



*everyone's family*

# **Submission to the Senate Standing Committee on Community Affairs Reference Group on Income Inequality**

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The Smith Family welcomes the opportunity to provide a submission to this Inquiry. The focus of this submission is on disadvantaged children, young people and their families. It will particularly address: the impact of inequality on their access to education and work and on the quality of outcomes achieved; the impacts of inequality on different groups of disadvantaged children and young people, including those from Aboriginal and Torres Strait Islander backgrounds; and the practical measures that could be implemented to address inequality.

### **Principles of social services investment**

Early intervention and prevention principles and practices should underpin efforts to address inequality and improve a range of outcomes, including educational. Early intervention is by far the most cost effective approach to ensuring people are able to gain the skills needed to participate.

### **Collective impact**

The goal of reducing inequality requires concerted and coordinated cross-sectoral efforts, involving governments, community, business and the philanthropic sectors if it is to be realised. A collective impact approach which includes: a common agenda, shared measurement, mutually reinforcing activities, continuous communication and ongoing cross system support, has significant potential to contribute to the goal of improving outcomes for children and young people and reducing inequality.

### **The importance of education**

Education is critical in addressing inequality. Educational attainment is an important predictor of a citizen's future health, employment and welfare prospects and it improves their ability to contribute socially and economically in the community (Victorian Auditor General, 2012). Higher levels of education are associated with economic benefits, including increased employment opportunities and higher incomes (OECD, 2013).

Many young people living in low income families face a range of challenges that impact on their engagement in education and post-school education and employment. This includes limited economic resources to apply to educational activities, a lack of home access to technology, limited participation in out-of-school activities, the need to juggle a range of family responsibilities and limited networks of support.

Educational outcomes in Australia vary considerably according to a range of factors such as family characteristics, where a person lives and for children and young people of school age, the size of school they attend and the mix of students in their school.

Differences in children's educational and developmental outcomes emerge very early on, and continue through school and post-school transitions. In Australia's most disadvantaged communities, 41.7% of young people aged 17 to 24 years are not fully engaged in work or study. This significantly impacts on their capacity to achieve a reasonable and sustained income.

### **Pathways out of intergenerational disadvantage**

The clearest pathway to addressing inequality, inter-generational disadvantage and welfare dependency is to support children and young people to develop the knowledge, skills, attitudes and behaviours that set them up for participating in the complex employment market of the 21<sup>st</sup> century. Education is the key enabler of economic and social participation. Improving school attendance, Year 12 completion and post-school transitions is critical to addressing inequality.

### **Improving school attendance and Year 12 completion**

Strong school attendance throughout childhood and adolescence is a key to ensuring young people achieve at school and in turn complete Year 12 and transition to further employment, education or training. Improving school attendance of Aboriginal and Torres Strait Islander students has become a major focus for the Commonwealth Government, through its Remote School Attendance Strategy. This is welcome, however the scope of the approach is limited geographically and does not go beyond Aboriginal children. A high proportion of Aboriginal children live outside remote areas and there are many other children and families, particularly those from low SES backgrounds, who struggle to attend school for a range of reasons. This is an area where we believe more can be done from a policy and programmatic perspective which will in turn contribute to the broader goals of reducing disadvantage.

### **Improving post school transitions**

Stronger cross jurisdictional and cross sectoral collaboration will be required if there is to be significant improvement in the number of young people successfully taking up employment and/or post school education and training. There also needs to be greater alignment between education, employment and community services systems.

Improving young people's employment pathways requires attention to both demand and supply factors. Many young people, particularly those from disadvantaged backgrounds, need support to navigate the increasingly complex school to employment pathway. Demand-led initiatives which start with the employer and work backwards to prepare and match jobseekers to jobs is also important.

Initiatives aimed at improving transition pathways for young people, are best delivered through partnerships involving schools, industry groups, employers, educational institutions and/or community organisations. Given the intersecting sectors involved in the issue and the size of the challenge facing Australia, no one sector or institution alone can take responsibility for addressing it.

The Smith Family strongly believes there is a need for the Commonwealth to go beyond its current policy and programmatic efforts in the youth transitions area. It sees the need for the Commonwealth to develop a national program aimed at improving young people's pathways to employment. The program should include a focus on both supply and demand, work across the school, business and community sectors and draw on the experience of successful initiatives such as *Work Inspiration* and the *School Business Community Partnership Brokers*.

