



Remote Indigenous student success boarding fund	
Party:	The Coalition
<p>Summary of proposal:</p> <p>The proposal would establish a \$100 million Remote Indigenous Student Success Boarding Fund to support remote Indigenous students. The fund would run across 2 competitive grant rounds, building a pipeline of infrastructure projects which prioritise regional boarding schools.</p> <p>There would also be an associated increase in the Indigenous Boarding Providers Grant Program to cater for the expanded number of boarding students.</p> <p>The proposal would start on 1 July 2025.</p>	
<p>Additional information (based on further advice provided):</p> <p>The Remote Indigenous Student Success Boarding Fund would provide capital infrastructure funding and not be subject to indexation. The 2 funding rounds would be conducted in the last quarter of 2025 and in the second half of 2026.</p> <p>Increases to the Indigenous Boarding Providers Grant Program would start on 1 July 2026 and terminate on 30 June 2030. The relevant increase in the program would occur from 2026-27 to 2029-30.</p> <p>Departmental costs would be absorbed by existing funding.</p>	

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$115.9 million over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects an increase in administered expenses.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

The Parliamentary Budget Office (PBO) has not made any assessment as to whether the specified capital infrastructure funding would be sufficient to meet the objectives of the proposal. The financial implications of increases to the Indigenous Boarding Providers Grant Program are sensitive to estimates of the numbers of students who would be able to be supported by the respective infrastructure funding amounts.

Table 1: Remote Indigenous student success boarding fund – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-50.0	-53.1	-6.3	-6.5	-115.9
Underlying cash balance	-50.0	-53.1	-6.3	-6.5	-115.9

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

- Indicates nil.

Key assumptions

The PBO has made the following assumptions in costing this proposal.

- The number of students who could be supported given a certain level of infrastructure expenditure was informed by the number of additional beds to be built at Yirara College after being offered a grant from the Central Australia Boarding Response Fund.
 - The capital expenditure for one additional boarding place would be approximately \$151,000 in 2026-27.
- The grant amount required per student was informed by the Indigenous Boarding Providers Grant Program model which was provided by the National Indigenous Australians Agency (NIAA).
 - The grant amount required per student would be approximately \$9,300 in 2026-27.
- Due to the timing of the funding rounds, boarding facilities would come online sequentially, with the first half available for the 2027 school year, and the second half for the 2028 school year.
- Funding for the Indigenous Boarding Providers Grant Program would be disbursed for the full calendar year at the beginning of each calendar year.
- No funds allocated to a given year are left unspent.

Methodology

For the capital infrastructure funding, administered expenses are as specified in the proposal split evenly between 2025-26 and 2026-27.

For the boarding provider grants, the number of students were estimated and multiplied by the grant funding amount required per student as per *Key assumptions*.

Departmental expenses were estimated based on the cost of administering similar programs and then absorbed as specified. The PBO has not made an assessment on the impact of absorbing this program on the department's other activities.

Financial implications were rounded consistent with the PBO's rounding rules.¹

¹ <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

Data sources

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

The NIAA provided information regarding the Central Australia Boarding Response Fund, the Indigenous Boarding Providers Grant Program and the cost to administer grants.

Attachment A – Remote Indigenous student success boarding fund – Financial implications

Table A1: Remote Indigenous student success boarding fund – Fiscal and underlying cash balances (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Expenses													
Administered													
<i>Capital infrastructure funding</i>	-50.0	-50.0	-	-	-	-	-	-	-	-	-	-100.0	-100.0
<i>Boarding provider grants</i>	-	-3.1	-6.3	-6.5	-6.7	-	-	-	-	-	-	-15.9	-22.6
Total – administered	-50.0	-53.1	-6.3	-6.5	-6.7	-	-	-	-	-	-	-115.9	-122.6
Departmental													
<i>Departmental</i>	-0.7	-0.9	-0.3	-0.3	-0.3	-	-	-	-	-	-	-2.2	-2.5
<i>Departmental - reprioritisation</i>	0.7	0.9	0.3	0.3	0.3	-	-	-	-	-	-	2.2	2.5
Total – departmental	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (excluding PDI)	-50.0	-53.1	-6.3	-6.5	-6.7	-	-	-	-	-	-	-115.9	-122.6

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

Table A2: Remote Indigenous student success boarding fund – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<i>Fiscal balance</i>	-1.1	-3.4	-4.9	-5.4	-5.9	-6.4	-6.6	-6.9	-7.3	-7.6	-8.0	-14.8	-63.5
<i>Underlying cash balance</i>	-0.8	-2.9	-4.5	-5.3	-5.8	-6.2	-6.6	-6.9	-7.2	-7.5	-7.9	-13.5	-61.6

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary².
- (b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

² [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au/)