



**Department of Education, Employment
and Workplace Relations**

**Feasibility study into a student
accommodation facility in
East Arnhem Land**

3 May 2010

This report contains 102 pages

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

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Firstly, we acknowledge the elders, Traditional Owners, land custodians and other Yolngu who welcomed us into their communities and worked with us to develop the ideas contained within this report. We would also like to thank the various community based stakeholders, particularly Government Business Managers, Indigenous Engagement Officers and school principals, who assisted us to visit the communities and contributed to the planning and facilitation of various meetings and consultations.

Stakeholders from various government agencies, the Indigenous Land Corporation, the Northern Land Council, the East Arnhem Shire, industry bodies and experts also generously contributed their time, knowledge and insight into the feasibility study. A full list of stakeholders consulted can be found at Appendix E.

We also acknowledge the assistance provided by the Department of Education, Employment and Workplace Relations in completing the feasibility study.

List of acronyms

DEEWR	Department of Education, Employment and Workplace Relations
GBM	Government Business Managers
IEO	Indigenous Engagement Officers
ILC	Indigenous Land Corporation
NLC	Northern Land Council
NT DET	Northern Territory Department of Education
NTCET	Northern Territory Certificate of Education and Training
RSD	Remote Service Delivery
SHEP	Secondary Homelands Education Project
SIHIP	Strategic Indigenous Housing and Infrastructure Program

Executive summary

Introduction

KPMG was engaged by the Department of Education, Employment and Workplace Relations (DEEWR) to undertake a feasibility study into a student accommodation facility in East Arnhem Land. East Arnhem Land is located in the north east corner of the Northern Territory and encompasses the Gove peninsular, inland communities and island based communities.

It is envisaged that the facility will be funded from an identified \$28.9 million towards the construction and operation of three new boarding facilities in the Northern Territory for Indigenous secondary students. The Indigenous Land Corporation (ILC) may also contribute funding from a \$15 million allocation to the three new facilities on a case by case basis.

The communities identified as part of the East Arnhem region were Galiwinku, Gapuwiyak, Milingimbi, Ramingining, Yirrkala, regional homeland communities as well as Nhulunbuy. All five communities are identified Northern Territory Growth Towns.¹ Gunyangara was also included in the study.

The feasibility study aims to address the following themes:

- the economic and educational viability and sustainability of establishing a student accommodation facility to service East Arnhem region communities; and
- the capacity of the East Arnhem region to support a student accommodation facility.

The feasibility study was informed by consultations with: community members in each community and major homeland group, usually represented by the school council (or equivalent) and other interested people; and other stakeholders such as Government Business Managers (GBMs), Indigenous Engagement Officers (IEOs), Shire Services Managers and school principals. In addition relevant regional and Territory level government agency representatives were consulted, as were representative bodies and industry experts. **The consultations found that there is widespread support for the establishment of a student accommodation facility in the East Arnhem region.**

Location options analysis

KPMG assessed seven main options for locating the facility in close proximity to each of the five communities, in addition to a homeland and non community location. The development of options was wholly driven by community input.

KPMG used a multi-criteria analysis approach which assesses the likely performance of each option against key effectiveness criteria. The effectiveness criteria are weighted to reflect their relative importance in the decision-making process. The criteria and weightings are as follows:

¹ Northern Territory Government, viewed March 2010. http://www.workingfuture.nt.gov.au/growth_towns.html

- 1 Education and employment outcomes (35 per cent) - To what extent will the location deliver enhanced education and employment outcomes?
- 2 Safety and well being (20 per cent) - To what extent does the location maintain and promote the safety and well being of the students?
- 3 Community support (15 per cent) - To what extent is the location supported by the communities?
- 4 Supporting infrastructure and services (30 per cent) - To what extent does the location offer accessible supporting infrastructure and services?

The assessment utilised evidence gathered through desk-top research and extensive consultations to assign a 'score' that represents the effectiveness of each option against the criteria (this could theoretically result in a positive or negative score). The scores were multiplied by the weighting for each criterion and summed to yield a total weighted score for each option.

Gulkula (weighted score 2.3) and Yirrkala (weighted score 1.55) were identified as the most effective sites in terms of demonstrating the most positive outcomes against the effectiveness criteria. Gulkula has many benefits including access to two schools, one of which (Nhulunbuy High School) offers a comprehensive mainstream education. The location is judged to be more acceptable than Yirrkala by most people in the region, and is considered to be more culturally safe.

Despite many positive features of the remaining options, these locations tended to rank lower in terms of delivering education and employment (criterion one) and offering essential services and supporting infrastructure (criterion four) relative to Gulkula and Yirrkala. Both these criteria attracted high weightings in the overall assessment, consistent with the objectives of the project, which detracted from the overall performance of the remaining options.

An additional option of dividing the funding and establishing two boarding facilities in the region was also considered on the basis that it received some support from communities. This option was rejected following a summary analysis of the likely revenue and expenditure, which indicated that two facilities would not be financially viable within the funding parameters of the project.

Management and governance

Communities have a strong preference for the formation of a new governance body to oversee the accommodation facility, and that this body is representative of each community and major homeland group. Generally, there was limited cross clan group support for any existing governance body in the region to take on an advisory role of the facility.

A provisional planning body could oversee a nomination and election process to form an accommodation facility governance or advisory body (referred to throughout this report as the advisory body). The advisory body could work with the management of the facility to guide decision-making and enhance community ownership and input.

Facility design

Communities favour the 'halls of residence' model of accommodation which was also supported by the education experts and has been adopted by other similar facilities including the Wongutha Christian Aboriginal School (Western Australia) and the Wiltja program (Woodville High School, South Australia). Features of this model include a large common building with

separate wings for boys and girls. Students should be accommodated in small rooms for between two and four students. Other features include security doors on each wing and house parent rooms between the two wings.

Consultations also identified that the provision of recreational facilities and cultural areas and spaces for undertaking cultural activities should be included in the design. This is a matter which should be explored more fully during actual design and planning, but might include a cooking pit and a ceremony circle.

Financial viability

KPMG has adopted a financial model for a facility that is considered appropriate regardless of location within the East Arnhem region. A high degree of consistency in relation to views on the design and physical structure of the preferred facility model negated the need to cost alternative design options. The principle of conservatism applies and estimates from less reliable sources may generally be considered an 'upper end' estimate, particularly as it relates to incremental cash outflows.

The following table provides an indicative cash flow forecast for the accommodation facility over the initial five-year period.

Cash Flow Forecast		Year ending				
		31-Dec-10	31-Dec-11	31-Dec-12	31-Dec-13	31-Dec-14
Operating cash inflows	ABSTUDY	\$0	\$0	\$745,050	\$894,060	\$1,072,872
	Program Funding	\$0	\$0	\$750,000	\$900,000	\$1,080,000
	Establishment Grant	\$9,633,333	\$414,887	\$0	\$0	\$0
Total cash inflows		\$9,633,333	\$414,887	\$1,495,050	\$1,794,060	\$2,152,872
Operating cash outflows	Salaries	\$0	\$0	\$900,000	\$900,000	\$900,000
	Staff-Related expenses	\$0	\$0	\$69,700	\$69,700	\$69,700
	Student-Related expenses	\$0	\$0	\$205,000	\$246,000	\$295,200
	Administration expenses	\$0	\$0	\$235,000	\$235,000	\$235,000
	Utilities / consumables	\$0	\$0	\$120,000	\$120,000	\$120,000
	Recurrent capital expense	\$0	\$0	\$250,000	\$250,000	\$250,000
Total operating cash outflows		\$0	\$0	\$1,779,700	\$1,820,700	\$1,869,900
Capital cash outflows	Fitout	\$14,000	\$14,000	\$0	\$0	\$0
	Construction	\$5,010,110	\$5,010,110	\$0	\$0	\$0
Total capital cash outflows		\$5,024,110	\$5,024,110	\$0	\$0	\$0
Total cash outflows		\$5,024,110	\$5,024,110	\$1,779,700	\$1,820,700	\$1,869,900
Net cash inflow / (outflow)		\$4,609,223	(\$4,609,223)	(\$284,650)	(\$26,640)	\$282,972
Opening cash balance		\$0	\$4,609,223	\$0	(\$284,650)	(\$311,290)
Closing cash balance		\$4,609,223	\$0	(\$284,650)	(\$311,290)	(\$28,318)

As illustrated in the preceding table, the construction cost of the facility is conservatively estimated to exceed \$10 million. This cost of construction has been evenly distributed over the initial two-years of the forecast period, and further assumes that the facility will be operational in the 2012 school year. It has been assumed, for the purposes of this cash flow model, that the total capital costs have been fully subsidised by the available commonwealth funding (assuming an even one-third share of the \$28.9 million), with any unforeseeable shortfall covered by ILC capital funding.

Annual operating revenue at maturity (2014) is estimated to be \$2,152,872, with associated recurrent expenditure estimated to be \$1,869,900. This illustrates that the facility is likely to generate an annual operating cash flow surplus in excess of \$250,000. It is understood that this operating revenue will be supplemented by recurrent Commonwealth program funding of \$15,000 per student (which has been included in the cash flow forecasts above). This funding will be crucial to the ongoing viability of the facility.

The model is underpinned by a number of critical assumptions that will impact all budgetary 'line items'. These assumptions need to be well understood as the viability of the model is considered reasonably sensitive to changes in these assumptions. These main assumptions are as follows:

- fortnightly income estimates assume 42 weeks of boarding per year on which potential incremental income is calculated;
- all eligibility criteria have been met for ABSTUDY allowances; and
- maximum eligibility to ABSTUDY allowances is assumed, based on parental means testing. The final budget forecast has assumed 75 per cent eligibility to ABSTUDY for the entire cohort of students to account for unforeseen variations in individual entitlements.

In addition to ABSTUDY eligibility, KPMG consider that the ability to attract sufficient student enrolments is the most critical factor impacting financial viability. Accordingly, the 2012 and 2013 years in the budgetary forecast have modelled the impact of reduced numbers (50 and 60 respectively) and indicate that the facility may 'break-even' if it attracts at least 60 students. The facility will still be able to generate an operational cash flow surplus at the end of the forecast period should it be able to gradually increase to full capacity of the suggested 72 students over a three-year period.

Risks and risk mitigation

Potential risks can be identified in the following areas:

- risks inherent within project structure – assessment of liabilities (including all relevant stakeholders), or risks associated with certain specified assumptions;
- project risks - ability to complete project within specified timeframes and resources; and
- implementation risks - ability to deliver against desired outcomes.

The financial suitability of the facility relies on maintaining enrolments from year to year. The greatest risk to the facility is that community members will not enrol their children, or that students are not happy there and retention is subsequently poor. The recommendations below, and the mitigation strategies in the report, are aimed at reducing the impact of this risk.

Recommendations

The following recommendations are also embedded in the body of the report. It is recommended that:

- 1 DEEWR proceed to further plan, construct and fund a student accommodation facility in East Arnhem Land.

Based on the potential student catchment it is recommended that a 72 bed facility be constructed.

- 2 The facility should be designed and built to incorporate the key features identified in this report, including:
 - separate wings for males and females with house parents situated between male and female sleeping quarters;
 - male and female sleeping quarters separated by security doors;
 - separate male and female recreation areas;
 - extensive recreation areas including a pool, playing field, hard court and undercover recreation areas;
 - undercover spaces for cultural activities;
 - an area for reading, homework and computer access;
 - greater privacy for older students; and
 - additional accommodation for visiting families and staff from communities and homelands to live at the facility.
- 3 A clear and transparent process for selecting students should be established by the advisory body in conjunction with the operator. This should be established well before the facility opens so that the facility and operating model accommodates the specific needs of the student cohort.

The selection policy should reflect the views of industry experts and community members, and specifically include the following principals:

 - students should be able to demonstrate a proven commitment to schooling, and their application should be supported by their home school teacher;
 - students who live more than 20 minutes drive from an accredited secondary school should be given priority over other students;
 - each community and homeland group should be represented in the student body; and
 - students should not be sent to the facility against their wishes or as a disciplinary measure, the focus should be on education rather than behaviour management.
- 4 DEEWR develop a communication strategy to be implemented upon announcement of the decision to proceed (assuming that decision is reached) and the preferred location and operation model
- 5 DEEWR begin to investigate how the 2010 Garma festival could be utilised to:
 - promote the facility and the operating model, and gain continuous community and regional engagement; and
 - access young people through the youth forum to provide ongoing input into the design and operating model and to promote the facility.
- 6 A detailed risk management plan be prepared and continuously reviewed and updated during the planning and construction phase.

The proposal

In the 2008 Budget, the Commonwealth Government announced a contribution of \$28.9 million towards the construction and operation of three new boarding facilities for secondary students in the Northern Territory. This funding is intended to provide two 40-bed facilities and one 72-bed facility to accommodate students from years 7-12, enabling Indigenous youth from remote communities to access a quality secondary school education close to their home communities. The Indigenous Land Corporation (ILC) has agreed to contribute up to \$15 million to the three new facilities on a case by case basis.

The funding is not for new schools, but for accommodation to support access to education. The new facilities are exclusively for the benefit of Indigenous secondary students and their families. It is recognised that students will be required to move away from the family home, and that distances between the facility and home may be relatively high. The importance of providing appropriate pastoral care and support to students and their families, many of whom may not have lived away from home before, has been identified by DEEWR.

It is intended that the facilities will provide a source of employment and economic opportunity, both in terms of construction and operation of the facilities. In addition the facilities will be economically attractive to the regions in which they are located, as a result of expected increased student numbers and visiting families and increased government investment.

It is a priority of government that the educational and employment outcomes of participating students are maximised by developing strategic links between the facility and major sources of employment in each region. In addition, it is expected that the new student accommodation facilities will employ local Indigenous people from the community, and may be operated by Indigenous-owned businesses.

The three regions identified by DEEWR as priority sites for the facilities are Wadeye, the Warlpiri Triangle and East Arnhem Land. This study focuses on the feasibility of building and operating such a facility in East Arnhem Land. The communities involved in this study are Galiwinku, Gapuwiyak, Milingimbi, Ramingining, Yirrkala, homeland communities as well as Nhulunbuy.

The feasibility study

The feasibility study aims to address the following broad themes:

- the economic and educational viability and sustainability of establishing a student accommodation facility to service East Arnhem region communities; and
- the capacity of the East Arnhem region to support a student accommodation facility.

Feasibility study scope

The feasibility study examines various alternative locations and the implications, strengths and weaknesses of each. The study analyses methods of achieving a successful and sustainable student accommodation facility. This report represents the findings of the feasibility study and provides advice on the following points:

- whether or not to proceed with establishing the accommodation facility;
- preferred locations for building the facility and identification of advantages and disadvantages;



- the preferred governance and management model which is most likely to achieve the stated aim of improving access to quality education close to students' homes; and
- guiding the development of the framework and methodologies used to establish the facility.

The methodology

This section outlines the methodology of the feasibility study and discussion of the challenges and limitations of the study.

The project plan

The feasibility study was conducted over five key stages:

- **Stage one - project initiation.** This stage included an initiation meeting, information sharing and delivery of a detailed project plan, draft stakeholder engagement strategy and community visit logistics plan.
- **Stage two - research, data gathering and stakeholder consultations.** This stage has included research and data gathering, a pre-engagement workshop with Government Business Managers and community representatives, refinement of the stakeholder engagement framework, community visits, interviews and consultations.
- **Stage three – options development.** This stage involved identification and description of a range of options, exploration of advantages and disadvantages for each.
- **Stage four – options analysis and costing.** This stage focused on more detailed research of each option, including examination of advantages and disadvantages and analysis using the multi-criteria approach and economic modelling to identify a preferred option. The risks and issues associated with each option were also identified.
- **Stage five – reporting.** Reporting will included a preliminary options report which was presented to DEEWR on 15 March 2010. This final report encompasses all findings from the project and includes recommendations about a preferred operating model, in addition to identification of risks and mitigation strategies.

Challenges

Conducting consultations with Indigenous stakeholders can present various challenges, including coordinating access to remote communities and ensuring that the right stakeholders are engaged. Much assistance was provided to the KPMG team by DEEWR (including regional staff), other agency staff, local Government Business Managers, Indigenous Engagement Officers and School Principals.

A working group was convened of community representatives, many of whom attended the pre-engagement workshop in Nhulunbuy and also provided assistance during community visits. Translation was provided in Ramingining by a registered interpreter. In other communities formal translation was not necessary, however often some discussions were held in language during meetings. Indigenous Engagement Officers or other local leaders provided ad hoc translation back to the KPMG team.

One of the main challenges encountered during the consultations was the difficulties community representatives have in discussing other people's (clans) land. Although able to discuss the possibility of having a facility located in or close to their own communities, when asked about other options some community groups responded 'that's a matter for that mob to talk about, you'll have to ask them'. For this reason, exploration of the advantages and disadvantages of the various alternatives was constrained.

Unfortunately, the community engagement team was unable to visit Galiwinku due to a significant funeral occurring during the two weeks of scheduled visits, and tight timeframes did not allow for the visit to be rescheduled. As an alternative, the proposed consultations were conducted by teleconference.

On arrival in Ramingining the community engagement team were informed that there had been a death in the community that day. This had a slight impact on attendance at the meeting held at the school. However, around 10 people still attended, and the translator was able to facilitate some home visits and other small group discussions, including visits to two nearby homelands. Significant discussion had been occurring in the community in the weeks between the consultation workshop in Nhulunbuy and the site visit which was of great assistance.

Another key challenge faced was the difficulty in engaging with young people who are currently completing secondary school. Although this was the aim of the engagement team, it was difficult to organise due to school commitments and the limited timeframes. However, some discussions were held with students, notably at Garrthalala, and during various community meetings attendees included recent secondary graduates, some of whom had personally experienced both community schooling and boarding school facilities away from the region.

The communities

This section gives a brief overview of the East Arnhem region and the communities identified by DEEWR for inclusion in the feasibility study. Full descriptions of the communities, including more detailed information about population, infrastructure and facilities, are included at Appendix A. Detailed descriptions of the schools in the region are also included in Appendix B.



Figure 1: Map of East Arnhem Land.²

East Arnhem Land is located in the north east corner of the Northern Territory and encompasses the Gove peninsular, inland communities and island based communities. The entire region is classified as a very remote area by the Australian Bureau of Statistics.³

The 2006 census recorded that the East Arnhem region had a population of approximately 15,935, with Indigenous people making up 64 per cent of the total population. Approximately 8,229 were male and 7,706 were female. The population within core school age (5-14 years) was 29.3 per cent. An additional 16.6 per cent of the region was aged 15-24, which is indicative an additional potential student catchment for years 10-12. The census reported that 41.7 per cent of the total East Arnhem population aged 15 years and over had post school qualifications.⁴

The census also reported that 14.4 per cent of people lived at a different address one year before, and 27.1 per cent lived at a different address five years before.⁵ While this no doubt reflects mobility within the Indigenous population; it would also reflect the transient nature of the non indigenous mining workforce in the region.

² Australian National university, 2009. http://livingknowledge.anu.edu.au/learningsites/seacountry/img_n/map_al.gif

³ Australian Bureau of Statistics: Australian Standard Geographical Classification Remoteness Areas.

⁴ Source: Australian Bureau of Statistics (2006), National Regional Profile: East Arnhem, Classification Code 71025.

⁵ Australian Bureau of Statistics (2006), National Regional Profile: East Arnhem, Classification Code 71025.

The East Arnhem region's population is growing at a net rate of 2.6 per cent per annum, making it one of the fastest growing regions in the Northern Territory.⁶ Population forecast figures for individual communities are not available.

The Indigenous people of East Arnhem Land refer to themselves as *Yolngu*. Although people have a strong regional identity, individuals primarily identify themselves by their clan group. Traditional clan structures are very much intact and govern many aspects of life and relationships. Most existing communities are artificial groups of various clans brought together during mission times. Language and other aspects of culture are also very much intact and valued by Yolngu people. The region is famous for strong leadership in the Indigenous land and social rights movements. The bark petitions⁷, the Yothu Yindi band and the film *Ten Canoes* are a few of the high profile achievements from the region. The area is also the birthplace of the yidaki (didgeridoo).

Nhulunbuy, on the Gove peninsula, is the administrative centre of the region. The town services the Rio Tinto Alcan (RTA) bauxite mine and aluminium refinery located close by. The town is on mining lease land, but surrounded by traditionally owned land.

For a detailed description of population profiles, environment and services in each community see Appendix A – Community profiles.

⁶ Australian Bureau of Statistics (2007-08), *Regional Population Growth, Australia*, Catalogue No. 3218.0.

⁷ In 1963 Yirrkala community members presented petitions on painted bark to the Australian Parliament seeking recognition of land rights to the Gove Peninsula.

Benefits

It is envisaged that a student accommodation facility will provide numerous benefits to the students, their families, and the wider community. Presented below are the key benefits of the proposed student accommodation facility located in the East Arnhem region. Across the region, the feasibility study has found that there is strong support from both Yolngu and key stakeholders, including local educators. There is particularly strong support for a solution which caters for the numerous secondary aged homelands students with limited access to education.

Community support

In each community there is strong support for building a student accommodation facility. Yolngu people in all communities strongly communicated their commitment to education for their children and grandchildren and felt that an accommodation facility would improve education and employment outcomes.

One possible exception to this is some concern amongst the community members from Galiwinku who were consulted. This group voiced some concerns about the possible level of engagement, not because people are not committed to education, but because so many other basic needs are not being met. Specifically housing, health and wellbeing were mentioned.⁸ This is further discussed in section 10 – Risk assessment and management strategy.

Community members have a good understanding of what an accommodation facility, or hostel, might be like. Many of the current community leaders attended Dhupuma College in the 1970's.⁹ Although some people reported that students ran away because they were homesick, in every community people also spoke fondly of their time at the college and highlighted positives including the quality of the education they received (students were bussed to Nhulunbuy High School) and the friendships and connections they had formed with people from other communities as a result.

There is also a strong intergenerational culture of sending kids away to boarding schools including Kormilda College, St John's College in Darwin and various schools elsewhere in the Northern Territory and interstate. Some communities and families are particularly committed to this and would be unlikely to remove their children from boarding school to attend the East Arnhem based facility if their child was happy and engaging well.

