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Submission on the Interim Report of the Reference Group on Welfare Reform

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A focus on children and young people

The Smith Family welcomes the strong focus in the *Interim Report of the Reference Group on Welfare Reform* on improving the education, wellbeing and transition outcomes of children and young people, particularly those from disadvantaged families and communities.

Early intervention is by far the most cost effective approach to ensuring people are able to gain the skills needed to participate. The clearest pathway to addressing inter-generational disadvantage and welfare dependency is to support children and young people to develop the knowledge, skills, attitudes and behaviours that set them up for participating in the complex employment market of the 21st century.

Education as the enabler of economic and social participation

Education is the key enabler of economic and social participation. Yet many children and young people are not meeting key educational milestones, as they start school, move through primary and secondary school, or by successfully completing Year 12.

Improving school attendance and Year 12 completion

Strong school attendance throughout childhood and adolescence is a key to ensuring young people achieve at school and in turn complete Year 12 and transition to further employment, education or training. Improving school attendance of Aboriginal and Torres Strait Islander students has become a major focus for the Commonwealth Government, through its Remote School Attendance Strategy. This is welcome, however the scope of the approach is limited geographically and does not go beyond Aboriginal children. A high proportion of Aboriginal children live outside remote areas and there are many other children and families, particularly those from low SES backgrounds, who struggle to attend school for a range of reasons. This is an area where we believe more can be done from a policy and programmatic perspective which will in turn contribute to the broad goals of the Reference Group.

Initiatives such as The Smith Family's *Learning for Life* program can clearly contribute to the longer-term goals of a new system for better employment and social outcomes.

Learning for Life:

- is a cost effective way of supporting families in need with the cost of their children's education
- has a strong focus on school attendance and implements a range of family and community-tailored strategies to improve attendance
- is based on the principle of mutual responsibility and accountability
- is already being implemented at scale using a place-based approach which efficiently harnesses a range of resources
- could be further expanded relatively easily if funds were available.

Improving transition pathways for young people

Significant proportions of young Australians are not making positive post school transitions. Stronger cross jurisdictional and cross sectoral collaboration will be required if there is to be significant improvement in the number of young people successfully taking up employment and/or post school education and training. There needs to be greater alignment between education, employment and community services systems.

Improving young people's employment pathways requires attention to both demand and supply factors. Many young people, particularly those from disadvantaged backgrounds, need support to navigate the increasingly complex school to employment pathway. Demand-led initiatives which start with the employer and work backwards to prepare and match jobseekers to jobs is also key.

Initiatives aimed at improving transition pathways for young people, are best delivered through partnerships involving schools, industry groups, employers, educational institutions and/or community organisations. Given the intersecting sectors involved in the issue and the size of the challenge facing Australia, no one sector or institution alone can take responsibility for addressing it. Nor could the current (or potentially anticipated) design of Australia's employment services realise these types of partnerships.

The Smith Family strongly believes there is a need for the Commonwealth to go beyond its current policy and programmatic efforts in the youth transitions area. It therefore urges the Reference Group to consider recommending the Commonwealth develop a national program aimed at improving young people's pathways to employment. The program should include a focus on both supply and demand, work across the school, business and community sectors and draw on the experience of successful initiatives such as *Work Inspiration* and the *School Business Community Partnership Brokers*.

Enhancing community resilience and capacity

There is strong evidence of the value of strategies which strengthen community resilience and capacity to support positive outcomes for children and young people, particularly in disadvantaged areas. Place based models which are well designed, implemented and resourced in a significant, long-term way, bring very significant social and economic returns. The *Communities for Children* program is a very good example of this type of approach.

The Commonwealth's recent decision to move to a five year funding cycle for this program and the program's stronger emphasis on outcomes measurement is to be commended.

A. EXECUTIVE SUMMARY

There is significant potential to further build on the principles and approach of *Communities for Children* to strengthen community resilience, in particular, through a collective impact approach.

Principles of social services investment

The Smith Family recommends that a set of principles be explicitly recommended by the Reference Group to underpin Commonwealth welfare reform.

