Breaking the Cycle of Disadvantage

A Submission from

The Smith Family

to

The Australian Government Social Inclusion Board

July 2010

THE SMITH FAMILY

everyone's family

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Introduction

This submission has been prepared by The Smith Family to support the Australian Social Inclusion Board's research into breaking the cycle of disadvantage, which seeks to answer the following questions:

- What are different cycles of disadvantage?
- How do people enter these cycles and become trapped in them?
- How do people avoid or break out of cycles of disadvantage, that is what is it that makes a difference for these people?
- Does personal choice play a role in breaking cycles of disadvantage, and if so how can you help build motivation and aspirations?
- Are there any successful interventions that should be considered?
- Are you aware of any current research which is focused on this?

The Smith Family submission is divided into two sections that draw upon The Smith Family's own research and first hand experience in working with the disadvantaged since 1922. The first section looks at different approaches to conceptualising the nature and causes of disadvantage as it is experienced by Australian children and families today, and highlights some of the intractable challenges relating to this that continue to undermine our prosperity as a nation. The second section summarises the evidence base that The Smith Family has collected over the years around strategies to break the cycle of disadvantage, and highlights particular programs that have resulted in proven, sustainable impact.

About The Smith Family

The Smith Family, a national, independent children's charity, works in partnership with other caring Australians to help disadvantaged Australian children and their families.

At the centre of our work, and the heart of our organisation, is our belief in the power and possibilities of relationships. For disadvantaged children to thrive, many of whom are growing up in lone parent and jobless households, they need to be connected to, and supported by, an extended family. Our work in 95 communities is extended and enhanced by the more than 21,000 members of VIEW Clubs of Australia together with 6,500 volunteers from the community and our corporate partners, who volunteer their time and energy to ensure we reach children in need.

As research has shown, supporting children's education and learning is one of the most effective means of breaking the cycle of disadvantage and ensuring all children have an equal opportunity to realise their potential. That's why we focus on linking disadvantaged children with education opportunities and support, and connecting them with those Australians who have the capacity, skills and resources to help.

Our literacy and mentoring programs, under the banner of *Learning for Life*, are informed by research and made possible through our network of strong partnerships with other organisations and individuals working towards our vision of a more caring and cohesive Australia. The programs are based on the ethos that providing support through education gives disadvantaged

children the step up they need to go on and achieve their goals as adults. *Learning for Life* supports not only children but also their families and communities, who provide the crucial nurturing relationships and supportive learning environments a child needs, particularly during their important first five years of life.

Today more than 65,000 disadvantaged children and young people are receiving our support through the vulnerable transition points in their development, such as moving from home to primary school and from school to further study or workforce entry. Our nationwide network of *Learning for Life* workers link children with emergent literacy and numeracy programs in their early years, and as they grow up, with comprehension, digital, financial, health and emotional literacy programs, so that they can develop the skills and capacities they need for their journey through life. The programs are enabled through mentoring and tutoring and students also receive financial assistance for essential school expenses such as uniforms, books and excursions.

Parents, too, have access to The Smith Family's ever-expanding set of resources, which include parenting education and skills development opportunities to help them raise their children and participate more fully in society themselves.

For more information on The Smith Family, please visit www.thesmithfamily.com.au

Part One: Understanding Disadvantage

"If I had an hour to solve a problem I'd spend 55 minutes thinking about the problem and five minutes thinking about solutions."

— Albert Einstein

1. The cycle of disadvantage

Over the years, many different frameworks, concepts and methodologies have been used to measure the scale and nature of 'poverty' or 'disadvantage' within the Australian context. It has been clear for some time now that the strong economic prosperity our nation has enjoyed over the last few decades has not produced comparably strong social outcomes for many different groups, raising concerns regarding our capacity to achieve a community in which, to use the Vision of the Social Inclusion Board, "all Australians feel valued and have the opportunity to participate fully in the life of our society".

For the majority of the 20th century, government and the nonprofit sector adopted welfare-based approaches to supporting the disadvantaged in the community – meeting their immediate financial and material needs. However, it became increasingly clear by the late 1990s that this mode of intervention was failing to prevent the emergence of an intergenerational cycle of disadvantage that was perpetuating a dependency on welfare among children of parents already receiving support. In other words, welfare approaches were doing little to help disadvantaged families improve their situation in a sustainable manner, because the root causes of their difficulties were not being addressed. Challenges faced by children early in their lives were having multiple negative consequences later in the life course that in turn hindered their own capacity as parents to give their children a better start (see Figure 1 below).
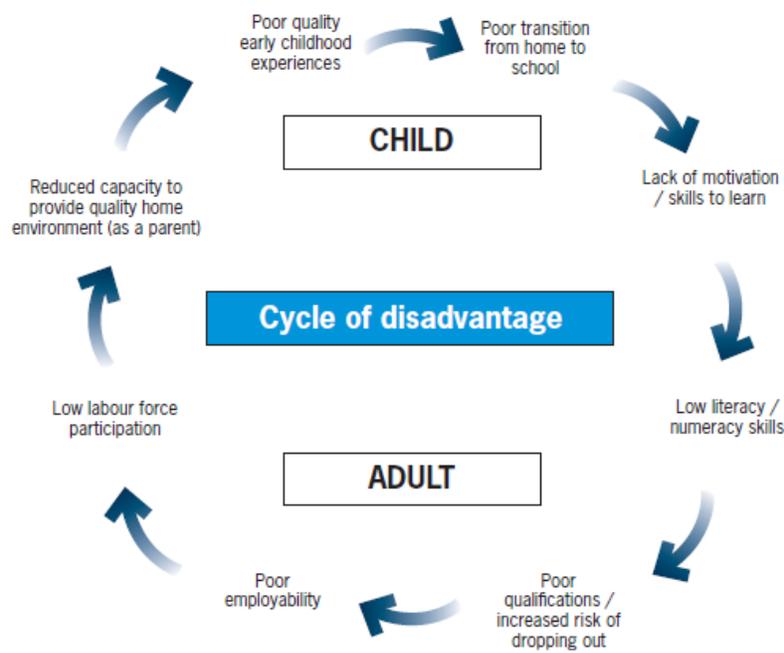

Figure 1: The cycle of disadvantage

The cycle illustrates that the risk factors perpetuating disadvantage begin in a child's first years, when poor early childhood experiences lead to a difficult transition from home to school (where most disadvantaged children start their formal education up to two years behind their peers); a lack of motivation / skills to learn that in turn hinders their literacy and numeracy development, reduces their likelihood of attaining relevant qualifications and increases their risk of dropping out early. Without being able to compete for jobs on an equal footing to their more advantaged peers, early school leavers are more likely to join the ranks of the long-term unemployed, which then completes the cycle in reducing their later capacity as parents to provide supportive home environments for their kids.

Such a cycle makes clear that:

- The factors contributing to disadvantage are more complex than simply financial considerations, and are easily transferred across generations in the absence of interventions;

- Breaking the cycle requires preventive rather than remedial support across the life course to stop risk factors accumulating;

- Both children and their parents need different kinds of support at different times and in different settings (e.g. school, home, community);

- Preparing children and young people to make successful transitions (e.g. home to school, primary to secondary school) is particularly important in helping them to avoid falling into the cycle of disadvantage.

A highly influential figure in embedding these considerations in the professional, political and public mind was Nobel Prize-winning economist Amartya Sen, who in the early 1990s put forward a new approach to understanding poverty that moved away from a purely financial or income-driven perspective to a framework of 'capabilities' that individuals needed to fully participate in society. These capabilities – which included being able to develop strong supportive relationships and to participate effectively in community life – were viewed by Sen as being essential in affording individuals "the freedom to live one type of life or another" and "to choose from possible livings." Perhaps most importantly, Sen's framework moved away from the predominantly financial (welfare-based) approaches that sought to improve an individual's economic circumstances and embraced a broader more socially-inclusive strategy that developed an individual's capability "to do something not only for oneself but also for other members of the society, one of the elementary freedoms which people have reason to value."[1]

2. Contemporary challenges for a more socially inclusive Australia

Sen's framework gradually gained acceptance in Australia as the evidence around the nature of the intractable social challenges we were facing became clearer. Perhaps most importantly, it contributed to a significant shift in thinking in the early years of the 21st century away from the concept of social *exclusion* (which focused on supporting groups of people that were disadvantaged at any one time) to a broader, more preventive goal of social *inclusion*, which seeks to inspire positive change across *all* members of society – the 'haves' and the 'have-nots' – to mitigate the likelihood of people falling into disadvantage in the first place.

