



Early Years™
Catalyst

Exploring Leverage Points for Transformational Change:

Ensuring all children have their basic material needs met

June 2024

Purpose

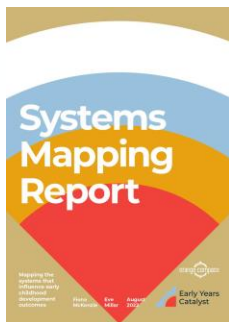
- To fill out the picture from the formal evidence captured in the Evidence for Action (E4A) report.
- To help people:
 - use and build on the leverage points detailed in the Evidence for Action report
 - see how their work fits into wider work across the sector
 - understand what else needs to happen to drive change across the early years system for improved outcomes for children.

And we will do this by

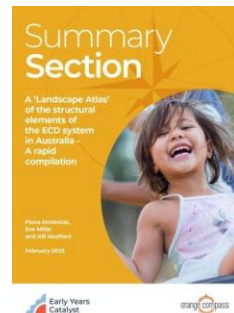
- Sharing:
 - some of what's already happening
 - some of what's starting to happen
 - some of what needs to happen
- Informed by conversations with stakeholders across the sector

It's the next layer in the EYC's work

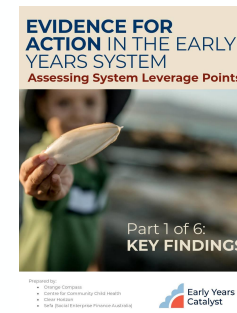
- The Early Years Catalyst seeks to support the field to disrupt and transform Australia's early years system so that it supports all young children and their families to thrive. Its focus over the past three years has been on evidence-gathering through four major projects:



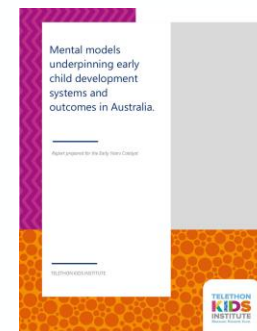
Systems Mapping - identifies the forces influencing early childhood development outcomes in Australia today, possible leverage points for change and the key elements of an ideal future early years system that is capable of supporting all young children and families to thrive.



Landscape Atlas - provides a detailed overview of the government-driven structures that underpin 10 key systems that are integral to children's early development.



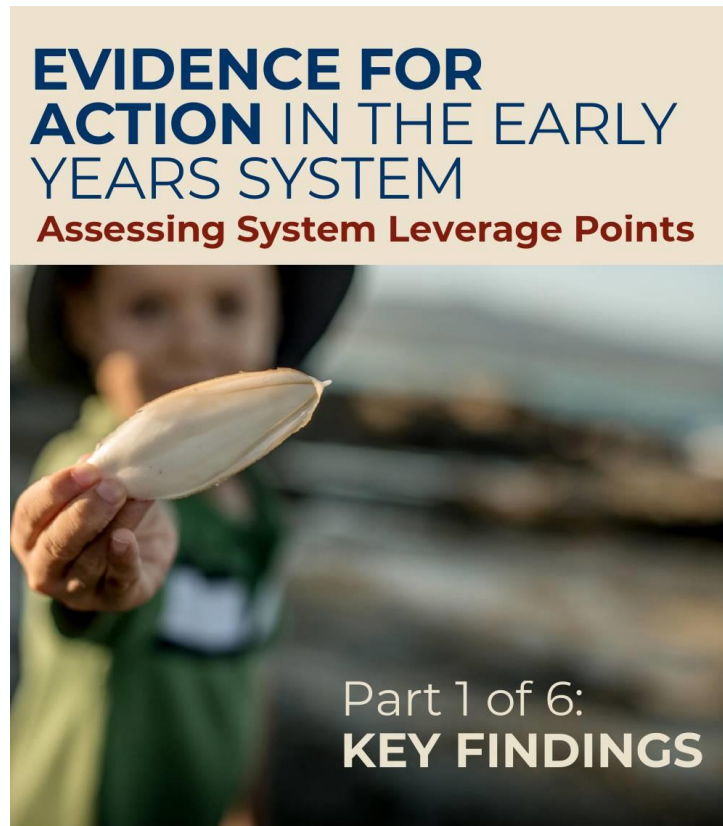
Evidence for Action - an evidence-informed inventory of actions to transform Australia's early years system based on an assessment of 18 leverage points (split into 4 clusters) identified in the systems mapping process.



