



**The Smith
Family**

Learn today, change tomorrow.

**Submission to the
Needs-based Funding Implementation consultation**

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Contact

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Introduction

The Smith Family welcomes the opportunity to contribute to the Needs-based Funding consultation process which responds to the Universities Accord recommendation regarding a new funding system in higher education. The Smith Family is a national charity working in over 90 low SES communities across all states and territories. Our belief is that education is one of the most powerful change agents and our purpose is to overcome educational inequality caused by poverty.

In FY23, around 200,000 children and young people, their parents/carers and community professionals participated in our programs. This includes around 63,000 children and young people living in a low income family, who are on our long-term educational scholarship program *Learning for Life*. Over 1,500 of these young people were tertiary students.

In addition to our programmatic work with young people, The Smith Family is also undertaking large scale longitudinal research with young people on the *Learning for Life* program, including through their post-school pathways. Our programmatic, practice and research work underpin this submission.

The Smith Family is very supportive of needs-based funding given the:

- Individual and national benefits which will flow from higher rates of tertiary education completion
- Current under-representation of equity groups participating in and completing higher education
- Relationship between additional support and tertiary completion.

We also note the significant impact for young people of what happens in school, (and indeed in the early learning and care context), on who applies for tertiary education, the likelihood they will complete a qualification and the extent to which they are able to enjoy the employment and other benefits of a tertiary qualification. Therefore, alongside the very significant reforms proposed by the Universities Accord, complementary reform in the schools area needs to be resolved in the new National School Reform Agreement. In summary, the effectiveness of equity reforms in higher education will be highly influenced by the effectiveness of equity reforms in the schools space.

Student centred approach

The Smith Family's work with young people experiencing disadvantage reinforces the **range** of issues which can impact on their capacity to consider, enrol in and complete higher education. The diversity of these issues is compounded by the **dynamic** nature of many of them.

Given this, The Smith Family holds that the foundational principle in implementing needs-based funding must be that it is **student centred**, with the flexibility to respond to diverse and dynamic student needs, that may change for individual students over time.

Cumulative disadvantage

Young people on the *Learning for Life* program provide clear evidence of the need to conceptualise and respond to cumulative disadvantage, if greater equity in higher education outcomes is to be achieved. All *Learning for Life* students are:

- Living in low-income families
- A quarter are First Nations
- Around a third have a health or disability issue
- A third live in regional areas.

Analysis by Tomaszewski et al (2020)¹ shows that the higher the number of disadvantage factors:

- The more likely young people will encounter barriers to higher education
- The less likely they are to participate in and complete higher education
- The less likely university graduates are to achieve positive employment outcomes shortly after graduation.

Importantly, this research identifies that cumulative disadvantage can impact differently at different stages of the student cycle:

- Pre-access: At age 15 years, the probability of young people expecting that they will subsequently complete university is 68 percent for those with no disadvantage factors and 31 percent for those with two disadvantage factors.
- Access and participation: The probability of completing a Bachelor degree after commencement is 72 percent of students with no disadvantage factors compared to 60 percent of students with two disadvantage factors.
- Post-graduation: The probability of employment six months after graduation is 84 percent of students with no disadvantage factors compared to 70 percent of students with two or more disadvantage factors.

Given the clear impact of cumulative disadvantage on each stage of the student cycle, responding to this issue will require not only a student centred approach, but a **data development agenda**, including systematically monitoring cumulative disadvantage. This agenda should be informed by the recommendations made in the report by Tomaszewski et al. (see pages 170-175)

Intersecting systems

Given the above data on the multiple issues facing many young people experiencing disadvantage, the interplay between the higher education, health and Commonwealth Government income support systems and the National Disability Insurance Scheme, is critical to whether or not tertiary participation and completion is possible for this equity group.

Despite the good intentions of those who work in them, the systems set up to 'serve' young people experiencing disadvantage, tend to be complex for them to access. They are often ineffective in supporting positive change and inadvertently rob people of a sense of agency and empowerment.