Up to that point, the focus of social exclusion policy frameworks had been on only one side of the coin: building the capacity of the excluded without supporting the receptivity, or connectivity, of the included. Such an approach, targeting resources exclusively to groups that are disadvantaged at any one time without creating the connections that are needed in the wider community to make their participation sustainable, is akin to preparing kids for school without preparing the school for the kids, and is arguably why many of Australia's seemingly intractable social issues – including Indigenous disadvantage – have persisted for so long.

Back in 1999, when The Smith Family commenced our seven year organisational transformation, we moved away from a welfare / social exclusion orientation and built the foundations for a socially inclusive approach through a new Vision, Mission and model. We began by asking of the organisation and ourselves some fundamental questions. First, what did the positive world that we wanted to see look like? Society was evidently changing, but if we weren't clear as to where we wanted it to go, it would be extremely difficult to know if our efforts were on the right track. Ultimately, our focus on breaking the cycle of disadvantage through education led us to create a socially inclusive Vision of '*A more caring and cohesive Australian community*', and an increase in social capital.

This collaborative ethic was also engrained in the carefully chosen words of our Mission, that '*Together with caring Australians, we will unlock opportunities for disadvantaged families to participate more fully in society*' – increasing human capital (akin to Sen's 'capabilities'). These two elements were then embedded at the heart of our operating model, which focuses on the one hand on increasing the human capital of disadvantaged children and their families (which we call our *Participation* agenda); while on the other strengthening the social capital and receptivity of the wider community, working with caring Australians who have the time, talent and dollars to give through our *Engagement* agenda. We refer to this model as the 'DNA' of The Smith Family (see Figure 2 below).
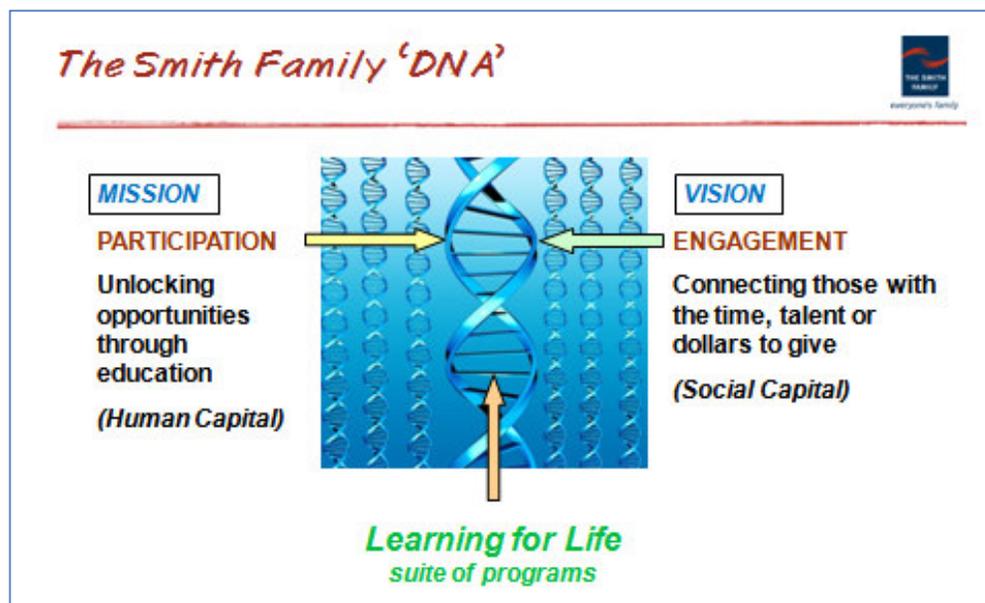

Figure 2: The Smith Family 'DNA'

The Participation and Engagement elements are connected through our evidence-based *Learning for Life* suite of literacy programs, which works by facilitating a multi-layered cascade of supportive educational relationships between the two strands (or between the 'haves' and the 'have-nots'), connecting them in different ways to address different issues. For example, at the basic level, it connects sponsors with students to provide financial support for meeting schooling costs; it connects mentors with youth looking to make the difficult transition from school to work/further studies; it connects volunteer tutors with students looking to improve their reading skills; it connects refugees with new arrivals with English language tutors in their new communities, and so on.

THE SMITH FAMILY

The idea that *everyone* has a part to play in creating a more caring and cohesive community is essential to attracting the resources and nurturing the culture change that are both required to reduce, in any sustainable manner, the social gradients that perpetuate inequality. While breaking the cycle of disadvantage is now recognized by most Australians as a political, social and economic imperative – one that our future productivity and prosperity as a nation depends on – the scale of the challenges we are facing is significant (see Box 1 below).

Box 1: Challenges to nurturing a more socially inclusive Australia

Poor quality early childhood experiences

• Australia ranks 20th out of 27 nations for infant mortality. The infant mortality rate for Indigenous Australians is more than double the non-Indigenous rate, and Indigenous Australian babies have the lowest birth weight in the OECD.[2]

• Between 2004 and 2007 the AEDI was implemented in 60 communities across Australia (with 37,420 children surveyed). One-quarter of these children were found to be developmentally vulnerable on one or more developmental domains, which suggests they may have difficulty making a successful transition to school.

• A further 13% of children were developmentally vulnerable on two or more developmental domains and these children are considered to be at particularly high risk developmentally. Children in the lowest socioeconomic status areas were twice as likely to be developmentally vulnerable on one or more domains as those in the highest areas.[3]

Low levels of literacy and educational achievement

• According to the Australian Governments Reform Council ,[4] 43.5 per cent of working age (15-64) Australians have literacy skills below the minimum level COAG considers is required to meet the complex demands of work and life in modern economies (the figure is even higher for numeracy at 49.8 per cent). The people with the lowest basic skills are those in disadvantaged areas, where three out of five Australians of working age have poor literacy skills and two-thirds poor numeracy.

• These statistics prove that educational underperformance has been entrenched for several generations. As COAG Reform Council chairman Paul McClintock says, progress has been 'glacial and perhaps even negative.'

• This was confirmed in a survey revealing that only 21 per cent of teachers think Victoria's state school children get a world-class education – and this is in the state that regularly performs best in NAPLAN results.[5]

• Consistent with the results of the 2008 literacy and numeracy tests, the 2006 PISA results showed a wide gap in academic achievement between Australia's Indigenous and non-Indigenous populations, with the average performance of Australia's Indigenous students placing them two and a half years behind Australia's non-Indigenous students. [6]

Marginalised youth

• In 2006, Australia ranked 16th out of 25 OECD countries in the proportion of 15–19 year olds not engaged in education or employment, indicating the potential for further improvements in youth participation rates in Australia.

- The unemployment rate for young people is twice as high as the overall rate—in July 2008, the youth unemployment rate was 7.9 (11.1 for 15–19 year olds and 5.7 for 20–24 year olds) compared with 3.9 overall. [7]

- Teenage pregnancy rates for Indigenous young Australians are the highest in the OECD.[8]

- Youth road deaths are 12 times higher than in Portugal, and Australia's Indigenous young people have a suicide rate second only to Finland.[9]

Alarming indicators around health and wellbeing

- In 2007–08, one-quarter of all Australian children, or around 600,000 children aged 5–17 years, were overweight or obese, up four percentage points from 1995.

- Suicide has now become the number one killer of Australians aged under 35.

- In a survey of Australian 15-yearold students, only 51% agreed that their parents spent time 'just talking' to them more than once a week – compared with 89% for Hungary. This is the one indicator where Indigenous children fared better.[10]

- In 2006 over half a million Australian children (15%) lived in jobless families, with the proportion substantially higher for children in one-parent families (52%). This makes Australian children 12 times more likely to live in a jobless household than those in Japan.

