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The Smith Family

Senate Standing Committee on Community Affairs

The extent and nature of poverty in Australia

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INTRODUCTION

The Smith Family is a national charity working in over 90 low SES communities across every state and territory. We have been supporting children and families experiencing disadvantage for over 100 years. Our vision is a world where every child has the opportunity to change their future. 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 FY22, over 190,000 children and young people, their parents/carers and educators participated in our programs. This includes around 60,000 children and young people who are on our long-term educational scholarship program, *Learning for Life*.

Given our work this submission focuses on the impact of poverty on young people's educational and life outcomes, the cost of living pressures experienced by young people and their families, and mechanisms to address and reduce poverty, in particular in the education space. It draws both on our experience working with young people and their families over many years and our long-term research. The latter includes tracking the school and post-school outcomes of all young people on the *Learning for Life* program and research with young people regarding what they see are the 'essentials of life' for all young Australians.

RATES OF POVERTY AND CHILD FOCUSED POVERTY MEASURES

The Smith Family is a partner in the ACOSS-UNSW Poverty and Inequality Partnership which each year releases a number of reports on the extent of poverty and inequality in Australia (see <https://povertyandinequality.acoss.org.au/>). This research shows that one in six Australian children and young people are living in poverty, with the rate remaining stubbornly high for many years.

Complementing this data is research led by Professor Peter Saunders in which The Smith Family was a partner, which sought to understand what young Australians saw at the 'essentials of life' and the extent to which they were experiencing material deprivation and social exclusion. This research took a child-focussed approach to understanding poverty and disadvantage and so provides an important complement to income poverty measures.

The research (The Smith Family 2018) conducted surveys and focus groups with young people in Government high schools in NSW, including some financially disadvantaged students supported by The Smith Family. Participants identified 18 items as essential for all young people with these items falling into two broad categories: material deprivation (that is a lack of 'things' that young people see as essential) and social exclusion (a lack of 'doing' activities that young people see as essential).

Examples of material items seen as essential include a computer or other mobile device, money to pay for classes or activities outside of school, fruit or vegetables at least once a day, money to spend or save each week, and a place at home to study or do homework.

Examples of essential social inclusion items include extra curricular activities at school (such as sport or music), internet at home, going on school excursions or trips, access to public transport and a holiday away with family at least once a year. The last was seen as "a time for us to bond and not worry about things back at home" and offering a "chance to really relax and reconnect with my family".

Forty percent of the students supported by The Smith Family missed out on three or more of these essential items, compared to less than 20 percent of young people at NSW Government schools generally. More than one in 10 of the students supported by The Smith Family missed out on seven or more of the items. In particular, young people supported by The Smith Family were likely to miss out on having internet access at home, going on school excursions or trips, having money to pay for classes or activities outside of school, having money to spend or save each week and an annual holiday away with family.

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The research showed the impact of having less access to what young people saw as the ‘essentials of life’. There was a clear inverse relationship between the degree of deprivation young people experienced and their positivity about the future, enjoyment of and satisfaction with school. Young people who were deprived of at least three items regarded as essential had lower levels of wellbeing and more negative attitudes to schooling than those who were not experiencing significant deprivation. This can in turn contribute to young people experiencing disadvantage leaving school early and with that, likely detrimental long-term effects, given the relationship between educational attainment and life-time earnings, health, wellbeing and social inclusion.

THE COMPOUNDING NATURE OF POVERTY

Data on students and families participating in The Smith Family’s *Learning for Life* program highlights the range of factors that can compound for those living in poverty. This makes it very challenging for families to manage their day-to-day needs and ‘get by’ and even more difficult for them to ‘get ahead’.

All students on the *Learning for Life* program live in low income families and one in five are from Aboriginal and/or Torres Strait Islander backgrounds. One in three of the students and a similar proportion of their parent/carers have a health or disability issue. Over half of students’ parents/carers have not completed Year 12 or equivalent and three quarters of parent/carers are not in the labour force or are unemployed. More than half of the students live in single parent families and a further six percent live in grandparent-headed families or other care relationships. A quarter of students are from non-English speaking backgrounds and a third live in a household with six or more people.

Some young people experiencing disadvantage make ‘adult’ decisions for their parent/carers, knowing the financial pressures they are under, for example by not telling them about school excursions or choosing cheaper elective subjects which may not be mapped to their future career plans, to limit the financial impost on their family. Young people’s repeated experiences of being left out and missing out on things other young people do at school can deeply affect their sense of self and engagement with education (Skattebol, 2012).

