



*everyone's family*

# **Submission to the Senate Select Committee on School Funding Investment**

**March 2016**

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## The Smith Family

The Smith Family's mission is to create opportunities for young Australians in need by providing long-term support for their education. We are Australia's largest education-oriented charity and deliver programs in 94 communities across all states and territories. These communities are identified in the Appendix.

In the 2014-2015 financial year we supported around 125,000 disadvantaged children and young people, their parents/carers and community professionals. This included over 14,400 children, young people and their carers who are from Aboriginal and Torres Strait Islander backgrounds.

While we partner with many schools across Australia – including having formal partnerships with 500 and supporting students in 4,000 – our programs are in addition to what schools can provide. Most of our programs take place outside of school hours and many occur in the home, to help strengthen the critical home learning environment.

All of our programs are evidence based and we collect outcomes data on all programs, including longitudinal data which enables us to track students' progress over time.

Our income in financial year 2014-15 was \$86.8 million with less than \$23 million of that coming from Government – Commonwealth or State/Territory. Three quarters of our funding comes from non-government sources, including individual Australians, corporates, Trusts and Foundations and our commercial recycling operation.

The above background on The Smith Family is the context for the comments below.

## The importance of education

There is extensive research highlighting the importance of educational outcomes for individuals and nations. Educational attainment is an important predictor of an individual's future employment, health and welfare prospects.<sup>1</sup>

Young people who do not complete Year 12 or equivalent are at risk of a lifetime of economic and social disadvantage. Conversely, there is a positive correlation between increased individual learning and a reduction in the risk of future unemployment and long-term disadvantage.<sup>2</sup>

For nations, human capital is critical to GDP and a capacity to innovate, as well as to a range of social dimensions, such as community cohesion and the health of the population. Educational attainment has become even more important in the rapidly changing and technology-rich global world of the 21<sup>st</sup> century.

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<sup>1</sup> Victorian Auditor-General (2012) *Student completion rates*, Victorian Auditor-General's Office: Melbourne, p. vii.

<sup>2</sup> Victorian Auditor-General (2012) p.4.

## Australia's educational performance

A range of educational indicators highlight the significant challenges facing Australia regarding educational performance. These indicators cross all stages of children and young people's lives, including in the early years, school and post-school areas.

At the aggregate level these indicators include:

- 22% of Australian children do not meet key developmental milestones in the first year of school.
- 28.4% of Australian learners have not developed the core skills required to access educational opportunity in the middle years of schooling as identified by NAPLAN Year 7 reading results.
- About a quarter of young Australians do not attain a Year 12 or Certificate III equivalent by age 19.
- Around a quarter of Australians aged 24 are not fully engaged in education or work.<sup>3</sup>

The above statistics show that across all young Australians, a significant proportion - around a quarter - are not achieving important educational outcomes. Further analysis highlights that particular groups of students are most likely not to achieve these key outcomes.

- Children from the most disadvantaged backgrounds are more than twice as likely as their peers from the most advantaged backgrounds to not meet key developmental milestones in the first year of school.
- Students whose parents did not complete Year 12 are close to four times as likely as students who have a parent with a university degree to not achieve the core skills required to access educational opportunity in the middle years of schooling as identified by NAPLAN Year 7 reading results.
- About 40 percent of young people from the lowest socioeconomic backgrounds do not complete Year 12 or its equivalent by age 19.
- The gap between Aboriginal and Torres Strait Islander students and their peers regarding completion of Year 12 or its equivalent by age 19 is over 40 percent.
- Only 58.9% of 24 year olds from the lowest socioeconomic backgrounds are fully engaged in education, training or work, compared to 83.1% of those from the highest socioeconomic backgrounds.<sup>4</sup>

The above data highlights that large proportions of young people from low socioeconomic backgrounds and Aboriginal and Torres Strait Islander young people, are not achieving key educational milestones. Educational disadvantage in Australia starts early and continues throughout school and into post-school transitions.

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<sup>3</sup> Lamb S, Jackson J, Walstab, A & Huo S (2015) *Educational opportunity in Australia 2015: Who succeeds and who misses out*, Centre for International Research on Education Systems, Victoria University, for the Mitchell Institute: Melbourne

<sup>4</sup> Lamb et al (2015).

