



ARACY

Australian Research Alliance for Children & Youth
Collaboration • Evidence • Prevention

2020-21 Pre-Budget Submission



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Submitted to the Commonwealth Department of the Treasury, August 2020

About the Australian Research Alliance for Children and Youth (ARACY)

ARACY is a national not-for-profit which exists to put knowledge to work for the benefit of Australia's children, young people, taxpayers, and ultimately the entire Australian community and economy.

We do so by ensuring that policies and programs, designed to help young people reach their potential, are based on robust evidence of what works.

Our work and the evidence underlying this submission

Central to our work is [The Nest](#), released in 2013 and developed through extensive consultation with over 3,700 children, young people, and experts, as well as 150 sector partners. The Nest and the evidence it contains defines six interlocking areas of wellbeing which must be supported for a child to thrive. These are: Being Valued, Loved and Safe; Having Material Basics; Being Healthy; Learning; Participating; and Having a Positive Sense of Identity and Culture.

ARACY was established in 2002 by the 2003 Australian of the Year, Professor Fiona Stanley AC. Professor Stanley established ARACY because children in Australia were not doing as well as they should in a wealthy country like ours. This remains the case as the following sample of pre-COVID statistics demonstrate:

- In 2018 around 1 in 5 children were starting school developmentally vulnerable. Indigenous developmental vulnerability has only steadily decreased from 47% in 2009 to 41% in 2018.ⁱ Evidence tells us that when a child starts school behind their peers, they find it extremely difficult to catch up and many never do.
- 774,000 children under the age of 15 (17.7% of all children or over one in six) are living below the poverty line.ⁱⁱ
- One in six (17.1%) young people aged 15 to 19 who responded to Mission Australia's Youth Survey 2019 had been homelessⁱⁱⁱ
- In 2014-15, 15.4 per cent of Australians aged 18 to 24 years suffered high or very high psychological distress up from 11.8 per cent in 2011.^{iv}

Not surprisingly the COVID-19 pandemic has made many indicators worse. For example^v:

- Young people are especially vulnerable to housing stress related to COVID-19 and the emerging recession, with 44% of renters aged 18-24 unable to pay their rent on time.
- The Mitchell Institute for Education and Health Policy, using ABS data and modelling by the Grattan Institute, estimates that the number of children experiencing employment stress within their family has doubled to reach 1.4 million.
- While youth mental health (18-24 years) improved between April and May 2020, it remains significantly worse than pre-COVID-19 levels. 40% of young people (aged 15-24) feel that the pandemic has impacted their confidence to achieve future goals.

Though our work encompasses all areas of wellbeing for children and young people aged up to 24, ARACY has a strong focus on prevention and early intervention based on our work as part of the [Strong Foundations: Getting it Right in the First 1000 Days Partnership](#) which includes PwC Australia, the Murdoch Children's Research Institute, Bupa Australia, and the Bupa Foundation.

Based on this, ARACY sees that COVID-19 requires a response that is evidence-based and cognisant of the immediate and ongoing social and economic impacts upon children, young people, and families.

This Budget submission proposes policy settings and programs that will help to ensure COVID-19 does not derail an entire generation of young Australians, robbing both them and the nation of their potential. It does so by suggesting measures that would start moving ‘valuing our children’ beyond well-intentioned national rhetoric, making it fundamental to the way our whole community operates.

1. Making children a focus for National Cabinet

The job of government is to secure the future of the nation. Nothing is more important to the future of any nation than its children, and ensuring they get the opportunities to live productive and happy lives.

While Australian governments generally perform well, the fact remains that too many Australian children (and their families) who find themselves in difficult times for reasons beyond their control, are not receiving the support they need to reach their potential.

COVID-19 has only made this worse, exacerbating existing problems for many families and children, and thrusting many other families into disadvantage for the first time.

Endemic to our federation, and a stumbling block to better helping all Australian children to thrive, has been the mismatch of strategy, funding, political will, and coordinated service delivery between spheres of government.

COVID-19 has shown that it is possible for the Commonwealth, States and Territories to work more effectively through a National Cabinet. We see National Cabinet as a powerful vehicle to deliver on the recommendations in this submission, to help all Australian Governments meet their obligations to children and families, both during and beyond the COVID-19 crisis.