Mental Models Deep Dive - An in-depth exploration of the mental models shaping Australia's early years system and outcomes and effective strategies for shifting these at scale to enable the desired 'future state'.

Builds on the Evidence for Action report

- A focus on how different leverage points can generate positive change to the early years system and the outcomes it produces.
- Leverage points are places in the system where, by intervening or applying pressure, we can influence change across the system.
- Evidence for Action (E4A) assessed 18 leverage points, grouped into 4 clusters. It draws on published research, First Nations' wisdom and ways of knowing, frontline practitioners' experience and the voices of families.
- All of the leverage points are interconnected and interrelated – action across all clusters and levels of the system in the short, medium and longer term is required to bring about change.
- E4A shares case studies backed by publicly available evaluations. Here we share examples of work in progress, or where there may not be a published evaluation.



Prepared by:

- Orange Compass
- Centre for Community Child Health
- Clear Horizon
- Sefa (Social Enterprise Finance Australia)

1. Grant greater decision-making power to the local community level

2. Fit-for-purpose funding and commissioning approaches

3. Redirect funding flows to support local priorities and responses

4. Feedback loops from families and communities to government and service providers

5. Amplify family and community voices as partners in program design and delivery

6. Recognise families and those with lived experience as 'experts' for the purposes of evidence, policy and decision making

**Cluster 1:
Communities and families in the driver's seat**

**Cluster 2:
Re-imagining the service system**

7. Expand the universal service system

8. Invest in a proactive and preventative child protection (child thriving) system

9. Ensure service systems are staffed by high quality workforces

10. Recognise the voice of children in policy and program design

15. Create a shift in Australia's socio-cultural identity to become a society that prioritises the wellbeing of all children

16. Change our framing/ conceptualisation of and approach to 'care' in Australia

17. Create a shift in our collective mindsets to recognise First Nations ways of knowing, learning, being and doing about care

18. Create a shift in societal perspectives of disadvantage and difference; free of racism and judgement against disadvantaged children and communities

**Cluster 4:
Shifting society's perspectives**

**Cluster 3:
Shared accountability for children's outcomes**

11. Reform the culture of measurement and evaluation

12. Enforce accountability for outcomes for children and families

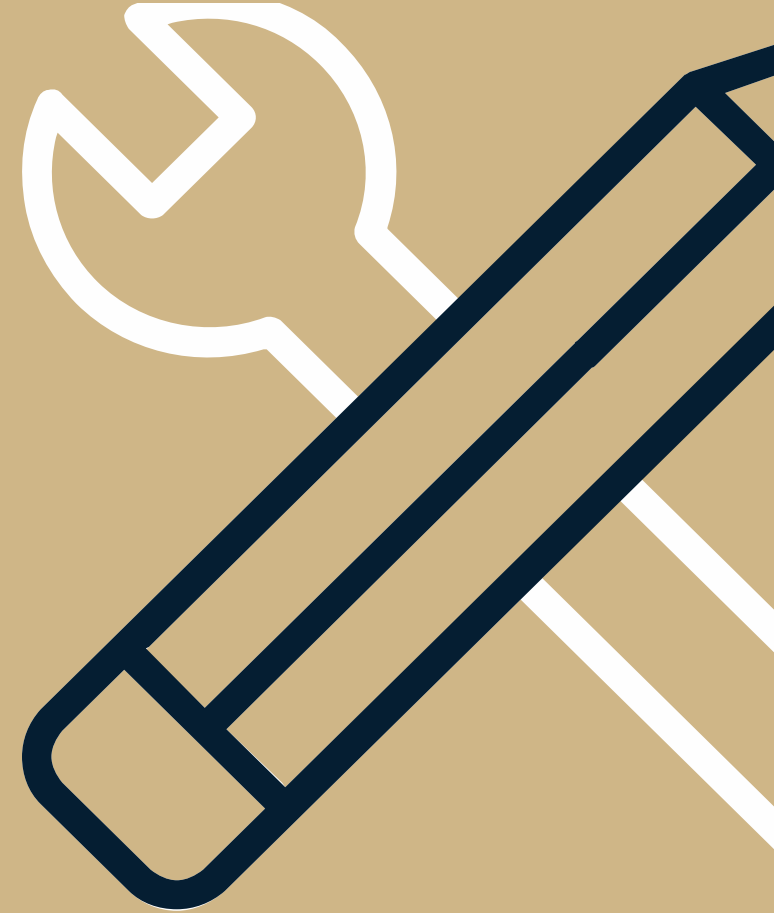
13. Government to guarantee equitable access to services for all children – regardless of where they live in Australia

14. Ensure all children have their families have their basic material needs met

Evidence for Action: 18 leverage points and 4 clusters

Meeting children's basic material needs

Ensure all children have
their basic material needs met



Why focus on this leverage point?