Measuring outcomes and publicly available data

The Smith Family welcomes the Interim Report's focus on measuring outcomes and on evaluation which is essential if Government funds are to be prudently allocated. Ensuring that data is reported at both the aggregate and disaggregated levels and is publicly available is critical if real progress is to be made on the objectives underpinning welfare reform.

The Commonwealth Government's commitment to publicly reporting on the Closing the Gap targets is an important component of this. The Smith Family would urge that disaggregated education, transition and employment data continue to be made publicly available by the Commonwealth in order to enable progress over time to be tracked. This should include for young people from low SES or rural backgrounds, as well as those from Aboriginal and Torres Strait Islander backgrounds.

B. INTRODUCTION AND CONTEXT

The Smith Family welcomes the opportunity to comment on the *Interim Report of the Reference Group on Welfare Reform*. Our comments focus on some of the aspects of the report which relate to the wellbeing of children, young people, their families and communities.

The Smith Family

The organisational context for these comments is of a national, independent charity committed to increasing the educational participation and achievement of Australian children and young people in need. Established more than 90 years ago, we are Australia's largest national education-oriented charity.

The Smith Family forges relationships with disadvantaged families prior to children starting school and continues to provide various types of support for children (and their parents/carers), beyond the end of their formal school education. A large proportion of those we support are Aboriginal and Torres Strait Islander peoples.

In 2013, The Smith Family supported more than 112,000 children and young people and their parents/carers through its programs across 96 communities in every State and Territory. Over 34,000 children and young people were supported through a long-term *Learning for life* educational scholarship, including more than 5,000 who identify as Aboriginal and Torres Strait Islander peoples. Fifty five percent of families with children on a *Learning for Life* scholarship are one parent households.

Research and evidence-based practice underpins all our work. We have a clear outcomes framework for all programs (see Attachment 1). In particular with our *Learning for Life* students, we are tracking three key outcomes over time:

- School attendance
- Completion of Year 12 or equivalent
- Post school engagement in employment or further education.

At the core of our work is a partnership approach. We have extensive cross-sectoral partnerships including with 128 corporate partners, 72 Trusts and Foundations, 20 universities and numerous non-government organisations. We have strong relationships with over 500 partner schools with whom we are working on a set of shared objectives focused on improving the educational and wellbeing outcomes of children and young people. We act as a bridge between families, education and community services as well as the broader community and business.

Our strong expertise in strengthening community resilience and capacity includes being a facilitating partner for nine of the Commonwealth Government's *Communities for Children* sites. This includes a number of the sites where there has been an intensive focus on more vulnerable groups. Our annual revenue is around \$76 million, of which around a third is from government.

Principles of social services investment

The Smith Family notes the four pillars and goals identified by the Reference Group to underpin welfare reform. We would also draw the Reference Group's attention to the approach recently taken by the Queensland Government in the development of its *Social Services Investment Framework*. This Framework identifies a number of principles, including:

- Customers first – designing outcomes focused services around the needs of individuals, families and communities and taking a holistic approach to service delivery
- Partnership – including between and across Government agencies, the social service sector, private sector and the community
- Balanced investment – with a focus on early intervention and prevention
- Transparency – about decision making and how funding is used
- Accountability – monitoring measurable objectives and evaluating the effectiveness of initiatives
- Value for money – the most appropriate strategies to ensure delivery of the best outcomes by assessing value against cost
- Contestability – ensuring the best solution at the best possible price is being provided, encouraging more efficient and innovative service delivery, balancing the need to plan services on a long-term basis with incentives to bring about continuous improvement.
- Proportionality – necessary accountability requirements proportionate to the investment and a fair allocation of resources at an individual level, relative to the needs of others.

There are a number of principles which are already implicit in the *Interim Report of the Reference Group on Welfare Reform*, including some of those identified above. There would be merit in a set of principles being explicitly recommended by the Reference Group to underpin Commonwealth welfare reform.

