



Non-Government Indigenous Boarding Schools

Review of funding arrangements
for the Northern Territory Government,
Department of Education

9 November 2016

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Inherent Limitations

This report has been prepared as outlined in the Introduction: Project 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.

The findings in this report are based on a qualitative and quantitative study and the reported results reflect a perception of seven subject schools to the review, but only to the extent of the sample surveyed, being approved representatives of each school listed in Consultation List provided at Appendix A.

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, seven subject schools' management and personnel 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.

KPMG is under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form.

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

Third Party Reliance

This report is solely for the purpose set out in the Project Scope section and for the Northern Territory Government Department of Education's information, and is not to be used for any other purpose or distributed to any other party without KPMG's prior written consent.

This report has been prepared at the request of the Northern Territory Government Department of Education in accordance with the terms of KPMG's quotation dated 18 December 2015, accepted by the Department of Education on 15 February 2016. Other than our responsibility to the Northern Territory Government Department of Education, neither KPMG nor any member or employee of KPMG undertakes responsibility arising in any way from reliance placed by a third party on this report. Any reliance placed is that party's sole responsibility.

Executive summary

Introduction

The Northern Territory Government's Department of Education ("NTG DoE") sought an independent review to identify the costs incurred for non-government Indigenous boarding schools, and any gaps in funding that may prevent the provision of safe, supportive and compliant boarding school education for students from Northern Territory ("NT") communities.

The objective of the review is to identify whether funding provided by the Australian and Northern Territory governments is sufficient to meet the total costs associated with providing Indigenous students with a quality education in boarding schools.

The seven non-government boarding schools subject of the review are:

School	Location	Sector
St Philip's College	Alice Springs	Independent
Tiwi College	Melville Island	Independent
Kormilda College	Darwin	Independent
St John's Catholic College	Darwin	Catholic
Yirara College	Alice Springs	Lutheran
Woolanang Homeland Christian College	Litchfield	Northern Territory Christian Schools
Marrara Christian College	Darwin	Northern Territory Christian Schools

Figure 1: Non-Government Indigenous Boarding Schools

Callistemon House is a Government owned and operated boarding facility. NTG DoE confirm that Callistemon House meets national boarding standards, and requested it be included in this review as a comparison case to non-government Indigenous boarding facility operation.

KPMG's delivery methodology

KPMG has applied the following methodology in delivering this project:

- Sought financial reporting (income and expenditure statements) from each of the seven independent boarding schools for each of the previous three financial years. The numbers were not verified or audited. The financial reports were standardised for reporting consistency and analysed to determine the suitable allocation of income and expenditure between academic and boarding activities. Boarding income and expenditure was subsequently allocated between Indigenous and non-Indigenous boarding, on the basis of per capita representation. Analysis was conducted in consultation with the seven subject schools.
- Undertook face-to-face consultation with the relevant peak administrative bodies overseeing the schools, in addition to the seven independent schools providing Indigenous boarding facilities. Focus areas discussed were current funding models,

assessed or identified shortfalls in funding, the levels and cost of administrative effort associated with operating Indigenous boarding, maintenance and infrastructure costs, opinions as to preferred funding models taking equity and sustainability in to account, and awareness of, and assessed levels of compliance with, the currently voluntary national boarding standards issued by Standards Australia.

- Developed 'Key themes' emanating from the data analysis and consultations undertaken. Discussion of emerging key themes with the NTG DoE prior to drafting the report.
- Undertook a structured survey of each of the seven independent boarding schools to accurately record their understanding and assessed levels of compliance with the national boarding standards.

Data limitations

The financial analysis provided throughout this report is based on the internal financial records of each of the seven subject schools to the review, and NTG records for Callistemon House (which have been provided by the NTG DoE having been sourced from multiple locations within the NTG and drawn together in one set of figures for the boarding house).

In analysing the costs of non-government Indigenous boarding operations, KPMG has taken school expenditure, as detailed in school financial records, to represent the cost of service delivery. KPMG has not sought to verify the validity of school cost structures, or the efficiency of operations.

In accordance with the Terms of Reference, KPMG has used Callistemon House as a cost benchmark around delivery of operations in accordance with National Boarding Standards. In doing this, KPMG has not sought to verify the efficiency of operations at Callistemon House, nor to assess its compliance with the National Boarding Standards.

KPMG did not perform an audit or any other means of independent verification on the data within the financial analysis, therefore, this report does not constitute an expression of opinion or conclusion intended to convey assurance on, and KPMG is not responsible for, the accuracy and completeness of the financial information presented.

NTG DoE has noted the following inconsistencies between school-provided data and NTG DoE internal records:

St John's Catholic College

	2013 '000	2014 '000	2015 '000	3 year average '000
ISEA per school data	323	264	262	283
ISEA per DoE data	495	349	324	389
Variance over/(under) reported	(172)	(85)	(62)	(106)

Figure 2: St John's Catholic College variances from NTG DoE funding records

Kormilda College

	2013 \$'000	2014 \$'000	2015 \$'000	3 year average \$'000
ISEA per school data	709	458	455	541
ISEA per DoE data	709	460	395	521
Variance over/(under) reported	-	(2)	60	20

Figure 3: Kormilda College variances from NTG DoE funding records

St Philip's College

	2013 \$'000	2014 \$'000	2015 \$'000	3 year average \$'000
ISEA per school data	83	57	71	70
ISEA per DoE data	156	109	111	125
Variance over/(under) reported	(73)	(52)	(40)	(55)

Figure 4: St Philip's College variances from NTG DoE funding records

Yirara College

	2013 \$'000	2014 \$'000	2015 \$'000	3 year average \$'000
ISEA per school data	236	344	377	319
ISEA per DoE data	407	344	377	376
Variance over/(under) reported	(171)	-	-	(57)

Figure 5: Yirara College variances from NTG DoE funding records

It should also be noted that in 2015, NTG DoE report that \$500,000 was paid to Yirara College under the Annual Supplementary Assistance Scheme, however the school has reported this payment as being \$487,500.

Notwithstanding the deviations from NTG DoE data noted above, for the remainder of this report, all financial details shown are in accordance with school records, and have not been amended for inconsistencies with NTG DoE records.

No warranty of completeness, accuracy or reliability is provided in relation to the statements and representations made by, and the information and documentation provided by the seven subject schools' or NTG DoE's management and personnel consulted as part of the process.

All financial information provided throughout this report is presented in nominal terms. KPMG has not sought to convert financial information into present day values.

Summary of key findings

Against the scope of the review identified above, KPMG found that funding provided by the Australian and Northern Territory governments for the provision of boarding facilities in a school-based setting is insufficient to meet the current costs associated with delivering the current level of service provided by the seven subject schools assessed.

Furthermore, although compliance with Australian Standard AS 5725:2015: Boarding Standard for Australian Schools and Residences is not compulsory at the date of this report, our review found that further costs would be incurred by the subject schools if these standards were to be adopted as compulsory in all school-based boarding facilities.

In considering compliance with the Australian Standard, referred to throughout this report as "National Boarding Standards", or "NBS", KPMG noted a common theme in consultations with independent schools and peak bodies, in that the proposed level of service provided for in the NBS should be regarded as a minimum level of service delivery. It was widely accepted that due to the degree of disadvantage and isolation of some of the NT's Indigenous boarding students, the duty of care and responsibility for the social, emotional and physical well-being of these boarders is at a far higher level than would be required in other jurisdictions of Australia.

KPMG has sought to quantify the potential shortfall in funding for Indigenous boarding by taking current revenue sources and costs as per school financial records as indicative of the shortfall that applies to current levels of service delivery. KPMG has then factored in additional costs

incurred by Callistemon House as an indication of what would be required to meet NBS. Finally, KPMG has sought to quantify the shortfall in funding if the services were delivered with an improved focus on social, emotional and physical wellbeing of students which subject schools identified as representing a more appropriate standard of care applicable to students from remote parts of the Northern Territory. The results are shown in the following table and should be taken as being indicative only, in light of the data limitations on which they are based:

Levels of funding shortfall per student

Current level of service delivery	\$10,437
Service delivery in line with NBS	\$11,646
Service delivery at a standard appropriate to context in the NT	\$13,146

Figure 6: Indicative shortfall funding

It should be noted that the above estimated shortfall is provided on the basis that the current level of operations is delivered in a sustainable way. However, it was identified in many consultations that school resources are often stretched beyond any reasonable limit and that the system relies on a significant amount of goodwill from staff within the boarding schools. As such, the degree of shortfall identified above is conservative in that it assumes that existing resources can continue to deliver indefinitely to the same standard they are currently delivering in stretched circumstances.

Whilst boarding facilities across the subject schools were found to be underfunded, they continue to operate due to an unconscious practice of cross-subsidisation from the academic school to the boarding facility. We use the term “unconscious practice” because schools relayed significant difficulties in dissecting the Commonwealth government’s Abstudy funding received for the purpose of providing academic education for Indigenous students, and Abstudy funding received in relation to living away from home, which would be applied to the operation of boarding facilities. The result is that funding received by schools for the purpose of providing an academic education to students is being spent, in part, on delivering against the shortfall in funding for the provision of boarding facilities in boarding schools.

The scope of this review did not extend to a review of the academic education of Indigenous students in a school-based boarding facility; however it did require comment about the quality of education in boarding schools. In simplistic terms, if the dollars invested into the academic education of a student are representative of the quality of the academic education received by that student, then an Indigenous student in a school-based boarding setting is disadvantaged when directly compared to a non-boarding Indigenous student, as a result of academic funding cross-subsidising the cost of their attendance in the boarding facility. However, schools subject to this review cited a multitude of social and emotional advantages to students attending their boarding facilities, including the development of life skills beyond those that are able to be taught in a classroom setting. As such, KPMG is unable to conclude as to the quality of the overall education in boarding schools, other than to say the resources with which the academic education is delivered are reduced by cross-subsidisation to the boarding facility, but that extra-curricular activities provide valuable life lessons that students to these schools may otherwise miss.

Key findings

Throughout this review, KPMG identified a number of key findings, which are detailed below, grouped by subject matter.

Revenue

Non-government Indigenous boarding schools attract both Commonwealth funding (indirectly through Abstudy, and directly through other grants and initiatives) and Northern Territory Government Department of Education funding through Isolated Student Education Allowance and, for selected schools, an Annual Supplementary Assistance Grant. Based on a three-year average across all schools, the Commonwealth government was found to contribute a total (directly and indirectly) of 74%, and the NTG DoE the remaining 26%, of all revenue generated by non-Government Indigenous boarding schools for the funding of boarding service provision. It should be noted that this funding split is calculated based on school revenue records only, and does not consider the revenue source applied to boarding operations under the practice of cross-subsidisation.

With the exception of NTG DoE funding under the Annual Supplementary Assistance grants to selected boarding schools, and Commonwealth government Indigenous Boarding Initiative (which is available only until the end of the 2016 calendar year), all recurrent revenue generated by non-government Indigenous boarding schools is variable, dependent on student numbers provided to various agencies through census data.

It should be noted that the Commonwealth government's Indigenous Boarding Initiative, introduced in 2014, is due to expire at the completion of the 2016 calendar year. In 2014 and 2015, the initiative injected a total of \$3.136m into the seven subject schools operating across the NT. This is at an average rate of \$2,100 per boarder per annum. When this initiative ceases it will represent a further shortfall in the available funding with which boarding schools can meet the costs of their boarding operations.

The administration effort invested to meet requirements of Commonwealth funding provided through the Department of Human Service's Abstudy program places significant burden on boarding facility administrators. Furthermore, means testing of Abstudy creates difficulties for boarding facilities in understanding the funding they will receive for each student enrolled, as they are not privy to the financial affairs of a student's parents at the time of enrolment. Where a student's Abstudy entitlement is means tested, it is the boarding facility that effectively 'funds' any entitlement reduction. Consultation with schools indicated that there is generally no ability to recover the shortfall from the students' parents; schools indicated that in a remote Indigenous setting the generation of income by a student's parents does not equate to a capacity to pay the boarding fees required to meet the cost of housing their child in a boarding school setting.

Revenue from all sources is insufficient to cover the costs associated with the operation of Indigenous boarding facilities.

Costs

There are significant costs associated with the provision of boarding services to Indigenous students, some of which are fixed and others that are variable. The level of cost associated with providing Indigenous boarding varies from school to school, as each is structured slightly differently and compliance with NBS is not compulsory; this makes it difficult to draw comparison of schools across dispersed locations.

The average annual cost of providing an Indigenous boarding facility in a school based setting was calculated as \$25,857 per boarder. Calculation of this amount was based on average actual

costs over the period from 1 January 2013 to 31 December 2015 across seven schools, as reported by the schools.

The average costs identified relate to the cost associated with delivery of the current level of service, which falls short of the NBS in some areas, and short of the standard that service providers and peak bodies believe should be delivered if funding to facilitate improved social, emotional and physical wellbeing in boarding facilities was available.

KPMG was requested to include an analysis of costs incurred at Callistemon House as a comparison case to non-government Indigenous boarding schools. The NTG DoE reports that, being a government owned and operated boarding facility, Callistemon House meets the NBS, so costs associated with operating Callistemon House might more closely represent the cost of operating school based boarding facilities in line with NBS. The average cost, over three years, to deliver boarding facilities at Callistemon House was found to be \$30,305 per boarder. This review has not sought to assess the efficiency with which Callistemon House is operated, however this may provide an indication as to what it might cost to deliver Indigenous boarding in compliance with the NBS.

Whilst the NTG DoE has allocated an overhead charge to Callistemon House in calculating the cost of operating the facility, it is unlikely that the same cost efficiencies would be achieved by independent schools, as they do not have access to a back-office function on an allocated cost basis. Independent schools need to directly employ staff to fill these duties. Given the resource burden that schools identified in administration around recovery of Abstudy, there may be an opportunity for schools to defray some administrative cost by partnering with other schools to employ dedicated resources for the purpose of revenue collection.

National boarding standards

Compliance with NBS is not compulsory at the date of this review, and none of the seven school based boarding facilities to this review appeared to be operated entirely in compliance with the standards (as identified through school self-assessment).

Overall, self-assessed compliance fell short of meeting NBS, with further work to do in the parent and community engagement measures, and holistic development of boarders (with minor weaknesses noted in the latter through lack of formal procedures). Boarding facilities place a significant amount of effort into parent and community engagement, however the focus of this effort is often around the administrative tasks associated with obtaining Abstudy funding, leaving reduced capacity for schools to engage with parents and community around school and educational matters. The NTG DoE's Transition Support Unit may be able to assist schools by playing an increasing role in community engagement in the future.

The NBS are widely accepted as a minimum standard for service delivery, and there is recognition across the board that to deliver a responsible level of service delivery to Indigenous students, additional focus needs to be on meeting the social, emotional and physical health needs of those students.

NTG DoE funding observations

Subject schools identified that the current NTG DoE funding model is inequitable as only selected schools receive funding through the Annual Supplementary Assistance Grants. Whilst no one school identified another as being overfunded, they believed the method of funding distribution across schools was inequitable. In addition to the Annual Supplementary Assistance Grants provided to select boarding schools, all schools receive variable per student funding under the Isolated Students Education Allowance ("ISEA"). Eligibility for ISEA is dependent on a funded student meeting a minimum attendance requirement, however the NTG DoE confirms

that it has never sought to verify the attendance of students for which claims are made, and has paid out all claims made by schools in full.

KPMG found a variance between NTG DoE budget allocation and claimed ISEA of between \$800k and \$1.1m in each of the past 3 financial years. The variance resulted from the difference between the number of students provided for under NTG budgeting processes (NTG makes provision for estimated boarders noting “aggregate capacity” of all schools, which historically has been up to approximately 1,000 students), and the actual number of students attending schools in each year (which fluctuated between 679 students and 798 students 2013, 2014 and 2015 calendar years).

With a system-wide shortfall in funding at the current level of service delivery of approximately \$7.7m per annum (\$10,437 per student across an average of 740 students), it is not likely that the attendance criteria applied to the ISEA per capita funding is significantly impacting the financial viability of non-government Indigenous boarding schools operating in the NT; that is, the funding shortfall is far more significant than would be able to be corrected by removal of the attendance criteria for ISEA.



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November 2016

Document Classification: KPMG Confidential

Introduction

Background

There are seven non-government Indigenous boarding schools operating across the Northern Territory ("NT") in outer regional, remote and very remote locations. Concerns have been raised by the peak bodies representing the NT non-government school sector, through the Non-Government Schools Ministerial Advisory Council, that the total funding provided by the Commonwealth and NT governments is insufficient to meet the costs associated with Indigenous boarding students.

Further to issues raised by the non-government schools sector, an independent review commissioned by the Northern Territory Government Department of Education ("NTG DoE") in April 2015 into NT non-government schools registration and routine assessment processes recommended that the department develop standards to address the unique context of the NT in relation to residential and boarding standards to ensure the care and protection of students in these facilities. The report also recommended that the department require adherence to these standards as part of the routine assessment process.

Project scope

The Northern Territory Government's Department of Education ("NTG DoE") engaged KPMG to undertake an independent review to identify the costs incurred for non-government Indigenous boarding schools. The review seeks to identify the existence of any gaps in funding that may prevent the provision of safe, supportive and compliant boarding school education for students from Northern Territory communities.

The objective of the review is to identify whether funding provided by the Australian and Northern Territory Governments is sufficient to meet the total costs associated with providing Indigenous students with a quality education in boarding schools.

