



2020-21 Supplementary Budget Submission – COVID-19

DEPARTMENT OF THE TREASURY

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ACKNOWLEDGEMENTS

Save the Children Australia acknowledges Aboriginal and Torres Strait Islander peoples as the traditional owners and custodians of the land on which we work. We pay our respect to their Elders past, present and emerging.

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Executive Summary

On 24 December 2019, Save the Children Australia made a 2020-21 pre-budget submission with recommendations that reflected the domestic and international environment of the time (**Attachment A**).¹ COVID-19 has upended many of the perceived settings for the economic outlook for Australia and the Indo-Pacific, and what this means for children.

We acknowledge and appreciate the important action taken by the Australian Government to support households, business and charities, and our Indo-Pacific neighbours, in dealing with the very significant impacts of COVID-19. We note that Australia's domestic economic response, together with declines in taxation receipts, and increases in unemployment benefit payments, will see the budget move into deficit in 2019-20 and 2020-21, with government debt also increasing.²

While debt levels have increased significantly as a result of the COVID-19 pandemic, Australia continues to have a low level of debt-to-GDP compared with other countries. Although a budget deficit was not anticipated in December 2019, these are extraordinary times. Australia is facing a 'whatever it takes' moment to ensure that children's needs continue to be met both here and in the region. Doing so, will protect a generation from long-lasting harm to their wellbeing and future opportunities as a result of COVID-19.

In highlighting the impacts of COVID-19 on children domestically and internationally, Save the Children is drawing upon longstanding policy positions and recent submissions, including:

- consolidated submissions to inquiries into the 2019-2020 bushfire season (25/4/2020);³
- submission to the Joint Standing Committee on Foreign Affairs, Defence and Trade's Inquiry into Activating Greater Trade and Investment with Pacific Island Countries (15/5/2020);⁴
- submission to the Joint Standing Committee on Foreign Affairs, Defence and Trade's Inquiry into the implications of COVID-19 pandemic for Australia's foreign affairs, defence and trade (7/7/2020);⁵ and

¹ Save the Children, '2020-21 Pre-Budget Submission', 24 December 2019, available from:

<https://www.savethechildren.org.au/getmedia/2488132c-3670-4cf4-8151-81f8e85ceb84/20191224-federal-budget-submission-final.pdf.aspx>.

² Treasury Department, Mid-Year Economic and Fiscal Outlook, 'Part 3: Fiscal outlook', Submission to the Treasury Department, 16 July 2020, available from: https://budget.gov.au/2020-efu/downloads/03_Part_3_Fiscal_outlook.pdf.

³ Specific information relevant to the Bushfires Royal Commission, the Senate inquiry into lessons to be learned from the 2019-20 bushfire season, the NSW Independent Bushfire Inquiry, and the Inquiry into the 2019-20 Victorian Fire Season was provided. Save the Children, 'Children's experiences and needs in the 2019-20 bushfires: Consolidated submission to inquiries into the 2019-20 bushfire season', April 2020, available from [https://www.savethechildren.org.au/getmedia/34d65730-536f-43c6-aaa8-1cdca0c710c3/save-the-children-submission-children-s-experiences-and-needs-in-the-2019-20-bushfires-\(1\).pdf.aspx](https://www.savethechildren.org.au/getmedia/34d65730-536f-43c6-aaa8-1cdca0c710c3/save-the-children-submission-children-s-experiences-and-needs-in-the-2019-20-bushfires-(1).pdf.aspx).

⁴ Save the Children, 'Activating Greater Trade and Investment with Pacific Island Countries', Submission to the Joint Standing Committee on Foreign Affairs, Defence and Trade, 15 May 2020, available from: https://www.savethechildren.org.au/getmedia/0f368512-8557-4934-ad09-7c875539d390/sub-39-save-the-children-australia_redacted.pdf.aspx.

⁵ Save the Children, 'Inquiry into the Implications of the COVID-19 pandemic for Australia's foreign affairs, defence and trade', Submission to the Joint Standing Committee on Foreign Affairs, Defence and Trade, 7 July 2020, available from: <https://www.savethechildren.org.au/getmedia/ef08f993-649b-4061-b70c-755b5e24a261/21-july-2020-save-the-children-submission-inquiry-into-implications-of-covid-19.pdf.aspx>.

- submission to the Joint Standing Committee on Foreign Affairs, Defence and Trade's Inquiry into Strengthening Australia's Relationships with Countries in the Pacific Region (20/7/2020).⁶

Key recommendations

Save the Children's recommendations from our previous 2020-2021 submission still stand, with some amendments. We greatly appreciate that one of our calls, for at least \$250 million to support the important work of Gavi, the Vaccine Alliance (GAVI) has already been met by the Australian government, which we have warmly welcomed.⁷ Save the Children's regional and global recommendations were as follows:

- contributing at least \$90 million over the next four years for replenishment of the Global Partnership for Education;⁸
- providing new funding of \$55 million over the next four years to help end the scourge of violence against children in the Pacific;
- increasing funding for assisting with sudden onset and protracted humanitarian crises, by \$120 million per year over the next four years and contributing at least \$10 million to the replenishment of Education Cannot Wait; and
- providing \$300 million per year over the next four years to create a new program of community driven climate change mitigation grants.

Additionally, in response to COVID-19, Save the Children now recommends that Australia:

- invest a further \$1.7bn over four years between 2020/21 to 2023/24 to advance national interests by working globally and in partnership with our regional neighbours to save lives, rebuild livelihoods and support a stable, prosperous, and inclusive recovery, noting that this total request is less than 1% of the domestic response to COVID-19 to date.

Domestically, Save the Children's recommendations from our previous 2020-2021 submission still stand, with some amendments to take account of COVID-19 considerations. Save the Children's domestic recommendations were as follows:

- \$21.8 million per year for integrated early childhood development and family support interventions, via the Play2Learn program, that focus on supporting families and children during the crucial early years and keeping them on track before preschool and school;
- \$35.3 million over four years to target place-based initiatives to families and children most in need of such interventions;
- \$11.1 million over four years to engage at risk children during the school years through Hands on Learning, an evidence-based program that keeps young people engaged;⁹ and
- adequate funding to avoid service cuts due to current costs of staff remuneration not being included in the Australian Government budget.

⁶ Save the Children, 'Inquiry into Strengthening Australia's Relationships with Countries in the Pacific Region', Submission to the Joint Standing Committee on Foreign Affairs, Defence and Trade, 20 July 2020, available from: https://www.savethechildren.org.au/getmedia/ec3d00ae-b5e7-43ad-baea-c617007ac015/sub-59-save-the-children_redacted.pdf.aspx.

⁷ Save the Children, 'Save the Children welcomes Australia's \$300m commitment to fund life-saving vaccines', media release, 5 June 2020, available from: <https://www.savethechildren.org.au/media/media-releases/save-the-children-welcomes-australias-commitment>.

⁸ Previously this was listed as contributing at least \$340 million over the next four years for replenishments for Gavi – the Vaccine Alliance and the Global Partnership for Education on pages 8-9 of our previous 2020-2021 Pre-Budget Submission.

⁹ This was previously listed as \$10 million over four years. As noted further below in the submission, this has been revised to respond to the COVID-19 pandemic, with the need to support student engagement with learning and wellbeing even more pressing.

Additionally, in response to COVID-19 and the 2019-2020 bushfires, we now recommend that:

- a multi-year program of support for specialised post-disaster recovery interventions in schools and other child-safe settings, to meet the social and emotional wellbeing and recovery needs of children be established; and
- national arrangements be instituted to ensure that Child Friendly Spaces are established as an essential service in every evacuation, relief, and recovery centre.

Lastly, we note that Child Wise – a social enterprise of Save the Children that exists to ensure the safety of children and young people in organisations where they spend time – has provided a separate submission. We support Child Wise’s submission, which recommends that the Australian Government adequately fund organisations to meet the National Principles for Child Safe Organisations through the Department of Social Service’s Families and Children portfolio, through the National Indigenous Australians Agency’s Indigenous Advancement Strategy and through the National Office for Child Safety.

International context

Our region, as the Australian Government argued in its 2017 Foreign Policy White Paper, was already characterised by “heightened geopolitical, environmental and economic risk.” Now with the impacts of COVID-19, Australia’s Indo-Pacific strategic environment has been further transformed.

COVID-19 is wildly contagious, and its effects have the potential to overwhelm weak testing regimes and health infrastructures around the region. Indonesia, our largest neighbour, could have up to 1,000,000 cases according to expert estimates,¹⁰ surpassing its confirmed number of cases by a factor of seven. Meanwhile Papua New Guinea (PNG), our closest neighbour, is now reporting 361 confirmed cases and 4 deaths, a number which is likely to grow given the fragile state of its health system.¹¹ The consequences of any potential failure to contain the spread of the SARS-CoV-2 virus in PNG would be devastating. According to an analysis Save the Children has performed of the data accompanying a recent report by a research team at Imperial College London, the difference in the number of deaths that would result from a failure to suppress transmission could be a factor of ten.¹²

In addition, the economic impacts of managing COVID-19 are pushing the nations of the region into a deep recession, even a depression. These economic impacts are grave enough in larger, increasingly wealthy, countries like Indonesia, which has achieved remarkable growth over the past four decades, and is now in a position to call on its central bank to buy Rp 397.5 trillion in government bonds to finance its response.¹³ They are, however, potentially much more dislocating in the Pacific Island Countries (PICs), whose small economies leave most of them unable to print money in this way.

Expert analyses indicate that instead of adopting stimulus measures financed by expansionary fiscal policies, the PICs are constraining their responses to match their small budget surpluses. Where such surpluses are not to be found, in PNG for example, the economic impacts of COVID-19 are likely to be especially profound. PNG’s fiscal position has been worsening for around a decade and has been compounded by recent falls in commodity prices. It has already borrowed from its central bank, commercial banks, and foreign development partners, both multilateral and bilateral. Yet the measures it can fund are unlikely to be sufficient to protect PNG communities from the inevitable increase in unemployment.¹⁴ As a result, PNG’s funding packages in response to COVID-19 have

¹⁰ Sydney Morning Herald, ‘A serious problem’: Asymptomatic cases may place Indonesia at 1m infections’, 4 August 2020, available from: <https://www.smh.com.au/world/asia/a-serious-problem-asymptomatic-cases-may-place-indonesia-at-1m-infections-20200803-p55i5v.html>.

¹¹ For the latest figures, refer to the World Health Organisation, ‘WHO Coronavirus Disease (COVID-19) Dashboard,’ available from: https://covid19.who.int/?gclid=CjwKCAjw1ej5BRBhEiwAfHyh1FOoiXfkol7uQs-H4LT_MgtDT2ozR2eb9f2IcTyKmuzqoy7hs1F-BoCK1MQAvD_BwE. Figures quoted are from 23 August 2020.

¹² For further details, please refer to Save the Children’s calculations, based on data published by Imperial College London, in Save the Children, ‘Strengthening Australia’s Relationships with Countries in the Pacific Region: Submission to Joint Standing Committee on Foreign Affairs, Defence and Trade,’ 20 July 2020, p. 7, available at: https://www.savethechildren.org.au/getmedia/ec3d00ae-b5e7-43ad-baea-c617007ac015/sub-59-save-the-children_redacted_pdf.aspx. For the original data, please refer to Patrick G.T. Walker, Charles Whittaker et al. ‘COVID-19 Report 12 – The Global Impact of COVID-19 and Strategies for Mitigation and Suppression.’ Imperial College London, 26 March 2020, available from: <https://www.imperial.ac.uk/mrc-global-infectious-disease-analysis/covid-19/report-12-global-impact-covid19/>.