Helping kids get to school

One of the key benefits of the proposed student accommodation facility is the potential to provide access to young people who are currently unable to attend a secondary school, particularly those young people who live on homelands. Education for homelands students is provided through an outreach model through community schools including Shepherdson College and Gapuwiyak community school or through the Yirrkala Homeland School. This model involves flying teachers to Homelands Learning Centres for two to three days per week, and having Teacher Assistants provide five day a week instruction. This model is not

⁸ Although all communities reported overcrowding, the situation in Galiwinku seems to be particularly severe, including reports of over 30 people living in one house.

⁹ Dhupuma College was established in 1972 and operated as a co-educational accommodation facility from until it was shut down in 1981. Students from all over East Arnhem Land attended Dhupuma and travelled daily to Nhulunbuy High School. The word 'Dhupuma' is used to refer to the site where the college was built, which is also called Galkula.

necessarily appropriate for provision of secondary education, and provides access to a limited curriculum. Homeland schooling does tend to achieve good engagement and attendance, probably due to the nature and size of the communities and the closer supervision of young people.

Helping kids stay at school and achieve

There is also strong support for the facility to provide opportunities for students who may otherwise have had to go away to Darwin or interstate to receive a good quality secondary education. While it is anticipated that some people will continue to send their children away to boarding school, others voiced a strong desire for an alternative close to family and country, where young people can continue cultural learning and participation in cultural practices.

While city-based and interstate boarding schools present an excellent opportunity for some students, many people reported that a significant number of students are not able to manage being away from home, and soon come back. Some school principals reported that this can lead to difficulties re-integrating into community life and the community school for some kids, and can lead to complete disengagement from school.

An accommodation facility located in East Arnhem with a strong focus on Yolngu culture could provide both a stepping stone to successful boarding at a more elite school, and an opportunity for students returning home from an unsuccessful attempt at boarding elsewhere to continue their education.

Retention rates at the community schools are suboptimal, and many students do not progress on to achieve their Northern Territory Certificate of Education and Training (NTCET) (see Appendix B). If the student accommodation facility provides a safe, secure and supportive environment which facilitates learning, school attendance rates are likely to increase, and so are participation rates through to year 12. As well as providing increased employment opportunities and living standards for individuals, higher education attainment provides collective gains, as younger generations will be increasingly be required to take over responsibilities in community leadership and negotiation.

Student achievement levels are likely to increase if the accommodation facility provides the following:

- healthy nutritious meals and access to primary and preventative health care;
- a safe and secure environment to ensure a good night's sleep and support to focus on learning;
- a strong wellbeing and recreation program to build confidence and resilience; and
- structured and supported homework and tutoring sessions, including remedial opportunities where necessary.

Increase in employment opportunities and further education for students

Consultations indicate that a student accommodation facility which values the importance of obtaining an education should generate 'real' employment opportunities for the students. It should also provide a stepping-stone for further education and training opportunities, such as tertiary qualifications and apprenticeship programs. Further, if the facility works closely with the secondary school and other community employers and organisations, there should be opportunities to help prepare the students for the transition from school to further study, training or employment. These comments need to be tempered by the reality that further education, training and employment opportunities are fairly limited in remote areas.

Creating employment and economic opportunities for the region

People also recognise the potential economic and employment opportunities associated with the facility. Each community, and the homelands represented by Laynhapuy Homelands Association, have strongly lobbied for the facility to be built on their land.

A student accommodation facility will generate ongoing employment opportunities for the wider East Arnhem region. The facility will create time limited and ongoing opportunities around:

- initial construction-related services;
- boarding staff (house parents);
- maintenance services;
- security services;
- catering services;
- cleaning and laundering services;
- recreation, including sport, art and cultural activities;
- transport to and from the facility and/or school depending on the location;
- visiting family and staff accommodation; and
- training and further education opportunities for adults working at the facility.

Recommendation

DEEWR proceed to further plan, construct and fund a student accommodation facility in East Arnhem land.

Based on the potential student catchment it is recommended that a 72 bed facility be constructed.

Constraints and dependencies

The purpose of this section is to present information on the constraints and dependencies that act as decision constraints on the location and operating model of the student accommodation facility.

Funding

The establishment and ongoing financial sustainability of the facility will be contingent upon continued government funding and upon negotiation of the case by case funding to be provided by the ILC. The feasibility study has found that the accommodation facility relies heavily on the recurrent funding to be provided by DEEWR. Should policy objectives shift in the future and this funding be reduced or discontinued, it is possible that the facility would cease to be financial viable. The chapter on operating budget and financial viability of this report discusses financial viability.

School upgrades

The success of the facility is contingent upon the Northern Territory Department of Education (NT DET) providing complimentary funding to upgrade the associated school. The extent and nature of funding to be provided will depend on the location selected and the current infrastructure needs of the school. The feasibility study has found that Shepherdson College would require the least additional investment to accommodate higher enrolments and the Secondary Homelands Education Project (SHEP) at Garrthalala would require the most significant additional investment. See Appendix D for further discussion of this issue.

Community concerns

Both Yolngu and other stakeholders raised a number of concerns during the consultations. It is important to highlight and understand these concerns, as sustainability can only be assured if the facility is fully utilised. The following issues came up consistently:

- Young people will get homesick even if they are sent away to another place in East Arnhem, and parents will be reluctant to send their children away, because they like to have their family close to them.
- Parents are very concerned about the safety of their children. In this context, safety encompasses a number of components including physical safety, safety from exposure to substance use and humbugging, supervision of young boys and girls mixing together, protection from bullying and students feeling 'comfortable' being away from their land.
- People are concerned about the distances involved for students and families to travel across East Arnhem Land to attend such a facility. Many people felt strongly that there should be two facilities, one in east East Arnhem and one in west East Arnhem. This is explored further on page 48, Additional option – divide the funding.
- Parents from homelands would not be willing to send their children to live in one of the larger communities where they would be exposed to substance use and negative social issues. While safety (as described above) is important to all parents, it is particularly important to homeland parents who have chosen to remove themselves and their families from the social problems associated with large communities.

Location constraints

Successful establishment of the accommodation facility is dependent upon negotiation of a section 19 lease under the Land Rights Act.¹⁰ The Northern Land Council (NLC) acts on behalf of recognised traditional owners to negotiate such arrangements. The feasibility study has found that the traditional owners consulted with in each community were generally supportive of the concept and indicated a willingness to enter into such an agreement. However, numerous stakeholders explained that land negotiations, even for community development projects, could be protracted and problematic.

One of the positive expected outcomes identified by DEEWR is the creation of employment and economic opportunity during the construction (and ongoing operation) of the facility. The feasibility study has attempted to identify opportunities to maximise employment and training opportunities for Yolngu. A number of Indigenous owned organisations have construction capacity including:

- Laynhapuy Homelands Association;
- Yirrkala Business Enterprises; and
- Marthakal Business Enterprises (Elcho Island).

Similarly the Delta Reef construction company regularly and successfully employs a number of Yolngu workers. However, during the consultations it was highlighted that by being overly prescriptive about the number or proportion of indigenous employment targets can be counter-productive where it leads to time frame and budget blow outs due to the difficulties around engaging and retaining local people in employment and training.

Consideration must also be given to the possibility that, because of Strategic Indigenous Housing and Infrastructure Program (SIHIP) and other regional development associated with the Remote Service Delivery (RSD) and the Working Future initiative, local consultation companies may not have capacity over the next few years to take on additional projects.

In order to maximise opportunities for significant and meaningful employment of Yolngu people in the construction of the accommodation facility it is suggested that a procurement plan be developed which recognises this aim. Consideration should also be given to recognising innovative approaches to:

- achieving realistic targets for local Indigenous employment;
- developing partnerships with established Indigenous enterprises; and
- maximising opportunities to create linkages with other regional developments to create lasting apprenticeship and mentoring programs.
-

¹⁰ Aboriginal Land Rights (Northern Territory) Act 1976. Details of this can be viewed at http://www3.austlii.edu.au/au/legis/cth/consol_act/alrta1976444/s20zc.html

Identification of options

The purpose of this section is to identify and describe the preliminary options as identified through the research, stakeholder consultations and community visits. Location, design and operating model are examined.

The feasibility study has found that each of the communities, except Gunyangara, would like to have the student accommodation facility located on their lands – referred to in this report as ‘hosting’ the facility. In addition, options for locating the facility at Garrthalala and the Gulkula site were nominated.

Community preferences are more consistent on the matters of design and operating model. The features described by parents, community leaders and educators closely mirror the recommendations identified through expert consultations conducted for the Wadeye feasibility study. The key elements of the model are outlined in this section.

Location options

Community members expressed a strong desire not to have the facility co-located with a school or actually located within a community. Community based stakeholders including GBMs and school principals supported this view. Each actual site nominated or discussed as a likely option was between one and five kilometres away from the community centre. References in this report to community options refer to the actual nominated site, located outside of town.

The availability of suitable land and the Traditional Owners’ commitment to making the land available for the purposes of constructing the facility was an important pre-condition for developing options.

In all communities it appears that there is likely to be sufficient and suitable land available. However, for Milingimbi a number of issues came to the attention of the feasibility study which indicates that identifying suitable land may be problematic. These issues are further outlined in Appendix C.

In most communities, the traditional owners participated in community meetings and discussions with the community engagement team. Actual sites were identified in Yirrkala, Ramingining and Garrthalala. Potential sites were discussed in Gapuwiyak and Galiwinku (Dhudupu homeland).

It is understood that the recognised traditional owner of Milingimbi Island lives in Darwin and was not present during consultations. The Traditional Owners of the Gulkula site were consulted and indicated that it would be possible to make land available for this purpose.

Other than Milingimbi, it appears that the Traditional Owners of each location would be willing to enter into negotiations to lease land for the purposes of constructing and operating a student accommodation facility. The Northern Land Council did not indicate any foreseeable issues with negotiating land.

It should be noted that the Traditional Owner of the nominated site in Ramingining approached the community engagement team to say that he would be willing to waive any potential royalties associated with the lease of land for this purpose. Royalties were not discussed with any other Traditional Owners.

Descriptions of the advantages and disadvantages of each option are located in Appendix C.

Option one - The Gulkula site

The site is approximately 40 kilometres from Nhulunbuy, 15 kilometres to Gove airport and approximately 20 kilometres to Yirrkala community. This site is also host to the Garma Festival¹¹ and was the site where Dhupuma College was previously located. Students could attend Nhulunbuy High School or Yirrkala community school.

Option two – Yirrkala community

The site which has been nominated by Traditional Owners in Yirrkala is situated around two kilometres from the community, on the access road leading into the community. Students could attend Nhulunbuy High School or Yirrkala community school. The community strongly supports hosting the facility.

Option three – Gapuwiyak community

A specific site has not been nominated by the community. Traditional Owners were confident that land could be made available, and suggested the other side of Lake Evella, about two kilometres away. Students would attend Gapuwiyak community school. The community strongly supports hosting the facility.

Option four – Garrthalala homeland

An option which was identified by the Laynhapuy homelands is to supplement the existing SHEP¹² program run by Yirrkala Homelands School at Garrthalala homeland. The community strongly supports hosting the facility.

Option five – Galiwinku community

Residents of Galiwinku community have indicated an interest in hosting the facility and suggestions include building the facility at Dhudupu homeland, located around 3 kilometres from Galiwinku community on Elcho Island. Students would attend Shepherdson College at Galiwinku. The Traditional Owners of this site have not been consulted directly.

Option six – Ramingining community

Traditional Owners have identified a site around five kilometres outside of town, near the intersection of the community access road and the East Arnhem Road. Students would attend Ramingining community school. The community strongly supports hosting the facility.

Option seven – Milingimbi community

Traditional Owners have not identified a site; however the community were very interested in exploring the possibility of locating the facility on Milingimbi Island. Students would attend Milingimbi community school. The community strongly supports hosting the facility.

¹¹ The Garma Festival is an annual two way learning experience and celebration of Yolngu culture.

¹² SHEP provides senior secondary education to between 25-30 homeland based students. The students fly in and out from their various homelands to attend three days of classes each week.

Operating model

This section discusses the findings of the feasibility study in relation to the operating model of the accommodation facility. The recommended features of the operating model were established through consultation with Indigenous education experts and current providers of accommodation to support secondary education and community consultations with parents, grandparents, school councils and elders.

Best practice in accommodation to support education for indigenous students.

In providing input to the Wadeye Student Accommodation Facility Feasibility Study, education experts, and providers with relevant knowledge and understanding of providing accommodation to support education to Indigenous students, highlighted features of a successful model. These were supported through the consultations conducted by the KPMG team:

- It is important to have a strong community support, fostered through regular and enduring contact with families and home communities.
- Practical support from families is particularly important and should be cultivated through developing a partnership and shared understanding between the facility and the family regarding what is important. This will help to ensure that students receive consistent messages at home and at the accommodation facility.
- The success of the facility will be greatly influenced by the level of local, and regional, Indigenous ownership. This makes consultation and providing genuine and appropriate opportunities for input at each stage important.
- It is important to recognise and understand cultural norms, family responsibilities and community wishes and work with those, rather than trying to change them, in developing a model of accommodation, designing the building and implementing policies and rules.
- Of particular note are expectations around separation of males and females and younger and older students.
- The quality of staff and their capacity to form supportive and positive relationships with the students is a critical success factor.
- There are mixed opinions about the importance of employing primarily Indigenous staff compared to prioritising staff skills and experience.
- Selection policies which are selective and based on student desire to attend the facility, attendance history and behavioural patterns are more likely to result in good outcomes than open policies.
- The facility should provide more than accommodation and meals, and should provide students with education support, recreational activities, pastoral care, health and wellbeing services and links to opportunities such as participation in community events or clubs.
- The culture of the facility should include establishment of clear expectations and boundaries, whilst providing a warm and nurturing environment which reflects a functional family home rather than an institution.

- The facility should foster achievement of developmental progression by providing opportunities for older students to access greater levels of privilege, responsibility and freedom.
- The design of the facility will influence its success. Best practice in design includes:
 - Separation of boys and girls
 - Allowing visual supervision through line of sight
 - Small rooms which accommodate between 3-4 younger students or 1-2 older students
 - Provision of space for private belongings and personal expression.
 - Comprehensive security to ensure student and facility safety, and to support policies around student's activities at night.
- Incentive programs can be valuable tools to assist in behaviour management.
- Provision of good quality, nutritionally sound food to support good health and wellbeing and to avoid behavioural problems associated with energy dense, highly processed food is very important.

Management and governance

Communities have a strong preference for the formation of new governance body to oversee the accommodation facility, and that this body is representative of each community and major homeland group. Generally, there was limited cross clan group support for any existing governance body in the region to take on an advisory role of the facility.

This governing or advisory committee should be convened as soon as practical to initially take on a planning and development role as well as act as champions for the facility during the design and construction phase. Once construction is complete the governing body should undertake ongoing strategic oversight of all aspects of the facility including employment, student selection, and discipline and conflict resolution.

This could be best facilitated by establishing a planning body made up of members from each community and homeland group. The planning body should act as advisors to DEEWR during the time from when they are convened until the advisory body is formed. The planning body could oversee a nomination and election process to form the advisory body.

Various stakeholders and experts highlighted the importance of clear delineation of roles and responsibilities for the advisory body and management. The advisory body would work with the management of the facility to guide decision making and enhance community ownership and input. The advisory body should not contribute to day-to-day management, but should be limited to an advisory function. Governance training for all members of the advisory body upon induction should be provided.

Community members across the region feel strongly that the facility should be staffed by representatives of all communities. Suggestions included having a male and female from each community and some homelands working at the facility in roles including house parents, recreation staff and domestic staff.

It is estimated that around 17 FTE positions would be necessary to meet all the needs of facility and to provide the comprehensive supervision, recreation and enrichment program suggested.

The staff should include a manager or head of boarding, whose role would include administrative, and management functions, and a community liaison officer (who may also take on some direct student care responsibilities). Both these positions would liaise with, or possibly be members of, the advisory body.

It is considered that there should be at least eight full time house parents, five of whom should reside at the facility during the school term, including two males and two females. This allows for a staff to student ratio of 1:18 students at night, in addition to an extra staff person to allow for rostered days off, illness or unexpected leave (including cultural leave).

During afternoon periods when students will require homework supervision and organised recreation activities the staff to student ratio should increase to 1:10. This would include the recreation officer, tutor and house parents.

Communities expressed a strong desire to have domestic and cook positions filled wherever possible by people from each community and homeland group, to maximise the opportunities to have familiar people present for the students to approach if they are feeling homesick or lonely. Parents also felt this would give them extra peace of mind, knowing that someone from their community was at the facility watching over their children. It is estimated that two full time domestic staff would be needed to provide cleaning, laundry and grounds maintenance. To provide three good quality, nutritious meals a day, including weekend meals and managing menu planning and purchasing, at least two full time experienced cooks would be needed. Some domestic duties may also be supported by students as part of development and responsibility programs.

All providers of accommodation to support education highlighted the importance of a comprehensive and well planned recreation program, and parents and community members also had a strong preference for a varied and structured approach to activities. It is recommended that a full time recreation officer be employed to undertake this role. This position would include responsibility for planning and managing the ongoing recreation program, and would also be able to support supervision in busy after school periods and on weekend outings. This position would have responsibility for ensuring that students have opportunities to participate in facility-specific activities, as well as in broader community activities available locally. A suitably qualified tutor should also be employed to provide homework supervision and remedial instruction. It may be possible to fill this role through coordination with the school. The tutor or tutors should work closely with teachers and teacher assistants.

While communities and stakeholder expressed strong views that the staff should consist mainly of local Yolngu people, many also stated that often a mixture of Balander (non-Indigenous) and Yolngu works well and would ensure that community and regional politics, or nepotism, do not have a negative impact on the management of the facility.

Building design

Communities favour the halls of residence model of accommodation. Most respondents felt that a large common building with separate wings for boys and girls would be best. Students should be accommodated in small rooms for between two and four students. Features including security doors on each wing and positioning house parent rooms between the two wings were also highlighted as good ideas.

There should be some common areas for recreation, but there should also be places where males and females can recreate separately. Figure two offers some insight into the building design

which best aligns with community wishes. The diagram is not to scale, and is illustrative of recommended design features only. A professional architect will need to be engaged to progress building design, and much will depend on the physical features of the location identified.

Key features included are:

- separate wings for males and females with house parents situated between male and female sleeping quarters;
- male and female sleeping quarters separated by security doors;
- separate male and female recreation areas;
- extensive recreation areas including a pool, playing field, hard court and undercover recreation areas;
- undercover spaces for cultural activities;
- an area for reading, homework and computer access;
- greater privacy for older students; and
- additional accommodation for visiting families and staff from communities and homelands to live at the facility.

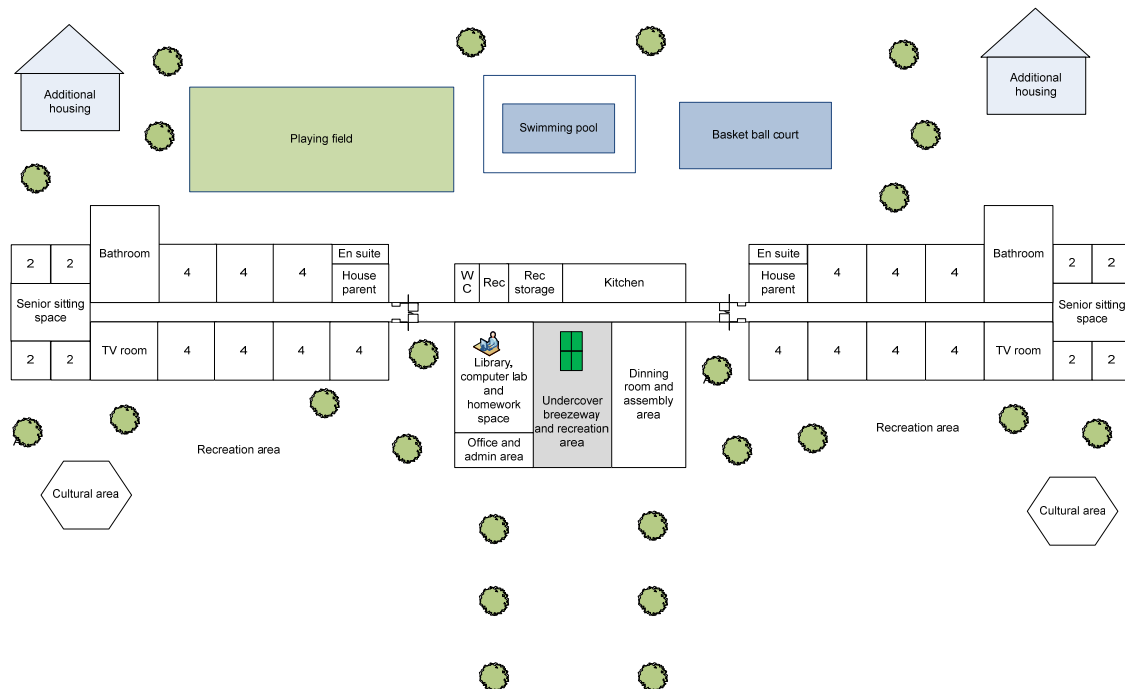


Figure 2: Example of a facility design which incorporates many important parent and community wishes.

It is crucially important to parents that the design ensures that males and females are securely separated both at night and during most activities. The importance of this cannot be over emphasised. Parents clearly stated that they would not allow their children to stay at a facility if they felt that young men and women would be able to socialise unsupervised. In part this is consistent with non-Indigenous parents' concerns about distraction from studies or teenage sexual activity, but there are also important cultural reasons for this including expectations around marriage.

Special features

Consultations also identified that the provision of cultural areas and spaces for undertaking cultural activities should be included in the design. This is a matter which should be explored more fully during actual design and planning, but might include a cooking pit and a ceremony circle.

It was suggested during consultations that inviting communities and families to paint clan totems on the building would be a good idea. It has been suggested that this would contribute to a feeling of regional Yolngu ownership, help students and families to feel comfortable in the facility, and prohibit any vandalism or 'cursing'. In decorating the physical building with clan totems the building will take on significance to all groups. A similar activity was undertaken at Milingimbi on the Shire buildings and has proven to be successful in protecting the building from vandals and cursing.

People believe that there should be accommodation on site for families to visit their children while they are staying at the facility. Parents would be able to come and stay at the facility to alleviate homesickness and reassure themselves of their child's safety and wellbeing. This would also offer an alternative to students going home if they are feeling very homesick and may contribute to better retention over time. A fair and transparent system of managing family access to facilities would need to be established and managed by staff.

