



*everyone's family*

## **Safety and Stability for Vulnerable Children Conference**

### ***Changing Educational Outcomes for Disadvantaged Children***

**Dr Lisa O'Brien, CEO The Smith Family**

**24 February 2016**

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I'd like to begin by acknowledging the Traditional Owners of the land on which we are meeting today, the people of the Kulin Nation, and pay my respects to their Elders past and present.

Good morning and thank you for having me here for the second morning of this important conference. I'm hoping that most of you have had a good night's sleep and that vital morning coffee!

Ensuring the safety and stability of the most vulnerable members of our society is challenging and vitally important work. So it is good to see the topic being openly addressed through forums and conferences such as this. Here, we can come together to discuss and to reflect on why, and how, we do what we do, and importantly, how we are tracking as a sector.

When I was first approached about speaking today, my initial reaction was that, as the conference is about child protection, and as The Smith Family doesn't work directly in the field of child protection, perhaps I wasn't the best person to speak. However, upon further reflection, and of course consistent with the National Framework for Protecting Australia's Children, ensuring positive outcomes for children is indeed everyone's business.

While the work of my organisation does not deal directly with the immediate issues of child protection, our focus is on enabling stability in the lives of the families we support. And importantly, we focus on changing trajectories for children growing up in disadvantaged households in disadvantaged communities today.

So today my presentation will look at three areas:

- The intergenerational transmission of disadvantage,
- How we work at The Smith Family to support disadvantaged young Australians and their families; and
- The policy settings and how we could do better.

I expect that some of you here today recently took part in the annual getting kids 'back to school' process. This can be the emotionally charged experience of little ones starting school for the first time, the excitement for primary schoolers connecting with their friends again, or encouraging disgruntled teenagers to look on the bright side!

For many families, it's an exciting time. And for parents or carers, it is often a relief, after the long summer break, to build a bit of structure back into the household and into kid's lives.

However, I'm sure that you will know through your professional capacities, that in many households the imperative of new school shoes, book lists, stationery and upcoming excursions creates a huge amount of additional stress at this time of year. Back to school costs, immediately following the expense of Christmas, can be particularly challenging for families with limited financial resources and networks.

In addition to the often intense short-term effects, there is a very concerning long-term impact that arises through financial disadvantage. One in 10 children in Australia today is growing up in a jobless family.

- In general terms, children growing up in these households are much less likely to achieve in the education system and therefore much more likely to end up in the same financial and social circumstances as their parents.
- A child living in disadvantage is already behind in literacy and numeracy skills when they start school. There is also a strong likelihood that this achievement gap will grow over the course of their schooling.
- For example, there is more than a 10% gap in their Year 12 achievement, compared to other more advantaged students.
- And from a labour market participation perspective, 42% of 17-24 year olds from the most disadvantaged backgrounds are not fully engaged in work or study compared to 17% among the most advantaged.
- A child living in disadvantage is also much less likely to attend university than their more advantaged peers.
- We also know that poor educational outcomes are associated with higher levels of long-term risk in areas such as physical and mental health and employment outcomes. Without intervention, there is a high risk that the cycle of disadvantage will be perpetuated into the next generation.

In the words of Paul, a former student supported by The Smith Family:

*“You don’t hear a lot about people in this country living in abject poverty in low socio-economic areas, but it does exist. Every kid has a dream for their future, but they don’t all have the tools to succeed... if a kid gets a chance to succeed at school or even go on to uni, then there’s a world of possibilities out there.”*

About 20 years ago, my organisation, The Smith Family, shifted its focus from being an emergency help/welfare organisation. Through our *Learning for Life* program our focus is now on changing outcomes for the next generation, through the power of education.

That is not to say that crisis support is not needed for families. Indeed, many of them rely heavily on the additional support provided by our partner agencies at times of real crisis.

And they do experience real crisis. From some recent research we conducted with our families, we know that their challenges include a high incidence of physical and mental health problems, as well as unstable housing resulting in frequent moves between schools.

When The Smith Family chose our new path, we took on board feedback from the families we were supporting with emergency help at the time, about what they wanted for their children. At that time, we were also aware of compelling research evidence about taking an early intervention approach to address intergenerational poverty.

We know that:

- Education is a key enabler of economic and social participation, and that
- Improving educational outcomes is the most cost-effective way of addressing intergenerational disadvantage and welfare dependency.

We also know that:

- Significant numbers of young people are **not** achieving the outcomes needed to participate in employment in the 21<sup>st</sup> century, and that
- Early intervention is urgently needed to improve young people's educational outcomes and to avoid the ongoing cycle of poverty.

But as a nation we still have a long way to go to address this gap in educational achievement. A long way to go before we **stop** the intergenerational transmission of disadvantage.

There's a notion we have of Australia being an egalitarian society. One in which everyone has the chance to overcome whatever life throws at you; to get on and do well. We just need to work hard and take advantage of the opportunities that society affords us all.

But of course we know that's not an accurate picture.

While there are many instances of individual circumstances where this thesis has been proven, there are also myriad reports and analyses of the population level data demonstrating that the issue of entrenched disadvantage affects multiple generations of the same family. This is the reality that confronts Australia today.

Let me now point you at some of this evidence.

This is from a CEDA report released last year. It said:

- Around 5% of Australians experience severe disadvantage, and that
- There are more than 500,000 children living in poverty.