¹³ Adrian Wail Akhlaq, ‘Govt, BI Shake Hands on \$40B Burden-Sharing Scheme toward COVID-19 Recovery,’ The Jakarta Post, 7 July 2020, available at: <https://www.thejakartapost.com/news/2020/07/07/govt-bi-shake-hands-on-40b-burden-sharing-scheme-toward-covid-19-recovery.html>.

¹⁴ For more details, refer to Roland Rajah, ‘The Way to Post-COVID Recovery in the Indo-Pacific? Act Now,’ The Interpreter, 5 August 2020, available at: [lowyinstitute.org/the-interpreter/way-post-covid-recovery-indo-pacific-act-now](https://www.lowyinstitute.org/the-interpreter/way-post-covid-recovery-indo-pacific-act-now); and Stephen Howes and Sherman

only been 0.6% of GDP, lower even than the developing country average of 1.1%¹⁵ and well below Australia's response of 8.6% of GDP.¹⁶

In short, COVID-19 is the "job-killer of the century", spreading immiseration as well as death and permanent disability across Australia's region.¹⁷ Modelling aimed at estimating the impact of the recession has found that between PNG, Timor Leste, Solomon Islands, and Vanuatu, a 5 per cent contraction in household consumption will push the rate of extreme poverty up to over 30 per cent of the population in PNG and Timor Leste, 27 per cent in the Solomon Islands, and 17 per cent in Vanuatu. If consumption contracts by 20 per cent, an additional 1.2 million people in the Pacific will be pushed into extreme poverty, with especially bad impacts in PNG and Timor Leste.¹⁸

In response to the nature and scale of the economic devastation arising from the pandemic, Save the Children has developed a suite of policy recommendations that we have tested and reiterated in a number of recent submissions to government, listed in the Executive Summary above. The underlying theme of these recommendations is that our Indo-Pacific neighbours, and the PICs in particular, require Australia, their largest donor, to scale up its contributions and advocacy towards a regionally coordinated social protection infrastructure. It is via this form of infrastructure that a middle power like Australia can make a lasting impact aimed at protecting Pacific communities from the worst effects of this recession. We have, for example, called for the purpose of the Australian Infrastructure Financing Facility for the Pacific (AIFFP) to be expanded to include social protection infrastructure, building on and scaling up from a range of social enterprise pilots to develop the state capacity required. We have also urged Australia to work with development partners and multilateral funds to mobilise additional investment towards this end.

Children will pay the price

COVID-19 is devastating for children. Impoverished households cannot invest in children's health and education outcomes, putting pressure on children to move into the labour force or marry, resulting in human capital depletion and increased exploitation of children over time. Children around the region are experiencing disrupted schooling as a result of school closures, further compounding low school completion rates in nations like the Solomon Islands and PNG, where 30-40 per cent of children do not complete high school. There is a real risk that COVID-19 will cause even larger cohorts of children, especially those precariously committed to education, to disengage from education entirely, while even those who intend to continue will experience severe impacts on their levels of educational attainment.¹⁹

Surandiran, 'COVID-19: Economic Damage and Pacific Strengths,' DevPolicy Blog, 18 August 2020, available at:

<https://devpolicy.org/covid-19-economic-damage-pacific-20200818/>. See also Jotam Sinopane, 'PNG's Economic Stimulus: An Assessment,' DevPolicy Blog, 23 April 2020, available at: <https://devpolicy.org/pngs-economic-stimulus-an-assessment-20200423-3/>.

¹⁵ Stephen Howes and Sherman Surandiran, 'COVID-19 Spending Across the Pacific: the Self-Funded, the Aid-Financed, and the Constrained,' DevPolicy Blog, 20 August 2020, available at: <https://devpolicy.org/covid-19-spending-across-the-pacific-20200820/>.

¹⁶ International Monetary Fund, 'Policy Responses to COVID-19,' 14 August 2020, available from: <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19>.

¹⁷ Ben Doherty. "'Job-killer of the Century': Economies of Pacific Islands Face Collapse Over COVID-19,' The Guardian, 11 July 2020, available from: theguardian.com/world/2020/jul/11/job-killer-of-the-century-economies-of-pacificislands-face-collapse-over-covid-19

¹⁸ Chris Hoy. 'Poverty and the Pandemic in the Pacific,' DevPolicy Blog, 15 June 2020, available from: <https://devpolicy.org/poverty-and-teh-pandemic-in-the-pacific-20200615-2/>

¹⁹ Save the Children, 'Inquiry into the Implications of the COVID-19 Pandemic for Australia's Foreign Affairs, Defence and Trade: Submission to Joint Standing Committee on Foreign Affairs, Defence and Trade,' 7 July 2020, p. 17 available at:

<https://www.savethechildren.org.au/getmedia/ef08f993-649b-4061-b70c-755b5e24a261/21-july-2020-save-the-children-submission->

COVID-19 has also exacerbated household conditions known to be linked to child abuse, such as overcrowding, social isolation, intimate partner violence and parental substance abuse. Child abuse is already a significant problem in the Pacific: as many as 4 million children – around 70 per cent of present cohort across eight countries in the Pacific – experience violent discipline at home, including a staggering 2.8 million, or 75 per cent of children, in PNG.²⁰

The reallocation of health resources towards managing COVID-19 is expected to exacerbate child mortality, as it will deplete parts of the health system designed for, including maternal and child healthcare units and routine immunisation. Infant mortality is already a significant concern for our region: there are 43 deaths per 1,000 live births in the Pacific, making our region the second worst in the world, after sub-Saharan Africa. In comparison, the Australian rate is just 3.1 per 1,000 live births.²¹ Most deaths among under-fives in the Pacific are attributable to infectious diseases including malaria, polio and tuberculosis – and the basic measures to control these diseases are now being interrupted by the pandemic response.²²

Child welfare is a geostrategic concern

COVID-19 and its impacts on children and their communities across the Indo-Pacific are strategic considerations for Australia. As much as anything else, it is in Australia's national interest that they are factored into our efforts to engage and shape the future of a region that Prime Minister Scott Morrison has described as growing "poorer, more dangerous, and more disorderly".²³ Children whose health is poor and education is disrupted will suffer diminishing prosperity and human security, with their increased precarity likely to shape regional social and political outcomes, contributing to diminished social cohesion and detracting from national strategies for economic recovery. As the Australian Government's *Partnerships for Recovery* strategy correctly recognises, the COVID-19 recession "poses profound challenges to Australia's economic and security interests" because it disrupts the region's performance as "the engine room for global growth for decades".²⁴

As the engine room stalls, it will become increasingly difficult for Australia and its partners to deal with the growing impacts of climate change and intensifying geopolitical competition, two factors which continue to destabilise the global and regional order in the background of COVID-19. These factors are driving population displacement via a growing number of disasters such as the recent Tropical Cyclone Harold, which has devastated Vanuatu, in particular. They are also fuelling the region's appetite for leveraging donor infrastructure competition, expressed in competing projects

[inquiry-into-implications-of-covid-19.pdf.aspx](#). For original data, refer to World Bank, 'Lower Secondary Completion Rate, Total (% of Relevant Age Group)', available at: https://data.worldbank.org/indicator/SE_SEC_CMPT_LO_ZS.

²⁰ Refer to Organisation for Economic Cooperation and Development (OECD), 'Combating COVID-19's Effect on Children,' OECD Policy Responses to Coronavirus (COVID-19), 11 August, 2020, available at: <http://www.oecd.org/coronavirus/policy-responses/combating-covid-19-s-effect-on-children-2e1f3b2f/#back-endnotea0z2>; and Kavitha Suthanthiraraj, 'Unseen, Unsafe: The Underinvestment in Ending Violence Against Children in the Pacific and Timor-Leste,' Save the Children Australia, Plan International, World Vision Australia, ChildFund Australia, 30 July 2019, available at: <https://apo.org.au/node/250406>.

²¹ Australian Bureau of Statistics, '3302.0 - Deaths, Australia, 2018: Infant deaths', 25 September 2019, available from: [https://www.abs.gov.au/AUSSTATS/abs@.nsf/Latestproducts/3302.0Main%20Features52018?opendocument&tabname=Summary&prodn=3302.0&issue=2018&num=&view=#:~:text=Australia%20has%20one%20of%20the,births%20\(see%20graph%201.5\)](https://www.abs.gov.au/AUSSTATS/abs@.nsf/Latestproducts/3302.0Main%20Features52018?opendocument&tabname=Summary&prodn=3302.0&issue=2018&num=&view=#:~:text=Australia%20has%20one%20of%20the,births%20(see%20graph%201.5)).

²² See Ishani Kaluthotage, 'The Health Challenge in PNG is Far Greater than COVID-19 Alone,' The Interpreter, 13 May 2020, available at: <https://www.lowyinstitute.org/the-interpreter/health-challenge-png-far-greater-covid-19-alone>.

²³ Jade Macmillan, 'Australia to Spend \$270B Building Larger Military to Prepare for 'Poorer, More Dangerous' World and Rise of China,' ABC News, 30 June 2020, available at: <https://www.abc.net.au/news/2020-06-30/australia-unveils-10-year-defence-strategy/12408232>

²⁴ Australian Government, 'Partnerships for Recovery: Australia's COVID-19 Development Response,' 2020, p. 5, available at: <https://www.dfat.gov.au/sites/default/files/partnerships-for-recovery-australias-covid-19-development-response.pdf>.

aimed at building influence by being seen to address glaring needs, and the role played by elites in recipient nations, who seek out these projects.²⁵

In this context, Save the Children has argued for a new Australian approach to addressing the needs of our Indo-Pacific neighbours, especially in the PICs, in forums including the Joint Standing Committee on Foreign Affairs, Defence and Trade's recent inquiries on Australia's Pacific Step-Up. We have called for Australia to extend its domestic fiscal stimulus policies to the PICs, including by supporting them to build the social protection infrastructure they need to shore up the resilience of children and their communities.

We recommend that the Australian Government support our original international recommendations based on this same principle, founded in the recognition that the scale of the present crisis requires us to use all the elements of statecraft that we have at our disposal.²⁶ One of these elements is our international development policy, which we must use to protect Indo-Pacific children including in our own strategic interest.

Save the Children recommends that the Australian government **invest a further \$1.7bn over four years between 2020/21 to 2023/24 to advance Australia's national interests by working globally and in partnership with our regional neighbours to save lives, rebuild livelihoods and support a stable, prosperous, and inclusive recovery.** These funds should be used towards:

- accelerating the development and deployment of new diagnostics, therapeutics, and vaccines to save lives in developing countries;
- managing the primary and secondary health impacts of COVID-19;
- stabilising the humanitarian situation in fragile and conflict environments; and
- rebuilding livelihoods and facilitate the resumption of regional trade, tourism, and travel links to boost economic recovery.

We note that the sums we identify in this additional recommendation, alongside our pre-existing recommendations which we list again in the executive summary above, could also be counted towards multilateral fundraising campaigns or initiatives in which Australia might want to participate. Save the Children supports the Australian government working towards offering 1 per cent of the value of the total domestic stimulus packages to assist developing nations to recover from the COVID-19 crisis.