The extent to which additional accommodation facilities will be necessary will depend on the location selected. For example, locations close to Nhulunbuy will have options for visiting families to stay in the Aboriginal Hostel there, or to stay with family in Yirrkala. Most communities have some visitor accommodation available, but it is often difficult to secure a booking and can be very expensive. People will be more likely to stay with family if accommodation was not available, which may contribute to overcrowding in those homes. If Garrthalala is selected, significant accommodation for visiting families will be necessary due to the absence of existing visitor accommodation and the limited number of homes located there.

An example of a similar model is the transition house at St Teresa's College, Abergowrie in Queensland. A small house is located on the school grounds and parents can arrange to come and stay there to visit their children during the term, or to help them settle in when they first arrive. The students are allowed to stay in the transition house with their parents during the visit. It is also used as an alternative to suspension as a disciplinary measure. Parents or careers can come and supervise the student while they have some time away from the school and boarding environment due to behavioural problems. Abergowrie has found this to be very successful.

Recreation facilities

There is broad agreement amongst industry experts, current secondary student accommodation providers, parents and communities that good recreation facilities and a comprehensive activity program are important features to be incorporated into the operating model. When asked about what type of recreation facilities they would like to see community representatives usually

nominated football ovals (Australian Rules football is generally favoured by young people in the region), basketball courts, softball courts and swimming pools. Others included spaces for artistic pursuits such as painting or music and relaxing spaces for watching TV or listening to music.

Areas for completion of homework and access to computers are also important, and this may be provided through large common areas, individual desks in rooms or a combination of both. Various community school principals and school staff identified that students are generally very interested in computers, and have strong skills in this area. This suggests that access to good quality computer equipment both at school and the accommodation facility may improve engagement and outcomes, and be valuable in building aspirations and developing pathways to training and employment for young people. It is important that computer access be well supervised to minimise risks associated with inappropriate material or cyber bullying.

Recommendation

The facility should be designed and built incorporating the key features identified in this section, including:

- separate wings for males and females with house parents situated between male and female sleeping quarters;
- male and female sleeping quarters separated by security doors;
- separate male and female recreation areas;
- extensive recreation areas including a pool, playing field, hard court and undercover recreation areas;
- undercover spaces for cultural activities;
- an area for reading, homework and computer access;
- greater privacy for older students; and
- additional accommodation for visiting families and staff from communities and homelands to live at the facility.

Service model

The service model recommended by industry experts and current secondary student accommodation providers, and supported by parents and community members, includes the following features:

- close supervision and a clear focus on education and learning;
- clear and well enforced rules governing behaviour;
- activities that encourage harmonious interaction between students from different clans and communities;
- inclusion of cultural learning and incorporation of traditional norms and practices so that young people continue to participate in Yolngu society while staying at the accommodation facility;

- taking all reasonable steps to ensure that students are not exposed to alcohol, drugs or hugging;
- students should stay at the accommodation facility on weekends as usual practice, although there should also be provision for one or two trips home during the term or family visits for weekends during the school term to combat homesickness; and
- working with the school and parents to achieve a balance between respecting expectations that students will travel home to attend funerals or other ceremonies, and ensuring that students have sufficient attendance at school to achieve good outcomes.

Student selection

It is likely that demand will exceed capacity across the region and that an established and transparent process for prioritising students will need to be established.

Community members were asked to think about how selection should occur if demand exceeds available capacity. Most people felt that priority should be given to promising young people who live on homelands. These students should be able to demonstrate a commitment to education through good attendance and academic achievement. Discussions between students and the target school, their current school, parents or careers and the accommodation facility should ensure that the student is suitable and is likely to enjoy the experience and engage well both at school and at the facility.

Some community members also identified highly motivated and academically successful students from larger communities as potential targets for enrolment at the facility. Others felt that students who are in some way disadvantaged by family dysfunction, illness or significant overcrowding (this would apply to most students from some communities) should be given priority to attend the facility, so long as they had demonstrated some academic ability.

Communities expressed a strong desire to have a reasonably even spread of students from different areas, and this may include introduction of some nominal quotas to ensure an even spread is achieved. This is an area which communities identified should be overseen by the advisory body. Interviews with industry experts indicate that an aspirational model, where the accommodation facility is promoted and viewed as reward, rather than a punishment is more likely to achieve success in maintaining enrolment and engagement and in improving educational outcomes. Community schools raised concerns about the concept of removing the bulk of high performing students from the schools, stating that this would effectively remove the positive role models for other students and could result in overall lower educational outcomes across the region.

Each group of potential students – homelands, academic and disadvantaged, have specific needs and would require a slightly different service model. This must be closely considered and incorporated into the operating model. For example if students from the more remote and isolated homelands were to attend the facility there would need to be provision for their needs including a staff member who they are familiar with, and opportunities for their parents to come and visit the school before they commenced, to make sure they felt comfortable sending their child there.

Recommendation

A clear and transparent process for selecting students should be established by the advisory body in conjunction with the operator.

This should be established well before the facility opens so that the facility and operating model accommodates the specific needs of the student cohort.

The selection policy should reflect the views of industry experts and community members, and specifically include the following principles:

- students should be able to demonstrate a proven commitment to schooling, and their application should be supported by their home school teacher;
- students who live more than 20 minutes drive from an accredited secondary school should be given priority over other students;
- each community and homeland group should be represented in the student body;
- students should not be sent to the facility against their wishes or as a disciplinary measure, the focus should be on education rather than behaviour management.

Going forward

Community members want to see ongoing promotion and distribution of information in the period between a decision being made about the location and model, and completion of construction, to maintain community interest and build support for the facility so that enrolments are optimised from day one. Utilising the 2010 Garma Festival, which has a key focus on education and a youth forum, was suggested by numerous stakeholders and community members.

Recommendation

DEEWR develop a communication strategy to be implemented upon announcement of the decision to proceed (assuming that decision is reached) and the preferred location and operating model

DEEWR begin to investigate how the 2010 Garma festival could be utilised to:

- promote the facility and the operating model, and gain continuous community and regional engagement; and
- access young people through the youth forum to provide ongoing input into the design and operating model and to promote the facility.

Assessment of options

The following assessment of the options adopts a multi-criteria analysis¹³ tool. A multi-criteria analysis tool is useful where it is not possible to quantify and assign monetary values to all of the impacts of an option. This technique requires judgements about how proposed options will contribute to a series of criteria that are chosen to reflect the effectiveness of the options. This section provides further details of the analysis.

The multi-criteria approach

When selecting the criteria to be used in the multi-criteria analysis, consideration was given to the objectives of the proposed facility and the key criteria that would need to inform the decision as to where it could be best located to achieve those objectives. The process for developing the criteria included:

- discussions with DEEWR in relation to the policy objectives sought by the Commonwealth and outlined in the Terms of Reference;
- workshopping potential criteria with community representatives and Government Business Managers prior to undertaking the community visits; and
- seeking validation from the DEEWR project team on the relevance and completeness of the criteria and preferred weightings of the criteria.

The criteria posed the following questions:

- To what extent will the location deliver enhanced education and employment outcomes?
- To what extent does the location maintain and promote the safety and wellbeing of the students?
- To what extent is the location supported by the communities?
- To what extent does the location offer accessible supporting infrastructure and services?

Weightings were assigned to each criterion to reflect the relative importance of each in informing the decision-making process. The weightings were developed in consultation with DEEWR. The primary purpose of the accommodation facility is to provide access to quality secondary education and as such, access to quality schooling is weighted highly, as is the need for relevant infrastructure to support the facility.

¹³ Also referred to as a Balanced Scorecard approach.

The table below presents the criteria their relative weightings and the factors taken into consideration when assessing the options.

Criterion	Components / description
Education and employment outcomes (35 per cent)	<p><i>To what extent will the location deliver enhanced education and employment outcomes?</i></p> <ul style="list-style-type: none"> • Perceived likelihood that the school will ensure students achieve good educational outcomes • Current attendance, retention, outcomes (NAPLAN results) • Physical upgrade to school which will be necessary • Human resources upgrade to the school which will be necessary • Attractiveness in terms of being able to recruit additional teachers and other staff to the location • Local pathways to employment or training opportunities • Local employment opportunities
Safety and well being (20 per cent)	<p><i>To what extent does the location maintain and promote the safety and well being of the students?</i></p> <ul style="list-style-type: none"> • Cultural safety, will kids and families feel safe and comfortable there? • Will students be exposed to bad influences such as crime and substance abuse? • Will they be able to 'sneak away' easily? • Is the area a prescribed area and is it drug and alcohol free? • Relative safety from violence • Existing cultural conflicts which may exclude some potential students or visiting families
Community support (15 per cent)	<p><i>To what extent is the location supported by the communities?</i></p> <ul style="list-style-type: none"> • Host community acceptance • Community (regional) approval/desire to have the facility built there • Willingness and capacity of community to have input into governance and management of the facility
Supporting infrastructure and services (30 per cent)	<p><i>To what extent does the location offer accessible supporting infrastructure and services?</i></p> <ul style="list-style-type: none"> • Access to primary health care • Access to wellbeing services • Access to recreational activities/infrastructure • Other accommodation available in a location, including accommodation for visiting families, additional teachers and staff • All weather / seasonality implications, including all weather airstrip

Method of analysis

In undertaking a multi-criteria analysis, evidence is used to make decisions about the impact of each option against the criteria. Nevertheless, some judgement is required in assigning the scores for each option. In order to ensure that the analysis is undertaken in a consistent and systematic way it is important that the basis for comparison or “base case” is well understood. The basis for comparison is described for each criterion below.

While for the purposes of analysis access to services and recreation activities has been assessed under the question of whether the site offers support infrastructure and services, it could also be considered under the question of the extent to which sites could support the safety and wellbeing of students. For example, access to health care and wellbeing services will also have an impact on the safety and wellbeing of students, as will opportunities to participate in recreational activities. Involvement in sport, extracurricular activities and socialisation with a broader community has the potential to increase students’ confidence and resilience.

To what extent will the location deliver enhanced education and employment outcomes?

The base for comparison is as follows:

- performance of the school compared against other schools in the region;
- the upgrades (physical and human resource) necessary for the school to accommodate the additional students and to deliver a comprehensive and varied curriculum were considered to be detractors; and
- the pathways to employment or training, and the genuine employment opportunities in each location were considered against an average for the region.

To what extent does the location maintain and promote the safety and wellbeing of the students?

The basis for comparison is as follows:

- assumption that the design and operating model of the facility would ensure the basic safety and wellbeing of students; and
- assignment of scores on the basis of likelihood of exposure to negative influences which may impact on the safety and wellbeing of students.

To what extent is the location supported by the communities?

The basis for comparison is as follows:

- consideration of the proven capacity of each community to govern, manage and support successful, complex organisations and business ventures and the perceived acceptability of each location to the majority of the region; and
- whether or not each community had indicated their willingness to host the facility was considered, but was not a differentiating factor because all communities expressed a desire to host the facility.

In some cases, proven capacity in governance counteracted poor regional support for a location, and vice versa.

To what extent does the location offer accessible supporting infrastructure and services?

The basis for comparison is as follows:

- considering what existing services and infrastructure exist in relation to what would be ideal to support a best practice model accommodation facility.

Scoring

The following tables present a summary of the analysis in terms of the key considerations under each criterion underpinning the scoring. The net impact is represented as being:

- High (+)
- Medium (+)
- Low (+)
- No impact
- Low (-)
- Medium (-)
- High (-)

Further details of the analysis, including the multi-criteria analysis ‘scorecard’ is contained in Attachment D.

Option one - The Gulkula site

Criterion	The case for	The case against	Net impact (unweighted)
To what extent will the location deliver enhanced education and employment outcomes?	<p>Students would have access to reasonable quality mainstream education at Nhulunbuy High School, and would also have the option to attend Yirrkala school</p> <p>Students would have access many and varied training, mentoring and employment opportunities</p>	<p>Relatively minor upgrades to the school would be necessary in terms of additional classrooms, but specialist facilities are already in place</p>	Medium (+)
To what extent does the location maintain and promote the safety and well being of the students?	<p>The site provides good safety for students because it is not located in a community and therefore there will be reduced exposure to bad influences or hugging and students wouldn't be able to easily sneak away</p>	<p>The students may be exposed to some negative social issues by attending school and recreating in Nhulunbuy and Yirrkala</p>	Medium (+)
To what extent is the location supported by the communities?	<p>The Traditional Owners strongly support having the facility located here, and have proven capacity to govern and support successful organisations and business enterprises</p> <p>The site is culturally significant for all Yolngu people and people from all regions and clans are accustomed to gathering at that site</p>		High (+)

Criterion	The case for	The case against	Net impact (unweighted)
To what extent does the location offer accessible supporting infrastructure and services?	<p>The site offers good access to services and infrastructure including:</p> <ul style="list-style-type: none"> • Primary healthcare, allied health and a hospital • Major regional airport • Excellent recreation facilities • Organised sport, art and cultural activities and clubs 		Medium - High (+)
Net impact across all four criteria (weighted)	Overall, selection of this site would have a medium to high positive impact on the success of the facility.		

Option two - Yirrkala

Criterion	The case for	The case against	Net impact (unweighted)
To what extent will the location deliver enhanced education and employment outcomes?	<p>Students would have access to reasonable quality mainstream education at Nhulunbuy High School, and would also have the option to attend Yirrkala school</p> <p>Students would have access many and varied training, mentoring and employment opportunities</p>	Relatively minor upgrades to the school would be necessary in terms of additional classrooms, but specialist facilities are already in place	Medium (+)
To what extent does the location maintain and promote the safety and well being of the students?		Students would be exposed to some negative social issues in Yirrkala. In addition to the social issues at Yirrkala, which are perceived to be more serious than elsewhere, students would be able to readily access Nhulunbuy because of passing traffic and various transport options including taxis and buses	Low (-)
To what extent is the location supported by the communities?	<p>The community has a strong desire to host the facility.</p> <p>The community has proven capacity to govern and support successful organisations and business enterprises.</p>	Various groups, including homeland families and some communities specifically stated that they would not like the facility to be built at Yirrkala. In addition to the safety issues identified above, regional and community politics contribute to this feeling.	Low (+)
To what extent does the location offer accessible supporting	The site offers good access to		High (+)

Criterion	The case for	The case against	Net impact (unweighted)
infrastructure and services?	services and infrastructure including: <ul style="list-style-type: none"> • Primary healthcare, allied health and a hospital • Major regional airport • Excellent recreation facilities • Organised sport, art and cultural activities and clubs 		
Net impact across all four criteria (weighted)	Overall, selection of this site would have a low to medium positive impact on the success of the facility		

Option three – Gapuwiyak

Criterion	The case for	The case against	Net impact
To what extent will the location deliver enhanced education and employment outcomes?		<p>Students would have access to a reasonable school with average attendance across the region, poor retention and limited specialist facilities</p> <p>The school would need significant upgrading to accommodate additional enrolments</p> <p>There are limited employment and training opportunities in the community</p>	No impact
To what extent does the location maintain and promote the safety and well being of the students?	<p>Gapuwiyak is geographically central to the region</p> <p>Many people have ties to Gapuwiyak and would feel comfortable to go there, particularly local homeland people</p>	Students may be exposed to some negative social issues in Gapuwiyak	No impact
To what extent is the location supported by the communities?	<p>The community has a strong desire to host the facility</p> <p>It is likely that other communities and homelands would be moderately supportive of having the facility located at Gapuwiyak</p>		Medium (+)

Criterion	The case for	The case against	Net impact
To what extent does the location offer accessible supporting infrastructure and services?	Gapuwiyak offers reasonable access to services, infrastructure and recreation facilities. There is an all weather airstrip and a resident doctor	There is limited additional accommodation in the community	Low (+)
Net impact across all four criteria	Overall, selection of this site would have a low positive impact on the success of the facility		

Option four – Garrthalala

Criterion	The case for	The case against	Net impact
To what extent will the location deliver enhanced education and employment outcomes?	The SHEP program is achieving good engagement and attendance for senior secondary students	The school would need to be significantly upgraded and there are no specialist facilities. The curriculum being delivered is restricted by the model and facilities The employment and training opportunities are very restricted because there is no industry or services at Garrthalala	Low (-)
To what extent does the location maintain and promote the safety and well being of the students?	Garrthalala presents a very safe environment for students in terms of exposure to negative social issues		Medium-High (+)
To what extent is the location supported by the communities?	The community has a strong desire to host the facility There are key individuals who have shown that they have the capacity to support the SHEP program Some parents from other communities are supportive of locating the facility at Garrthalala because of the perceived safety	Because the community is so small, and has no previous experience governing or supporting such a large venture it is difficult to know whether the community would be able to support the accommodation facility in a sustainable way Some parents from other communities are not supportive of locating the facility at Garrthalala because of the lack of services and the undeveloped school	Low-Medium (+)

Criterion	The case for	The case against	Net impact
To what extent does the location offer accessible supporting infrastructure and services?		Garrthalala has limited access to services, infrastructure and recreation facilities. The airstrip is unsealed. There is no additional accommodation in the community	No impact
Net impact across all four criteria	Overall, selection of this site would have a low positive impact on the success of the facility		

Option five – Galiwinku

Criterion	The case for	The case against	Net impact
To what extent will the location deliver enhanced education and employment outcomes?	<p>Students would attend Shepherdson College, which has good specialist facilities</p> <p>The school would not need significant upgrades, and already has specialist facilities such as science and computer rooms</p>	<p>The school has poor attendance and retention</p> <p>There are moderate employment and training opportunities in the community</p>	Medium (+)
To what extent does the location maintain and promote the safety and well being of the students?	Galiwinku is geographically central to the region	Students may be exposed to some negative social issues in Galiwinku	No impact
To what extent is the location supported by the communities?	<p>The community has indicated interest in hosting the facility</p> <p>The community has capacity to govern and support the facility, including construction capabilities</p>		Medium (+)
To what extent does the location offer accessible supporting infrastructure and services?	Galiwinku offers reasonable access to services, infrastructure and recreation facilities. There is an all weather airstrip, resident doctor and some accommodation in the community	The community is located on an island and therefore access to any additional infrastructure is limited	Low (+)
Net impact across all four criteria	Overall, selection of this site would have a low to medium positive impact on the success of the facility		

Option six – Ramingining

Criterion	The case for	The case against	Net impact
To what extent will the location deliver enhanced education and employment outcomes?	<p>Students would attend a school which has better outcomes than other community schools across the region, but has low retention</p> <p>The school provides a good standard of education and engages well with the community and has some excellent features including cultural exchange and a school nutrition program</p>	<p>The school would need some upgrades and addition of some specialist facilities to accommodate additional enrolments</p> <p>There are moderate employment and training opportunities in the community</p>	Low (+)
To what extent does the location maintain and promote the safety and well being of the students?		Students may be exposed to some negative social issues in Ramingining	No impact
To what extent is the location supported by the communities?	The community has a strong desire to host the facility and a Traditional Owner indicated a willingness to waive land royalties		Medium (+)
To what extent does the location offer accessible supporting infrastructure and services?	Ramingining offers reasonable access to services, infrastructure and recreation facilities. There is an all weather airstrip	There is limited additional accommodation in the community	Low (+)
Net impact across all four criteria	Overall, selection of this site would have a low positive impact on the success of the facility		

Option seven – Milingimbi

Criterion	The case for	The case against	Net impact
To what extent will the location deliver enhanced education and employment outcomes?		<p>Students would have access to a reasonable school with average attendance across the region, poor retention and limited specialist facilities</p> <p>The school would need significant upgrading to accommodate additional enrolments</p> <p>There are limited employment and training opportunities in the community</p>	No impact
To what extent does the location maintain and promote the safety and well being of the students?	It would be difficult for students to run away from Milingimbi because it is an island	Students may be exposed to some negative social issues in Milingimbi	No impact
To what extent is the location supported by the communities?	The community has a strong desire to host the facility and were the most engaged of all the communities with the feasibility study		Low (+)
To what extent does the location offer accessible supporting infrastructure and services?	Milingimbi offers reasonable access to services, infrastructure and recreation facilities. There is an all weather airstrip	<p>There is limited additional accommodation in the community.</p> <p>The community is located on an island and therefore access to any additional infrastructure is limited</p>	Low (+)
Net impact across all four criteria	Overall, selection of this site would have a low positive impact on the success of the facility		

Summary of analysis

Based on the KPMG analysis, the Gulkula option is the highest scoring location option. Gulkula has many benefits including access to two schools, one of which offers a comprehensive mainstream education.

The location is judged to be acceptable to most people in the region, and is considered to be culturally safe, however there will be some concerns about safety issues due to the proximity to Nhulunbuy and Yirrkala and students attending schools in these towns.

Some potential risks associated with this option include:

- regional politics may come into play by selection of a location which is owned by one of the more powerful and privileged clan groups in the region;
- criticism for selecting a site not located within (or close to) a community, which may result in reduced flow on economic and employment opportunities for Yolngu; and
- political criticism for rebuilding a facility which previously existed and was shut down and dismantled by the Northern Territory government;

The Yirrkala option is the second highest scoring option, with many of the same benefits as the Gulkula option. The considerable community concerns about the safety of students in, or close to, Yirrkala is the main contributor to its lower ranking. In addition to safety concerns, some groups in the region have clearly stated that they would not want the facility to be located in Yirrkala for political reasons.

Galiwinku is the third highest scoring option, and has many positive features including a well equipped school, better than average employment options and some pathways to training and employment. While the community has sufficient infrastructure, it lacks some of the specialist services available at Nhulunbuy. One of the problems with Galiwinku is poor school engagement as indicated by the poor attendance (currently reported to be 50 per cent¹⁴) which may impact on other students coming to live and learn there.

Ramingining presents a very similar case to Galiwinku. The school there performs strongly in several areas, but would need significant upgrading for additional enrolments. In addition, the school principal is retiring this year which creates some uncertainty about future performance at this stage. The community has some, but not many, opportunities for employment and training.

Gapuwiyak, Milingimbi and Garrthlala all have some positive features; however the schools, infrastructure and services are not competitive. Although additional investment could provide for some additional infrastructure, services such as established health and recreation, and school infrastructure to support higher enrolments and a broader curriculum could not reasonably be overcome by the available funding.

¹⁴ Shepherdson College consultation.

Additional option – divide the funding

Some community members and stakeholders presented an alternative view which involves:

- dividing the funding to have two smaller facilities, one located in west East Arnhem for Ramingining, Milingimbi, Galiwinku and the homelands and one in east East Arnhem for Yirrkala, Gunyangara and homelands. This suggestion was put forward by Milingimbi and Ramingining; and
- dividing the funding to build small boarding houses in several communities or homelands to accommodate homeland students and to support students who may be disadvantaged by their home environment.