Component requirements of the review are as follows:

- identifying costs incurred by the seven Northern Territory non-government schools in providing boarding facilities for Indigenous students at the schools;
- analysing and disaggregating the costs by Indigenous and non-Indigenous students;
- examining the cost drivers, in particular those for the Indigenous students from communities, and identifying potential efficiencies and restructuring opportunities;
- examining the cost implications should boarding schools be required to adhere to the (currently non-compulsory) National Boarding Standards or similar standard developed specific to the Northern Territory context;
- identifying sources of revenue for the Indigenous boarding schools, as well as confirming and describing all funding for the schools including that provided by the Australian and Northern Territory governments;
- consideration of whether the attendance criteria applied to the Isolated Students Education Allowance per capita funding is impacting on the financial viability of non-government Indigenous boarding schools in the Northern Territory; and
- Identifying funding shortfalls and opportunities to ensure the ongoing viability of non-government Indigenous boarding schools in the Northern Territory.

Scope items unable to be addressed

KPMG was unable to address the following items of scope in detail through delivery of this report, as follows:

- *Examining the cost drivers, in particular those for the Indigenous students from communities, and identifying potential efficiencies and restructuring opportunities.*

Upon review into the seven subject schools, KPMG found that each school is operated in a very unique way. Combined with the vast physical distances between the schools, it was not possible for KPMG to make comment around the system-side improvements that may be able to be made in the operation of these schools, and in fact it may be inappropriate to do so given that they are independent schools.

KPMG did however observe a high administrative effort focussed on accessing Abstudy funding for students consistently across all schools. There may be an opportunity for schools to work together through a shared resource service to develop in depth knowledge of Abstudy entitlements and efficiency around the administration of Abstudy within schools.

- *Identifying funding shortfall and opportunities to ensure the ongoing viability of non-government Indigenous boarding schools in the Northern Territory.*

KPMG found that the degree of shortfall in revenue sources available to non-government Indigenous boarding schools was such that no simple reallocation of existing funding from NTG DoE would address the shortfall. To ensure the ongoing viability of non-government Indigenous boarding schools in the Northern Territory, significant funding injection is required into the system.

KPMG saw one example of a school that has established a building fund as a deductible gift recipient, and attracts significant philanthropic investment from a range of contributors, from nationally recognised businesses to individuals passionate about seeing the school succeed. This funding is used to enhance school infrastructure, so does not address the shortfalls in ongoing operational funding, but may present opportunities for other schools to self-generate income in support of asset maintenance or enhancement.

Boarding operations in scope

There are seven non-government boarding schools in the NT. Additionally an NTG funded stand-alone boarding operation, Callistemon House, located in Katherine is included in this study for comparison purposes. The seven non-government boarding schools are comprised as follows:

School	Location	Sector
St Philip's College	Alice Springs	Independent
Tiwi College	Melville Island	Independent
Kormilda College	Darwin	Independent
St John's Catholic College	Darwin	Catholic
Yirara College	Alice Springs	Lutheran
Woolanang Homeland Christian College	Litchfield	Northern Territory Christian Schools
Marrara Christian College	Darwin	Northern Territory Christian Schools

Figure 7: Non-Government Indigenous Boarding Schools

KPMG's delivery methodology

KPMG has applied the following methodology in delivering this project:

- Sought financial reporting (income and expenditure statements) from each of the seven independent boarding schools for each of the previous three financial years. The financial reports were standardised for reporting consistency and analysed to determine the suitable allocation of income and expenditure between academic and boarding activities. Boarding income and expenditure was subsequently allocated between Indigenous and non-Indigenous boarding, on the basis of per capita representation. Analysis was conducted in consultation with the seven subject schools.
- Undertook face-to-face consultation with the relevant peak administrative bodies overseeing the schools, in addition to the seven independent schools providing Indigenous boarding facilities. Focus areas discussed were current funding models, assessed or identified shortfalls in funding, the levels and cost of administrative effort associated with operating Indigenous boarding, maintenance and infrastructure costs, opinions as to preferred funding models taking equity and sustainability into account, and awareness of, and assessed levels of compliance with, the currently voluntary National Boarding Standards ("NBS") issued by Standards Australia.
- Developed 'Key themes' emanating from the data analysis and consultations undertaken. Discussion of emerging key themes with the NTG DoE prior to drafting the report.
- Undertook a structured survey of each of the seven independent boarding schools to accurately record their understanding and assessed levels of compliance with the national boarding standards.
- Callistemon House is a Government owned and operated boarding facility. NTG DoE confirm that Callistemon House meets the requirements of the NBS and requested it be included in this review as a comparison case to non-government Indigenous boarding facility operation. With the exception of surveying NBS compliance, the methodology applied to independent schools analysis was also applied to Callistemon House.

Data limitations

The financial analysis provided throughout this report is based on the internal financial records of each of the seven subject schools to the review, and NTG records for Callistemon House (which have been provided by the NTG DoE having been sourced from multiple locations within the NTG and drawn together in one set of figures for the boarding house). Callistemon House is a Government owned and operated boarding facility. NTG DoE confirm that Callistemon House meets national boarding standards, and requested it be included in this review as a comparison case to non-government Indigenous boarding facility operation.

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Figure 8: St John's Catholic College variances from NTG DoE funding records

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Figure 9: Kormilda College variances from NTG DoE funding records

St Philip's College

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Figure 10: St Philip's Catholic College variances from NTG DoE funding records

Yirara College

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ISEA per school data	236	344	377	319
ISEA per DoE data	407	344	377	376
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Figure 11: Yirara College variances from NTG DoE funding records

It should also be noted that in 2015, NTG DoE report that \$500,000 was paid to Yirara College under the Annual Supplementary Assistance Scheme, however the school has reported this payment as being \$487,500.

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All financial information provided throughout this report is presented in nominal terms. KPMG has not sought to convert financial information into present day values.

Indigenous boarding revenue sources

Background

Indigenous boarding facilities in the NT access two key sources of revenue to support operations on an ongoing basis:

- Commonwealth government (Abstudy)
- NT government (Isolated Students Education Allowance)

Other funding sources available to the subject schools' boarding facilities are:

- Commonwealth government (Indigenous Boarding Initiative)
- NT government (Annual Supplementary Assistance Grant)
- Ad-hoc capital grants.

Abstudy

Abstudy is administered by the Commonwealth government Department of Human Services. Abstudy support is available to Indigenous Australians that are studying (including schooling) or undertaking an Australian Apprenticeship. It is an individual student payment directed to the students' family to meet education and living away from home expenses. As such, the application paperwork is required to be completed by students or their families and signed by a parent or guardian.

Abstudy payment amounts are determined upon a number of circumstances. Payments for boarding students, the subject of this report, are available to cover a living away from home allowance and school fees. There are maximum payment limits set by the Department of Human Services. The income analysis provided in this report is limited to the living away from home allowance component of Abstudy. School fees received from Abstudy are not included in the calculations provided on the basis they are not a boarding specific payment; rather, they should be applied to the academic school fees of the student.

Schools will typically seek a direction from parents or guardians for funds to be credited directly to the school to optimise the receipt of funds under the scheme. All schools and peak bodies consulted cited inherent difficulties in administering the receipt of Abstudy funding. Common amongst the issues raised were the following:

- Difficulties associated with literacy of parents in completion of forms, and motivation to complete paperwork.
- Lack of transparency for schools as to the funding components received and for which students, as schools do not receive detailed reporting from Abstudy. Being a family based payment through the Department of Human Services, this information is forwarded to families.

- At the point of accepting a student into a school, schools have no way of knowing the amount of Abstudy likely to be received for that student, as they are not always privy to the personal circumstances of the student's parents, so do not know the extent to which means testing may be applied to student payments.
- Abstudy means testing can reduce payments, however in a remote Indigenous setting, cultural and other issues means that exceeding the income tests for means testing purposes does not necessarily equate to an ability for a family to contribute where income is customarily shared between large family groups. This, in turn, translates to an inability to afford school fees by a parents' own means, for which the boarding schools carry the ultimate burden of boarding costs with unmet revenue. Many schools are required to have dedicated resources to follow up on families and Abstudy for paperwork and reconciliation of amounts received. Schools estimate that they dedicate a minimum 0.5 (smallest schools) to 1 (larger schools) FTE for administration of Abstudy.
- Students ruled as ineligible for full funding due to means testing are not communicated to schools in timely fashion resulting in unfunded service provision.
- Without an astute CFO, some schools might be receiving less than they are entitled to receive. One school claimed that Abstudy receipts were routinely 33% less than its' entitlement calculations, and that it has successfully sought the additional funding to which it was entitled.
- Abstudy cut off dates can cause difficulty, particularly in Term 1 where Abstudy is paid quarterly. The third Friday is cut-off for attendance; attendance after this date results in a pro-rata amount received for that quarter, which results in a 66% funding cut in Term 1 for a student who may still attend school for 50% of the term. Cut-off dates and attendance requirements are not sympathetic to inevitable cultural needs (sorry business, funerals, ceremonies etc.). Schools experience extended delays and cash flow stress in any pro-rata payment scenario.

Isolated students education allowance

The Isolated Students Education Allowance ("ISEA") is funded and administered through the NTG DoE.

ISEA provides for access to supervised education activities including homework, recreational and social development for boarding school students up to a (2015) maximum of \$3,145 per annum per student. ISEA is paid each semester for eligible students, so schools may claim either 50% or 100% of the funding over the course of a year where the student is eligible for one or both semesters respectively.

There is no application process for parents or students in respect of the scheme. Allowances are paid in Semester 1 and 2 upon the satisfactory provision of enrolment numbers to NTG DoE by the boarding facility. A further eligibility criteria requires student attendance rates of minimum 50% for funding to be distributed.

In setting annual ISEA per student funding limits, the NTG applies indexation to the prior year's payment rate to set a new payment rate for the coming year. The NTG ensures that it will be able to meet demand driven by entitlement to ISEA by ensuring that it has available monies to fund up to the "aggregate capacity" of all schools (which historically has been approximately 1,000 students). Given that the NTG budgets for estimated payments up to estimated boarding levels, and actual attendance during the review period fell short of this, the NTG has been left with a variance between budgeted and claimed ISEA funding in each year under review.

Despite the 50% attendance requirement for access to ISEA funding, the NTG DoE reports that this is applied leniently which gives the best opportunity for ISEA funding to be delivered to the schools. Historically, the NTG DoE reports that no claims for ISEA have been rejected, as there has been no verification sought to ensure the 50% attendance requirement has been satisfied in respect of claims made. If applied stringently, the boarding facilities may be subjected to further financial impost often

caused by factors outside of their control. For instance, a regularly cited issue of mobility was raised whereby a student may attend two schools across a term but not attend either for the required 50% minimum. Such a situation could potentially result in neither school being funded for that students' attendance, both having provided service.

Indigenous Boarding Initiative

The Commonwealth instigated the Indigenous Boarding Initiative in 2014 as a temporary funding measure as part of its commitment to children and schooling under the Indigenous Advancement Strategy. The Commonwealth government has extended the program to cover the 2015 and 2016 school years. Funding is provided to enable schools to delivery improved services to students and to provide effective support to boost school attendance and engagement. Schools are eligible as determined by the Commonwealth to receive funding where they provide boarding facilities to 50 or more Indigenous students, or where 50 per cent or more of students are Indigenous from remote and very remote areas.

There is no application process in respect of the program. Schools are contacted by the Commonwealth in determining eligibility.

KPMG noted that the Indigenous Boarding Initiative injected \$3.136m into the seven subject schools operating across the NT in 2014 and 2015. This is at an average rate of \$2,100 per boarder per annum. When this initiative ceases at the end of the 2016 calendar year, it will represent a further shortfall in the available funding with which boarding schools can meet the costs of their boarding operations.

Annual Supplementary Assistance Grant

In addition to the ISEA, three boarding schools have historically received supplementary assistance grants from NTG DoE. These payments were initially provided as start-up grants and have continued to be paid annually to the recipient schools such that they now represent annual recurrent funding.

As NTG DoE funding is limited to a defined budget and distributed across all schools, these legacy payments are widely perceived as an inequity within the current funding model. Such perception is actually recognised by the recipient schools; nonetheless these schools have expressed a lack of preparedness to forfeit the quantum or historical nature of the associated annual payment.

Recently, NTG DoE has committed to providing an additional \$200,000 per annum over three years from 2016 to support Woolanang Homeland Christian College.

NTG DoE Annual Supplementary Assistance Grants paid to boarding schools (including Woolanang Homeland Christian College) are as follows:

Annual supplementary assistance grant

School	First payment year	\$
St Philip's College	1987	250,000
Kormilda College	1991	400,000
Yirara College	2000	500,000
Woolanang Homeland Christian College	2016	200,000
		1,350,000

Figure 12: NTG DoE Annual Supplementary Assistance Grants

Revenue analysis across Indigenous boarding facilities

Sources of funding received by Indigenous boarding schools in the NT, in 2015, are as follows:

Funding source	Kormilda College \$'000	Marrara Christian College \$'000	St John's Catholic College \$'000	St Philips College \$'000	Tiwi College \$'000	Woolanin Homeland Christian College \$'000	Yirara College \$'000
Abstudy	2,100	1,260	885	414	972	649	793
Commonwealth	190	93	178	43	119	110	400
NTG DoE ISEA	455	230	262	60	222	137	377
Other NTG DoE	400	-	-	250	-	-	488
Other grants	-	43	-	-	-	29	-
Self-generated	-	1	-	-	-	-	8
Total	3,145	1,626	1,325	767	1,313	926	2,065

Figure 13: Indigenous boarding funding summary

A degree of variance is noted across schools in receipt of Abstudy funds. Practices noted at one school as being sector leading achieved \$13,800 Abstudy receipts per boarder. Three schools were in a range of \$12,200 to \$12,400. Two schools attracted \$9,700 and \$9,000 respectively. The poorest outcome in 2015 was a realisation of \$4,000. The schools with the best and worst results are co-located with very similar remote catchment areas. Management and administration practices play a significant part in optimising outcomes. Whilst outside the scope of this study, an educational forum in which best practices are shared may be of benefit to the sector and individual schools within it.

ISEA receipts ranged from \$1,900 per boarder to \$2,800 across a smaller funding pool reducing the likelihood of significant dollar variance. However the dollar variances between best and worst schools represent a sufficiently significant sum foregone by the lower performers that would also warrant investigation as to practices.

Average funding received per boarding student for seven subject schools across all funding sources during the three years 1 January 2013 – 31 December 2015 is as follows:

	2013	2014	2015	3 year average
No. of Indigenous boarders	798	679	742	740
Total revenue all sources	\$11.5m	\$11.5m	\$11.2m	\$11.4m
Average revenue per boarder	\$14,448	\$17,005	\$15,050	\$15,500

Figure 14: Average per boarder funding summary

Funding per school is categorised as follows:

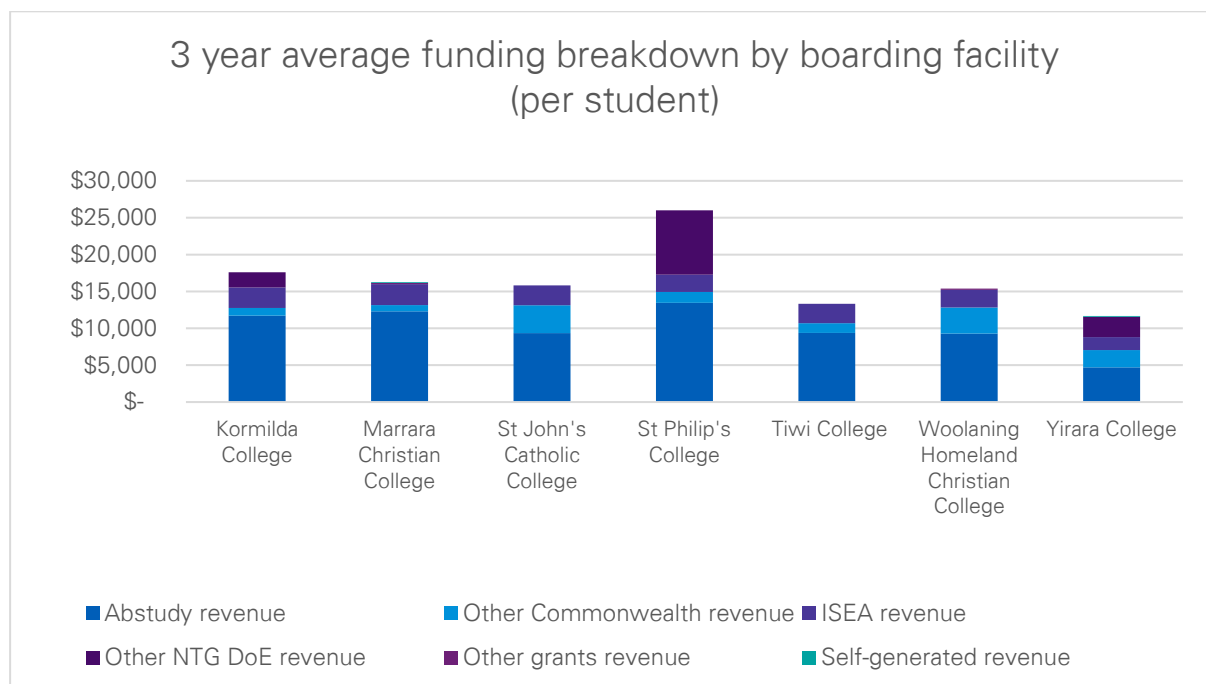


Figure 15: 3 year average per student funding breakdown

Average funding received per boarding student over the three years from 2013 to 2015 was \$15,500.