COST OF LIVING PRESSURES

The Smith Family’s 2023 Family Pulse survey¹ of almost 2,000 parents/carers whose children are supported by The Smith Family collected the following data on the costs associated with their child’s schooling and recent cost of living pressures:

- 87 percent were worried about being able to afford all the things their children need for the 2023 school year.
- Just over half think their children are likely to miss out on the digital devices needed for schoolwork because they won’t be able to afford them. 40 percent think they will miss out on school supplies (such as stationery), 30 percent think they will miss out on school uniform or shoes, 22 percent think they’ll miss out on internet at home for schoolwork and 18 percent indicate they will miss out on school excursions.²
- 62 percent found it harder to afford all the things their children needed for school in 2022 compared to 2021.
- Just over half said everyday expenses, such as groceries, rent and petrol were the main reason for the decreased affordability (for further information please see <https://www.thesmithfamily.com.au/media/research/reports/pulse-survey-october-2022>).

¹ Data was collected for this survey in September 2022 with the findings released in Jan 2023.

² Respondents could choose multiple answers which applied to them, so the figures do not add to 100 percent.

Across 2022, Smith Family staff who work directly with students and families also regularly reported their concerns regarding cost of living increases, in particular in relation to housing, petrol and food, with parents forced to make very difficult decisions regarding how to spend their very limited budgets.

Rental pressures have contributed to families having to move, often large distances, and there has been an increased reporting of families living in insecure housing, including caravans. Such instability significantly disrupts children's learning journey, both academically and socially. Research (CESE 2016) shows the negative impact of student mobility on academic achievement with it also increasing the likelihood of students dropping out of school.

THE IMPACT OF POVERTY ON EDUCATIONAL OUTCOMES

Across all key educational outcome measures – the Australian Early Development Census (AEDC) (in the first year of school), NAPLAN (in Years 3, 5 7 and 9), school completion rates (at around age 18) and post-school employment, education and training measures – young people experiencing socioeconomic disadvantage and poverty achieve significantly below their more advantaged peers. This is not a new phenomenon, with the recent Productivity Commission report (2022) concluding:

- Academic achievement in literacy and numeracy has largely stagnated over the last decade.
- There have been persistent and significant gaps in education outcomes over the last decade for some groups of students, particularly those from low SES and Aboriginal and Torres Strait Islander students.
- Gaps in outcomes for students from low SES, Aboriginal and Torres Strait Islander students and remote students emerge early and tend to widen over time.

In the first year of school, one in three children in Australia's most disadvantaged communities are developmentally vulnerable in at least one key area; this is twice the rate for children in the most advantaged areas (AEDC, 2022).

NAPLAN data shows that across each year level and for each area of assessment (for example reading and numeracy), children from low socioeconomic backgrounds in general perform well below their more advantaged peers, with the gap growing as students move through school. In Year 3 the gap between students from low socioeconomic backgrounds and their advantaged peers in reading is on average 1.9 years and this increases to 4.9 years by Year 9 (Productivity Commission 2022).

Analysis by the Grattan Institute (2016) is particularly concerning: "For students with the same level of initial achievement in Year 3 (a proxy for similar capability), less progress is made by disadvantaged students, at disadvantaged schools, and in disadvantaged areas. This strongly suggests that equally capable students are failing to reach their potential. This holds for disadvantaged students at all ability levels in Year 3, especially bright students from poor backgrounds in disadvantaged schools" (p 25).

Young people from disadvantaged backgrounds are also less likely to complete Year 12 or equivalent, less likely to complete a post-school qualification and are less likely to be in work, study or training post school (Lamb et al 2020).

DRIVERS OF STUDENT OUTCOMES

Research by Professor John Hattie (2003) identifies a range of in-school factors which impact young people's educational outcomes, in particular the quality of teaching that students experience. School culture and environment are also important, particularly the expectations held for all students and providing a safe environment for learning.

Professor Hattie's research and that of others also identify there are a significant number of 'out-of-school' factors which influence student outcomes. Research commissioned by the Department of Education, Skills and Employment and undertaken by Lamb et al, (2020b), while examining the potential impact of COVID on Australian students, has broader applicability. This research identified the following challenges for some students:

