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Education and Training Systems for Social Inclusion (Dr Rob Simons, Head of Research & Evaluation, The Smith Family)

SETTING THE SCENE -- THE 'OTHER AUSTRALIA'

Michael Chaney towards the end of 2007 highlighted the existence of a disadvantaged sub-population – what he called the 'Other Australia' – as part of our social landscape in his farewell address as President of The Business Council of Australia. He urged his listeners not to forget the importance of growing social prosperity by shifting our thinking from an employment economy to a participation economy. He challenged them to change the prosperity debate to better serve the many Australians who remain isolated from, or on the periphery of opportunity, with education as the key to this transformation.ⁱ

Gaps in workforce participation and low participation rates

Despite the strong employment and participation environment, it is widely recognised that there are specific groups where workforce participation rates remain particularly low:

- Indigenous adults across all age groups remain well below those for the non-Indigenous population. In 2006, 67.34% of Indigenous adults aged 15 to 64 were in the labour force compared with 76.3% of the non-indigenous population.ⁱⁱ
- Approximately 45,000 to 55,000 early school leavers are not taking up full-time work, education or a combination of both.ⁱⁱⁱ
- Nearly 40% of sole parents are not in the labour force.^{iv}
- Immigrants from non-English speaking backgrounds have significantly lower participation rates than those from English-speaking backgrounds (52.6% and 65.9% respectively).^v

In addition, while Australia ranks reasonably well in terms of aggregate participation rates there are a number of groups for which rates of participation are markedly lower than in other OECD countries. For example, compared to the 30 OECD countries, Australia has low participation rates among the following groups:

- Males aged 25 to 54 years: Australia rates 23rd in the OECD, below New Zealand and Canada
- Child-bearing women, 25 – 44 years: Australia ranks 20th in the OECD, well below Canada, the US and UK
- Older men and women aged 55 to 64 years: Australia ranks 14th for both men and women in the OECD in contrast with New Zealand, which ranks 3rd and 4th respectively^{vi}

If in 2005, Australia had raised its aggregate participation rate to the same level as New Zealand's (from 65.5% to 67.5%), GDP per capita (living standards) would have improved by an estimated 1.75 %.^{vii}

Short-term goals and long-term strategies

While reducing the current pool of individuals not participating in the labour force is an immediate priority, over the longer term it is preferable to reduce the likelihood that people find themselves in such circumstances. This is vital for social reasons but also makes good economic sense. Funding spent on prevention has significantly better positive outcomes for individuals and society than funding spent on individuals already caught in unemployment and poverty cycles.^{viii} In addition, to the importance of best practice early childhood education and care and early school education, a broader challenge is the transformation of education and training systems.

Prior to the federal election last November Nick Bisley and Vivek Chaundhri in a column in the Australian Financial Review (AFR 5 November 2007) commented that neither side of politics is facing up to the fact that our education system needs a fundamental shake-up. The way forward, they proposed, is a much greater diversity of institutional types at the tertiary level. The intellectual division of labour between secondary and tertiary education has to change to reflect the broader social changes demanding shifts at the tertiary level. However, they cautioned that a piecemeal approach to education policy in the primary, secondary and tertiary sectors – without sufficient consideration of the connectivity across these sectors – is necessarily flawed.

TRANSFORMATION^{ix} OF EDUCATIONAL AND TRAINING SYSTEMS

Why the challenge?

Too many young people achieving only minimum standards of education

Despite overall increases in education levels among young Australians in recent decades, and high average levels of reading, mathematical and scientific literacy at 15 years of age, many young people leave secondary school in Australia with only minimal standards of education, giving Australia one of the lowest secondary school completion rates among OECD countries. Young people whose school achievements are in the lowest quarter or who do not complete a Year 12 certificate or its equivalent are more likely to experience multiple periods of time outside the workforce and are less likely to engage in further education or training after leaving school (Hillman, 2005).

In the basic skills of literacy and numeracy, up to 10 per cent of students achieve only minimal levels by Year 7 (MCEETYA, 2007). Perhaps a further 20 per cent have levels below those required for effective functioning in adult society (Rothman, 2002).

Research shows that low levels of literacy and numeracy are associated with early school leaving – young people in the bottom 25 per cent on literacy and numeracy tests in Year 9 are four times more likely to leave school early than those in the top 25 per cent (Abelson, 2002) – and are correlated with a range of other variables, including low overall academic achievement, disengagement, truancy and anti-social behaviour.