- Too many children are subject to violence and abuse—around 34,300 children were on care and protection orders in 2007–08, up 37% from 2005.

- Indigenous youth remain 14 times as likely to be under juvenile justice supervision as non-Indigenous young people.

- Nearly 19,000 children are cared for by their grandparents[11]

Reducing income inequality

The expanding income inequality in Australia is a key contributing factor behind the persistence of many of the issues summarised in Box 1 above. Our traditional self-image as the unusually egalitarian nation of the "fair go" with a relatively equal spread of income is badly out of touch with reality, according to international comparisons, and that inequality risks becoming culturally entrenched unless there are rapid changes. For example, research by Pickett & Wilson[12] has shown that in advanced economies with large income disparities all levels of society suffer on measures ranging from crime to teen pregnancies, drugs, life expectancy and obesity. This makes the argument for equality not a plea for fairness but a warning to the rich and middle classes that they will end up worse off unless they ensure that the poorer members of society are doing well.

Once societies pass a basic threshold of wealth, equality of income becomes more important than the total wealth of the society or even the average wealth of its citizens. That means there is more benefit in levelling out the wealth than in increasing it, a suggestion that raises serious questions about the endless drive for economic growth. Pickett and Wilkinson ranked wealthy countries and the 50 states of the US by their income equality, then considered their incidence of various problems to see if any statistically valid patterns emerged.

The more equal societies, led by Japan, the Nordic countries, Belgium, Austria and Germany, outperformed the less equal on almost all indicators. These included mental illness, obesity, cardiovascular disease, unwillingness to engage with education, misuse of illegal and prescription drugs, teenage pregnancy, lack of social mobility, neglect of child welfare and violence ranging from school bullying to murder. One in 10 people, for instance, in "more equal" Japan, Spain, Italy

and Germany report a mental health problem in any one year compared with one in five in Australia, Britain, New Zealand or Canada and one in four in the US.

Australia had the worst results on drug use, the second worst after the US on mental health and was worse than average on obesity, child wellbeing and overall health and social problems.

Pickett and Wilson's research suggests that the steeper the social ladder, the more stress everybody, not just the poor, feels about their place on it. The effects are anxiety about maintaining one's place or resentment, anger and self-loathing caused by being at the bottom. People become likelier to over-eat, get drunk, take drugs and suffer heart attacks, addictions and depression. Significantly, the authors argue that

> *"If Australia doesn't do anything to change the reality, then over a few decades the material differences will become overlaid with cultural and social differences, so people will perceive each other as more different ... and rich and poor will start seeing each other as a different kind of breed."*

This reinforces the importance of investing in the social inclusion as a long-term national priority, recognising that how we improve the quality of life in our societies now is not by material improvements so much as improvements in the quality of social relations.

Increasing our social mobility and equality of opportunity

Australian society has always prided itself in the ease with which individuals can move from one social class to another, captured in the national ethic of the 'fair go'. Settled as a penal colony, rapid social mobility was the inevitable during the early years. In fact, the richest ever Australian (measured relative to GDP) was Samuel Terry, a Manchester thief transported to Australia in 1801. At the time of his death in 1838, Terry had amassed a wealth equivalent to $24 billion in today's dollars.[13]

Studies of social mobility and inequality since then have shown a fall in inequality between the 1940s and the 1970s, and a rise in inequality from the 1970s to the 2000s. Contrary to what we might believe of ourselves as a nation, research suggests that social mobility in Australia is actually less than in the Scandinavian countries and more likely on a par with the United Kingdom.

On the one hand, we might find this surprising, given the various policy measures over the years that might have been expected to increase social mobility: increases in health care, the abolition of up-front university tuition fees and an increase in the number of tertiary education place, for example. Yet there have also been trends in the opposite direction, particularly the rising spatial concentration of joblessness and disadvantage as well as the increasing income inequality.

As a nation, we still have a powerful opportunity to increase our social mobility, for example, leveraging the fact that by international standards, a very high fraction of Australians are born overseas. In the 1961 census, 17 per cent of Australians were born overseas, and by 2006 this figure had risen to over 22 per cent. This impacts our level of social mobility because immigrant families tend to invest more resources in their first-generation children than native-born families. We need to ensure that this investment continues not just for first-generation but for second and third, and for native-born families as well.

Unfortunately, Australian evidence related to social mobility is limited and very little data exist that measure and monitor these effects. To this end The Smith Family has just commenced a partnership with the National Centre for Social and Economic Modelling (NATSEM) to establish a research report series that concentrates on the role of education and financial resources in enhancing the capabilities and social mobility of Australian children and youth from disadvantaged backgrounds. The first report in the series will provide critical current information about the progress of Australian children and youth by developing five new indicators that will

measure the currency and persistence of disadvantage in Australia, with a strong focus on the role of education and financial resources. Each report will include a feature piece about a specific issue that relates to the overarching themes of education, mobility and disadvantage. The first report's feature piece will provide an in-depth analysis of social mobility, highlighting its importance and the need for current indicators to understand its expression in the Australian context, and will be published in early 2011.

Part Two: Breaking the cycle of Disadvantage

1. Unlocking opportunities through education

> *A well-educated and well-trained population is central to the social and economic well-being of countries and individuals... Education plays a key role in providing individuals with the knowledge, skills and competencies needed to participate effectively in society and in the economy.*
>
> Source: OECD (2006) *Education at a Glance*

The value of Sen's 'capability' framework discussed above was in suggesting that welfare-based approaches to breaking the cycle of disadvantage are not in isolation sufficient or effective in realising sustainable positive change for children and families. Rather, a focus on developing their personal skills and capacities was posited as a more appropriate strategy, so that individuals could exercise their own agency in building more positive lives for themselves, their families and their community.

One of the first tasks The Smith Family undertook as part of our organisational transformation was to establish an internal Research & Evaluation capacity to better understand the experience of, and effective solutions to, disadvantage in the 21st century knowledge era. It became clear from a series of environmental scans and our own research (conducted in partnership with The National Centre for Social and Economic Modelling (NATSEM) at the University of Canberra[14]) that access to a good education was the single most powerful factor in breaking the cycle of disadvantage, with the poverty rates of individuals declining as their educational qualifications increased. This had also been recognised in 1999 in the United Nations International Covenant on Economic, Social and Cultural Rights, which concluded that:

> "*Education is the primary vehicle by which economically and socially marginalized adults and children can lift themselves out of poverty, and obtain the means to participate fully in their communities.*"[15]

However, in Australia at that time, the importance of education was still not well understood, despite concerns being expressed from a small number of stakeholders such as the Australian Curriculum Studies Association, which had concluded in 1996 that:

> "*In Australia, the entire nation's social, cultural, and economic well-being is in jeopardy when so many of our young people either leave school early, or complete their schooling with a narrow and unsatisfying education.*"[16]

By the turn of the century, the argument that the Australian education system was inherently 'narrow' had gained greater traction, with the emergence of skills shortages and a growing misalignment between the skills and capacities the knowledge era demanded of its workers and the kind of education that students were leaving schools with. Parents were voting with their feet and moving en masse away from the public education sector into private schooling, further embedding the persistence of disadvantage in communities where these opportunities either did not exist, or were out of reach of most families. Unable to keep pace with relentless advances in technology and the modern economy, the system of education in Australia that had remained relatively unchanged for decades began to rapidly lose relevance and currency.

Today, we know that education needs to do much more than just prepare kids for employment, not least because 80% of the jobs that will be around in the future haven't been invented yet. Instead, we need to help them develop the ability to recognise, nurture and express their talents in a globalised, fast-paced world; help them learn how to make and keep friends; help them develop the confidence to change the way they see the world (or the way the world appears to them) so that those who struggle early on do not see themselves as destined for failure in the long term.