²⁵ Refer to Lee Jones and Shahar Hameiri, 'Debunking the Myth of "Debt-Trap Diplomacy": How Recipient Countries Shape China's Belt and Road Initiative,' Chatham House Asia-Pacific Programme, 19 August 2020, available at: <https://reader.chathamhouse.org/debunking-myth-debt-trap-diplomacy-jones-hameiri#>.

²⁶ The Hon Scott Morrison MP, Prime Minister, Address, Aspen Security Forum – 'Tomorrow in the Indo-Pacific', 5 August 2020, available from: <https://www.pm.gov.au/media/address-aspen-security-forum-tomorrow-indo-pacific>.

Domestic context

The combined effects of the devastating 2019-20 bushfires and the continuing crisis of COVID-19 have placed unprecedented pressure on communities across Australia. Children are uniquely vulnerable to these events.

Save the Children's recommendations for domestic measures in the October 2020 Budget are focused on COVID-19's damaging effects on children, in the context of pre-existing disadvantages – especially the recent bushfires from which recovery has barely begun. The measures we recommend relate to supporting children's mental health, social and emotional wellbeing, continued learning and development, and resilience.

Importantly, these measures are intended not only to mitigate or remedy the harm caused to children by recent events – harm which is already occurring, and which will reverberate for years if not addressed. They are also designed to support society-wide efforts, led by the Australian Government, to build back better from this crisis.

There is an opportunity in this crisis to make fundamental changes to address many of our nation's long-standing systemic challenges. In Australia's response to COVID-19, we have seen the level of change that is possible when governments work together and with the Australian community – in policy, investment, and society-wide behaviour.

Now is the time to direct this power towards the building blocks of our long-term recovery, and to Australia's future: our children, in this generation and the next. In this section we recommend three concrete steps towards that goal, including:

- keeping children engaged with learning across Australia;
- supporting children's wellbeing and recovery from the events of 2020; and
- ensuring all children can access Child Friendly Spaces in emergencies.

In addition, we support Child Wise's separate submission about measures to enable organisations to meet the National Principles for Child Safe Organisations.

Keep children engaged with learning across Australia

Save the Children's December 2019 Pre-Budget submission highlighted that school disengagement and student wellbeing is a national problem. COVID-19 threatens to turn this into a national crisis.

COVID-19 and associated school closures has significantly disrupted children's learning, weakened their connection to schools, and increased the risks of disengagement and early school leaving, including children already vulnerable and many who are newly at risk. Children's learning, mental health and wellbeing are suffering now.

Looking ahead, this generation of students faces the prospect of reaching working age less skilled and less capable than any in decades, creating an enormous drag on Australia's future productivity and having a long-term fiscal impact. This is a national problem. It requires Commonwealth Government leadership for a national solution.

Needs-based school funding reforms have increased schools' capacity to invest in programs to keep at-risk students engaged or re-engage them although, across the school system, we would argue that there remains insufficient funding available to support students' wellbeing and engagement. There is strong demand from schools for effective solutions. What is missing is wide access to high

quality programs. In response to the pandemic, schools are seeking support to keep their students engaged with learning and bolster their mental health and social and emotional wellbeing. Demand for this support is outstripping the supply of high-quality programs available sustainably and at scale across the country.

The Commonwealth Government's role in addressing the challenge of school disengagement, especially in the context of COVID-19, is four-fold:

1. The Commonwealth Government is responsible for the national economy and economy-wide policy decisions. Increased disengagement and school drop-out rates, and age-group population-wide reduced mental health and wellbeing, have significant implications for Australia's future economy. This is especially pressing with COVID-19's impact.
2. The Commonwealth Government has an established role in providing national leadership on important school education policy areas. This has been apparent in establishing critical national education infrastructure, institutions, and standards, and supporting well-evidenced initiatives that meet national needs that span across and beyond individual school systems. Examples include the Australian Curriculum, the Australian Institute for Teaching and School Leadership, Education Services Australia, the National Evidence Institute, support for the Teach for Australia program, and support to boost literacy and numeracy outcomes and parental engagement.
3. The Commonwealth Government is responsible for primary mental health care. As the Productivity Commission has recently recognised, schools play an important role in preventive and early intervention care for children's mental health and wellbeing.²⁷
4. The Commonwealth Government has a significant stake in improving school engagement and reducing rates of disengagement and school dropouts, as it will bear the majority of the associated downstream fiscal costs, including through reduced income tax revenue and greater reliance on welfare. It will also bear a substantial component of the costs of greater reliance on the public health system.

The Commonwealth Government has both a clear mandate, and a unique capacity, to address school disengagement – an issue that COVID-19, and associated school closures, has worsened.²⁸ Only the Commonwealth Government can create the infrastructure and conditions for effective initiatives to be accessible to schools across Australia, by supporting proven innovations to scale nationally. This would put schools in a position to make purchasing decisions based on their priorities and needs, by making evidence-based programs accessible across the country.

Importantly, this would not intrude on States' and Territories' role as school system managers, seek to dictate how States manage their school systems, or impinge on existing State activities. Instead, it would involve establishing national infrastructure for addressing school disengagement which would then be available for schools, and States, to access consistently across Australia.

²⁷ Productivity Commission, *Mental health*, Draft report, October 2019, available at: <https://www.pc.gov.au/inquiries/completed/mental-health/draft>.

²⁸ Expert independent advice commissioned by the Department of Education, Skills and Employment in April 2020 highlighted that COVID-19 would increase school disengagement, including early evidence that this was already occurring, and that this should be a priority for government's response: Brown, N. et al, 2020, *Learning at home during COVID-19: Effects on vulnerable young Australians – Independent rapid response report*, University of Tasmania. The experience of State Governments, schools, and non-government service providers on the ground to date has confirmed those early concerns.

Accordingly, **Save the Children recommends an investment of \$11.1m over 4 years to expand the wellbeing-focused school engagement program Hands on Learning.** This would enable the establishment of infrastructure for the program to scale nationally, so that it can be made available where there is need and demand from schools for its support, regardless of where they are in Australia.

Hands on Learning is an evidence-based in-school intervention that builds the foundations for learning. It creates opportunities for young people to discover their talents and experience success through significant and authentic hands-on projects. Students spend one day each week outside classrooms, but still within the school environment, working collaboratively on meaningful projects around the school and community that build teamwork, problem solving, and communication capabilities. The program builds motivation, attendance, and self-esteem, building the platform for greater engagement in learning during the remainder of the week.

Hands on Learning currently operates in 119 schools. The majority are in Victoria,²⁹ reflecting the challenges of making the program nationally available without a ‘circuit breaker’ investment by the Commonwealth Government to enable a national infrastructure to be created.

This investment is estimated to leverage over \$45m from over 300 predominantly low ICSEA³⁰ state government schools nationally. Schools will provide the majority of the ongoing investment required for the program, by utilising their school budgets based on existing funding arrangements. Commonwealth Government investment and leveraged school investment would enable over 7000 vulnerable and at-risk students to be supported annually by the end of 2024.

Budget Initiative	2020-21 (\$m)	2021-22 (\$m)	2022-23 (\$m)	2023-24 (\$m)	Total (\$m)
Hands on Learning	1.5*	2.6*	3.2*	3.8*	11.1*

* These figures are expressed in financial years but may require adjustment to align with school year (calendar year) funding cycles, depending on the timing of relevant decisions by government.

Support children’s wellbeing and recovery from the events of 2020

2020 has created extraordinary challenges for children’s psychological, social, and emotional wellbeing across Australia.

The bushfires alone were devastating. Evidence indicates that the fires can be expected to have long-term effects for the mental health and psychological wellbeing of those affected by them – especially children – unless effective interventions are made available to support recovery.³¹

Ordinarily, recovery from such an event would require at least a five-year horizon.³² Instead, in March 2020, COVID-19 largely halted early recovery efforts before they could even begin. Just

²⁹ As at August 2020, Hands on Learning is operating in 101 ‘implementing schools’ in Victoria, eight in NSW, six in Queensland and four in Tasmania, with expansion from Victoria substantially driven by referrals and word-of-mouth between schools and principals recommending the program to others interstate through informal networks.

³⁰ ICSEA is the Index of Community Socio-Educational Advantage, and provides an indication of the socio-educational backgrounds of students. It was created by the Australian Curriculum, Assessment and Reporting Authority.

³¹ See, e.g., Gibbs, L. et al, 2014. ‘Where do we start? A proposed post-disaster intervention framework for children and young people’, *Pastoral Care in Education* 32(1): 68-87; Goodman, G. et al, 2018. ‘Trauma and long-term memory for childhood events’, *Society for Research in Child Development* 13(1).

³² See, e.g., Gibbs, L., 2020, ‘Witness statement: In the matter of the Royal Commission into National Natural Disaster Arrangements’, 22 May 2020, available at: https://naturaldisaster.royalcommission.gov.au/system/files/exhibit/MDH.500.001.0001_1.pdf.

when the ability to come together within their communities, and begin rebuilding and accessing support, was most needed, social distancing requirements made this impossible.

Even worse, COVID-19 itself is putting severe pressure on children's wellbeing – especially those facing significant disadvantage, both associated with the bushfires and more broadly. Children's academic progress and social and emotional development are being disrupted. Moreover, children's mental health and psychological wellbeing are being put under significant pressure by the instability, uncertainty, and in many cases grief and loss they are experiencing. These issues are particularly acute for some children, including in their homes, where they face increased risks of violence, abuse and neglect due to school closures, social distancing measures, disruption to support services, and growing stress on families, especially financial stress.

There is a pressing need for evidence-based services to support children to cope with, and recover from, the psychological distress and community-level trauma caused by COVID-19 – especially those who were directly affected by the bushfires or otherwise particularly vulnerable.

Save the Children recommends that the Commonwealth Government establish a multi-year program of support, including funding, for specialised post-disaster recovery interventions in schools and other child-safe settings, to meet the social and emotional wellbeing and recovery needs of children. Critically, while this would include funding, equally important would be a national plan and real commitment to coordinating and working in partnership with relevant non-government service providers like Save the Children.

Save the Children's Journey of Hope program is a psychosocial emergency response and recovery program, first implemented after Hurricane Katrina in New Orleans. It has since been delivered to more than 85,000 children in numerous countries, including an adaptation in New Zealand following the Christchurch earthquake. The program helps children recognise and process common emotions, identify stressors and triggers, and build capacity to deal with these emotions. Each session is focused on a different aspect of recovery and follows a similar routine to create a safe space. The program's effectiveness has been confirmed by rigorous evaluation, including by the International Institute for Children's Rights and Development.

Journey of Hope is generally offered in schools. It has also been adapted for virtual (online) delivery to manage COVID-19's impacts on face to face support and can be delivered in other child-safe settings such as family and community centres and service delivery hubs. As at 20 August 2020, it is being (or will be) offered in 20 schools and preschools within heavily bushfire-affected regions across NSW and Victoria, with this number continuing to grow.

Journey of Hope's delivery is currently supported by the generosity of several large philanthropic and corporate donors, and by Save the Children's own-source revenue. Its scale – and, therefore, impact – could be vastly increased with coordinated support from the Commonwealth Government. As an indication, **Journey of Hope has a delivery cost of around \$5000 per 10 children over one school term.** This includes costs of two group facilitators, senior supervision, quality assurance and management time, group materials, transportation, follow up with school and referrals, data collection, and evaluation.