Evidence from The Smith Family's evaluation of the *Care2Achieve* program² which aimed to support young women leaving out-of-home care to complete a tertiary qualification, highlighted that limited or poor coordination between these systems was a **major factor** hindering the completion of a qualification for a number of participants. While accessing health and mental health care services was very common, *Care2Achieve* students indicated the challenges with long wait lists for many services and of not receiving continuity of care once a service was accessed. Due to costs and waiting lists, many struggled without support for significant periods of time during their participation in the program.

Further, challenges often arose for *Care2Achieve* students when tertiary institutional processes were discordant with Centrelink processes and rigid eligibility requirements, creating both financial and study challenges. At times this exacerbated students' mental health issues. For example, Centrelink did not recognise one young woman's laboratory practice or work placements as study.

¹ Tomaszewski et al (2020) *Investigating the effects of cumulative factors of disadvantage*, ISSR, University of Queensland.

² See <https://www.thesmithfamily.com.au/-/media/files/research/reports/care-2-achieve.pdf>

Her Youth Allowance payments were halted and she had to transfer to the JobSeeker scheme. Another student was also transferred to JobSeeker when she had to reduce her study load temporarily because of significant mental health issues. Both young women found the job search requirements of JobSeeker interfered with their study progress, and it impinged on their capacity to improve their mental health.

While the experiences of young people leaving home care can be particularly acute, high levels of health, including mental health, and disability issues, are prevalent among low income young people more generally, as identified through The Smith Family's *Pathways, Engagement and Transitions* research:

*I've had a tough few months...because my depression, just went really bad. I wasn't on any medication or anything...just felt quite alone or that no one cared. Finally got on some medication so, that helped a lot...I am seeing a psychologist...I stopped studying...I was failing and really behind.*³

After years of navigating various service systems, one young woman participating in the *Care2Achieve* program concluded:

It shouldn't be up to one organisation, it should really be a holistic approach. There's a long way for the system as a whole to go. It's frustrating to see all of these non-government agencies and key bodies that are so devoted to a cause and you can almost feel in their voices just the disappointment time and time again when things just aren't being done. Everything should work together because the system is a machine and you have to oil all the parts.

The Smith Family contends that while aspects of Australia's human services system work well, the system needs to be redesigned, so it is better able to address the needs of those experiencing complex and sustained disadvantage. If the implementation of need-based funding is to significantly contribute to improved completion rates of young people experiencing disadvantage, and other equity groups, such a redesign and ongoing policy reform across the interconnecting systems must also occur concurrently. This would support young people to access the range of supports they need in a coordinated, non-judgemental and easily accessible way, and contribute over time to the successful participation of more young people experiencing disadvantage in higher education, in a cost-effective way..

Young people in out-of-home care

Young people leaving care are not an identified equity group in higher education or the school system. As the *Care2Achieve* evaluation identified, many of the challenges participants experienced in undertaking tertiary education were indicative of educational supports and interventions, services and processes not being developed for their unique needs. While policies and processes developed for identified equity groups did address some barriers to participation for a few *Care2Achieve* students, they often fell short of the level and type of assistance needed. The evaluation found that when a number of students reached out to their institutions for support they were made to feel that their requests for support or special consideration were unreasonable.

While some universities are collecting or exploring the possibility of collecting data on young people who had had experience of the care system, The Smith Family believes that there should be centralised national data collection on this group of young people. This should be complemented by consideration within the application of needs-based funding of systematically responding to the additional needs these young people experience in participating in higher education.

³ The Smith Family (2023) *Pathways, Engagement and Transitions: Dynamic post-school pathways of young people experiencing disadvantage*.

Challenges for young people experiencing disadvantage in participating in higher education

A key consideration in implementing needs-based funding, is to understand the challenges young people experiencing disadvantage face in participating and completing tertiary education. The Smith Family's experience and research shows that the most obvious challenge they face is **financial** and this plays out in a range of ways.