The Council of Australian Governments (COAG, 2006) has set a goal to improve basic skills among potentially 'at risk' students by:

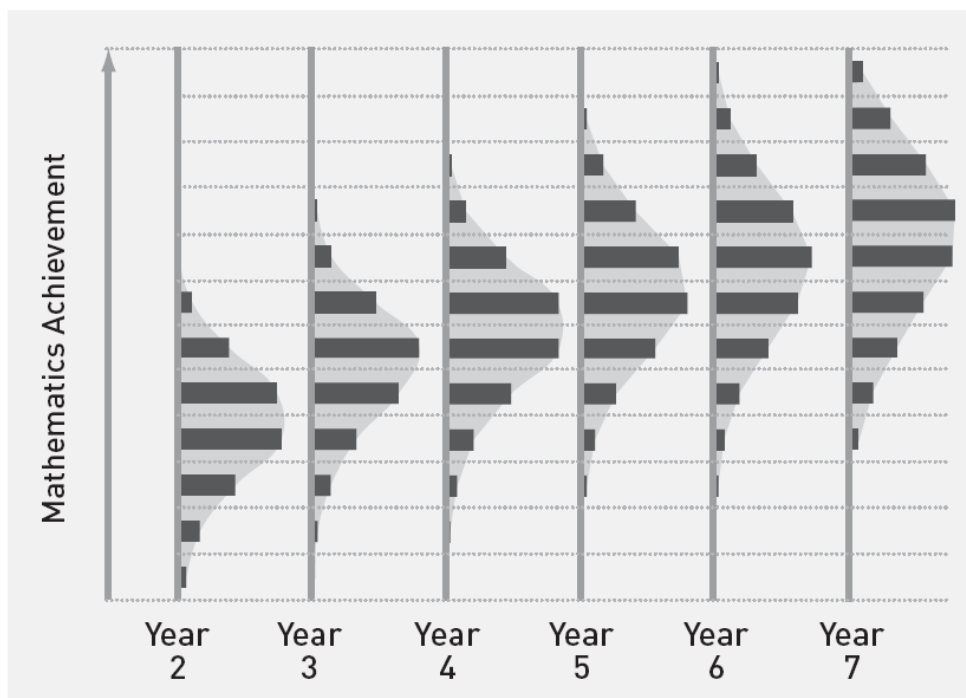
- significantly improving the proportion of children acquiring the basic skills for life and learning (including closing the gap between Indigenous and non-Indigenous children)
- increasing the proportion of young people meeting basic literacy and numeracy standards, and
- improving overall levels of achievement.

Unacceptably wide achievement gaps

Throughout the years of school there are also wide variations in students' levels of achievement. Children begin school with markedly different levels of individual development and school readiness. Students from low socio-economic and Indigenous backgrounds tend to be over-represented in the tail of the achievement distribution with increasing variability across the years of school sometimes reflected in growing gaps between students from lower and higher socio-economic backgrounds and between Indigenous and non-Indigenous students.

Australian research has shown that by Year 5, the top 10 per cent of children in reading are at least five years ahead of the bottom 10 per cent of readers (Masters & Forster, 1997). This is not a new phenomenon or a peculiarly Australian phenomenon. By the end of primary school in the UK, the highest achieving students in mathematics are reported to be approximately six years ahead of the lowest achievers (Harlen, 1997). Figure 2 below shows comparable gaps in mathematics achievement for US students in Years 2 to 7 (Hauser, 2003). Children in the upper end of the distribution appear to make steady progress across these years of school, but there is significant overlap in the distributions and increasing variability as students in the tail of the distribution fall further behind. The consequence is little average improvement in mathematics, particularly between Years 6 and 7.

Figure 2: Increasing variability in mathematics levels in Years 2 -- 7



Too few young people are work ready

A 2006 survey conducted by the Australian Industry Group found that 85 per cent of companies considered 'building the skills base' to be the key strategy for ensuring international competitiveness.^x Australia faces a particular skills shortage at the trade and associate professional levels. Currently, 87 per cent of available jobs require post-school qualifications, but 50 per cent of the workforce lacks these qualifications (Australian Industry Group, 2006).