Some of the characteristics associated with long-term disadvantage include:

- low educational attainment
- Indigeneity
- jobless household
- long term health/disability issues
- living in disadvantaged area, and
- age – being young, or being old

There is also a compounding impact for children experiencing more than one of these. Life for them is inherently unstable and their futures highly uncertain.

Looking into this in a bit more depth, a recent study by the New South Wales Centre for Educational Statistics and Evaluation highlights the links between education, family background, and income mobility.

Their findings are that:

- Income mobility in Australia may be substantially lower than has been previously reported. It's closer to low mobility countries such as the UK and the US, than to higher mobility countries like Sweden or Canada.
- Education plays a substantial role – that is 25-40 per cent - in economic immobility between generations.
- Financial returns to education have been increasing in Australia, which increases the importance of ensuring equal access to education. In simple terms, having a higher level of education increases your earnings capacity.
- The education system in Australia is about as equitable as the OECD average and the UK education system.
- And that socio-economic status has more of an impact on educational attainment for females than males, and education explains a greater component of income immobility for females.

And if we think about the fact that females are heading up the vast majority of sole parent households, then the need to ensure that girls from low SES backgrounds do **not** continue to repeat this life outcome, is clearly real and urgent.

This report demonstrates that there is a positive relationship between family background and education, and a positive relationship between education and earnings.

It follows then that education is one of the mechanisms through which economic advantage is transferred from one generation to the next. And this is not just an Australian phenomenon. A 2014 study of intergenerational transmission of disadvantage by the Office for National Statistics in the UK showed that the households children are born into, directly affect their chances of succeeding in life.

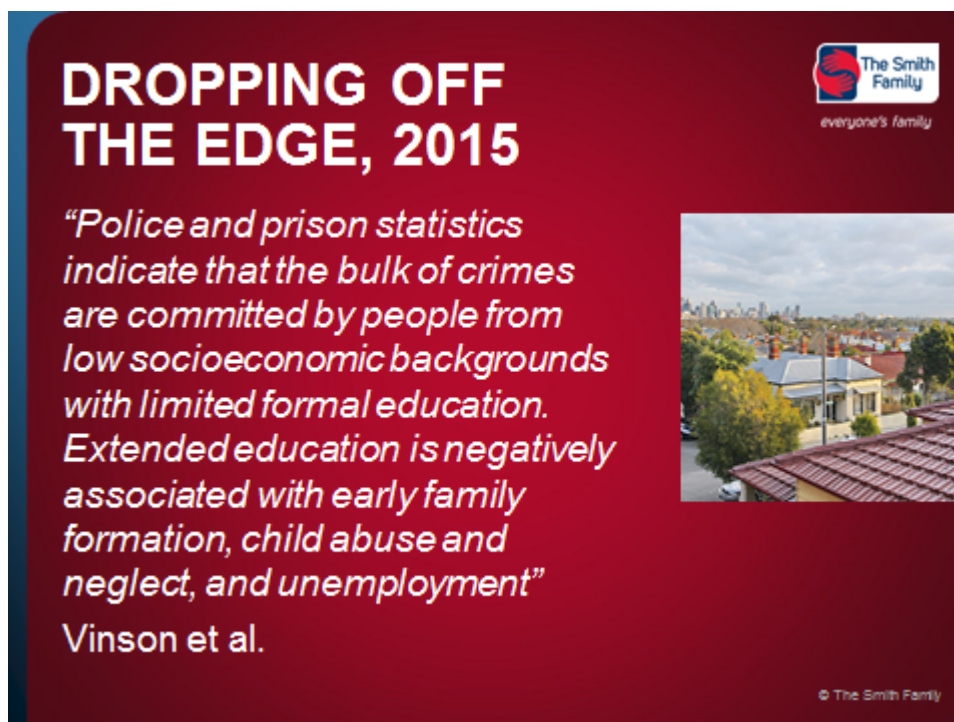
More specifically, and I am summarising significantly here:

- Educational attainment has the largest impact on the likelihood of being in poverty and severely materially deprived as an adult,
- That growing up in a jobless household has an impact on future poverty, and that
- A parent's education level has the largest effect on the likelihood of low educational attainment for children.

Unfortunately, there is a strong likelihood that children born into poor households will grow up to be poor adults. And while this is indeed a moral issue and an issue of fairness, from a policy perspective, there is a driver in terms of the ongoing cost of **not** addressing this issue. Not just the immediate cost of intervening in crisis situations, but the deeper cost of the lost potential of so many children.

This was brought into stark relief yet again last year by the significant work of Tony Vinson and his team, which was captured in the 2015 *Dropping off the Edge* report.

I will leave you to read this quote.....



**DROPPING OFF  
THE EDGE, 2015**

The Smith  
Family  
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*“Police and prison statistics indicate that the bulk of crimes are committed by people from low socioeconomic backgrounds with limited formal education. Extended education is negatively associated with early family formation, child abuse and neglect, and unemployment”*

Vinson et al.

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As you can see it articulates the flowthrough of this intergenerational issue. It's a stark picture indeed.

At this stage, I am sure that many of you are thinking "but Lisa, we know all this, we have known this intuitively and through our practice and from working with these families over many years."

And yes, we do know all this, but I guess my response to that must be well, isn't that very sobering. These are new reports, new sources of data, which continue to tell us that not much has changed for a significant number of Australian children.