Ensure all children can access Child Friendly Spaces in emergencies

Children are uniquely vulnerable to the short and long-term effects of bushfires and other natural disasters. There is clear evidence, globally and in Australia, about the effects that bushfires have on children's mental health, psychological wellbeing, learning, and longer-term outcomes. There is

also clear evidence about what types of interventions work to support children's recovery, and build resilience, following bushfires and other disasters.

Yet, during the 2019-20 bushfires, as in previous disaster contexts in Australia, children's unique needs were systemically misunderstood and overlooked. There was a striking lack of coordination to ensure that children's services were available, and integrated, with other essential services when evacuation, relief and recovery centres were established. In some of the hardest hit communities, children were left without a safe place to begin processing their experiences for days after evacuating from their homes. Save the Children's submission to the Bushfires Royal Commission and other major inquiries into the 2019-20 bushfire season describes these issues in more detail.³³

All levels of government – Commonwealth, State and local – have responsibilities for emergency management, disaster risk reduction and resilience. The Commonwealth Government has a crucial leadership role in national coordination, standard-setting, and funding. This is particularly important in relation to national-scale disasters like the 2019-20 bushfires.

Save the Children recommends that the Commonwealth Government establish national arrangements to ensure that Child Friendly Spaces are established as an essential service in every evacuation, relief, and recovery centre. Child Friendly Spaces are dedicated spaces which address children's physical and psychological wellbeing in the immediate aftermath of a disaster. They are staffed by trained specialists who provide psychological first aid and other support to children while their parents attend to other essential needs within the centre.

These arrangements would be co-developed with States but require Commonwealth leadership to ensure national availability and consistency. This would not necessarily involve increased Commonwealth funding and may be achievable through ensuring greater clarity within existing Commonwealth-State funding arrangements to ensure that Child Friendly Spaces are systematically planned for as part of bushfire preparedness. As an indication, **Save the Children's professional model for deploying Child Friendly Spaces has an associated cost of around \$25,000-\$35,000 per week-long deployment**, depending on local circumstances including variables such as how much travel is required.

With summer approaching and the 2020-21 bushfire season already commencing, the October Budget is timely to ensure that coordinated and funded arrangements are in place for Child Friendly Spaces to be available wherever needed. The Bushfires Royal Commission's report is not expected until 28 October 2020, and it will deal with a wide range of complex matters requiring extensive consideration by government. By contrast, provision for the availability of Child Friendly Spaces would be a simple 'no regrets' measure that could be adopted as part of preparedness for the peak of bushfire risk this summer.

Support organisations to meet the National Principles for Child Safe Organisations

Child Wise – a social enterprise of Save the Children that exists to ensure the safety of children and young people in organisations where they spend time – has provided a separate submission focusing on supporting implementation of the Commonwealth Child Safe Framework.

³³ Save the Children, *Children's experiences and needs in the 2019-20 bushfires: Consolidated submission to inquiries into the 2019-20 bushfire season*, April 2020, available at: [https://www.savethechildren.org.au/getmedia/34d65730-536f-43c6-aaa8-1cdca0c710c3/save-the-children-submission-children-s-experiences-and-needs-in-the-2019-20-bushfires-\(1\).pdf.aspx](https://www.savethechildren.org.au/getmedia/34d65730-536f-43c6-aaa8-1cdca0c710c3/save-the-children-submission-children-s-experiences-and-needs-in-the-2019-20-bushfires-(1).pdf.aspx).

Save the Children supports the recommendations made in Child Wise’s submission, including that the Commonwealth Government should adequately fund organisations to meet the National Principles for Child Safe Organisations through the Department of Social Service’s Families and Children portfolio, through the National Indigenous Australians Agency’s Indigenous Advancement Strategy, and through the National Office for Child Safety, with an appropriation calculated as a percentage of overhead above an organisation’s funded budget.

Attachment A – Save the Children, ‘2020-21 Pre-Budget Submission’, 24 December 2019



Save the Children

2020-21 Pre-Budget Submission

December 2019

ACKNOWLEDGEMENTS

Save the Children Australia acknowledges Aboriginal and Torres Strait Islander peoples as the traditional owners and custodians of the land on which we work. We pay our respect to their Elders past, present and emerging.

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Executive Summary

Save the Children has worked for one hundred years to improve the lives of children in Australia and around the world. In making this submission for consideration in the context of the 2020-21 Federal Budget, our aim is to identify opportunities to help ensure that all children can reach their full potential – wherever they are and whatever their circumstances.

Save the Children Australia acknowledges the priority that the Australian Government has placed on achieving a budget surplus and consequently has kept proposals for new spending in this submission to a minimum. We also note that the recently released Mid-Year Economic and Fiscal Outlook (MYEFO) confirms that the budget remains on track to return to surplus in 2019-20.¹ Accordingly, we have identified where offsets could ensure that a surplus is still retained.

Maintaining defence spending at 2019-20 budgeted levels while indexed to the Consumer Price Index level of 2.5 per cent,² over the next four years, would lead to savings of approximately \$2.1 billion in 2020-21 and collectively more than \$15.1 billion in the next four years.³ In this context, we note that while there have been substantial increases in defence spending in recent years and forecast increases in coming years, spending on the aid program has remained on hold at approximately \$4 billion per year since the 2015-16 financial year. Save the Children acknowledges that Australia should have a well-equipped air force, army and navy with the latest technology to maintain national security and participate in peacekeeping missions. However, we should have a mixed portfolio approach to security which recognises the combined importance of our aid, humanitarian and national security spending towards achieving peace and stability in the region.

Save the Children recognises that the return to surplus has been hard won but highlights that, like a budget surplus, investing in providing children with the opportunity to reach their full potential is an investment in Australia's future. This can be achieved while still working within our financial means.

Creating opportunity for children globally and regionally

Australia is adapting to a global and regional context that is defined by heightened geopolitical, environmental and economic risk. This risk environment was set out in the Australian Government's 2017 Foreign Policy White Paper, framed against a backdrop of intensifying great power competition.⁴ Risk factors include megatrends such as challenges to the rules and structures of global governance, narrowing civic space, deglobalisation, high debt and low growth. They also include rising conflict associated with fragile states and terrorism, the pressures of migration and urbanisation, and the impacts of climate change.

These risks are experienced across the Indo-Pacific. They make communities increasingly vulnerable and leave them exposed to geo-economic shocks that can compound their rising precarity and insecurity. Children are disproportionately affected, as the risks that shape the environments in which they live can cause their home communities to struggle to bounce back. Children bear the brunt of

¹ Commonwealth of Australia, *Mid-Year Economic and Fiscal Outlook 2019-20*, December 2019. Available at: https://budget.gov.au/2019-20/content/myefo/download/MYEFO_2019-20.pdf.

² Ibid, based upon the MYEFO forecast mid-term inflation rate of 2.5 per cent.

³ The total estimated offset over the next four years is subject to forecast 2023-24 figures, which will be provided in the 2020-21 budget. Calculations for 2020-21, 2021-22 and 2022-23 are based on The Australian Government Department of Defence, Budget 2019-20, Portfolio Budget Statements 2019-20 Budget Related Paper No. 1.4A, Defence Portfolio, May 2019. Available at: https://www.defence.gov.au/Budget/19-20/2019-20_Defence_PBS_00_Complete.pdf.

⁴ Commonwealth of Australia, *2017 Foreign Policy White Paper*, November 2017. Available at: <https://www.fpwhitepaper.gov.au/>.

impacts from conflict, displacement, economic shocks, more severe and frequent natural disasters, and inadequate social protection systems.

While investing in infrastructure is an important focus to assist communities in Australia and our region, investments in health, education, humanitarian assistance, and climate mitigation and adaptation are vital to cushion the impact of the growing regional risks on all people, particularly children. Australia should invest in improving the regional environment, ensuring that our neighbours' resilience is reinforced. Action now is far preferable to leaving all these communities vulnerable against actual and potential geopolitical influence and climatic events.

Save the Children welcomes the recently announced review of Australia's international development policy and the opportunity it presents to highlight the importance of measures outlined above.⁵ However, pending the outcomes of the review, we note our strong support for recommendations 3, 4 and 5 of the April 2019 report of the Joint Standing Committee on Foreign Affairs, Defence and Trade *Inquiry into the Strategic Effectiveness of Aid* to substantially increase the volume of Australian aid.⁶

Noting potential economic challenges ahead in MYEFO,⁷ Save the Children recognises that moving immediately to implement this recommendation is difficult. Consequently, we propose just four key priorities for new spending to assist children in our region and globally:

- contributing at least \$340 million over the next four years for replenishments for Gavi – the Vaccine Alliance and the Global Partnership for Education;
- providing new funding of \$55 million over the next four years to help end the scourge of violence against children in the Pacific;
- increasing funding for assisting with sudden onset and protracted humanitarian crises, by \$120 million per year over the next four years and contributing at least \$10 million to the replenishment of Education Cannot Wait; and
- providing \$300 million per year over the next four years to create a new program of community driven climate change mitigation grants.

Investing early to create systemic and generational change for Australian children

Overall, Australians enjoy a high quality of life by global standards. Despite this, some Australians face severe disadvantage throughout their lives. Starting even before birth and becoming engrained during children's earliest years, this disadvantage can impact across generations.

Despite the best intentions of many, current models of service delivery have persistently failed to change the outcomes of some of the most disadvantaged Australians. Existing approaches to service

⁵ Commonwealth of Australia, Department of Foreign Affairs and Trade, Call for submissions: New international development policy, 10 December 2019. Available at: <https://dfat.gov.au/aid/new-international-development-policy/Pages/default.aspx>.

⁶ Joint Standing Committee on Foreign Affairs, Defence and Trade, *Inquiry into Australia's aid program in the Indo-Pacific*, First Report, Parliamentary Paper 104/2019, 4 April 2019. Available at: https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Foreign_Affairs_Defence_and_Trade/Australiaaidprogram/Interim_Report.

⁷ For example, domestically MYEFO notes that: "There is also a risk that wage growth and inflation could remain subdued, and employment growth could slow more sharply than forecast. Dwelling investment could also be weaker than expected. And uncertainty around the global outlook could continue to hamper business confidence and investment plans." Additionally, MYEFO notes: "Employment growth will be underpinned by a pick-up in economic activity, although leading employment indicators suggest that growth is likely to moderate, keeping the unemployment rate at 5¼ per cent." See MYEFO report at p 27 and p 12 respectively.

delivery have proved ineffective, despite concerted efforts by government, service providers and communities to shift the trajectories of the children and families who are systemically being left behind at the start of life and never recover. The downstream effects of this failure have been laid out many times, including by the 2015 review of Australia's welfare system which led to the introduction of the Government's Priority Investment Approach.⁸

The investment case for intervening early to prevent future harm and costs to individuals and society is compelling. Late intervention, in the form of high-intensity and crisis responses such as child protection services, youth involvement with the criminal justice system, youth homelessness, youth hospitalisation for mental health issues, and the impact of family violence on young people, creates substantial immediate and longer term costs. These costs are around \$15.2 billion each year,⁹ taking into account late intervention only for Australians up to the age of 24. The lifetime costs of late intervention are vastly greater.

With the right investments and interventions, it is possible to create genuine and sustained change for individuals and communities who would otherwise struggle to alter their trajectory from a starting point of intense disadvantage. Evidence-based early interventions, targeted at key risk stages in children's development and at highly vulnerable and disadvantaged families and communities, offer a high return on investment. They are systemic, involving integrated interventions which can be targeted to the needs of individual families, communities and geographic areas and which avoid duplication of services. Additionally, they are supported by sustained Australian Government funding, which is critical for achieving lasting change in these highly disadvantaged communities.