### Practical examples

There are a range of existing initiatives that are helping to reduce disadvantage. Examples include:

- *Student to Student* – an early intervention peer reading program which has been operating since the late 1990s. Over 9 in 10 students increase their reading age over the course of the program, with the results similar across population groups, including Aboriginal and Torres Strait Islanders and those from non-English speaking backgrounds.
- *Learning for Life* – a long term educational scholarship which provides targeted support (financial and programmatic) to low income families to help their child stay engaged in education. Parental engagement is at the core of the program and it has a strong focus on school attendance.
- Programs supporting young people's improved post-school transitions such as *Work Inspiration* and *School Community Partnership Brokers*. Both use a partnership approach which leverages cross sectoral resources.
- *Tech Packs* – which provides low income families with home access to a computer and the internet as well as computer skills training for parents.

All of these initiatives are early intervention and focus on supporting children and young people to achieve educational and employment outcomes. They are cost-effective, drawing as they do on a range of cross-sectoral resources and skills. They are already delivered at scale using the national footprint of The Smith Family. Initiatives such as these could be relatively easily expanded to support more children and young people through increased investment, including from governments. As such they have the potential to significantly contribute to reducing inequality and disadvantage in Australia.

## B. INTRODUCTION AND CONTEXT

The Smith Family welcomes the opportunity to provide a submission to the Senate Standing Committee on Community Affairs' Inquiry on the extent of income inequality in Australia. Our submission will particularly address three of the Terms of Reference of the inquiry, namely:

- b. the impact of income inequality on access to (health, housing), education and work in Australia and on the quality of outcomes achieved.
- c. the specific impacts of inequality on disadvantaged groups within the community, including Aboriginal and Torres Strait Islander peoples, older job seekers, people living with a disability or mental illness, refugees, single parents, those on a low income, people at risk of poverty in retirement, as well as the relationship between gender and inequality.
- f. the practical measures that could be implemented by Governments to address inequality, particularly appropriate and adequate income support payments.

### The Smith Family

The organisational context for these comments is of a national, independent charity committed to increasing the educational participation and achievement of Australian children and young people in need. Established more than 90 years ago, we are Australia's largest national education-oriented charity.

The Smith Family forges relationships with disadvantaged families prior to children starting school and continues to provide various types of support for children (and their parents/carers), beyond the end of their formal school education. A large proportion of those we support are Aboriginal and Torres Strait Islander peoples.

In 2013, The Smith Family supported more than 112,000 children and young people and their parents/carers through its programs across 96 communities in every State and Territory. Over 34,000 children and young people were supported through a long-term *Learning for life* educational scholarship, including more than 5,000 who identify as Aboriginal and Torres Strait Islander peoples. Fifty five percent of families with children on a *Learning for Life* scholarship are one parent households.

Research and evidence-based practice underpins all our work. We have a clear outcomes framework for all programs (see Attachment 1). In particular with our *Learning for Life* students, we are tracking three key outcomes over time:

- School attendance
- Completion of Year 12 or equivalent
- Post school engagement in employment or further education.

At the core of our work is a partnership approach. We have extensive cross-sectoral partnerships including with 128 corporate partners, 72 Trusts and Foundations, 20 universities and numerous non-government organisations. We have strong relationships with over 500

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partner schools with whom we are working on a set of shared objectives focused on improving the education and wellbeing outcomes of children and young people. We act as a bridge between families, education and community services as well as the broader community and business.

Our strong expertise in strengthening community resilience and capacity includes being a facilitating partner for nine of the Commonwealth Government's *Communities for Children* sites. This includes a number of the sites where there has been an intensive focus on more vulnerable groups. Our annual revenue is around \$76 million, of which around a third is from government.

As the Victorian Auditor General notes (2012, p vii): Educational attainment is an important predictor of a citizen's future health, employment and welfare prospects - and it improves their ability to contribute socially and economically in the community.

Higher levels of education are associated with economic benefits, including increased employment opportunities and higher incomes (OECD 2013). Australian data shows that compared to completion of Year 11, the completion of Year 12 increases young women's earnings by 9% and young men's earnings by 20%. Completion of a Bachelor degree increases young women's earnings by 37% and young men's earnings by 59% (Watson 2011).

### **Educational outcomes**

Given the clear link between educational outcomes and income, understanding Australia's educational performance, both at the aggregate level, and for different groups of Australians, is critical. Educational outcomes in Australia vary considerably according to a range of factors such as family characteristics, where a person lives and for children and young people of school age, the size of school they attend and the mix of students in their school.