The costs associated with higher education participation can be prohibitive for young people living in families experiencing poverty, and recent cost of living pressures, in particular in relation to housing, petrol and food, have exacerbated this. Many of the young people who are on or have been on the *Learning for Life* program, make significant contributions to their family's household budget and for those who need to relocate to study, the financial impost is particularly harsh. One in three young people who were in Year 10 and on *Learning for Life* in 2020, indicated when surveyed in 2023 (ie when they were post-school), that they worried *often* or *all the time* about paying for essentials.⁴

Financial disadvantage influences the courses young people take if they do choose to pursue tertiary education. Factors such as the size of the up-front or potentially deferred fees, course length and associated costs such as textbooks, technology, necessary uniforms and associated equipment, all impact on the decisions made by young people who have limited financial resources, reinforcing the importance of needs-based funding being student centred.

Responding to financial challenges

Given the significant and increasing financial challenges faced by low SES students in participating in and completing tertiary education, financial scholarships and income support provisions are an important contributor to supporting increased participation of young people experiencing disadvantage as young people supported by a Smith Family Tertiary *Learning for Life* scholarship explain:

I have so far used my scholarship money on a reliable laptop that will not break down on me which is useful for my studies and completing assignments. I have also used the scholarship money on printing which has been useful for lectures and readings for each week. I have also had to buy expensive textbooks which some were up to \$300 which I would have missed out on without the help of the scholarship money....

The scholarship just lifted the whole stress of having to worry about making financial ends meet...for once not having to worry about financial means I was able to prioritise things. And because I wasn't stressed financially, I didn't need to prioritise work, like I did earlier in my degree before the scholarship.

Despite the value of such scholarship funds, The Smith Family's experience working with young people experiencing disadvantage is that they are not, in isolation, sufficient to support significant numbers of young people to complete tertiary education. While scholarships assist students in financial need enough to stay at university, they can only do so much to overcome the effects of complex personal lives.

In particular, many young women on the *Care2Achieve* program, experienced significant financial stress while on the program, despite accessing various sources of income and funding, including government payments, scholarships and paid work. The students who experienced the greatest financial stress were more likely to have transitioned out of care before they turned 18, and in general had experienced greater instability during their time in care.

⁴ The Smith Family (2024) *Pathways, Engagement and Transitions: Experiences of early school leavers*.

This whole year has just been about keeping my head above water and passing and surviving...Everything is doable but it's ten times harder...because of the financial stress I can't sleep... It's affecting my ability to learn. I think if I didn't have all these concerns...it would give my brain so much more space to do what I need to do for study. Elanor

The *Care2Achieve* evaluation showed that some of these young women particularly struggled to find safe affordable accommodation within a manageable distance of their tertiary provider. Young women had to undertake multiple and frequent moves and some experienced homelessness or were at risk of homelessness, during their period of study. Each year of the program, as many as half of the participants moved, with some moving up to three times in a 12 month period. This precarious accommodation seriously impacted their capacity to complete higher education.

A significant number of young women deferred or took a break from one or more semesters of study because of financial reasons and a number of students left or did not commence study because of financial pressures around paying for rent or food. Efforts aimed at increasing tertiary completion of equity groups thus need to be very flexible in order to respond to the range of needs young people experiencing disadvantage face.

Academic and personal support

In addition to financial support a number of young people from disadvantaged backgrounds will need a range of other supports, including academic and personal support, to participate in and complete a tertiary qualification. This is in part because many young people experiencing disadvantage will be the first member of their family to participate in tertiary education.

In line with the principle of student-centred support, and given the challenges and unpredictable complexities many young people experiencing disadvantage face, this support needs to be available, as required, across students' tertiary studies, not just for example prior to commencing a qualification or in the first year of tertiary study.