Research by the Centre for the Economics of Education and Training suggests that:

- in the decade 2006–16, the VET sector will be required to supply 2.47 million qualified people
- 70 per cent of these will be required at trade and post-trade levels (Certificate III, Diploma, Advanced Diploma)
- based on current supply, new entrants and skilled migration, there will be a projected shortfall of 240,000 people with VET qualifications
- and as a result, one in seven jobs requiring VET qualifications either will be unfilled or filled with an inappropriately skilled person.

While all levels of education are important, schooling, including early school education, forms the foundation for further education, including for vocational training and the preparation of students for university. It is also where we are failing more than 300,000 young people aged between 15 and 24 who are either unemployed or working part-time and not undertaking full-time education. Currently, the overall level of unemployment is 4.3 per cent; the unemployment rate for 15-to-24-year-olds is more than double that rate at 9.1 per cent.

Why transformation?

Individual and societal need

Australia needs a world leading education and training system. Providing world-class, high-quality education and training to young Australians will give them the best opportunity to enter into a rewarding career and to continue to learn throughout their lives. Unfortunately, a large proportion of our schools have had the same centralised governance and management structures in place for 40 years or more. The poor condition of infrastructure, including buildings and technology, reflects a lack of investment and an outdated mindset when it comes to priorities for education.

Education's benefit for *individuals* has been reflected in recent years in a more national approach to school education. This has occurred in part through the joint efforts of state, territory and commonwealth ministers of education. Agreement has been reached around a number of matters, including national goals for schooling, national literacy and numeracy tests at years 3, 5, 7 and 9, and national curriculum consistency in some subjects. This approach also has been driven by the Australian Government, for example through the introduction of common forms of reporting to parents, and the concept of a national Year 12 certificate.

For *society*, levels of education and training are also positively and strongly correlated with a range of measures of health, family functioning, children's wellbeing, a clean environment and the absence of violent crime (Leigh, 1998). From the point of view of the Australian economy, future policies that deliver an increase in education and training levels are likely to have wide-ranging benefits for individuals, standards of living and social cohesion (Access Economics, 2005).

FACILITATING TRANSFORMATION THROUGH THE TRANSLATION OF EDUCATION RESEARCH INTO CLASSROOM PRACTICE

Translating education research into classroom best practice can be a powerful catalyst, and one of the most obvious ways to engage in the systemic transformation of educational and training systems.

What research is telling us

Research shows that the greatest opportunities for improving educational outcomes reside in *teaching and learning processes*. A recent study by McKinsey points to three things that schools need to do for enhanced student outcomes: get the best teachers; get the best out of teachers; and step in when pupils start to lag behind. They came to their conclusions after studying five countries that consistently head the league tables in student outcomes reflected in the OECD's Programme for International Student Assessment (PISA): Canada, Finland, Japan, Singapore, and South Korea.

In addition to these countries, studies in the state of Tennessee and Dallas, Texas have shown that, if you take pupils of average ability and give them to teachers in the top fifth of their profession, they end up in the top 10% of student performers; if you give them teachers from the bottom fifth, they end up at the bottom. The quality of teachers affects student performance more than anything else. All of the countries whose students achieve the highest PISA scores hire the best teachers. One of the South Korean officials contacted as part of the study observed, "the quality of an education system cannot exceed the quality of its teachers."^{xi}

Equally important is the need to monitor the progress of individual learners and to customise or personalise teaching and learning to the needs of individual learners. Although this principle has long been understood, it has been difficult to implement under traditional school structures. More flexible learning arrangements and the greater use of technology are likely to make personalised learning much more feasible in the future.

Applying the research

Unfortunately, in education, research has often been too narrow, ideological, or irrelevant to be of real use to teachers, school leaders, and policy makers. In the USA the Strategic Education Research Partnership (SERP) aims to change that situation.

SERP is a growing network of school district-based field research sites in which close to 100 researchers and educators are working side-by-side to develop tools and strategies to meet students' pressing academic needs in participating districts. SERP's research is conducted in classrooms, where innovative materials, methods, and training programs can be developed, tested, honed, and then shared with others.