Costs of Indigenous boarding

Background

The types of boarding facilities on offer within the sector include traditional dormitory style accommodation and 'group home' style housing where smaller numbers are accommodated in home style facilities with 'home parent' supervision. In some instances both styles are offered.

Regardless of accommodation style there are significant costs incurred in providing boarding facilities. The style of accommodation provided has been found to not cause significant variance in overall cost structures and quantum. Assuming current costs are reasonable, schools are underfunded by the revenue sources directly attributable to Indigenous boarding. As a result, cross subsidisation by the academic schools to the boarding facilities is occurring.

The costs detailed in this report are the actual costs incurred by the schools over the three years from 1 January 2013 to 31 December 2015, as provided by the schools. During that time, schools have self-assessed that they fall short of meeting the NBS. The costs shown are indicative of the cost to deliver to the current standard, not to the NBS or a higher standard which may be more appropriate to the NT context.

Boarding associated costs

KPMG's review disaggregated total school costs between academic school and boarding facility, then, for boarding facilities catering for both Indigenous and non-Indigenous students, KPMG further segregated boarding costs to capture only those costs relating to Indigenous boarders. The cost categories, and their respective inclusions are detailed as follows:

Cost category	Inclusions
Administration costs	Typical administration costs including an allocated share of costs relating to accounting fees, audit fees, bank fees, postage, printing, stationery, telephone and internet, IT systems.
Depreciation costs	Depreciation provision for decline in condition of facilities specific to boarding operations (where available).
General boarding costs	Costs associated with provision of food (including freight in remote locations), and provision of extracurricular activities and weekend excursions, as well as an allocation for cleaning, laundry and uniform services provided to boarding facilities, and motor vehicle expenses in so far as vehicle usage relates to boarding operations.
Repairs and maintenance costs	Costs associated with repairs and maintenance of building specific to boarding operations and an allocation of costs for maintenance of the grounds surrounding boarder accommodation.
Staffing costs	Salaries of boarding house supervisory staff, in addition to an allocation of salaries in recognition of time spent by school administration and pastoral care staff on matters pertaining to boarding students. Professional development costs are also included in this category, as is relocation and recruitment of boarding staff.
Utilities and fuel costs	Costs associated with provision of power, water and gas to boarding facilities. Fuel is also included with utilities as some schools require generators to power their operations.

Cost analysis across Indigenous boarding facilities

The allocated cost of operating independent Indigenous boarding operations for the three years 1 January 2013 to 31 December 2015 is detailed at **Appendix B** and summarised for the year ended 31 December 2015 as follows:

Cost by category	Callistemon House \$'000	Kormilda College \$'000	Marrara Christian College \$'000	St John's Catholic College \$'000	St Philip's College \$'000	Tiwi College \$'000	Woolaning Homeland Christian College \$'000	Yirara College \$'000
Administration	41	468	247	28	115	199	138	342
Depreciation	64	661	-	313	33	435	241	139
General boarding costs	251	1,280	735	808	146	242	296	1,652
Repairs & maintenance	92	159	140	59	85	90	262	266
Staffing	693	1,609	942	1,225	570	1,305	698	2,253
Utilities and fuel	70	503	113	277	29	236	92	309
Total	1,211	4,680	2,177	2,709	978	2,507	1,727	4,961

Figure 16: Indigenous boarding cost summary

Average allocated cost incurred per Indigenous boarding student across all of the subject schools (excluding Callistemon House) during the three years 1 January 2013 – 31 December 2015 is as follows:

	2013	2014	2015	3 year average
No. of Indigenous boarders	798	679	742	740
Total cost incurred (\$'000)	19,090	18,732	19,581	19,134
Average cost per boarder (\$'000)	24	28	26	26

Figure 17: Average per boarder cost summary

Operating cost per boarding house is categorised as follows:

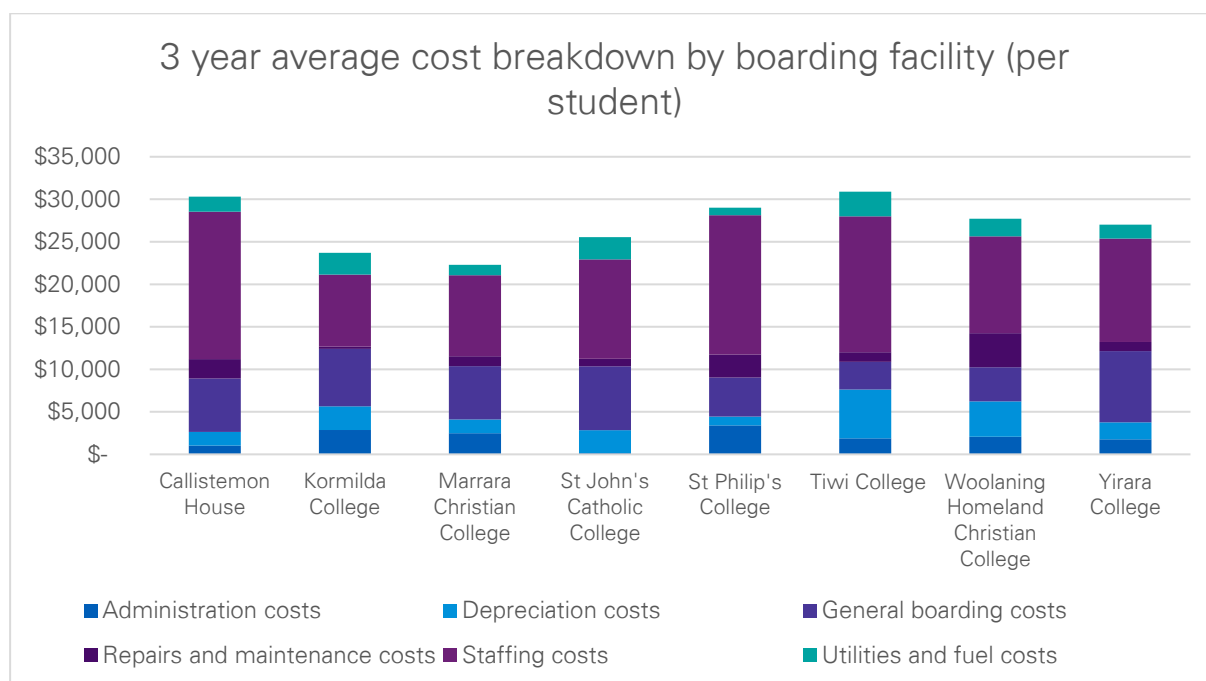


Figure 18: 3 year average cost breakdown

Average allocated operating cost per boarding student averaged over the full three years, distinguished between Callistemon House and independent Indigenous boarding schools is as follows:

	3 year average	Independent schools	Callistemon House
Average cost per boarder (\$'000)	28	26	30

Net cost of operating Indigenous boarding facilities

The net cost of operating Indigenous boarding in a school setting in the three years January 2013 to 31 December 2015 across the subject schools (excluding Callistemon House) is summarised as follows:

	2013	2014	2015	Overall average
No. of Indigenous boarders	798	679	742	740
Total revenue all sources (\$'000)	11,529	11,546	11,167	11,414
Total cost incurred (\$'000)	19,090	18,732	19,581	19,134
Net operating result (\$'000)	(7,561)	(7,186)	(8,414)	(7,720)
Average loss per Indigenous boarder (\$)	9,475	10,582	11,340	10,437

Figure 19: Average loss per Indigenous boarder

Combined losses attributable to non-government Indigenous boarding operations are assessed in the amount of \$23.2 million for the full calendar years 2013 to 2015.

At the current level of service delivery, average annual loss per school attributable to boarding operations has been \$1.08m, \$1.03m and \$1.20m respectively in each of the three full years assessed. These outcomes represent losses of \$9,475, \$10,582 and \$11,340 per Indigenous boarder respectively.

Two schools (St John's Catholic College and St Phillip's College) have a mix of Indigenous and non-Indigenous boarders. In both cases an increase in the percentage mix of Indigenous boarders occasioned an increase in cost and resultant losses, as a result of incremental costs of additional boarders being unrecovered through corresponding funding available for those boarders.

This assessed outcome is consistent with an array of sector estimates that a funding shortfall of \$12,000-15,000 exists per student. Sector estimates include allowance for an increase in services that remain unmet, such as improvement in service delivery around social, emotional and physical wellbeing of students and suitable repairs and maintenance programs and compliance with NBS.

As shown above, the combined efforts of funding models across Commonwealth and NT programs do not adequately cover the current costs of running boarding operations. As a result there are various levels of cross subsidisation by the academic schools to the boarding facilities. Levels of cross subsidisation are not always well measured as a result of a lack of transparency in Abstudy funding received by schools for academic purposes versus living away from home allowance, which would contribute to the boarding revenue of schools. Schools incorporating a mix of Indigenous and non-Indigenous students report that this has ramifications for their day school enrolments. Some schools cited significant academic school enrolment decreases during the study period due, in part, to a belief within the parent cohort that boarding operations are absorbing resources inequitably and causing a decrease in the quality of curriculum and education delivery.

All schools outline an inability to undertake programmed preventative maintenance of facilities and infrastructure. Maintenance is being performed on a critical needs basis. The total of identified capital projects are typically not within the fiscal means of schools or peak bodies. Accumulated depreciation accounts are unfunded; by this, we mean that schools do not carry cash reserves with which to replace depreciated assets. One school cites upgrade requirements of several million dollars. Across the sector all schools cite repairs and maintenance needs in the hundreds of thousands of dollars.

Unmet costs extend to expenses associated with boarding supervision staff, professional development for staff caring for disadvantaged and high need boarders, medical staff (nursing), uniforms and normal clothing, books and travel home deemed necessary for student well-being. Schools import significant issues with boarders' social, emotional and physical wellbeing, but receive little to no support in attending to or facilitating the medical needs of students.

Schools have little capacity to engage with families and communities other than the administrative effort required to optimise Abstudy receipts. Engagement around student welfare, pastoral care, educational outcomes and parent relationship establishment is reported as limited.

A significant amount of unrecompensed goodwill exists within the sector. Staff regularly attend to out of hours' functions including transportation to medical attendance, sporting events and weekend excursions.

Some peak bodies have expressed concerns that schools or boarding operations may need to close and others have already sought emergency funding from Government to remain in operation. Those associated with larger bodies have entered into borrowing arrangements to obtain cash flow for operational purposes with limited means to repay.

The net operating results recorded by each of the subject schools in providing Indigenous boarding facilities in the period 1 January 2013 to 31 December 2015 is detailed in Appendix B and summarised as follows:

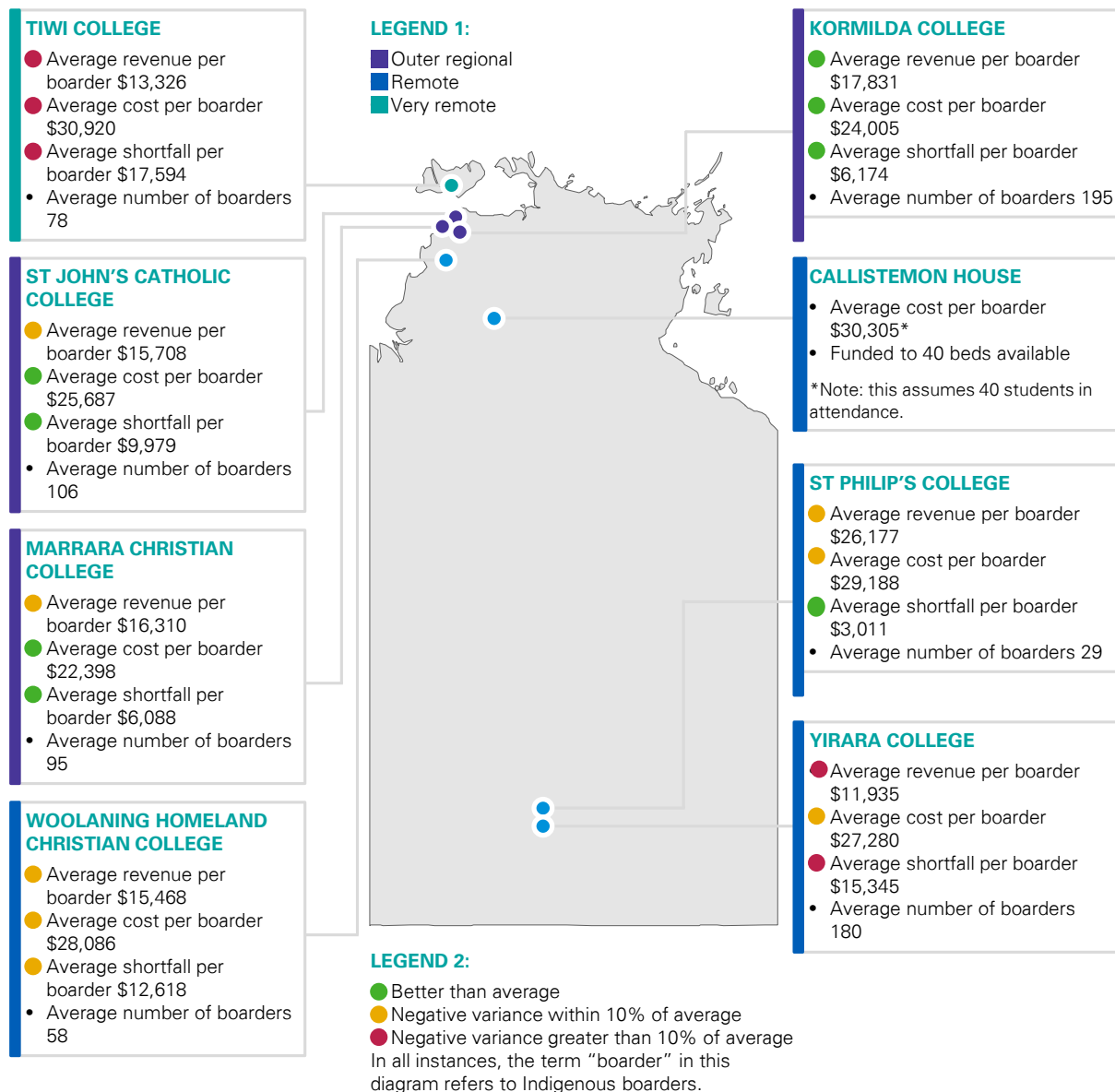
School	2013 \$'000	2014 \$'000	2015 \$'000
Kormilda	(1,397)	(788)	(1,377)
Marrara	(538)	(626)	(551)
St Johns	(408)	(1,302)	(1,384)
St Phillips	8	(56)	(211)
Tiwi College	(1,421)	(1,497)	(1,194)
Woolaning	(768)	(565)	(801)
Yirara	(3,037)	(2,352)	(2,896)
Total	(7,561)	(7,186)	(8,414)

Figure 20: Summary of school level operating losses from Indigenous boarding operations

Summary of boarding facility financial performance

A visual representation of key performance metrics identified during the review is provided below. Further detail into these metrics is provided throughout the body of this report, and the detailed data for each school is broken out in **Appendix B**.

Diagram 1. Three year performance metrics by boarding facility



National Boarding Standards

Background

Standards Australia published the *Boarding Standard for Australian schools and residences (AS 5725:2015)* on 23 July 2015. The objective of the standard is to provide owners, operators and managers and staff of boarding services with a framework of required standards that need to be achieved in order to deliver a safe, healthy and productive environment for boarders. Commonly referred to as the National Boarding Standard ("NBS"), the standard is designed for application (amongst others) in non-government schools and systems across Australia. The standard is designed to promote and safeguard the welfare of students for whom boarding accommodation is provided.