Improving educational and employment outcomes of children and young people and supporting families

The Smith Family strongly endorses the Interim Report's emphasis on early intervention and prevention and supporting children and young people to complete their education. Early intervention is by far the most cost effective approach to ensuring people are able to gain the skills needed to participate economically and socially. Further, the clearest pathway to addressing inter-generational disadvantage and welfare dependency is to support children and young people to develop the knowledge, skills, attitudes and behaviours that set them up for participating in the complex employment market of the 21st century.

Education is the key enabler of this participation. The Smith Family is cognisant of the constitutional responsibility that the States and Territories have for the delivery of school education. However, given the critical role education plays in preventing long term welfare dependency, The Smith Family considers the Commonwealth has a strong role to play, in conjunction with the States and Territories, in improving educational outcomes for all young people.

Year 12 completion and developing skills throughout childhood

The Smith Family endorses the Interim Report's emphasis on supporting young people to complete Year 12. Year 12 or equivalent is now seen as a pre-requisite if young people are to be able to take up employment opportunities and develop sustainable employment pathways, in what is increasingly a knowledge-based global economy.

The rate of completion of Year 12 or equivalent however, varies considerably by a young person's family background and where they live. There is around a 20 percentage point difference in completion between young people from the highest socio-economic areas and those from Australia's most disadvantaged areas (93.2% compared to 73.7%) (COAG Reform Council 2013). This gap needs to be addressed if the longer-term goals of welfare reform are to be achieved.

Completion of Year 12 and pathways to economic participation are heavily influenced by the development of skills, knowledge, dispositions and networks that occur throughout childhood, adolescence and into young adulthood. The Interim Report highlights the importance of foundational skills, including literacy, numeracy and employability skills in setting up individuals for economic participation. Skills development is cumulative; as Nobel Economist James Heckman notes 'skills beget skills'. If crucial skills, attitudes and behaviours are not developed across childhood and adolescence, it becomes increasingly difficult and expensive to address at later points in time.

Progress has been made on reducing the proportion of children who are developmentally vulnerable, however one in five children still start school behind in one of more key domains. For children living in Australia's most disadvantaged communities, the figure is one in three. Children who start school behind are more likely to be in the bottom 20% of students' scores on NAPLAN across primary and secondary school (AEDI Research Snapshot). Achievement, (or the lack of it), in turn influences the likelihood of Year 12 completion. The Reference Group's emphasis on identifying strategies that support disadvantaged families to improve the educational and wellbeing outcomes of their children is therefore very appropriate.

School attendance

There is now strong evidence of the link between school attendance and achievement, and in turn Year 12 completion. Relative disadvantage is associated with poorer school attendance from the beginning of formal schooling. Students in schools with a lower socio-economic index, Aboriginal students, students who are highly mobile and those whose parents have lower levels of education and occupational status, all have lower levels of attendance on average. These attendance gaps are established early (by at least Year 1) and are influenced by factors prior to school entry (Hancock K et al 2013). Addressing these attendance gaps is critical to improving Year 12 completion rates and in turn, setting up young people to make post school transitions to employment or further education.

Improving school attendance of Aboriginal and Torres Strait Islander students has recently become a major focus for the Commonwealth Government, through its Remote School Attendance Strategy. It is also a focus of a number of state and territory governments. This focus is welcome, however the scope of the Commonwealth approach remains relatively limited geographically and does not go beyond Aboriginal children. A high proportion of Aboriginal children live outside remote areas and there are many other children and families, particularly those from low SES backgrounds, who struggle to attend school for a range of reasons. The Smith Family notes that it is relatively early in the implementation of the Commonwealth's efforts in regards to its Remote School Attendance Strategy to be certain of the effectiveness of the approach, even though there have been some indications of promising results to date.

From The Smith Family's perspective, and based on the available research evidence, one of the key building blocks to ensuring children complete their education and make a successful post school transition is ensuring they attend school at high levels and are engaged in their learning. It is also an area where we believe more can be done from a policy and programmatic perspective.

The Reference Group has raised the important question of:

How can we best support families with the cost of children and young people to ensure they complete their education and transition to work?