SERP itself is the product of long and careful study into how education research could and should improve teaching and learning. SERP was launched in 2005 from the National Academy of Sciences following three reports between 1997 and 2003 by the National Research Council (NRC) that emphasised the need for stronger links between education research and practice. Most importantly, SERP seeks to:

- Build long-term partnerships that allows researchers and school system educators to craft agendas in response to local needs and build the trust necessary to open schools to researchers
- Shift the priorities of researchers so that creating tools and strategies to improve student learning is primary among the goals that include developing theoretical models and publishing scholarly work
- Break down the barriers that often exist between researchers from different specialty areas
- Create an unprecedented national network of researchers and educators to generate new knowledge, adapt research, and develop continuously improved tools and services aimed at improving practice across sites and for all schools.

SERP's long-term plan is to create partnerships in 12 to 15 field sites in urban, suburban, and rural settings. The SERP Institute seeks to connect quality education research programs and universities with school districts that have strong school leadership and a commitment to research. Initial sites include:

- **Boston Public Schools.** Within three years, the Boston SERP project has made important progress toward the district's goal of improving middle school literacy across content areas, and is producing tools and programs for use nationwide
- **San Francisco Unified School District.** The San Francisco site, launched in 2006, is focusing on middle school mathematics and science, and the literacy and language challenges of learning those subjects
- **Minority Student Achievement Network (MSAN).** The most recent SERP partnership is with four districts (Arlington, Va., Evanston, Ill., Madison, Wis., and Shaker Heights, Ohio) from the national MSAN. The project will focus on algebra at all grade levels where it is introduced and on the academic engagement of students as they transition to high school.

THE RESPONSE OF THE SMITH FAMILY

In relation to the participation and social inclusion of the 'Other Australia' cited by Michael Chaney, The Smith Family adopted an education / lifelong learning strategy to address the education lifecycle in a developmental framework for primary prevention of intergenerational financial disadvantage. Our suite of programs has been designed to contribute to five population outcomes:

- All children are ready for school (0-5)
- All children meet minimum literacy and numeracy standards (6-12)
- All young people stay engaged in education and learning (12-16)
- All young people make a smooth transition from school to work or further education (16-24)
- All adults have the skills and qualifications to lead active and productive lives.

In 1999, we strategically shifted our response to the 'other Australia' to education / lifelong learning across the life cycle because the economy was leaving too many of our families behind. Children, youth and adults at all levels, that is, within the primary, secondary and tertiary sectors, were, and continue to, face a variety of financial, educational and technological barriers to their participation that have derived from long-term intergenerational marginalisation.

Since 1999, The Smith Family has undergone a comprehensive organisational transformation moving its focus from a welfare-oriented model to one on children and education. The overarching purpose of our flagship *Learning for Life* suite of inter-connecting programs is to provide educational opportunities for disadvantaged individuals and their families at key transition points (including transitions into employment) throughout the life course. This is achieved through three complementary streams:

- Financial scholarships (which facilitate the participation of disadvantaged children and youth helping them to have the materials needed to allow them to belong in the formal education system from early childhood through primary and secondary school to tertiary)
- Personal Support (which goes hand in hand with financial support and is focused on enhancing the cognitive/academic skills of the individual through formal learning assistance via tutoring, mentoring and coaching). and

- Personal Development (which focuses on developing an individual's social-emotional development through informal learning by participating in extra-curricular activities such as sports and the arts, etc.).

Within these streams *Learning for Life* concentrates on improving essential literacies such as numeracy and comprehension, financial, and ICT.

An agenda of program and model development

Two areas in which TSF's agenda for program development have been particularly emphasised include the school to work transition and literacies for a 21st century knowledge society.

The school to work transition 2001—2007

From 2001 to 2007 The Smith Family's research focused on the advantaging factors experienced by students participating on *Learning for Life* in navigating the transition from school to work or further education and training. It was TSF's ARC Linkage Grant with the then Australian Centre for Industrial Relations, Research and Training (ACIRRT) from 2001-2003 that marked the beginning of a period of research focusing on the school to work transition. This research confirmed the supportive role of the financial scholarship but also highlighted the importance of other forms of support provided by participation in *Learning for Life*. The ACIRRT research particularly pointed to the importance of formulating post-school plans in navigating successful post-school transitions.