This NBS covers the following relevant topics:

- 1) Scope & general
- 2) Governance & management
- 3) Boarders
- 4) Staff
- 5) Parent, family and community engagement
- 6) Facilities

Current compliance with the NBS

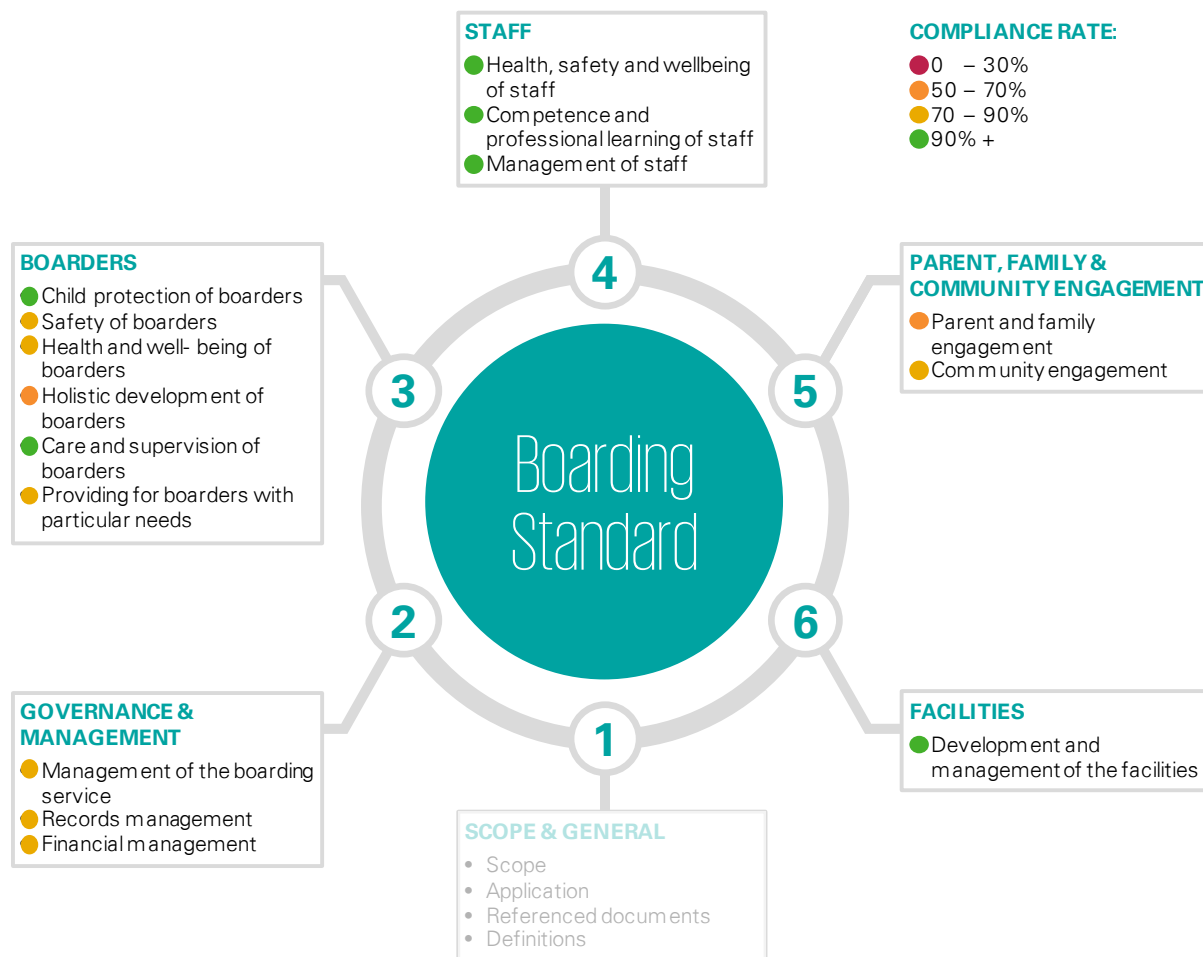
Compliance with the National Boarding Standards is currently not compulsory. As part of this review, KPMG was asked to assess the potential cost implications should boarding schools be required to adhere to the NBS or similar standard developed specific to the Northern Territory context in the future.

In order to assess the current degree of compliance, and in turn, the potential additional cost implications should the satisfaction of the NBS become compulsory, KPMG gathered information from school-based boarding facilities to determine, on a self-assessment basis, the degree of current compliance with the standards across the boarding facilities. Through discussions with staff from each boarding facility, KPMG has outlined where schools fall short of the standards and what further resources would be required, in the school's opinion, to meet the standards.

A detailed report of school-by-school compliance self-assessment is included in **Appendix C: Self Assessed Compliance with National Boarding Standards**.

Overall compliance with the National Boarding Standards appears to be good, with all school-based boarding facilities answering the majority of the assessment questions in the affirmative.

Diagram 2. Compliance with National Boarding Standards



Areas of lower degrees of compliance (measured as three or more schools failing to meet the relevant section of the standard) were identified as follows:

Area	Measure
Governance & management	<ul style="list-style-type: none"> • Parental receipt of statement of boarding objectives, policies and processes.
Boarders	<ul style="list-style-type: none"> • School working with boarders to understand and effectively respond to personal security issues. • Health and wellbeing program for staff and boarders. • Policies and procedures in relation to management of boarder health and wellbeing. • Annual review by staff and boarders of food provision in relation to quantity, variety and food handling practices. • Processes for embracing human diversity. • Policies and procedures for holistic development of boarders in relation to social development and social responsibility. • Policies and procedures for access and care of boarders with disabilities.
Parent, family and community engagement	<ul style="list-style-type: none"> • Training of staff in strategies for parent and family engagement. • Provision of, and easy access to, plain language information about the boarding services, policies, procedures and calendar of activities. • Policies for regular collection and use of information amount family needs and expectations to improve service delivery. • Regular assessment of parent satisfaction. • Development of partnerships that involve parents and families in policy and decision-making. • Development of partnerships that enrich boarding programs and activities.

Figure 21: Summary of NBS improvement areas

In light of the above shortfalls identified through survey responses, KPMG makes the following observations as a result of consultation visits with the schools:

- Engagement with parents and communities was an area of strong focus across all schools, with schools citing that it was not only boarding house managers and staff that attended communities, but that school principals, administration staff and teaching staff (sometimes on a voluntary basis in school holidays) also regularly attended communities to engage with parents and the wider community. It is likely, however, that the focus of these community visits is not so much on engagement for the purposes of information sharing, obtaining feedback and developing partnerships, as much as it is on the administration task to ensure that Abstudy forms are adequately completed and signed by families to secure funding to the school for academic and boarding service delivery.
- The holistic development of boarders was another area of strong focus in all schools, however more of the discussion was dominated by the topic of holistic development in schools that operate a 'group home' (as opposed to dormitory style) boarding model. Whilst there may not be documented policies and procedures, or formal activities in relation to some aspects of holistic development and boarder wellbeing, there is significant focus on these topics in the 'home life' created for students in the boarding environment.

Areas for further development against towards NBS compliance

Social, emotional and physical wellbeing of students

Through consultation with the schools, areas for further development which were not highlighted through the survey process centred on the provision of social, emotional and physical wellbeing services to boarders. Anecdotally, it was recognised by all schools that Indigenous students returning from community had high instances of physical health problems, in part due to poor living conditions on community, alcohol and substance abuse, and deferral of seeking medical attention for health problems until returning to school. It was noted by most schools that the first week of term often included an assessment of the physical wellbeing of all boarders. This activity in some instances resulted in a significant draw on manpower of boarding staff, and time out of the classroom for boarders.

It was widely accepted across the school based facilities that the physical, social and emotional health care needs of Indigenous boarders from remote communities far outstripped the needs that would be satisfied by simple adherence to the documented National Boarding Standards. Whilst boarding facilities would be unable to fund the cost of providing appropriate professional health care on campus for Indigenous students under the current funding arrangements, they agreed that this would be the desirable standard to provide the best quality of care for Indigenous students from remote communities.

In addition to the spike in health care activity at the commencement of each term, schools noted the significant strain placed on resources in all cases where medical attention is required for boarders, however the degree of remoteness of the school had a bearing in where the impact was felt:

- Schools in remote locations cited that further investment should be made into onsite health care for students through dedicated professional nursing staff who would be available to staff and students 24/7. The difficulties that arise in a remote setting without such a resource were explained by Tiwi College. Tiwi College has historically had an arrangement with the 'local' clinic (located a good distance from the school, accessible by dirt road), whereby the clinic would make regular appointments available to students of the College, and the College would arrange a bus to take students to the clinic to attend their appointments. The impact of this arrangement however was that for the sake of what might be only a 20 minute appointment, a student might miss a half day to a full day of schooling as a result of needing to wait until all students on the bus had been seen before returning to school. An improvement to this arrangement was made in recent times, whereby the clinic now sends nurses to the school to deliver the health service. This represents a significant system improvement as it allows students access to healthcare without the significant compromise to their education. Tiwi College identified that further improvements could be made with on-site health care available to students, which would improve the level of service, and capacity of the school in an emergency situation.
- Schools in urban settings where access to health services and hospitals is more readily available identified that further investment in relief boarding supervision staff would ease the strain placed on staff when a student requires medical treatment. Where a student at a boarding school requires medical treatment through the public health care system, they are required to be accompanied by a guardian. The guardian role is performed by boarding supervisors. When a student is required to attend a medical appointment outside school hours, this places a strain on the boarding supervision staff, as one must leave to attend to the student's medical needs. When a student is required to attend a medical appointment within school hours, strain is placed directly on the boarding staff member who escorts the student to their appointment as this often occurs when the boarding staff member is supposed to be off-duty.

Instances where students required medical assistance for social and emotional wellbeing were also identified as an area for improved performance, particularly for schools in remote settings, where mental health assistance is not readily available. Students with social and emotional wellbeing issues require additional care and attention to appropriately manage. Often, the service delivery model in a remote setting is to have mental health experts visit the school regularly; however this does not allow for flexibility around access to professionals when timing is critical. In the absence of a qualified mental health professional on staff, it might be appropriate for additional training to be afforded to particular staff within the school-based boarding facilities to take on a higher level role in relation to mental health assessment, and dealing with issues of lower complexity.

Quality of boarding infrastructure

Additional issues that were raised in terms of compliance with NBS were around the quality of facilities; in many cases facilities are tired and run down, and whilst structurally sound and safe, they are not attractive, nor do they have the full suite of comfort items that might be considered essential for boarding in facilities outside the Northern Territory. An example here was a lack of air-conditioning units in boarding houses at Kormilda College.

It was a common occurrence that schools were funded through capital grants to acquire infrastructure, however no additional income is generated or otherwise granted in order to adequately maintain the same item of infrastructure. This often results in smaller maintenance items being left unattended as schools dedicate their scarce resources to critical repairs and maintenance. Schools cited that this contributed to an ongoing worsening of the standard of facilities. It appears there is some evidence of this phenomenon through the comparison between per boarder repairs and maintenance costs at Callistemon House and the average cost at all other schools. Our analysis indicated that the per boarder cost of repairs and maintenance at Callistemon House was \$2,292 per annum (on average over the period 2013-2015) whilst the average repairs and maintenance expense across seven school-based facilities was \$1,603 per student per annum over the same period.

Given the long-running history of a lack of proactive repairs and maintenance activities at school based facilities, it is likely that there would be a 'catch-up' cost associated with bringing facilities back up to a standard that the annual repairs and maintenance cost (similar to that incurred at Callistemon House) could maintain facilities at a higher quality into the future. KPMG has not sought to quantify what the rectification activities and associated costs might be as this is outside the scope of this review and the information should be sought from an appropriately qualified quantity surveyor.

Extra-curricular activities and tutoring support

Schools identified mixed performance in the provision of extra-curricular activities to students. In most cases, boarding facilities were located close to town centres which allowed students to participate in organised community sporting clubs. In remote settings, it was reported that schools are supported by AFLNT in particular.

Schools identified that tutoring in the boarding setting was another area where performance above the NBS would be preferable. The schools identified that the complexities experienced in a classroom setting at the academic school were replicated in a homework setting also. In order to appropriately assist students in completion of homework, additional supervision, above that provided by boarding supervisory staff, is required. At present, this is often provided by teaching staff outside of school hours. Whilst this additional assistance is useful in assisting students, it does not replicate the one-on-one help that a student might require, and staff to student ratio issues present in much the same way as is applicable in the academic school. Additional provision for assistance in this regard would be looked upon favourably by boarding facilities.

Potential cost of compulsory compliance with NBS

Given the existing funding shortfall in delivery of boarding services to Indigenous boarders, it is highly unlikely that non-Government Indigenous boarding schools will have the fiscal capacity to employ the additional resources required to meet the NBS, let alone to exceed them in the areas of physical and mental health care delivery and tutoring support which has been identified as required in the Northern Territory context.

Given the shortcomings identified in the previous section through surveys and interview responses from the schools, the additional resources that might be required should compliance with NBS be compulsory in the future are as follows:

- Focus on development of community engagement plans, and investment in dedicated staff to engage with parents and the community for purposes other than administration tasks associated with Abstudy recovery. Depending on the size of the school, this may require the employment of one or more staff to deliver this task. If we estimated that two days effort would be dedicated to engaging with each students' family in this way, this would result in a per student cost of approximately \$521 per student if we assume that the staff employed to deliver this service were employed at a cost of \$78,000 p.a. (being \$60,000 plus on-costs).
- Additional investment in ongoing upkeep of boarding infrastructure. Whilst the financial implications to each school of getting facilities up to a desirable standard, and maintaining that standard through investment in ongoing repairs and maintenance will differ depending on the age and degree of wear on assets, it might be appropriate to estimate that the per student cost on repairs and maintenance might be in the order of \$2,292 per student, per annum, in accordance with costs recently incurred at Callistemon House. This represents an increase of \$688 per student, per annum on the current repairs and maintenance cost allocation across the seven school based boarding facilities.

It was widely accepted amongst the subject schools and peak bodies consulted as part of this review, that the NBS would represent a minimum level of service delivery in the NT, and that if boarding facilities were to cater to the social and emotional wellbeing of a child, a higher standard of care would need to apply.

- For remote schools, employment of an on-site nurse to be available 24/7 to students. This would apply to both Tiwi College and Woolanang Homeland Christian College, both of which have lower student numbers and may be serviced by one nurse. Ignoring the infrastructure cost to house the nurse, the cost of employing a suitably qualified nurse to deal with physical well-being of students would likely be approximately \$97,500 per annum (being \$75,000 p.a. plus on-costs). This would equate to a per student cost of approximately \$1,400 per student.
- For urban schools, employment of additional capacity in boarding supervision in situations where supervisory staff are left short when one needs to attend medical appointments with students. The employment of one additional boarding supervisory staff member per 100 students on a full time basis would result in an additional per student cost of \$780 per student, based on an employment cost of \$78,000 p.a. (being \$60,000 p.a. plus on-costs). Provision of one staff member per 100 students allows for each student to utilise the services of the additional staff member 2.5 days per annum.
- Investment in training and development for selected pastoral care or boarding supervisory staff in mental health issues. Training cost for one staff member per 100 students would result in a per student cost of approximately \$100 per student assuming an annual cost of \$10,000 p.a. to be dedicated to training of each staff member.

In summary, total additional costs that might be incurred by school based boarding facilities in meeting the national boarding standards might likely be:

Resource enhancement	Per boarder annual cost
Community liaison officers	\$521
Repairs and maintenance	\$688
Incremental per boarder cost to meet NBS	\$1,209

Figure 22: Summary of indicative incremental cost to meet NBS

In recognition of the higher health care standard that may appropriately apply to a boarding standard adapted for Northern Territory context, additional costs may apply as follows:

Resource enhancement	Per boarder annual cost
Nursing staff (or additional boarding supervision for boarding facilities with access to public health care systems)	\$1,400
Training and mental health care provision	\$100
Incremental per boarder cost to meet NT standard	\$1,500
Plus: Incremental cost per boarder to meet NBS	\$1,209
Total incremental cost per boarder to meet NT standard	\$2,709

Figure 23: Summary of indicative incremental cost to meet NT standard

NTG DoE funding observations

The sources of income to non-Government Indigenous boarding schools have been identified earlier in this report. Through analysis, KPMG identified that Abstudy is the single largest component of income for boarding services, providing an average of 61% of funding to boarding services over a three year period across all schools. Other sources of Commonwealth Government funding brought the average funding sourced from the Commonwealth Government to 74%, with the remaining 26% being provided by the Northern Territory Government.

The 26% of funding provided by the NTG through NTG DoE is provided in two forms:

- 1) Isolated Students Education Allowance.
- 2) Annual supplementary assistance grant.

The combined total of funds available for distribution by the NTG in 2015 was \$3.78m, which was allocated \$1.15m towards Annual Supplementary Assistance Grants to three schools, and the balance to ISEA.

The current ISEA funding model applies an inflation rate to the previous years' payment rate, then the NTG ensures that it will have sufficient cash resources with which to pay out all claims by ensuring that it can fund to the "aggregate capacity" of all schools. Because the process then requires claims to be made against ISEA funding based on eligibility criteria, in an environment where school enrolments fall below capacity, or where students are ineligible for the funding as a result of failing to satisfy the 50% attendance criteria at any one school, there is a variance between the budgeted amount and the claimed amount on an annual basis.

From analysis of the data provided to KPMG by NTG DoE, the NTG DoE variance between budgeted and claimed ISEA, across all schools was in the order of \$800k to \$1.1m per annum over the past three years. Whereas the schools operate on a financial year ending 31 December each year, the NTG DoE operates on a financial year ending 30 June each year. The ISEA variance figures provided by the NTG DoE are as follows:

	FY 2013-14 \$'000	FY 2014-15 \$'000	FY 2015-16 \$'000
Claimed ISEA	2,174	1,737	1,564
Annual Supplementary Assistance Grants	1,150	1,150	1,150
Total allocated across seven school-based boarding facilities	3,324	2,887	2,714
Budget for payments to non-Government Indigenous boarding schools	4,163	3,780	3,780
Variance	839	893	1,066

Figure 24: NTG DoE variance summary

In order to obtain eligibility for ISEA funding, a student must achieve a record of 50% attendance. The NTG DoE advised that to date, it has not sought to verify actual attendance by students claimed under the ISEA program, and has paid out all claims made.

With a system-wide shortfall at the current level of service delivery of approximately \$7.7m per annum (\$10,437 per student across an average of 740 students), it is not likely that the attendance criteria applied to the ISEA per capita funding is significantly impacting the financial viability of non-government Indigenous boarding schools operating in the NT; that is, the funding shortfall is far more significant than would be able to be corrected by removal of the attendance criteria for ISEA.