The type of support young people may require includes additional support to develop their literacy, numeracy, digital and study skills, as well as more subject specific support such as with essay writing.

Research with young people supported by The Smith Family, who were undertaking tertiary study⁵, shows the value of additional academic support accessed through a range of different avenues to help students with difficult content.

The drop-in sessions were pretty helpful. The university would dedicate some time, it'd be a live class where the lecturer is there for us and we can ask questions, get the help we need. It does help.

You submit your draft assignments...and if say it's a report or essay or whatever format the assessment task is, then they give you feedback...And you can work on it then, to improve before final submission. I found it's actually really useful.

I went to these help sessions after-hours at uni with the teachers...that was...for one subject...which I hated...so I needed that help to pass the unit, which I did.

In addition to academic support, young people from disadvantaged backgrounds may require a range of other personal and practical supports, and this needs to be easily accessible and provided in a non-judgemental way if it's to be effective.

Young people experiencing disadvantage may also have lower levels of self-efficacy than their more advantaged peers, with The Smith Family's 2022 research noting that young people wanted

“more support to develop self-confidence and other life skills, including how to seek help, seize opportunities and learn from their mistakes” (p.4).

In addition, some students accessed, and found valuable, programs aimed at further exploring careers options. For example, through joining student-led networks that offered regular, ongoing opportunities to learn from and be mentored by peers who were further ahead in their studies.

A number of young women participating on the *Care2Achieve* program accessed health support services provided by tertiary institutions, in addition to learning support and special consideration processes. These all need to be considerations in the implementation of needs based funding.

Alternatives to ATAR

Australia is one of the only countries with a Tertiary Admission Ranking system (ATAR). The 2020 Shergold Review of student pathways notes the following:

- It is a very Australian approach: there are few education systems around the world that depend on a single score to define academic achievement
- There were few issues within the scope of the review that elicited more passionate views from participants and contributors than the Australian Tertiary Admission Rank (ATAR). While tertiary institutions and the Universities Admissions Centre advocate a balanced approach to the use of the ATAR, this is not the message being heard by young people, their families or their teachers.
- Whatever the value of an ATAR to university selection, a misunderstanding of the purpose and application of the ATAR is having negative consequences. It is leading to a narrow view of ‘success’ and the goals of schooling in the senior secondary years. This has a profound impact on the manner in which success at school is perceived.
- Although the ATAR has its place when it comes to university admissions, the senior secondary education system in most states and territories remains geared towards achieving an ATAR at the expense of broader skills and other pathways. Many senior secondary teachers with whom the review spoke were frustrated at what they are asked to prioritise and teach in Years 11 and 12, noting that the essential capabilities are often relegated, as they do not contribute to the ATAR. VET pathways are often seen as ‘second tier’ to an ATAR pathway. This view is reinforced by the inconsistent way that VET is counted toward the ATAR across jurisdictions

The review recommends that students should leave school with a Learner Profile that incorporates not only their ATAR score (where relevant) together with their individual subject results, but that also captures the broader range of evidenced capabilities necessary for employment and active citizenship that they have acquired in senior secondary schooling⁶.

Lamb 2008 notes that most other OECD nations have systems where entry to university or VET post-school study is predicated on either passing grades in compulsory subjects; successfully completed examinations and program work; or achieving a threshold of credits by completing a required number of units⁷.

Case study of a non-ATAR system: New Zealand

⁶ *Education Council (2020) Looking to the future: report of the review of senior secondary pathways into work, further education and training. June 2020*

⁷ Lamb (2008) Table 3 Comparisons of pathways to graduation: features of qualifications, pp 12-15.

The National Certificate of Educational Achievement, or NCEA, is New Zealand's main secondary school qualification for students in Year 11–13 (which is the same as our Years 10-12, as they don't have a kindergarten year).