Reflecting our strong belief that early intervention and better joined up service delivery will make a demonstrable difference to the life outcomes of Australian children, this submission includes specific recommendations for the 2020-21 budget including:

- \$21.8 million in 2020-21¹⁰ for integrated early childhood development and family support interventions, via the Play2Learn program, that focus on supporting families and children during the crucial early years and keeping them on track before preschool and school;
- \$6.5 million in 2020-21 to target place-based initiatives to families and children most in need of such interventions;
- \$1.7 million in 2020-21 to support the scale up of Hands on Learning, an evidence-based program that keeps young people actively engaged in school and learning;
- Adequate funding to avoid service cuts due to current costs of staff remuneration not being included in the Australian Government budget.

The proposals contained in this submission are underpinned by the belief that we should be optimistic, confident in the knowledge that our people, especially our children, are critical to future success. Such optimism will be rewarded by ensuring equality of opportunity for all children, including by supporting

⁸ Commonwealth of Australia, Reference Group on Welfare Reform to the Minister for Social Services, *A New System for Better Employment and Social Outcomes*, Final Report, February 2015. Available at: <https://www.dss.gov.au/review-of-australias-welfare-system/a-new-system-for-better-employment-and-social-outcomes-full-version-of-the-final-report>.

⁹ W. Teager, S. Fox and N. Stafford, 2019. *How Australia can invest early and return more: A new look at the \$15b cost and opportunity*, Early Intervention Foundation, The Front Project and CoLab at the Telethon Kids Institute. Available at: <https://colab.telethonkids.org.au/siteassets/media-docs---colab/coli/how-australia-can-invest-in-children-and-return-more----final-bn-not-embargoed.pdf>.

¹⁰ Some of this is existing funding not yet confirmed in forward estimates but provided in the current 2019-20 financial year. Accordingly, the actual 'new' expenditure from 2020-21 would be lower than this figure if existing funding is continued.

those who are most vulnerable. Australian values of decency and fairness, as well as a commitment to a stable international environment, centered in a rules-based order, help to guide our approach towards sustainable development in the Indo-Pacific. Within our own borders, we all have a role to play in ensuring that children can thrive, regardless of their starting point or the challenges that face them and their communities.

In this environment, Save the Children notes that Australia’s human rights performance will be considered as part of the third cycle United Nations Universal Periodic Review in November 2020. Through this process, the Australian government will need to put forward voluntary commitments. The 2020-21 budget provides an opportunity to set the groundwork for those commitments. Save the Children’s recommendations, especially in integrating early years support and supporting children at risk through their primary and middle years, would be strong undertakings that could be made before the Human Rights Council next year, our final year as part of our inaugural membership.

Save the Children’s consolidated financial proposals

Proposed new spending	2020-21	2021-22	2022-23	2023-24	Total
Improving the lives of children globally					
Global initiatives – children’s health and education	\$85.0m	\$85.0m	\$85.0m	\$85.0m	\$340.0m
Ending violence against children in the Pacific	\$13.7m	\$13.7m	\$13.7m	\$13.7m	\$55.0m
Increased humanitarian assistance	\$130.0m	\$120.0m	\$120.0m	\$120.0m	\$490.0m
International climate assistance	\$300.0m	\$300.0m	\$300.0m	\$300.0m	\$1200.0m
New spending	\$528.7m	\$518.7m	\$518.7m	\$518.7m	\$2084.8m
Improving the lives of children in Australia					
Increased investment in integrated early years’ support	\$21.8m	\$21.8m	\$21.8m	\$21.8m	\$87.1m
Targeted place-based initiatives	\$6.5m	\$8.0m	\$9.6m	\$11.2m	\$35.3m
Hands on Learning	\$1.7m	\$2.3m	\$2.7m	\$3.3m	\$10.0m
Wages for social and community services sector workforce					Not costed
New spending	\$30.0m	\$32.1m	\$34.1m	\$36.3m	\$132.4m
TOTAL	\$558.7m	\$550.8m	\$552.8m	\$555.1m	\$2217.4m
Proposed offsets					
Maintain defence spending at 2019-20 level (CPI only)	\$2.1bn	\$5bn	\$8bn	TBC in 2020-21 Budget	>\$15.1bn
TOTAL	\$2.1bn	\$5bn	\$8bn		>\$15.1bn

Key Recommendations – Aid and Development

1. Contribute at least \$340 million to children’s health and education global initiatives

Gavi, the Vaccine Alliance (GAVI) and the Global Partnership for Education (GPE) are important and effective global initiatives through which Australia contributes to improving health and education outcomes for children and communities across the Indo-Pacific and beyond. Australia has been a strong supporter of these initiatives, contributing \$90 million to GPE (2018-2020) and \$250 million to GAVI (2016-2020).¹¹ These contributions have been important in improving outcomes for children but will expire within the next two years. Save the Children recommends that Australia contribute to their replenishment, given the strong outcomes they have supported to date and the value of continuing to deliver these outcomes well into the future. This value is significant and aligns with the Sustainable Development Goals (SDGs), namely SDG 3 (Promote healthy lives and promote well being for all at all ages) and SDG 4 (Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all).

GAVI

GAVI had immunized 700 million children by 2018, saving around 10 million lives and delivering an estimated global economic benefit of USD150 billion. As the Australian Government acknowledges, GAVI’s work with the private sector and vaccine markets has resulted in significantly reduced vaccine prices for lower-income countries.¹² Recent experience of a measles outbreak in Samoa demonstrates the fragility of health systems in Pacific Island nations and the need for vigilance and sustained investment in vaccination programs. Australia faces its own health security risks due to its close proximity to Papua New Guinea and the emergence of diseases like drug resistant tuberculosis in hotspot areas such as Western Province and the National Capital District, declared a public health emergency by the World Health Organisation (WHO) in 2017.¹³

GAVI is active in PNG and Timor Leste along with the rest of the Indo-Pacific, which receives around 40 per cent of its funds.¹⁴ In light of Australia’s Pacific Step Up and the importance of securing the health of our Pacific neighbours in our mutual interest, Australia’s investment in GAVI should continue. Such an investment would complement and build on the legacy of Australia’s Indo-Pacific health security initiative (2017-2021), which has aimed not only to fight disease, but to improve data collection, reduce the price of pharmaceutical products, and boost people-to-people connections

¹¹ Commonwealth of Australia, Department of Foreign Affairs and Trade, *Australian Aid Budget Summary 2018-19*, May 2018. Available at: <https://dfat.gov.au/about-us/corporate/portfolio-budget-statements/Documents/2018-19-australian-aid-budget-summary.pdf>.

¹² Commonwealth of Australia, Department of Foreign Affairs and Trade, *Australian Aid Budget Summary 2019-20*, May 2019. Available at: <https://dfat.gov.au/about-us/corporate/portfolio-budget-statements/Documents/2019-20-australian-aid-budget-summary.pdf>.

¹³ WHO media release, 2 November 2017:

<http://www.wpro.who.int/papuanewguinea/mediacentre/releases/20171107-partnership-key-mdr-tb/en/>

¹⁴ Ibid.

between Australia and other Pacific nations.¹⁵ It also aligns with the United States-led Global Health Security Agenda, as signalled by the Minister for Foreign Affairs, Senator the Hon Marise Payne.¹⁶

GAVI is an important part of the multilateral system which Australia supports. Given its success in saving the lives of children, Save the Children Australia recommends that Australia provide at least \$250 million to support GAVI to continue its work.

GPE

The GPE supports girls' education, inclusion for children with disabilities, and helps children in fragile and conflict-affected states to continue their schooling. The GPE is active in conflict-affected states such as Myanmar and Afghanistan, and in PNG, Micronesia, the Marshall Islands, and Vanuatu.¹⁷ In total, the GPE is active in almost 70 developing countries, prioritising the poorest, most vulnerable, and those affected by conflict. Between 2002 and 2016, it placed 77 million children in primary school, improved completion rates in partner countries from 63 to 77 per cent and ensured that 67 per cent of partner countries had as many girls as boys completing primary school – up from 42 per cent. Further, 100 per cent of its sector plans assessed in 2018 met quality standards.¹⁸

The GPE addresses systemic issues that prevent children from accessing education, incentivising policy reforms through its funding decisions.¹⁹ We recommend that Australia continue to support the GPE and that at least \$90 million be committed to its forthcoming replenishment.

Budget Initiative	2020-21	2021-22	2022-23	2023-24	Total
GAVI					>\$250.0m
Global Partnership for Education					>\$90.0m
Total					>\$340.0m

2. Invest \$55 million in ending violence against children in the Pacific

Australian leaders have described the nations of the Pacific as our “family.”²⁰ Save the Children believes that investing in protecting Pacific children is emerging as a critical priority for Australia's Pacific Step-up, with its development and soft power objectives. Such an investment also aligns with the fifth of the Sustainable Development Goals (SDG 5)²¹.

¹⁵ Department of Foreign Affairs and Trade, *Health Security Initiative for the Indo-Pacific Region*, October 2017. Available at: <https://dfat.gov.au/aid/topics/investment-priorities/education-health/health/Pages/health-security-initiative-indo-pacific-region.aspx>.

¹⁶ Senator the Hon Marise Payne, Minister for Foreign Affairs, *Australia-US Dialogue on Cooperation in the Indo-Pacific*, Speech, 29 January 2019. Available at: <https://www.foreignminister.gov.au/minister/marise-payne/speech/australia-us-dialogue-cooperation-indo-pacific>.

¹⁷ For the full list of countries where the Global Partnership for Education operates, see: <https://www.globalpartnership.org/where-we-work/partner-countries>.

¹⁸ See data on Global Partnership for Education website: <https://www.globalpartnership.org/>

¹⁹ Department of Foreign Affairs and Trade, *Strategy for Australia's aid investments in education 2015-2020*, September 2015. Available at: <https://dfat.gov.au/about-us/publications/Documents/strategy-for-australias-aid-investments-in-education-2015-2020.pdf>

²⁰ For example, see comments from the Hon Scott Morrison MP, Prime Minister, Department of Foreign Affairs and Trade, *Stepping-up Australia's engagement with our Pacific family* at <https://dfat.gov.au/geo/pacific/engagement/Pages/stepping-up-australias-pacific-engagement.aspx>.

²¹ Sustainable Development Goal 5: Achieve gender equality and empower all women and girls

Save the Children recommends that Australia earmark at least \$55 million over four years to work to end violence against children (EVAC) in the Pacific and Timor Leste. We base this on the findings of the 2019 report, *Unseen, Unsafe: The Underinvestment in Ending Violence Against Children in the Pacific and Timor Leste*.²² This report highlighted that more than 4 million children in this region experience violent discipline, 1 in 4 adolescent girls experience physical violence, and 1 in 10 adolescent girls experience sexual violence.