How challenging is that to hear? Not only do we need to think long and hard about what we can do about it, but surely now the focus has to be on what is being done about it.

## THE WORK OF THE SMITH FAMILY

As an example of the steps one organisation is taking to make a difference, I now want to spend a few minutes telling you about the work of my organisation. I want to show you how our approach is helping young Australians in need to achieve better educational outcomes.


But first let's hear from one the students The Smith Family has supported.

<https://www.thesmithfamily.com.au/about-us/smith-family-stories/sponsored-students/Kacie>

As I mentioned, it was some 20 years ago that my organisation began to focus on helping children participate more fully in their education.

And it was about five years ago that we began the really hard work of digging deeply into our data to better understand the difference we were making. To be frank, at that stage the picture was patchy.

And since that time it has been an imperative of ours to get to the point where we can not only clearly articulate the outcomes we want to see, but importantly, we can measure them for our students and families year on year.



**Our longer-term outcomes**

- 1. ATTENDANCE**  
We increase school attendance.
- 2. ADVANCEMENT**  
We improve Year 12 completion rates.
- 3. ENGAGEMENT**  
We help children successfully navigate post-school pathways to employment and further education.

We have chosen these three longer-term outcomes to track because:

- Regular **school attendance** is important, if students are to acquire the skills necessary for achieving learning and educational outcomes. Additionally, the link between attendance, achievement and retention has now been proven.
- Tracking **student advancement** through school is important because educational attainment is a key predictor of an individual's future employment, welfare and health prospects; and
- Measuring the extent to which young people are **engaged in work or further study** a year after they leave the program is also important. We do this for the ongoing refinement of our program and to better understand the efficacy of our approach.

I'm sure by now it will come as no surprise to you why our vision and mission are therefore focused on educational outcomes, built on our belief that every child deserves a chance.

For those of you who don't know our founding story, we began on Christmas Eve in 1922, when five businessmen walked into a Sydney orphanage carrying armfuls of toys and sweets. This act was inspired by a prior discussion the men had had about the extent of poverty in Sydney, its effects on children and what they could do about it. When asked



who the children could thank, one of the men, preferring to remain anonymous, said “Smith”. “What about the others?” the matron asked. “They’re Smiths too,” replied the man. “We’re all Smiths. We’re The Smith Family.” This simple act of (anonymous) philanthropy inspired them to form a single goal: to improve the lives of disadvantaged children in Australia.

## About The Smith Family



**OUR VISION**  
A better future for young Australians in need.

**OUR MISSION**  
To create opportunities for young Australians in need by providing long-term support for their participation in education.

**OUR BELIEF**  
Every child deserves a chance.

**OUR HISTORY**  
Established in 1922 by a group of businessmen.

**OUR FINANCES**  
\$87 million in 2014-15:

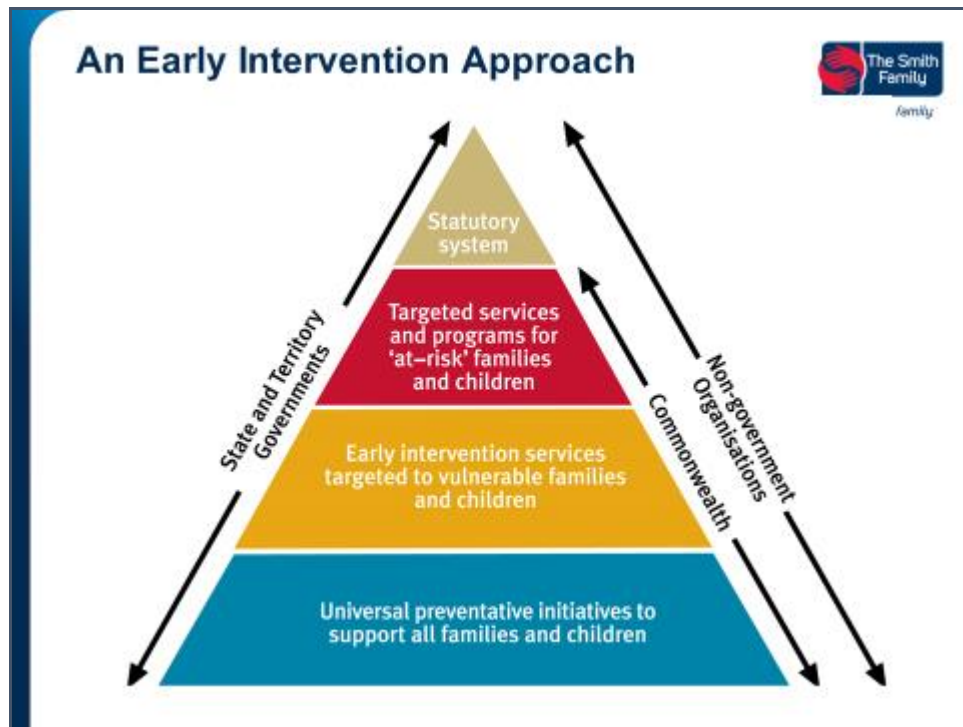
- \$51.5 m from donations, corporate support and bequests
- \$22.6 m from government
- \$2.4 m from Recycling Operation and other commercial activities

That link with business evidenced then, continues to underpin our work today; and indeed without the significant support of all parts of the Australian community, our work could not continue.