Subsequently, The Smith Family worked with the Australian Council for Educational Research (ACER) in the production of five studies that provided more in depth evidence on advantaging factors in the formulation of post-school plans and successful school to work transitions:

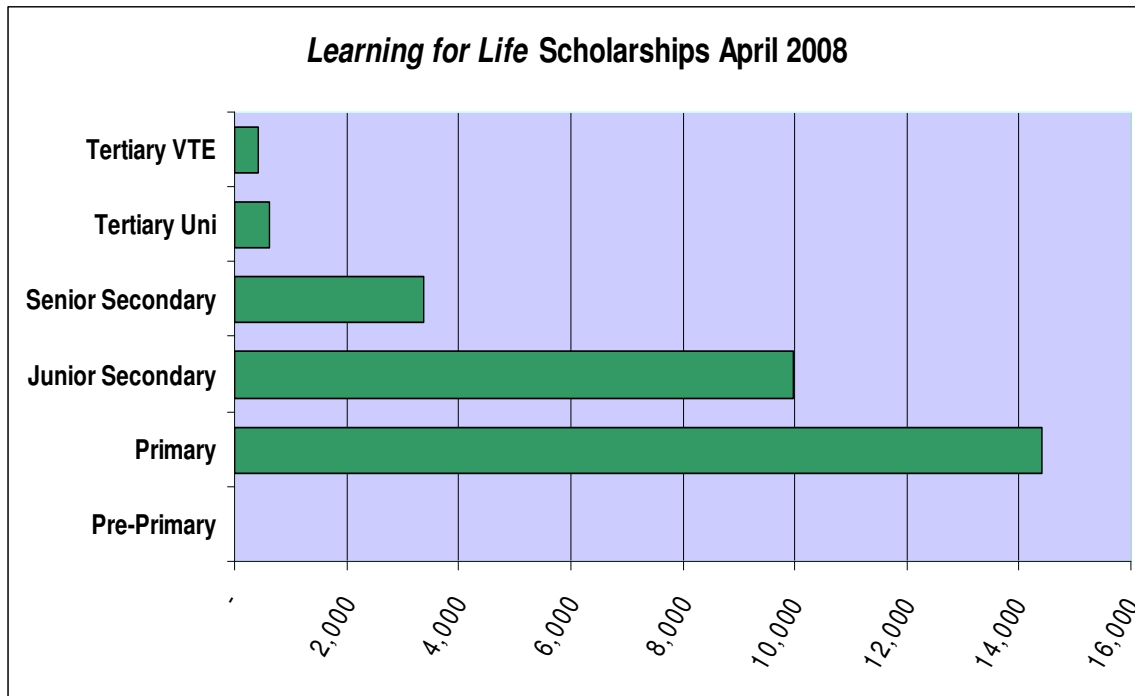
- Post-School Plans: aspirations, expectations and implementation (2004)
- What do students know about work? Senior secondary school students' perceptions of the world of work (2005)
- What do students think of work? Are they on the right page? Junior secondary school students' perceptions of the world of work (2005)
- On track? Students choosing a career (2006), and
- Australian young people: their stories, their families and post-school plans (2007).

One of those reports, *What do students know about work?*, looked at the relationship between students' understanding of the 'pathways to work' and vocational learning and work experiences. What we found was that school VET students, TAFE students, and work experience students, in contrast to those students in paid work, in general, had weaker matches between the skills requirements of preferred jobs and their educational plans.

One possible interpretation was that students not engaging in VET or workplace learning have already formed career goals and the pathways they believe will enable them to be realised. The data suggest that additional career decision making support needs to be established for students who choose VET and work experiences, and the diversity of career choices further suggests that career advice needs to be targeted to individuals, rather than being of a general nature.

The research that TSF conducted with ACIRRT and ACER provided important evidence for expanding the range of our mentoring programs into the junior and senior secondary components of LfL.^{xii} However, the evidence also supported an organisational decision to diversify the tertiary mentoring program to include TAFE and VET students in addition to university students. While mentoring and scholarships for TAFE and VET students represents a relatively new development

in comparison with the provision of our suite of programs across the educational life cycle, the following graph illustrates the current state of support being provided to TAFE and VET students.



(The numerical breakdown is: 424 for VTE; 615 for Uni; 3,385 for senior secondary; 9,962 for junior secondary; 14,402 for primary; and 24 for pre-primary. The total is 28, 812.)

Literacies for the 21st century 2003 -- 2008

The Smith Family's research report released in 2003, *Barriers to Participation: Financial, Educational and Technological*, provided an evidence base on which to progress an agenda for the development of literacies for the 21st c – digital, comprehension, and financial.