As Sir Ken Robinson, a leading UK thinker in education, creativity and innovation concluded during his visit to Australia in 2009,

> *"What I think we need here is a different conversation about education. You know, we are still always locked into this conversation about the old system. And all attempts to improve will be like getting a better steam engine. What we really need is to rethink some of the basic terms of the conversation. We need to get back to what it is that drives people to learn and achieve in the first place, and that's what we've lost. And if we know anything about education, it's all about individuals, it's personal. I think the problem is that politicians think it's like bailing out the auto industry. It's like refining a manufacturing process. And it's not; it's about cultivating individual passions and talents. And if we don't get that right, nothing else will ever work."[17]*

The answer to increasing Australia's productivity, prosperity and competitiveness on the international stage does not therefore lie in simply ensuring greater numbers of children and young people complete the formal education system, but rather in rethinking what 'education' looks like in the 21st century and redesigning how the entire community – not just schools – can work together to facilitate it.
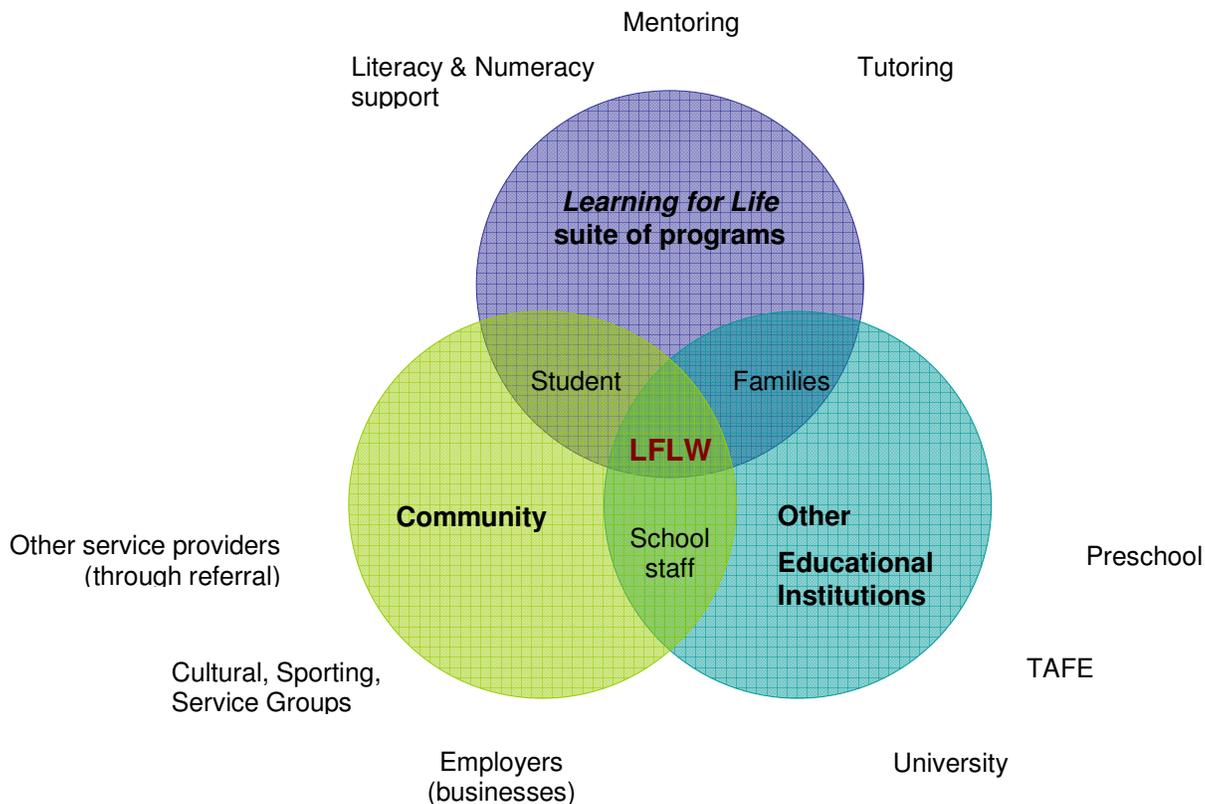
Community schools

We have moved a long way from Plato's theory 2,500 years ago that 'it is the responsibility of every citizen to educate himself and develop his own potential'. Today, The Smith Family aligns itself more with the principle adopted by the European Lifelong Learning Initiative (ELLI) that 'Everyone accepts some responsibility for the learning of others." In other words, lifelong learning should not be seen as a private commodity but a public good, where the nature of learning is socially constructed and citizens are not only the beneficiaries, but also the drivers. Forming closer partnerships between schools and their communities and between parents and their children's educational journeys is absolutely critical in this respect.

A Feasibility Study conducted by The Smith Family in 2000 into the best ways to respond to disadvantage in rural, regional and remote Australia revealed that the most effective and sustainable approach to tackling disadvantage was through a focus on *place*, or a particular community, providing an intensity of interventions over a longer time-frame. As the evidence revealed, such an approach required an empowerment model that would move away from doing things 'to' or 'for' communities to increasingly acting 'with' community and eventually working 'as' community. To this end, we adopted an implementation strategy of 'place management' in late 2000, and took the significant decision to move our community staff (known today as *Learning for Life* Workers) from The Smith Family offices to collocating within schools, enabling them to proactively work as the bridges connecting the student and teacher population and the local community.

This collocation is the foundation of The Smith Family's model for *community schools*, and reflects our understanding that a school is both a place and a set of partnerships between the school and other community resources. As Charles Leadbeater, a world renowned authority on innovation, concluded:

> *"Instead of seeing schooling as a system of years and grades, with key stages and examinations, targets and regulators, it should be seen as a set of relationships between teachers, pupils, parents and the wider community. Children need to be able to rely on 'relationships for learning' at school, home and in the community.[18]*

The primary role of The Smith Family's *Learning for Life* Workers (LFLWs) collocated in schools is to facilitate these multiple relationships and encourage a larger and more integrated systems approach to education within a shared outcomes based framework. Figure 3 below provides an illustration of the model with examples of the broader relationships that the LFLWs facilitate.

Mentoring

Literacy & Numeracy support

Tutoring

***Learning for Life* suite of programs**

Student

Families

LFLW

Community

School staff

Other Educational Institutions

Other service providers (through referral)

Preschool

Cultural, Sporting, Service Groups

TAFE

Employers (businesses)

University

- Figure 3 -

The Smith Family's Community School model

At the heart of this model is The Smith Family's *Learning for Life* Worker (LFLW), who facilitates the network of relationships to achieve a number of interconnected goals:

- **Enhancing communication and understanding**. Our LFLWs benefit from having a close relationship with parents and their children outside the school, and with students and staff inside the school, which means they are able to act as the intermediaries to communicate and reconcile the varying needs of these groups to promote greater cohesion. For example, a LFLW may help parents better understand how they can support what is taught in the classroom through activities in the home, or work the other way to help teachers understand how they might better communicate with or attract greater involvement of parents in their children's learning.

- **Aligning interests and opportunities**. Our LFLWs have relationships with all kinds of organisations and institutions in the local community, and are therefore able to facilitate new collaborations of mutual benefit. These might be connecting the time, talent or dollars of external community groups (e.g. Rotary) to support school activities, or it may be linking students to a local employer offering apprenticeships or work experience opportunities. Either way, the LFLW assists in breaking down the barriers between these groups to enable a more porous and diverse set of relationships.

- **Facilitating extra-curricular learning.** Through their regular conversations with school staff inside the school and parents outside the school, our LFLWs are able to build up a detailed understanding of individual student needs, and can then match these up with opportunities in The Smith Family's *Learning for Life* suite of programs, which include literacy and numeracy support, mentoring and tutoring initiatives. For example, a student who is struggling with their reading in Year 3 may be matched through the LFLW with an older student mentor specially trained to help develop reading literacy skills in others through our *student2student* reading program. Alternatively, the LFLW might facilitate the participation of students in Years 10 and 11 in our *iTrack* online mentoring program, providing them with the opportunity to learn from professionals already working in their chosen field about workplace, study and career opportunities to enhance their school to work transition.