### **Starting school**

Differences in children's educational and developmental outcomes emerge very early on, with one in five children starting school behind in one of more key areas. For children living in Australia's most disadvantaged communities, the figure is one in three. Children who start school behind are more likely to be in the bottom 20% of students' scores on NAPLAN across primary and secondary school (AEDI Research Snapshot).

### **NAPLAN**

National data clearly highlights that significant proportions of children and young people are not meeting even the national minimum standards under NAPLAN. For example:

- Year 3 – eight percent of students from low SES background and 16% of those from Aboriginal and Torres Strait Islander background, do not meet the national minimum reading standard.
- Year 9 - 18% percent of students from low SES background and 32% of students from Aboriginal and Torres Strait Islander backgrounds do not meet the national minimum numeracy standard.

### **Year 12 completion**

Patterns of poor achievement are set early and achievement, (or the lack of it), in turn influences the likelihood of Year 12 completion and the ability to make a successful post-school transition. While just over 93% of 20 to 24 year olds in the most advantaged socio-economic areas complete Year 12 or equivalent, only 74% of young people in the most

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disadvantaged areas do. The figure for Aboriginal and Torres Strait Islander students is 54%.

### **Post school engagement in work or study**

The overall proportion of young people aged 17 to 24 years not fully engaged in work or study is high at more than one in four (27.3%). However, as with Year 12 completion this figure is much higher in Australia's most disadvantaged areas – 41.7% compared to 17.4% for those living in the most advantaged areas. For Aboriginal young people the figure is 60.6%.

### **Consequences of poor educational outcomes on employment and income**

The consequences of poor educational outcomes on employment and in turn on both an individual's level of income and the certainty of that income, is very significant. For example, Aboriginal and Torres Strait Islander peoples are much less likely to be employed compared with other Australians (44% and 71% respectively, see Table 3, Karmel et al 2014) and to have lower income (67% of Aboriginal and Torres Strait Islander women compared with 58% of other women have a personal weekly income of less than \$600 (ABS, 2011).

Addressing these key educational and employment differentials is key to reducing income inequality.



This section aims to provide the Committee with insights on the lives of disadvantaged young Australians, drawing on both the research and practice experience of The Smith Family.

The circumstances of young Australians living in low income families can be complex and diverse and result in many struggling to stay engaged in education. Low income can significantly impact on the capacity of families to support their children's education and their ability to provide the range of resources both at home and for school, which are a pre-requisite for education in the 21<sup>st</sup> century.

Fourteen percent of Australian children are living in households that receive less than 50% of the Australian median household income. Further, it is estimated that in 2010 around 206,000 families with 370,000 children were deprived of at least two essential child items (Saunders 2011). This included items such as being able to participate in school activities and outings or having up-to-date schoolbooks and new school clothes.

### **The *Making a difference* research**

Insights on the experiences of young people living in economic adversity are provided by the *Making a Difference*<sup>1</sup> research, which was led by the Social Policy Research Centre at the University of NSW and in which The Smith Family was a key partner. It interviewed a large number of 11 to 17 year olds living in low income families. These interviews highlighted that many of these young people were missing out on key educational opportunities such as school camps, excursions and sport and recreational activities, due to the limited finances of their families. These activities provide opportunities for new skills to be learnt and practised and for young people to develop their confidence and leadership and social skills. They're also an important part of 'fitting in' with peers and sharing common experiences.

A number of the young people also consciously chose less expensive subjects at school, particularly elective subjects which can attract additional costs (eg for materials), as a way of easing the pressure on their family's household budget. This meant they sometimes chose subjects they weren't particularly interested in, or ones which didn't match their natural skills and abilities. This in turn made them more vulnerable to early disengagement with school.

The research highlighted that while many of the young people had complex and diverse family circumstances, family was very important to most of them. Many of them took on caring roles within their families (both for siblings, parents and other family members) and participated in part-time employment. This sometimes put pressure on their capacity to

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<sup>1</sup> Skattebol J et al (2012) *Making a difference: Building on young people's perspectives of economic adversity*

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stay engaged in education. They were however more likely to stay engaged in education if schools interacted with their families in a respectful and inclusive way.

Many of the young people lived in communities where there were few educational and employment opportunities and they had limited access to the wider networks of people and resources which are known to be important for long term economic and social participation. In these types of communities it can mean that young people have more limited opportunities to participate in career opportunities, quality work experience and other initiatives which play a critical role in positive post-school transitions.

### Access to technology

Access to technology, including both home computers and the internet, is now seen as a key resource for young people's participation in education. They serve as an educational tool (eg for accessing information and completing assignments), a platform for key skills acquisition and a means of communicating between school and home.