The perceived benefits of these solutions are that:

- the east/west suggestion reflects both geographical and cultural division within East Arnhem;
- there would be less ongoing costs associated with travel to and from the boarding houses; and
- there would be less impact on individual schools if smaller facilities were built.

The disadvantages are that:

- the duplicated costs associated with this option, and the loss of potential economies of scale, may mean that the region effectively ends up with less available boarding places (beds) and a sub-optimal operating model;
- students would essentially be accessing the same education options as they are now (schools may not qualify for additional infrastructure or investment with such small increases in enrolments) which is contrary to the stated aim of the measure; and
- opportunities for cross community networks and relationships to be built would be lost. This may have a negative impact on the strength and resilience of the region in the future (for example current leaders, most of whom attended Dhupuma College, still maintain cross community relationships with their former peers).

Operating budget and financial viability

This section of the report provides an indicative operating budget for the preferred accommodation facility, which will offer a high-level indication of the likely financial and operational viability of the new enterprise.

KPMG has elected to develop a financial model for a generic facility that would apply regardless of location. This was considered appropriate due to the high degree of consistency in relation to views on the design and physical structure of the preferred facility model negating the need to cost alternative design options.

The financial model provides an analysis of all prospective income sources and incremental operating expenses, which are informed by the underlying characteristics of the operational model and the proposed cohort of students.

The likely viability of the enterprise will also be impacted by the initial construction and set-up costs of the facility as well as the ongoing cost of capital replacement and upgrade. These costs, along with any other transitional financial implications are incorporated into the financial model and resulting cash flow forecast.

The financial estimates may be considered a conservative or upper end estimate. Nevertheless, a number of assumptions in relation to income and expenditure items underpins the model. We provide a sensitivity analysis to demonstrate how sensitive the viability of the facility is to changes in key assumptions. A discussion of cost drivers and likely variations in cost by location is provided on page 61.

Income

In order for the accommodation facility to be considered financially viable, it must secure sufficient operating income (positive incremental cash flows) to meet all expected operational expenses (incremental cash outflows). The predicted income must also provide for the upgrade, maintenance and replacement of the underlying pool of assets, which will allow the facility to continue to be operationally viable in the longer-term.

In this section of the report, we have outlined all prospective sources of income attributable to accommodation facility, which have been incorporated into the budgetary forecast model and are based on the attributes of the facility and its operational characteristics; and the eligibility of funding for the student cohort based on their individual circumstances.

ABSTUDY

ABSTUDY provides a means-tested living allowance and other supplementary benefits to assist with the costs of schooling for eligible Indigenous secondary and tertiary students.

Student eligibility criteria

In order for students to be eligible for the various allowances under ABSTUDY, they must first meet key eligibility criteria as outlined in the ABSTUDY guidelines.¹⁵

¹⁵ Australian Government, ABSTUDY policy and guidelines, Department of Education, Employment and Workplace Relation, Canberra, viewed March 2010, <http://www.deewr.gov.au/Indigenous/Schooling/Programs/Pages/abstudy.aspx>

Primary eligibility

The primary eligibility criteria for ABSTUDY, which entitles the individual to further payments based on additional criteria (outlined below), are as follows:

- the student is an Australian citizen;
- the student is an Australian Aboriginal or Torres Strait Islander person enrolled in an approved course (includes secondary studies provided by government schools);
- the student is not receiving and will not receive any other government assistance to study; and
- the student normally lives in Australia.

For the purposes of this budgetary analysis, it is assumed that all students are fully eligible to receive ABSTUDY entitlements and that such entitlements will be paid directly to the accommodation facility.

Schooling B award criteria

Indigenous students meeting the general ABSTUDY eligibility criteria who also meet the criteria for 'Away from Home' entitlements are eligible for a number of additional allowances and benefits under the 'Schooling B Award'. To receive these benefits, students must be undertaking full-time secondary school studies and meet one of the conditions to live away from home and actually live away from home while studying.

In order to qualify for these 'Away from Home' entitlements, the student must not have reasonable access to an appropriate secondary education institution whilst living in the permanent home and must live away from the permanent home.

The various allowances and benefits available to this cohort of students include:

- Living Allowance;
- Rent Assistance;
- Remote Area allowance;
- Under 16 years boarding supplement; and
- School Fees Allowance.

For the purposes of this modelling, it is assumed that all children residing in the facility are fully eligible for the Schooling B award and meet the 'Away from Home' criteria.

Quantum of allowances / benefits

For each of the likely income sources identified above, we have outlined the 'per capita' amount that may be ascribed to each student living in the accommodation facility whilst undertaking secondary education. These amounts have been included in the income section of the budgetary forecast.

Each allowance described in this section is subject to parental income and asset testing. Where applicable, we have indicated which component of the allowance is impacted by this means testing. In general, the following limitations apply:

- Parental income test - If the parent's income exceeds \$33,300, payments will reduce by one dollar for every four dollars over this amount. This threshold increases by varying amounts for each dependent child and each dependent child in full-time study.
- Parental asset test - No allowances are payable for students where the family asset holdings exceed \$580,000.

It should be noted that the exact funding attributable to each student will not be known until ABSTUDY applications are processed, and will be based on the circumstances of each individual. Accordingly, the impact on total income can only be estimated prior to any students actually being enrolled.

Each of the figures provided in this section are the maximum payable under ABSTUDY. The budgetary forecast provides a broad 'sensitivity' weighting for these uncertainties by reducing the overall entitlement by 25 per cent per student.

All figures are current and are based on the 2010 payment rates for Term One. All students are assumed to be dependants and are, therefore, not subject to individual means testing.

Living Allowance

The living allowance is intended for Indigenous students undertaking studies directed towards the Schooling B award and is designed to meet the day-to-day living costs of the student.

The student's entitlement for the whole calendar year is intended to cover the amount charged by the hostel for board. This entitlement is generally paid directly to the hostel each term in advance (four times annually) or fortnightly in arrears, depending on the students' eligibility.

The maximum entitlement under this allowance for students living away from home is calculated, as follows:

Living allowance entitlements	
Age of student	Fortnightly entitlement
16 – 20 years old	\$377
Under 16 years old	\$206.30

Rent Assistance

This allowance is paid to dependant students who are eligible for ABSTUDY under the Schooling B award and are entitled to receive the living allowance. Payments are made to the accommodation facility in the same manner as the living allowance (above).

This allowance is currently \$111.80 per fortnight (maximum).

Remote Area Allowance

A remote area allowance is payable to students meeting the Schooling B award criteria outlined above. It is intended to assist in meeting the additional costs associated with residing in a remote location.

For the purposes of this financial forecast, it is assumed that all parts of East Arnhem and all students' usual place of residence satisfy this criterion.

This allowance is currently \$18.20 per fortnight.

School Fees Allowance

Where the student meets the Schooling B award criteria and the criteria for 'Away from Home' entitlements, he or she will be eligible for the Group 2 School Fees Allowance.

Whilst this allowance is intended to cover the cost of school fees, it is noted that any unused portion of the School Fees allowance may be transferred to cover outstanding boarding fees. This allowance is paid on a term-in-advance basis, four times per year.

There are two distinct components of the Group 2 School Fees Allowance; one that is free from income testing and one that is subject to the parental means testing outlined above. The current rate for each of these components is as follows:

School Fees Allowance entitlements	
Component	Amount
Income test-free	\$6,926
Means tested	\$2,295

Information provided by DEEWR suggests that they are currently liaising with ABSTUDY in relation to the students' eligibility to receive this allowance. Pending receipt of information to the contrary, any financial modelling will include the School Fees Allowance. By virtue of the magnitude of the per capita funding associated with this allowance, this assumption will have a significant impact on the future viability of the enterprise.

As it is intended that each of the students attends a local government school, it is assumed that the full amount payable under this entitlement can be directed towards the cost of boarding fees.

Under 16-years Boarding Supplement

The under 16 Boarding Supplement recognises the additional cost of boarding and tuition fees for eligible students under the age of 16. This entitlement effectively increases the living allowance for these students to an amount that approximates the rate paid for students aged 16 years of age and older. It is currently paid at a rate of \$2,225.20 per semester.

For the purposes of simplicity, the financial modelling has simply increased the living allowance for all students to the maximum rate of \$377 per fortnight, thereby eliminating the need to delineate the student cohort by age categories. Sensitivity analyses may therefore be undertaken simply on the basis of the total number of student enrolments.

Other income

Program funding

In accordance with information provided by DEEWR, ongoing program funding will be provided to support this and other similar accommodation facilities currently being considered for development in the Northern Territory. This funding is estimated to be worth approximately \$15,000 per student in positive incremental cash flows and will be provided on a recurrent basis.

It is assumed for the purposes of this financial modelling that the program funding will not impact the eligibility for ABSTUDY funding, noting that a primary eligibility requirement for ABSTUDY is that the student does not receive and will not receive any other government assistance to study.

Once again, this will have a significant impact on the viability of the accommodation facility (virtually halving income that has been modelled into the cash flow forecast) and DEEWR should confirm that this will not impact student eligibility for ABSTUDY before proceeding with any investment.

Aboriginal Hostels Limited (AHL)

It is noted that AHL provides funds to approved organisations to operate hostels through the Community Hostels Grants (CHG) Program. This includes funding intended to cover:

- recurrent operating deficits;
- non-recurrent operating expenditure; and
- capital expenditure.

As a facility designed to provide accommodation to Indigenous students undertaking secondary education, the new enterprise effectively meets the criteria to be eligible for such funding. Information provided by DEEWR relating to similar organisations suggests that AHL funding may account for up to \$2,000 per student.¹⁶

Given that this is a contestable pool of limited funds, for which the new facility must submit an application; any potential income has not been incorporated into the financial model at this stage.

Donations

By virtue of the nature of this enterprise, it is considered likely that some income will be provided in the form of donations. Due to the obvious uncertainties relating to this particular line item, however, this will not be incorporated into the budgetary forecast.

Total income

The following table provides a synopsis of all the income sources that have been considered as part of the total incremental cash inflows attributable to the operation of the accommodation facility.

Maximum income attributable to the Accommodation Facility			
Source	Per capita	Total	Adjusted
ABSTUDY - Living Allowance	\$377.00 - f/n	\$570,024.00	\$427,518.00
ABSTUDY – Rent Assistance	\$111.80 - f/n	\$169,041.60	\$126,781.20
ABSTUDY – Remoteness Allowance	\$18.20 - f/n	\$27,518.40	\$20,638.80
ABSTUDY – School Fees Allowance / Non-means tested	\$6,926 - yr	\$498,672	\$374,004.00
ABSTUDY – School Fees Allowance / Means tested	\$2,295 - yr	\$165,240	\$123,930.00
DEEWR – Recurrent Program Funding	\$15,000 - yr	\$1,080,000	\$1,080,000
Total annual cash inflows	\$34,868	\$2,510,496	\$2,152,872

¹⁶ The Department of Education, Employment and Work Relations, *Final Wadeye Student Accommodation Facility*, Prepared by Colmar Brunton Social Research, Canberra, May 2009

Note: ABSTUDY allowances have been reduced by 25 per cent (adjusted income column above) to account for variations in individual student entitlements, which cannot be accurately estimated at this time.

Assumptions

A number of broad assumptions have been incorporated into the income forecasts, as follows:

- income associated with establishment / construction (i.e., DEEWR Capital Grants) have been considered separately and incorporated into the final financial forecast;
- figures provided are in 2010 dollars (the financial forecast will be presented in nominal values and will not consider the impact of inflation or wages growth);
- fortnightly income estimates assume 42 weeks of boarding per year on which potential incremental income is calculated;
- full enrolment (72 students) is achieved in the first year of operations and maintained (the final budgetary forecast will consider the appropriate number of students required to meet all expected recurrent expenditure);
- all eligibility criteria have been met for ABSTUDY allowances; and
- maximum eligibility to ABSTUDY allowances is assumed, based on parental means testing. The final budget forecast has assumed 75 per cent eligibility to ABSTUDY for the entire cohort of students to account for unforeseen variations in individual entitlements.

Expenditure

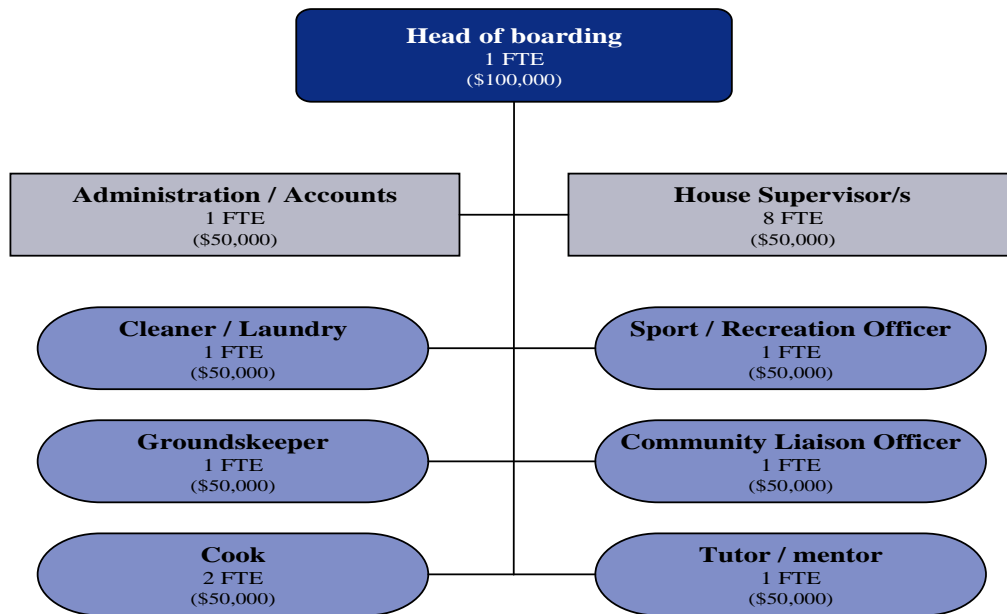
In this section of the report, we will consider the annual recurrent cash outflows attributable to the operations of an accommodation facility in the East Arnhem region. In general, these expected costs have been grouped into the following broad categories:

- staff salaries (expected to be the most significant expense);
- staff-related expenditure / welfare expenses;
- student related expenses (food, transport, pastoral care, tutoring / mentoring and recreation);
- facility management expenses (administration, governance, human resources, marketing and finance);
- royalties to Indigenous land owners (leasing);
- consumables / incidentals (power, water, waste, cleaning etc); and
- capital management (replacement, repair and upgrade).

In most instances all expenditure line items provided are high-level estimates, which are based on information provided from local stakeholders or derived from KPMG's prior experience developing costing models for similar enterprises in the education sector. Where applicable, sources of information or underlying assumptions for each budgetary item have been expressly detailed.

Staffing structure

Based on the experience of other regional boarding facilities¹⁷ ¹⁸, an appropriate staffing structure for the accommodation facility is, as follows:



The preceding diagram depicts a comprehensive staffing structure required to meet the needs of the proposed accommodation facility in the East Arnhem region. In general, regional experience suggests that at least one house supervisor is required for every ten students, with an even mix of male and female staff and a minimum of six staff to satisfy basic rostering requirements, regardless of the number of students enrolled.

Staff salaries have been conservatively selected from the high-band of a suitable award classification¹⁹, with an additional 30 per cent added to reflect all the associated costs of employment and potential difficulty in attracting suitable staff to such a remote region. A premium has been added to the cost of the head of boarding so as to secure the services of a highly qualified manager to ensure the success of the proposed enterprise.

The following table provides a detailed break-up of all projected expenditure in accordance with the broad classifications provided. Where applicable, assumptions have been clearly stated.

¹⁷ The Department of Education, Employment and Work Relations, *Final Wadeye Student Accommodation Facility*, Prepared by Colmar Brunton Social Research, Canberra, May 2009.

¹⁸ Information provided directly from the Headmaster (Mr. Durie) of Abergowrie College, a regional transitional accommodation facility.

¹⁹Western Australian Government, *Motel, Hostel, Service Flats and Boarding House Workers' Award*, Western Australian Industrial Relations Commission, viewed March 2010, www.wairc.wa.gov.au/awards/MOT001/p26/MOT001.doc

East Arnhem Accommodation Facility – Recurrent Expenditure		
Item	Assumption	Total
Staffing costs		
Salaries	17 FTE per the staffing structure provided	\$900,000
Staff related expenses		
Staff meals	High end meal allowance of \$50 per week per FTE	\$35,700
Staff training and welfare	Annual estimate per FTE of \$2,000	\$34,000
Student related expenses		
Transport	Annual allowance per student of \$1,000	\$72,000
Catering	High-end weekly allowance of \$50 per student	\$151,200
Recreation / Excursions	Annual allowance per student of \$1,000	\$72,000
Administration / Management expenses		
Governance	Annual estimate for sitting fees and per diem	\$10,000
Human Resources	Provision for recruitment and training (1 FTE) est.	\$50,000
Insurance	Estimate (Workers' Comp / Public liability etc)	\$10,000
General admin	Allowance for office consumables etc.	\$5,000
Security	Annual estimate for outsourced security or 1 FTE	\$50,000
Other	Payroll, audit, bank fees etc.	\$10,000
Royalties	Nominal charge from traditional land owners	\$100,000
Utilities / other		
Power / Water / Waste	Conservative annual estimate for remoteness	\$50,000
Cleaning / laundry	Estimate for incremental consumables	\$10,000
Grounds keeping	Estimate for incremental consumables	\$20,000
Vehicles	Annual allowance for 2 staff vehicles	\$40,000
Recurrent capital expenses		
Maintenance and repairs	Annual charge linked to capital value (2.5%)	\$250,000
Total		\$1,869,900

Establishment costs

This section of the report provides an estimation of the total costs of construction and fit-out for the proposed accommodation facility. Where costs cannot be reliably predicted, assumptions have been provided.

The following table provides an indication of the types of costs that may be experienced in the course of developing and constructing an accommodation facility. Where appropriate, the impact of regionality has been incorporated into the cost estimations.

Estimated costs of construction		
Item	Calculation	Rate
Construction cost	Estimated construction cost per square metre for Darwin (Cost of constructing a country motel, including standard finishes, facilities and air conditioning – excludes fit out) sourced from Rawlinson’s Australian Construction Handbook ²⁰	\$2,375
Regional loading	A premium of 35% per square metre additional to the Darwin construction rate is recommended for the East Arnhem Region (Australian Construction Handbook)	\$831.25
Fit out	Estimation for a fit-out of the entire building described above, in accordance with the Australian Construction Handbook	\$28,000
Professional fees	Amounts to be included in the final cost of construction to allow for various professional fees, such as Architects, Engineers (Structural, Electrical, Mechanical and Hydraulic), Quantity surveyor and consultants. Total cost is estimated as a percentage of the total fee – Percentage used aligns with that provided in the Australian Construction Handbook for a secondary school (note: the percentage does not vary significantly between different types of buildings or locations).	12.5 per cent
Distant landscaping	Average cost per square metre for landscaping (including the planting of shrubs) for large areas in the Perth region (no amount is available for Darwin) totals \$7, as per the Australian Construction handbook – Include an uplift of 35% for East Arnhem.	\$9.45
Close landscaping	Average cost per square metre for landscaping around buildings (including top soil), with a suitable increase for East Arnhem.	\$53.25
Car Parking	Amount to be included for open parking areas (per space), which includes bitumen paving, stormwater drainage, lighting and landscaping – Darwin rate with a 35% uplift included (Australian Construction Handbook)	\$5,798.25
Connection to town services	Estimate provided by the Northern Territory Department of Employment Education and Training. (Water, Power etc.) ²¹	\$1,000,000
Residential construction	Estimate per square metre for a full brick house with tiled roof (high-finish) of up-to 350 square metres in the East Arnhem region (Australian Construction handbook)	\$3,024

²⁰ Rawlinsons, Australian Construction Handbook 2010, Perth 2010.

²¹ Conservative estimate provided by Leanne Taylor, Director of Infrastructure Services.

Note: Where source material provided a range of possible values, the KPMG team selected the maximum value for inclusion in the financial model.

The preferred 'Halls of Residence' model, which is best represented by the Wongutha Christian Aboriginal parent-directed school in Western Australia (provided to KPMG by DEEWR²²), is designed to accommodate up to 80 students. The building plan for this model provides an indicative space requirement of 1,166 square metres. This total area has been used as the basis for calculating total construction costs, which incorporates the figures provided in the preceding table.

In the following table, we have provided the estimated costings for the development of the proposed 'halls of residence' model. The costings include the following basic assumptions:

- the building will have a net usable floor space of 1200 square metres (and be able to house up to 80 students and two house parents in two separate dormitory style wings);
- four 3-bedroom homes will be constructed around the accommodation facility to house staff, with one of the homes to be used as a transition facility for parents and relatives (for the purposes of this analysis, it is assumed that this will provide sufficient accommodation for all staff);
- each home is conservatively estimated to be 300 square metres and constructed of brick, with a tile roof, to a high-finish;
- up to one hectare (10,000 square metres) of space around the building/s will require 'high-finish' landscaping;
- up to five hectares (50,000 square metres) of space around the building/s will require 'low-finish' landscaping; and
- up to 10 car spaces will be required around the respective buildings.

Estimated total construction costs		
Item	Calculation	Total cost
Dormitory construction	\$3,206.25 per square metre	\$3,847,500
Dormitory fit-out	Flat fee	\$28,000
Professional fees	Percentage of total construction (12.5%)	\$480,937.50
Close landscaping	\$53.25 per square metre	\$532,500
Distant landscaping	\$9.45 per square metre	\$472,500
Car spaces	\$5,798.25 per space	\$57,982.50
Connection to town services	\$1,000,000 – Conservative estimate	\$1,000,000
Housing construction	\$907,200 per 300m ² brick home.	\$3,628,800
Total		\$10,048,220

²² The Department of Education, Employment and Work Relations, *Final Wadeye Student Accommodation Facility*, Prepared by Colmar Brunton Social Research, Canberra, May 2009.

In accordance with the above table, it is conservatively estimated that the total cost of construction (inclusive of all sundry costs) will slightly exceed \$10 million. Should it be considered necessary, the total cost of construction can be reduced by:

- selecting lower grade construction materials;
- securing cheaper forms of staff housing, such as rental accommodation in the local community (where available);
- selecting different configurations of staff housing, such as duplexes or a single building with more shared facilities and multiple bedrooms; or
- employing more staff from the local labour force who do not require housing.

