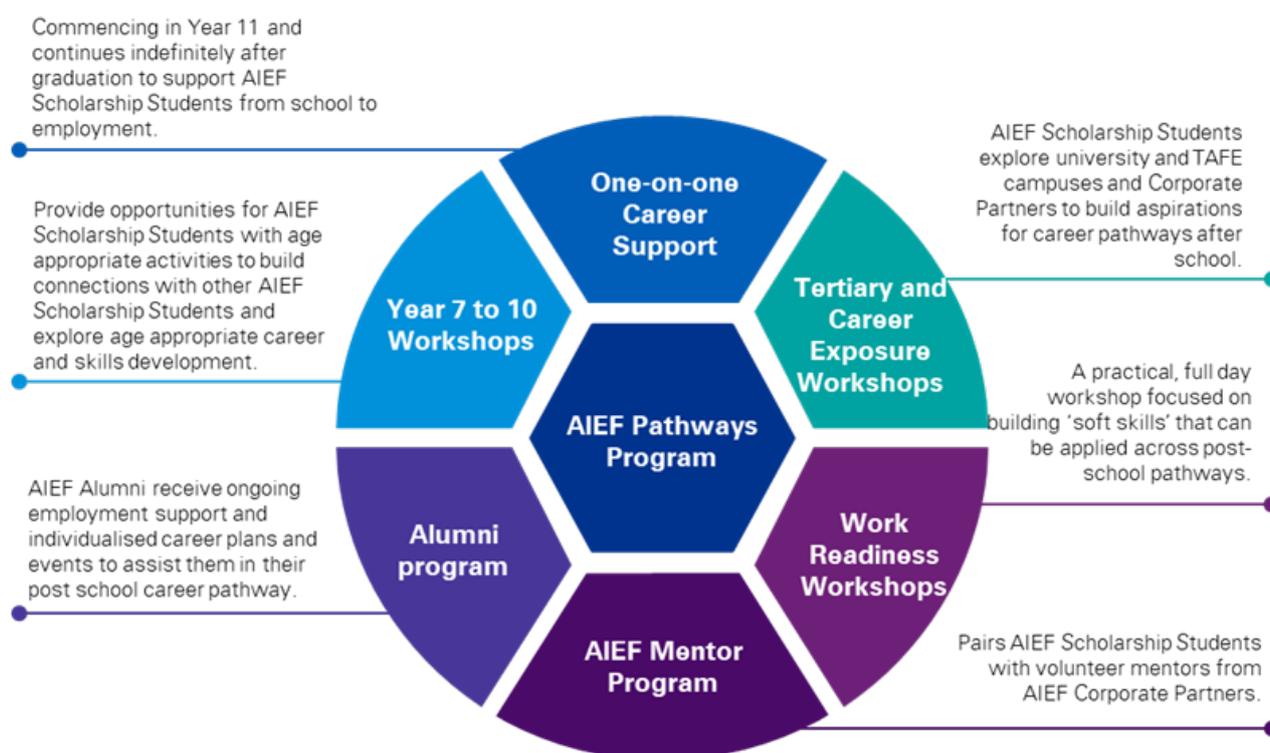
To what extent does the AIEF Pathways Program enable transitions to work or study after school completion? To what extent does the AIEF Pathways Program enable transitions to work or further study after tertiary completion?

AIEF Pathways Program aims to:

1. **Prepare** Scholarship Students for their careers while they are at school;
2. **Support** AIEF Scholarship Students with one-on-one career support as they make the transition from their education to their careers; and
3. **Monitor** and track students' career progression and provide ongoing support as needed.⁵

The Pathways Program activities are outlined below:⁶

Figure 5: Pathways Program Activities



Source: Information source from AIEF

⁵ Australian Indigenous Education Foundation, Additional Information about AIEF, available at: <http://aief.com.au/cms/workspace/uploads/additional-information-about-aief.pdf>.

⁶ Australian Indigenous Education Foundation, 2019 Pathways Handbook: A practical guide for AIEF Partner Schools; Australian Indigenous Education Foundation, Pathways, available at: <http://www.aief.com.au/pathways/>.

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

AIEF Alumni reported that Pathways Program activities had positive impacts on:

- Their leadership skills and confidence;
- Enabling transitions to work or study after university; and
- Developing a strong network of Indigenous friends with common experiences and/or interests.

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

Other impacts

Have there been any other impacts of the Programs for students, communities or schools?

Interviews with Partner Schools and the Alumni survey highlighted a number of positive impacts of the Programs for AIEF Scholarship Students, families or school communities. The most commonly reported other impacts are outlined below. No negative consequences were observed.

Figure 6: Other impacts of the AIEF Program for students, communities and schools



Increased understanding and knowledge of Indigenous culture



Involvement of Indigenous parents and families



Participation in community and leadership activities

Source: KPMG analysis of AIEF Alumni survey and interviews with AIEF Partner Schools

“The AIEF Scholarship has raised the eyes and lifted the heads of people in communities who may return and are actively making change. The hope is that these people will be able to fund their own children to go to school after this opportunity”.

AIEF Partner School

3 Economic Evaluation

What is the economic impact of the AIEF Scholarship and Pathways Programs?



Each dollar invested into the AIEF Programs generates a lifetime benefit of **\$9.31**

The findings of the Economic Evaluation demonstrate that the benefits of the AIEF Scholarship Program and Tertiary Program outweigh the costs. A substantial economic and social return is attributable to the AIEF Programs, as shown in Figure 7.

Figure 7: Economic impact of AIEF Programs



\$737 million

The estimated net benefit associated with the 2018 AIEF Program over the lifetime of participants. This represents the difference between the direct employment, earnings and health benefits experienced by AIEF Scholarship Students and the total program costs.

\$969 million

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



AIEF Scholarship Students are expected to:

- Experience **real wage growth** during their early years of working as a result of human capital, social networks and leadership experience they develop through the AIEF Program
- Have **enhanced opportunities** to move into higher paid positions and industries across their careers due to the continued support of the Pathways Program and relationships with Corporate Partners and mentors



Over the 20-year evaluation period there is a broader funding base under the AIEF program with:

- **56 per cent** of costs attributed to AIEF (\$106.6 million)
- The remaining **44 per cent** coming from parents, schools, volunteers and government sources (\$84.4 million)
- Under the Base Case, parents, schools, volunteers and governments contributions account for the full costs associated with education pathways of students (**\$102.3 million**)

Source: KPMG analysis of AIEF and other data (as detailed in Evaluation Report)

Importantly, these benefits only reflect the monetisable impacts of AIEF. The AIEF Program also delivers a range of other benefits. For example, Year 12 completion is also associated with a reduced burden on public healthcare through increased health literacy and healthier lifestyles. Furthermore, other benefits that are not able to be quantified include leadership skills, community engagement and inspiring Indigenous youth.



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