Such endemic violence produces deeply detrimental impacts for children and society at large. As the report outlines, in many instances, children who suffer from violence experience poor health outcomes, impaired cognitive development and increased financial vulnerability. They also display anti-social and aggressive behaviour, continuing the cycle of violence into the next generation.²³ In addition to these impacts, the economic costs of violence against children range between 3 and 8 per cent of global GDP.²⁴ The economic value of disability-adjusted life years lost to child abuse in East Asia and the Pacific is estimated at around US\$194 billion.²⁵

Despite clear evidence of the scale and gravity of this problem in the region, it has not been a focus for funders and policy makers. Our analysis estimates that, in the Pacific and Timor-Leste, expenditure on programs specifically designed to end violence against children was only \$1.1 million in 2017. Across all major ODA donors, just \$3.4 million was spent. Even if the funding lens is broadened to programs that include some activities related to ending violence against children, the proportion spent by Australia was just \$55 million or 4.8 per cent of development assistance to the region. This contrasts with expenditure on infrastructure in the region of \$200 million, more than 180 times the amount spent on EVAC-specific programs.

Budget Initiative	2020-21	2021-22	2022-23	2023-24	Total
EVAC Measure	\$13.75m	\$13.75m	\$13.75m	\$13.75m	\$55m

3. Respond to need by increasing humanitarian assistance by \$130 million in 2020-21

The international humanitarian system is being pushed to its financial and operational limits by a global rise in the scale, frequency and impact of humanitarian crises on vulnerable people. Humanitarian crises are increasing in number and in duration. Between 2005 and 2017, the average length of crises with an active inter-agency appeal rose from four to seven years, while the average number of crises receiving an internationally-led response almost doubled from 16 to 30. Most of

²² Save the Children, ChildFund Australia, Plan International and World Vision, *Unseen, Unsafe: The underinvestment in ending violence against children in the Pacific and Timor-Leste*, 2019. Available at: [https://www.savethechildren.org.au/getmedia/29d0e266-a7d2-4200-ae47-d5e46e34bc79/STC01615_Unseen-Unsafe-Report_Web-\(1\).pdf.aspx](https://www.savethechildren.org.au/getmedia/29d0e266-a7d2-4200-ae47-d5e46e34bc79/STC01615_Unseen-Unsafe-Report_Web-(1).pdf.aspx).

²³ See ChildFund Alliance, Save the Children, SOS Children’s Villages International, World Vision International, and Development Initiatives, *Counting Pennies: A review of official development assistance to end violence against children*, 2017, p 5. Available at: https://www.worldvision.com.au/docs/default-source/publications/children/counting-pennies-report.pdf?sfvrsn=8c64f13c_4.

²⁴ P. Perezniето, A. Montes, L. Langston and S. Routier, 2014. *The costs and economic impact of violence against children*. ChildFund Alliance. Available at <http://childfundalliance.org/wp-content/uploads/2014/10/ODI-PolicyBrief.-The-cost-and-economic-impact-of-violence-against-children.pdf>, p1.

²⁵ X. Fang et al, 2015. ‘The burden of child maltreatment in the East Asia and Pacific region’, *Child Abuse & Neglect*, 42: 146–162, p. 146.

these crises are complex emergencies, bearing elements of conflict and natural disasters that often result in mass displacements.²⁶ At the same time, in December 2019, only about 58.6 per cent of UN Humanitarian Appeals were funded. This shortfall has left a funding gap of around USD\$10.98 billion.²⁷

The United Nations Office for the Coordination of Humanitarian Affairs (UN OCHA) notes that the human cost of conflict is increasing, with a record number of people forcibly displaced by conflict or violence. Around 68.5 million were displaced in 2018, compared with 65.6 million people in 2016. In 2018, 6.8 million people were internally displaced in Syria alone.²⁸ Further, the UN Refugee Agency (UNHCR) estimates that around 3.8 million Syrian and Iraqi refugees, as well as internally displaced people and refugees of other nationalities, need additional assistance this winter in Syria, Iraq, Lebanon, Jordan and Egypt.²⁹

In addition to the Syria conflict, the ongoing needs of Myanmar's displaced Rohingya population continue to require urgent and ongoing assistance. At the end of 2018, only 59 per cent of the health funding coverage for the Bangladesh Rohingya Refugee Crisis Joint Response Plan in Cox's Bazaar was funded.³⁰ Yet as of March 2019, more than 909,000 stateless Rohingya refugees reside in Ukhiya and Teknaf Upazilas. The vast majority live in 34 extremely congested camps, including the largest single site, the Kutupalong-Balukhali Expansion Site, which hosts around 626,500 Rohingya refugees.³¹

Save the Children recognises that the Australian Government's 2017 Foreign Policy White Paper pledged \$500 million a year in humanitarian assistance and other support. We welcome this pledge and acknowledge that each Federal Budget since 2017-18 has demonstrated progress against the target. However, in line with increasing humanitarian needs and the size of the Australian economy relative to other OECD donors, \$570 million would better represent an appropriate 'fair share' contribution. Increasing this financial target would also align with SDG 17.³²

Within the total figure outlined above, we recommend that the Australian Government:

- increases the current Emergency Fund allocation to \$260 million in 2020-21, including \$10 million to replenish Australia's contribution to the Education Cannot Wait (ECW) fund;
- allocates \$10 million per annum towards peacebuilding and social cohesion initiatives aimed at preventing the conflicts that drive the increase in need for humanitarian funding;³³ and
- commits to funding at least 5 protracted crises through flexible, multi-year funding agreements as committed to under the Grand Bargain. This includes continuation of the

²⁶ See United Nations Office for the Coordination of Humanitarian Affairs (UN OCHA), *World Humanitarian Data and Trends*, 2018, p 2. Available at

https://www.unocha.org/sites/unocha/files/WHDT2018_web_final_spread.pdf.

²⁷ See UN OCHA, Financial Tracking Service, Humanitarian Aid Contributions, 2019. Available at <https://fts.unocha.org/>.

²⁸ See UN OCHA, *World Humanitarian Data and Trends*, 2018, p 16. Available at https://www.unocha.org/sites/unocha/files/WHDT2018_web_final_spread.pdf.

²⁹ See UNHCR media release, "Winter preparations for Syrian refugees and displaced in full swing." Available at <https://www.unhcr.org/news/briefing/2019/11/5dd7a6067/winter-preparations-syrian-refugees-displaced-full-swing.html>.

³⁰ See UN OCHA, Financial Tracking Service, Bangladesh: Rohingya Refugee Crisis Joint Response Plan 2018 (Other). Available at <https://fts.unocha.org/appeals/656/summary>

³¹ See UN OCHA, Rohingya Refugee Crisis, 2018. Available at <https://www.unocha.org/rohingya-refugee-crisis>

³² SDG 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development.

³³ See Briggs, Caelin, "Prevent Conflict, Avert Humanitarian Crises," *DevPolicy Blog*. Available at: <https://devpolicy.org/prevent-conflict-avert-humanitarian-crises-20191128/>.

existing multi-year funding agreements for Syria and Iraq, and adding Bangladesh and potentially Yemen and South Sudan.

Education Cannot Wait

Over 75 million school-aged children and youth are either in danger of, or already missing out on their education in crisis-affected countries.³⁴ Save the Children often surveys children who are caught in a humanitarian crisis and asks them what their most important priorities are. Inevitably, children often cite access to education as their highest priority.³⁵ Yet education appeals receive less than 2 per cent of humanitarian funding. The right to education is most at risk during emergencies but it is also the exact time when it is needed the most.

ECW works to ensure that children affected by conflict and emergencies continue to have access to education. Save the Children has direct experience implementing ECW programs in countries including Afghanistan, Indonesia, Bangladesh and Somalia. In Afghanistan, for example, Save the Children leads an ECW consortium project which aims to provide safe and reliable education to 500,000 children each year, including 325,000 girls. To date the ECW Multi-Year Resilience Programme (ECW MYRP) projects are reaching close to 100,000 children in Afghanistan, but further donor support is needed to achieve the planned targets and to address the immense need for improved education access in Afghanistan

Australia was a generous contributor to ECW in the past, both to establish the fund and achieve some of these remarkable outcomes. We recommend that the Australian Government contribute \$10 million to ECW to help to fully resource the ECW replenishment of \$1.8 billion by 2021 to ensure 9 million crisis-affected children can learn and recover.

Mental health and psycho-social support (MHPSS)

Save the Children's research, reflected in *Achieving Durable Solutions for Returnee Children: What do We Know?*, shows that greater investment in MHPSS for children reduces the risk of isolation and radicalisation, supporting efforts to rebuild social cohesion.³⁶

In *Road to Recovery*, Save the Children detailed how children are bearing a disproportionate burden of conflict. Since 2010, the number of children living in conflict zones has increased by 37 per cent, yet the number of verified, grave violations against them – including killing and maiming, sexual violence, and recruitment into armed forces – has increased by 174 per cent.³⁷

This escalation is a result of states and parties to conflict failing to uphold and enforce international rules and standards designed to protect children, while perpetrators of grave violations of children are not being held to account. The sheer scale of the resulting mental health impacts demands a

³⁴ For further information see: <https://www.educationcannotwait.org/the-situation/>

³⁵ Save the Children, *Voicing the Needs and Priorities of Children Living in Conflict in Democratic Republic of Congo*, March 2019, p 13. Available at: https://resourcecentre.savethechildren.net/node/15373/pdf/pcic_report_english.docx.pdf

³⁶ See Save the Children, *Achieving Durable Solutions for Returnee Children: What do we know?*, 2019. Report and toolkit available at: <https://resourcecentre.savethechildren.net/library/achieving-durable-solutions-returnee-children-what-do-we-know>.

³⁷ See Save the Children, *Road to Recovery*, September 2019, p 1. Available at: <https://resourcecentre.savethechildren.net/library/road-recovery-responding-childrens-mental-health-conflict>.

more effective response in diagnosing and treating psychosocial issues and in supporting children to recover.³⁸

We recommend that the Australian Government:

- Contributes a share towards an additional \$1m to pilot the Education Mental Health and Psycho Social Support Minimum Service (MHPSS) Package within ECW projects;
- Provides a further and dedicated \$50m over the next three years to integrate and deliver MHPSS within ECW more broadly; and
- Integrates sustainable child MHPSS funding in all global humanitarian responses and commit to increased multi-year funding to better meet the protection needs of children in crisis.

Budget Initiative	2020-21	2021-22	2022-23	2023-24	Total
Increasing humanitarian assistance and replenishing ECW	\$130m	\$120m	\$120m	\$120m	\$490m

4. Commit \$1.5 billion in new public money to international climate assistance, including a new program of community-driven climate change grants worth AUD \$20 million

Save the Children Australia welcomes DFAT’s 2019 Climate Change Action Strategy for 2020-2025 (Climate Change Strategy).³⁹ Further, we welcome its interaction with other pillars of Australian foreign policy and international development, including the 2017 Foreign Policy White Paper, the Sustainable Development Goals, and Australia’s aid strategy. The Strategy also speaks to Australia’s commitment to working with international partners to achieve the goals of the 2015 Paris Agreement, including by building on Australia’s track record of engagement in the Pacific.

The Climate Change Strategy reflects Australia’s decision to cease payments to the Green Climate Fund. Instead of that previous, multilateral approach, it sets out a comprehensive program of bilateral engagements around climate change, including in the Pacific, as part of the Pacific Step-Up, alongside investments in South and Southeast Asia. However, we note that at present, all funding referred to in the strategy is drawn from Australia’s existing \$4 billion annual ODA allocation, which is then bundled up within named initiatives such as the \$500 million Australia pledged at the Pacific Islands Forum in August 2019. This figure also seems to overlap with others, including the “climate infrastructure window” inside the Australian Infrastructure Financing Facility for the Pacific. In addition to these packages, Australia has created another \$140 million Australian Private Sector Mobilisation Climate Fund for the Pacific and Southeast Asia, again, drawn from the existing ODA budget. In our view, this overlapping demonstrates that the existing ODA budget is being stretched too thin.