The Smith Family's analysis of the Australian Bureau of Statistics' (ABS) 2012 *Children's Participation Survey* shows that in Australia's most disadvantaged communities<sup>2</sup>, only 67.8% of children aged 5 to 14 years accessed the internet at home over a 12 month period. This compares with 90.5% of children in the most advantaged communities<sup>3</sup>. Other research by the ABS, shows that 85% of children in this age range who used the internet at home, did so for educational purposes. The assumption that all children and young people have access to resources such as computers and the internet is therefore not accurate. This is also confirmed by The Smith Family's experience working with disadvantaged families across the country.

The more limited access to technology that many young disadvantaged Australians experience can impact their acquisition of digital literacy skills and the educational outcomes they achieve. This in turn can effect their post school pathways, their ability to secure employment, the nature of that employment, and their income.

Students' digital literacy is assessed both nationally through NAPLAN, and internationally through the Programme for International Student Assessment (PISA). NAPLAN data shows that parental education and occupation have a large effect on students' information and community technology (ICT) literacy. Among Year 6 students, 44% of those whose parents had attained Year 10 at school, reached or exceeded the proficiency standard, compared to 79% among those who had at least one parent with a university degree. For students in Year 10 the corresponding figures were 54% and 78% (ACARA, 2011).

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<sup>2</sup> The bottom quintile of Australian communities, using the Index of Relative Socio-Economic Advantage and Disadvantage (IRSAD).

<sup>3</sup> The Smith Family (2013) *Sport, culture and the internet: Are Australian children participating?*

### Participation in activities outside of school<sup>4</sup>

Participation in sport and cultural activities, including outside the school environment, provides children with opportunities to develop in a range of areas, including physically, socially, emotionally and cognitively. These activities: enhance social competence, sense of confidence and wellbeing; support skills development including the ability to work in teams; boost connection to peers; and strengthens children's belief in what they can achieve. They also provide opportunities for children to build networks with a diversity of people, which can contribute to social inclusion. They offer exposure to the positive influence of non-parental adults, such as coaches and tutors, enabling young people to expand the networks of people they can draw on to support their development. These networks can potentially be utilised in a variety of ways, well beyond the direct sporting or cultural activity the young person is involved in. This includes support with careers, post-school transitions and employment.

Longitudinal research with young people aged 12 to 14 suggests that those who participated in a greater variety of sport and cultural activities had higher levels of academic self concept, general self-worth and social self-concept.<sup>5</sup> These concepts are important for achieving educational outcomes. Importantly, research involving adolescents suggests participation in these types of activities is particularly beneficial to those from more economically disadvantaged backgrounds.

Despite the extensive benefits to children and young people of participating in sport and cultural activities, analysis of the ABS' 2012 *Children's Participation Survey* shows that in Australia's most disadvantaged communities, 47% of children aged 5 to 14 years did not participate in any of these activities outside of school over a 12 month period. This compares with 13% of those from the most advantaged communities. Potential reasons for this lack of participation include the costs of participating, limited access to such activities, a lack of family knowledge of the benefits of participation and a lack of confidence in accessing them. This lack of participation can have negative short and longer term impacts.

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<sup>4</sup> This section draws heavily on The Smith Family's research report *Sport, culture and the internet: Are Australian children participating?* which can be accessed at <http://www.thesmithfamily.com.au/~media/Files/Research%20and%20Advocacy%20PDFs/Research%20and%20Evaluation%20page%20PDFs/participation-research-report-june2013.ashx>

<sup>5</sup> Academic self concept is measured with items such as 'I have the ability to be good at most school subjects if I try'. General self worth is measured with items such as 'A lot of things about me are good'. Social self-concept is measured with items such as 'I am very good at making friends'.

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In summary, many young people living in low income families face a range of challenges that can impact on their engagement in education and post-school education and employment. This includes limited economic resources to apply to educational activities, including the subjects they are most interested in, a lack of home access to technology, limited participation in out-of-school activities, the need to juggle a range of family responsibilities and more limited networks of support.

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In considering the practical measures that could be implemented by Governments to address inequality, there is merit in identifying what principles might underpin efforts to address inequality and improve a range of outcomes, including educational. The Smith Family would draw attention to the approach recently taken by the Queensland Government in the development of its *Social Services Investment Framework*.