LP 14: Ensure all children have their basic material needs met

<p>This leverage point was rated as having the highest potential to transform the early years system and improve outcomes for children and families.</p> <p>That ranking reflects the detrimental impact of poverty and disadvantage on children's early development and wellbeing.</p>	<p>This leverage point is situated in the 'shared accountability for children's outcomes' cluster.</p> <p>Elements of the ideal future early years system that link to this cluster include:</p> <ul style="list-style-type: none"> • As a society we prioritise the wellbeing of all children • Government holds responsibility for the whole (system) • Accountable, high quality, proactive service systems • Strong families, parents and carers 	<p>This cluster is focused on the potential for transformative change with all actors taking responsibility and being held accountable for delivering positive outcomes for children and families.</p>	<p>This leverage point is about finding ways to ensure there is a real safety net that keeps families and children out of poverty, so that all children and families have the core conditions to thrive. This might include finding ways to ensure the social security and family payments system is more accessible and treats those experiencing hardship more fairly.</p>	<p>Medicare and NDIS are examples in Australia of universal provision that meets basic needs.</p>
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Connections to other leverage points

Part of the high ranking reflects that this leverage point does not depend on others to generate wide impact.

But there are of course strong linkages to other leverage points, including:

Ensure all children have their basic material needs met

‘Shifting society's perspectives’

‘Communities and families
in the driver’s seat’

‘Re-imagining the
service system’

(across other clusters)

LP15 Create a shift in Australia’s socio-cultural identity to become a society that prioritises the wellbeing of all children

LP17 Create a shift in societal perspectives of disadvantage and difference; free of racism and judgement against disadvantaged children and communities.

LP4 Feedback loops from families & communities to government & service providers

LP10 Recognise the voice of children in policy and program design.

Income matters

Income matters and is a vital component of meeting children's basic needs.

There are so many ways that this leverage point can be addressed - and so many different policy areas - including paid parental leave, housing assistance, food subsidies and cash transfers.

COVID created a surprising precedent. The Coronavirus Supplement to income support payments saw an unprecedented decline in income inequality and illustrated how adequate income support makes a material difference to families.

There are many examples that explore ways to maximise income, increase income, and support families to manage and make more consistent existing income. Some of them are shared here.

In reality, it is income plus other things such as affordable and secure housing, a sustainable social security system and good quality work that all make a difference.

The fact that benefits are failing to keep up with inflation during a cost-of-living crisis adds further urgency to unlocking this challenge.

UBI (universal basic income) and cash/benefit transfer programs are gaining traction across the political spectrum to enable choices for individuals; reduce benefit spending; respond to automation challenges; and address the cost-of-living crisis.

A future state where children's basic material needs are met

Shared accountability for children's outcomes

LP 14. Ensure all children have their basic material needs met

Areas to focus on to achieve impact*	What success would look like
Policy	<ul style="list-style-type: none"> Ensuring the social security system is founded on the principles of adequacy, equity, dignity and autonomy, accountability and solidarity. Recognising that low-income households often pay a premium for goods and services which is amplified in a cost-of living crisis.
Practice	<ul style="list-style-type: none"> Maximising income. Increasing income / cash opportunities.
Resources	<ul style="list-style-type: none"> Having evidence on the benefits of increased cash to families. Realising the impact of other provision such as adequate housing.
Relationships and Connections	<ul style="list-style-type: none"> The Commonwealth Government recognising the role that adequate income (alongside policies that enable economic security such as access to affordable housing) plays in meeting children's basic needs and supports individuals, families and organisations to maximise and increase their income (and broader economic security) through different means of support. Ensuring greater collaboration across different tiers of Government to reduce administration that enables families to maximise household income.
Power Dynamics	<ul style="list-style-type: none"> Recognising that the dominant narrative is Western and not always culturally appropriate for Aboriginal and Torres Strait Islander communities and migrant communities. Ensuring alignment between policy and practice; for example, genuine co-design of support and commitment to sharing decision-making. Fostering collaboration between funders and grantees; for example, philanthropic funding that is not considered to be a hand-out through a greater understanding of the structural nature of poverty, and designing programs together with organisations and households who can benefit.
Mental Models	<ul style="list-style-type: none"> Reframing spending on poverty reduction as an investment. Shifting narratives of 'deserving' and 'undeserving' households.