Appendix A – Consultation list

The table below lists the consultations completed during the course of this review:

Stakeholders	Category
Association of Independent Schools Northern Territory	Industry body
Catholic Education Office	Catholic diocese administrator
NT Christian Schools	NT Association peak body
Callistemon House	NT Government boarding service provider
Yirara College	Independent school
St Philip's College	Independent school
St John's Catholic College	Independent school
Kormilda College	Independent school
Marrara Christian College	Independent school
Woolanang Homelands Christian College	Independent school
Tiwi College	Independent school
Department of Education	NT Government
All Non-Government Indigenous Boarding Schools (National Boarding Standards survey period)	Independent schools

Appendix B – School profiles

Tiwi College

Background

The Tiwi College unofficially opened in 2007 and provides day and boarding school services to children of the Tiwi Islands. The school, located on the Tiwi Islands, is accessible from the mainland via charter flight or via barge travel.

Students currently board at the college only during weekdays. On weekends the students go back to their respective communities. The college has considered operating with students in boarding for full term, but don't see it as a feasible option due to the additional staffing requirements. Necessary additional housing would be a considerable cost for the College.

Schooling years are currently structured in the following ways:

- Primary class
- Middle School Girls (11-14/15)
- Middle School Boys
- Senior Girls (15/16 ongoing)
- Senior Boys

Boarding is operated under a Family Group Home model. Under this arrangement, 6 to 8 boarders live with "house parents" to provide a contemporary style home setting.

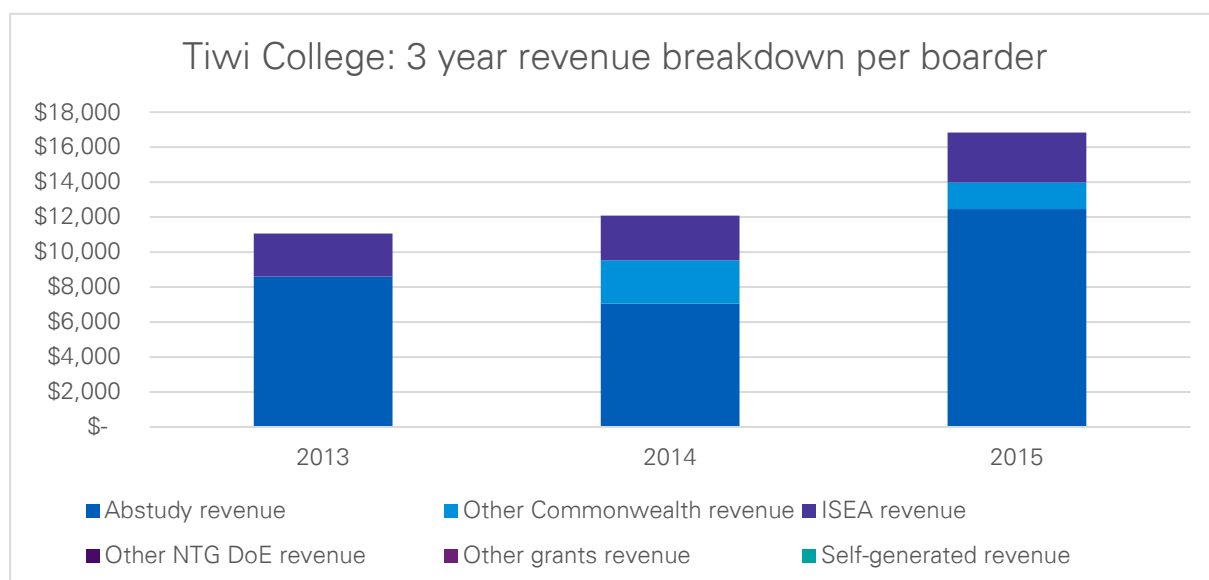
Current student enrolments are 80. Boarders comprise 78 of all students, all of which are indigenous. 32 students are diagnosed with a form of disability.

Financial performance summary – Indigenous boarding only

	2013 \$'000	2014 \$'000	2015 \$'000
Revenue			
Abstudy revenue	688	536	972
ISEA revenue	197	194	222
Other Commonwealth revenue	-	188	119
Other NTG DoE revenue	-	-	-
Other grants revenue	-	-	-
Self-generated revenue	-	-	-
Total revenue	885	918	1,313

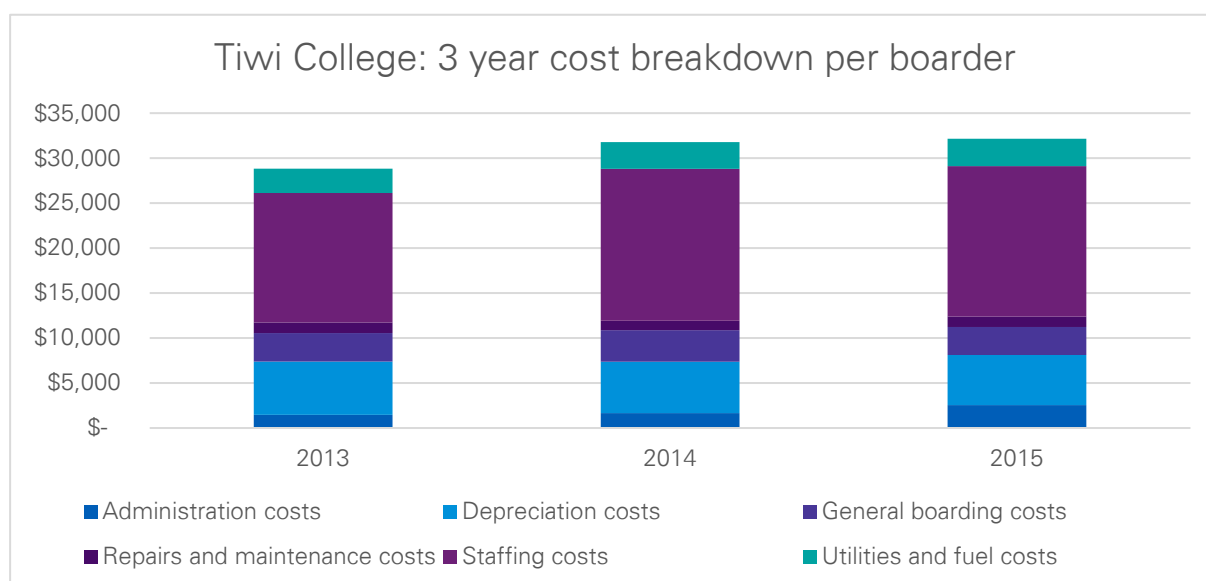
	2013 \$'000	2014 \$'000	2015 \$'000
Costs			
Administration costs	117	127	199
Depreciation costs	475	433	435
General boarding costs	253	267	242
Repairs and maintenance costs	94	79	90
Staffing costs	1,151	1,284	1,305
Utilities costs	217	226	236
Total costs	2,306	2,416	2,507
Net result	(1,421)	(1,497)	(1,194)

Revenue comments



- Revenue per boarder is trending upwards, primarily due to the improvement in the collection of Abstudy as a result of increased administrative effort from the College.
- The college received \$188k and \$119k in 2014 and 2015 respectively under the Commonwealth Government's Indigenous Boarding Initiative.

Cost comments



- Administration costs have increased in 2015, reflective of the increased administrative effort required for the collection of Abstudy.
- Repairs and maintenance has remained fairly steady over the three year period, however are predicted by the school to increase as the facilities (which are currently relatively new) continue to age. The move from a depreciation charge to a repairs and maintenance cost over time will draw on cash reserves of the boarding facility and school.
- Utility costs are relatively high as a proportion of total boarding expenses, with power being generated via generators resulting in a higher cost of power. There is no direct metering to boarding facilities so usage estimates have been used to segregate the academic school usage from the boarding facility usage.

Financial performance indicators

	2013	2014	2015
Number of Indigenous boarding students	80	76	78
Revenue per Indigenous boarding student	11	12	17
Cost per Indigenous boarding student	29	32	32
Shortfall per Indigenous boarding student	18	20	15

St John's Catholic College

Background

St Johns is a long established Catholic day and boarding school located in inner Darwin. The college was established in 1960 and has been located adjacent to the Stuart Highway and Darwin Botanic Gardens throughout its history. Schooling years are Middle School (Years 7 – 9) and Senior School (Years 10 – 12) accommodating day school and boarding students.

The college includes Indigenous boarding students from Western Australia but primarily from the Northern Territory. Students attend the college primarily due to historical family connections and through the school's history of connection to the communities. Boarding students are also sourced from West Papua, being beneficiaries of an education program underwritten by Freeport mine.

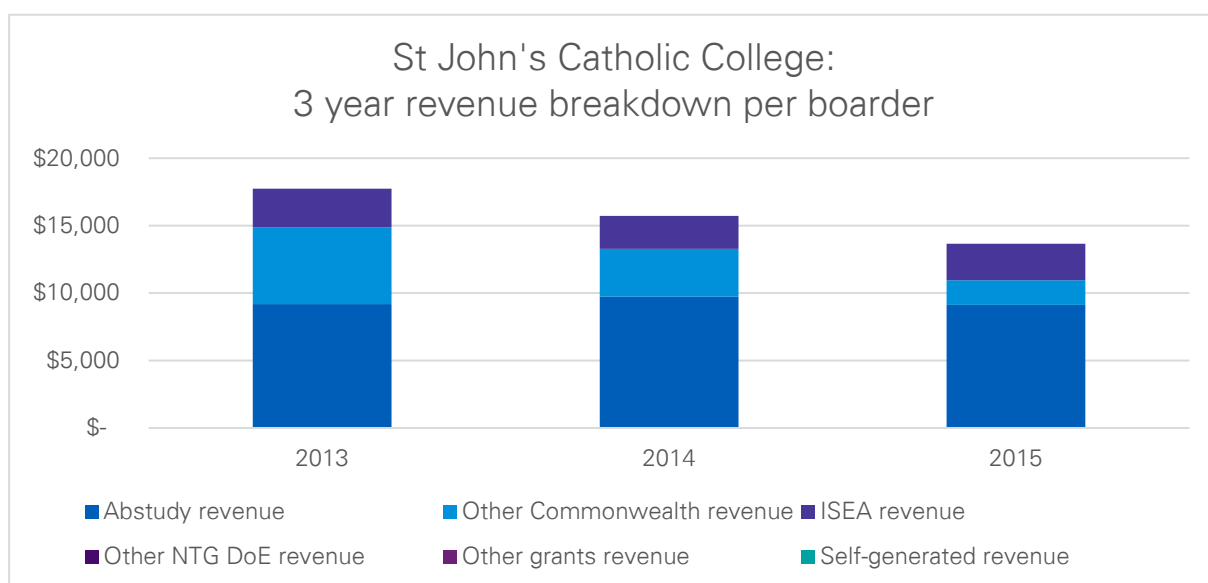
Boarding is comprised of a mix of traditional dormitory style accommodation and more recently constructed 'home group' accommodation. The dormitory accommodation is noted as being aged and lacking contemporary amenity.

Current student enrolments are 402. Boarders comprise 173 of all students of which 113 are Indigenous. International boarders (West Papua) total 23.

Financial performance summary – Indigenous boarding only

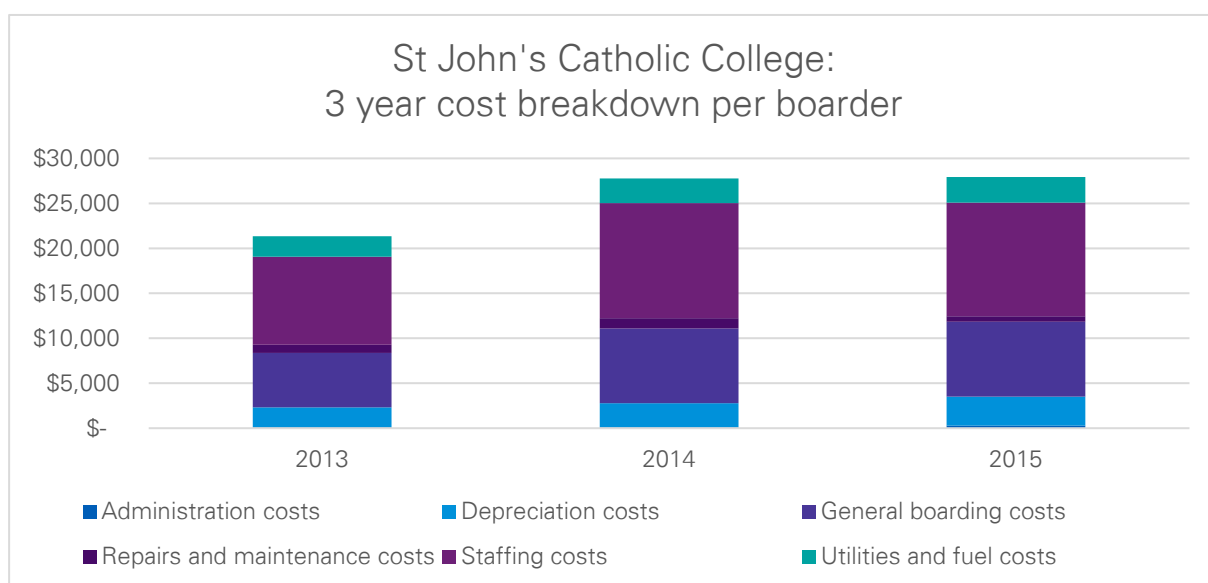
	2013 \$'000	2014 \$'000	2015 \$'000
Revenue			
Abstudy revenue	1,038	1,051	885
ISEA revenue	323	264	262
Other Commonwealth revenue	644	382	178
Other NTG DoE revenue	-	-	-
Other grants revenue	-	-	-
Self-generated revenue	-	-	-
Total revenue	2,005	1,698	1,325
Costs			
Administration costs	11	9	28
Depreciation costs	251	292	313
General boarding costs	684	896	808
Repairs and maintenance costs	102	123	59
Staffing costs	1,106	1,382	1,225
Utilities costs	258	297	277
Total costs	2,413	3,000	2,709
Net result	(408)	(1,302)	(1,384)

Revenue comments



- The college received \$382k and \$178k in 2014 and 2015 respectively under the Commonwealth Government's Indigenous Boarding Initiative.

Cost comments



- Utilities costs electricity and water based upon school allocation methods. No direct metering to boarding facility.

Financial performance indicators

	2013	2014	2015
Number of Indigenous boarding students	113	108	97
Revenue per Indigenous boarding student	18	16	14
Cost per Indigenous boarding student	21	28	28
Shortfall per Indigenous boarding student	4	12	14

Marrara Christian College

Background

Marrara Christian College is a Christian day and boarding school located in the Darwin northern suburbs. The college commenced as a primary school in 1979 and secondary classes were introduced in 1980.

Schooling years are from Preschool to Year 12 and are integrated into three sections or schools.

- The Primary school encompasses Preschool to Year 6 and focuses on the foundational years of formal education;
- The Middle School, which has been operating since 1998, includes Year 7 to Year 9 and is designed to engage young teens through the 'lost' years of education; and
- The Senior School, Year 10 to Year 12 is aimed at developing formal academic study skills as well as introducing vocationally orientated options.

The college includes Indigenous boarding students from Broome in Western Australia, Tiwi and Crocker Islands and the tip of Cape York Peninsula, as well as numerous other remote communities throughout the NT. Marrara Christian College also provides boarding accommodation to the Northern Territory Christian College.

The boarding facility is operated under a Family Group Home model that aims to be very much like ordinary family homes. Under this arrangement, up to 10 boarders live with "house parents".

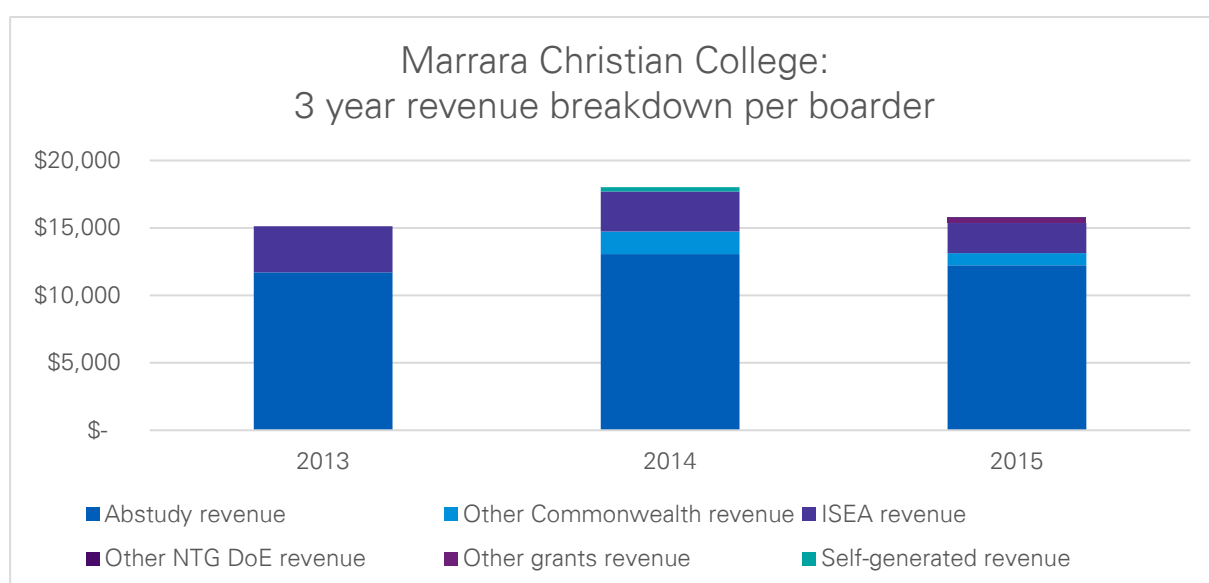
Current student enrolments are 393. There are 103 boarders, of which 53 are Marrara students and 50 are Northern Territory Christian College students. All boarders are Indigenous.