Recommendation 1

- The Australian Government bestow upon the Prime Minister overarching responsibility for the wellbeing of Australia’s children, ensuring alignment of policy settings, service delivery, and effort across Commonwealth agencies and other jurisdictions through the National Cabinet. It should be noted that currently the Minister for Youth and Sport sits in the outer ministry.
- That the Prime Minister make the measurement, reporting, and improvement of the wellbeing of Australian children a regular item on the agenda for National Cabinet.
- That using the opportunity National Cabinet presents, the Commonwealth work with jurisdictions and the National Children’s Commissioner to develop an evidence-based Action Plan for the wellbeing of all Australian children, similar to that being deployed in New Zealand and inspired by ARACY’s Nest framework.

2. A social security safety net that accounts for children’s needs

ARACY is a signatory, along with Save the Children, the Australian Council of Social Services (ACOSS) and 14 other organisations involved in children’s welfare, to the open letter to the Prime Minister of 11 August 2020 which called for “a significant investment in the upcoming budget to ensure

Australia has a social security safety net that accounts for children’s developmental needs, including: access to safe and stable housing; nutritious food; educational supports; health care and medical supports; mental health and emotional wellbeing supports for children and caregivers; and family environments that have reduced levels of financial stress.”

ARACY supports ACOSS position that there should be a permanent and adequate increase to JobSeeker, Youth Allowance, and related payments (such as the Parenting Payment) that ensures everyone can cover the basics. This includes single parents, who need a Single Parent Supplement to cover their additional costs, as well as restoration of wage indexation to the Family Tax Benefit.

ARACY’s work^{vi} as part of the Strong Foundations: Getting it Right in the First 1000 Days Partnership makes it clear that the early years can shape the rest of a child’s life, with childhood poverty a significant risk factor for poorer outcomes in adulthood. And while our research shows that it is never too late to invest in helping a child and their family onto a better trajectory, the earlier this is done the more effective it is for the child, their family and the community.

The powerful negative impact of low social security payments upon Australian children has been demonstrated in ARACY’s report To Have and To Have Not^{vii}. That report found that when compared to children with disability and those living in poverty for unspecified reasons, that children in jobless families were more likely to suffer from a greater number of deprivations than any other group. For example, they are more than 4 times more likely to be homeless than children in families where an adult has been able to find work, nearly twice as likely to be bullied or face social exclusion and almost two and a half times more likely to be missing out on learning at home.

In contrast to the pre-COVID situation, there has been much evidence of families being able to better cope with the challenges of the pandemic, and unemployment generally, as a result of the increased levels of assistance provided by the Commonwealth during the COVID-19 pandemic. ARACY welcomes the increased payments to families and congratulates the Commonwealth on this decision.

While ARACY notes concerns expressed by the Prime Minister and others, that higher social security payments may be a disincentive to work the following facts must be borne in mind:

- Punitively low social security payments do not create jobs
- A child is powerless over whether or not the adults in their family have employment
- Australian children should not be punished because the economy is not creating enough jobs, or because the adults in their family cannot or will not work.

Recommendation 2

- That JobSeeker, Youth Allowance and related payments be permanently increased.
- That the needs of children be formally considered by the Commonwealth annually when setting the levels of these payments
- That the Commonwealth Minister with responsibility for the wellbeing of children and young people report to Parliament annually on the processes by which the needs of children and young people have been considered in setting these payments and the result of those deliberations. (See also Recommendation 1.)

3. Investing in children and the economy by investing in jobs in caring industries – particularly Early Childhood Education and Care (ECEC)

A recent study^{viii}, building on analysis of the fallout from the 2008 GFC, has cast serious doubt on infrastructure as the best investment vehicle for both short and long-term fiscal stimulus and economic recovery. Instead it is recommended that stimulus moneys be directed increasingly towards labour-intensive, female dominated industries for example, healthcare and early childhood education.

The study's authors find that due to the gender difference in the workforces of the caring as opposed to the construction industries: "the direct employment effect of investing in care is considerably larger than that of investing in construction in all countries [studied in the report]. The ratio of employment created in the two industries varies from less than twice as many in care as in construction in Japan to nearly five times as many in Australia."

