



Anti-Poverty Week Submission to Early Years Strategy, 30/4/23

Anti-Poverty Week welcomes the Federal Government’s commitment to develop an Early years Strategy and agree with the discussion paper that *“The first 1000 days (from conception, throughout pregnancy and to the end of the second year) is particularly important to health and development. This is the time when there is most capacity to shape outcomes. As children get older it can become harder to reverse the impacts of early adverse experiences and improve their life trajectory. Gaps in early childhood continue throughout life. If a gap emerges and doesn’t close by the age of 5 it is likely to persist, especially for children experiencing vulnerability or disadvantage.”*

Our submission relates specifically to questions 3, 4, and 5 posed in the Discussion Paper.

Question 3: Outcomes

Answer: halve child poverty by 2030 in keeping with our commitment to the UN Sustainable Development Goals (see more in our answer to question 5 and [Measuring Child Wellbeing Matters - Treasury Submission - Anti-Poverty Week \(antipovertyweek.org.au\)](#)), February 2023 for specifics of poverty measures we recommend are used.

A mechanism to ensure this would be for our parliament to pass legislation to halve child poverty by 2030, with measurable targets and actions to achieve this goal. The New Zealand experience shows setting targets enshrined in legislation works and changes lives for the better. The NZ Labor Party 2017 election commitment was to more than halve child poverty in 10 years in line with the UN Sustainable Development Goals and Jacinda Ardern took on the role of Minister for Child Poverty Reduction throughout her time as Prime Minister. Ardern introduced the Child Poverty Reduction Bill in January 2018, as part of her government’s first 100 days commitments. The Bill was passed in December 2019 with overwhelming support across the Parliament, including the main opposition National Party. Child poverty advocates say it was one of the major achievements – enshrining and to a great extent depoliticising - action to reduce child poverty. A new Prime Minister and even a new Government of a different political persuasion would need to repeal legislation to undo this commitment.

The New Zealand Government Statistician [announced](#) outcomes to June 2021 in February 2022. It confirmed a downward trend across all nine indicators of child poverty and the achievement of two out of three of the Government’s first child poverty reduction targets. Our analysis of the data (confirmed by the NZ child poverty unit) that they had reduced poverty by 18% over the three years 2017-18 to 2020-21 (*relative* poverty measure which moves over time and based on the common OECD measure of a percentage of the contemporary median equivalised income). Another example of the improvement is in answers from households with children to the question about whether household income

was enough to cover the basics of food, accommodation, clothing, electricity, etc. The trend to answer 'not enough' is now downwards for all families but particularly so for those in the lowest 20% of households where responses declined from 46% in 2013 to 28% in 2021, according to a report by the [Ministry of Social Development](#) in October 2022. The latest report (March 2023) by the NZ statistician confirms this progress.

Question 4: What specific areas/policy priorities should be included in the Strategy and why?

Answer: reducing child poverty should be the number one priority and the reason why is that poverty is the critical underpinning of all aspects of children's wellbeing

Anti-Poverty Week made halving child poverty the focus of our [advocacy in 2022](#), our 20th year of acting on poverty, because children have the highest poverty rates of any age group and the evidence is clear that living in poverty diminishes children's lives now, and into their future.

[Poverty in Australia 2022 by ACOSS/UNSW Poverty and Inequality Partnership](#) found:

- 1 in 6 children in Australia (16.6% or 761,000) are growing up in poverty which continues to be higher than the rate for adults (12.7%). We note these numbers reflect the average for 2019-2020.
- The boost in income support payments provided in the early months of the pandemic delivered large reductions in poverty for adults and children (child poverty rates were reduced to the lowest level in 20 years), but the gains were short-lived.
- While child poverty and overall poverty rates follow similar trends over 20 years (2000-2020), child poverty rates consistently track 3 percentage points higher than rates for the population as a whole.

[Melbourne University](#) research published in 2020 found "*Experiencing just a single year of poverty during childhood is associated with poorer socio-economic outcomes in terms of educational attainment, labour market performance and even overall life satisfaction in early adulthood. Children from poor households are 3.3 times more likely to suffer adult poverty than those who grew up in never poor households.*"

Other evidence has found that poverty has broad and deep negative consequences for children:

Starting school: the [Australian Early Development Census \(AEDC\) 2021](#) found more than 1 in 5 Australian children (22%) were assessed as developmentally vulnerable when they started school, potentially reducing good health, education and social outcomes later in life. For children living in the most disadvantaged areas, more than a third started school developmentally vulnerable. Children in the most disadvantaged areas had twice the rate of vulnerability in their physical health and well-being and were four times as likely to be developmentally vulnerable in language and cognitive skills as children in the most advantaged areas. There was no improvement in the 2022 report.