Based on information provided by DEEWR, up to \$28.9 million has been provided by the Commonwealth Government for the construction of three new boarding facilities in the Northern Territory. Assuming an even share of these funds is dedicated to this enterprise, at least \$9.6 million of capital funding may be incorporated into the financial model. It is noted, however, that this accommodation facility is expected to be the largest of the three.

In addition to the Commonwealth funding, the Indigenous Land Corporation (ILC) has agreed to contribute up to \$15 million to the proposed facilities on a case-by-case basis. For the purposes of the financial model, therefore, it is assumed that all the establishment costs will be covered by the available capital funding, in anticipation that:

- the ILC funding will cover the estimated \$400,000 funding shortfall; or
- construction costs can be contained within the \$9.6 million expected to be provided from the Commonwealth government.

Assessment of financial viability

In accordance with the various assumptions provided, which relate to the costs of establishing the accommodation facility and the expected levels of income and recurrent expenditure, it is possible to form a view as to the prospective operational and financial viability of the new enterprise.

The table below provides a three-year cash flow forecast, which utilises the assumptions provided for each budgetary line item.

Prospective cash flow forecast – East Arnhem accommodation facility				
Year ending		31-Dec-10	31-Dec-11	31-Dec-12
Cash inflows	ABSTUDY	\$0	\$0	\$1,072,872
	Program funding	\$0	\$0	\$1,080,000
	Establishment grants	\$9,633,333	\$414,887	\$0
	Total	\$9,633,333	\$0	\$2,152,872
Cash outflows	Salaries	\$0	\$0	\$900,000
	Staff-related expenses	\$0	\$0	\$69,700
	Student expenses / welfare	\$0	\$0	\$295,000

Prospective cash flow forecast – East Arnhem accommodation facility				
Year ending		31-Dec-10	31-Dec-11	31-Dec-12
	Admin / Management	\$0	\$0	\$235,000
	Utilities / consumables	\$0	\$0	\$120,000
	Recurrent capital	\$0	\$0	\$250,000
	Establishment / construction	\$5,024,110	\$5,024,110	\$0
	Total	\$5,024,110	\$5,024,110	\$1,869,900
Net cash inflow / (outflow)		\$4,609,223	(\$4,609,233)	\$282,972
Opening cash balance		\$0	\$4,609,223	\$0
Closing cash balance		\$4,609,223	\$0	\$282,972

In accordance with the cash flow forecast above, it is considered highly likely that the new accommodation facility will be able to generate an annual positive cash flow should it be able to attract the desired number of students. The model assumes a construction period of approximately 18 months prior to the facility becoming operational (2012), and that all establishment costs will be met through Commonwealth Government and ILC funding, which will be available to pay establishment-related accounts as they fall due.

The financial model further assumes that sufficient working capital will be available during the course of normal operations to satisfy outstanding debtors. Given that ABSTUDY payments are made one term-in-advance, it is expected that this will help to provide sufficient liquidity throughout the year.

In anticipation of the potential impact that the level of student enrolments may have on organisational viability, the following table provides adjustments to recurrent income and expenditure estimations on the basis of varying the number of students.

Prospective cash flow forecast – East Arnhem accommodation facility				
Students		40	50	60
Cash inflows	ABSTUDY	\$596,040	\$745,050	\$894,060
	Program funding	\$600,000	\$750,000	\$900,000
	Establishment grants	\$0	\$0	\$0
	Total	\$1,196,040	\$1,495,050	\$1,794,060
Cash outflows	Salaries	\$900,000	\$900,000	\$900,000
	Staff-related expenses	\$69,700	\$69,700	\$69,700
	Student expenses / welfare	\$164,000	\$205,000	\$246,000
	Admin / Management	\$235,000	\$235,000	\$235,000
	Utilities / consumables	\$120,000	\$120,000	\$120,000

Prospective cash flow forecast – East Arnhem accommodation facility				
Students		40	50	60
	Recurrent capital	\$250,000	\$250,000	\$250,000
	Establishment / construction	\$0	\$0	\$0
	Total	\$1,738,700	\$1,779,700	\$1,820,700
Net cash inflow / (outflow)		(\$542,660)	(\$284,650)	(\$26,640)

The above table clearly demonstrates the possible implications of failing to generate sufficient community support for the new enterprise, with more than 60 students required to cover the estimated annual expenditure. With only 40 students enrolled, the new facility may experience an annual cash flow deficit in excess of \$500,000. It should be noted, however, that some recurrent expenditure may be discretely managed to minimise this risk (e.g. increasing staff levels and related expenditure as student numbers increase).

In anticipation of an annual cash flow surplus at full capacity, which may conservatively exceed \$250,000, any short-term deficits may be quickly overcome once operational maturity has been achieved. For example, should the table above represent enrolments in the first three years of operations (2012 to 2014), the three subsequent operational periods (at full capacity) will eliminate the potential deficit that has accrued.

Summary

The preceding budgetary analysis, which has been based on conservative estimates pertaining to revenue, expenditure and establishment costs, indicates that the proposed accommodation facility is likely to generate a net positive cash flow in the medium to longer-term. KPMG's considered view is that the success of the new enterprise from a financial perspective will be directly related to a number of critical factors, which include:

- a high level of local community support and sufficient student enrolments to produce the projected levels of income;
- maximum student entitlements to the various ABSTUDY allowances; and
- initial capital costs that are covered by the nominated Commonwealth and ILC capital funding grants.

Variations to costs

This section describes how the establishment and operating costs described above will vary for each location option. The costs which would be likely to vary across locations include:

- supply of staff and student catering and purchase of consumables at higher prices in more remote areas;
- travel to support staff training and student excursions;
- the transport cost for students to travel to and from the facility;
- land royalties;

- maintenance and repairs, depending on whether there is a local skilled workforce and equipment;
- construction (main building and additional staff and visiting family housing) costs, due to both expense to transport materials to the site, and the availability of local construction capacity;
- fit out, due to cost of transport; and
- connection to town services, including water, power and sewerage or septic.

The description of cost variations here are estimates based on the following assumptions which are consistent with the information gathered during the site visits and consultations:

- labour and materials will be less expensive close to Nhulunbuy and more expensive in more remote areas, particularly when barging is required;
- transport is based on existing transport options, which include road transport (sometimes limited in the wet season and by private vehicle ownership), regular transport flights (limited in remote communities and usually nonexistent in homelands) and charter flights which are very expensive;
- food and other consumables will be more expensive in more remote areas; and
- unless stated Traditional Owners will wish to negotiate royalties for lease of a site.

Some basic assumptions were made about the probable cost of construction and operating at each location. For example, during the consultations the costs associated with barging construction materials to remote sites was highlighted.

Operating costs will be negatively impacted by remoteness. For example purchasing or transporting food to the more remote or island communities or a remote homeland such as Garrthalala will be significantly more expensive than purchasing food in Nhulunbuy and easily transporting to Yirrkala or Galkula, particularly in the wet season. With food accounting for approximately 8 per cent of the total operating cost, this will be a significant variation. The least cost effective option would be to split the funding, as many costs will be duplicated and economies of scale lost.

The existing infrastructure at each location will have a big impact on the cost of construction, for example at both Garrthalala and the Gulkula site considerable infrastructure will need to be installed or upgraded. Because all communities have nominated sites slightly outside of towns, there will be infrastructure implications, as water, sewerage and power will need to be connected to the site itself. The expense associated with this work will be largely impacted by the remoteness of the community.

Opportunities to link in with other plans for construction of housing or facilities will present opportunities for efficiencies to be made. For example the SIHIP funding allocated to various communities including Milingimbi, Galiwinku, Yirrkala and Gapuwiyak, and the proposed Garma Cultural Studies Institute should be considered as opportunities.

The communities have diesel generators which supply them with power. Yirrkala accesses the mains power which supplies Nhulunbuy and the Rio Tinto mine site. This power supply could also be run to the Gulkula site via the Gove airport, which is around 5 kilometres away in a direct line.

Each of the five main communities reported that there is sufficient, high quality water. Garrthalala currently uses a solar pump to access bore water. This would need to be upgraded. There have been suggestions that Milingimbi would have insufficient water to supply the accommodation facility, however this was denied by the GBM, who reported that the island has sufficient water for domestic use. The Gulkula site has a bore about 900 metres distance from the potential site; it is not known if this could provide sufficient water to services accommodation facility.

Each of the main communities have sewerage ponds and systems. Most of the homes at Garrthalala are on septic tanks, as is the school ablutions block. Only Milingimbi reported that the current system was insufficient and upgrades were being considered. The Gulkula site has four existing septic tanks, and there is a disused sewerage pond around 800 metres away from potential site.

Summary of cost variations

Both the establishment costs and ongoing expenditure will be impacted upon by the selection of the location. The main areas of impact are likely to be in establishment costs including construction and connection to town services. There will be more opportunities to develop strategies to overcome higher costs associated with high ongoing operational expenses.

Risk assessment and management strategy

The purpose of this section is to assess the key risks including an assessment of relative impact, likelihood, and recommended mitigation strategies. Potential risks can be identified in the following areas:

- Risks inherent within project structure – assessment of liabilities (including all relevant stakeholders), or risks associated with certain specified assumptions;
- Project risks - ability to complete project within specified timeframes and resources; and
- Implementation risks - ability to deliver against desired outcomes.

Potential risks have been identified throughout the project through consultations with community members and with experts and providers of Indigenous education and accommodation to support secondary education. The risks identified here are not location specific.

As identified in the previous section, the financial suitability of the facility relies on maintaining enrolments from year to year. The greatest risk to the facility is that community members will not enrol their children there, or that students will not be happy there and retention is subsequently poor.

Potential risk	Mitigation strategy
Regional politics or clan tension impact on enrolments	<p>There is potential for this to occur, particularly if one clan group is seen to dominate the governance and management of the facility and to benefit financially or otherwise from the construction and ongoing operation of the facility.</p> <p>The main mitigation strategy is the establishment of the regional advisory body which should be made up of representatives of the various communities and major clan groups. The proposed staffing structure, which includes employing staff from the various communities and homelands should also mitigate this to some extent.</p> <p>It is further recommended that ‘champions’ be engaged early in the establishment phase in each community and homeland group who can act as points of communication between DEEWR and the communities to ensure that open two way communication continues, and that any issues which arise can be addressed promptly.</p> <p>Other strategies should include clear and consistent communication throughout the establishment phase (from selection of a location to commencement of operations).</p>

Potential risk	Mitigation strategy
<p>Behaviour management issues arise and parents lose confidence in the management of the facility to ensure student safety.</p>	<p>Inevitably there will be behaviour management issues at the facility and associated school. There is a risk that parents and careers will lose faith that the facility to provide adequate supervision and care for their children.</p> <p>The main mitigation strategy should be observation of the features of the operating model recommended in this report, specifically around:</p> <ul style="list-style-type: none"> • Separation of males and females, regardless of the additional expenses which may incurred as a result of this. • Provision of a comprehensive, well planned recreation program to ensure that students are kept busy and stimulated which may minimise behaviour problems • Clear and consistent expectations around appropriate student interaction and bullying. The facility should work with the school to achieve a coordinated approach. There should be a proactive approach taken to promote harmonious interaction and minimise bullying, and to educate parents about what is expected if their child reports any bullying. • The engagement of a cultural liaison officer should assist in mitigating any issues which arise as a result of cultural conflicts between communities and any non-Indigenous staff at the accommodation facility or school.
<p>Recruitment and retention of quality staff</p>	<p>Recruiting and retaining high quality, skilled staff in remote areas can be very difficult. Selecting a location which provides minimal services, infrastructure and recreation will increase this risk and will impact on both the accommodation facility and the associated school.</p> <p>NT DET will be required to build or acquire additional houses in most communities if the number of teachers is to increase in line with enrolments.</p> <p>To ensure that highly trained and experienced individuals are engaged, the salary should be made attractive. Much of the success of the facility will be contingent upon good management and the individual's capacity to work with local communities, the school and local businesses. It is recommended that an individual with a background in education or adolescent welfare, and proven capacity to successfully engage with Indigenous communities be selected.</p>

Potential risk	Mitigation strategy
<p>Host community disengages</p>	<p>The construction and operation of a 72 bed facility in any of the communities will have a significant impact on community life. In addition to the students, additional personnel will include staff from other communities or non-Indigenous staff, additional teachers, and visiting families from other communities.</p> <p>Many students will be present in the community on weekends, which could change the dynamic of the area and group.</p> <p>Hosting the facility is also a significant responsibility. During consultations it was highlighted if something ‘went wrong’ at the facility there was likely to be some level of blame attached to the host community.</p> <p>The construction phase itself will also cause disruption to the community.</p> <p>If the host community disengages for any of the reasons highlighted above there is a chance that the facility could become unsustainable. Without the support and involvement of the local community enrolments are likely to decrease as will the associated income.</p> <p>One way to mitigate this is to select a location which will have minimal impact on any one community. Thorough and ongoing consultation in the planning phase should inform the design and establishment, and open two way communication channels should be established to minimise the risk.</p>
<p>NT DET fails to upgrade the associated school, which impacts on provision of quality education</p>	<p>A has been identified through the feasibility study that all schools will require some degree of upgrade to infrastructure and additional teachers to accommodate additional enrolments. According to reports Shepherdson College will need the least additional upgrade and Garrthalala will need the most, including additional classrooms, specialist facilities, administrative infrastructure, teachers and accommodation.</p> <p>As soon as the preferred location is identified NT DET should be approached and discussions, involving the relevant school principal, should commence to identify the actual infrastructure needs and to commence planning the upgrades concurrently with the accommodation facility.</p>
<p>Parents and community members are not confident that the associated school(s) can deliver improved outcomes</p>	<p>A delegation from the associated secondary school, including the school principal, teachers and possibly some senior students should visit each community to promote the school, to establish community trust and to provide responses to questions and queries people have.</p>

Potential risk	Mitigation strategy
	<p>The school should consider engaging a community liaison officer if one is not already in place to ensure that school is able to provide a cultural safe environment for all students from the region. It may also be necessary to provide some intensive remedial teaching for students who join the school initially. The school should ensure that physical space and teacher resources are allocated for that purpose.</p>
<p>The Galiwinku community has not been consulted as rigorously as other communities because the site visit was not undertaken. Although telephone interviews and meetings were undertaken, it is difficult to determine the level of community support without conducting face to face meetings.</p>	<p>Should Galiwinku be selected as a potential location additional consultation should be conducted to confirm community support and to understand local views on the construction and operation of the facility.</p>

Recommendation

A detailed risk management plan be prepared and continuously reviewed and updated during the planning and construction phase.

A Community profiles

Yirrkala

Population

As per the 2006 census, the population of the Yirrkala Indigenous area is 647.²³ However, consultations and other research indicate that the population is closer to 850-1000 people with some variations due to seasonality and ceremonial activity.

Table 1: Yirrkala population age profile.

	0-4 years	5-14 years	15-24 years	25-54 years	55-64 years	65+ years
Age Profile: per cent of total indigenous persons in region	11 percent	21 percent	18 percent	44 percent	3 percent	3 percent

The population within the community that is of core school age (5-14 years) is 21 per cent, corresponding to a potential student catchment of 136 students from this age group. An additional 18 per cent of the community are aged 15-24, which provides an additional student catchment for years 10-12. The school reports an enrolment of 195 primary and secondary students.²⁴

Environment/access

The community of Yirrkala is located 18km from Nhulunbuy and 700km east of Darwin. 16 clan groups live in the area; however the Gumatj and Rirratjingu clans are the traditional owners of Yirrkala. Yirrkala is situated on the Central Arnhem Road which links it with Nhulunbuy as well as West Arnhem land.

Yirrkala is highly accessible by air, as it is located only 15km from Nhulunbuy Airport on a sealed road and can be accessed via regular passenger air transport services. 4WD access is only possible during the dry season.

Housing and municipal services are provided by the East Arnhem Shire.

Services

Yirrkala has a Health Centre with a nurse and 3.5 FTE Aboriginal Health Workers on staff. Medical Officers visit from Gove Hospital. The health centre (which has active records for around 2000 patients) services both the Yirrkala community and patients from the outlying homelands, providing male and female treatment rooms, wards, a dental room (for a visiting dentist) and a renal room.

Recreational activities and infrastructure available in Yirrkala includes a basketball court, oval, Aboriginal Surf Lifesaving Club and the Buku-Larrnggay Mulka Art Centre and Museum. There are also plans to build a sport and recreation hall. The Buku-Larrnggay Mulka Art Centre and Museum also provides services to support employment.

²³ Australian Bureau of Statistics (2006), Basic Community Profiles, Catalogue No. 4705.0.

²⁴ MySchool website, viewed March 2010. <http://www.myschool.edu.au/>

Yirrkala has a sewerage system and access to mains electricity.

The community has been identified for funding through the SIHIP program and discussion are currently underway to progress additional housing. At this stage, Yirrkala does not have temporary accommodation for visiting families, however people would be able to stay with family or at the Aboriginal Hostel in Nhulunbuy.

Like most communities Yirrkala is affected by social issues. The proximity to Nhulunbuy means that alcohol is readily accessible, even though Yirrkala itself is a prescribed area. Stakeholders reported that since introduction of the alcohol purchasing permit system in Nhulunbuy this situation has improved. Under the permit system residents (both Indigenous and non-Indigenous) are required to gain a permit to buy take away alcohol. The permit can be revoked for irresponsible behaviour.

Gunyangara (Ski Beach)

Population

Gunyangara (Ski Beach), sometimes referred to as Marngarr, is located approximately 13 kilometres from Nhulunbuy. At the 2006 census, the population of Gunyangara (Ski Beach) was 250.²⁵ Consultation with stakeholders indicates a population of between 220 and 250 people.

Table 2: Gunyangara (Ski Beach) age profile

	0-4 years	5-14 years	15-24 years	25-54 years	55-64 years	65+ years
Age Profile: per cent of total indigenous persons in region	9 percent	20 percent	23 percent	40 percent	7 percent	2 percent

The proportion of residents of core school age (5-14 years) in this community is 20 per cent, corresponding to a potential catchment of 49 students. In addition, a further 23 per cent of residents are in the 15-24 age bracket, suggesting that there is an additional student catchment for years 10 to 12. There is no school, and most students attend Yirrkala community school.

Environment/access

The community of Gunyangara is on Gunmatj land belonging to the Yunupingu, Burarrwanga and Munungirritj clan groups of northeast Arnhem Land. Gunyangara is located on the Drimmie Peninsula, which forms part of Melville Bay on the Gove Peninsula. There is sealed road access to Nhulunbuy all year round. Housing and municipal services are provided by the East Arnhem Shire.

Services

Gunyangara community does not have a health centre. Residents can access the services in Nhulunbuy which include General Practitioners, the Gove Hospital (30 bed) and an Miwatj Health, an Aboriginal Community Controlled Health Service.

Community members have access to wellbeing services, including an Indigenous Women's Program, youth initiatives, Health and Ageing programs, and Sport and Recreation programs, which are delivered by the East Arnhem Shire Council.

²⁵ Australian Bureau of Statistics (2006), Basic Community Profiles, Catalogue No. 4705.0.

There are two employers within the Gunyangara community; the East Arnhem Shire Council and the Gumatj Association, which is responsible for running the Community Development Employment Projects (CDEP). The East Arnhem Shire Council also delivers CDEP to the community.

This community has been granted housing refurbishments under the Department of Families, Housing, Community Services and Indigenous Affairs' Indigenous Housing and Infrastructure Program. This project is scheduled to be completed by 2013. Accommodation for visitors to Gunyangara community is limited to a camping ground at Ski Beach.

In order to enhance safety in this community, the Northern Territory Government has engaged the East Arnhem Shire Council to operate night patrols in the area.

Gapuwiyak (Lake Evella)

Population

At the 2006 Census, Gapuwiyak had an estimated population base of 1,097 people, of which 1,049 were Indigenous. However, local stakeholders believe the current population to be around 1200.

Table 3: Gapuwiyak age profile

	0-4 years	5-14 years	15-24 years	25-54 years	55-64 years	65+ years
Age Profile: per cent of total indigenous persons in region	10 percent	27 percent	20 percent	38 percent	4 percent	2 percent

27 per cent of the residents of Gapuwiyak were in the core school age bracket (5-14 years), which indicates a potential student catchment of 213. An additional 20 per cent of the population were aged 15-24.

Environment/access

Gapuwiyak is located about 150 kilometres southwest of Nhulunbuy and about 600 kilometres east of Darwin by road. Road travel to the community requires a 4WD. Gapuwiyak has an all weather airstrip. Regular passenger flights service the community, via Gove, and Gapuwiyak also has a weekly barge service that transports freight from Darwin.²⁶ There are numerous homelands in the area, primarily serviced by the Laynhapuy Homelands Association.

Services

Housing and municipal services are provided by the East Arnhem Shire.

Gapuwiyak has a health centre and there is currently a resident doctor and nurse, Miwatji Aboriginal Health Service provides health services. Gapuwiyak also has a Men's Health Centre which provides diabetes, heart, blood, blood pressure and skin checkups, STD screening, educational seminars and information about contraception.

²⁶ Department of Housing, Local Government and Regional Service, viewed March 2010.
<http://www.housing.nt.gov.au/remotehousing/sihip/communities>

Other services available in Gapuwiyak include child care, community and family centres, a Women's Centre that provides parenting support, a health, beauty and hygiene community development program and Centrelink. Gapuwiyak also has a Community Centre, a Cultural and Arts Centre, an oval and a basketball court.

Although Gapuwiyak is prescribed area, stakeholders reported that both drugs and alcohol abuse are sometimes available in the community.

The main employment opportunities in Gapuwiyak are in the school, health centre, Women's Centre, ALPA Store and the Traditional Credit Union.

Ramingining

Population

At the 2006 census, the population of the Ramingining indigenous area (including outstations) was 810²⁷, however during the community visits it was reported to be around 1200 to some extent on the season and ceremonial activity.²⁸ There are five homelands close to Ramingining and people can travel daily to the town for work, service and schooling. There are other, more remote homelands in the region.

Table 4: Ramingining age profile

	0-4 years	5-14 years	15-24 years	25-54 years	55-64 years	65+ years
Age Profile: per cent of total indigenous persons in region	7 percent	19 percent	24 percent	43 percent	4 percent	3 percent

19 per cent of the population was reported to be in the 5-14 year age bracket, corresponding to a potential student catchment of 151 students. A further 24 per cent of the population was aged 15-25, resulting in a potential additional catchment for years 10-12.