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Where a young person lives in Australia also influences their educational outcomes. Young people living in non-metropolitan areas, particularly those living in remote and very remote areas, achieve at much lower rates than their metropolitan peers. For example, 61.6% of 19 year olds living in remote parts of Australia have completed Year 12 or equivalent. This compares with 78.2% of those living in metropolitan areas.

Finally, research using both NAPLAN and PISA data shows the negative impact on educational outcomes of the concentration of students from low socioeconomic background within a school. All students, regardless of their personal socioeconomic background, perform considerably poorer in schools where there are high concentrations of students from low socioeconomic backgrounds.<sup>5</sup>

### **Targeted needs based funding**

The above data clearly highlights the importance of targeted needs based schools funding. This is vital if Australia is to improve its educational performance both at an aggregate level and to close the gap in educational performance which currently exists between advantaged and disadvantaged students.

Funding models which acknowledge the impact on student outcomes of Indigeneity, low socioeconomic background, English language background, disability, remoteness and the concentration of disadvantage are essential, if Australia's educational outcomes are to improve and keep pace with the demands of a 21<sup>st</sup> century world.

The quantum of funds provided by Governments to meet these needs is clearly important. Schools serving disadvantaged communities struggle to source funds from their school community (through for example fees) and from local businesses and their local community. This is because families attending these schools and the local community tend to have more limited resources available to them. This can include financial resources, as well as skills, expertise, networks and in-kind resources, which schools in more affluent communities are able to draw on.

Targeted funding based on student need is one of two essential components for improving the educational outcomes being achieved by young Australians. The second is how those funds are used.

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<sup>5</sup> Perry L & McConney A (2010) 'School socioeconomic composition and student outcomes in Australia: Implications for educational policy', *Australian Journal of Education*, vol. 54, pp 72-85.

## Using educational funding effectively

Australia has a long history of funding educational programs aimed at ensuring all young Australians achieve. A report by the Australian Council for Educational Research (ACER) in 2011 noted for example, that for financial year 2009-10, a conservative estimate of national aggregate funding of programs to address educational disadvantage was \$4.4 billion.<sup>6</sup>

The report also noted that “There were insufficient data available to establish to what extent existing programs are effective in reducing the impact of disadvantage on educational outcomes because few have been evaluated, and fewer still have been evaluated with student outcomes as a focus”<sup>7</sup>.

This conclusion highlights a key issue that must be addressed if Australia hopes to address the gaps in educational outcomes identified by the data reported earlier. The size of the gap in performance between different groups of students demands significant and ongoing investment – improvements are likely to be small and incremental and occur over multiple years. However critical to addressing that gap is not only the quantum of investment but using those funds effectively.

The ACER report highlights the need for much stronger attention to evaluation and research, focussing on student outcomes and including longitudinal evaluation which tracks how individual students perform over time. This is critical if Australia is to improve its overall educational performance and close the gap between advantaged and disadvantaged students.

Importantly the Commonwealth and the States and Territories have in recent years invested in a range of important data collections which can help to identify progress and areas of concern. This includes through the Australian Early Development Census and NAPLAN.

The Smith Family believes that this needs to be complemented by a stronger focus on assessing the impact of funds allocated to improve educational outcomes, particularly for students from disadvantaged backgrounds. There is also no central national clearinghouse in Australia which shares data and findings regarding educational initiatives. Such a clearinghouse would help improve both the effectiveness and efficiency of program spending. A clearinghouse would build the evidence base of what works in the Australian context to improve educational outcomes, facilitate greater take up of initiatives shown to be effective, build a culture of continuous improvement and learning and help limit ongoing investment in initiatives which have not been shown to improve outcomes.

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<sup>6</sup> Rorris A, Weldon PR, Beavis A, McKenzie P, Bramich M & Deery A (2011) *Assessment of current process for targeting of schools funding to disadvantaged students: A report prepared for the Review of Funding for Schooling Panel*, Australian Council of Educational Research: Camberwell.

<sup>7</sup> Rorris et al (2011).