We expect that Australia will soon announce a new commitment of international climate assistance funding for its development cooperation program. We recommend that the Australian Government commit \$1.5 billion in new public money to the Australian development cooperation program for climate assistance over five years, instead of continuing to source all its assistance funds from the ODA budget. This budget is now subject to a growing range of pressures, based both in human development and geostrategic demands, and Australian climate announcements in the Pacific are subject to

³⁸ Ibid, p 2.

³⁹ See DFAT, *Climate Change Action Strategy*, 2019. Available at <https://dfat.gov.au/about-us/publications/Documents/climate-change-action-strategy.pdf>

growing criticism as a result, including at the 2019 Pacific Islands Forum. Accordingly, Australia should aim to lift its ambition beyond the \$1 billion committed in 2015.

Within this new commitment, we also recommend that the Australian Government recognise the growing need to respond directly to developing communities, including in the Pacific, and attending to their climate mitigation and adaptation needs. In these communities, as in all others, children are particularly vulnerable to the impacts of the growing climate crisis and climate emergency. Schools, hospitals, crops, homes, and jobs are all made increasingly precarious by the climate crisis. Yet security from climate impacts is a critical underpinning for Indo-Pacific communities’ performance against human capital and human development indicators, including for children. It is also in line with SDG 13.⁴⁰ Yet we note that the new Climate Change Strategy lacks a commitment to financing climate adaptation packages that can work at the community level, mobilising grass-roots resources to address both urban and rural climate impacts. Such a package would assist Indo-Pacific communities at critical sub-national levels.

We therefore propose that the Australian Government commit \$20 million to restoring the Community-Based Climate Change Action Grants (CBCCAG) program, in which several Australian NGOs, including Save the Children, participated from 2011-2016. The program covered Vietnam, Timor Leste, the Philippines, PNG, the Solomon Islands, Vanuatu, Kiribati, the Marshall Islands and Tonga, and received a glowing evaluation report from independent consultants Griffin NRM in 2016. Initiatives like this one are critical in connecting global initiatives like the GCF with community needs, through the capacity for coordination and financial leveraging made available to these communities by NGOs like Save the Children, both in Australia and in the Pacific.⁴¹

Budget Initiative	2020-21	2021-22	2022-23	2023-24	2024-5*	Total
International climate assistance commitment	\$300m	\$300m	\$300m	\$300m	\$300m	\$1,500m

*While this is beyond the forward estimates, a figure has been included for 2024-25 as we are proposing a commitment over five years.

⁴⁰ Sustainable Development Goal 13: Take urgent action to combat climate change and its impacts.

⁴¹ See Griffin NRM, “Independent Evaluation of the Community-based Climate Change Adaptation Grants Program – Main Evaluation Report.” Available at: <https://www.apf.gov.au/DocumentStore.ashx?id=ab661301-80d4-4527-9801-ec3a842c7a97>.

Key Recommendations – Social Services and Education

1. Invest \$21.8 million per year for integrated early years' support for the most vulnerable children

Investment in children's early years – especially from conception to the age of three – is the best early intervention and provides the highest return on investment.⁴² Yet children begin falling behind even before birth. Those who start behind rarely recover. Those who start life most disadvantaged are also those who most quickly lose touch with the support that could help them shift on to a better path.⁴³ Repeated effort over time has demonstrated that these most disadvantaged and hardest-to-reach children and families do not engage with 'mainstream' services.⁴⁴ A different approach is needed.

The early years are when integrated, holistic support is both most needed and most able to truly shift a person's or family's life trajectory. Save the Children has targeted its early years services to meet these needs. The core of our approach is an integrated early childhood development and family support intervention: a dual-worker model involving an early childhood educator and a family support worker who work collaboratively to address children's and caregivers' needs. This is typically delivered in our intensive supported Play2Learn playgroups, and includes an in-home module. The playgroup setting overcomes barriers to marginalised families accessing services, including geographic barriers, distrust of government and other institutions, and cultural stigmas associated with using such services. It also provides a 'soft entry' to other support services which families are otherwise unlikely to access.

There is good evidence of Play2Learn's impact for this cohort. An external review drawing on previous evaluations concluded: 'Results highlight consistently positive outcomes for children and families in Save the Children playgroups'.⁴⁵ The review found benefits for children and parents including (among others) improved parental confidence, enhanced parenting and life skills, increased informal and formal support networks for parents, and improved school readiness among children.⁴⁶ It also noted the connections between Save the Children's playgroups and mainstream services, and that intensive

⁴² For an overview of Nobel laureate James Heckman's well-known work on this point, see Heckman Equation, 2019. *The Heckman equation brochure*. Available at: <https://heckmanequation.org/resource/the-heckman-equation-brochure/>. In an Australian context, see PwC, 2014. *Putting a value on early childhood education and care in Australia*. Available at: <https://www.pwc.com.au/pdf/putting-value-on-ecec.pdf>; Strong Foundations collaboration, 2019. *The first thousand days: A case for investment*, PwC, ARACY, Bupa, Murdoch Children's Research Institute. Available at: <https://www.aracy.org.au/documents/item/608>.

⁴³ Participation rates in early childhood education and care services are lower for children from disadvantaged cohorts and there is evidence that attendance rates decline as levels of disadvantage increase: M. O'Connell, S. Fox, B. Hinz and H. Cole, 2016. *Quality early education for all*, Mitchell Institute, pp 27, 33. Available at: <http://www.mitchellinstitute.org.au/wp-content/uploads/2016/04/Quality-Early-Education-for-All-FINAL.pdf>; S. Wong, L. Harrison, C. Rivalland and C. Whiteford, 2014. 'Utilisation of early childhood education and care services in a nationally representative sample of Australian children', *Australian Journal of Early Childhood*, vol 39(2).

⁴⁴ For example, participation by all Australian children in high quality early childhood education in the year before school would be enormously beneficial. Yet, as reflected in the work of the Universal Access National Partnership Review, there have been persistent difficulties in reaching preschool attendance levels that could be considered meaningful universal access. The children who would most benefit from attending high quality preschool lose contact with mainstream services long before the age of four. Similar issues arise with children's access to other early childhood education and care services such as maternal and child health and long day care services.

⁴⁵ J. Boddy and J. Cartmel, 2011. *National early childhood care and development programs: Desk top study*, Griffith University, p 5. Available on request.

⁴⁶ Ibid p 25.

supported playgroups are an effective means of engaging hard-to-reach families.⁴⁷ These findings are consistent with the broader research literature, which points to supported playgroups' strong theoretical foundation and highlights similar benefits for highly disadvantaged families.⁴⁸

We take this service to wherever families are: community hubs, parks and school sites, outreach into homes and safe places in remote communities, and tertiary settings like prisons. Our workers provide a safe entry point for families who would otherwise miss out. For many families, especially in remote communities, these are the only services which they will regularly access. They provide a critical preventive and early intervention platform for supporting families in difficulty at an early stage.

This integrated model operates in over 100 locations in every State and the Northern Territory (see indicative map below), reaching around 12,000 people each year. Save the Children establishes delivery sites where data and local insight indicate there is a need for such services, and where funding support is available, generally based on need identified by government and the existence of significant disadvantage. Currently the Australian Government – through the Department of Social Services, the Department of Home Affairs and the National Indigenous Australians Agency – provides around \$8 million per year to fund Play2Learn, in addition to State Government and other funding.



Play2Learn meets a clear need in these communities and fills a gap that would otherwise exist in the early years' service system for highly vulnerable families with young children. Yet in many sites, there is significant unmet demand for the support Play2Learn provides. In particular, there is a need for much stronger outreach support into homes and other safe settings – especially in the very early developmental years aged zero to three – for these highly vulnerable families and children.

There are enormous gains to be realised in children's outcomes throughout their lives, and in avoided costs to society and government, from providing integrated, accessible support to vulnerable children and families in the early years. These gains could be realised by a total investment of \$21.8 million⁴⁹

⁴⁷ Ibid pp 24 and 28.

⁴⁸ J. Commerford and E. Robinson, 2016. *Supported playgroups for parents and children: The evidence for their benefits*, CFCA Paper No 40. Available at: <https://aifs.gov.au/cfca/publications/supported-playgroups-parents-and-children>; K. Williams, D. Berthelsen, M. Viviani and J. Nicholson, 2018. 'Facilitated parent-child groups as family support: A systematic literature review of supported playgroup studies', *Journal of Child and Family Studies* 27(8).

⁴⁹ Some of this is existing funding not yet confirmed in forward estimates but provided in the current 2019-20 financial year. Accordingly, the actual 'new' expenditure from 2020-21 would be lower than this figure if existing funding is continued.

per annum to enable Play2Learn to fully meet the need in its existing sites, where government has already identified a need to focus on vulnerable children and families in their early years. This represents an investment of around \$1,800 per person reached, a highly cost-effective early intervention with a high impact for a cohort that is extremely difficult to reach, and otherwise very likely to have poor life outcomes across all key domains. External analysis of a sample of our Play2Learn sites in Adelaide identified a social return on investment of \$5 for every \$1 invested.⁵⁰

This investment would keep our most vulnerable families and children engaged with mainstream services in their earliest years, when they are most at risk of falling irretrievably behind, by enabling:

- Play2Learn to continue to support highly vulnerable families and children in all existing locations – \$16.7 million per annum;⁵¹
- site-by-site innovation and adaptation to local need (eg, intensive family outreach and in-home support, focused parenting support groups, specific initiatives targeting local priorities such as good nutrition, and customisation to remote settings and Aboriginal and Torres Strait Islander communities or recent migrant communities) – \$4.1 million per annum;⁵² and
- robust monitoring, evaluation and learning, including continuous quality improvement at national scale and rigorous evaluation of impact – \$1.0 million per annum.

Budget Initiative	2020-21	2021-22	2022-23	2023-24	Total
Integrated early years' support	\$21.8m*	\$21.8m*	\$21.8m*	\$21.8m*	\$87.1m*^

* Costings include existing Australian Government funding for Play2Learn provided in 2019-20 and assume this funding continues. Accordingly, the actual 'new' expenditure would be lower. Costings do not account for indexation.

^ Totals do not add up exactly due to rounding of annual costs.

2. Invest \$35.3 million over four years to target place-based initiatives to highly vulnerable families and children

Many Australians continue to experience persistent, complex and often locational disadvantage, strongly associated with family background and intergenerational factors. The current service delivery model has not achieved sustained or systemic change for this cohort. Despite best efforts and substantial investment by all levels of government, these individuals and families continue to fall through the cracks of siloed service delivery, with services that are unresponsive to local need, and gaps in support despite a proliferation of initiatives attempting to address the issue.

Place-based approaches represent a genuinely different way of doing things. They have the potential to create real, meaningful and enduring change at the community level and systemically. We welcome the Australian Government's increased investment to date in place-based approaches to better support children and families. The Australian Government has a critical role to play in scoping and seeding new approaches and sites, sustaining proven models, and using its unique network in regional and remote Australia (including remote Aboriginal and Torres Strait Islander communities) to convene or facilitate longer term funding partnerships.

⁵⁰ Unpublished; available on request. Undertaken by Nova Smart Solutions drawing on research conducted with the Department of Social Services on *Communities for Children*.

⁵¹ See footnote 49 above.

⁵² See footnote 49 above.