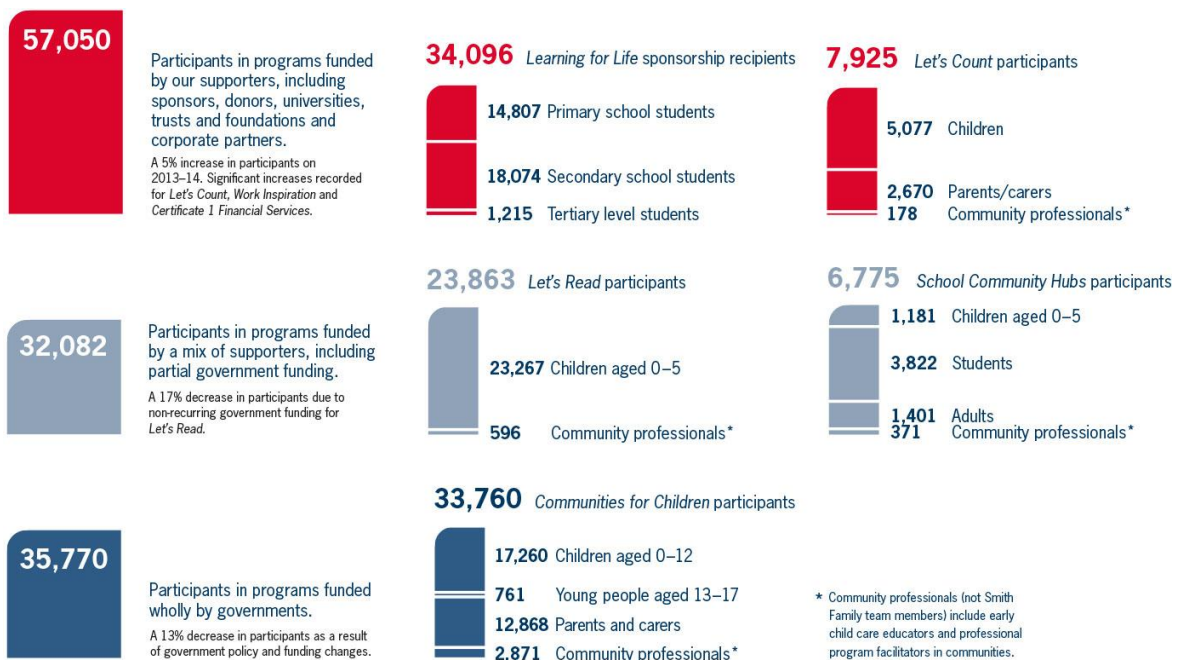
In terms of where our service ‘fits’ in the model set out in the National Framework for Protecting Australian Children, we leverage the universal service system (schools) to target vulnerable families and children with our early intervention approach.

Over the time that we work with the families we support, they move in and out of the ‘targeted support’ stream, and sometimes into statutory systems.

Our job is to be there to garner the right support for them at times of crisis, rather than try to provide it ourselves.



Just to give you a sense of our scale, The Smith Family reached **124,092** children, young people, parents, carers, and community professionals in 2014-15. The focus of my presentation is on the more than **34,000** children and young people who are our *Learning for Life* scholarship/sponsorship students.



## *Learning for Life* families

The families we support are those who most certainly fall into the category of 'at risk' of their children achieving poor educational outcomes.

I'll just quickly walk you through the data on the families we support:

- We're supporting 34,000 students from 94 communities in all states/territories.
- They are all low income families. Scholarship families need to hold a Health Care card or pension concession card.
- 18% of the students we support identify as of Aboriginal or Torres Strait Islander background
- 68% of our parents are not in the labour force or are unemployed
- Over half are single parent households
- A third of households are six or more people
- Some more recent in-depth research we've undertaken with our families (as part of an ARC Linkage grant research project) tells us that around 40% of students and 50% of parents have a health issue
- 20% of students have been at four or more schools and 1 in 20 have been at six or more schools, so stability of housing and mobility is a real issue for these families
- Of key interest to this audience is that approximately 5% of *Learning for Life* students are in some kind of out-of-home care arrangement, including in grandparent care.

If we include all the students whose family arrangements are recorded in our database as 'other', then 12% of *Learning for Life* students are not recorded as being in a 'parent headed' household. I don't need to tell you about the long-term outcomes for children living in out-of-home care.

We've also done some work to understand the relative disadvantage of the kids we support compared to their peers in low-SES schools. In general terms they experience much higher levels of risk and so we are confident that we are targeting those students who need extra support to achieve educational outcomes.

The fundamentals of the *Learning for Life* approach are:



### Financial support by way of a scholarship

We provide a modest annual amount to cover the cost of school essentials (uniform, textbooks, excursions for example). This has a twofold effect.

Our families say the financial support is vital, particularly at back to school time.