A similar analysis^{ix} by Britain's Women's Budget Group looking at the UK, US, Germany and Australia found investing 2% of GDP in social infrastructure, would create roughly as many jobs for men as investing in hard infrastructure, the but would create up to four times as many jobs for women.

Beyond the immediate advantages to our economy, to women and our fellow Australians who are clients of the caring services, there are very good long-term reasons why it would be wiser to invest more of the limited taxpayer dollars in areas such as the health, housing and the education of our children.

The evidence in The Nest makes it clear that for an Australian child to truly thrive, they must be having their needs met across the 6 key domains. Other research^x makes it clear that while it is never too late to invest in setting a child on a better life trajectory, the earlier this is done the better for the child, their family and our whole community. And more recent ARACY analysis^{xi} shows that children in jobless families suffer great deprivation on a range of fronts.

Based on this evidence it is clear that by investing in sectors that create more jobs for women, who might, through no fault of their own, otherwise be trying to support their family on Newstart/JobSeeker, there is strong potential to instantly remove a major driver of disadvantage for the children in those families.

Beyond the direct effects on individual families, there are broader positive impacts for the entire community in higher investments in these sectors.

For example, early intervention can prevent enormous ongoing costs. A 2019 report^{xii} by CoLab and partners found that every Australian is paying \$607 per year (\$15.2 billion in total) for services that could have been avoided, had children and families in need been provided with early and appropriate help. Much of this help would be delivered by women through roles in the caring sector.

This costing of \$15.2 billion, roughly equivalent to three times the annual value of Australia's pre-COVID wheat exports, is conservative. For example, the report does not cost the wider social and economic impacts of the issues experienced by children and young people, nor does it include lifetime costs resulting from a lack of early intervention.

The evidence is clear that early intervention saves individual children, their families and our entire community from having to bear huge social and economic costs. ARACY particularly notes the work of SNAICC^{xiii} and supports its call to strengthen early years supports for Aboriginal and Torres Children as part of a COVID-19 and broader response.

Early education and care is an essential ingredient in helping to engage children and families, and has the potential to help families avoid problems before they become too serious. It is also critical to ensuring more parents are available for paid employment which will be crucial to the speed and strength of the post-COVID economic recovery.

In recognition of the benefits of early intervention in general, and of quality early learning in particular, we are hearing from people as diverse as former Liberal leader Dr John Hewson and the ACTU^{xiv} who have both called for universal free childcare for, as Dr Hewson^{xv} put it “all children up to, say, the age of five”.

Recommendation 3

- Given the evidence of the ability of these measures to support the economy in the short and long-term, as well as providing life-long benefits for young Australians, ARACY recommends that the Commonwealth provide funding for a national roll-out of universal quality early childhood education including:
 - Providing a minimum entitlement of 30 hours of 95% subsidised care per week for all Aboriginal and Torres Strait Islander children as an ongoing measure to Close the Gap in ECEC attendance and Australian Early Development Census (AEDC) outcomes.
 - Funding a sector development initiative to establish regional intermediary services that support the capacity of Aboriginal and Torres Strait Islander early childhood services to deliver quality early education and development supports.

4. Greater investment in social housing

In 2019 PwC authored a report which built on earlier evidence about the importance of the early years in establishing children on their best path. *The first thousand days: A case for investment*^{xvi}, presents an economic analysis of improved early childhood outcomes for two scenarios relating to improved antenatal care and housing stabilities. In short, this report found that if every child in Australia spent their first three years in stable housing, the Australian economy would be \$3 billion better off each year.

Additionally, a 2012 report^{xvii} by KPMG for the Housing Ministers Advisory Committee found that for every \$1 invested into COAG’s Social Housing Initiative (SHI) in response to the 2008 GFC “around \$1.30 in total turnover (or an additional \$0.30 in turnover) was generated in the economy.”

Given the shortage of social housing stock nationally, the need to find appropriate infrastructure projects to support the building industry, and the pronounced potential benefits to children and the nation from providing more children with stable housing, we recommend an increased and ongoing investment in social housing by the Commonwealth.

Social housing provides positive spin-offs beyond the creation of jobs and shelter in the short-term. It also offers opportunities to help young people, particularly those at risk, to develop job skills.