Digital literacy

National and international research has shown that digital literacy is a key component of engaging individuals in lifelong learning and contributing to social inclusion. Education levels, opportunities and motivations to learn are strongly tied to a person's ability to access and use technology to its fullest capacity. Informal community based education where learning can be self-directed and self-paced has been found to be successful in engaging those with the lowest skill, education and employability levels.

In 2004 The Smith Family released a report 'Connecting Communities with CTLCs: From the digital divide to social inclusion'. It related technology, learning and resilience and noted the potential of community technology learning centres (CTLCs) to strengthen communities. From 2005 to 2007 other studies identified 'success factors' for Microsoft Unlimited Potential participants and confirmed TSF's approach to CTLCs to develop digital literacy and facilitate lifelong learning and community connectedness:

- *Working towards digital and social inclusion with CTLCs*
- *UP Longitudinal Case Studies*
- *It takes a community to bridge a divide – Phase I UP Evaluation*

- *Technology Enabled Inclusion – Phase II UP Evaluation*
- *UP Good Practice Guide.*

Comprehension literacy

In relation to comprehension literacy The Smith Family has been working closely with the Centre for Community Child Health (CCCH), associated with the Melbourne Children’s Research Institute at the University of Melbourne. In 2003, TSF with CCCH completed a literature review that identified ‘success factors’ in raising awareness of the importance of comprehension literacy in disadvantaged families – the evidence applied to the development of *Let’s Read*, an initiative for the development of pre-literacy skills in 0 – 5 children in the lead up to the home to school transition.

Subsequently, we became an industry partner in an ARC Linkage Grant with the University of Melbourne for a five-year (2006-2010) ARC Linkage Grant to conduct a cluster randomised control trial on the effectiveness of *Let’s Read* in contribution to the development of pre-literacy skills in families on *Let’s Read* in comparison with families not on the program. In addition, we are also in the process of establishing the feasibility of a follow-up longitudinal study to assess the impact of having been on the program.

Financial literacy

Across the world, measured levels of financial literacy are down, the need for financial products is up, and there is a great complexity in relation to money issues. Niall Ferguson, a Harvard University financial historian, argues that it is a well-established fact that “a substantial proportion of the general public in the English-speaking world is ignorant of finance”.^{xiii} Financial illiteracy is pervasive in all age groups, income brackets and countries. This problem is more pressing than ever because governments and businesses have pushed more of the responsibility for financial well-being onto individuals. For example, complex superannuation choices, tax reforms, multifaceted credit agreements and the diversification of retail payment methods demand individuals attain increasingly sophisticated levels of financial literacy.

Research and evaluation have shown multiple gains in wellbeing resulting from higher levels of financial literacy, including increased household stability, greater social connectedness and improved health.^{xiv} Research also suggests effective strategies to equip people with the capacity to negotiate this new financial responsibility incorporate three critical components:

- 1) the development of financial literacy **skills**
- 2) the design of simplified financial **products** suited and accessible to individuals and families in a broad range of income levels
- 3) the facilitation of **behavioural change**^{xv}

In response to these challenges The Smith Family has trialed and rolled out two programs in particular: Saver Plus, a matched savings program to assist financially disadvantaged families meet the educational costs of their children; and Money Minded, a program for the development of financial management skills.

A 2005 evaluation of Saver Plus 2005 provided evidence that the majority of participants from financially disadvantaged backgrounds can, in fact, save, and begin to acquire sound financial habits. After the evaluation an expansion of the program began in 2006 to include 1500 families in Queensland, NSW and the ACT over three years. A follow-up evaluation in 2007 revealed 75% of Saver Plus participants continue to save the same amount or more often after exiting the program.

MoneyMinded was also evaluated in 2005. The evaluation found evidence of participants’ satisfaction with the course as well as for improvements to the program before roll out in 2006.

The 2006 evaluation noted that savings and financial management skills improved after training, and confirmed the appropriateness of the enhanced content and delivery method. Subsequently, TSF further developed MoneyMinded into The Smith Family's Financial Literacy Program. The latter incorporated a stronger focus on the factors associated with behavioural change to sustain longer term outcomes than did the original MoneyMinded program.