This Framework identifies a number of principles, including:

- Customers first – designing outcomes focused services around the needs of individuals, families and communities and taking a holistic approach to service delivery
- Partnership – including between and across Government agencies, the social service sector, private sector and the community
- Balanced investment – with a focus on early intervention and prevention
- Transparency – about decision making and how funding is used
- Accountability – monitoring measurable objectives and evaluating the effectiveness of initiatives
- Value for money – the most appropriate strategies to ensure delivery of the best outcomes by assessing value against cost
- Contestability – ensuring the best solution at the best possible price is being provided, encouraging more efficient and innovative service delivery, balancing the need to plan services on a long-term basis with incentives to bring about continuous improvement.
- Proportionality – necessary accountability requirements proportionate to the investment and a fair allocation of resources at an individual level, relative to the needs of others.

### Early intervention and prevention

The Smith Family also notes that early intervention is by far the most cost effective approach to ensuring people are able to gain the skills needed to participate. Dealing with a problem earlier in its lifecycle is more effective and generally requires a less intensive approach than more deeply entrenched issues.

The Smith Family would therefore encourage the Committee to consider how key principles of early intervention and prevention and the practices that underpin it can be applied to all areas of Government service. These include:

- adopting whole of community approaches, engaging the skills and resources of all parts of the broader community to address the issue. These initiatives should be led by agencies other than government.
- review processes for existing policies and programs to consider whether there are prevention and early intervention alternatives that may generate better outcomes for the investment.

- ensure that funded program approaches are grounded in evidence of effectiveness
- in planning for policy development and new program approaches, ensure that linkages with other approaches across agency and inter-government have been considered.

### A collective impact approach

The Smith Family strongly endorses the Committee's emphasis on all Governments having a role to play in addressing inequality – no one level of government alone will be able to address this issue. We would go further to suggest that this goal will require concerted and coordinated cross-sectoral efforts, involving government, community, business and the philanthropic sectors if it is to be realised. This in turn would be of economic and social benefit to individuals, families, communities and the nation as a whole.

The Smith Family would draw the Committee's attention to the merits of a collective impact approach. The conditions of collective impact, as articulated by John Kania and Mark Kramer (Stanford Social Innovation Review) are:

- Common agenda – a shared vision for change, common understanding of the problem and a joint approach to solving it through agreed actions
- Shared measurement – collecting data and measuring results consistently across all participants
- Mutually reinforcing activities – activities are differentiated while still being coordinated through a mutually reinforcing plan of action
- Continuous communication – consistent and open communication across the many players to build trust, assure mutual objectives and create common motivation
- Backbone support – creating and managing collective impact requires separate staff with a set of skills to serve as a backbone for the entire initiative and coordinate participating organisations and agencies.

The Smith Family is a partner with a broad range of government, non-government and research organisations, on an Australian Research Council Linkage grant that is applying a collective impact approach in some *Communities for Children* sites in NSW and Queensland. Led by Professor Ross Homel of Griffith University, the project is focussing on strengthening the capacity of the systems which support children's wellbeing.

The project's longer-term goal is to strengthen the Commonwealth *Communities for Children* program as a prevention delivery system in order to transform the environments in which children grow up and improve their short and long-term outcomes, in a way which is cost-effective and sustainable.

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This is clearly a very ambitious goal but it builds on the existing successful platform of *Communities for Children* – the 2009 evaluation showed for example that in *Communities for Children* sites parents reported more positive parenting practices and fewer children were living in jobless households. The project has also garnered a very strong coalition of organisations and expertise: Griffith University, Pennsylvania State University Prevention Research Centre, Department of Social Services, NSW Department of Families and Community Services, NSW Department of Education, Children's Health Queensland, Queensland Department of Education Training and Employment, Mission Australia, The Benevolent Society, The Smith Family, Wesley Mission Brisbane, Australian Primary Principals Association and the Parenting Research Centre.

The principle of collective impact, when implemented along the lines articulated by Kania and Cramer, holds considerable promise for strengthening community resilience and capacity, particularly in disadvantaged communities, and in turn improving the outcomes of children, young people, families and communities. In the longer term this will undoubtedly positively contribute to the overall goals identified by this Inquiry.

The Smith Family would argue that the clearest pathway to addressing inequality, inter-generational disadvantage and welfare dependency is to support children and young people to develop the knowledge, skills, attitudes and behaviours that set them up for participating in the complex employment market of the 21<sup>st</sup> century. Below are a range of practical measures that are improving children and young people's outcomes and setting them up for long-term social and economic participation.