* The Six Conditions of Systems Change from the Waters of Systems Change (Kania, Kramer & Senge 2018)

What is happening now (1 of 2)

Baby's first years 2018 – 2024

- Anti-poverty intervention for 1,000 new mothers below US federal poverty line.
- Unconditional cash gifts for first 4 years of baby's life.
- Funded through charitable foundations.
- Prepaid card loaded with \$333 (US) per month (20% increase in income); or \$20 for the control group.
- All study materials open source and available.
- After one year, there are early indications that brain activity associated with learning and development is developing faster in families who receive cash compared to those who don't.

PRACTICE

Campaigning on changes to the tax and benefit system is grounded in strong evidence.

For example, the Brotherhood of St Laurence's (BSL's) recent report *Growing Pains: Family Tax Benefit issues and options for reform* highlights that Family Tax Benefit (FTB) is in dire need for reform with families at risk of poverty because of reduced coverage; high effective marginal tax rates creating disincentives for work; and entrenched gender norms. There are also persistent calls for reform of the child support system. These changes could make substantive differences to meeting children's basic needs but have not yet translated into policy change.

POLICY

Port Phillip Council offers *Early Education Grants* to families in addition to subsidies for families to participate in activities that they would otherwise not be able to afford. Conditions linked to grants include attendance and/or making a small contribution. Creating these types of conditions was based on iterative feedback from the team. By asking families to contribute to the investment in their children, the team felt that it increased accountability. Anecdotally it has helped the grants program to be more effective. The program has been running for about 3 years. One of the challenges of it being a one-off specific grant is that there can be cliff edges if the family can't afford it again and it's still needed. An example was support provided for 3-year-old kindergarten that did not extend to wrap around care when the child turned 4. The team are exploring different ways to mitigate against these types of challenges.

PRACTICE

What is happening now (2 of 2)

JobKeeper

- \$1500 per fortnight for eligible employees
- \$101.3 billion support package during COVID
- Aim was to preserve the relationship between employer – employee; keep businesses alive and offer income protection to employees who were not able to work during the pandemic.
- JobKeeper was a real-time experiment and a large labour market intervention. In the first 6 months it supported 3.5 million workers and 900,000 businesses.
- Design features included – a flat payment irrespective of working hours; payment to those who had been stood down and/or on 0-hour contracts. Businesses paid and were then reimbursed.
- Estimates are that 1 in 5 JobKeeper beneficiaries would have been stood down without JobKeeper; translating to approximately 700,000 jobs.
- Modelling also showed that child poverty levels dropped from about 19% to 14%.

PRACTICE

POLICY

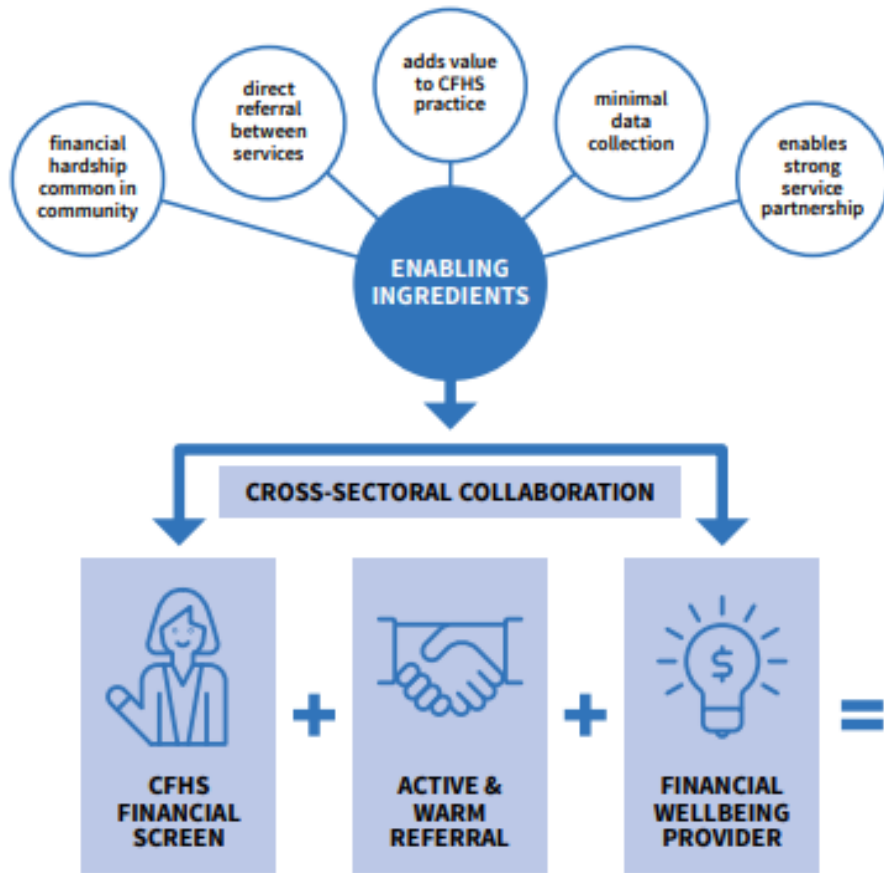
Scottish child payment is a payment that supports low-income families with children aged 16 and under. It's £25 per week, per child and there is no limit on the number of children. Eligibility is based on receipt of particular benefits. It has been operational since November 2022, so it's too early for evaluation, but modelling has projected that child poverty rates will fall by 5% in 2023-2024 translating to 50,000 less children living in relative poverty. It could be argued that it's a natural randomised controlled trial (RCT) experiment because other countries in the UK have the same tax and benefit system without this additional payment which has been legislated by the Scottish Government.