For The Smith Family this question is also aligned with *how can children with poorer attendance rates be supported to attend school regularly*, given the relationship between attendance, achievement and school completion. In considering this question, The Smith Family would draw the Reference Group's attention to our *Learning for Life* scholarship program which provides targeted support, including financial support, to low income families with the goal of encouraging their children to complete their education and transition to post school employment or further education. The program is highly targeted, with participating families needing to have a Health Care Card or be on a pension.

The financial support is provided twice a year for use on a range of educational expenses, such as uniforms, books and excursions. In addition, each family receives the support of a Smith Family staff member and access to a range of programs from the early years to tertiary level¹ to help ensure their child is attending school and remaining engaged in education.

Parental engagement is at the core of the program, as parents/carers enter into a formal agreement with The Smith Family that acknowledges a mutual commitment to supporting the young person's long term participation in education. This reciprocity is reinforced throughout the program, both formally and informally, including through biannual compliance requirements.

The program has a very strong focus on school attendance and this is monitored on a regular basis, with The Smith Family staff working with families and schools to address barriers that may be inhibiting attendance.

The scholarship program is a place-based initiative, with our efforts scaffolded onto the social and physical assets of the community. We leverage and coordinate the skills and resources of more than 7,000 volunteers, and partnerships with educational institutions, community organisations, philanthropy and businesses, to deliver the program. This contributes to both its effectiveness and efficiency. It is an example of how the expertise

¹ These include literacy and numeracy programs, mentoring, learning clubs, career activities and creative enrichment programs. These programs build foundational skills, as well as enhance aspirations and confidence and expand the networks and resources young people can draw on, in particular around education, careers and employment.

and resources of corporates and philanthropic investors and others, can be harnessed to drive effective solutions in disadvantaged communities.²

It is almost entirely funded from non-government sources and an indicative annual investment to support 300 young people and their families in a community through the program is approximately \$340,000 per annum. This is a very modest investment relative to expenditure across the social services portfolio.

In summary, from a policy perspective, the *Learning for life* program:

- is a cost effective way of supporting families in need with the cost of their children's education
- has a strong focus on school attendance and implements a range of family and community-tailored strategies to improve attendance
- is based on the principle of mutual responsibility and accountability
- is already being implemented at scale using a place-based approach which efficiently harnesses a range of resources
- could be further expanded relatively easily if funds were available.

How can early intervention and prevention programs more effectively improve skills for young people? What can be done to improve access to literacy, numeracy and job relevant training for young people at risk of unemployment?

Building foundational skills along the way

The Smith Family strongly supports the emphasis the Interim Report places on building foundation skills, including literacy and numeracy. National data on children and young people clearly highlights that significant proportions of children and young people are not meeting even the national minimum standards in these two key areas. In Year 9, 16% percent of students from low SES background and 30% of students from Aboriginal and Torres Strait Islander backgrounds do not meet the national minimum reading standard. These young people are not well positioned to complete Year 12 or to make a successful post-school transition.

These Year 9 results 'build on' earlier results for Year 3 students – with eight percent of students from low SES background and 16% of those from Aboriginal and Torres Strait Islander background, not meeting the national minimum reading standard. Patterns of poor achievement are set early and need to be addressed early on if the objectives of economic and social participation are to be met.

² This is in line with Pillar Four of the Interim Report

There is a large body of international evidence that shows that prevention and early intervention approaches, when delivered with fidelity can generate greatly improved outcomes for individuals, families and communities. Dealing with a problem earlier in its lifecycle is more effective and generally requires a less intensive approach than more deeply entrenched issues.

Prevention strategies have a clear association with broader community development and address the underlying causes of disadvantage. *Early intervention* approaches intervene to stop an emerging problem from getting worse. For example The Smith Family's *Student to Student* program set out below recognises that children who struggle with literacy early in their schooling, if left unsupported, will continue to find all aspects of their schooling difficult and are more likely to drop out before completing Year 12.