An example is Compass Housing, a not for profit, community housing provider and NDIS Specialist Disability Accommodation provider. It is reportedly^{xviii} establishing its own in-house property maintenance division, seeking to fill 18 positions for plumbers, electricians, carpenters, and cleaners to service 2,600 social, affordable and disability housing homes. According to reports, the organisation plans to “employ more people including apprentices to be supervised by its trade

qualified staff” and that “Compass will target those apprenticeships to young people from disadvantaged backgrounds with a focus on engaging indigenous youth.”

Recommendation 4

- ARACY recommends that the Commonwealth provide urgent funding for an expanded national strategy to deliver social and public housing as a means of providing stable housing for very young children and as a means of providing alternative settings for young Australians to undertake skills training and apprenticeships.

5. Fund evidence-based sustained nurse home visiting programs

[The Strong Foundations: Getting it Right in the First 1000 Days Partnership](#) led by ARACY found in its 2017 report^{xix} that children exposed to adverse environments and experiences early are likely to continue to be exposed to such experiences, and that changes or adaptations made during the first 1000 days can have lifelong effects. Adult conditions such as coronary heart disease, stroke, diabetes, and cancer are now being linked to pathways that originated prior to or during the first 1000 days.

This evidence, along with that cited elsewhere in this document, makes it clear that while it is never too late to invest in children and families who find themselves in difficult circumstances, the earlier this is done the better, if we are to prevent problems and minimise costs to the individual their family and the community. Clearly the family unit must be supported to make the best choices for their child. Evidence-based nurse home visiting programs can greatly assist.

For example, the right@home program provides 25 nurse home visits to at-risk families until the child is aged 2 years. Delivered through existing universal services, right@home is being tested through the largest randomized controlled trial in Australian history, including around 700 families.

Results to age 2 years (featured in the *Annals of the New York Academy of Sciences*^{xx} and the official journal of the American Academy of Pediatrics^{xxi}) show strong evidence that supporting at-risk and struggling mothers with their parenting gets the child off to a better start and therefore, can help the child avoid many problems in later life.

The program has been shown to assist mothers with important parenting skills such as getting their child to bed at a regular time, ensuring the child is safe at home, providing warmer, less hostile parenting, and ensuring the home is a place where their child learns. Through the support of social workers attached to the program, it is also demonstrating effectiveness in helping families connect with a range of services that they may have otherwise not been able to access.

Due to the success of the trial to date, the right@home program is being rolled out in Queensland and the Northern Territory with funding from their respective Governments. Given the national impact of COVID, it is appropriate that all at-risk children and families across Australia have access to this type of program. Note too that, given the overwhelming majority of maternal nurses are female, this would help achieve significant and immediate economic stimulus as described in section 3.

Recommendation 5

- That the Commonwealth provide funding for a national roll-out of the right@home sustained nurse home visiting program or similarly evidence-based program.

6. Fund a Brain Builders Alliance as the National Centre of Excellence in Early Brain Development and Executive Functioning

Aligned with the proposals above and based on similar evidence, ARACY is working to establish a Brain Builders Alliance (BBA).

Evidence tells us the effects of disadvantage begin before birth, escalate in the first thousand days of life, and continue over the life course. The evidence also tells us that once a child starts from behind, the prospect of catching up to their peers, in schooling and in life, is much diminished.

However, science suggests families and their decision-making can benefit greatly from the implementation of two well-regarded concepts – one from neuroscience and the other from psychology: executive functions and self-efficacy.

Executive functions are a set of processes that act as the “command and control” centre. They are responsible for guiding, directing, and managing the cognitive, emotional, and behavioural functions that support purposeful, goal-directed, problem-solving behaviour and control impulsivity.

Equipping families, children, and young people to make better decisions is the key to helping ensure young Australians can escape not only the immediate, but also the longer-term and ongoing impacts, of COVID-19.

There is much robust evidence on how to go about this, and a number of programs internationally that are achieving results. Despite the efficacy of these approaches overseas, they are yet to be deployed in Australia in any sustained or coordinated way.

ARACY’s proposed Brain Builders Alliance and approach is unique in seeking to focus on the entire family and help them to solve or cope with the full range of problems they face in order to develop their own solutions and build an ongoing skill set.

