More Australian children condemned to poverty without urgent action

Strictly embargoed until 1am, Thursday 2 December 2021

Australia is committing between 280,000 to 550,000 young Australians born in the next decade to future poverty unless urgent action is taken to tackle disadvantage, a new report by CEDA has found.

The report, *Disrupting Disadvantage,* finds that Australia needs to fundamentally change how it supports and identifies people in disadvantage, using data to act earlier to prevent children being locked in a cycle of poverty.

"We are still waiting to see the full impacts of the COVID-19 pandemic, but there is already evidence the pandemic has further exacerbated the financial, employment and health hardships of Australia's most vulnerable," says CEDA Chief Economist Jarrod Ball.

"Unless Australia addresses these issues now, we will be entrenching the next generation of poverty and disadvantage."

In 2015, as part of Australia's commitment to the UN Sustainable Development Goals, Australia committed to halve the proportion of men, women and children living in poverty by 2030. Six years on, Australia has made no progress against this commitment with the proportion of Australians living in poverty remaining above 13 per cent.

"What is of most concern is that despite making no progress towards this commitment to significantly reduce poverty, governments have set no intermediate targets, milestones, reform actions or reporting frameworks to change course," says Mr Ball.

Today 17.7 per cent of Australian children under the age of 15 are living in poverty. Research shows that children who grow up in poverty are three times more likely to experience poverty in adulthood.

"By choosing to do nothing and ignoring the need to change Australia's piecemeal social support system, we are making a choice as a society to commit too many young Australians into entrenched disadvantage," says Mr Ball.

Australia's systems to support disadvantaged individuals and families are fragmented and disconnected, spread between Federal and State governments with too little information sharing between programs. This all too often means families and individuals, especially those who are not in regular contact with support services, slip between the cracks.

CEDA recommends using shared data across levels of government to address this problem and identify those most at risk, enabling early intervention strategies to break the cycle of disadvantage.

Making this happen requires some clear and tangible reform commitments by government set out in an overarching National Agreement to reduce disadvantage and poverty. This agreement should focus on two actions to build momentum for a data-led approach:

- To establish a consolidated linked national human services data asset by 2025 creating a more holistic picture of children and families most at risk of future poverty and the effectiveness of different policies; and
- Pilot new early interventions based on predictive analytics, moving to a 'we find you' approach rather than waiting for families to be in crisis or leaving behind those outside the system.

"We have an obligation to use all the tools at our disposal to overcome entrenched disadvantage," says report co-author CEDA Senior Economist Cassandra Winzar.

"The use of data to identify and assist our most vulnerable is an underdeveloped yet crucial tool which must be invested in across all levels of government. It also enables governments to take a proactive approach to consistently identifying those most at risk. We also know that intervention and tailored comprehensive support and services in early childhood is key to breaking the cycle of disadvantage."

The national human services data asset would leverage the new Intergovernmental Agreement on Data Sharing to link data from the federal government (such as Medicare and Centrelink) and state governments (such as health, child protection and justice data), working in a similar way as New Zealand's Integrated Data Infrastructure.

The human services data asset would be de-identified and designed with strong privacy safeguards that mitigate against harmful and unethical interventions. It would provide the basis for designing and evaluating the effectiveness of policies developed to prevent the onset of child poverty.

An integrated data approach to support early childhood intervention has been used overseas, illustrating how the use of data can make significant inroads into entrenched disadvantage.

Read the Disrupting Disadvantage report.

The report also includes contributions from:
- Peter Mulquiney, Laura Dixie and Andrew Ngai from Taylor Fry
- Rhema Vaithianathan (UQ and AUT), Diana Benavides-Prado (AUT) and Gayani Tennakoon Mudiyanselage (UQ)

Jarrod Ball and Cassandra Winzar are available for further comment and interviews.

For more information, please contact:
Elizabeth Byrne, Media Manager and Content Specialist
Mobile: 0410 627 250 | Email: elizabeth.byrne@ceda.com.au

CEDA – the Committee for Economic Development of Australia – is an independent, membership-based think tank.

CEDA's purpose is to improve the lives of Australians by enabling a dynamic economy and vibrant society. Through independent research and frank debate, we influence policy and collaborate to disrupt for good.

CEDA has more than 620 members from a broad cross-section of industry, government, community and academia. Our members span every state and territory.

CEDA was founded in 1960 by leading economist Sir Douglas Copland. His legacy of applying economic analysis to practical problems to aid the development of Australia continues to drive our work today.