- **Supporting smoother learning transitions.** Our LFLWs are skilled in the skills and capacities children require across the life course, from early childhood through to tertiary education and adult employment. This means that while they are predominantly embedded within a school, they have built up relationships with institutions across the educational spectrum, including preschools, TAFE, universities and the first learning environment, the home. Working with staff, students and parents across these settings equips the LFLW with a unique knowledge set around the factors that facilitate smoother student transitions between these environments, and they are able to use their relationships to help promote these as necessary.

- **Extending assistance through referral.** Through their close relationship with families, our LFLWs may be presented with issues that lie outside the parameters of 'education' as such (e.g. domestic violence, drug addiction) and in these instances they would act to refer the individual or family to an appropriate service within the wider community for more targeted support. This is a key part of working as part of a systems-wide approach.

The cumulative impact of these relationships facilitated by the LFLW is to help create a community school environment that leverages a wide range of local assets and opportunities to support all of the needs of children as they grow up – physical, social and emotional as well as academic.

2. Enabling relationships with a 'significant other'

The evidence has shown that in the 21st century knowledge era, wellbeing depends more than ever on the *relationships* individuals form with others – the social capital that supports them within their family, schooling, community and workplace. For disadvantaged children and their families, the opportunities to build these relationships are few by virtue of their social and economic isolation. The key to closing the gaps between these groups and the wider society and creating a more caring and cohesive community is therefore connecting different people in different ways.

Enabling these relationships across different groups, at different times and in different settings is the core of The Smith Family's work, increasing the connectedness of disadvantaged students to their families, peers, communities, schools and our broad range of supporters. The more isolated a child feels, and the fewer support networks they have to draw on in times of need, the more likely they are to become trapped in the cycle of disadvantage illustrated in Figure 1 above. Connecting them to other caring members of the community increases their confidence, broadens their aspirational horizons, and gives them the motivation, determination and resilience to overcome the limitations of their situation and lead successful, productive lives.

When children enrol in The Smith Family's *Learning for Life* program, they are connected to a sponsor who provides them with a financial scholarship to enable their full participation in school (e.g. purchasing uniforms, attending school excursions etc) and most importantly demonstrates that someone they have never met – and may never meet – cares enough about them to help support a brighter future for them. This relationship with their sponsor, which is nurtured through regular correspondence over a number of years, is the first step to helping these kids feel a sense of belonging, a sense that they can and should enjoy the opportunities their more affluent peers have, and that their own aspirations are not only legitimate, but achievable.

This relationship can bring benefits at any stage in a student's life, whether a child is just beginning primary school or preparing to undertake tertiary education, as was the case for *Learning for Life* student Karen (see Case Study below).

Enabling Relationships – A Case Study

As a teenager growing up in Sydney's south-west, becoming a lawyer wasn't something 26 year old Karen ever thought too seriously about. "It wasn't that I didn't want to, but rather I didn't think I could", the *Learning for Life* and University of NSW graduate says.

Years on and possessing a confidence that would make a few seasoned professionals green with envy, Karen is now a solicitor with leading Australian law firm, Mallesons Stephen Jaques. "*I love the law. It is so exciting to think that I have made it when I once wouldn't have dreamed it was possible,"* Karen beams. "*But because of the generosity of a very special sponsor, I have had the opportunity to prove what I could do – and that was all I ever really wanted, a chance."*

Karen's background is similar to that of many children and young people receiving *Learning for Life* scholarships. She grew up in a single parent family in Sydney's south west. As the youngest of three, Karen and her sisters weren't brought up to feel 'poor'. *"When I was accepted onto The Smith Family's* Learning for Life *program, I made a commitment to study law and take advantage of absolutely every opportunity that I was given."*

In 2001, the then third year law student with a huge crush on Shakespeare was selected as one of just 150 students from 24 countries to participate in an intensive Summer School at Cambridge University in England. For three weeks, Karen spent five hours a day in lectures, wrote two 3000 word essays and read 13 plays and 126 sonnets – and loved every minute of it.

"I would not have had that opportunity had it not been for my sponsor and The Smith Family who took a chance on a girl from the south western suburbs of Sydney. For this, I'll always be grateful. The Learning for Life *program and the opportunities that came my way as a result have changed my life."*

Equally important has been the presence of her mentor, Kate, a lawyer who provided Karen with an insight into the legal world and helped prepare her for a life beyond university.

"I was introduced to Kate through my Learning for Life *worker at the start of my degree. She was the first lawyer I ever met. Through her, I've learned exactly what type of lawyer I want to be",* Karen says. *"Before my first day of work experience at Mallesons I was so nervous. But with a little nudge from Kate, 'Big smile, big voice and hair back in a ponytail please', I was on my way to the 60th floor of Governor Philip Tower in the heart of Sydney's CBD. That's one of the most important things Kate has taught me, to speak up for myself."*

In addition to being a graduate of the program, Karen has in turn become a *Learning for Life* sponsor to another of our 30,000 students currently facing the same barriers she did. And she now feels as all our supporters do the value and importance of being able to give back and help others realise their dreams through education.

The sponsor relationship is just the first in a long cascade of connections that The Smith Family facilitates for these kids and families. We start early, enabling supportive relationships for children from the moment they are born and then walking alongside them for almost a quarter of a century, facilitating the development of the skills and capacities they need to progress through primary, secondary and tertiary education and into employment. Throughout this journey, and at every key transition point where they are most vulnerable, we connect our *Learning for Life* students with those in the wider community, who as mentors, tutors and coaches can help them build the aspiration, determination and resilience that will take them across the line to a better future.

3. Developing literacies for the 21st century

Social inclusion means ensuring everyone has the right skills and capacities to participate in the 21st century knowledge era. In the last few decades, the nature of these skills has changed significantly, not least because advances in technology continue to redefine how we connect, communicate and collaborate with each other at an unprecedented pace. In a globalised, networked society, preparing our children for an unknown future means placing more emphasis on ensuring they are adaptable, resilient and inquisitive in facing challenges we are as yet unable to predict. As a report from the UK recently concluded,

> "Tomorrow's world will require adults who have been taught to draw on a wider range of capabilities and competencies; who are curious, resilient, self-disciplined and self-motivated; who can navigate differences, overcome language and cultural barriers, and who are at ease working in a team."[19]

At The Smith Family, we facilitate opportunities for students and their families to develop these skills and capacities *outside* the classroom so that they can then use to help them do better *inside* the classroom. Based on the findings of our own research and that of others around the world, we have structured these opportunities within our *Learning for Life* suite around seven distinct literacies or skillsets that individuals need to participate effectively in a 21st century knowledge era. These literacies are:

> ### Comprehension literacy

In its simplest form, comprehension literacy refers to the ability to use language to read and write. However, this includes the capacity to identify, understand, interpret, create, communicate, compute and use printed and written materials associated with varying contexts. As such, it encompasses the opportunities to begin building the foundations of these skills in early childhood, when children's brains first start to recognize letters, sounds and numbers. From the perspective of The Smith Family, comprehension literacy represents the essential minimum standard in a continuum of learning that enables an individual to achieve his or her goals, to develop his or her knowledge and potential, and to participate fully in the wider society.

> ### Financial literacy

In an increasingly complex financial world, understanding how to save and use money in today's society has become a matter of negotiating unparalleled choice and complexity of products. 'Financial literacy' is defined as the ability to make informed judgments and take effective decisions about the use and management of money. It is an essential skill for functioning in modern society and is becoming increasingly important to the long-term wellbeing of individuals and the community. Without adequate financial literacy, the intricacy of the vast array of financial products and choices may see the disadvantaged making poor, uninformed choices, adversely affecting their financial situation and negatively influencing other related outcomes, including educational achievement and employment prospects.

For more information, see The Smith Family (2008) *Financial Literacy – 85th Birthday Special Report*, available at www.thesmithfamily.com.au

> ### Digital literacy

In the 21st century, it is clear that disadvantaged families in Australia are experiencing new forms of exclusion related to the rapid expansion of information and communications technology within the emerging knowledge society. Digital literacy, understood most simply as the ability to use computers and the Internet, has therefore become an essential skill for meaningful participation in society and the economy. National and international research has also shown digital literacy to be a key component of engaging individuals in lifelong learning and contributing to social inclusion. It has the capacity, if used in the right environment and with sufficient support, to influence attitudes towards learning. Education levels, opportunities and motivations to learn are strongly tied to a person's ability to access and use technology to its fullest capacity.