At school: The scathing [Productivity Commission report into School Reforms](#) released in January 2023 shows that much more needs to be done for students experiencing disadvantage – who are three times more likely to fall behind than other students. It also tells us that we need to measure student wellbeing (which cannot be addressed unless we address child poverty). The report says:

"Poor wellbeing directly affects students' capacity to learn and can particularly impact students who experience challenges to engagement and inclusion at school"

(including Aboriginal and Torres Strait Islander students). The Commission proposes parties to the next school reform agreement: Elevate student wellbeing as an outcome of the next agreement, along with greater transparency about wellbeing outcomes (R 5.1)”

According to the [2020 HILDA Survey](#), the likelihood of completing high school or university are two to three times lower for children who are persistently poor (poor for at least three years of their childhoods). We agree with Professor Gerry Redmond writing in [The Conversation 10/3/22](#), “To reduce educational disadvantage, action is needed to reduce child poverty, which has remained stubbornly high since the early 2000s.”

Health and wellbeing: Developed by the Australian Research Alliance for Children and Youth (ARACY), [The Nest](#) offers a holistic approach to child wellbeing and outlines the profound impact poverty, inequality and disadvantage can have on children’s health and wellbeing.

We should not accept these high rates of child poverty. As the Prime Minister said in his [23/6/22 interview on 7.30](#)

“We need to make sure that every child gets the opportunity to be the best that they can be, because that helps, not just that individual, that’s the key to Australia as well. We need to be the smart country.”

Specific evidence that money matters for children’s outcomes

We note The Centre for Community Child Health’s submission (#10) to the [Senate Inquiry into the Nature and Extent of Poverty](#). The Centre for Community Child Health is one of Australia’s leading research and policy centres focused on understanding and redressing childhood inequities. As they state, “*the early years are the time when investment into prevention and early intervention is most effective and cost-effective.*

*“While the mechanisms are complex, **increased household income benefits children directly through better food, stable housing, and healthcare (the ‘investment’ model), and indirectly through improved parent mental health and capacity (the ‘family stress’ model).**”*

***If early disadvantage including poverty is redressed, half of child health and developmental problems in middle childhood can be reduced** (Goldfeld et al., 2018). This includes a 59% reduction in socio emotional problems, a 55% reduction in learning problems and a 49% reduction in physical functioning.*

They cite recent experimental research from the [Baby’s First Years](#) study in the United States has shown that financial supplements promote babies’ brain activity. Infants of mothers in low-income households receiving \$333 in monthly cash support were more likely to show faster brain activity after one year, in a pattern associated with learning and development at later ages. Released on 24/1/23, this is some of the first evidence to demonstrate the direct impact that income supplements can have on child brain development. *Because of the randomized controlled trial design, the authors were able to distinguish correlation from causation, concluding that **giving money directly to mothers living in poverty can translate to changes in their infants’ brain activity.***

A 2020 London School of Economics [paper](#) examined 54 studies from the EU and OECD that had investigated the causal effects of household financial resources on wider outcomes for children. They concluded this robust evidence base indicates strongly that **money itself makes a difference to children’s outcomes**. They concluded “*policies to support*

household income have a key role to play in any strategy to improve life chances for children from disadvantaged backgrounds. A boost to income affects parenting and the physical home environment, maternal depression, children's cognitive ability, achievement and engagement in school, and behavior.”ⁱⁱ

In Australia we conducted our own experiment into increased income for families via the Coronavirus Supplement in 2020. The [ABS Household Survey conducted in September 2020](#) showed over 70% used the Supplement to pay household bills. A [survey](#) of over 600 recipients conducted by the National Council of Single Mothers and Their Children as part of their [550 Reasons to Smile](#) campaign found the Supplement provided hope, health and improved mental health. Nearly 9 in 10 mothers said it reduced stress and anxiety as they could pay their household bills; 7 in 10 said their family was healthier due to having enough food to eat and healthier options and nearly 2 in 3 said they were sleeping better, not waking up due to money stress. *“This has helped pay the rent and feed my family. I’m a sole parent with no child support and multiple chronic illnesses. This money has given me breathing room.”* See more quotes from 550 Reasons to Smile [here](#) and in this [Mamamia article 17/7/20](#).

The [ACOSS/UNSW Sydney Poverty and Inequality Partnership report-Covid, inequality and poverty in 2020 & 2021](#) found that during the first ‘Alpha’ wave of the COVID-19 pandemic in 2020, Australia halved poverty and significantly reduced income inequality, thanks to a raft of Commonwealth Government crisis support payments introduced to help people survive the first lockdown. Among sole parent families (both adults and children) poverty was **reduced by almost half**, from 34% to 19%.

“The period during the Covid-19 pandemic when income support payments were lifted was hugely beneficial to children and their families. We saw less anxiety about whether families could meet their basic needs such as food, heating, and shelter. We saw reduced suicides as a result. Income support payments should be set at a level that supports individuals and families to live with dignity and meet their basic needs.”