The Smith Family would encourage the Review Panel to consider how key principles of early intervention and prevention and the practices that underpin it can be applied to all areas of Government service. These include:

- adopting whole of community approaches, engaging the skills and resources of all parts of the broader community to address the issue. These initiatives should be led by agencies other than government.
- review processes for existing policies and programs to consider whether there are prevention and early intervention alternatives that may generate better outcomes for the investment.
- ensure that funded program approaches are grounded in evidence of effectiveness
- in planning for policy development and new program approaches, ensure that linkages with other approaches across agency and inter-government have been considered.

Early intervention to improve reading skills: *Student to Student*

The Smith Family has been running an effective program called *Student to Student* since the late 1990s, in order to support disadvantaged children who are behind in their reading. The program is a peer-reading program which supports young people from Years 3 to 8 who are up to two years behind in their reading. It is an early intervention initiative, aiming to address skills gaps before they require costly and less effective remediation efforts.

Students are matched with a trained reading buddy who is at least two years older than them and is a good reader. They connect by phone two to three times a week over an 18 week period, for at least 20 minutes at a time. The student reads to their buddy from books provided by The Smith Family which are appropriate to the student's reading level. It takes place in the home, strengthening the home learning environment and eliminating the need for students to travel to participate in the program.

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The outcomes data from the program have been consistently strong. In 2012, 93% of students showed an increase in their reading age relative to the start of the program, with two thirds improving by more than six months. The results were similar across population groups, including for Aboriginal and Torres Strait Islander students and those from non-English speaking backgrounds.

As with all of The Smith Family's programs, it leverages a range of community and corporate resources to implement *Student to Student*. This includes through the volunteer buddies and corporate partner Optus. It is another example of harnessing expertise and resources from the corporate and philanthropic sector to drive innovative solutions. As a result of this support and using The Smith Family's capacity to coordinate large-scale program delivery, the program costs around \$1,100 per student to run. It is this type of effective, cost-efficient and innovative program which could easily be scaled as a means of contributing to the gaps in foundational skills evident from NAPLAN and other data. In turn this would contribute to reducing the likelihood of young people not completing Year 12 or making positive post school transitions.

How can transition pathways for young people be enhanced?

The Interim Report has importantly noted that a significant group of young people have not 'adapted well to the changes in the labour market. In 2011, 27 per cent of young people aged 17 to 24 years were still not fully engaged in work or study. These are people who are at higher risk of unemployment and income support dependence' (p. 89).

The Smith Family notes that between 2006 and 2011 the proportion of young people in this age group who were not fully engaged in work or study increased across all quintiles of socio-economic areas. It particularly notes, that in Australia's most disadvantaged areas, two in five young people (41.7%) were not fully engaged in work or study (COAG Reform Council, 2013). Further, young people account for 40% of all unemployed people in Australia, with this group being particularly impacted by periods of global economic challenge. This issue is therefore critical at the aggregate level and at the community level, in the context of welfare reform.

Stronger cross-jurisdictional and cross sectoral collaboration will be required if there is to be significant improvement in the number of young people successfully taking up employment and/or post school education and training. Policy and programmatic approaches which take account of, but are not hampered by, the respective jurisdictional responsibilities for education, employment and community services are needed if we are to make serious progress on this key economic and social indicator.

Attention to both demand and supply factors is required with many young people, particularly those from disadvantaged backgrounds, needing support to navigate the increasingly complex school to employment transition. There is considerable evidence for example, that there is often a sizeable gap between what children and young people aspire to be in adulthood and their knowledge of the steps they need to take to get there.³

From The Smith Family's experience, key components to supporting disadvantaged young people to make a successful transition, include:

- supporting young people to understand their interests, skills and abilities.
- structured career development activities such as skills mapping and transferability, researching and analysing specific jobs and required qualifications and work experience, and identifying alternative TAFE, university and/or apprenticeship pathways.
- exposure to meaningful and inspiring employment and workplace learning.
- mentoring programs and experiential careers days that allow young people to explore and discuss a wide range of potential learning and work experiences.
- supporting parents to better assist their child with the school to employment transition. For parents whose experience is limited to low-skilled and low paid occupations or who have limited labour market experience, especially in the Australian context, it is important to strengthen their skills, capacity and knowledge to provide well-informed and supportive employment and career advice to their children.