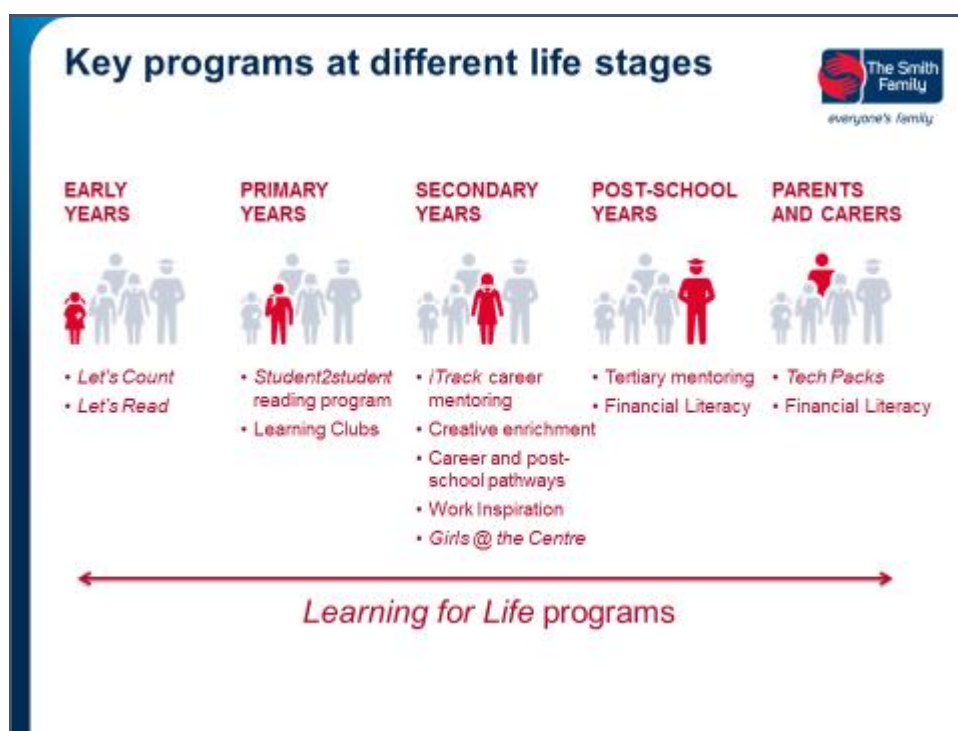
It also provides the basis for an ongoing reciprocal relationship, engaging parents in their children's education. This is important, because parental engagement in children's learning is a bigger predictor of how children do in school than a family's socio-economic status. It is one tool that can help close the gap in achievement between children of different socio-economic backgrounds.

The scholarship is paid for by individual Australian sponsors, and many of the children develop an ongoing, (although de-identified) relationship with their sponsor over the years.

And to speak to our long-term approach, over half of our secondary and tertiary students have been on our program for six or more years

Our *Learning for Life* program coordinators are the first point of contact with families in the community. Their focus is on supporting school attendance, but they often act as a broker to other services, and sometimes, as an advocate to the school.

As part of the scholarship we can also provide access to a range of *Learning for Life* programs supporting the school years. I won't go into the detail of these here, but there's more information on our website.




Importantly, these programs bring the children and young people into contact with mentors, tutors and members of the local community and the wider business community who provide them with networks, contacts and role models outside their direct sphere of experience. These contacts bring them a new set of possibilities as well as opportunities and relationships that they might not otherwise be able to access. They can also provide a degree of stability and certainty to their often chaotic environments.

Our approach is long-term and based on sound research and evidence about what works.

The case for early childhood education programs is well known in policy circles these days, but Nobel economist James Heckman has also noted that, for young people growing up in disadvantaged households, balanced intervention across their lives drives the best return on investment.

**For disadvantaged children, greatest returns from balanced interventions across young person's life**



	High school grad rates	Uni enrolment	Welfare enrolment
Balanced intervention throughout childhood	+50%	+34%	-15%
Early childhood & adolescent intervention	+44%	+23%	-14%
Early childhood intervention only	+25%	+9%	-9%


You can see (from the above) that balanced support results in:

- The highest return on investment in terms of increase in uptake of tertiary opportunities, and
- Reduction in welfare dependency.

So far, I've provided a description of the issue, and outlined the approach that The Smith Family has adopted to address it, working in partnership with a range of other agencies, businesses and individuals.

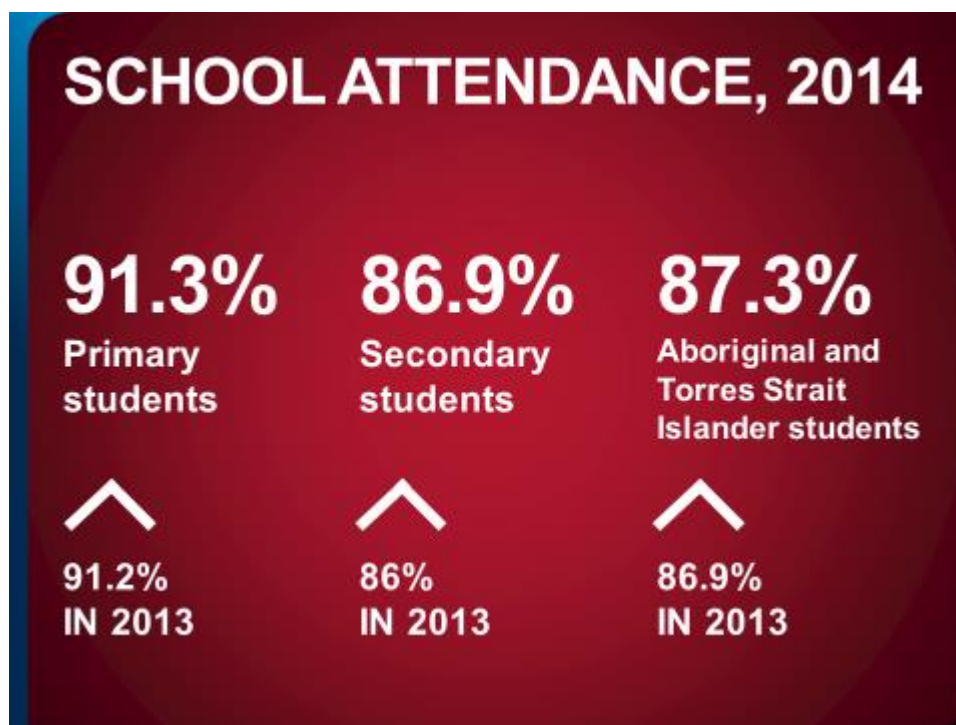
But of course, the rubber really hits the road when you can understand the difference that you are making. So what does our data look like?