Financial performance summary – Indigenous boarding only

	2013 \$'000	2014 \$'000	2015 \$'000
Revenue			
Abstudy revenue	1,101	1,137	1,260
ISEA revenue	321	259	230
Other Commonwealth revenue	-	145	93
Other NTG DoE revenue	-	-	-
Other grants revenue	-	-	43
Self-generated revenue	-	27	1
Total revenue	1,422	1,567	1,626

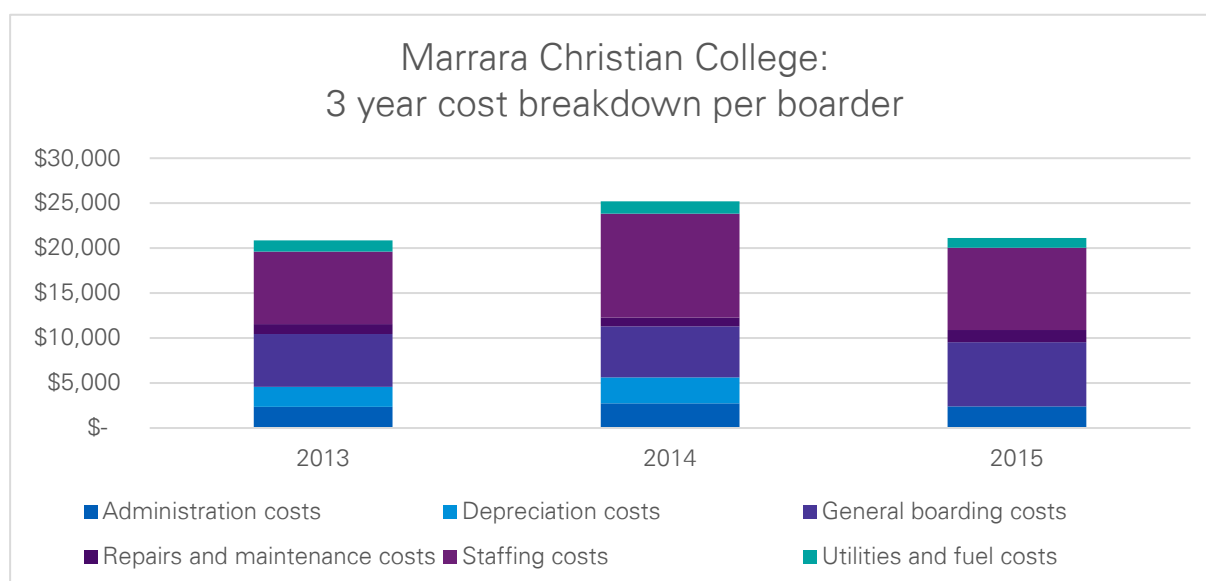
	2013 \$'000	2014 \$'000	2015 \$'000
Costs			
Administration costs	222	239	248
Depreciation costs	208	251	-
General boarding costs	552	493	735
Repairs and maintenance costs	104	85	140
Staffing costs	759	1,005	942
Utilities and fuel costs	116	120	113
Total costs	1,960	2,193	2,177
Net result	(538)	(626)	(551)

Revenue comments



- The college received \$145k and \$93k in 2014 and 2015 respectively under the Commonwealth Government's Indigenous Boarding Initiative.

Costs comments



- Depreciation charge was not available for the 2015 year.
- Utilities costs electricity and water based upon school allocation methods. No direct metering to boarding facility.

Financial performance indicators

	2013	2014	2015
Number of Indigenous boarding students	94	87	103
Revenue per Indigenous boarding student	15	18	16
Cost per Indigenous boarding student	21	25	21
Shortfall per Indigenous boarding student	6	7	5

Kormilda College

Background

In 1967, the Commonwealth government acquired the property on which Kormilda College is today based, to create a post primary hostel and boarding school for Indigenous children from isolated locations. By early 1968 many of the buildings were converted into classrooms or bedrooms and the property became Kormilda College.

In February 1989 the ownership of the College transferred to the Anglican and Uniting Churches and Kormilda College Limited was formed and administered by a board of directors, appointed by the two churches.

Boarding facilities include year 7 up to year 12 and are comprised of traditional dormitory style accommodation. The three dormitories have both individual and shared rooms, and communal areas that include; reception, common rooms, games room, music room, computer rooms, kitchens and outdoor lounge areas.

The residential students at Kormilda College are mostly Indigenous and from remote Territory communities. Number of non-indigenous boarding students from across the Territory and have also hosted a small number of International Boarding students from South East Asia.

The boarding houses are closed during the day and the responsibility for boarding students during day is assumed by the school nurse. The nurse has a full clinic which was set up for the boarding students to cater for their medical needs. Indicated by the principal that the first 2 weeks of each term are the busiest and demanding weeks as the school welcomes new students and returning students from communities and they need medical checks and updates.

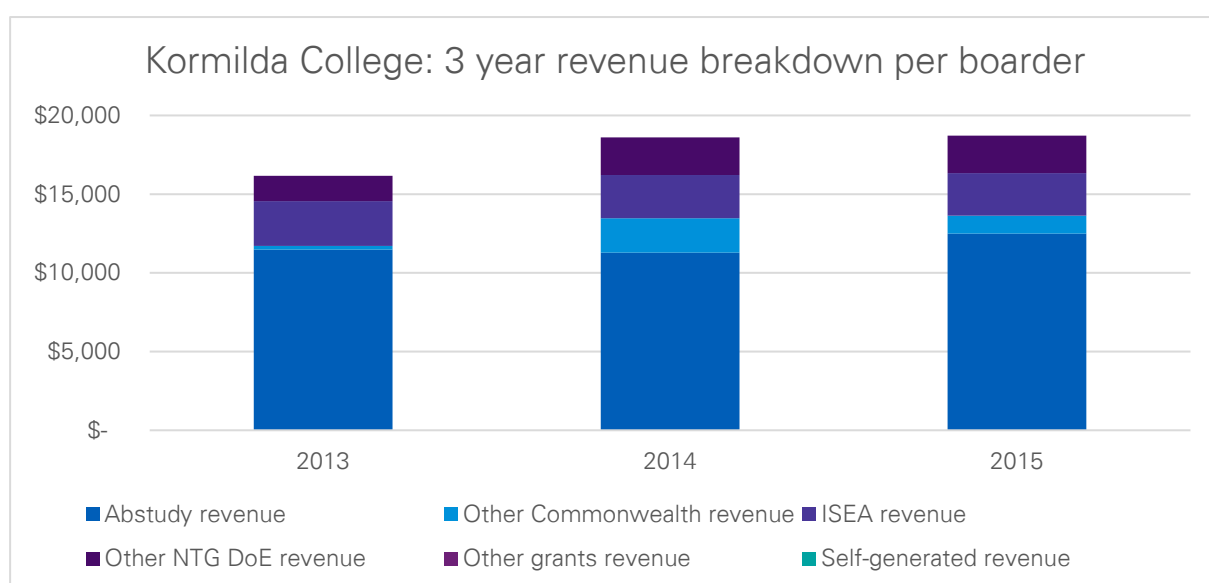
Current student enrolments are 629. There are 170 boarders, of which 168 are Indigenous, from remote communities as far away as Kununurra in Western Australia. School enrolments have been declining in recent years, including boarder numbers. The decision was taken to close one boarding wing in 2013 as a sustainability measure.

Financial performance summary – Indigenous boarding only

	2013 \$'000	2014 \$'000	2015 \$'000
Revenue			
Abstudy revenue	2,859	1,885	2,100
ISEA revenue	709	458	455
Other Commonwealth revenue	58	365	190
Other NTG DoE revenue	400	400	400
Other grants revenue	-	-	-
Self-generated revenue	-	-	-
Total revenue	4,025	3,108	3,145

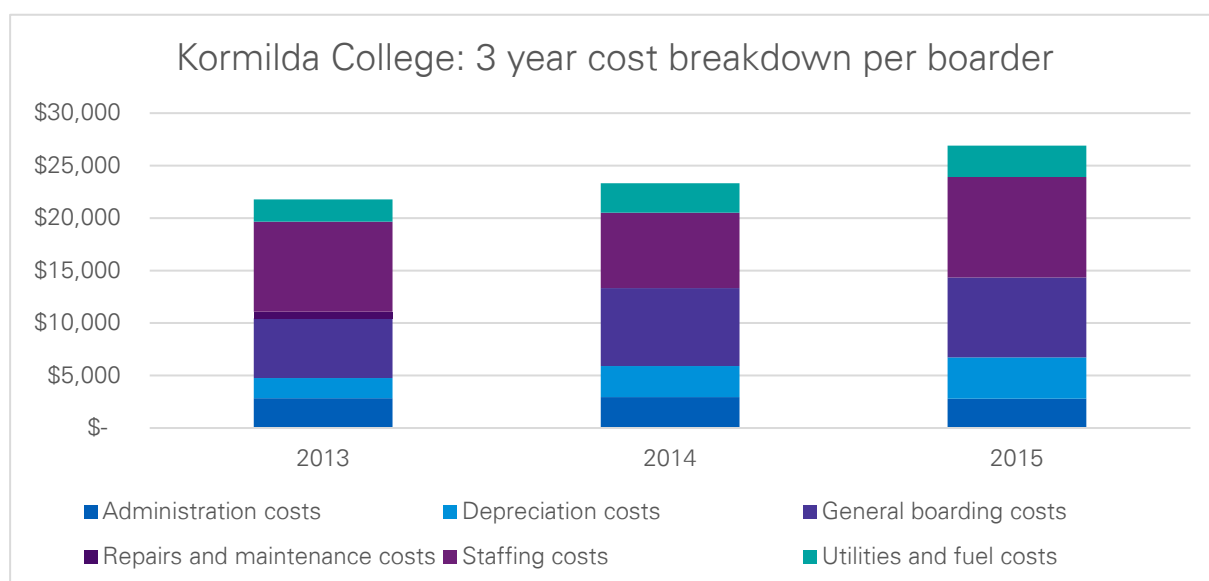
	2013 \$'000	2014 \$'000	2015 \$'000
Costs			
Administration costs	708	491	468
Depreciation costs	477	494	661
General boarding costs	1,418	1,242	1,280
Repairs and maintenance costs	155	-	-
Staffing costs	2,138	1,200	1,609
Utilities and fuel costs	527	469	503
Total costs	5,422	3,896	4,521
Net result	(1,397)	(788)	(1,376)

Revenue comments



- The college receives an annual \$400,000 under the NTG DoE's Annual Supplementary Assistance Grant.
- The college received \$365k and \$190k in 2014 and 2015 respectively under the Commonwealth Government's Indigenous Boarding Initiative.

Costs comments



- Repairs and maintenance is the second highest boarding expense, reflective of the aging boarding facilities.
- Utilities costs electricity and water based upon school allocation methods. No direct metering to boarding facility.

Financial performance indicators

	2013	2014	2015
Number of Indigenous boarding students	249	167	168
Revenue per Indigenous boarding student	16	19	19
Cost per Indigenous boarding student	22	23	27
Shortfall per Indigenous boarding student	6	5	8

Woolaning Homeland Christian College

Background

Woolaning Homeland Christian College is located adjacent to Litchfield National Park, approximately two hours' drive south of Darwin. The college provides education, training and care for around 60 secondary aged Indigenous students, who board at Woolaning during (six by six week) school terms in purpose-built Family Group Home accommodation.

Students are cared for in a 'home away from home' environment, with a Christian couple/family living with up to 12 students in purpose-built homes.

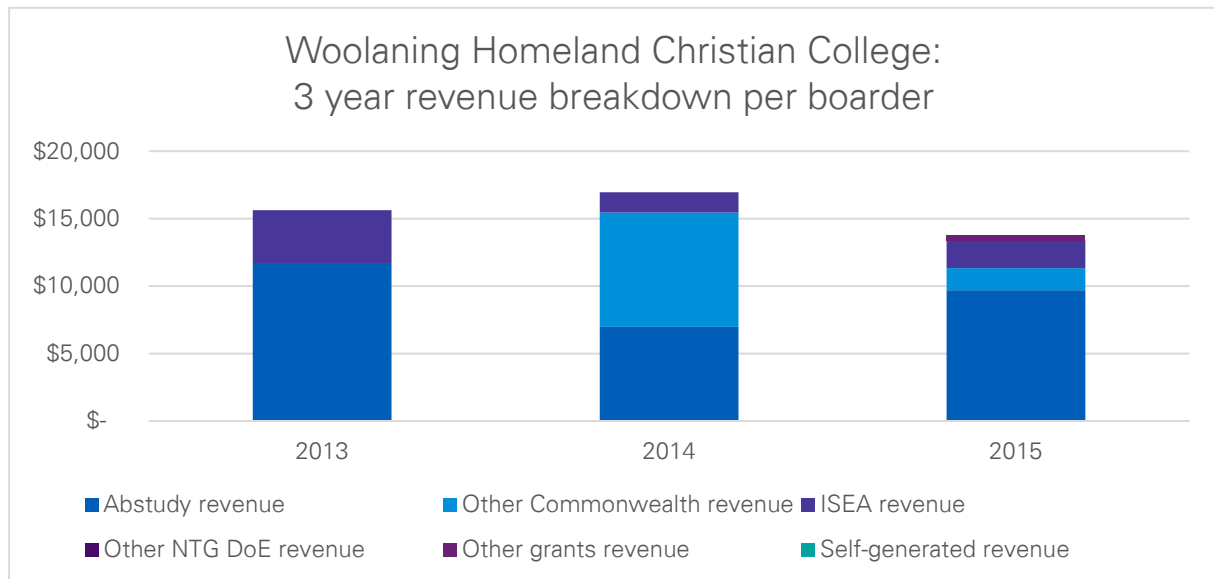
Regular contact between students and their home communities is encouraged and is a major factor helping students succeed in an environment away from home and family.

The College commenced as part of NT Christian Schools in 2002 in partnership with the Woolaning Community and other key Indigenous communities in the region.

Financial performance summary – Indigenous boarding only

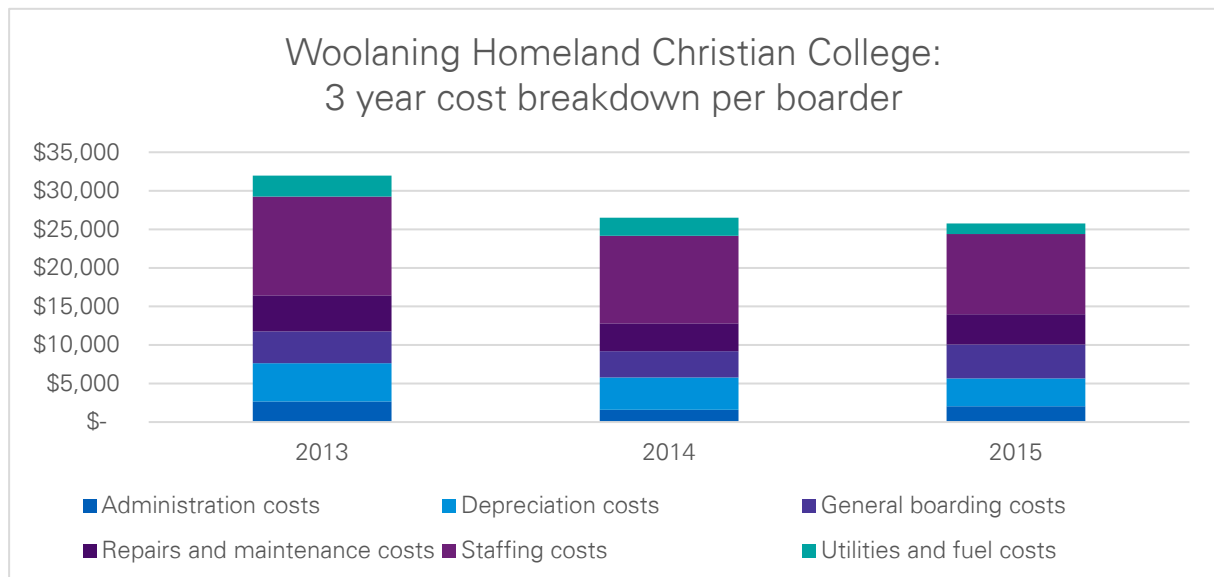
	2013 \$'000	2014 \$'000	2015 \$'000
Revenue			
Abstudy revenue	547	412	650
ISEA revenue	187	89	137
Other Commonwealth revenue	-	500	110
Other NTG DoE revenue	-	-	-
Other grants revenue	-	-	29
Self-generated revenue	-	-	-
Total revenue	735	1,000	926
Costs			
Administration costs	126	95	138
Depreciation costs	233	247	241
General boarding costs	195	202	296
Repairs and maintenance costs	219	213	262
Staffing costs	603	670	698
Utilities and fuel costs	128	138	92
Total costs	1,503	1,565	1,727
Net result	(768)	(564)	(801)

Revenue comments



- In 2014 the college received \$500k in Commonwealth funding under Indigenous Boarding Initiative and under BGA capital grants. In 2015 the college received \$110k under the Indigenous Boarding Initiative.
- In 2016 the college approached the NTG DoE for additional funding due to significant financial strain. The NTG has extended its program of funding under the Annual Supplementary Assistance Grants to provide Woolaning with an additional \$200,000 operational funding in 2016, 2017 and 2018.