POLICY

A COVID-Supplement was introduced to bolster JobSeeker rates. Together with JobKeeper, modelling showed that this supplement had a positive impact on reducing household poverty rates and housing stress. Analysis of real-time data also showed that these supplements had different sized impacts for different cohorts. For example, poverty rates in single parent households reduced significantly. It illustrates the potential of future reform. This type of analysis can strengthen calls to increase the adequacy of JobSeeker and family payments such as those advocated by the Anti-Poverty Week coalition.

POLICY

What is starting to happen (1 of 2)



The *Healthier Wealthier Families* (HWF) pilot has shown to reduce stress and increase household income by an average of \$6,000 a year. Through collaboration with existing universal health services, support was designed to enable families experiencing financial distress to be referred to and access existing financial counselling and support. The pilot was translated from a successful program in Glasgow that tackles child poverty. Essentially the pilot strengthened relationships and referrals between existing services to support families to receive the income they were entitled to. The aim is to now roll it out in other areas. It shows the potential of drawing on existing service provision and a successful model and adapting it locally.

POLICY

Renewed pressure on the Government to abolish, relax or adapt the Activity test following the *Productivity Commission's* interim report on ECEC.

RESOURCES

MENTAL MODELS

Conversations and discussions about the potential of cash transfer trials in Australia and in other countries creating momentum.

Key elements of Healthier Wealthier Families (CFHS: Child and Family Health Service)

RELATIONSHIPS & CONNECTIONS

PRACTICE

What is starting to happen (2 of 2)

The SEED Project (Sustaining Economic Empowerment and Dignity) is a place-based model integrating practice, policy and research to enhance women's economic security and financial wellbeing from the local to the national level. A financial wellbeing hub for women is a key element of the project which is based in Seymour, Victoria. It is based on the evidence and understanding of the need to address numerous barriers at the same time for women to have economic security (see Figure 1.1). SEED is a multidisciplinary approach designed to both address the system and offer individual women support. It offers tailored individual support for women identifying opportunities to increase skills and confidence as well as creating a Community Investment Committee (CIC) to tackle identified barriers such as childcare or lack of flexible work.

Research, policy analysis, monitoring and evaluation are embedded from the outset to influence the wider system. SEED has been designed and implemented through continuous engagement with local community members and organisations. This has taken time but has built confidence and trust. The approach also allows for honest review and reflection from all partners now that the model is being implemented.

Figure 1.1 The SEED model



PRACTICE

RELATIONSHIPS & CONNECTIONS

Analysis of previous policies that may have been introduced with different objectives to maximising income are also contributing to discussions and debates on meeting families' basic needs. For example, Australia's Baby Bonus was introduced to boost falling fertility rates, and COVID supplements and payments such as Coronavirus Supplement, supplementary JobSeeker and JobKeeper offered support during a pandemic. Analysis is providing 'real-time' and retrospective data to draw on understanding the impact of cash to meet families' basic needs.

RESOURCES

POLICY

What needs to happen (2 of 2)

There is a consensus that mental models about poverty need to be challenged, but not necessarily a consensus on how. It is more than simply reframing a narrative; it's about challenging deeply held views.