For university entrance, there is no ATAR-type ranking system, only a requirement to complete a minimum of units in mathematics and English. Entry requirements are

- Completion of NCEA Level 3*
- 14 credits at Level 3 in each of three approved subjects
- 10 Literacy credits at Level 2 or above, made up of:
 - 5 credits in reading
 - 5 credits in writing.
- 10 Numeracy credits at Level 1 or above, made up of:
 - co-requisite Level 1 Numeracy unit standard 32406 or Unit standard 32412, or
 - certain achievement standards.

*NCEA (Level 3) is designed to enable access to the skills required for employment. People certificated at Level 3 have typically shown themselves able to integrate knowledge and skills to solve unfamiliar problems; access, analyse and use available sources of information; and work independently in undirected activity.

Supporting transition into employment or further study through Needs-based funding support

The Smith Family supports the value of using needs-based funding to support young people in equity groups to transition into employment. Research undertaken by The Smith Family and Tomaszewski et al (2020) shows that while acquiring a tertiary qualification supports improved post-school outcomes of young people experiencing disadvantage, the relationship is not necessarily a straightforward one, given the importance of networks and cultural capital in helping young people obtain and sustain employment.

Young people experiencing disadvantage who are undertaking tertiary study, are often the first in their family to do so, and generally have more limited networks with people in work who can help them navigate post-school pathways. There is therefore an important role that needs-based funding can play in helping young people experiencing disadvantage to be able to realise the benefits of tertiary study.

Such support needs to occur throughout young people's tertiary study, for example through high quality **Work Integrated Learning** and mentoring opportunities. The Smith Family welcomes the Commonwealth Government's Prac Placement initiative announced in the May 2024 Budget.

We would also note as an input to considerations in this space the benefit that participants in The Smith Family's *Cadetship to Career* program have identified. The program links tertiary students supported by The Smith Family with employers for paid, flexible, multi-year cadetship opportunities, both supporting students to participate and complete higher education, as well as increasing the likelihood of employment post-completion of study. The program, originally launched in partnership with the Business Council of Australia enables students who need to be earning to explore and importantly experience professional learning in their chosen field of study. It helps build young people's networks with employers and the cultural and social capital which is such a critical part of finding and succeeding in employment. see [Cadetship to Career | The Smith Family and Business Council of Australia](#) .

Organisations suitable to deliver support activities

There are a range of organisations who have the skills, experience and necessary connections to deliver support activities for identified student equity groups under Needs-Based Funding. Given

The Smith Family's experience we will limit our commentary to young people experiencing disadvantage.

Of particular value to this group is those organisations who already have existing relationships with students, and/or those organisations who have experience acting as a 'broker' or intermediary, between schools serving high proportions of students experiencing disadvantage and tertiary institutions. The latter is important given there is a continuity of support being provided to students, as well as students having levels of trust and confidence in these institutions. Organisations for example, who have supported young people to explore potential career pathways while they are at school are a good example of such organisations.

Organisations who act as intermediaries between schools and tertiary institutions can offer an efficient and effective way of providing support, particularly for highly disadvantaged schools that are dealing with students facing a range of challenges and staff shortages. Such organisations could provide support in regional areas, as well as in outer suburban areas where there is significant levels of disadvantage.

Building the evidence of what works

In implementing needs-based funding, flexible use of funding to meet students' needs will be important, alongside of **clear accountability** for the spending of public funding. Given the significant equity gaps to be addressed, longitudinal **evaluations** of different approaches and combinations of support should be a priority, so that the evidence base in this area is strengthened. This will support more young people to complete tertiary education and contribute to more effective use of government funds.

The Smith Family would encourage some of the funding to be used to implement and evaluate **evidence-informed innovations**, given the need for a diversity of responses in this space. The Australian Centre for Student Equity and Success should play a role both in supporting experimentation and evaluation in this space and acting as an accessible clearinghouse to disseminate learnings in a timely way. Ensuring feedback loops from any innovations – including what *doesn't* work – should be seen as a key part of implementing needs-based funding.