## What works to improve educational outcomes

Below is a summary of some of what is known from the available evidence about what works to improve educational outcomes, particularly for disadvantaged children and young people:

- **Teachers** matter but they are not the only thing that matters.  
Professor John Hattie has shown that **students and their home/family** account for about 60 percent of the variance in student achievement outcomes. Teachers account for about 30 percent of this variance.<sup>8</sup> Australian governments have tended to place a very heavy emphasis on strategies aimed at improving teacher quality and far less emphasis on the factors outside the classroom which significantly impact on educational achievement.
- **Parental engagement**  
Parental engagement in children's learning is a **bigger predictor** of how children do in school than a family's socio-economic status. Students with engaged parents, no matter what their income or background is, are more likely to do well at school, graduate from school and go on to higher education. Parental engagement in learning is one tool that can help to close the gap in achievement between children of different socio-economic backgrounds.<sup>9</sup>
- **Balanced long-term early intervention**  
Nobel Economist, Professor James Heckman, has shown that efforts aimed at improving the educational outcomes of disadvantaged young people are most cost effective if they involve balanced long-term support across a young person's life. The same amount of investment distributed more evenly over the life cycle of a child produces more adult skills than a policy that focuses on one part of a young person's life, for example the early years or adolescence. A sustained and early intervention approach is far more cost effective than one-off or short term programs for young people, or remedial efforts aimed at preparing adults for the workforce.<sup>10</sup>
- **Shared responsibility**  
Advances in educational outcomes depend on shifting responsibility from educators alone to include not only parents, but also the different tiers of government and other organisations (non-government, corporate and philanthropy) that respond to the social and economic circumstances of families.<sup>11</sup>

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<sup>8</sup> Hattie J (2003) 'Teachers make a difference: What is the research evidence?' Paper presented at the *Australian Council for Educational Research Annual Conference on Building Teacher Quality*: Melbourne

<sup>9</sup> Fox S & Olsen A (2014) *Defining Parental Engagement*, ACT Department of Education and Training: Canberra.

<sup>10</sup> Cunha F & Heckman J (2007) 'The Technology of Skill Formation', *American Economic Review*, American Economic Association, Vol 97(2), pp. 31-47.

<sup>11</sup> Chenhall R et al (2011) *Parent-school engagement: Exploring the concept of 'invisible' Indigenous parents in three north Australian school communities*, The Northern Institute, Charles Darwin University: Darwin.

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Factors which have been identified as **not effective** in increasing engagement, achievement or completion rates for Indigenous students (and most likely other groups of students such as those from low socio-economic backgrounds) include:

- i. A **one size** fits all approach that either treats Indigenous students the same as non-Indigenous students or assumes that all Indigenous young people are the same.
- ii. **Short-term or piecemeal** interventions that are not funded adequately or implemented for long enough to make a significant impact.
- iii. Interventions that are adopted **without considering local needs** and collaborating with Indigenous communities.
- iv. Attempting to solve the problem of leaving school early without dealing with its **underlying causes** and providing sustained institutional support.<sup>12</sup>

In addition, Helme and Lamb (2011) noted the limitations of the available research, evaluation and evidence regarding programs targeting Aboriginal and Torres Strait Islander students. The same is true for programs targeting other groups of disadvantaged students:

- Much of the work undertaken has been short term and piecemeal, or has **not** been evaluated in a **robust** way.
- There is **insufficient longitudinal data** that tracks the progress of Indigenous individuals and accurately measures the effects of different approaches.
- Little information is available on the **conditions** needed for programs to work – including on the resources required, and the facilitators and inhibitors which influence successful implementation.<sup>13</sup>

### **The Smith Family's *Learning for Life* program**

As noted above, The Smith Family's programs are evidence based and we collect outcomes data on all programs, including longitudinal data which enables us to track students' progress over time. The largest of these programs is the *Learning for Life* educational scholarship program, which supports 34,000 highly disadvantaged children and young people a year. Close to 6,000 of those on the program are Aboriginal and Torres Strait Islander young people. *Learning for Life* is a good example of what can be achieved through a strong and sustained focus on research, evaluation and continuous improvement.

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<sup>12</sup> Helme S and Lamb S (2011) *Closing the school completion gap for Indigenous students*, Resource sheet no 6 for the Closing the Gap Clearinghouse, Australian Government: Canberra.

<sup>13</sup> Helme S and Lamb S (2011).

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The *Learning for Life* scholarship aims to improve the educational outcomes of highly disadvantaged children and young people and prepare them to participate economically and socially in the Australian community. Drawing on the research on what works to improve educational outcomes for disadvantaged children and young people, it is a balanced long-term approach which has parental engagement at its core.