For more information, see The Smith Family (2008) *Digital Literacy – 85th Birthday Special Report*, available at www.thesmithfamily.com.au

> ### Health literacy

The concept of health literacy was first introduced by the World Health Organisation in 1998 in its glossary of health promotion terms. Since then, it has gained considerable traction and is now commonly defined as the ability to access, understand, evaluate and communicate information as a way to promote, maintain and improve health in a variety of settings across the life-course. However, from the perspective of The Smith Family, health literacy (like financial literacy) is about more than making informed decisions, and relates to the adoption of positive behaviours associated with good health, such as cooking (and eating) nutritious meals and engaging in physical activity on a regular basis. This is supported by the evidence around the social determinants of health, which suggest that information alone is not sufficient to improve outcomes (particularly for disadvantaged families). Rather, it is 'learning by doing' that is often more effective.

> ### *Emotional literacy*

While traditional definitions of literacy emphasise cognitive (academic) skills (e.g. problem solving), research has shown that they represent only one side of the skills that explain performance outcomes. Equally as important is an individual's emotional literacy (non-cognitive skills), which relates to their ability to (a) recognise and understand their emotions; (b) manage these effectively through self-discipline; (c) recognise emotions in others through empathy; and (d) draw on all of these to successfully develop and manage relationships with others for different purposes in different contexts.

Emotional literacy and social skills therefore play a vital role in helping children and young people engage constructively in education, training and learning. They are also essential in enabling individuals to take control over their lives and mitigate the impact of their immediate circumstances on the pathways they wish to follow. Without adequate confidence in their own capacity and ability to succeed, many individuals will avoid rather than embrace the challenges that lie before them, and in so doing exacerbate their social and economic marginalisation.

Emotional literacy is therefore critical not just for the individual concerned, but for the wellbeing of their family, community and indeed the productivity of the nation as a whole. Increasing rates of mental health problems among adolescents, and high-profile instances of youth resorting to desperate and often violent actions against themselves or others have provided a stark warning of the consequences of further neglecting emotional literacy.

However, organised opportunities for the development of emotional literacy and social skills remain unevenly distributed. Young people in lower income families are less likely to have participated in organised activities with a focus on sports, music, arts and social activity clubs, than those in the higher income families. It is likely that these personal development opportunities are seen as 'extra-curricular' and therefore associated with a financial cost beyond the reach of many disadvantaged families.

We already know that disadvantaged children and young people are particularly at risk of having low emotional literacy levels. Research has shown that financial and material disadvantage can have a negative lifelong impact on an individual's self-esteem, competence, autonomy and relatedness and can deeply affect their sense of identity, belonging and wellbeing. Financial disadvantage in particular can significantly reduce a young child's readiness for school. Parents/carers carrying greater levels of stress and have access to fewer material resources to support them, ultimately affecting the way they interact and care for their children. In these instances, where families are experiencing stress and hardship, it is especially important to ensure children are able to acquire support and encouragement from other sources where possible.

For more information*,* see The Smith Family (2009) *Emotional Literacy: Building strong relationships for lifelong learning.* Available at www.thesmithfamily.com.au

> ### *Community literacy*

To increase social inclusion, children and their families need to feel a sense of belonging in their community. This is achieved through developing their community literacy, which we define as their ability to locate, use and contribute to relevant services in their community, as well as the broader skill of being able to navigate supportive relationships with other individuals / families in their area who may be from different cultural or linguistic backgrounds.

> ### *Intercultural literacy*

Knowledge of multicultural perspectives and of emerging global issues, and an open, respectful, compassionate attitude to difference are increasingly important in today's society. Students who possess the skills, knowledge and attitudes of a global and multicultural citizen will have a

competitive edge and contribute to our national advantage. To this end, we seek to assist individuals in developing their 'intercultural' literacy, understood as the skills, knowledge, understanding and attitudes required to form relationships and collaborate with others across cultures. Individuals who are interculturally literate value, respect and explore cultural difference, critically reflect upon varied cultural traditions (including their own) and participate fully in cross-cultural interactions. They are able to communicate effectively in contexts both familiar and unfamiliar.

4. Preventing disadvantage through early childhood support

The first few years of a child's life are absolutely critical in providing the developmental foundations for their health and wellbeing as adults. National and international research has now made clear the powerful causal relationship between early childhood experiences and the subsequent capacity of individuals to learn, interact socially, gain employment and in turn become parents to their own children. While we know that genes may predispose children to develop in certain ways, neuroscience has made clear that the brain in early childhood is above all "an environmental organ", with its growth and capacity powerfully infl uenced by external environments and stimulation.

Two interrelated factors in particular have been identified in the research as being the strongest in determining the optimal development of children during these early years. The first of these is the quality of **relationships** that the child enjoys with their parents/caregivers, which encompasses all of the different ways parents interact with and care for their children (e.g. breastfeeding practices, shared reading, playtime, etc). Parents are the first teachers of their children, and their greatest source of role modelling in terms of learning the social and emotional skills children need to participate in society as adults.

This has been made clear through research by Richard E. Tremblay, Director of The Centre of Excellence for Early Childhood Development at The University of Montreal, which showed that aggression – long conceived to be a learned behaviour peaking in adolescence – actually has genetic origins, with the early childhood environment (e.g. ante-natal) playing a crucial role in moderating the degree to which this aggression develops later in life. The issue is not that children learn to aggress, but rather that they learn *not* to aggress, with factors including separated parents, low income and adolescent motherhood all acting as predictors of high levels of retention of physical aggression.

Clearly, building the capacity of parents to understand and respond to their children's developmental needs during the formative early years is absolutely critical to the nurturing of pro-social skills in their infants. These socio-emotional (non-cognitive) skills have also been shown in research by Nobel prize-winning economist James J. Heckman to be especially important for disadvantaged children in helping them to break the cycle of disadvantage in a sustainable manner. Motivation and self-confidence in particular are crucial to moderate the effects of genetic disadvantages on socio-economic success in later life.

The second factor in supporting the optimal development of children is the quality of the **home environment**, which is of course itself interrelated with parenting but focuses more on resourcing. Research has shown that early childhood is a critical window of opportunity to develop the emergent language and literacy skills that underpin the intellectual capacity of children to learn as they progress to school and beyond. Factors such as the number of books in the home and the child's exposure to different educational toys and resources have therefore been shown in research to be crucial in this respect. However, fewer financial resources significantly constrain the ability of many disadvantaged parents to invest in these resources and provide the most advantageous home environment for their children.

The early years are not merely the most crucial period for skills formation, they are also the most economically effective stage for governments and community organisations to provide support. This is because of the cost-savings generated through the reduced likelihood of children placing demands on, for example, the social welfare and criminal justice systems across their adult lives. In this way, ensuring children get the best start in life can generate a range of benefits not just for the individual but also for society and the national economy (see Table 1 below).

| Personal outcomes	Social / economic outcomes
Reduced child maltreatment	Lower cost to child welfare system
Reduced child accidents and injuries	Lower costs for emergency room visits and other public health care costs
Reduced incidence of teen childbearing	Lower costs for public health care system and social welfare programs
Reduced grade repetition	Fewer years spent in K-12 education
Increased university attendance rate	More years spent in postsecondary education
Increased labor force participation and earnings in adulthood	Increased tax revenue
Reduced use of welfare and other means-tested programs	Reduced administrative costs for social welfare programs; reduced welfare program transfer payments
Reduced crime and contact with criminal justice system	Lower costs for the criminal justice system
Reduced incidence of smoking and substance abuse	Lower costs for public health care system and from premature death
Improved pregnancy outcomes	Lower medical costs from fewer low birth weight babies

Table 1. Monetary savings (or costs) from quality early childhood experiences

Comprehensive research has been conducted by James Heckman to calculate the economic returns from social policies that invest in the very young as opposed to those that intervene at later stages in the life cycle. He found that the returns to human capital (education) investments are greatest for the young for two reasons:

> (a) that skills cumulatively beget skills, increasingly the ability of children to continue learning without further support; and

> (b) that younger people have a longer horizon over which to recoup the fruits of their investments.