It is this holistic approach, designed to develop policy cognisant of all factors impacting child and family wellbeing that make Brain Builders Alliance a sound and effective investment.

Recommendation 6

- That the Commonwealth provide funding for the establishment of a Brain Builders Alliance.

7. Invest in ongoing monitoring and reporting on student wellbeing to ensure high achievement

As we navigate the ongoing uncertainty brought on by the COVID-19 pandemic, it is more important than ever to understand student wellbeing, help students build it, and for us to measure and monitor their wellbeing. This is central to ensuring students can continue their studies, achieve to the best of their ability, and leave school best prepared for employment in an economy shaped and buffeted by COVID-19.

To help achieve this, ARACY is working with partners and school systems across Australia using a student wellbeing app called EI Pulse, based on ARACY’s Nest wellbeing framework and an implementation of that framework used throughout Australia, The Common Approach.

Using EI Pulse, students check in each week, giving teachers, schools, and school systems comprehensive insight about the wellbeing of individual students, and statistically significant cohort-level insight across all aspects of wellbeing.

Many education systems in Australia (and more recently New Zealand) are finding EI Pulse a powerful tool to track the wellbeing of their students, especially during the COVID-19 crisis, with more than 30,000 students and education staff already using it.

While we are working with our partners to make the app available on a 'pay-what-you-can' basis we can only do this on a limited basis and for a limited time.

Recommendation 7

- That the Commonwealth support a national rollout of EI Pulse to all school communities that want it.

ⁱ <https://www.aedc.gov.au/>

ⁱⁱ http://povertyandinequality.acoss.org.au/wp-content/uploads/2020/02/Poverty-in-Australia-2020_Part-1_Overview.pdf

ⁱⁱⁱ <https://www.missionaustralia.com.au/news-blog/news-media/young-people-in-australia-have-experienced-homelessness>

^{iv} <https://www.aracy.org.au/publications-resources/area?command=record&id=266>

^v https://www.aracy.org.au/publications-resources/command/download_file/id/412/filename/Australian_Children's_Knowledge_Acceleration_Hub_-_July_2020_Digest.pdf

^{vi} <https://www.aracy.org.au/documents/item/549>

^{vii} <https://www.aracy.org.au/publications-resources/area?command=record&id=282>

^{viii} The gendered employment gains of investing in social vs. physical infrastructure: evidence from simulations across seven OECD countries Jerome De Henau and Susan Himmelweit - <http://www.open.ac.uk/ikd/sites/www.open.ac.uk.ikd/files/files/working-papers/DeHenauApril2020v3.pdf>

^{ix} https://www.ituc-csi.org/IMG/pdf/care_economy_en.pdf

^x <https://www.aracy.org.au/documents/item/549>

^{xi} <https://www.aracy.org.au/publications-resources/area?command=record&id=282>

^{xii} How Australia can invest in children and return more A new look at the \$15bn cost of late action - <https://colab.telethonkids.org.au/siteassets/media-docs---colab/coli/summary-report---how-australia-can-invest-in-children-and-return-more.pdf>

^{xiii} https://www.snaicc.org.au/wp-content/uploads/2020/06/SNAICC-position-on-COVID-19_ECEC_recovery.pdf

^{xiv} <https://www.actu.org.au/actu-media/media-releases/2020/unions-launch-plan-for-jobs-led-reconstruction>

^{xv} <https://www.smh.com.au/politics/federal/advance-australia-fair-to-recover-from-covid-reset-social-policy-20200729-p55get.html>

^{xvi} The first thousand days: A case for investment - <https://www.pwc.com.au/health/first-1000-days-report.html>

^{xvii} http://www.nwhn.net.au/admin/file/content101/c6/social_housing_initiative_review.pdf

^{xviii} <https://hunterheadline.com.au/hh/business-news/compass-housing-property-maintenance-facility-to-provide-local-jobs/>

^{xix} The First Thousand Days an Evidence Paper – Summary - <https://www.aracy.org.au/documents/item/549>

^{xx} <https://nyaspubs.onlinelibrary.wiley.com/doi/10.1111/nyas.13688>

^{xxi} <https://pediatrics.aappublications.org/content/143/1/e20181206>