Students can begin on the scholarship in the first year of school and continue right through school and tertiary education. It is complemented by early literacy and early mathematics programs (*Let's Read* and *Let's Count*) which support children to develop key skills, prior to starting school.

Over half of the secondary and tertiary students who are on the *Learning for Life* program have participated for six or more years. *Learning for Life* students attend disadvantaged schools in disadvantaged communities, with analysis of Department of Education data showing that, as a group, they are *more* disadvantaged than their peers in the same school.

*Learning for Life* has three integrated components:

- A **modest biannual payment** to families, to cover education related expenses, such as books, uniforms and excursions. Payments range from \$420 to \$679 per year depending on the student's school year level.
- A **Learning for Life Program Coordinator**, (a Smith Family staff member), who works with the family to support their child's long-term participation in education.
- **Programs** from the early years to the tertiary level to help ensure engagement in education. They include literacy and numeracy programs, mentoring, learning clubs and career activities. They build foundational skills, enhance aspirations and expand the students' networks around education, careers and employment. These shorter programs are tailored to different educational stages and student needs.

Each *Learning for Life* student is matched with a sponsor (an individual Australian who provides a regular contribution which assists with the student's educational expenses) and communicates with them by mail on a regular basis. The student-sponsor relationship contributes to the student staying engaged in education - having someone the student doesn't know invest in their education can be a powerful motivator for completing school.

**Parental engagement** is a core feature of the program. The Smith Family enters into a formal signed agreement with parents, which acknowledges a mutual commitment to supporting students' long term educational participation. The agreement is underpinned by the principles of reciprocity and high expectations regarding school attendance, school completion and post-school engagement in employment, training or further education.

The scholarship funds need to be spent on education related expenses and there are reporting arrangements which support this. As part of the agreement parents provide their child's school report to The Smith Family so that school attendance and engagement can be monitored and extra support provided if required.

*Learning for Life* is also underpinned by **community engagement**. Key to efficiently and effectively delivering the program at scale across Australia, are our extensive cross-sectoral partnerships. These include partnerships with over 500 schools, 137 corporates, 73 Trusts and Foundations, 25 universities and numerous non-government organisations. These partnerships are complemented by close to 8,000 volunteers who support our work.

### ***Learning for Life* program outcomes**

The students' long term participation on the program offers a significant opportunity to both track educational outcomes and better understand what is and isn't effective in this area. The three long-term measures of effectiveness for the program are:

- Improve school attendance over time to 90%
- Increase the proportion of students who advance to Year 12
- Increase the proportion of students engaged in employment and further education after they leave the program.

In addition, shorter term outcomes such as reading ability, confidence, and knowledge of post-school pathways are also measured.

### **School Attendance**

Table 1 identifies the average school attendance rates for Aboriginal and non-Aboriginal students on the *Learning for Life* program across the 2013 and 2014 school years.

**Table 1: *Learning for Life* students' school attendance rates**

Average attendance rate	2013		2014	
	Aboriginal and Torres Strait Islander students	All students	Aboriginal and Torres Strait Islander students	All students
Years 1 to 6	89.6%	91.2%	89.4%	91.3%
Years 7 to 10	82.7%	86.0%	83.7%	86.8%
Total	86.9%	89.0%	87.3%	89.5%

In terms of national comparisons, the average attendance rate for Year 10 *Learning for Life* students is 85%. This compares with an average attendance rate for Year 10 students in all government schools in NSW of 87.7% and 85.1% in Western Australia.

## Advancement to Year 12

The Smith Family's Advancement Rate measures the proportion of Year 10 *Learning for Life* students who advance to Year 12 while still on scholarship. It measures individual student's progress through school and so is therefore more accurate than 'apparent' school retention measures. 63.2% of *Learning for Life* students who were in Year 10 in 2012 advanced to Year 12 in 2014. This is up from 60.0% in 2012. The national Year 12 completion rate for 19 year olds from the lowest SES decile is 60.6% and for the second lowest decile is 61.4%.