### Measures of our effectiveness



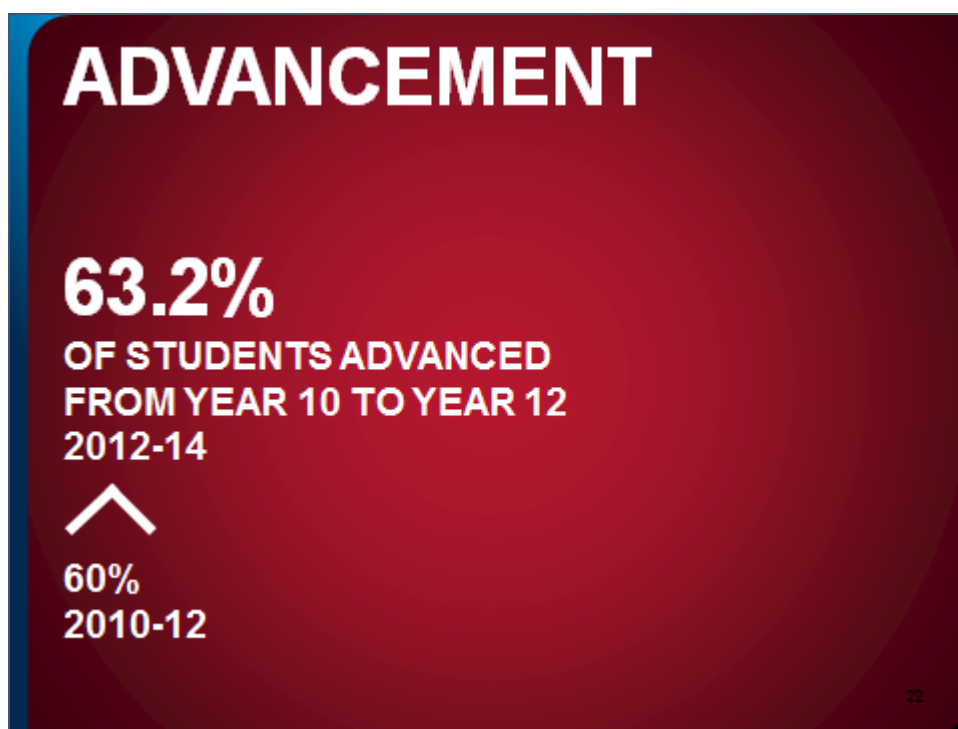
- Improve **school attendance** over time to 90%.
- Increase the proportion of students who advance to **Year 12**.
- Increase the proportion of students engaged in **employment and further education** after they leave the program.

We've gone through the exercise of measuring our results year on year and pleasingly we are seeing slow but continuous improvement in attendance rates for students supported by our *Learning for Life* program. We've also measured ourselves against the very limited available data for low SES cohorts, and these results are very pleasing in that regard.





Just over 63% of the young people that we support with scholarships advanced from Year 10 to Year 12 (2012-2014). While there is no comparable data for this, school advancement is an area we're currently focusing on, including undertaking some deeper analysis about the reasons for early school leaving. We know that it is the students who leave school in Year 11 who are at most risk of poor longer term outcomes. Those who leave in Year 10, are more likely to go on to some form of further study in the following year.



Very importantly for changing their trajectories, 84.2% of former *Learning for Life* students are in work or study 12 months after leaving the program – on a positive pathway both for themselves and any children they may have in the future.