### **Early intervention to improve reading skills: *Student to Student***

One effective and highly scalable early intervention initiative is The Smith Family's *Student to Student* program. It recognises that children who struggle with literacy early in their schooling, if left unsupported, will continue to find all aspects of their schooling difficult and are more likely to drop out before completing Year 12. This in turn is more likely to result in them being unemployed or in precarious employment and unable to secure a reasonable income.

The Smith Family has been running *Student to Student* since the late 1990s, in order to support disadvantaged children who are behind in their reading. The program is a peer-reading program which supports young people from Years 3 to 8 who are up to two years behind in their reading. It aims to address skills gaps before they require costly and less effective remediation efforts.

Students are matched with a trained reading buddy who is at least two years older than them and is a good reader. They connect by phone two to three times a week over an 18 week period, for at least 20 minutes at a time. The student reads to their buddy from books provided by The Smith Family which are appropriate to the student's reading level. It takes place in the home, strengthening the home learning environment and eliminating the need for students to travel to participate in the program.

The outcomes data from the program have been consistently strong. In 2012, 93% of students showed an increase in their reading age relative to the start of the program, with two thirds improving by more than six months. The results were similar across population groups, including for Aboriginal and Torres Strait Islander students and those from non-English speaking backgrounds.

As with all of The Smith Family's programs, it leverages a range of community and corporate resources to implement *Student to Student*. This includes through the volunteer buddies and corporate partner Optus. It is a good example of harnessing expertise and resources from the corporate and philanthropic sector to drive innovative solutions. As a result of this support and using The Smith Family's capacity to coordinate large-scale program delivery, the program costs around \$1,100 per student to run. It is this type of effective, cost-efficient and innovative program which could easily be scaled as a means



of contributing to the gaps in foundational skills evident from NAPLAN and other data. In turn this would contribute to reducing the likelihood of young people not completing Year 12, making positive post school transitions and being able to secure a reasonable income.

### **School attendance, achievement and Year 12 completion**

There is now strong evidence of the link between school attendance and achievement, and in turn Year 12 completion. Relative disadvantage is associated with poorer school attendance from the beginning of formal schooling. Students in schools with a lower socio-economic index, Aboriginal students, students who are highly mobile and those whose parents have lower levels of education and occupational status, all have lower levels of attendance on average (Hancock K et al 2013). Addressing these attendance gaps is critical to improving Year 12 completion rates and in turn, setting up young people to make post school transitions to employment or further education.

Improving school attendance of Aboriginal and Torres Strait Islander students has recently become a major focus for the Commonwealth Government, through its Remote School Attendance Strategy. It is also a focus of a number of state and territory governments. This focus is welcome, however the scope of the Commonwealth approach remains relatively limited geographically and does not go beyond Aboriginal children. A high proportion of Aboriginal children live outside remote areas and there are many other children and families, particularly those from low SES backgrounds, who struggle to attend school for a range of reasons. The Smith Family notes that it is relatively early in the implementation of the Commonwealth's efforts in regards to its Remote School Attendance Strategy to be certain of the effectiveness of the approach, even though there have been some indications of promising results to date.

### ***Learning for Life***

The Smith Family believes more can be done to improve school attendance from a policy and programmatic perspective, which in turn would result in better educational outcomes being achieved. We would draw the Committee's attention to our *Learning for Life* scholarship program which provides targeted support, including financial support, to low income families with the goal of encouraging their children to complete their education and transition to post school employment or further education. The program is highly targeted, with participating families needing to have a Health Care Card or be on a pension.

The financial support is provided twice a year for use on a range of educational expenses, such as uniforms, books and excursions. In addition, each family receives the support of a Smith Family staff member and access to a range of programs from the early years to

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tertiary level<sup>6</sup> to help ensure their child is attending school and remaining engaged in education.

Parental engagement is at the core of the program, as parents/carers enter into a formal agreement with The Smith Family that acknowledges a mutual commitment to supporting the young person's long term participation in education. This reciprocity is reinforced throughout the program, both formally and informally, including through biannual compliance requirements.

The program has a very strong focus on school attendance and this is monitored on a regular basis, with The Smith Family staff working with families and schools to address barriers that may be inhibiting attendance.

The scholarship program is a place-based initiative, with our efforts scaffolded onto the social and physical assets of the community. We leverage and coordinate the skills and resources of more than 7,000 volunteers, and partnerships with educational institutions, community organisations, philanthropy and businesses, to deliver the program. This contributes to both its effectiveness and efficiency. It is an example of how the expertise and resources of corporates and philanthropic investors and others, can be harnessed to drive effective solutions in disadvantaged communities.