Environment/access

Ramingining is approximately 580 kilometres east of Darwin and 435 kilometres west of Nhulunbuy. The community is 30 kilometres inland from the coast. The community is accessible by road (4WD) and is approximately eight hours drive from both Darwin and Nhulunbuy during the dry season. Ramingining also has a sealed, all-weather air strip. There is a weekly freight barge service from Darwin to Ramingining via the Glyde River.

Services

Housing and municipal services are provided by the East Arnhem Shire.

Ramingining has a health clinic funded by the NT Department of Health. A general practitioner visits the clinic two days a week and the clinic is managed by an N5 Manager. There are also two nurses and four Aboriginal Health Workers. The following specialists are available through occasional visits; dentist, ear, nose and throat, paediatrician, optometrists and mental health²⁹.

²⁷ Australian Bureau of Statistics (2006), Basic Community Profiles, Catalogue No. 4705.0.

²⁸ MySchool website, viewed March 2010. <http://www.myschool.edu.au/>

²⁹ Department of Education, Employment and Workplace Relations, Audit of Employment opportunities in Remote Communities in the Northern Territory, viewed March 2010.

http://www.workplace.gov.au/NR/rdonlyres/838BCCF9-A675-4305-A83F-399D669AC6/0/nt_RAMINGININGProject.pdf

Emergency cases are airlifted to Nhulunbuy Base Hospital or Royal Darwin Hospital depending on the level of emergency.

Ramingining also has a Women's Centre offering the following services: women's cultural initiatives, Meals on Wheels, sewing lessons and clothing sales, activities for young mothers, aged care, child care, coin laundry. This Centre also maintains links with the local health clinic.

The primary recreational activities in Ramingining are arts through Bula'bula Arts Aboriginal Corporation and sports including football, basketball and volleyball.

The main sources of employment services in Ramingining are the health clinic, Women's Centre, school, local council, Ramingining Homelands Resource Centre, the Arts Centre/Bula'bula Arts Aboriginal Corporation, Traditional Credit Union, mechanical workshop and Mission Aviation Fellowship.

There are 109 houses within Ramingining itself, with 69 houses allocated to Indigenous persons. The council offers accommodation to visitors.³⁰

Milingimbi

According to the Remote Area Health Corps (RAHC)³¹, the population of Milingimbi Indigenous Area (including outstations) is 1,200, including approximately 50 non-Indigenous residents. This area includes the homelands and the Milingimbi community. The residents come from 13 clan groups and there are six established outstations.

The feasibility study has found that the population in Milingimbi fluctuates between 1,200 and 1,500 as a result of seasonal changes and ceremonial activity.³²

Table 5: Milingimbi age profile

	0-4 years	5-14 years	15-24 years	25-54 years	55-64 years	65+ years
Age Profile: per cent of total indigenous persons in region	8 percent	15 percent	20 percent	48 percent	6 percent	2 percent

Fifteen percent of Milingimbi's residents are in the core school age bracket (5-14 years), corresponding to a potential school catchment of 159.³³ As 20 percent of the community is within the 15-24 year age bracket, there is likely to be considerable additional student catchment for years 10-12.

Environment/access

Milingimbi is a small island located approximately 500 km east of Darwin and 0.5 km off the mainland on the northern edge of Arnhem Land.³⁴ The island has a land area of 70 km/sq and

³⁰ Department of Education, Employment and Workplace Relations, Audit of Employment opportunities in Remote Communities in the Northern Territory, viewed March 2010.

http://www.workplace.gov.au/NR/rdonlyres/838BCCF9-A675-4305-A83F-399D669AC6/0/nt_RAMINGININGProject.pdf

³¹ Remote Area Health Corps, viewed March 2010. <http://www.rahc.com.au/>

³² According to consultations.

³³ Australian Bureau of Statistics (2006), Basic Community Profiles, Catalogue No. 4705.0.

³⁴ Department of Housing, Local Government and Regional Service, viewed March 2010.

<http://www.housing.nt.gov.au/remotehousing/sihp/communities>

there are five small homelands/outstations that are serviced by Milingimbi Outstation Progress Resource Association (MOPRA); Gamarra, Guyurru, Murrurjga, Dipirri and Lanjarra. Two thirds of the island is below high tide with the highest point on the island only a few metres above sea level so accessibility can be difficult

Milingimbi is accessible by sea and air only. Two carriers provide flights to Milingimbi twice daily from Darwin. Missionary Aviation Fellowship (MAF) provides one service on Sundays and operates charter services to and from Milingimbi. Milingimbi has a barge service that transports freight on a regular basis from Darwin.³⁵

Services

Housing and municipal services are provided by the East Arnhem Shire.

Milingimbi has a health clinic that is managed by Territory Health with a general practitioner available two days per week and dentists, psychologists, ear, nose and throat, paediatrician and optometrists available through occasional visits. This clinic employs seven Aboriginal Health Workers and three part-time Medicare clerks. Emergency cases are airlifted to Gove and more serious cases to Darwin.

Electricity is generated from an on-site powerhouse, reticulated and metered throughout the community. Water is supplied from five production bores powered by electric pumps and is reticulated throughout the community and sewerage is disposed via water-borne and gravity systems through two pumping stations into ponds located about three kilometres from the community.

The Council, Education Resource Centre, Health Clinic, Arnhemland Progress Association Store, Traditional Credit Union and the outstations organisation (MOPRA) support employment in Milingimbi. Milingimbi has access to a number of recreational activities through the Art Centre, library and Milingimbi Community Education Centre. The Gattjirrk Cultural Festival is held annually.

There are 100 community houses of varying size for Indigenous people in Milingimbi. A further four dwellings are owned by the Mission Aviation Fellowship, the local council and the Resource Centre.³⁶

There is no police station in Milingimbi; police officers from Maningrida are responsible for the Milingimbi community and visit when required. Milingimbi is a dry community and alcohol restrictions apply to all residents and visitors.

Galiwinku

Population

As of 2009, the population of the Galiwinku Indigenous area was estimated at 2,200, including approximately 80 non-Indigenous residents. The Galiwinku population varies according to the season, which many of the outstation residents migrating to the community during wet season due to inaccessibility.

³⁵ Department of Housing, Local Government and Regional Service, viewed March 2010.

<http://www.housing.nt.gov.au/remotehousing/sihp/communities>

³⁶ Australian Government: Department of Employment and Workplace Relations, 2005. Report: Audit of Employment Opportunities in Remote Countries in the Northern Territory

Table 6: Galiwinku age profile

	0-4 years	5-14 years	15-24 years	25-54 years	55-64 years	65+ years
Age Profile: per cent of total indigenous persons in region	13 percent	25 percent	20 percent	36 percent	47 percent	3 percent

A quarter of Galiwinku 's residents are aged between 5-14 years, corresponding to a potential student catchment of 363 students. A further 20 percent of residents within the community are in the 15-24 age bracket, suggesting that there is a considerable additional student catchment for years 10-12.

Environment/access

The community of Galiwinku is the largest in East Arnhem Land and is situated on Elcho Island, approximately 550 kilometres northeast of Darwin and 150 kilometres northwest of Nhulunbuy. Although the length of Elcho Island is 50 kms around and only 6 kms wide, the bush track roads make it difficult to navigate around the island.³⁷ The eastern side is banked with mangroves and mud, and the western side consists of mainly beaches and reef. The island is affected by cyclone season from May to October.

Elcho has an all weather air strip and considerable infrastructure by way of airport buildings compared to other communities. Marthakal Yolngu Airlines, under contract with Mission Aviation Fellowship, provides daily flights connecting the community to Gove, Maningrida, Gapuwiyak and Ramingining. Air North also provides flights to Darwin on a regular basis. Galiwinku also has Airmed access with evacuations to Nhulunbuy or Darwin depending on severity of medical condition.

The principal mode of transport on Elcho Island is 4WD, however, the bush track roads can result in lengthy journeys around the island. There is also a bus service that runs within the Galiwinku community that is operated by the Community Development Employment Projects.

There is no unleaded petrol available on Elcho Island and most vehicles use Comgas or diesel as a fuel substitute.

Services

Housing and municipal services are provided by the East Arnhem Shire.

Galiwinku Development Government Council is responsible for the majority of services provided to the Galiwinku community, including: Ngalkanbuy Health Centre; Housing; Essential Services (power and water supply, sewerage, airstrip); Civil Works (roads, rubbish, airstrip); Galiwinku Workshop; Sport and Recreation Programs; CDEP; Art Centre. Council was dissolved by legislation from 1st July 2008 and now forms part of the new East Arnhem Shire.

Galiwinku has a Health Centre which is operated by the Ngalkanbuy Health Service, which is an independent health service. A regular General Practitioner, Registered Nurses, and Aboriginal Health Workers service the Health Centre. Emergency services are also available.

³⁷ Department of Housing, Local Government and Regional Service, viewed March 2010.
<http://www.housing.nt.gov.au/remotehousing/sihip/communities>

On average, every three months, Galiwinku community has access to a physician, gynaecologist, surgeon, paediatrician and a psychiatrist. Other health and wellbeing services that are provided to Galiwinku are immunisation, chronic disease programs, mental health programs, dental services, child care, aged care, meals on wheels and the Yalu Project which provides educational programs on how to deal with particular health issues.

As of November 2005, there were eight employers within Galiwinku providing employment services:

- Council
- Education
- Police
- Marthakal Homelands Resource Centre
- Marthakal Yolngu Airlines
- Takirrina Tuckerbox Shop
- Arnhem Land Progress Association Store
- Traditional Credit Union

Galiwinku Community Development Council is responsible for Galiwinku's sewerage system, electricity supply and water supply. The community relies on bore water, which is in plentiful supply. Power is generated using a diesel generator.

All up, there are 205 dwellings on Elcho Island, including 142 with Indigenous tenants. These houses are primarily maintained by the Council, but are severely overcrowded. Education takes up 28 of the other allocations. There are additional houses of unknown quantity allocated to the ALPA store staff. Marthakal manages 75 dwellings on the Outstations as well as the 10 airstrips.

There is a high crime rate and incarceration rate in Galiwinku community.³⁸ Although Galiwinku is a dry community, there is a high degree of substance abuse.

Homelands

Homelands, or outstations, are an important feature of the East Arnhem region. Small family groups or larger groups choose to on traditional lands throughout the region. Homelands can be occupied all the time or only during favourable seasons. The populations may range from 20 to several hundred people.

Basic services and some development projects are provided by homeland resources centres or associations such as the Laynhapuy Homeland Association, which provides around 800 people living on over 20 different homelands, and the Marthakala Homelands Resources Centre which provides service to around 500 people at different times.

Some of the advantages of living on homelands include the relative absence of social problems such as alcohol and drug use and people bring on their own traditional land, rather than the land of another clan group (as is often the case in larger communities which were formed during mission times). Disadvantages include reduced access to basic service including health, education, municipal, housing and welfare services. People often have to travel a long way to buy food and supplies. Some homelands are relatively well serviced, with airstrips, generators and plentiful water, others have very little infrastructure.

³⁸ Report on Government Services 2008. Indigenous Compendium, Productivity Commission, Canberra

B School profiles³⁹

Attendance and retention

The table below shows the description of provision, attendance and retention information about each of the government schools in the region. The table shows that Nhulunbuy High School achieves the best student attendance rate. The table also shows that Nhulunbuy High School far exceeds the other school in the region with regard to retention of students and attainment of a secondary award to VET qualification. Of the community schools, Ramingining, Shepherdson College (Galiwinku) and Yirrkala schools each retain a small number of students to year 12 and achieve Northern Territory Certificate of Education (NTCET) secondary awards or (Vocational Education Training) VET qualifications.

Table 2: Regional schools by retention and attendance.

	Description	Attendance	Students completing secondary education
Yirrkala School, Yirrkala	Provides Preschool to year 12 (NTCET)	61 per cent	In 2008 three students were awarded the secondary certificate and five achieved a VET award.
Yirrkala Homelands School	Provide Preschool to year 9 in addition to years 10-12 for around 30 students through the SHEP program.	75 per cent See section below – SHEP program	In 2008 seven students were awarded the secondary certificate of education. ⁴⁰ See section below – SHEP program
Gapuwiyak Community School	Provides Preschool to year 9. Senior years subjects are delivered through NT Open Education Centre	59 per cent	Nil
Milingimbi Community School	Provides Preschool to year 9.	64 per cent	Nil

³⁹ Throughout this appendix, other than where another source has been referenced, the MySchool website is the source for attendance, retention and NAPLAN results. Viewed March 2010. <http://www.myschool.edu.au/>

⁴⁰ Department of Employment and Training, 2009. Report on the Yirrkala Secondary Homelands Education Project (SHEP).

Ramingining Community School	Ramingining School provides education for students from early years to senior years; the senior years program is supported through the NT Open Education Centre.	63 per cent	In 2008 four students were awarded the secondary certificate and five achieved a VET award.
Shepherdson College Galiwinku	Provides Preschool to year 12 (NTCET)	56 per cent	In 2008 one student was awarded the secondary certificate and three achieved a VET award.
Nhulunbuy High School	Provides secondary education from year 7 to year 12 (NTCET)	93 per cent	In 2008 29 students were awarded the secondary certificate and 24 achieved a VET award.

SHEP program

The average attendance rate over the last 5 terms for SHEP is reported to be 80 per cent. When SHEP moved from fortnightly to weekly workshops, average attendance dropped from 90 per cent to 80 per cent.⁴¹

An average 78 per cent of students continue from year to year. The limited teaching schedule means that most students take longer than the standard two years to complete NTCET. The current infrastructure (student and teacher accommodation particularly) does not support a five day a week program.⁴² In 2009 there were no NTCET completers; however two students are expected to complete NTCET in 2010, and in 2011 around seven students are expected to complete the NTCET.⁴³

NTCET subjects which have been offered at various times include Maths, Integrated Studies, Art Studies, Physical Education, English as a Second Language, Literacy for Work and Community Life, Numeracy for Work and Community Life, Music, Design and Technology, Information and computer Technology, Community Studies, Work Education, Personal Learning Plan and a variety of VET.⁴⁴

Outcomes

This section shows student outcomes across the region as indicated by NAPLAN results for years 7 and 9. This is intended to provide an overview only, and the inherent limitations of NAPLAN results are acknowledged. The following figures show each of the six schools discussed in this report and the Austrian schools' average.

⁴¹ Yirkkala Homelands School Principal

⁴² Yirkkala Homelands School Principal

⁴³ Yirkkala Homelands School Principal

⁴⁴ Yirkkala Homelands School Principal

It should be noted that the NAPLAN results for Yirrkala Homelands School do not necessarily represent the outcomes of the SHEP program because SHEP provides senior years education from years 10 to 12.

Year 7 NAPLAN results

Figure three shows the year 7 results for reading. All schools in the region are below the national average. Nhulunbuy High School performs close to the national average. Yirrkala School is the strongest performing community school while Yirrkala Homelands School and Milingimbi are the poorest performing schools for this indicator.

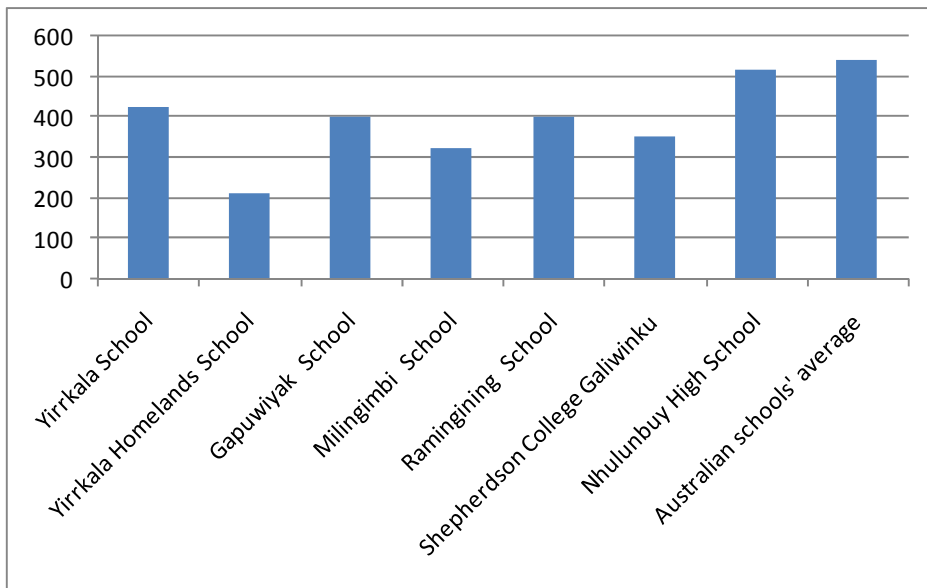


Figure 3: Year 7 reading NAPLAN results for East Arnhem region schools.

Figure four shows the year 7 results for writing. All schools in the region are below the national average. Nhulunbuy High School performs close to the national average. All the community schools are well below the national average. Ramingining School is the strongest performing community school and Shepherdson College is the poorest performing school for this indicator.

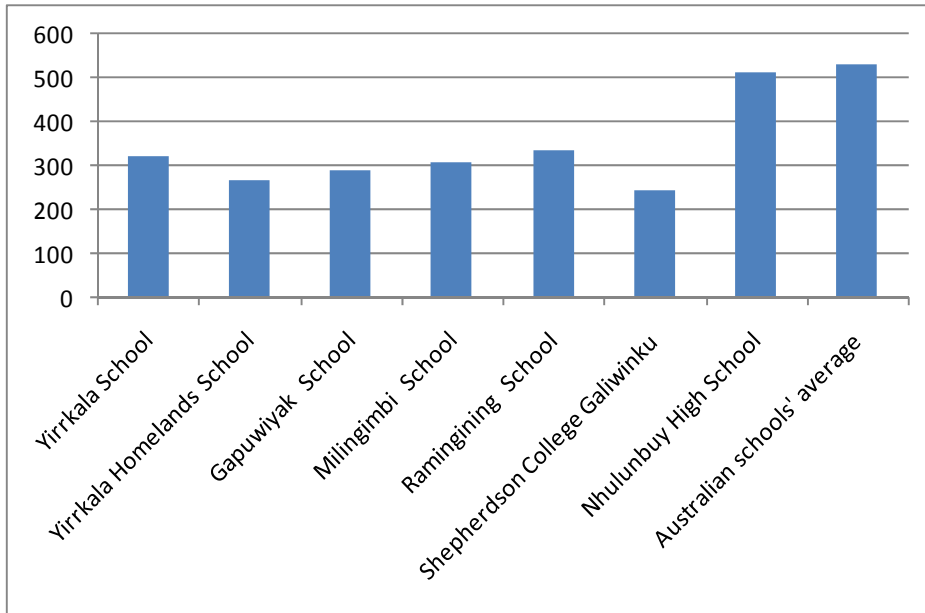


Figure 4: Year 7 writing NAPLAN results for East Arnhem region schools.

Figure five shows the year 7 results for spelling. All schools in the region are below the national average. Nhulunbuy High School performs close to the national average. Ramingining and Milingimbi are the strongest performing community schools for this indicator.

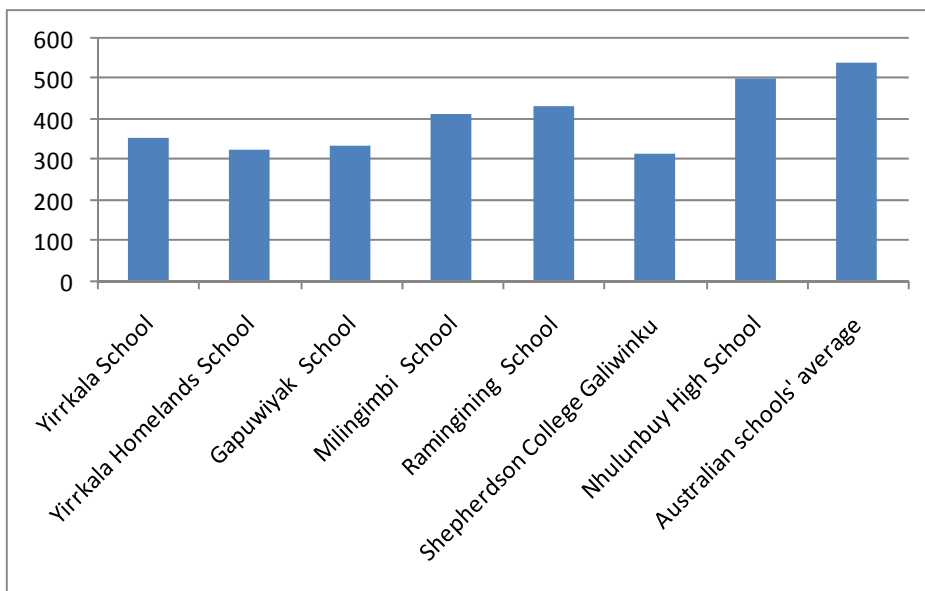


Figure 5: year 7 spelling NAPLAN results for East Arnhem region schools.

Figure six shows the year 7 results for grammar and punctuation. All schools in the region are below the national average. Nhulunbuy High School performs close to the national average. Ramingining School is the strongest performing community school and Yirrkala Homelands School is the poorest performing school for this indicator.

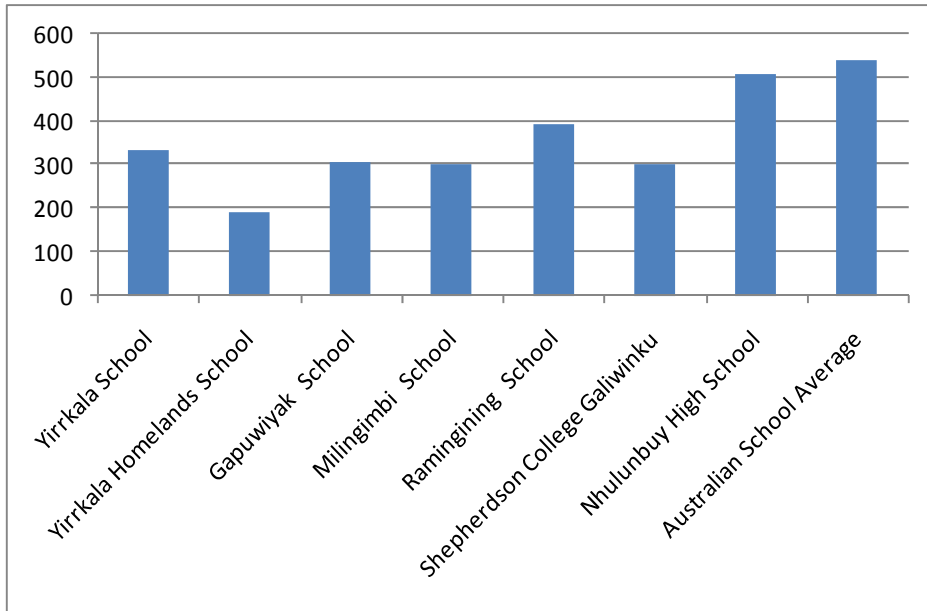


Figure 6: Year 7 grammar and punctuation NAPLAN results for East Arnhem region schools.