Therefore, skill remediation programs for adults with severe educational disadvantages are much less efficient compared to early intervention programs (see Figure 4 below).

Of course, ensuring accessible, affordable and accredited quality ECEC services for parents is likely to involve a sizeable up-front investment of government funding. However, Heckman's calculations have shown that once the public impact of this early investment has been calculated (taking into account crime savings, education savings, welfare savings and increased taxes due to higher earnings), the economic return is between 15-17% for every dollar. This is exceptionally high for an investment of this nature, and far more of a return than for dollars invested in school or post-school interventions.
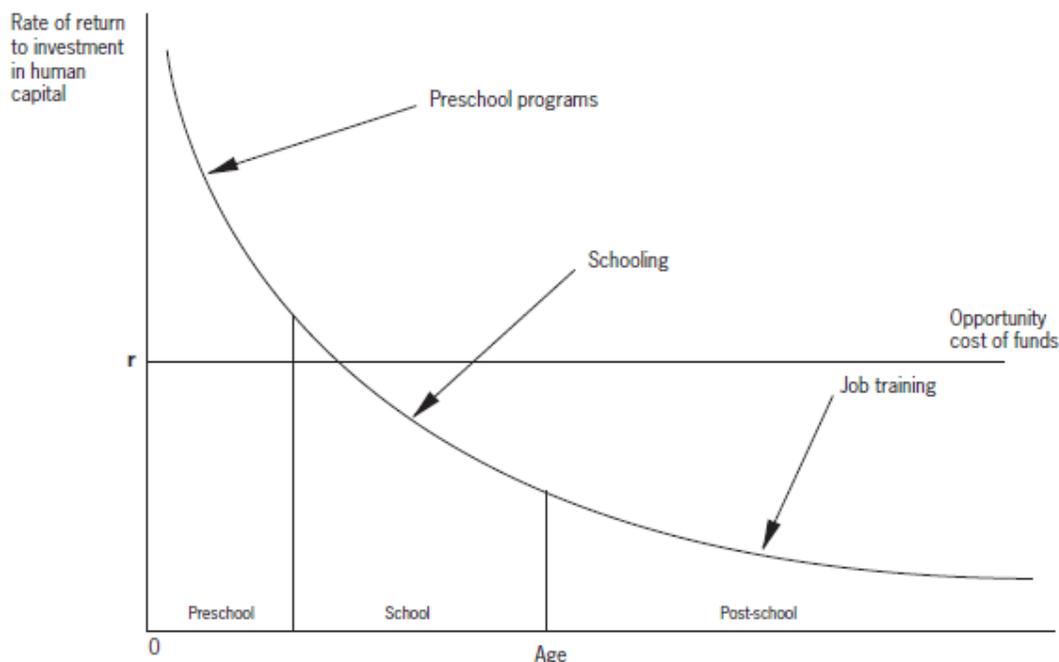
Note: The 'Opportunity cost of funds' line indicates that anything above this line should get priority funding

Research by Jean-Francois Tremblay and Serge Coulombe through the Canadian CD Howe Institute has also indirectly confirmed the broader economic returns to ECEC by quantifying the relationship between investments in human capital and both longitudinal economic growth and labour productivity. Specifically, their findings indicate that a country's literacy scores rising by 1.0% relative to the international average is associated with an eventual 2.5% relative rise in labour productivity and a 1.5% rise in GDP per head. These effects are three times as great as for investment in physical capital. Moreover, the results indicate that raising literacy and numeracy for people at the bottom of the skills distribution (e.g. through early years support for disadvantaged families) is more important to economic growth than producing more highly skilled graduates.

For more information, see The Smith Family (2008) *The Early Years – Building better futures through early childhood education and care.* Available at www.thesmithfamily.com.au.

5. Nurturing 'wrap-around' support in the settings

Learning is not something that only happens within the classroom walls. In today's technologically networked society, learning occurs across the continuum of settings in which children find themselves at different times. Research has shown that the relationships and qualities of these different settings also exert an influence on the wellbeing of individuals, illustrated by the typical story of a child who does well in school only to have this progress unravel through a difficult family home environment.

To provide children with essential 'wrap-around' support at the family and community levels, The Smith Family also works to enhance the relationships and qualities of these different settings in

which individuals live, learn and play. They include the family/home setting (which was the focus of our report 'Home to school transitions of financially disadvantaged children' carried out in conjunction with the Australian Institute of Family Studies in 2008; the community setting, educational institutions (from preschool right through to university and TAFE); and the workplace.

These settings need to provide optimal support to further the learning and development of kids and families and to increase their chances of breaking the cycle of disadvantage in a sustainable manner. For example, research has shown that that the number of books in a home is positively correlated with the literacy of children growing up in that environment, and The Smith Family is supporting this through our *Let's Read* comprehension literacy program, which provides parents with a series of specially designed books to read with their children between the ages of 0-5. Similarly, the evidence suggests that children who have access to computers and the internet in the home perform better in their schoolwork and have greater self-esteem and self-confidence than those without home access, which is why The Smith Family's 'Tech Packs' program provides disadvantaged families with a low cost computer and internet package, along with training to make the most of this new resource in their home.

Part Three: New ways of working for social inclusion

1. **Investing in social innovation**

In progressing deeper into becoming a knowledge society reliant on our people for success, the nature of the Australian community, its expectations and capacities and the problems it is facing are continuing to evolve. In the words of Albert Einstein, '*Today's significant problems cannot be solved by the same level of thinking we were at when we created them*'. This has placed clear demand on government, the business and community sectors to take the next step in developing innovative cross-sector collaborative solutions to intractable social problems that currently hinder many Australians from reaching their potential. Put simply, embracing innovation as a way of working has never been more important, with new ideas that work to improve people's lives urgently needed if we are to reduce the growing gap between the scale of the problems we face and the scale of the solutions on offer.

However, the field of social innovation is not well developed or even understood in Australia, and this continues to hinder the effective introduction of new solutions and methodologies into a sector that urgently needs them.

Innovation can be most simply understood in terms of 'new ideas that work'. This differentiates it from improvement or incremental change, and from creativity and invention, which are vital to innovation but miss out the hard work of implementation and diffusion that make promising ideas useful. Economists estimate that 50-80% of economic growth comes from innovation and new knowledge, and a vast amount of research has been conducted into innovation in the areas of business and science. However, the field of social innovation, defined as *"innovative activities and services that are motivated by the goal of meeting a social need",* has struggled to attract comparable attention, despite the fact that examples of social innovation (such as the internet) are everywhere around us today. As Geoff Mulgan, Director of the Young Foundation observes:

> *"The competitive pressures that drive innovation in commercial markets are blunted or absent in the social field, and the absence of institutions and funds devoted to social innovation means that too often it is a matter of luck whether ideas come to fruition, or displace less effective alternatives. As a result, many social problems remain more acute than they need to be."* [20]

There are three important dimensions to social innovation which combine to solve pressing unmet needs within society:

- They are usually new combinations or hybrids of existing elements, rather than being wholly new in themselves;

- Putting them into practice involves cutting across organisational, sectoral or disciplinary boundaries;

- They leave behind compelling new social relationships between previously separate individuals and groups which matter greatly to the people involved, contribute to the diffusion and embedding of the innovation, and encourage further innovations.

It is important for non-profits committed to social inclusion to understand how these elements translate within their own organisations. From the perspective of The Smith Family, a social enterprise focusing on disadvantaged children and education, the 'new combinations' refer primarily to *people* – our children, families, and the wide variety of stakeholders with whom we work to support them.