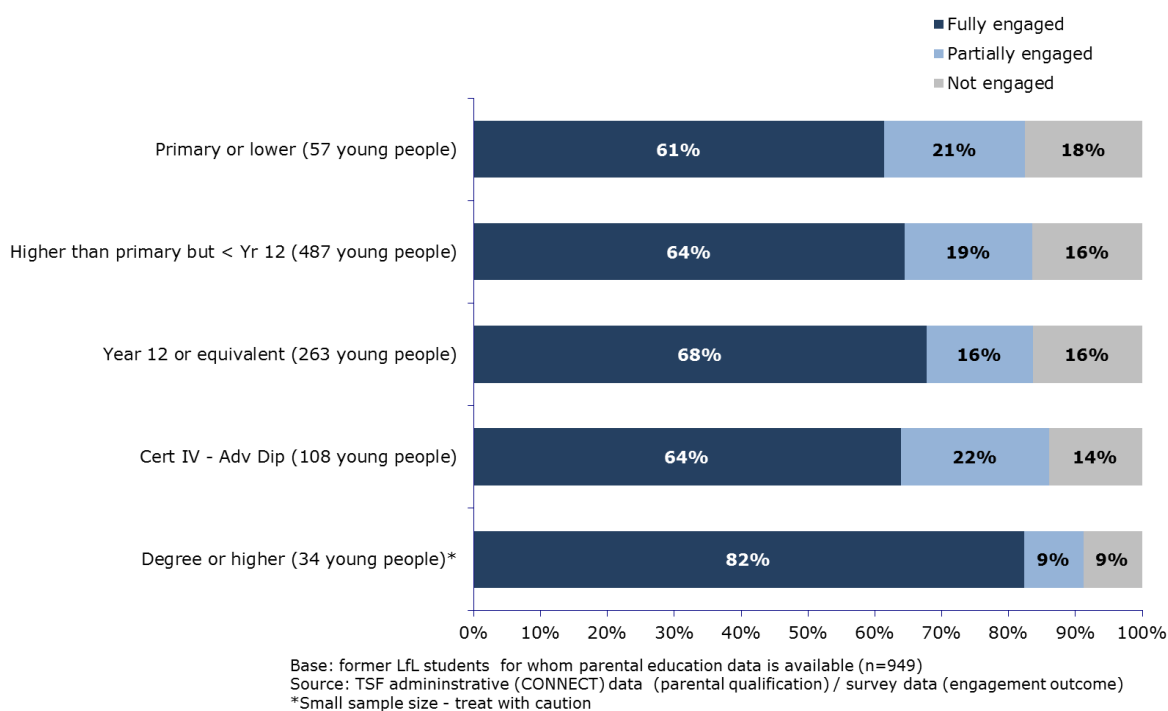




Further, what our data is showing is that we do seem to be breaking the nexus between parental education, income and long-term outcomes for children.

Contrary to the national and international data that I outlined earlier, for the students we support, parent education level is **not** related to the longer-term outcome of these students' engagement in education, training and/or work, other than for the very small number of young people who have a parent or carer with a university degree.

### The Smith Family parent education levels and engagement in work or further study



As such, it appears that in the longer-term, the scholarship is smoothing out the effects of parental education, a gratifying result in the context of the national research which shows it is clearly related to educational outcomes.

While this early data is pleasing, there is still much to do and I now want to raise some ongoing issues with regard to the policy settings that sometimes make this work more difficult than it needs to be.

## THE POLICY SETTINGS FOR THIS WORK

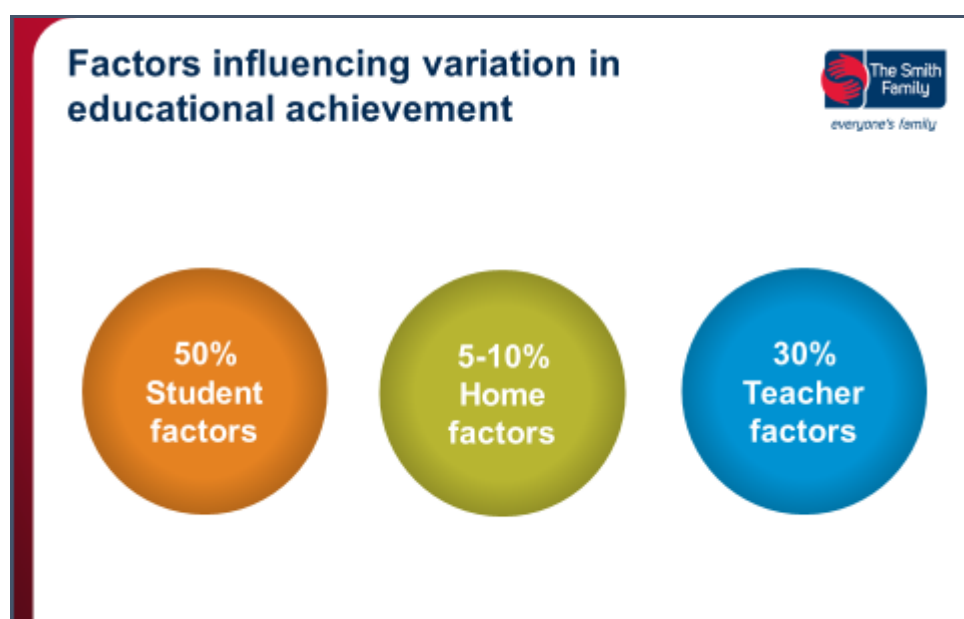
This presentation has already established that, at an aggregate level, groups of students such as low SES, and Aboriginal students, continue to perform below their peers. This is despite a minimum of \$4.4 billion per annum being allocated to education programs to support these groups.

In the education space, there has been limited system-wide focus on the relationship between funding and learning outcomes – too many programs have been funded without evidence, evaluation or the sharing of lessons learnt. This is particularly the case for disadvantaged students.

The main focus of policy and investment in education at both a Commonwealth and State level is in teachers and schools, rather than parents. Very little real attention has been focused on parental engagement and the home learning environment.

Despite some good work in this area happening across a number of states (for example in New South Wales through the Connected Communities initiative), there is still some way to go in the development of a sophisticated understanding of the interplay between the home environment and school outcomes. This is despite one of the foremost educational experts in the world, Professor John Hattie identifying that student factors account for about 50% of the variation in educational achievement and the home a further 5-10% of the variance.