In addition to our agenda for the development of programs, which comprise *what* we do, we also are developing a range of place centric models which indicate *how* we work in community. In order to provide a framework in which the roll out of The Smith Family's suite of *Learning for Life* programs can be brought to scale, we have also been developing a number of place centric models to leverage the resources in the communities where we are working for sustainability. Underlying all of the ways that we are working in community is an emphasis on dual generational learning (DGL). The latter refers to a strategy in which educational activities and support address the learning needs of more than one generation. We have based this approach on a body of evidence that shows the:

- Brain being an environmental organ (1999: Cynander et al "Mechanisms of Brain Development in *Developmental Health and the Wealth of Nations*)
- Longitudinal effects of early childhood home environments (2004: Schweinhart et al *Lifetime Effects*)
- Inequality of family opportunities requiring the building of capacity for disadvantaged children and their parents in a holistic manner (2006: Heckman *The Economics of Human Skills*).

Schools at the Centre (SAC)

A particular expression of the DGL approach is the 'Schools at the Centre' model that we have developed for our work with indigenous communities in the Northern Territory. Schools at the Centre are shared community meeting places where sets of partnerships between schools and other community resources enable families to come initially with and for their kids; trust is built between parents and school staff; and parents and carers can access programs for themselves (Henderson & Mapp 2002). SACs enhance the capacity of schools and communities by supporting the school with resources from the community and also by facilitating pathways from the school to the community and from the community to the school. Three of our most developed SAC sites include:

- Ramingining in East Arnhem (245 students)
- MacFarlane Primary in Katherine (275 young children)
- Moulden Park School and Neighbourhood Centre in Palmerston (443 students).

Families Learning Together (FLT)

A more recent expression of DGL that The Smith Family is looking at is *Families Learning Together*. The model has been developed with the pro bono assistance of the Boston Consulting Group (BCG) who conducted a feasibility study and subsequently by McKinsey and Company who sourced evidence to inform the development of a business plan in preparation for the eventual implementation of the model. FLT encourages all family members independently and together to engage in learning by providing:

- *Early education and development* for children to aid their cognitive and non-cognitive development and assist their transition to school
- *Parenting education for adults* to build their confidence and capacity to provide a stable home environment

- *Adult education for parents* to assist them in engaging in learning opportunities and improving their prospects of entering the workforce
- *Parent and Child Together Time* which not only improves skills and development but strengthens relationships and communication skills within families.

CONCLUSION: NEED FOR GREATER ENGAGEMENT BETWEEN BUSINESS AND THE SECONDARY AND TERTIARY SECTORS

Despite Australia's record high levels of prosperity we still have too many people who are neither participating nor on their way either to satisfying employment or career development. Our most fundamental challenge is to facilitate the participation levels and social inclusion of the various subgroups of people who currently are representative of gaps in participation. We also know that our education and training systems will have to undergo significant and continuing transformation to raise achievement levels and reduce achievement gaps.

Currently, our education and training systems are falling short of meeting the needs of many individuals in the first instance and of Australian society more broadly. We know that we have to begin to think in broad strategic brush strokes to move forward as well as to break the persistent blockages that have existed for so long in making it difficult for research to impact on classroom practice.

Throughout the process of transforming the educational system business can work cooperatively as a partner with the secondary and tertiary sectors and governments responsible for education to make sure that they are finding and adapting new and better ways to provide a high-quality education that enables every student to be work ready, at whatever level is appropriate to their capacity. Partnerships between business, the tertiary sector and schools (both government and non-government) and community organisations will be keys to greater local responsiveness, alternative sources of funding, and greater sharing and more efficient use of human resources and physical facilities.

Whether we are talking about addressing the immense challenges that we face, or learning from some of the promising developments and practices within Australia and internationally, the role and contribution of business in collaboration with the primary, secondary and tertiary sectors is required particularly in five key areas:

- **Design and implementation of good programs** that can effectively address our population gaps in participation and employment that are impeding the growth of labour supply
- **Design and implementation of strategies** that will have an impact on future generations of labour supply through the inclusion of a range of early childhood, education and health initiatives that are vital for the development of capacities necessary for a 21st c knowledge economy
- **Demonstration through innovation** for breakthroughs of seemingly intractable problems
- **Leveraging of resources strategically** at the critical areas of teaching and learning, human capital, and educational systems and structures
- **The facilitation of educational research into best practice** to retain competitive edge.