Approaches include:

- pitch cash as an investment not a handout
- pitch poverty as a collective hurt that we can all do something about
- draw on the experience of Coronavirus Supplement which effectively doubled some payments and made an enormous difference to families on income support during the pandemic
- evidence to suggest that Australians get behind, 'the need for all children to be healthy' can be tested further.

MENTAL MODELS

The policy landscape offers significant potential.

The social security system has not kept pace with inflation, doesn't always reflect changing family dynamics or changes in the labour market. Many organisations continue to argue for changes to the tax and benefit system including Family Tax Benefit to strengthen people's incomes. Other policy solutions targeting income include Universal Basic Income and cash benefits/transfers.

POLICY

Influencing governments and advocating for change:

- Advocacy has to be led by a coalition of the willing, a diverse coalition of unusual suspects.
- Coalitions need to seek opportunities to actively engage governments – at all levels – for future design and implementation.
- The 'elephant in the room' is often how to pay for it? There are lots of ideas that include a one-off windfall tax, changes to the welfare system, increased taxation. Many of these are not politically palatable.

POWER DYNAMICS

RELATIONSHIPS & CONNECTIONS

What needs to happen (2 of 2)

RESOURCES

PRACTICE

POLICY

RELATIONSHIPS & CONNECTIONS

Designing new trials

Some considerations needed to develop and design new interventions that cut across different domains include:

- How to avoid cliff edges at the end of a pilot so that families can sustain any benefits?
- How much money and for how long?
- How to design with genuine lived experience expertise?
- What constitutes good/robust data?
- How far up the income chain should a trial go?
- Basic material needs are presented from a Western perspective; First Nations feedback is that it's not the same framing. How to ensure new interventions are designed for the whole community they seek to benefit?
- How to navigate different relationships and power such as 'charity' and 'government' and giving people free money?
- Pre-paid cards offer one way to record spend, but what is tracked and what is not tracked?
- How to embed these types of interventions in areas of deep disadvantage where there is place-based funding and programs of work already operational?
- How to resolve tension between agency and paternalism?
- Who is doing the stakeholder mapping to see whether there is a coalition that can be brought together?
- It is expensive and hard to run a prototype of this nature; what are the other options and how could they contribute to the agenda?
- What collaborations/partnerships could be sought to bring together those who are already doing work in this field?
- Cash transfer trials offer promise, but it is difficult to build the evidence base and Randomised Controlled Trials (RCT) are sometimes held as the 'gold standard' which may constrain progress.
- How can trials be designed for recognising that different tiers of government have responsibilities for different budgets and outcomes?

MENTAL MODELS

POWER DYNAMICS

A starter of additional resources

- Previous UBI / cash transfer experiments
 - [B-MINCOME](#) – Combining guaranteed minimum income and active social policies in deprived urban areas.
 - Finland's Universal Basic Income trial – an article on the success and challenges from [The Guardian](#). There are lots of other articles written about it. The final report is in Finnish.
 - Stockton, California ([SEED](#)) - run by Mayor and partners - for 24 months, 125 residents \$500 per month, unconditional. \$500 represents an average of 30% boost to income. Small control group.
 - [The Magnolia Mother's Trust](#) - an initiative that provides \$1000 (US) per month for 12 months unconditional cash to a small number of low-income Black mothers in Jackson Mississippi
 - [Cash Transfers: what does the evidence say](#) Overseas Development Institute (ODI, 2016)
- Wider debate and discussion
 - [Basic income: a radical idea enters the mainstream](#) (2016) from the Australian Parliamentary Library
 - [Automation and labour market change may make basic income a reality – but significant political barriers remain](#) – a blog from Dr Luke Martinelli, Bath University
 - [Basic Income as Common Dividends: Piloting a Transformative Policy: A Report for the Shadow Chancellor of the Exchequer](#) – by Guy Standing making the case for Universal Basic Income
 - [Universal Basic Income: Potential and Limitations from a Gender Perspective](#) – a briefing from UN Women on some of the debate from feminist perspectives on the pros and cons of a Universal Basic Income

Thank you

Thank you to everyone who contributed to this work, including the following people who participated in interviews:

- Louise Bell (Toy Libraries Australia)
- Dina Bowman (Brotherhood of St Laurence)
- Karla Coombes (City of Port Phillip)
- Terese Edwards (National Council of Single Mothers and their Children)
- Karen Hagen (Brotherhood of St Laurence)
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- Ana Nieto (Minderoo Foundation)
- Toni Wren (Anti-Poverty Week)

Thank you

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