This compares with teachers who account for 30% of the variance.



While not doubting the vital importance of quality teachers, given what we know about the range of factors that impact on educational outcomes, teacher quality should not be the only area of meaningful investment.



**\$16.9 million to help lift teacher quality**

**The Smith Family**  
everyone's family

***“The investment I announce today shows we are serious when it comes to ensuring young Australians get the best education available by making sure our teachers are better trained.”***

Former Education Minister, Christopher Pyne, May 2015

In general, education policy focuses strongly on teachers – in part because this is seen as the area that governments can influence. It assumes other important home and community factors can't be positively influenced through the levers available. The Smith Family's experience and evidence, and no doubt the experience of many of you working with families living in poverty, indicates that this is not an accurate assumption.

While again acknowledging some work underway in the states to bring together service systems, we would endorse the findings of the recent New South Wales Standing Committee on Social Issues report into service co-ordination in disadvantaged communities. It found that there is still a long way to go to achieve effective service co-ordination to overcome disadvantage.

The report noted that we can do much more to make co-ordination easier, including encouraging better information sharing between agencies and collecting data on program outcomes, not just outputs.

## The need for stronger service coordination



***“There is still a long way to go to achieve effective service coordination to overcome disadvantage. We can do much more to make coordination easier, including encouraging better information sharing between agencies and collecting data on program outcomes, not just outputs.”***

NSW Legislative Council Standing Committee on Social Issues  
Report on Service Coordination in Communities with High Social Needs,  
December 2015

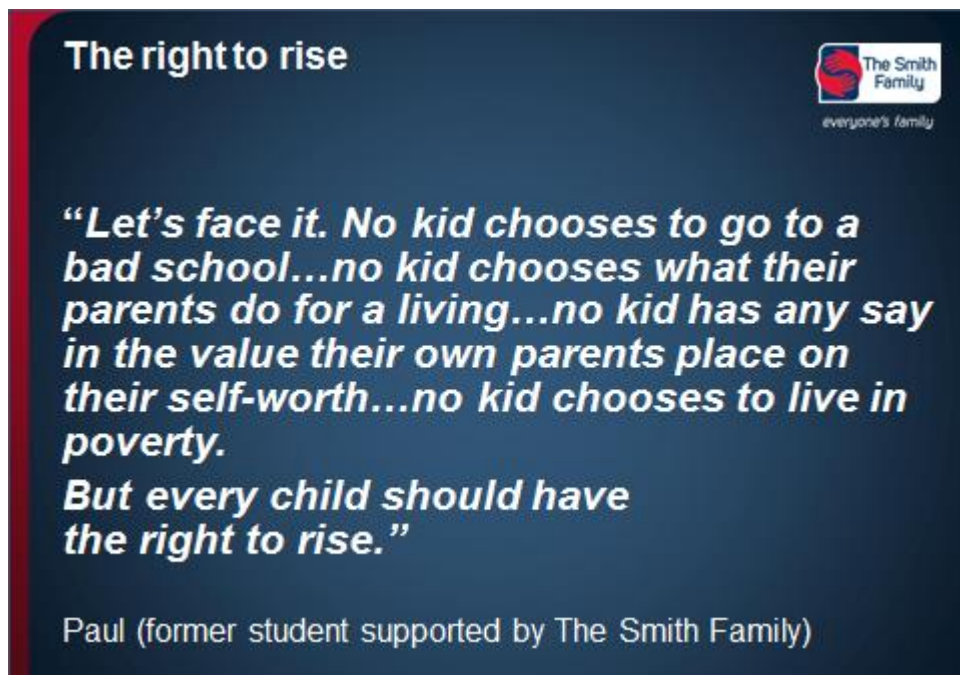
My view is that this lack of co-ordination is underpinned by an inherent policy assumption that the family and children’s service system looks after issues in the home and community, and education looks after issues in school – this is inefficient and ineffective, particularly for children living in disadvantaged families. It also creates a false dichotomy between home and school.

## CONCLUSION


My firm view is that there needs to be a far more deliberate bringing together of relevant portfolios – family and children’s services and education – to change outcomes for the next generation, given the impact of parental risk factors on children’s educational outcomes. Non-government organisations that have deep, purposeful and long-term relationships with highly disadvantaged families and students provide a policy and service co-ordination option for government to use, with the goal of improving educational outcomes for students who currently are not achieving.

My belief is that we all have a role to play in providing kids from disadvantaged backgrounds with the knowledge and networks they need to enable them to break the cycle.

I will leave you with some more words from Paul, one of our *Learning for Life* students who grew up in very strained circumstances. Fortunately for Paul he got the right support at the right time. He now has a degree in law and will one day be a very successful public advocate for the rights of younger people living in disadvantaged communities.



**The right to rise**



***“Let’s face it. No kid chooses to go to a bad school...no kid chooses what their parents do for a living...no kid has any say in the value their own parents place on their self-worth...no kid chooses to live in poverty.  
But every child should have the right to rise.”***

Paul (former student supported by The Smith Family)

In this quote Paul sums up the dilemma, and he lays out a vision for us if we are serious about ensuring better futures for disadvantaged young Australians.

Thank you very much.

Dr Lisa O’Brien, CEO The Smith Family