Research has shown that complex social issues require collaborative and multi-sectoral responses, which is why our social innovation works towards overcoming the traditional 'silo' mentalities that still hinder the effective collaboration of business, government, academia and the community sector. To break down these barriers, The Smith Family works to devise new ways of bringing these people together, particularly leveraging the power of the communications technology that characterise our knowledge society so that those in rural, regional and remote Australia have the opportunity to more fully participate. By building these compelling new social relationships, we ensure that our social innovation is not isolating in its impact but creates real value at scale, through models that others can learn from and adapt for communities elsewhere (the 'diffusion' and 'embedding' of the innovation). A final aspect of The Smith Family's commitment to social innovation has been our continuous monitoring of socioeconomic trends in the external environment and using foresight to prepare for, and respond to the consequences of those trends as or before they occur.

Taking into account all of these elements, The Smith Family's social innovation may therefore be defined relatively simply as

> '*Connecting different people, in different ways to overcome an entrenched or emerging social issue'.*

For more information, see The Smith Family (2008) *Innovation Relationships,* available at www.thesmithfamily.com.au

2. From collaboration to co-production

Over the past few decades, collaboration has become increasingly critical to public policy and service delivery, with important lessons accumulated at each step along the way. From the outset of Australia as a nation, when there was very little attempt to build collaboration into the design of Australian federalism, we have moved progressively through the eras of managerialism and rationalisation of the 1980s and 1990s, when governments selectively used competition and forms of collaboration with market players to deliver their core business activities. At this point in time, collaboration was less across government than between government and third party providers, with the former maintaining close control through contract management and funding arrangements.

By the turn of the century, governments were becoming interested in higher levels of collaboration, and closer partnerships with the community and business sectors began to emerge, motivated strongly by the establishment in 1999 of The Prime Minister's Community Business Partnership (PMCBP). The concept of 'social coalition' was also introduced as a response to the perceived failure of thirty years of different approaches to social policy (Centre for Corporate Public Affairs, 2000), leading Martin Stewart Weeks to observe:

"We are on an irreversible path away from traditional notions of government to a more complex notion of governance, one of whose defining characteristics is a reliance on networks and alliances…" [21]

These sentiments were confirmed in 2001 through two seminal works. The first of these, Don Edgar's *The Patchwork Nation: Rethinking Government, Rebuilding Community,* concluded that:

> *"Government has to become governance – increasingly, self-governance – because the days of top down, one-size-fits-all solutions are gone…. intelligent government will become polycentric, adept at resourcing networks."*

The second study, Mark Considine's *Enterprising States,* explored the fundamental shifts that were taking place in the paradigms of governance in Western bureaucracies as they used privatisation, private firms and market methods to run core public services. His research found

that in Australia we are prepared more than other Western nations for the network governance model which has the following characteristics:

Source of rationality = relationships

Form of control = co-production

Primary virtue = flexibility

Service delivery focus = brokerage

These characteristics underpinned the creation of strategic partnerships, and provided a call to both non-profit and government sectors to be more effective in:

- Mobilising commitment
- Sharing information
- Investing in new technologies
- Creating common service standards, and
- Focusing attention on the real needs of suppliers and clients.

At the time, Considine singled out Australia as being more prepared than most other Western countries to implement this model, and only a few years later in 2004, the first real example of this arose through the 'whole of community' model known as *Communities for Children,* part of the Australian Government's 'Stronger Families and Communities Strategy'. This place-based, preventive model has been a landmark in Australian social innovation for a number of reasons:

- It is *place-based* in the sense of working to enhance support for children and their families within particular disadvantaged communities around Australia, and building on the strengths and assets already present in the community;

- It is *outcomes-focused*, working towards universal goals and based around a *systems-wide* approach that merges educational, developmental and health-related service provision.

- It is an *empowerment* model in that the whole community works together to first priorities the issues and then select from the range of evidence-based interventions suited to their particular context;

- It encourages *culture-change* within the non-profit sector by connecting the strengths and capabilities of a variety of organisations, institutions and individuals. A key part of the model's success lies in bringing together large community organisations (who have expertise in 'backroom' capabilities such as research, policy design and facilitation) with grassroots service delivery agencies (who have the local knowledge and relationships to work with the community). The former act as banker, broker and leverage agent to ensure that the service delivery provided by the latter is well coordinated, resource-efficient (avoiding duplication of effort and funding so as to maximise impact), and is embedded in the community for sustainability.
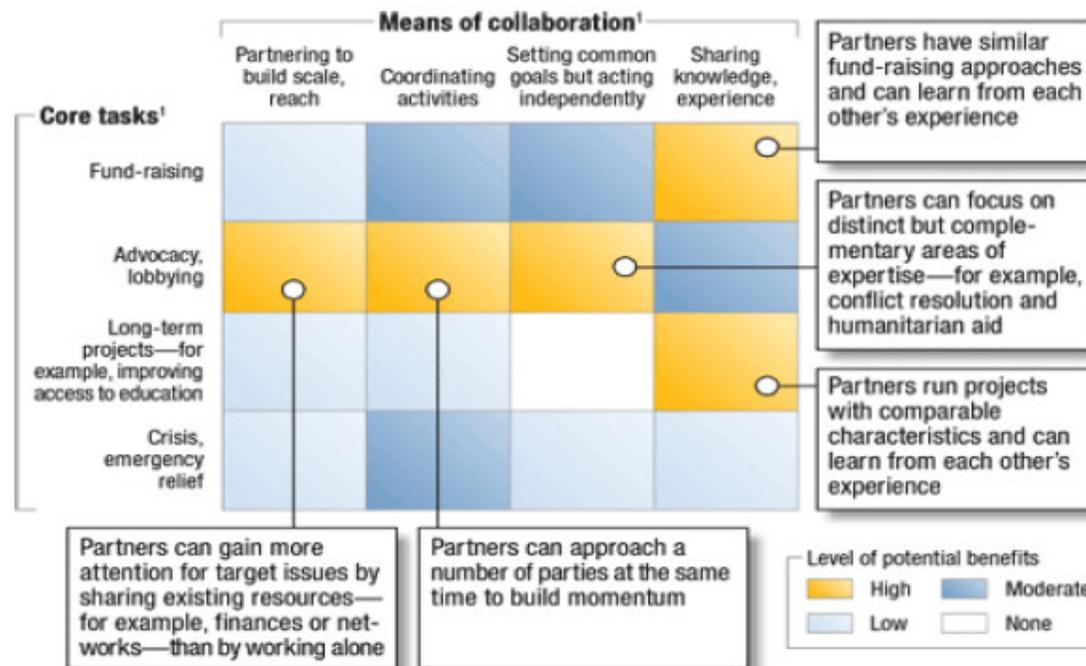
The last of these points is particularly significant, heralding the introduction of 'facilitating partners' (or 'lead providers') to connect the strengths and capabilities of various organisations, institutions and individuals. Rather than exclude smaller non-profits or jeopardise the diversity of the sector,

this approach actually began to organise and leverage the various skill sets of non-profits in a far more strategic and effective manner, as the success of *Communities for Children* has shown.

Through these models, collaboration in the non-profit sector is growing, but so too is the recognition that collaboration is not something that organisations can or should enter into lightly – it demands the cultivation of new resources and skill-sets, including the creation of an organisational culture that is open to the challenges posed by new approaches to budgeting and control, trust and accountability. Even before entering into collaborative arrangements, non-profits must take stock of their own 'in-house' relationships to ensure that they are able to identify and discriminate effectively between stakeholders from other sectors who are in alignment with their vision and mission.

Problems of collaboration tend to arise when non-profits try to collaborate across a range of tasks and geographies that their governance structures lack the sophistication to handle. To this end, it is better to focus on collaboration around tasks that can have the biggest impacts on shared goals (as illustrated by *Communities for Children*).

Non-profits can pinpoint these critical tasks by completing a matrix such as the one below. The potential partners' core tasks appear on its left side; the possible means of collaborating on the top. Both sets differ by the type of non-profit – the example in the matrix below pertains to international development agencies. Using both qualitative and quantitative techniques, nonprofits can analyse the potential benefits of collaborating on each task by each means. Only the high-potential areas are serious candidates for cooperation; the rest should be left alone.

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