It is currently almost entirely funded from non-government sources and an indicative annual investment to support 300 young people and their families in a community through the program is approximately \$340,000 per annum. This is a very modest investment relative to expenditure across the social services portfolio.

In summary, from a policy perspective, the *Learning for life* program:

- is a cost effective way of supporting families in need with the cost of their children's education
- has a strong focus on school attendance and implements a range of family and community-tailored strategies to improve attendance
- is based on the principle of mutual responsibility and accountability
- is already being implemented at scale using a place-based approach which efficiently harnesses a range of resources
- could be further expanded relatively easily if funds were available.

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<sup>6</sup> These include literacy and numeracy programs, mentoring, learning clubs, career activities and creative enrichment programs. These programs build foundational skills, as well as enhance aspirations and confidence and expand the networks and resources young people can draw on, in particular around education, careers and employment.

### Improving transition pathways for young people

Given the data provided earlier on the proportion of young people who are not fully engaged in work or study, The Smith Family believes this issue must be addressed if there's to be any hope of reducing income inequality.

Stronger cross-jurisdictional and cross sectoral collaboration will be required if there is to be significant improvement in the number of young people successfully taking up employment and/or post school education and training. Policy and programmatic approaches which take account of, but are not hampered by, the respective jurisdictional responsibilities for education, employment and community services are needed if we are to make serious progress on this key economic and social indicator.

Attention to both demand and supply factors is required with many young people, particularly those from disadvantaged backgrounds, needing support to navigate the increasingly complex school to employment transition. There is considerable evidence for example, that there is often a sizeable gap between what children and young people aspire to be in adulthood and their knowledge of the steps they need to take to get there.<sup>7</sup>

From The Smith Family's experience, key components to supporting disadvantaged young people to make a successful transition, include:

- supporting young people to understand their interests, skills and abilities.
- structured career development activities such as skills mapping and transferability, researching and analysing specific jobs and required qualifications and work experience, and identifying alternative TAFE, university and/or apprenticeship pathways.
- exposure to meaningful and inspiring employment and workplace learning.
- mentoring programs and experiential careers days that allow young people to explore and discuss a wide range of potential learning and work experiences.
- supporting parents to better assist their child with the school to employment transition. For parents whose experience is limited to low-skilled and low paid occupations or who have limited labour market experience, especially in the Australian context, it is important to strengthen their skills, capacity and knowledge to provide well-informed and supportive employment and career advice to their children.

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<sup>7</sup> Beavis et al, 2004, cited in Skattebol J et al, 2012, *Making a difference: Building on young people's experiences of economic adversity*.

Demand-led initiatives which start with the employer and work backwards to prepare and match jobseekers to jobs is also a key dimension. Engaging employers in the design and delivery of initiatives that lead to employment, including work experience, is a critical part of improving Australia's capacity to create sustainable jobs.

Initiatives aimed at improving the supply and demand sides of the employment equation for young people, are best delivered through partnerships involving schools, industry groups, employers, educational institutions and/or community organisations. Given the intersecting sectors involved in the issue and the size of the challenge facing Australia, no one sector or institution alone can take responsibility for addressing it. There is a need for example, for work to be done with employers regarding future labour market needs and potential skills shortages at the local level. There is evidence too that schools and employers can find it difficult to work together, despite the best of intentions, because of the very different ways their sectors operate and their respective needs. In contrast, when schools and businesses are supported to develop strong and mutually beneficial initiatives, there can be significant improvements for young people's pathways to employment.

### ***Work Inspiration***

There are a number of initiatives which highlight what can be achieved to improve young people's transitions, but these need to be more widely available. One such example is the *Work Inspiration* program, which is a joint initiative of the Foundation for Young Australians, The Smith Family and National Australia Bank. It is an employer-led campaign that aims to ensure that young Australians' first experience of work is meaningful and inspiring. The approach has been well received by the participating employers and the young people and schools involved.

There are a range of examples of how *Work Inspiration* is contributing to the improved employment prospects of young Australians. This includes the **Yamaha Student Grand Prix** initiative which has seen a cross-sectoral collaboration work to address a skills shortage in the area of marine and motorcycle mechanics. The initiative has provided students in Year 9 with first-hand experience of these industries and had significant buy in from Yamaha Motor Australia, their associated dealerships, other industry players, schools, students and their parents. The local TAFE is re-thinking its training course and extending its offerings for this industry, as a consequence of their involvement. As the Interim Report on the Review of Welfare (2014) has noted, *Work Inspiration* has 'proven to positively engage students who are at risk of becoming disengaged from school, or face other barriers to education and employment' (p. 104).<sup>8</sup>