[Child Health Statement by AMA, ACOSS, ACAH, ARACY, MCRI, RACP](#), 22/2/22

We agree with Glyn Davis AC, former CEO of the Paul Ramsay Foundation and now Secretary of the Department of Prime Minister and Cabinet that *“Rarely does charity alone have the financial heft to lift people from poverty. Government remains the most significant player in addressing disadvantage.”ⁱⁱ*

Question 5: What could the Commonwealth do to improve outcomes for children—particularly those who are born or raised in more vulnerable and/or disadvantaged circumstances?

Answer: take action to reduce child poverty

To treat all of Australia’s children fairly, we need to ensure every family has what they need. The Federal Government and Parliament needs to reduce child poverty through its Early Years Strategy, its Measuring What Matters/Australian Wellbeing Framework and in its forthcoming May Budget.

As stated earlier, **we urge our parliament to pass legislation to halve child poverty by 2030, with measurable targets and actions to achieve this goal.** Actions the Parliament could take immediately include:

- Increasing the adequacy of JobSeeker so everyone can afford the basics including rent, food, medication and education.

- In addition to welcome commitments to increase social and affordable housing, Commonwealth Rent Assistance also needs to rise, so everyone has a safe place to call home.
- We know that single parent families – predominately single mother families - have the highest poverty rates of any familyⁱⁱⁱ. Restoring access to Parenting Payment Single until the youngest child turns 16 would also immediately reduce the number of our children living in poverty.
- We also strongly urge the Early Years Strategy to examine and include family payments, child support, homelessness and family violence as critical aspects of government policy affecting child poverty.

See also these relevant Anti-Poverty Week briefings, submissions and Fast Facts

- [Measuring Child Wellbeing Matters - Treasury Submission - Anti-Poverty Week \(antipovertyweek.org.au\)](https://antipovertyweek.org.au), February 2023
- [Senate Inquiry into Poverty Hearing 27 February - Anti-Poverty Week \(antipovertyweek.org.au\)](https://antipovertyweek.org.au), February 2023
- Anti-Poverty Week, [Still Too Much Child Poverty in the 'Lucky' Country](https://antipovertyweek.org.au), October 2022
- [New Zealand Tackles Child Poverty - Anti-Poverty Week \(antipovertyweek.org.au\)](https://antipovertyweek.org.au), October 2022
- Fast Facts: [Child & Family Poverty](https://antipovertyweek.org.au), August 2022

More about Anti-Poverty Week

Anti-Poverty Week supports the Australian community to have an increased understanding of poverty and to take action collectively to end it. We are a diverse network of individuals and organisations who share this purpose. We have been active since 2002, dedicating a week to act on poverty around 17 October, the International Day for the Eradication of Poverty. Our key message is **Poverty exists. Poverty hurts us all. We can all do something about it.** It is one of hope, not despair. We promote evidence-based solutions to poverty.

Anti-Poverty Week accepts the invitation to walk with our First Nations brothers and sisters in seeking a Voice to Parliament enshrined in the Constitution. Long overdue, it's simply the right thing to do. It's also the smart thing to do, as we can't work together to tackle their poverty without their voice. As Catherine Liddle, CEO of the Aboriginal and Torres Strait Islander children's peak, SNAICC, has said "*When you look at all the investigations ... as a result of the despair that we see in our communities, they all point to poverty - and that poverty absolutely is rooted in a lack of self-determination.*"

In 2022, Anti-Poverty Week was sponsored by:

[Brotherhood of St Laurence](#); [Berry Street](#); [St Vincent de Paul Society](#), [The Smith Family](#); [Anglicare Australia](#); [Uniting Vic/Tas](#); [The Life Course Centre](#) – ARC Centre of Excellence for Children and Families over the Life Course; [UnitingCare Australia](#); [The Salvation Army](#); [Australian Education Union](#) (Federal); [Australian Nursing and Midwifery Federation](#).

2022 State/Territory Co-Chairs included leaders from: [ACTCOSS](#), [Care Financial Counselling Service ACT](#); [NCOSS](#); [PeakCare](#) Qld; [NAPCAN](#); [Commissioner for Children and Young People](#) SA, [Baptist Care](#) SA; [Salvation Army Tasmania](#); [Uniting Vic/Tas](#); [Family Care](#) Shepparton; [Centre Care](#) WA, [Foodbank WA](#). 2022 Supporters included [ACOSS](#),

[Everybody's Home](#), [Foodbank Australia](#), [Mission Australia](#) and the [National Council for Single Mothers and Their Children](#).

For any further information, please contact **Toni Wren, Executive Director, Anti-Poverty Week** at ed@antipovertyweek.org.au or telephone 0405 705 442. See also www.antipovertyweek.org.au

ⁱⁱ Glyn Davis, *On Life's Lottery*, Hachette Australia, 2021.

ⁱⁱⁱ Davidson, P., Bradbury, B., Hill, T. and Wong, M. (2020), [Poverty in Australia 2020: Who is affected?](#) ACOSS/UNSW Poverty and Inequality Partnership Report No. 4, Sydney: ACOSS