In this context, it is interesting to note that the Victorian Government back in 2005 made the following observation in its paper "Workforce Skills for a More Prosperous Australia":

There appears to be a large pool of under-utilised labour, with sufficient human capital to meet our current labour needs. This suggests that *any current skills shortages are a systemic problem*, likely to be caused by a mix of structural barriers within the labour

market, and a misalignment between those jobs available and the skills of the people who might be able to take them up.

What was previously *suggested* as a systemic problem in 2005 now has much broader recognition as an urgent challenge to transform Australia's system of education and training. From the perspective of The Smith Family, responding to the challenge is also a critical component in facilitating greater social inclusion of the 'other Australia'.

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ⁱⁱ ABS Catalogue No. 6287.0, *Labour Force Characteristics of Aboriginal and Torres Strait Islander Australians, Experimental Estimates from the Labour Force Survey 2006*, 2007, p.30.

ⁱⁱⁱ Australian Industry Group and Dusseldorp Skills Forum, *It's Crunch Time: Raising Youth Engagement and Attainment*, 2007, p. 17.

^{iv} ABS Catalogue No. 402.0 *Australian Social Trends 2007*, p.3.

^v *Victoria: Working Futures*, 2005, p.41.

^{vi} The Productivity Commission Staff Working Paper (J. Abhayaratna and R. Lattimore, 2006) uses cross-country comparisons, adjusting the data to reflect data discrepancies in the treatment of defence personnel, institutionalised populations missing data from some age brackets, and paid maternity leave.

^{vii} *Ibid.*, p. 59.

^{viii} See, for example, J. Heckman, 'The Economics of Human Skills: Evidence and Policy Implications', Research School of Social Sciences, ANU, 2006; Professor M. Keane, 'Quasi-Structural Estimation of a Model of Child Care Choices and Child Cognitive Ability Production', Department of Economics, Yale University, March 2006, and Mission Australia's 'Pathways to Prevention' project, which also notes that programs in the United States have provided benefits in the range of \$7 to \$17 for every \$1 spent. The Smith Family has achieved progress using dual generational learning where educational activities and support address the developmental needs of more than one generation. Note: the source for Figures 1 and 2 is ABS Catalogue No. 6202.0.55.001, *Labour Force, Australia, Spreadsheets*, August 2007.

^{ix} Caldwell in *Re-imagining Educational Leadership* argues that more than reform of the system is needed. Transformation is required, not simply for improvements, but for the best outcomes for every student as the only acceptable outcome. He defines transformation as ". . . change – especially under challenging circumstances – that is significant, systematic and sustained, resulting in high levels of achievement for all students in all settings." (Caldwell, 2006, p. 27)

^x The Higher Education supplement of *The Australian* (Wednesday 2 July 2008) in an article by Heather Ridout, CEO of the Australian Industry Group (AiG) commenting on the skills and training reforms proposed by the Victorian Government highlighted four critical tests for the reform to meet the needs of more young people in need of contemporary work ready skills: a real increase in the overall investment in skills development; a quantifiable and relevant increase in the skill levels of the working age population; quality improvement; and, compatibility with the national training system.

^{xi} *The Economist* October 20, 2007: pp. 76-77.

^{xii} There are currently 8 different types of mentoring programs offered as part of Learning for Life, in addition, to those available for tertiary students: Breakfast with a Mentor (for parents of children preparing to make the home to school transition); student2student; Transition to High School; *iTrack*; Plan-it-youth; Student entrepreneur program; Next Steps; and, the Senior Secondary Indigenous Mentoring Program.

^{xiii} Cited in 'Financial literacy Getting it right on the money', *The Economist*, 3 April 2008, available http://www.economist.com/displaystory.cfm?story_id=10958702, accessed 10 April 2008.

Ferguson "produces a long list of evidence to support this conclusion. According to one survey last year, four in ten American credit-card holders do not pay the full amount due every month on the credit card they use most often, despite the punitive interest rates charged by credit-card companies. Nearly one-third said they had no idea what the interest rate on their credit card was."

^{xiv} M. Sherraden, 'Assets, Poverty and Public Policy', Presentation at the 'International Year of Microcredit' Conference, Melbourne, 2005.

^{xv} *The Economist* (April, 2008) 'Financial Literacy: Getting it right on the money', pp. 75-77.