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<sup>8</sup> Further information on Work Inspiration is available is available at <http://www.thsmithfamily.com.au/~media/Files/Research%20and%20Publications/Research%20and%20Advocacy%20PDFs/Research%20and%20Evaluation%20page%20PDFs/work-inspiration-Aug-2013.ashx>

The *School Business Community Partnership Brokers* program<sup>9</sup>, of which The Smith Family is a provider in six regions across Australia, has also generated significant local partnerships which have successfully tested solutions to identified education and employment gaps and intractable long-standing community problems. The partnerships have been developed and undertaken in ways which are of mutual benefit to young people, employers and schools. They have built the capacity of communities to work together to improve young people's transitions to employment. Examples of the partnerships created include:

- **Young Entrepreneurs Program** – run in partnership with the ANZ bank, this initiative has targeted disengaged young people in Year 10. 80% of the 130 participants have returned to or continued at school as engaged students, transitioned to post-school studies, or entered the workforce in the Vocational Education and Training (VET) area.
- **Industry Jobs and Pathways CD and Career Hunter App** – this partnership has seen the creation of an Australian Industry Facts and Job Pathways CD and App that provides young people, their parents and teachers with up-to-date information on the 19 industries that make up the Australian workforce, in a format that is easy to use. This information includes size of industry, required job qualifications and expected employment growth areas and it has had very significant take-up.
- **The Jack Martin Community Centre, Toowoomba** – after lying dormant for well over a decade this Community Centre has now been fully redeveloped and is operating as a centre for community, education, training and employment-related activities, led by the local Aboriginal and Torres Strait Islander community.

The *Work Inspiration* and *School Business Community Partnership Brokers* programs have demonstrated the capacity and the need for cross-sectoral initiatives that positively impact on improving educational and employment pathway outcomes for young people. This is despite the relatively short timeframe in which both programs have been operating. These outcomes could not have been achieved by one jurisdiction or sector operating alone. Nor could the current (or potentially anticipated) design of Australia's employment services realise these types of partnerships.

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<sup>9</sup> Originally funded by the Commonwealth Department of Employment, Education and Training, now the Department of Education. Funding ceases at December 2014.

The Smith Family strongly believes there is a need for more policy and programmatic efforts in the youth transitions area, including at the Commonwealth level. It sees this as a critical component in addressing long term disadvantage. It therefore urges the Committee to consider recommending the Commonwealth develop a national program aimed at improving young people's pathways to employment. The program should include a focus on both supply and demand, work across the school, business and community sectors and draw on the experience of successful initiatives such as *Work Inspiration* and the *School Business Community Partnership Brokers*.

### **Enhancing digital literacy – *Tech Packs***

As noted earlier, significant numbers of disadvantaged children and young people do not have access to a computer and the internet at home and this can impact on their educational outcomes. Parents in many low income families may also have limited digital literacy skills, further limiting their capacity to support the development of their children's skills in this core area. The Smith Family's *Tech Packs* program helps to address this issue.

*Tech Packs* provides affordable, refurbished, internet-ready computers and internet access to disadvantaged families around Australia. Participating families receive eight hours of skills training with an accredited trainer and 12 months of free internet access and technical support to ensure they get the most out of using the equipment.

We partner with corporate organisations who provide funding to support the program, and computer refurbishing organisations who provide the hardware and technical support to families. Since 2007, we have delivered almost 4,000 *Tech Packs* to families. Regular evaluations of the program show that there are positive changes for parents and their children in both skills and personal development. Participants also report increased feelings of social inclusion and connectedness.

*Tech Packs* is another example of a practical initiative which is building core skills and helping disadvantaged families access key technology. In turn it is contributing to breaking the cycle of long-term disadvantage.

## F. IMPROVING CHILDREN AND YOUNG PEOPLE'S OUTCOMES



everyone's family

Initiatives such as *Student to Student*, *Learning for Life*, *Work Inspiration*, *School Business Community Partnership Brokers* and *Tech Packs* are practical examples of the types of initiatives which are helping to address long term inequality. They are early intervention, and focus on supporting children and young people to achieve educational and employment outcomes. They are cost-effective, drawing as they do on a range of cross-sectoral resources and skills. They are already delivered at some level of scale using the national footprint of The Smith Family, but these types of initiatives could be relatively easily expanded to support more children and young people through increased government investment.

## G. REFERENCES

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## APPENDIX 1: THE SMITH FAMILY'S OUTCOMES MAP

### Programs contribute to short and longer term outcomes