Costs comments



Financial performance indicators

	2013	2014	2015
Number of Indigenous boarding students	47	59	67
Revenue per Indigenous boarding student	16	17	14
Cost per Indigenous boarding student	32	27	26
Shortfall per Indigenous boarding student	16	10	12

St Philip's College

Background

St Phillips College is centrally located within 1km of the Alice Springs CBD. The college was established in 1986 by the Australian Inland Mission, originally as a boarding-only school facility. The college was opened to day students in 1989 when it became evident that a boarding only proposition was not economically sustainable.

Students are sourced from all over Australia but most particularly the Northern Territory and Western Australia.

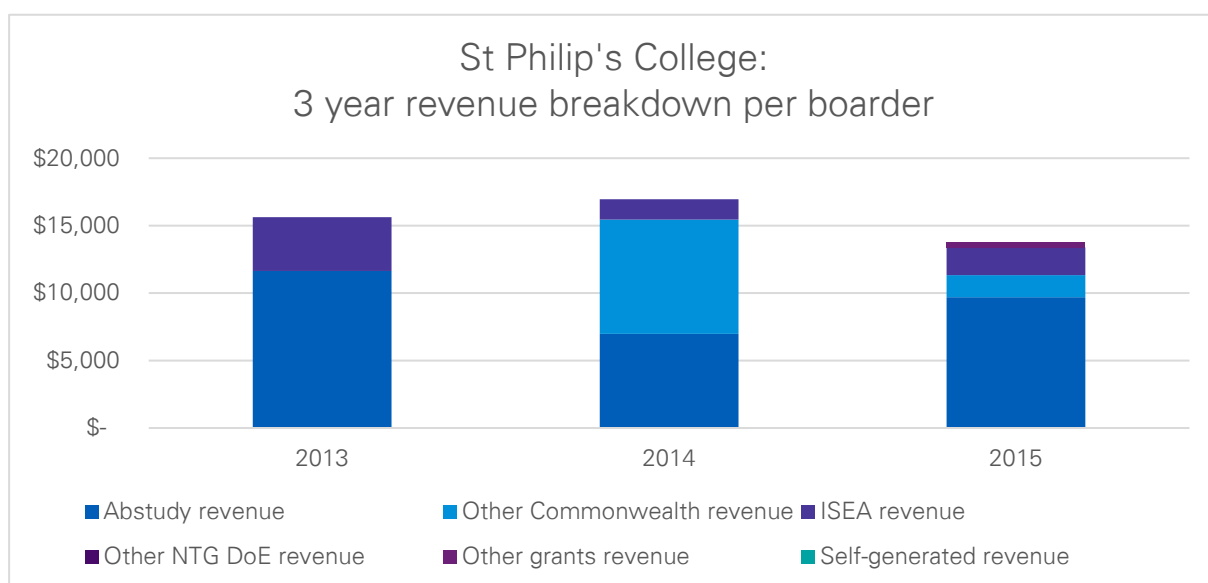
The college enjoys a good reputation that ensures repeat family enrolments and word of mouth advocacy. The school does not have a need for any significant marketing effort.

Dormitory style boarding facilities are able to accommodate 107 boarders. Currently boarder numbers are 47. The current numbers are considered optimal from the financial and social perspectives. There are no immediate aspirations to operate at full capacity.

Financial performance summary – Indigenous boarding only

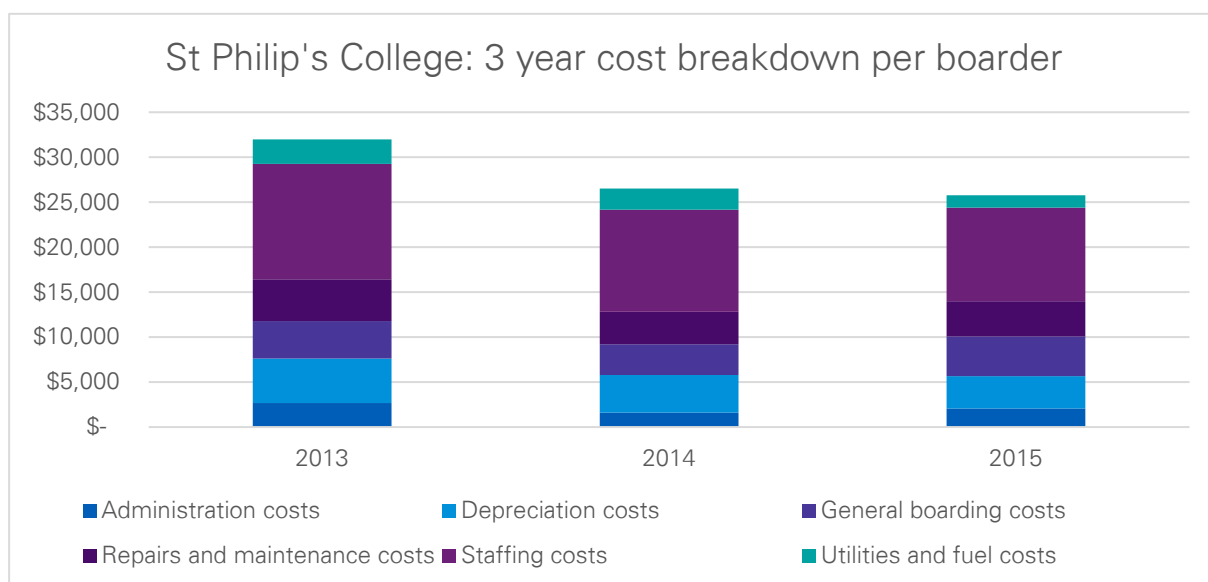
	2013 \$'000	2014 \$'000	2015 \$'000
Revenue			
Abstudy revenue*	413	330	414
ISEA revenue	83	57	71
Other Commonwealth revenue	-	85	43
Other NTG DoE revenue	250	250	250
Other grants revenue	-	-	-
Self-generated revenue	-	-	-
Total revenue	746	722	767
Costs			
Administration costs	92	87	115
Depreciation costs	28	28	33
General boarding costs	126	124	146
Repairs and maintenance costs	71	77	85
Staffing costs	398	441	570
Utilities and fuel costs	24	23	29
Total costs	739	779	978
Net result	8	(56)	(211)

Revenue comments



- Abstudy revenue is invoiced to student parents and collected as a debt by the college. Primary collection vehicle is parental funds redirection notice to Abstudy. The college does not record Abstudy as a grant rather recording it as normal income under Boarding Fees.
- The college receives an annual \$250,000 under the NTG DoE's Annual Supplementary Assistance Grant.
- The college received \$85k and \$44k in 2014 and 2015 respectively under the Commonwealth Government's Indigenous Boarding Initiative.

Costs comments



- Administration costs are actual administration payroll costs allocated on a pro-rata basis. The allocation does not include time invested by the College Chaplain, Principal, Deputy Principal, Counsellor or Indigenous Liaison Officer all of which has been estimated at a cumulative cost of \$190,000.
- Utilities costs electricity and water based upon school allocation methods. No direct metering to boarding facility.

Financial performance indicators

	2013	2014	2015
Number of Indigenous boarding students	31	25	30
% Indigenous boarders to all boarders	53	52	63
Revenue per Indigenous boarding student	24	29	26
Cost per Indigenous boarding student	24	31	33
Shortfall per Indigenous boarding student	-	2	7

Summary comments

The loss per Indigenous boarding student increases as the Indigenous mix of overall boarders increases. The outcome is assessed as a function of higher per capita cost for Indigenous students requiring higher levels of induction care and ongoing pastoral and social care.

Yirara College

Background

Yirara College is located 7 kilometres from Alice Springs CBD and operated by the Finke River Mission which is an arm of the Lutheran Church. Established in the 1970's, Yirara is a boarding only school catering for indigenous students aged twelve years and older from remote areas. (There are no boarders from the town of Alice Springs). Students originate from the Northern Territory, South Australia and Western Australia

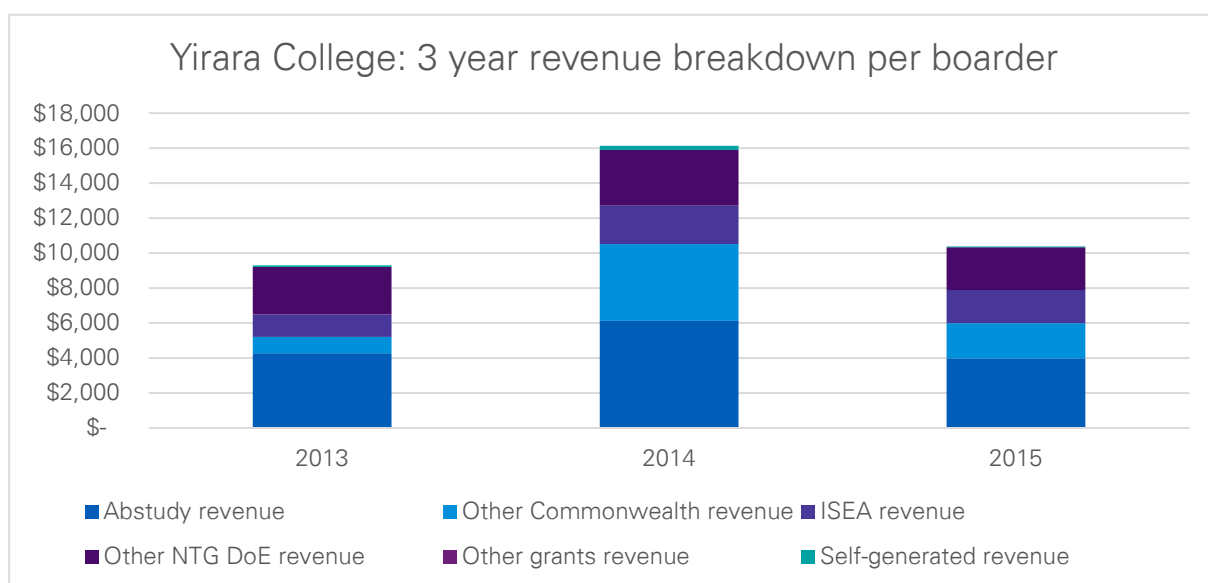
The boarding facility has a maximum capacity of 240 boarders. Between the 2013 to 2015 calendar years the number of boarders fluctuated between 157 and 199 students. In April 2005 Yirara College opened a new campus at Walungurru (otherwise known as Kintore), an Aboriginal community approximately 500 km west of Alice Springs. The Kintore campus is a day student only facility and has been excluded from KPMG's analysis of boarding viability.

Boarding facilities are dormitory style accommodation.

Financial performance summary – Indigenous boarding only

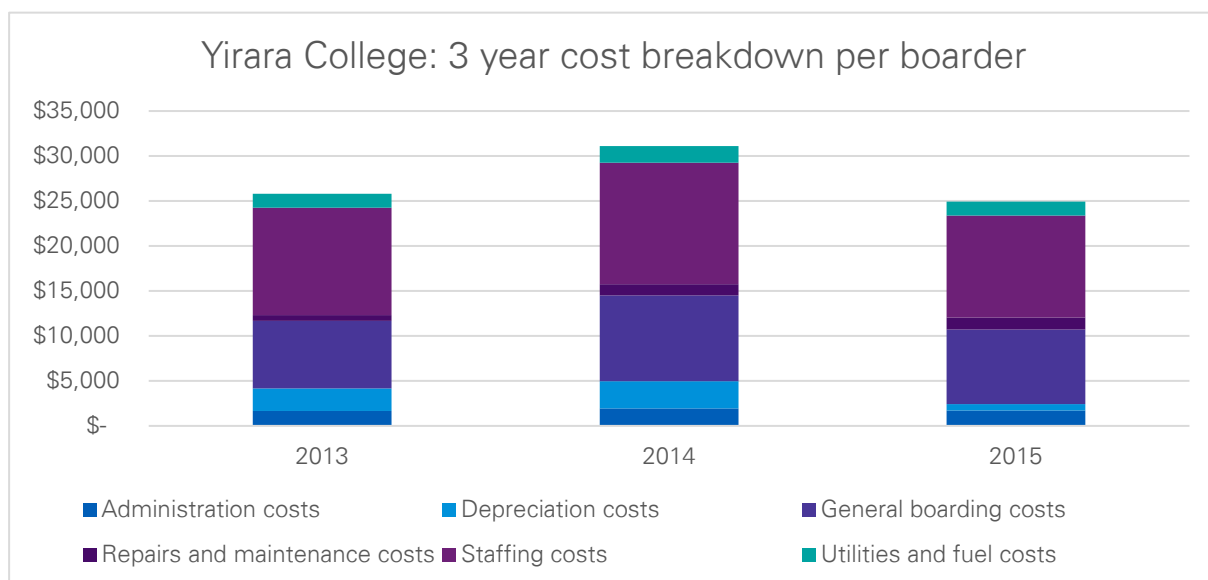
	2013 \$'000	2014 \$'000	2015 \$'000
Revenue			
Abstudy revenue	787	961	793
ISEA revenue	236	344	377
Other Commonwealth revenue	172	689	400
Other NTG DoE revenue	500	500	488
Other grants revenue	-	-	-
Self-generated revenue	16	38	8
Total revenue	1,711	2,533	2,065
Costs			
Administration costs	306	306	342
Depreciation costs	461	475	139
General boarding costs	1,382	1,497	1,652
Repairs and maintenance costs	116	196	266
Staffing costs	2,198	2,118	2,253
Utilities and fuel costs	284	292	309
Total costs	4,748	4,884	4,961
Net result	(3,037)	(2,351)	(2,896)

Revenue comments



- The college receives an annual \$500,000 under the NTG DoE's Annual Supplementary Assistance Grant.
- A small amount of self-generated revenue is primarily delivered through hiring out dorm facilities at various times of the year.
- The college received \$509k and \$400k in 2014 and 2015 respectively under the Commonwealth Government's Indigenous Boarding Initiative.

Costs comments



Financial performance indicators

	2013	2014	2015
Number of Indigenous boarding students	184	157	199
Revenue per Indigenous boarding student	9	16	10
Cost per Indigenous boarding student	26	31	25
Shortfall per Indigenous boarding student	17	15	15

Callistemon House

Background

Callistemon House opened in 1997 provides accommodation for isolated and remote students, to enable them to develop fully their academic, physical, spiritual and social potential.

Callistemon House provides co-educational accommodation for up to 40 residents, 20 girls and 20 boys. Residents are drawn from a wide range of areas near and far. Their families are from cattle stations, small towns and Indigenous communities across the Northern Territory and over into Western Australia. Students attend Katherine High School or St Joseph's Collage, both only a ten minute walk from Callistemon House.

The residents are accommodated in separate girls and boys wings, but share common facilities such as the dining room and recreation building. They have single or double rooms, all equipped with split system air conditioning. There are three common rooms with TV and DVD players, and comfortable furniture for relaxing.

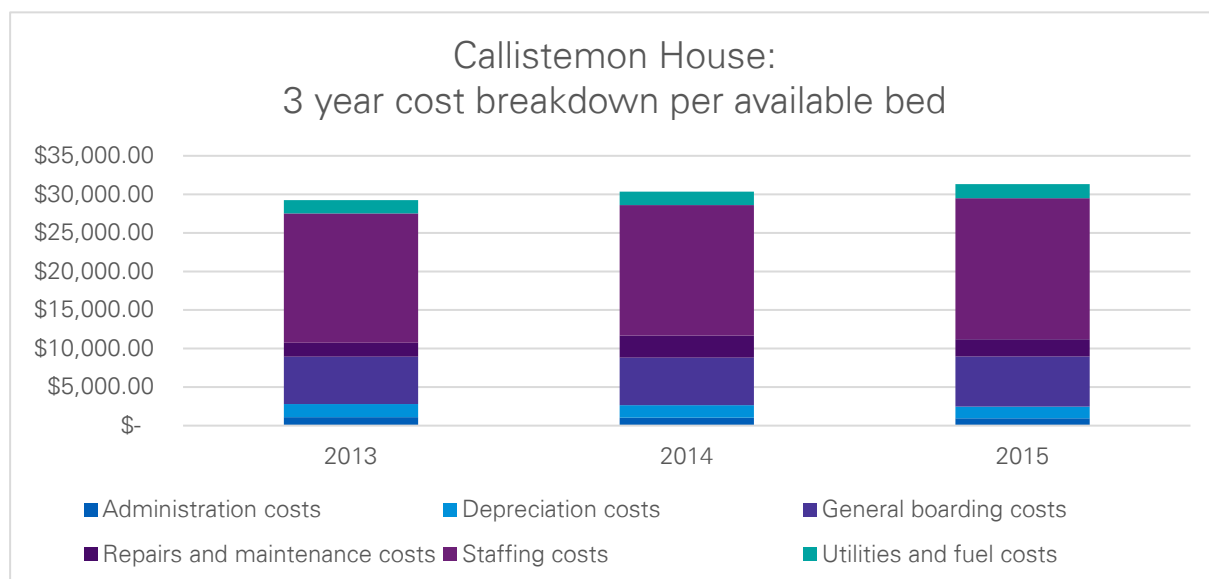
Tutors from Katherine High School and St Joseph's College attend a homework centre which runs five evenings per week. The student computers have internet access linking into the school student services. A senior study for year eleven and twelve students, equipped with computers and internet access is available.