Demand-led initiatives which start with the employer and work backwards to prepare and match jobseekers to jobs is also a key dimension. Engaging employers in the design and delivery of initiatives that lead to employment, including work experience, is a critical part of improving Australia's capacity to create sustainable jobs.

Initiatives aimed at improving the supply and demand sides of the employment equation for young people, are best delivered through partnerships involving schools, industry groups, employers, educational institutions and/or community organisations. Given the intersecting sectors involved in the issue and the size of the challenge facing Australia, no one sector or institution alone can take responsibility for addressing it. There is a need for example, for work to be done with employers regarding future labour market needs and potential skills shortages at the local level. There is evidence too that schools and employers can find it difficult to work together, despite the best of intentions, because of the very different ways their sectors operate and their respective needs. In contrast, when schools and businesses are supported to develop strong and mutually beneficial

³ Beavis et al, 2004, cited in Skattebol J et al, 2012, *Making a difference: Building on young people's experiences of economic adversity*.

initiatives, there can be significant improvements for young people's pathways to employment.

The Interim Report notes that the *Work Inspiration* program, which is a joint initiative of the Foundation for Young Australians, The Smith Family and National Australia Bank has 'proven to positively engage students who are at risk of becoming disengaged from school, or face other barriers to education and employment' (p. 104).

The *School Business Community Partnership Brokers* program⁴, of which The Smith Family is a provider in six regions across Australia, has also generated significant local partnerships which have successfully tested solutions to identified education and employment gaps and intractable long-standing community problems. The partnerships have been developed and undertaken in ways which are of mutual benefit to young people, employers and schools. They have built the capacity of communities to work together to improve young people's transitions to employment. Examples of the partnerships created include:

- **Young Entrepreneurs Program** – run in partnership with the ANZ bank, this initiative has targeted disengaged young people in Year 10. 80% of the 130 participants have returned to or continued at school as engaged students, transitioned to post-school studies, or entered the workforce in the Vocational Education and Training (VET) area.
- **Industry Jobs and Pathways CD and Career Hunter App** – this partnership has seen the creation of an Australian Industry Facts and Job Pathways CD and App that provides young people, their parents and teachers with up-to-date information on the 19 industries that make up the Australian workforce, in a format that is easy to use. This information includes size of industry, required job qualifications and expected employment growth areas and it has had very significant take-up.
- **The Jack Martin Community Centre, Toowoomba** – after lying dormant for well over a decade this Community Centre has now been fully redeveloped and is operating as a centre for community, education, training and employment-related activities, led by the local Aboriginal and Torres Strait Islander community.

The *Work Inspiration* and *School Business Community Partnership Brokers* programs have demonstrated the capacity and the need for cross-sectoral initiatives that positively impact on improving educational and employment pathway outcomes for young people. This is despite the relatively short timeframe in which both programs have been operating. These outcomes could not have been achieved by one jurisdiction or sector operating

⁴ Originally funded by the Commonwealth Department of Employment, Education and Training, now the Department of Education. Funding ceases at December 2014.

alone. Nor could the current (or potentially anticipated) design of Australia's employment services realise these types of partnerships.

The Smith Family strongly believes there is a need for the Commonwealth to go beyond its current policy and programmatic efforts in the youth transitions area. It therefore urges the Reference Group to consider recommending the Commonwealth develop a national program aimed at improving young people's pathways to employment. The program should include a focus on both supply and demand, work across the school, business and community sectors and draw on the experience of successful initiatives such as *Work Inspiration* and the *School Business Community Partnership Brokers*.

In what circumstances should young people be able to access income support in their own right?

The Smith Family strongly supports the policy intention of the current Commonwealth approach to limiting access to income support to young people who are either 'earning or learning'. As identified earlier, the key focus of The Smith Family's programmatic support is to ensure that young people attend school, stay at school until they achieve Year 12 or equivalent and then transition to work or further study.

