

## Session I: Setting the Scene

Alison Frame<sup>1</sup>

Secretary, Department of Veterans' Affairs, Canberra

alison.frame@dva.gov.au

Thanks for the invitation. I would also like to acknowledge the traditional owners of the land, the Gadigal people of the Eora Nation, and pay respects to Elders past and present. Also, to affirm my commitment and the commitment of the team in PM&C to practically applying that recognition to the work that we do on a daily basis. I feel affirmed by some of the things that Richard has mentioned, and that aligns with what I will talk about here today. I want to acknowledge that, despite decades of economic success in Australia, many Australians continue to face entrenched and complex disadvantage. Disadvantage can significantly affect an individual's social and economic engagement. There's growing evidence that growing up in disadvantage can significantly impact a child's neurological development in ways we had not contemplated before.

With increasing geographic concentration of disadvantage, it can lead to deep-seated social impacts and threatened social cohesion: something we often take for granted here in Australia. To acknowledge, from the government's perspective, that existing approaches to address disadvantage have not often worked, habitually resulting in fact in the entrenchment of disadvantage. After briefly reviewing our progress towards addressing entrenched disadvantage, I will give my take on past approaches and how they might be better directed. We clearly

need to rethink the way we develop and implement policy. I think there are good reasons the current government might place a greater focus on placed-based initiatives, community-driven initiatives, policy co-designed with the people it affects most, and greater use of monitoring and evaluation to support continual learning and ensure policy is directed to where it's most effective. But, at its heart, government, communities, providers, and individuals all need to work better together and differently together as partners.

### Inequality

Some degree of inequality we know in society is inevitable. Arising due to differences in ability, opportunity, effort, and luck. But policy has the power to increase or reduce inequality. Inequality is typically best addressed through an efficient, progressive tax and highly targeted transfer system, as Richard has referred to. Prior to the pandemic, Australia experienced almost three decades of continuous economic growth, which led to significant improvements in living standards. Over these 30 years, income inequality in Australia rose only slightly. As highlighted by the Productivity Commission, unlike the US and UK over the period from the 1980s to the mid-2010s, Australia enjoyed high income growth across all income deciles with notably stronger growth in the bottom decile. In large part,

---

<sup>1</sup> This is an edited version of a transcript of the presentation.

this is due to Australia's progressive tax and highly targeted transfer system, which substantially reduces the degree of income inequality. Consumption inequality can also be a better measure, as it more directly relates to an individual's welfare.

In Australia, consumption inequality is around 30 per cent lower than income inequality when in-kind government transfers such as education, health, and public housing are included in people's consumption.

Income is not the only relevant measure of wellbeing. Others include wealth and life expectancy, but I won't go into those ones today.

### **Entrenched disadvantage**

I want to talk bit more about entrenched disadvantage. Many Australians experience economic disadvantage at some stage in their lives, but for some — and for most, in fact — it's temporary. Traditional measures of income-minus-consumption inequality provide a snapshot at a point in time. However, arguably most important is the extent to which individuals move across the distribution over their lifetimes. What is often termed economic mobility.

Economic mobility is high in Australia. Almost everyone moves across the income distribution over the course of their lives. But some Australians experience entrenched disadvantage.

In 2018, the Productivity Commission found that around 9 per cent of Australians — that's 2.2 million people — experienced relative income poverty in 2015 and 2016. That is income below 50 per cent of the median. This aggregate figure has fluctuated since 1998 and 1999 but has not declined. Persistent and recurrent poverty affects a small but significant

proportion of the population. About 3 per cent of Australians — roughly 700,000 people — have been living in income poverty continuously. People living in single-parent families, unemployed people, people with disabilities, and Indigenous Australians are particularly likely to experience income poverty deprivation and social exclusion. Living in poverty can constrain a child's development and life prospects, and lead to a higher likelihood of entrenched disadvantage.