- **Gaps in basic resources needed to support learning**
One in six Australian children and young people live in low-income households, where life's basics are harder to come by, including food, secure accommodation and transport. These homes also have fewer books and learning materials in the home, including a desk and quiet place to study, and more limited access to support and resources that help form a foundation for learning.
- **Gaps in technology and ICT resources**
Access to technology and ICT resources became particularly important for students during remote learning, however regardless of COVID, they are now an essential tool for students' learning in the 21st century. While levels of access to ICT and the internet are generally high there is significant variability in the distribution and effective use of technology, based on a range of socioeconomic and demographic factors. This is borne out by data from PISA and The Smith Family's data. A significant proportion of students The Smith Family supports on the *Learning for Life* program do not have an internet connected to a laptop or tablet at home. For those students who do have an internet connected to a device, many are sharing one device with many family members.
- **Some students are not developing some of the qualities that are key to being a successful learner**
A range of skills, attitudes and behaviours influence learning outcomes. They include students' belief about their academic abilities, their levels of motivation, ability to set goals and persevere despite challenges, their willingness to seek help when required and ability to be self-directed. These skills, mindsets and behaviours can be taught and developed, however research suggests disadvantaged students generally display lower levels of resilience or perseverance with learning, and may be less likely to ask for help.
- **Not all parents feel able to support or be engaged in their child's learning**
Despite wanting to be actively engaged in their child's learning, many parents from disadvantaged backgrounds: lack confidence or are uncertain about how to support their child's learning; have a poor educational history or experience with schools; come from a country where the educational system does not encourage parental engagement; or have limited English language skills. Poverty can erode parents' confidence to support their child's education; it limits their networks and access to support and the need to focus on the family 'surviving', absorbs much cognitive energy and time.

The Smith Family's experience working with families experiencing disadvantage suggests that student and family needs are becoming increasingly complex and have been exacerbated by COVID, making it more difficult for schools, despite their best efforts, to meet student needs. This is particularly the case in communities of concentrated disadvantage, where schools have significant proportions of students living in disadvantage.

In summary, for students living in poverty, their families' access to financial resources, services, opportunities and networks of support and advice, in all areas of their lives, is more limited than for students living in more advantaged families. In turn, this impacts on every aspect of their lives, including the educational outcomes they achieve.

SUPPORTING IMPROVED EDUCATIONAL OUTCOMES FOR YOUNG PEOPLE EXPERIENCING DISADVANTAGE

Given the strong link between poverty and young people's educational outcomes and in turn life outcomes, improving the educational outcomes of young people experiencing disadvantage is a key strategy to breaking the intergenerational cycle of poverty in Australia.

Much of the school policy focus in Australia has been on supporting improvements to the quality of teaching and more recently ensuring there is a teaching workforce able to meet the growing demands of school systems now and into the future. These areas of focus are understandable given that the quality of teaching is the largest in-school factor impacting student outcomes and the demographic and other challenges facing the workforce.

National and international evidence however on how to improve the educational outcomes of young Australians experiencing disadvantage, reinforces the need for strategies that go beyond a focus on teachers. This evidence emphasises the need to:

- Intervene early and provide longer term support
- Take account of home, family and community factors and support parent/carer engagement in children's learning.

Intervene early and provide longer-term support

Research by Nobel Economist Professor James Heckman and colleagues, shows that efforts aimed at improving the educational outcomes of young people experiencing disadvantage are most cost-effective when they take an early intervention approach and provide balanced longer-term support as young people move through primary and secondary school and into young adulthood.

Professor Heckman's research shows that such an approach results in:

- Greater high school graduation and university enrolment rates
- Lower welfare dependency rates
- Lower rates of engagement with the criminal justice system (Cunha and Heckman 2007).

Home, family and community factors matter

The Productivity Commission (2022) notes "there are factors 'outside the school gates' that can significantly affect students' performance and wellbeing" (p 73), including home and family factors, and while "schools can make a positive difference to the impact of these factors on student learning...schools usually cannot change these factors" (p 3). This highlights the need for a range of strategies to improve student outcomes, that include both a 'within school' and 'beyond the school gate' focus.

There is also a vast body of research showing the importance of community factors on children's development and wellbeing. In Australia, where children live matters, emphasising the importance of place-based approaches to improve the outcomes of children experiencing disadvantage.

Parental engagement in children's learning

Reinforcing the need for a focus on 'beyond the school gate', research shows the critical role of parent/carer engagement in their children's learning, particularly for children experiencing disadvantage. Parent/carer engagement influences children's orientation to learning, including their motivation, engagement, confidence and beliefs about learning. Parent/carer engagement is a bigger predictor of how children do in school than a family's socioeconomic status. Students with engaged parent/carers, no matter what their income or background, are more likely to do well at school, graduate from school and go on to higher education (Fox and Olson 2014).

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Learning for Life

The Smith Family's *Learning for Life* program is based on the principles of intervening early, providing long-term support and supporting parents to be engaged in their children's learning. *Learning for Life* works with students in the context of their family, school and community, thereby complementing and reinforcing what happens in schools. The program enhances the critical home learning environment and addresses factors 'outside the school gate' which impact student outcomes, engagement and wellbeing.

Each *Learning for Life* student has a Unique Student Identifier (USI)³, enabling The Smith Family to longitudinally track students' school attendance, achievement in literacy and numeracy, school completion and post-school engagement in employment, education and training. For example, 84 percent of the highly disadvantaged young Australians who were on the *Learning for Life* program and in Year 12 in 2020, were in work, study or training, 18 months after leaving school.