Rules relating to access to income support broadly assume a split in responsibility for young people between Commonwealth and State and Territory Governments related to school leaving age, with a range of exceptions related to homelessness, parental status, or independence.

Current data shows that there are substantial numbers of young people falling through the gaps in these assumptions, creating a substantial cohort of highly vulnerable young people across Australia. In September 2012, there were some 204,000 15-24 year olds 'inactive' in the system. Of these:

- for around 70,000 there is no obvious reason for their inactivity
- approximately 41,00 were engaged in some form of education or unpaid work
- around 56,000 have caring responsibilities; and
- around 37,000 persons reported health problems that may affect their capacity to be engaged.⁵

⁵ ABS 6220 – Persons not in the Labour Force, Australia Sept 2012. ABS 6291.0.55.001. Labour Force Australia, - Detailed Electronic Delivery, Sept. 2012.

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These young people are less likely to be living at home with parents or to be financially supported by their parents. They are also more likely to be from a disadvantaged background.

The reasons why young people disengage are varied and complex, and in many circumstances engaging in education or finding work is difficult or not their highest priority. Already many young people have chosen not to engage with the system and stringent rule-based policy approaches are highly unlikely to address this situation.

Beyond a generalized system of rules pertaining to access to income support for young people, The Smith Family advocates targeted support for those who struggle to meet current income support requirements. This includes ensuring greater alignment between education, employment and community services systems. As identified earlier, policy should include focus on the transition from school to paid work. Young people are not getting the career advice and support they need at school, and schools are not well connected with local employers and support services. These divisions are exacerbated by current constitutional division of responsibility and a strict focus on avoidance of 'cost-shifting' between levels of government.

The Smith Family encourages the review to consider an integrated and well funded youth service system that offers young people tailored, flexible and long term provision of support. A relationship-based approach is critical to ensuring that the complex barriers to engagement that marginalized young people face are addressed.

What strategies help build community resilience, particularly in disadvantaged communities?

There is now strong evidence of the value of strategies which strengthen community resilience and capacity to support positive outcomes for children and young people, particularly in disadvantaged areas. Place based models which are well designed, implemented and resourced in a significant, long-term way, bring very significant social and economic returns.

Communities for Children

The *Communities for Children* program is a very good example of this type of approach. It “provides services to ensure children have the best start in life by focussing on prevention and early intervention approaches that bring about positive family functioning, safety and child development outcomes for children and their families in disadvantaged communities”⁶. The national evaluation of *Communities for Children* showed that investment in the initiative between 2005 and 2009 was upward of 100 million dollars, with an impressive return on investment of 377%⁷.

Strategies which strengthen community resilience are much more efficiently and effectively delivered by non-government organisations than government, given NGOs’ strong facilitation skills, understanding of local community needs and how to address them, and capacity to build and leverage social capital and other resources to achieve common goals. This is one of the underlying principles of *Communities for Children*. NGOs are also generally more likely than government to create systems and processes that have limited ‘red tape’ and they are able to respond more agilely to changing community circumstances.

The Commonwealth’s recent decision to move to a five year funding cycle for this program and the program’s stronger emphasis on outcomes measurement is to be commended.

The Reference Committee may wish to consider how the principles and approach of *Communities for Children* could be further built on to strengthen community resilience. In particular, The Smith Family would draw the Committee’s attention to the merits of a collective impact approach.

⁶ <http://www.dss.gov.au/our-responsibilities/families-and-children/programs-services/family-support-program/family-and-children-s-services#cfc>

⁷ Access Economics, *Positive Family Functioning*, 2010, p.ii.

E. STRENGTHENING COMMUNITY RESILIENCE



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The conditions of collective impact, as articulated by John Kania and Mark Kramer (Stanford Social Innovation Review) are:

- Common agenda – a shared vision for change, common understanding of the problem and a joint approach to solving it through agreed actions
- Shared measurement – collecting data and measuring results consistently across all participants
- Mutually reinforcing activities – activities are differentiated while still being coordinated through a mutually reinforcing plan of action
- Continuous communication – consistent and open communication across the many players to build trust, assure mutual objectives and create common motivation
- Backbone support – creating and managing collective impact requires separate staff with a set of skills to serve as a backbone for the entire initiative and coordinate participating organisations and agencies.