Figure seven shows the year 7 results for numeracy. All schools in the region are below the national average. Nhulunbuy High School performs close to the national average. The community schools all have similar results, with Gapuwiyak School the strongest performing community school and Yirrkala Homelands School the poorest performing school for this indicator.

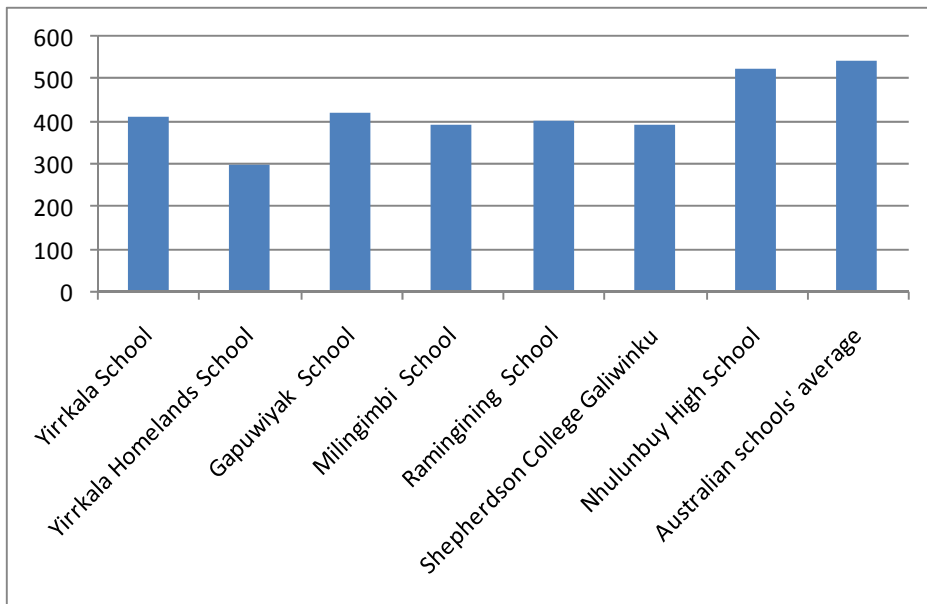


Figure 7: Year 7 numeracy NAPLAN results for East Arnhem region schools.

Year 9 NAPLAN results

Figure eight shows the year 9 results for reading. Nhulunbuy High School performs slightly above the national average. All the community schools score below the national average. Ramingining and Yirrkala are the strongest performing community schools and Yirrkala Homelands School is the poorest performing school for this indicator.

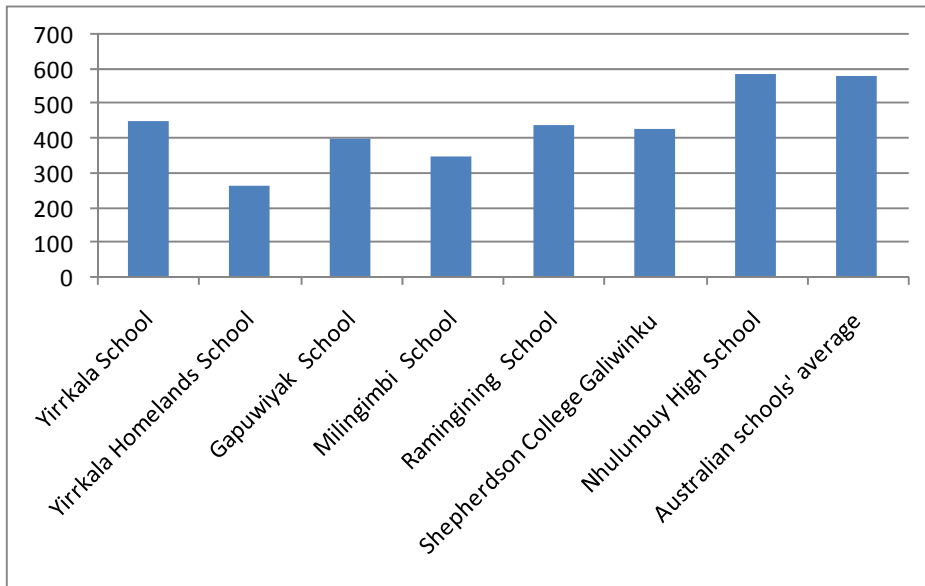


Figure 8: Year 9 reading NAPLAN result for East Arnhem region schools.

Figure nine shows the year 9 results for results for writing. Nhulunbuy High School performs slightly above the national average. Yirrkala School is the strongest performing community school and Milingimbi is the poorest performing school for this indicator.

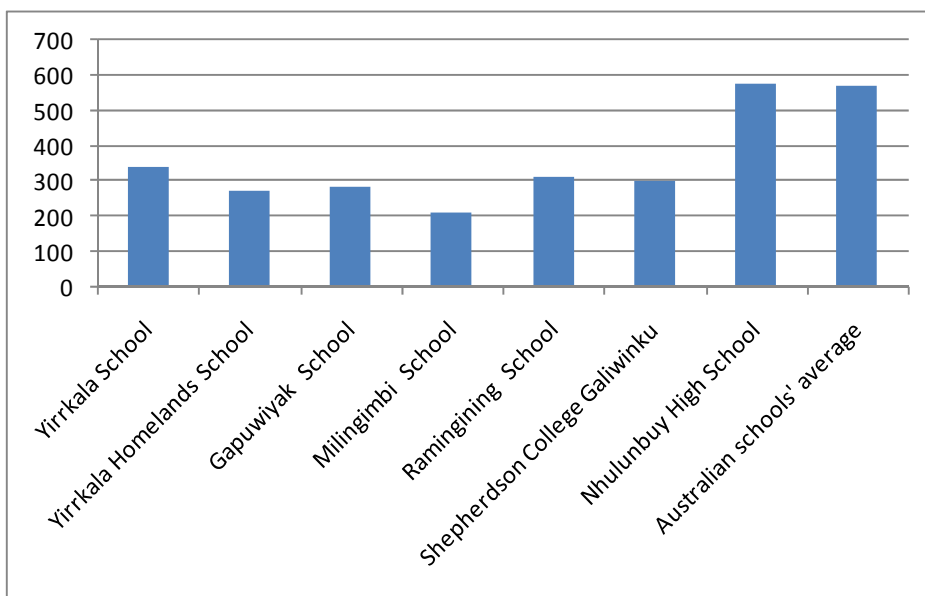


Figure 9: Year 9 writing NAPLAN results for East Arnhem region schools.

Figure 10 shows the year 9 results for results for spelling. Nhulunbuy High School performs very close to the national average. Yirrkala School is the strongest performing community school and Yirrkala Homelands Schools is the poorest performing school for this indicator.

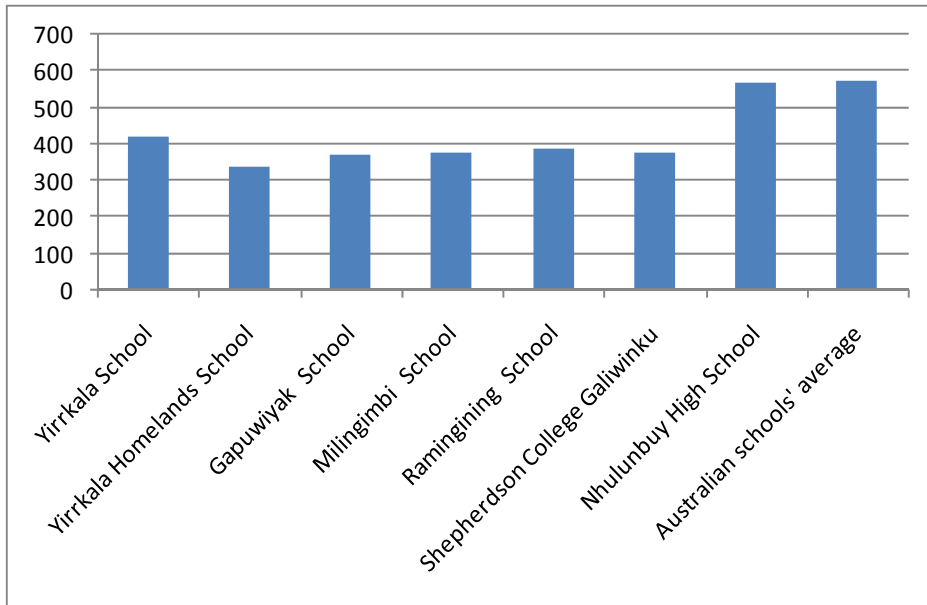


Figure 10: Year 9 spelling NAPLAN results for East Arnhem region schools.

Figure 11 shows the year 9 results for results for grammar and punctuation. Nhulunbuy High School performs very close to the national average. Yirrkala School is the strongest performing community school and Yirrkala Homeland School is the poorest performing school for this indicator.

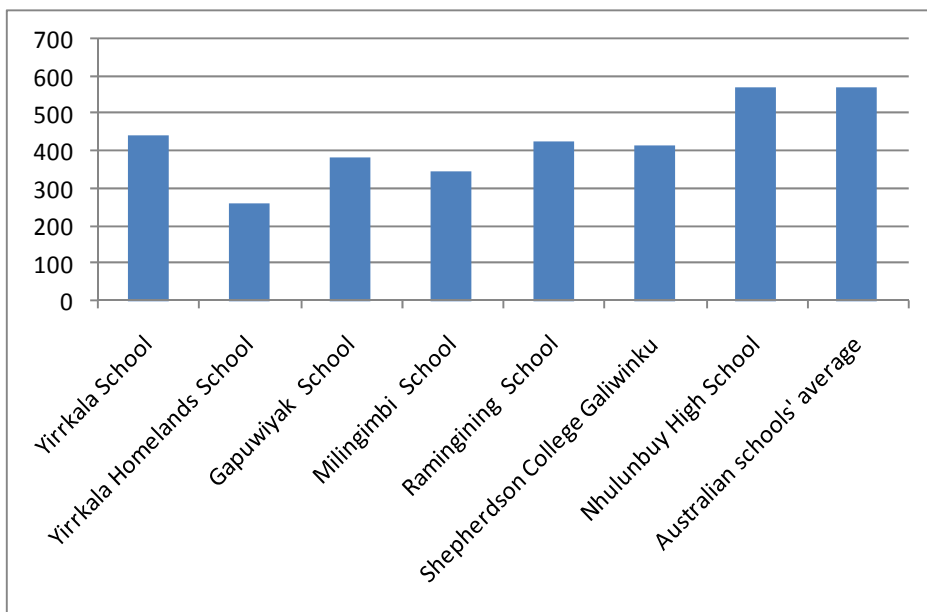


Figure 11: Year 9 grammar and punctuation NAPLAN results for East Arnhem region schools.

Figure 12 shows the year 9 results for results for numeracy. Nhulunbuy High School performs close to the national average. Gapuwiyak School is the strongest performing community school and Yirrkala Homelands School is the poorest performing school for this indicator.

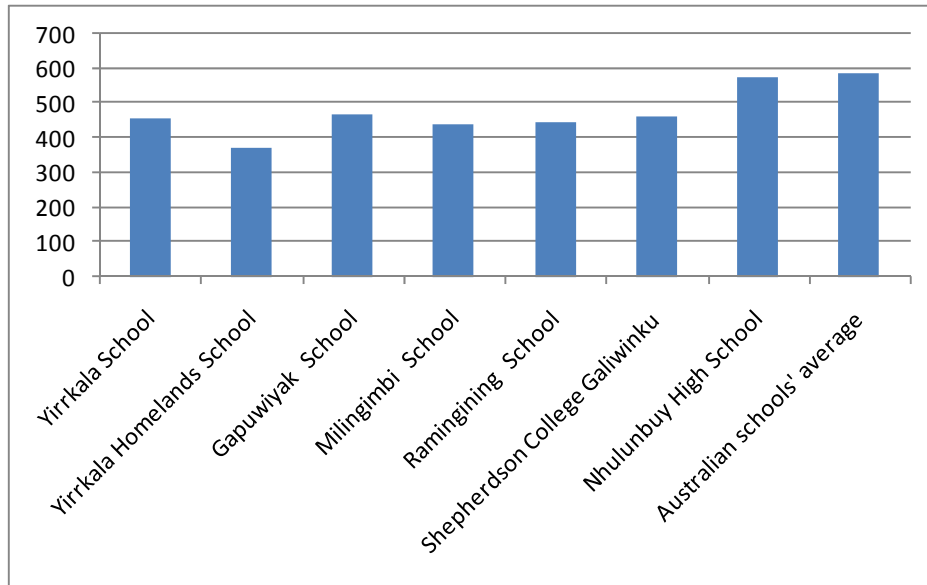


Figure 12: Year 9 numeracy NAPLAN results for East Arnhem region schools.

C Descriptions of options

The following provides a more detailed description of the options as well as the main advantages and disadvantages.

Option 1 - Gulkula

The advantages of building a facility at the Gulkula site are:

- students and parents would have a choice between a mainstream school and a community school with a strong cultural focus;
- proximity to comprehensive primary health care, allied health and a hospital;
- proximity to administrative facilities at Nhulunbuy and Yirrkala;
- proximity to the region's main airport (Gove Airport);
- due to the proximity to Nhulunbuy and major industry outlets the cost of construction would be relatively low;
- there would be many opportunities to link with employers, training opportunities and mentors due to the proximity to Nhulunbuy;
- proximity to Yirrkala would allow students to have access to activities there including Surf Life Saving, a range of organised sport and cultural activities;
- Traditional Owners have indicated a willingness to make the site available for this purpose;
- the site is culturally significant to all Yolngu people and is considered to be somewhat neutral as people gather there for the Garma Festival each year;
- the site is not attached to a community, and students would not be easily exposed to substance use, hugging or other safety concerns;
- there will be opportunities to build on existing positive community feelings for the site and positive memories of Dhupuma College;
- the Yothu Yindi foundation has plans to build the Garma Cultural Studies Institute at the site, and there may be opportunities for efficiencies to be made if construction occurs close to or at the same time as for the accommodation facility.
- Some disadvantages of building at the Gulkula site include:
 - power, water and sewerage or septic will need to be upgraded or supplied to the site, as it is currently unoccupied much of the year;
 - it would be necessary to supply transport to school and other activities;
 - some parents have highlighted concerns that students could still 'sneak out' and walk to town, although this distance is 40 kilometres⁴⁵;
 - by not locating the facility close to or within an existing community the economic and employment opportunities generated by the facility may be diminished somewhat; and

⁴⁵ This concern was raised by some elder who attended Dhupuma College and recall some students 'sneaking' out.

- the facility may have to be vacated for a week during Garma to ensure student safety (however, opportunities may exist to generate income by using the facility for visitor accommodation for that week).

Option 2 - Yirrkala

Some of the advantages of this site are:

- students and parents would have a choice between a mainstream school and a community school with a strong cultural focus;
- proximity to comprehensive primary health care, allied health and a hospital;
- proximity to administrative facilities at Nhulunbuy and in Yirrkala;
- proximity to the region's main airport (Gove Airport);
- due to the proximity to Nhulunbuy and major industry outlets the cost of construction would be relatively low;
- there would be many opportunities to link with employers, training opportunities and mentors due to the proximity to Nhulunbuy;
- mains power, water and sewerage could be easily supplied to the site;
- access to sport and recreation activities, youth group and the arts and cultural centre;
- Traditional Owners have indicated a willingness to make a specific site available for this purpose;
- the community has been allocated Strategic Indigenous Housing and Infrastructure Program funding to address the housing shortage and there is potential for efficiencies to be made if construction of the facility was coordinated with housing construction; and
- the School Council is highly functional and the community has strong leadership, various existing governing and enterprising bodies including construction capabilities.

Some of the disadvantages are that:

- transport to school would be necessary for students to attend Nhulunbuy High School;
- parents and elders from other communities are particularly concerned about exposure to social problems in Yirrkala and Nhulunbuy. Various stakeholders also raised concerns about social issues in Yirrkala;
- it is unlikely that homelands parents would feel comfortable to send their kids to board near Yirrkala; and
- it is possible that there would be considerable jealousy from other communities if the facility was built at Yirrkala which could have an impact on enrolments.

Option 3 - Gapuwiyak

Some of the advantages of Gapuwiyak are that:

- Gapuwiyak is centrally located within the East Arnhem region and accessible by Nhulunbuy and many homelands by road most of the time;

- Gapuwiyak has sewerage, a stable water supply, a sealed airstrip, and various recreational facilities. The community has a resident doctor and nurse; and
- the community has been allocated considerable Strategic Indigenous Housing and Infrastructure Program funding to address the housing shortage and there is potential for efficiencies to be made if construction of the facility was coordinated with housing construction.

Some of the disadvantages of Gapuwiyak include:

- the school at Gapuwiyak is at capacity and would require significant investment to enhance capacity;
- there are significant under-enrolment issues in the community;
- Gapuwiyak has social problems including marijuana use and gambling. Many homeland parents would be reluctant to send their kids to live at Gapuwiyak;
- there are limited opportunities to create linkages with employers or work experience based in the community; and
- the construction costs would be increased due to the need to transport materials to the community.

Option 4 - Garrthalala

Some of the advantages of this option are that:

- this is the preferred option for homeland parents, which represent an important target group because homelands students currently have limited access to secondary education;
- it is clear from consultations that homelands parents will be reluctant to send their kids to live at a facility which is located with a larger community due to perceived social risks;
- there is an existing accommodation facility and school program operating which has good engagement and community support;
- a specific site has been located and initial discussion with Traditional Owners indicates that this land would be made available for lease; and
- the homeland is largely free from substance use, hugging and other social issues, and students would be unlikely to be able to run away.

Some of the disadvantages are that:

- the school currently consists of a single secondary classroom, toilet block, dormitory and basketball court, the school would need significant infrastructure to support additional students and teachers and has no specialist facilities;
- the cost of construction would be increased due to remoteness;
- basic infrastructure such as water supply, electricity and sewerage would need to be installed in the homeland;
- ongoing transport costs would be high due to a lack of regular passenger transport flights;
- the road is impassable at times during the wet season;

- current government homeland policy means that there is no housing investment planned for Garrthalala;
- there would be limited opportunities for training or work experience unless significant investment was made; and
- potential for community disengagement due to disruption during construction and ongoing running of the facility. Although the community expressed support for the idea of hosting the facility, the realistic implications are significant and need to be considered

Option 5 - Galiwinku

Some advantages of this option are that:

- the community is the largest in East Arnhem Land with a population of approximately 2,200 people;
- Shepherdson College has a comprehensive secondary program and students achieve good outcomes;
- infrastructure in the community includes a stable power supply, abundant bore water, sewerage and a sealed airstrip;
- the school has good vocational training opportunities; and
- the community has been allocated considerable Strategic Indigenous Housing and Infrastructure Program funding to address the housing shortage and there is potential for efficiencies to be made if construction of the facility was coordinated with housing construction.

Disadvantages associated with the Galiwinku option include:

- the cost of construction would be relatively high due to the remoteness, lack of seasonal access and need to barge materials into the community;
- the cost of ongoing transport would also be high, although the island is serviced by regular passenger services; and
- Galiwinku has social problems including substance use and gambling. Many homeland parents would be reluctant to send their kids to live at Galiwinku.

Option 6 – Ramingining

The advantages of the option are that:

- the Ramingining school has a comprehensive secondary program and students achieve comparatively good outcomes.
- Ramingining school has been identified by key stakeholders as the best community school to manage additional enrolments; however the current School Principal is retiring this year.
- infrastructure in the community includes a stable power supply, abundant bore water, sewerage and a sealed airstrip.
- Traditional Owners have indicated a willingness to make a specific site available for this purpose and a willingness to waive royalties.

- community members from Milingimbi and Ramingining indicated a strong desire to have a facility located in that area for cultural reasons.

Some disadvantages are that:

- there are limited training and employment opportunities in the community;
- the community has only adequate facilities including a health clinic, some sporting facilities and minimal administrative facilities;
- the community has only adequate recreational facilities including an oval which is in poor condition; and
- the costs would be around average across the options.

Option 7 – Milingimbi

Key advantages of Milingimbi are that:

- there is a new training centre located in the community and new sporting and recreational facilities being built;
- the community and school council are strongly supportive of the facility and demonstrated commitment through attendance at two consecutive after school meetings which went for several hours; and
- the community has been allocated considerable the community has been allocated considerable Strategic Indigenous Housing and Infrastructure Program funding to address the housing shortage and there is potential for efficiencies to be made if construction of the facility was coordinated with housing construction.

Some disadvantages associated with Milingimbi as a location include:

- the community has power, sewerage and an adequate water supply however issues with the sewerage capacity have been identified;
- the school at Milingimbi is at capacity and would require significant investment to accommodate additional enrolments;
- the community has no permanent police presence;
- there may be problems with expanding the sewerage plant to expand capacity (unconfirmed);
- there a limited training and employment opportunities in the community;
- although the community indicated that land could be made available there are a number of land related issues in Milingimbi including low-lying areas prone to flood, the recognised Traditional Owner does not live in community, some of the higher lying land was bombed with chemicals during WW2 and would probably need to be tested for hazardous material, much of land in the community is considered to belong to particular clan group and is therefore to accessible to other clan groups; and
- the cost of construction would be relatively high due to the remoteness, lack of seasonal access and need to barge materials into the community. The cost of ongoing transport would also be high

D Descriptions of the criteria and scoring rational

Education and employment outcomes (35 per cent) - To what extent will the location deliver enhanced education and employment outcomes?

Perceived likelihood that the school will ensure students achieve good educational outcomes

The community consultations highlighted that most people would like to see the facility built in their community, and were reluctant to comment on another preferred location. However, during meetings and discussions the question was put to groups 'if the facility can't be located here, what sort of place would you like to be selected?' Common responses to this were somewhere:

- safe (includes physical, cultural and emotional safety);
- were kids will get a good education and be able to get a job afterwards; and
- with access to essential services.