High quality tutoring

More recently, strong evidence has emerged (for example Productivity Commission 2022, Grattan Institute 2023, Education Endowment Foundation 2021) of the effectiveness of tutoring, both one-on-one and in small groups, for improving student literacy and numeracy outcomes. Tutoring is particularly beneficial in supporting lower achieving students who are behind their peers.

The Grattan Institute (2023) states that "small group tuition...is among the most effective learning interventions available. Delivered well, it can add, on average, an extra four months of learning over a year, helping many students to catch-up. The economic benefits are also huge: if one-in-five (Australian) students received high quality small group tuition in 2023, they would collectively earn an extra \$6 billion over their lifetimes, about six times the annual cost of tutoring programs."

In Australia, a number of jurisdictions, in particular New South Wales, Victoria and South Australia significantly invested in tutoring in response to the impact of COVID-19 on educational outcomes, with final evaluations yet to be released.

In response to the anticipated impacts of COVID-19 on students experiencing disadvantage, The Smith Family developed, trialled and evaluated the *Catch-Up Learning* tutoring program to improve the literacy and numeracy of students in Years 4 and 8 who are on *Learning for Life*, and struggling in these areas. Core elements of *Catch-Up Learning* are:

- Online delivery by qualified teachers
- Home-based tutoring occurring outside school hours
- Students participating in up to three one-hour sessions a week for 20 weeks
- Sessions covering literacy and numeracy.

The program ran in 2021 with a group of around 100 students and in 2022 with a group of over 400 students, with the published evaluations of both showing students made strong progress in numeracy and literacy, their confidence and love of learning increased significantly and program attendance and completion were high.

In 2022:

- At the end of the *Catch-Up Learning* program, two in three students had made greater progress in numeracy than would be expected over a six month period.
- More than half of the students had made greater than expected progress in literacy.

³ The Productivity Commission 2022 noted The Smith Family's USI for *Learning for Life* students and the organisation's use of it to "gain insight into the impact of their programs by comparing outcomes of students in *Learning for Life* with the broader student population". The Commission notes The Smith Family's dataset has "enabled other research, such as a study into the relationship between school attendance and academic achievement over long time horizons" (p 83).

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- Program completion was 83 percent and average program attendance was 86 percent.

In summary, high quality tutoring programs can support students who are experiencing disadvantage and struggling in key educational areas such as literacy and numeracy to catch-up, increasing the likelihood of them completing Year 12 and moving into work or study post-school.

COMPLEXITY OF SERVICE SYSTEM ESPECIALLY FOR THOSE MOST IN NEED

Education has a key role to play in addressing the cycle of poverty and disadvantage in Australia. The education system is part of the broader human services system, with barriers to access often sitting outside the education system itself. Given that, if Australia is to address inequities in educational achievement and in turn support more children and young people to break the cycle of poverty and disadvantage, attention also needs to be paid to how the current service system either supports people to realise their potential or holds them where they are.

There are a significant number of individuals and families in Australia whose experience of disadvantage is multilayered and prolonged, including intergenerational. As shown through the data presented earlier on *Learning for Life* students and families, many face health and disability challenges, including mental health, alongside poverty and other issues. As a consequence, they are likely to engage with many Government and non-government agencies, often simultaneously. Many are not participating in meaningful and secure employment, either at all or in a sustained way, or enjoy the quality of life that most Australians aspire to.

Despite the good intentions of those who work in them, and very significant Government and community investment, the systems set up to 'serve' these Australians, including young people and their parent/carers 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. This is not only a personal tragedy for each of these Australians, but a national one, as it curtails people's capacity to contribute economically and socially in ways that many of them long to. It also requires enormous and potentially unsustainable fiscal resources to be expended, so on both dimensions, it is to the detriment of national wellbeing.

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 Australians experiencing complex and sustained disadvantage. In improving the system for these Australians, there is likely to be added benefits for all Australians who use the system, in terms of quality, efficiency and effectiveness.

Central to a successful system are relationships of respect, dignity and empowerment and a long-term focus, given that sustained change takes time. Underpinning the system should be an understanding of the strengths and aspirations of service users, rather than a deficit approach that focuses on what individuals 'can't do' or 'don't have'. The Smith Family's experience working with highly vulnerable families is of their enormous strength and resilience in the most challenging of circumstances, including through COVID. Outcomes-based contracting of services, rather than a focus on outputs, is also a key component of a successful system.

The Smith Family appreciates the challenge of changing the human services system, particularly given the different responsibilities of Commonwealth, State/Territory and non-government organisations, but we believe there is some appetite for change across organisations, sectors and jurisdictions. There is also enough evidence and insights from around the world and Australia to inform efforts in this space. We are also cognisant of the individual and collective benefit that would flow from a system which led to better outcomes for those it is designed to serve, including over time, to the nation's economic and social prosperity.

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