The Smith Family is a partner with a broad range of government, non-government and research organisations, on an Australian Research Council Linkage grant that is applying a collective impact approach in some *Communities for Children* sites in NSW and Queensland. Led by Professor Ross Homel of Griffith University, the project is focussing on strengthening the capacity of the systems which support children's wellbeing.

The project's longer-term goal is to strengthen *Communities for Children* as a prevention delivery system in order to transform the environments in which children grow up and improve their short and long-term outcomes, in a way which is cost-effective and sustainable.

This is clearly a very ambitious goal but it builds on the existing successful platform of *Communities for Children* – the 2009 evaluation showed for example that in *Communities for Children* sites parents reported more positive parenting practices and fewer children were living in jobless households. The project has also garnered a very strong coalition of organisations and expertise: Griffith University, Pennsylvania State University Prevention Research Centre, Department of Social Services, NSW Department of Families and Community Services, NSW Department of Education, Children's Health Queensland, Queensland Department of Education Training and Employment, Mission Australia, The Benevolent Society, The Smith Family, Wesley Mission Brisbane, Australian Primary Principals Association and the Parenting Research Centre.

Such initiatives hold considerable promise for strengthening community resilience and capacity, particularly in disadvantaged communities, and in turn improving the outcomes of children and young people. In the longer term this will undoubtedly positively contribute to the overall goals identified by the Reference Group.

Kurnai Young Mums

In addition to *Communities for Children*, which focuses on children aged 0 to 12 years, there are many examples of local initiatives which are strengthening community capacity to support positive outcomes for children and young people. The *Kurnai Young Mums* program is a cross-sectoral initiative which is supporting young mums (aged 16 to 21 years) to complete Year 12. Based in Churchill in the Gippsland region of Victoria, it is part of the Kurnai Education Hub. The region has high levels of youth unemployment and low rates of post school transition to tertiary studies.

Kurnai Young Mums involves partnerships between Kurnai Secondary College, Latrobe City Council, Community College Gippsland, Berry Street, Centrelink and The Smith Family. Around 25 young mums are undertaking a Victorian Certificate of Applied Learning (VCAL), incorporating VET, short courses and careers counselling. While the 'young mums' attend class, their children access fully accredited child care provided by the Latrobe City Council. Community College Gippsland have developed VET training courses specific to the students, giving them several modules in Certificate III Hospitality, tasters in several different courses and accredited training in workplace skills.

The Reference Group could consider the policy frameworks at a Commonwealth level that could support the local innovation and collaboration evidenced in initiatives such as the *Kurnai Young Mums* program.

Measuring outcomes and publicly available data

The Smith Family welcomes the Interim Report's focus on measuring outcomes and on evaluation. This is essential if Government funds are to be prudently allocated. The Report also notes the importance of ensuring there is public accountability on whether initiatives support those who are most disadvantaged. Ensuring that data is reported both at the aggregate and disaggregated levels and is publicly available is critical if real progress is to be made on the objectives underpinning welfare reform. The Commonwealth Government's commitment to publicly reporting on the Closing the Gap targets is an important component of this.

The Smith Family notes the important public data reporting role that the COAG Reform Council has played, including in providing disaggregated data on young people from Aboriginal and Torres Strait Islander, low SES or rural backgrounds. The role of the Council has been significant in enabling progress over time to be tracked on a range of key economic and social indicators. It is hoped that following the cessation of the Council in June 2014 the Commonwealth will develop other mechanisms for ensuring critical education and employment data is made publicly available, including for different groups of individuals whose outcomes have historically been poorer.

G. REFERENCES

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APPENDIX 1: THE SMITH FAMILY'S OUTCOMES MAP

Programs contribute to short and longer term outcomes