## Post school engagement in work, study or training

The Smith Family's Engagement Rate measures the engagement in work, study and/or training of *Learning for Life* students who left the program in Years 10, 11 or 12, a year after they left the scholarship. 65.8% of former *Learning for Life* students are fully engaged in employment, education or training 12 months after leaving the program. They are mainly aged 16 to 20. A further 18.4% were partly engaged in employment, education or training. This compares with national data that shows 58.9% of 24 year olds from the lowest SES decile are fully engaged in employment, education or training and 62.9% from the second lowest decile are fully engaged.

## Year-on-year improvements

Of particular importance perhaps, is that there has been year-on-year improvements for students on the *Learning for Life* program, across school attendance, completion and post-school engagement. This suggests that targeted efforts to improve these outcomes for students have been making a difference, even though further improvements are still possible, particularly with respect to Year 12 completion.

Strategies that have been introduced to support improved educational outcomes include: sophisticated analysis and use of data with staff across the organisation to identify families or groups of families whose children may be struggling educationally; providing family partnerships training for *Learning for Life* staff so they are better able to support families; revising practice guidelines to ensure more informed and high quality support; and increasing role specialisation of staff to enable more effective support, including with families and schools.

## Conclusion

Australia's educational performance must be improved if individuals and the nation as a whole are able to participate in the 21<sup>st</sup> century world.

Currently, data shows that young Australians' educational performance is influenced by factors such as family background, individual student characteristics, where they live and the school they attend.

Needs based school funding is critical to addressing the current gap in outcomes being achieved by disadvantaged students compared to their more advantaged peers.

The quantum of funds available for needs based funding is critical for what can be achieved. Equally important is how these funds are used. Evidenced informed initiatives, evaluation and tracking individual student's educational outcomes over time are critical, if Australia's is to seriously improve the educational performance of all children and young people.

There has been considerable investment by numerous organisations and sectors over many years, in a range of initiatives and programs aimed at improving the educational outcomes of young Australians. To date however, despite much goodwill, effort and investment, progress has not been as strong as would be hoped or anticipated.

Research, such as that discussed in this submission, offers guidance on the best opportunities and pathways that can be provided to improve Australia's educational performance.

The experience of The Smith Family is that a focus on research, evaluation and continuous improvement can be brought to bear on educational programs and significantly contribute to improving the educational outcomes of disadvantaged young Australians.

Australia can and must do better in providing educational opportunities to support all young Australians to reach their full potential right across the education spectrum. This will be of clear benefit to individual young Australians, their families, communities and Australia as a whole.

## APPENDIX

**Table 2: The communities in which The Smith Family works**

<b>Total number of communities: 94</b>			
<b>ACT: 3</b>	<b>NT: 7</b>	<b>SA: 10</b>	<b>VIC: 13</b>
Belconnen	Alice Springs	Christie Downs	Bairnsdale and Lakes Entrance
Gungahlin	Borroloola	Elizabeth Downs	Ballarat
Tuggeranong	Darwin	Elizabeth Vale	Bendigo
	Katherine	Hackham	Brimbank
<b>NSW: 33</b>	Palmerston	Morphett Vale	Broadmeadows
Alexandria	Ramingining	Port Adelaide Enfield	Churchill
Ashmont	Tiwi Islands	Port Augusta	Collingwood
Auburn		Salisbury North	Dandenong
Blue Haven	<b>QLD: 18</b>	Smithfield Plains	Epping
Buninyong	Brighton	Whyalla	Geelong
Chester Hill	Brisbane		Morwell
Claymore	Caboolture	<b>TAS: 4</b>	Shepparton
Coffs Harbour	Cairns	Bridgewater / Gagebrook	Werribee
Cranebrook	Cape York	Burnie/Wynyard	
Dapto	Coolangatta	Chigwell / Claremont	<b>WA: 6</b>
Dubbo	Coomera	North Eastern Launceston	Collie
Fairfield	Inala		Gosnells
Goulburn	Ipswich		Kwinana
Jesmond	Logan		Midland
Lithgow	Mackay and Sarina		Mirrabooka
Macquarie Fields	Maroochydore		Pilbara
Miller	Redlands		
Mount Druitt	Rockhampton		
Nowra	Southport		
Orange	Toowoomba		
Raymond Terrace and Karuah	Torres Strait		
Seven Hills	Townsville		
Shellharbour			
Southern Wollongong			
Springfield			
Tamworth			
Taree			
Tarrawanna			
Tolland			
Tuggerah Lakes			
Wiley Park			
Windale			
Wyong			