The house consist of 6 house parents (3 male and 3 female), 1 manager and 1 cook.

Financial performance summary – full boarding facility

	2013 \$'000	2014 \$'000	2015 \$'000
Costs			
Administration costs	44	41	38
Depreciation costs	68	65	61
General boarding costs	246	247	260
Repairs and maintenance costs	72	114	89
Staffing costs	671	677	732
Utilities and fuel costs	69	70	73
Total costs	1,170	1,214	1,253

Costs comments



- All operating costs have been provided by the DoE, as Callistemon House operates on a fixed annual budget, and some expenses are paid directly by the NTG. DoE has collated this information to show the total cost of operating Callistemon House.
- The NTG DoE provides administration support to Callistemon House. The administration costs shown above include the actual cost of Callistemon House's IT systems, and an overhead charge, calculated by the DoE, consistent with DoE's average corporate costs.
- Repairs and maintenance has been normalised to remove items of capital expenditure in 2013 and 2015 years. The long term average repairs and maintenance cost at Callistemon House (over 8 years) was \$77,000 p.a. Normalised figures above are consistent with the long term average.
- Staffing costs represent the largest boarding cost per boarder.

Financial performance indicators

	2013	2014	2015
Number of boarding students	40	40	40
Cost per boarding student	29	30	31

Appendix C – Self assessed compliance with National Boarding Standards

A survey of compliance against National Boarding Standards was sent to all school-based boarding facilities to perform a self-review of compliance against the standards. The table below provides a summary of the responses received.

A tick ✓ indicates areas where standards were met, whilst a cross ✗ indicates areas where responses were not received, where the school was uncertain as to whether standard was satisfied, or where the standard was not satisfied.

Areas of lower levels of compliance across all facilities (three or more responses of a standard not being satisfied) have been highlighted in the table below.

	Tiwi College	St John's Catholic College	Marrara Christian College	Kormilda College	Woolaning Homeland Christian College	St Philip's College	Yirara College
Governance and Management							
Management of the boarding service							
For each boarder, is there a written agreement in place?	✓	✓		✓	✓	✓	✓
At time of enrolment, does each parent receive a statement of boarding objectives, policies and processes?	✗	✓		✗	✓	✗	✗
Do all boarding staff meet child protection and any other relevant screening requirements?	✓	✓		✓	✓	✓	✓
Do all boarding staff have available access to the information and resources required to deliver a high quality, appropriate and accountable boarding service?	✓	✓		✓	✓	✓	✓
Do boarding staff have access to professional development and industry training resources?	✓	✓		✓	✓	✓	✓
Is each boarding staff member up to date with their workplace health and safety training?	✓	✓		✓	✓	✓	✓
Records management							
Have you developed, and do you maintain, a risk register around work health and safety matters? ¹	✗	✗		✓	✓	✓	✓
Is there a records management policy currently in place? This identifies confidential information, storage, security, back-up, disposal retention and access to record-keeping files.	✓	✓		✓	✓	✗	✓
Financial management							
Does your boarding service conduct regular, independent auditing in accordance with documented audit scope, policy and procedures?	✓	✗		✓	✓	✗	✓
Does your boarding service have regular oversight of budget, expenditure and all financial matters in place including financial performance and financial position?	✓	✓		✓	✓	✓	✓
Boarders							
Child protection of boarders							

¹ Tiwi College and St John's Catholic College commented "In progress"

	Tiwi College	St John's Catholic College	Marrara Christian College	Kormilda College	Woolanin Homeland Christian College	St Philip's College	Yirara College
Are your child protection policies and procedures up to date?	✓	✓		✓	✓	✓	✗
Do all boarding staff have a current working with children clearance?	✓	✓		✓	✓	✓	✓
Safety of boarders							
Does your boarding service have up-to-date policies and procedures for boarders' safety? ²	✗	✓		✓	✓	✓	✓
Does your boarding service have a dedicated risk officer to timely record and document critical incidents and injuries to boarding service management?	✓	✗		✓	✓	✓	✓
Does your boarding service have clear guidelines and processes in place to manage risk for all on-site and off-site activities for boarders? <i>If Uncertain, please refer to AS/NZS 31000.</i>	✗	✓		✓	✓	✓	✓
Do you work with boarders to facilitate an understanding as to how to effectively respond to the following:	✓	✗		✗	✗	✓	✓
a) personal security ³							
b) Serious incidents and resulting trauma	✓	✗		✓	✗	✓	✓
c) Evacuation and lockdowns	✓	✓		✓	✓	✓	✓
d) Emergencies	✓	✓		✓	✓	✓	✓
e) Bullying and harassment	✓	✓		✓	✓	✓	✓
f) Grievances and complaints	✓	✓		✓	✓	✗	✓
Health and well-being of boarders							
Does your boarding service have a health and wellbeing program for all staff and boarders?	✓	✗		✗	✓	✗	✓
Does your boarding service have policies and procedures in relation to the management of boarder health and wellbeing?	✗	✓		✓	✓	✗	✗
Is there a process to recognise and respect the rights and responsibilities of boarders?	✗	✓		✓	✓	✓	✓
Does the boarding service conduct regular reviews of boarder health needs which includes the following but not limited to:	✓	✓		✓	✓	✓	✓
a) Boarders' individual health records and/or plans?							
b) Documented consent form, and notification of, parents regarding the administering of first aid and medical care?	✓	✓		✓	✓	✓	✓
c) Management of significant health incidents?	✓	✓		✓	✓	✓	✓
d) Records of the administration of medication?	✓	✓		✓	✓	✓	✓
e) Records of the administration of first aid?	✓	✓		✓	✓	✓	✓
Are all boarding staff competent in performing CPR and delivering general first aid?	✓	✓		✓	✓	✓	✓
<i>Is there a trained person at all times who can administer and manage, as a minimum requirement the following:</i>	✓	✓		✓	✓	✓	✓
a) Cardiopulmonary resuscitation (CPR)							
b) Anaphylaxis and allergic reactions	✓	✓		✓	✓	✓	✓
c) Asthma	✓	✓		✓	✓	✓	✓
d) Diabetes	✓	✗		✓	✓	✓	✓
e) Epilepsy	✓	✗		✓	✓	✓	✓
f) Infection control	✓	✗		✓	✓	✓	✓
g) Distribution of medication	✓	✓		✓	✓	✓	✓
Do boarding staff and boarders have access to the bullying and harassment policy and procedures? ⁴	✓	✓		✓	✓	✗	✓
Has your boarding service effectively implemented a policy and procedure for age-appropriate use of electronic and mobile communication devices and cyber activity?	✗	✓		✓	✓	✓	✗
Does the boarding service have in place an annual review by staff and boarders of the food provision, including but not limited to: ⁵	✓	✓		✓	✗	✗	✓
a) Nutritional value							
b) Quantity	✗	✓		✓	✗	✗	✓
c) Variety	✗	✓		✓	✗	✗	✓
d) Choice	✓	✓		✓	✗	✗	✓
e) Food handling	✗	✓		✓	✗	✗	✓
<i>Are there guidelines implemented for age-appropriate times to all of the following:</i>	✓	✓		✗	✓	✓	✓

² Tiwi College commented "procedures rather than policies".

³ St John's College comment both 'yes and no' to this question

⁴ St Philip's College answered 'Uncertain' and commented "they should be aware of the schools approach to this".

⁵ St Philip's College commented "Being undertaken now".

	Tiwi College	St John & Catholic College	Marrara Christian College	Kormilda College	Woolanin Homelands Christian College	St Philip & College	Yirara College
a) Sleep							
b) Physical Activity	✓	✓		✓	✓	✓	✓
c) Study	✓	✓		✓	✓	✓	✓
d) Organised leisure activities	✓	✓		✗	✓	✓	✓
e) Unstructured free time	✓	✓		✗	✓	✓	✓
<i>Do boarders' have timely access to the following:</i>	✓	✓		✓	✗	✓	✓
a) Qualified medical personnel	✓	✓		✓	✓	✓	✓
b) Appropriate guidance and counselling	✓	✓		✓	✓	✓	✓
c) Academic assistance	✓	✓		✓	✓	✓	✓
d) Support for boarders with specific needs	✓	✓		✓	✓	✓	✓
e) Communication with parents	✓	✓		✓	✓	✓	✓
f) Personnel responsible for pastoral care	✓	✓		✓	✗	✓	✓
Does your boarding service have a policy and procedure for raising, receiving, acknowledging and responding to matters of concern, including complaints from boarders, parents, and the boarding community?	✓	✗		✓	✓	✓	✓
Is there a process in place to embrace human diversity? ⁶	✗	✗		✓	✓	✓	✗
Is there access to age appropriate play and recreational programs, facilities and resources for boarders?	✓	✗		✓	✓	✓	✓
Does the boarding service have policies and procedures relating to matters and use of alcohol and other drugs?	✓	✓		✓	✓	✓	✓
Holistic development of boarders							
<i>For the holistic development of boarders, does the boarding service have policies and procedures in relation to:</i> ⁷	✓	✗		✓	✓	✓	✓
a) Academic development							
b) Social development	✗	✗		✗	✓	✓	✓
c) Emotional development	✓	✗		✗	✓	✓	✓
d) Physical development	✓	✗		✗	✓	✓	✓
e) A program promoting social responsibility	✓	✗		✓	✓	✗	✗
f) A leadership development program	✓	✗		✓	✓	✓	✗
Care and supervision of boarder							
<i>For the care and supervision of boarders, are there policies and procedures for the following:</i>	✓	✓		✓	✓	✓	✓
a) Records of rosters?							
b) Ensuring the personal privacy of boarders? ⁸	✗	✓		✓	✓	✓	✗
c) Reporting of serious incidents and emergencies?	✓	✓		✓	✓	✓	✓
Does the boarding service have procedures outlining the manner of supervision of boarders in:	✓	✓		✓	✓	✓	✓
a) Dormitories and/or bedrooms?							
b) Recreation and common rooms?	✓	✓		✓	✓	✓	✓
c) Outside areas?	✓	✓		✓	✓	✓	✓
d) Dining rooms?	✗	✓		✗	✓	✓	✓
e) Bathrooms/toilets?	✓	✓		✗	✓	✓	✓
f) Changing rooms?	✗	✓		✗	✓	✓	✓
g) Off-site or extra-curricular activities and excursions?	✓	✓		✓	✓	✓	✓
<i>Is there a daily record of the whereabouts of boarders, including, but not limited to:</i>	✓	✓		✓	✓	✓	✓
a) Morning?							
b) After school/mid-afternoon?	✓	✓		✓	✓	✓	✓
c) Early evening?	✓	✓		✓	✓	✓	✓
d) Bedtime?	✓	✓		✓	✓	✓	✓
e) Extra-curricular activities?	✓	✓		✓	✓	✓	✓
Is there a process for checking the cleanliness and orderliness of the boarders' living spaces?	✓	✓		✓	✓	✓	✓
Do all new boarders' receive an induction program?	✓	✓		✓	✓	✓	✓
Is there a policy and procedure in place to conduct searches of boarders' accommodation and possessions?	✗	✗		✓	✓	✓	✗
Does your boarding service provide facilities for boarders to secure their valuables?	✓	✓		✓	✓	✓	✓

⁶ Tiwi College commented "Our College is Indigenous – it is assumed + a given"

⁷ Philip College commented for section 3.22 a) to f) that "Not all are written procedures in the above but are undertaken by experienced staff – not ignored".

⁸ Tiwi College commented "Shared rooms"

	Tiwi College	St John & Catholic College	Marrara Christian College	Kormilda College	Woolanin Homeland Christian College	St Philip & College	Yirara College
Providing for boarders with particular needs							
<i>Does your boarding service have the following policies and procedures:</i>							
a) Access and care of boarders with disabilities? ⁹	✗	✗		✗	✓	✓	✓
b) Support for boarders with specific education needs? ¹⁰	✗	✓		✗	✓	✓	✓
c) Acknowledgement of culture and heritage?	✓	✓		✓	✓	✓	✓
Staff							
Health, safety and well-being of staff							
Does the boarding school have policies and procedures for boarding staff for the management of health, safety and wellbeing, including an effective occupational work health and safety policy?	✓	✓		✓	✓	✓	✓
Do boarding staff understand and know how to respond to the following:	✓	✓		✗	✓	✓	✓
a) Personal security?	✓	✓		✓	✓	✓	✓
b) Serious incidents and resulting trauma?	✓	✓		✓	✗	✓	✓
c) Evacuation and lockdown?	✓	✓		✓	✓	✓	✓
d) Emergencies?	✓	✓		✓	✓	✓	✓
e) Bullying and harassment?	✓	✓		✓	✓	✓	✓
f) Grievances and complaints?	✓	✓		✓	✓	✓	✓
Competence and professional learning of staff							
Do boarding staff have the necessary and appropriate competencies (evidenced by education, professional learning, skills and experience)?	✓	✓		✓	✓	✓	✓
Does the boarding service offer delivery of professional learning to boarding staff relevant to the role and context? ¹¹	✓	✓		✓	✓	✓	✓
Management of staff							
<i>The following requirements relate to staff management. Please place a tick in appropriate box if your boarding service provides the following:</i>							
a) Policies and procedures in relation to recruitment, employment and management of staff and engagement of volunteers?	✗	✓		✓	✓	✓	✓
b) The provision of all policies and procedures to staff at commencement of employment?	✓	✓		✓	✓	✓	✓
c) A systematic performance review process?	✓	✓		✓	✓	✗	✓
d) A code of conduct for staff?	✓	✓		✓	✓	✓	✓
e) Documented position descriptions and duty statements for all staff?	✓	✓		✓	✓	✓	✓
f) A staff handbook?	✓	✓		✓	✓	✓	✓
g) Induction programs and exit processes for staff?	✓	✓		✓	✓	✗	✓
h) Provision for the opportunity for staff to submit ideas for boarding service improvement?	✓	✓		✓	✓	✗	✓
Parent, family and community engagement							
Parent and family engagement							
Policies and procedures developed and implemented, including but not limited to:	✗	✗		✗	✗	✗	✗
a) The training of staff in strategies for parent and family engagement	✗	✓		✓	✓	✗	✗
b) The provision of and easy access to clear, plain language information about the boarding service, its policies, procedures and calendar of activities	✓	✓		✓	✓	✓	✗
c) Communication with parents during settling in and other vulnerable periods.	✓	✓		✓	✓	✓	✗
d) The provision of clear and convenient avenues for parent contact and communication, and timely and effective responses	✓	✓		✓	✓	✓	✓
e) Facilitation of regular communication between all parties including academic teaching staff and residential boarding staff	✓	✓		✓	✓	✓	✓
f) Regular collection and use of information about family needs and expectations to improve service delivery	✗	✗		✓	✓	✓	✗
g) Proactive and appropriate communication about individual boarder's care and support needs, progress and achievement, personal strengths and contributions	✓	✗		✓	✓	✓	✗
h) Regular assessment of parent satisfaction ¹²	✓	✗		✓	✓	✗	✗
The development of partnerships that:							
a) Promote and support parent/family engagement in boarder learning	✗	✓		✓	✓	✓	✓
b) Involve parents/families in policy development and decision-making	✓	✗		✗	✓	✗	✓

⁹ St Philip's College commented "We deal with this as the disabled boarder enrolls – requires different approach".

¹⁰ Tiwi College commented "modified programs".

¹¹ Philip's College commented "but more required".

¹² St Philip's College did not supply an answer except a comment "some".

	Tiwi College	St John & Catholic College	Marrara Christian College	Kormilda College	Woolanin Homeland Christian College	St Philip & College	Yirara College
c) Enrich boarding programs and activities	✗	✗		✓	✓	✓	✗
d) Consider the diverse needs and expectations of the parents and families of children with particular needs	✓	✓		✓	✓	✓	✓
Community engagement							
Does your boarding service have communication protocols that support positive relationship building with partner schools, community services and organisations?	✓	✗		✓	✓	✓	✓
Is there an active engagement by heads of boarding and staff with school and community representatives, agencies and partners to develop relationships and partnerships that improve opportunities and outcomes for boarders?	✓	✗		✓	✓	✓	✓
Facilities							
Development and management of the facilities							
Are the facilities and associated infrastructure structurally sound, maintained, and audited in accordance with relevant building, health and safety, and environmental requirements?	✓	✓		✓	✓	✓	✓
Does your boarding service have written evidence of legislative and regulatory compliance maintained?	✗	✗		✓	✓	✓	✓
Are there policies and procedures developed and implemented in relation to the establishment, improvement, maintenance and cleaning of the facilities?	✓	✓		✓	✓	✓	✓
Is there provision of appropriate security and privacy for boarders and live-in staff?	✓	✓		✓	✓	✓	✓
Are the checks in place that ensure vehicles used for boarder and staff transport are safe, well maintained and appropriately licensed and insured?	✓	✓		✓	✓	✓	✓
Is there a process in place for identification and management of maintenance in accordance with the relevant standards?	✗	✓		✓	✓	✓	✓
Do all boarders and staff have 24-hour access to an emergency communication system?	✓	✓		✓	✓	✓	✓
Is there provision of suitable accommodation, including toilet and washing facilities, to cater for the needs of boarding students who are sick or injured?	✓	✓		✓	✓	✓	✓



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