It is unlikely that a parent in Ramingining would choose to send their child to Galiwinku to access an education facility which is essentially offering the same quality of education and opportunities which their child already has access to in their home community. While each of the community schools has various strengths and weaknesses, examination of core indicators of the quality of education, including engagement (as measured by attendance and retention) and outcomes (as measured by NAPLAN results) Nhulunbuy High School presents by far the most attractive option.

In addition to this students attending Nhulunbuy High School are more likely to go onto further study or enter employment after school completion. This would have a beneficial impact on students attending the school and socialising and learning with students who have post secondary aspirations.

Current attendance, retention, outcomes (NAPLAN results)

See **Appendix B**.

Physical upgrade to school which will be necessary

The feasibility study has found that each school would require physical upgrades to accommodate the additional enrolments. Physical upgrades may include new classrooms, specialist facilities and additional amenities such as ablutions blocks. Most of the community schools operate at 50 – 60 per cent attendance, so it is difficult to know how the capacity of the school would be affected should attendance increase.

While all schools would need additional classrooms to accommodate higher enrolments, perhaps the more significant issue is the upgrades which would be needed to accommodate a comprehensive senior secondary program. In order to effectively deliver a varied program and provide some options in terms of subject selection and vocational training schools require some specialist facilities including science and computer laboratories, workshops and training spaces. The additional costs associated with needing to add such facilities would be significant.

Most communities and stakeholders also reported that there are numerous school age children who are not enrolled in school. It is very difficult to know how many there may be across the region, but anecdotal reports suggest that most are either young children whose parents have not yet enrolled them in school (i.e. six and seven year olds) or teenagers who have disengaged from school and discontinued enrolment after compulsory education.

Human resources upgrade to the school which would be necessary

The feasibility study has found that each of the schools would require additional staff to accommodate increased enrolments. In itself this should not have significant impact, as additional enrolments will qualify each school for additional FTE places. However, some schools are unable to engage additional staff because of accommodation issues. For example, Milingimbi school reported that it was not possible to engage the full complement of staff because there is no available housing. Even when funding is made available to build new teacher housing the process can be hampered by issues around land availability and acquisition. Another issue is attracting quality staff to live in remote communities. Communities with limited services, recreation activities and transport options are more likely to have difficulty attracting and retaining good quality staff to support high quality education outcomes for students.

Attractiveness in terms of being able to recruit additional quality teachers and other staff to the location

Recruitment and retainment of quality staff can have a major impact on program delivery in remote area. Various principals identified that maintaining a full complement of good quality teachers in remote locations was at time challenging. The quality of staff both within accommodation facility and the school is likely to have a significant impact on the success and sustainability of the facility. Some of the challenges for teachers and other service providers is the lack of housing services and facilities available for themselves and their families in remote communities. Most stakeholders agreed that it would be easier to recruit and retain staff in or close to Nhulunbuy. Therefore the Yirrkala and Galkula are rated higher than other options for this sub criterion.

Local pathways to employment or training opportunities and local employment opportunities

Although there is no expectation that students will remain in the community or town where the facility is located to work after completion of school, local employment opportunities should be considered because this would allow for:

- greater access to meaningful and varied work experience opportunities;
- more opportunities for the accommodation facility or school to set up a mentoring program for students in areas which interest them and are likely to lead to genuine opportunities;
- more opportunities for young people to develop aspirations through exposure to a wider range of career opportunities and contact with people (particularly other Yolngu people) successfully employed in a variety of settings.

The availability of pathways to employment or training opportunities is an important consideration. When students complete their secondary education, and in the final years of schooling, it is important to provide linkages to employers or training providers to ensure that students have every opportunity to transition to a further learning or earning situation.

Nhulunbuy presents the most opportunities in this space, and location options which are in close proximity to Nhulunbuy will provide the greatest opportunities. Some opportunities in this area are:

- The Rio Tinto Alcan Arnhem Learning Education and Regional Training (ALERT) program which offers training for local Indigenous people with an aim to gaining employment in the bauxite mine, a major employer in the region. The program focuses on supporting participants to gain life skills and literacy and numeracy skills in addition to the technical training necessary for employment in the sector. Participants are paid real wages and often live at the Aboriginal Hostel in Nhulunbuy.
- The Rio Tinto Alcan operation presents various other opportunities for employment including services to support the mine and its employees. Mining represents a major employment opportunity in many parts of remote Australia, and employability in this sector would provide young people with many opportunities.
- Various government departments have staff and outlets based in Nhulunbuy, including Centrelink, Northern Territory Department of Education and the Commonwealth Department of Families, Housing, Community Services and Indigenous Affairs.
- The regional health infrastructure based in Nhulunbuy also represents a significant opportunity to create pathways to employment. Training in the health sector provides young people with skills and qualifications which will allow them to travel or to reside in their home community or homeland with excellent opportunities to be employed.
- Other industries and sectors in Nhulunbuy including education, retail and hospitality would also provide opportunities for pathways to be developed.
- The existence of Indigenous organisations such as Miwatj Health Aboriginal Corporation and the Dhanbul Aboriginal Corporation provide opportunities for employment pathways and also mentoring and modelling for young people.

Indigenous communities with considerable employment opportunities include Yirrkala and Galiwinku which both have local industries which generate employment. Other communities have limited employment opportunities. In Galiwinku Marthakal provides numerous services including health and homeland provision and has various economic enterprises including accommodation, construction, the Badurru workshop and the Elcho Island Arts Centre. The organisation is focusing on improving linkages with the school to improve pathways to meaningful employment for local people.

Safety and well being (20 per cent) - To what extent does the location maintain and promote the safety and well being of the students?

Cultural safety, will kids and families feel safe and comfortable there? Will students be exposed to bad influences such as crime and substance abuse? Will they be able to 'sneak away' easily?

As has been discussed safety and perceived safety is very important. At the meeting with community representatives and GBMs this was identified as a high priority for communities, and much of the discussion centred on this issue. Similarly throughout the community visits discussion often centred on the potential risks associated with the accommodation facility. Safety is a complex concept, and incorporates the following elements:

- Cultural safety - will kids and families feel safe and comfortable there?
- Will students be exposed to bad influences such as crime and substance abuse?
- Will they be able to 'sneak away' easily?

Because the concept of safety is so complex it is difficult to draw definitive conclusions about whether one site is safer than another. For example Milingimbi is very safe in that students would not be able to run away because they are surrounded by water, but it is unsafe in that wherever the facility is located on Milingimbi island young people would be able to easily walk into the township, and may be able to access homebrewed alcohol or marijuana.

Location in or close to any one of the communities will have associated safety risks, because all communities have issues with substance use (alcohol, marijuana and cava are common) and problematic social behaviours such as gambling. Humbugging⁴⁶ is a significant concern for parents and would be most likely to occur if the facility was located in or close to a community. Probably the safest option identified is Garrthalala, because there are no drugs or alcohol there, and it is too remote for students to walk into a town.

Community consultations and discussion with accommodation providers has identified that many issues around safety could be combated by a good operating model. For example, if students are well supervised, and there are well enforced rules around people accessing the accommodation facility it should be possible to minimise exposure to crime and substance use. The exception of this appears to be Yirrkala. Homeland families are particularly resistant to locating the facility in or close to Yirrkala for safety reasons.

Is the area a prescribed area and is it drug and alcohol free and relative safety from violence

Issues around community dysfunction are an important consideration and were discussed during the community site visits and stakeholder consultations. It is difficult to meaningfully rate dysfunction in any community because the information at hand is highly subjective and likely to vary significantly over time.

All the communities (excluding Garrthalala) reported some social problems including:

- commonly report use of alcohol, home-brew, marijuana and cava;
- less commonly reported were instances of petrol sniffing and amphetamine use;
- widespread gambling which can impact on families through loss of income and insufficient supervision of children;
- violence, including domestic or clan based fighting;
- overcrowding, which exacerbates social problems and has a major impact on the wellbeing of children and young adults; and
- some stakeholders raised concerns about child sexual abuse and prostitution involving public transport providers and young women in the Gove area.

⁴⁶ Humbugging refers to pestering or intimidating family members or vulnerable people for money, food or something else valuable.

All of the communities are prescribed areas under the Northern Territory Emergency Response.⁴⁷ Garrthalala is not a prescribed area, however is understood to be drug and alcohol free. This is consistent with homelands and outstations generally, where strict there are strict expectations around behaviour which are set and enforced by the people themselves.

Therefore Garrthalala is rated highly for this criterion, communities closer to Gove rated poorly and the other communities were considered to be equal with one another.

Existing cultural conflicts which may exclude some potential students or visiting families

Across the region people reported that there are strong connections between communities and clan groups. All communities reported that they had links with other community groups, and stated that they would be happy for people from other communities to come and stay in their community should the facility be located there. Some groups discussed the possibility that underlying regional politics may come to be played out in the accommodation facility, but most people agreed that this could be avoided through sound management and governance.

Community support (15 per cent) - To what extent is the location supported by the communities?

Host community acceptance

Assessment against this sub criterion will not be meaningful, as all groups would like the facility to be located on their land.

Community (regional) approval/desire to have the facility built there

Communities such as Ramingining and Milingimbi are particularly resistant to locating the facility at Yirrkala for political reasons, which may relate to a perception that Yirrkala enjoys greater investment and associated privileges than other places.

The population of the region is spread over a large area with clusters of population around Nhulunbuy and Yirrkala in the east and a cluster around Milingimbi and Ramingining in the west. Gapuwiyak and Galiwinku are centrally located. Homelands are spread throughout the region, but more populous in the eastern area.

Distances are considerable from one end of the region to the other if transportation is by road, however it takes less than 90 minutes to fly from Gove to Ramingining which is the most westerly of the communities within scope. Gapuwiyak probably represents the best location in terms of population spread because it is centrally located.

Willingness and capacity of community to have input into governance and management of the facility

The feasibility study has found that in each community individuals and groups have the capacity to take on governance and support roles as illustrated by the numerous successful community controlled organisations in the region. Communities with strong school councils and enterprise bodies were rated highly for this criterion.

⁴⁷ Northern Territory National Emergency Response Act 2007 (NTER Act).

Supporting infrastructure and services (30 per cent) - To what extent does the location offer accessible supporting infrastructure and services?

Access to primary health care and wellbeing services.

Access to primary health care is important to ensure that the facility is able to meet duty of care for students. Providing good quality health care for common ailments and accidental injury is important as is ensuring reasonable access to allied health services such as dentists and audiologists.

Clearly proximity to the Nhulunbuy hospital, generally practitioners and various health services provides excellent access to primary health care. Gapuwiyak, Ramingining and Galiwinku also all have resident doctors. All communities have health clinics with Aboriginal Health Workers and visiting health professionals. Garrthalala has a clinic and access to a visiting doctor on a rotational basis with the other homelands.

Access to recreational activities/infrastructure

Although the facility is likely to include some recreation facilities, close access to a wider range of facilities will also be beneficial. In each community various basic facilities include ovals, basketball courts and recreation halls generally existing or are in the process of being constructed or refurbished. Some facilities were noted to be poorly maintained, while others are very new or well maintained. Garrthalala has one basketball court. Nhulunbuy has many recreation facilities including a swimming pool, multiple ovals, a town hall where many activities are run and an indoor basketball court (at the school).

Other accommodation available in a location, including accommodation for visiting families, additional teachers and staff

All the communities have limited accommodation which could be provided for visiting families and as overflow for additional staff or teachers. Communities generally have some guesthouse style accommodation run by the Shire or by a local organisation (for example, Marthakal Homelands Resource Centre runs two accommodation facilities on Elcho Island). However the capacity is limited and they are often expensive due to high demand created by visiting public servants, consultants and service providers.

Nhulunbuy has a 40 bed Aboriginal Hostel which could be accessed for families visiting Yirrkala or the Gulkula site, although this would still involve some travel and possible expenses associated with public transport fares.

All weather / seasonality implications, including all weather airstrip

The wet season runs from around November to April and can severely limit road access to most areas because they are located on unsealed roads. Only Yirrkala and the Galkula site would be accessible by road all year, but this also depends on where people are driving from.

However, all communities are accessible by air all year, except for Garrthalala which has an unsealed airstrip. This also limits the size of aircraft that can land there. However even Garrthalala is unlikely to be inaccessible by air for any great length of time due to the airstrip. Air transport in the wet season is more likely to be impacted by the inability of small aircraft (the usual form of transport) to fly during poor weather conditions, however this is not necessarily linked to the actual facilities of any one location.

The costs associated with transporting students, staff and families to the facility and home is probably more relevant than the seasonal accessibility. Options for transport include car, regular passenger services and charter flights. All can be hugely expensive, but charter flights represent the most expensive option. Communities with few or no regular passenger services are particularly limited as they must charter flights for any travel.

E Stakeholders consulted

Northern Territory Department of Education (NTDET), Territory and regional staff
DEEWR State Office
Nhulunbuy Indigenous Coordination Centre
Local Government Business Managers in each community
Indigenous Engagement Officers in each community
East Arnhem Shire
Shire Services Managers in most communities
Indigenous Land Corporation
The Northern Land Council
National Association for Rural Student Accommodation Inc
Aboriginal Hostels Ltd
Lynne Walker - Member for Nhulunbuy
Chair of the Northern Territory Indigenous Education Consultative Body
Emeritus Professor Paul Hughes Review Of Australian Directions On Indigenous Education Division of Education, Arts and Social Sciences
Dr Chris Sarra Executive Director Indigenous Education Leadership Institute
School principals in each community and target school
Traditional Owners and community representatives in Gunyangara – 4 participants
Assembly of elders and homelands leader representing the homelands in the Laynhapuy area
Laynhapuy Homelands Association
Garrthalala homeland and SHEP staff – over 20 participants

SHEP students – approximately 8 male senior students
Yambirripa School Council (Yirrkala and homelands) – over 30 participants
Gapuwiyak School Advisory Committee/interested community members – over 20 participants
Milingimbi, assembly of elders, staff and interested community members – over 30 people
Milingimbi Resource Centre (MOPRA)
Ramingining School Council, staff and interested community members – approximately 10 participants
Various convenient consultations in Ramingining and surrounding homelands (approximately 10 people)
Galiwinku School Council – approximately 10 people
Marthakal Homelands Resource Centre

F Terms of Reference

TERMS OF REFERENCE

FEASIBILITY STUDY INTO THE VIABILITY OF A STUDENT ACCOMMODATION FACILITY LOCATED IN THE EAST ARNHEM REGION.

BACKGROUND

In the 2008 Budget the Australian Government announced a contribution of \$28.9 million towards the construction and operation of three new boarding facilities in the Northern Territory for Indigenous secondary students. Under this 'Closing the Gap for Indigenous Australians' measure, two 40-bed facilities and one 72-bed facility will accommodate students from years 7-12, enabling Indigenous youth from remote communities to access a quality secondary school education close to their home communities.

The Indigenous Land Corporation (ILC) has agreed to contribute \$15 million to the Three New Boarding Facilities in the Northern Territory. The level of its contribution will be determined by the ILC on a case by case basis.

The three new student accommodation facilities are exclusively for the benefit of 152 Indigenous (subject to cost) secondary students and their families. These students will be required to move away from the family home, and distances between the facility and home may be relatively high. It is expected that most families will be on a low income and experience high levels of disadvantage.

The student accommodation facilities will be developed to provide appropriate pastoral care and support to students and their families, many of whom may not have lived away from home before.

The building of these facilities will provide a source of employment, both in terms of construction and staffing of the facilities. They will also be economically attractive to the regions in which they are located, as a result of increased student numbers and visiting families.

The Australian Government will look to maximise the educational and employment outcomes of participating students by developing strategic links between the facility and major sources of employment in each region. It is important that the new student accommodation facilities employ local Indigenous people from the community, and may be operated by Indigenous owned businesses. Operators would need to demonstrate how they would increase local Indigenous employment over time.

Agreement on the location of the student accommodation facilities and their construction will be negotiated with Indigenous communities, the ILC and Northern Territory education providers. Management options for these facilities will be developed in consultation with relevant education providers, the ILC, local communities and other interested parties.

A Feasibility Study has been carried out for the Wadeye Community (March/April 2009). A component of the study was to ascertain Best Practice for the operation and design of Boarding Facilities. To determine this, the consultants conducted interviews with industry selected best practice Boarding Facility Managers. The results of the study will equip the Consultant with the current views of industry and enable them to design the structural and operational models to be considered by the stakeholders (Available at Briefing Stage).

The communities involved in this study are: Galiwinku, Gapuwiyak, Milingimbi, Ramingining, Yirrkala and their associated homeland communities. Nhulunbuy is the closest township with a secondary education facility, Nhulunbuy High School, which caters for students from Year 7 through to Year 12.

OBJECTIVES

The Feasibility Study will address these broad themes:

- the economic and educational viability and sustainability of establishing a student accommodation facility to service the East Arnhem region communities; and,
- the capacity of the East Arnhem region to support a student accommodation facility.

THE DEPARTMENT'S REQUIREMENTS

The consultant will consult with the relevant traditional owners, elders and other Indigenous people, education providers, and other stakeholders within the region including communities and homelands that may be impacted. The consultant will seek opinions of experts in Indigenous education and the operators of secondary school boarding facilities. The consultant will also consult with potential students. A list of key stakeholders and the appropriate contact persons will be provided to the consultant on commencement of the project.

The Feasibility Study will outline in depth the various alternatives examined (building design construction costs, day to day management models, ownership) and the implications and strengths and weaknesses of each. It will outline and analyse several alternatives or methods of achieving a successful and sustainable student accommodation facility, and it should rank the alternatives according to their likelihood of successful implementation (including process and timelines for land and construction). The results from the Feasibility Study will be used to inform decisions on construction and management of the student accommodation facility.

The Feasibility Study will contribute to determining whether or not to proceed with the establishment of a student accommodation facility in East Arnhem. The study will also identify the location which is likely to achieve the best outcomes for students and guide the development of the framework and methodologies used to establish the facility.

The consultant undertaking the Feasibility Study will need to conduct research and provide a detailed report on the following:

A: COMMUNITY AND SUSTAINABILITY

What is the region's capacity to sustain the proposed facility long term? Considerations may include:

- population growth trends
- extent of transient population and any impacts on the proposal
- Shire Council planning governance arrangements and planning impacts (including availability of a suitable site) on the proposal ie current and future construction and community development
- Environmental sustainability ie water, power
- security and safety of students and personnel
- Cultural considerations

B: COMMUNITY DEMAND, SUPPORT AND INTERACTION

What is the likely student catchment area and likely demand for a student accommodation facility located in the area?

What will be the potential impact or issues associated with introducing a student accommodation facility into the region (negative or positive) with culture, support, function and capacity ie *how will students and their families stay connected (including strategies for keeping students at school, and student selection)*?

C: INFRASTRUCTURE – BOARDING FACILITY AND OTHER INFRASTRUCTURE NEEDS

The study will be required to provide options and recommendations for the following:

1. Location:

What is the most appropriate location for a facility within the area based on the objectives of this study?

Detail the views of experts in Indigenous education and secondary school boarding facilities.

What is the community's preference?

Where these clash, what options exist for a compromise?

What infrastructure is available to complement the student accommodation facility? Considerations may include:

- transport (availability [including funding] of a bus if needed);
- access to quality education facilities
- security and safety
- roads, impact of weather on access;
- housing (for additional teachers, youth workers);
- electricity, water, sewerage;
- any additional teachers and classrooms (or other resources) needed for the school and,
- any other services, such as medical and emergency services, including cyclone evacuation.

How are infrastructure issues likely to impact on timelines for the preferred site?

Are there any issues regarding land acquisition or leasing and how can these be overcome?

2. Accommodation model:

What is the most appropriate model of accommodation? Considerations may include:

- local cultural norms and expectations
- security and safety
- configuration (Best Practice Models provided from previous Feasibility Study)
- accommodation standards
- location of services based on proximity to logical community hubs
- transport options
- duration of residency – weekly, monthly, school term.
- level and quality of services and types of facilities (accommodation model) and/or combinations thereof.
- capacity for variance of the operational and structural model to meet community needs

What will be the maximum places offered through the proposed model and does the region have the capacity to maintain these enrolments?

What would be the estimated timeframe and issues that are associated with the construction of these preferred models?

What would be the estimated costs of each preferred model including staff housing ?

What will be the recurrent costs and how will these be met?

What is the preferred model identified by communities?

What design or structure will be the most cost effective to maintain?

3. Service model:

What services and style of facilities are more likely to contribute to the achievement of quality education outcomes (eg – case management, tutoring, supporting high achievers, after hours engagement activities such as sports and academic)?

What youth pathway programs can be linked to the boarding facility and to the school?

How can the trade training centres contribute to the success of the boarding facilities?

What local/regional industries can be linked in to provide a pathway to employment?

How amenable are they to forging a relationship?

What other services or facilities are available to assist with sustaining a viable boarding facility, such as employment providers, personal development, VET, mentoring, staff housing availability etc. This may include identification of existing amenities and likely impacts/conflicts in relation to:

- services and recreation facilities, including Indigenous specific and youth specific
- community wellbeing, including social inclusion, urban safety, economic development, employment and training opportunities
- environment, including built environment, cultural heritage, landscape and conservation values

Other information should include:

- Student age groups
- locations from which children will be drawn
- By what criteria would they be chosen
- Staffing levels

D: ONGOING MANAGEMENT ARRANGEMENTS

Economic Viability

Identify the factors impacting on the cost of the facility, including the impacts of income support payments, specifically eligibility, and the impact of ABSTUDY eligibility requirements.

Studies will be required to provide options and recommendations for the following:

1. Governance

What is the most appropriate role for communities with regard to governance of the proposed facility?

What level of community interest is there in a governance role?

What community capacity exists to play a governance role?

2. Management arrangements

Identify possible management organisations and outline how the relationship to possible owners and community would work.

What are the impacts of the community view, available resources and cultural imperatives on management models? Considerations may include:

How should the community cultural values be included in the management of the student accommodation facilities?

- what duration should students board (eg term by term; week by week);
- Identification of any specific barriers and possible solutions to these barriers.

3. Indigenous Employment

What employment opportunities are likely to result from the provision of a student accommodation facility?

What skills exist among local Indigenous people to play an active role in management/service provision?

What training and skills would local Indigenous people require to enable them to take up positions in the student accommodation facility? (*Consideration should be given, for example, to how training could be provided, the length of training required and provision of mentoring for employees*).