We believe there is an opportunity for significant expansion of investment in place-based initiatives, accompanied by robust monitoring and evaluation, and guided by a clear investment approach which targets entrenched disadvantage at a regional, community, family and individual level. Place-based interventions depend for their success on establishing the right roles and responsibilities across governance and service delivery, taking local needs into account.

Save the Children recommends the following investment approach as part of a shift beyond pilots and trials to support place-based approaches to achieve sustainability and scale, and to begin achieving their full impact:

- Expand the *Connected Beginnings* program, which supports the integration of early childhood, maternal and child health, and family support services with schools in disadvantaged Indigenous communities. Depending on individual community readiness and need, a range of additional practices can further strengthen this model, including: robust Indigenous community governance; community navigators who are locally employed staff with grassroots connections to community; and elements of collective impact, particularly relating to data-driven action and activation of community voice.⁵³
- Create a new '*Stronger Start*' initiative, which supports a highly targeted and intensive integration of child and family services for a small number of the most vulnerable families in disadvantaged communities. The key elements would be:
 - Targeting to families with children in the first 1000 days or up to three years of age.
 - Use of data, community knowledge, and community buy-in to identify the indicators of extreme vulnerability and need for support in the community, and to identify the individual families in the community who meet those criteria.⁵⁴
 - Provision of highly targeted, intensive, integrated services and support to the identified families. This would draw on existing evidence-based intensive family support programs.
 - Focus on a small number of families with highly complex needs, reflecting the evidence that it is these families which create by far the greatest costs to government and society and whose outcomes are least likely to improve through traditional service provision.
 - Optionally, a focus on Aboriginal and Torres Strait Islander communities.
 - Devolution to service providers of responsibility for achieving meaningful improved outcomes for the hardest to reach families in the identified communities, which could include outcomes-based contracting and payment.
- Continue the *Communities for Children* initiative and consider whether to add to the existing 52 disadvantaged communities that it covers.⁵⁵
- Continue the *Stronger Places, Stronger People* collective impact initiative, and consider whether to add to the 10 demonstration communities that it is currently anticipated to cover, where there is demonstrated community need and readiness.

The proposed *Stronger Start* initiative would complement existing initiatives by meeting a need that the others are unlikely to directly address, given the intensity of the intervention required to effectively support the families who would be its targets. It would fill a gap: the absence of a more

⁵³ Save the Children is currently leading integration activities under *Connected Beginnings* in Doomadgee, Queensland.

⁵⁴ This could include community-level data or use of linked data sets depending on the size of the site.

⁵⁵ Save the Children is currently the Facilitating Partner for the East Kimberley region.

targeted intervention aimed at particularly vulnerable and hard-to-reach families within disadvantaged communities where place-based initiatives operate. It could be trialled in existing place-based sites; *Connected Beginnings* sites are most likely to be suitable and well aligned.⁵⁶

Key locations which would benefit from new or expanded place-based interventions, which could include selection as a *Connected Beginnings* site (for those not already part of *Connected Beginnings*), an expanded *Connected Beginnings* model and/or a *Stronger Start* intervention are: Palmerston, Wadeye and Katherine in the Northern Territory; Tara in Queensland; Gawler and the greater Ceduna region in South Australia; East Gippsland in Victoria; and the south east corridor of Perth, Halls Creek in the East Kimberley, and the Dampier Peninsula in Western Australia. While existing place-based approaches operate in some of those regions, there is significant scope to build on them without risk of duplication, inefficiency or confusion.

Budget Initiative	2020-21	2021-22	2022-23	2023-24	Total
Place-based initiatives	\$6.5m*	\$8.0m*	\$9.6m*	\$11.2m*	\$35.3m*

* Costings assume that *Connected Beginnings* is expanded into new sites and is also expanded to include the additional strengthening practices mentioned above in some sites (a mix of existing and new sites), and that the *Stronger Start* intervention is trialled and scaled in some of the same sites (which will enable some efficiencies by combining elements of the additional *Connected Beginnings* strengthening practices and the *Stronger Start* initiative). The costs are scalable – down or up – depending on the level of ambition associated with the Australian Government’s place-based investment approach.

3. Invest \$10 million over four years to engage children at risk during the school years

Australia’s next big education challenge is supporting children’s wellbeing and development of the social and emotional skills needed to set them up for success in learning and in life. Increasingly, this challenge is being felt in children’s primary as well as secondary school years.

Disengagement and poor wellbeing at school is a national problem. Australian students rank well below the global average on important measures of school climate and how they feel at school.⁵⁷ Mental health and wellbeing issues are increasingly identified in children’s primary school years, with growing demand from principals for support at that early stage to prevent future harm and costs.⁵⁸ These issues are associated with disengagement, and children who become disengaged are more likely to leave school early and experience significantly worse life outcomes.⁵⁹

These issues cut across core Australian (Commonwealth) Government responsibilities. For example, the Productivity Commission has recently highlighted the importance of school-based prevention and early intervention programs in supporting mental health and wellbeing while noting the Australian

⁵⁶ Ceduna is one example. It is within one of the already selected demonstration communities under *Stronger Places, Stronger People* and is a *Connected Beginnings* site, in addition to other Australian Government and State Government service integration initiatives.

⁵⁷ OECD, *Programme for International Student Assessment (PISA) results from PISA 2018*, Country note, Australia, pp 8-9. Available at: https://www.oecd.org/pisa/publications/PISA2018_CN_AUS.pdf.

⁵⁸ Save the Children analysis.

⁵⁹ Deloitte Access Economics, 2012. *The socio-economic benefits of investing in the prevention of early school leaving*. Available at: http://handsonlearning.org.au/DAE_investing_in_preventing_ESL_via_HOL_September_2012.pdf.

Government's responsibility for primary mental healthcare.⁶⁰ The fiscal savings to the Australian Government of avoided early school leaving would be around \$12.5 billion every year,⁶¹ along with large productivity gains from improved student engagement and completion.

The Australian Government's needs-based school funding reforms have enabled schools to invest in programs to keep at-risk students engaged or re-engage them. There is strong demand from schools for effective solutions. What is missing is access to high quality programs which can be provided sustainably and nationally. The Australian Government is uniquely placed to create the conditions for such programs to be accessible to schools everywhere across Australia, by supporting proven innovations to scale. This would put schools in a position to make purchasing decisions based on their priorities and needs, by making evidence-based programs accessible across the country.

There are few school-based wellbeing programs with strong evidence of impact and demonstrated ability to scale. Hands on Learning is one. It has operated for 20 years and runs in over 100 schools in Victoria, Queensland, New South Wales and Tasmania. Students spend one day every week outside the classroom working collaboratively on authentic, meaningful projects around the school and community that build teamwork, problem solving, and communication capabilities. Evaluation shows that confidence, motivation and attendance increase significantly through participation in Hands on Learning, building a platform for greater engagement in classroom learning during the remaining four days of the school week,⁶² with significant benefits for broader wellbeing and mental health.

Hands on Learning is also unique in providing a proven model for both secondary and primary schools.⁶³ This makes Hands on Learning a powerful avenue for early intervention, offering particularly high returns on investment when implemented in those early school years.

A \$10 million investment from the Australian Government over four years would deliver national access to Hands on Learning. It would establish the infrastructure for Hands on Learning's expansion into new areas where there is high need at sustainable scale, leveraging State Government co-investment and based on individual schools' needs and purchasing decisions. This investment would:

- lead to support being targeted where it is needed most by enabling Hands on Learning to establish in regional clusters of low ICSEA schools – tripling the existing footprint to 300 schools supporting up to 5000 students annually;
- resource a specialised team to support national implementation, assurance and evaluation;⁶⁴

⁶⁰ Productivity Commission, 2019. *Mental health: Productivity Commission draft report – Overview & recommendations*, Commonwealth of Australia, pp 2, 11-12, 35, 43. Available at: <https://www.pc.gov.au/inquiries/current/mental-health/draft>.

⁶¹ S. Lamb and S. Huo, 2017. *Counting the costs of lost opportunity in Australian education*, Mitchell Institute. Available at: <http://www.mitchellinstitute.org.au/wp-content/uploads/2017/06/Counting-the-costs-of-lost-opportunity-in-Australian-education.pdf>. The figures cited for costs to the Australian Government are estimates based on the Mitchell Institute's analysis, which does not differentiate between costs to the Australian Government and State Governments.

⁶² For the results of a formal study of Hands on Learning's benefits, see Deloitte Access Economics, above n 59. For an overview of Hands on Learning's underlying evidence-based research and measurement framework, the Connection, Capacity and Meaning Framework originally developed by the University of Melbourne, see Save the Children, 2019. *Future directions: Hands on Learning – Keeping young people connected to education and building capacity for future success*, pp 10-12. Available at: <http://handsonlearning.org.au/wp/wp-content/uploads/2019/03/Hands-on-Learning-Future-Directions-2019-1.pdf>.

⁶³ Primary schools comprise about one third of all schools implementing Hands on Learning.

⁶⁴ This includes national quality control, program implementation, measurement and evaluation, with support for partnering with local community and government agencies to undertake projects that create local value.

- leverage an estimated \$3 State Government for every \$1 of Australian Government investment from partner primary and secondary schools; and
- create economies of scale enabling more efficient delivery of the program and a reduced underlying base cost per-school and per-student, which together with a new pricing model being developed for the program and leveraged State Government support will ultimately enable sustainability without ongoing Australian Government support.

Budget Initiative	2020-21	2021-22	2022-23	2023-24	Total (\$m)
Hands on Learning	\$1.7m*	\$2.3m*	\$2.7m*	\$3.3m*	\$10.0m*

* These figures are expressed in financial years but may require adjustment to align with school year (calendar year) funding cycles, depending on the timing of relevant decisions by government. This would not affect the overall envelope of \$10.0 million over four years.

4. Avoid service cuts by reflecting the current cost of service provision

High quality service provision is only possible when the people providing the services are appropriately paid. This rate of pay is determined by the Fair Work Commission's 2012 Equal Remuneration Order (ERO). The ERO set legally-mandated wages for social and community services workers, with phased increases over the following eight years, ending in 2021.

Save the Children understands that, at the time of this submission, Australian Government supplementation funding to cover the increased wages – which are part of the current cost of service provision – has not been built into base funding levels for services. This is a matter of great concern. Save the Children supports the concerns that have been raised by the Councils of Social Service Network and others. If these increased wages are not built into the funding base for services, service providers across the sector will have no choice other than to make significant service cuts while undergoing widespread staff redundancies.

For Save the Children, these service cuts would entail our specialist early childhood programs reaching 30-50 per cent fewer children and parents due to reduced staffing hours and curtailing of services. Frontline staff would need to be made redundant, with significant reductions in working hours for remaining staff. These reductions would have a flow-through effect, making it difficult to recruit and retain quality, experienced staff, particularly in the remote and highly disadvantaged areas where they are often most needed and yet most difficult to find.

Save the Children urges the Australian Government to ensure that adequate provision is made for the increased wages of the social and community services sector workforce in programs' ongoing base funding, to enable continuity of services for the most vulnerable and disadvantaged members of our community.

Budget Initiative	2020-21	2021-22	2022-23	2023-24	Total
Wages – social and community services sector	*	*	*	*	*

* This issue has sector-wide implications for service delivery and the Federal Budget and will require decisions from Government which affect the entire sector, based on similarly sector-wide considerations. Accordingly, Save the Children has not sought to cost the budget implications of addressing it.