Children from disadvantaged backgrounds are likely to suffer as a result of disrupted schooling. That has occurred through COVID-19. As we know from the lockdowns, extended lockdowns, and in different states, the effects have differed. The effects on children from disadvantaged backgrounds are amplified by limited access to equipment and support, while home schooling and research examining school closures in the Netherlands found education losses were up to 60 per cent larger for disadvantaged students. These educational losses are no doubt compounded by impacts on mental health, and you will see and hear continuing work in that regard.

### **How can policy address entrenched disadvantage?**

I want to pause here to look at past approaches and how they could be better directed in the future. Well-intentioned but poorly targeted policy can not only miss an opportunity to ameliorate disadvantage but can actually contribute to it. This can include where policies create adverse incentives, are overly complex or hard to engage with, overreach the role of government, or lead to uncertainty and responsibility. People who experience entrenched disad-

vantage are likely to face multiple barriers and require help in building capabilities. Current policy and fiscal frameworks, which tend to focus on short-term outputs — even worse inputs — within a single portfolio are unlikely to support good policy.

Too often policy focuses on trends and averages, which can often mask important details. For example, while the challenges facing many people experiencing entrenched disadvantage may be similar, lived experiences and social and cultural factors vary widely.

As a consequence, much policy does not directly target those most in need or tackle the underlying causes of disadvantage, let alone provide the wraparound support that is needed to make a difference. Worse still, blame for the failure of misguided policy is often transferred to individuals and communities, compounding the stigma of disadvantage. Hillary Cottam, author of *Radical Help* (2018), highlights that support systems and the ways we do policy fail to cope with today's challenges because they weren't set up to do so in the first place. On top of the outdated design features of our siloed programmatic approaches to complex and multifaceted disadvantage, Australia also faces an additional challenge to ensure our policy institutions recognise the complex split of responsibilities across Australian governments in our federation.

Having attended almost 50 National Cabinet meetings at this stage in my life, I see those daily complexities frequently. At the same time, these very same governments have emerged from the COVID pandemic with a changed fiscal reality that demands more efficient and effective spending going forward. Clearly, we need to work better together. Our approaches need to

be grounded in this imperative, recognise and learn from past failures, and elevate the role of communities in shaping the support they consider will be most effective for them. This inversion of the policy-making process through community-driven approaches is also what is clearly envisaged and agreed to in the Closing the Gap agreement in 2020 between Australian governments and the Coalition of Peaks. The priority reform set out in that agreement enshrines an aspiration for policy for First Nations communities that originates with them and with which governments work to deliver and implement.

How can we help ensure policy is more effective at tackling entrenched disadvantage? We need to get the fundamentals right. Policy needs to have a long-term clear strategic focus. It needs to be relevant. That includes policy co-designed with the people and communities who are directly impacted, with stewardship and accountability for outcomes and impact shared. It needs to support people's capabilities instead of fixing their problems. It needs to be informed by rigorous evidence. It needs to build local capability as well as delivering services. It needs to support continual learning through credible and transparent monitoring and evaluation. Policies and actions to address entrenched disadvantage chop and change frequently, and implementation has been inconsistent. We too often persist with policies that are not effective or delivering. No single policy, government department, organisation, or program can solve the complex problems facing most children and families living in communities where disadvantage is concentrated. We need to better understand the multiple factors that influence and drive

entrenched disadvantage, evaluating the impact of policy that may contribute to it. This includes greater focus on the development and use of linked longitudinal data, better data-sharing and improved data capability, particularly by government and service providers, and improve monitoring and evaluation systems to be more robust and transparent.

I will close with some examples of some good place-based approaches that have been implemented by the Australian Government and which we would like to build on in time. These place-based or community-driven approaches to policy can support real change. For place-based approaches to be effective, they require an investment in building community capacity and governance and leadership.

A partnership between the Murdi Paaki Regional Assembly and the Department of the Prime Minister and Cabinet, to gather learnings from community-led governance, noted the importance of building capability, including to address power imbalances. Greater use of co-designed place-based approaches to policy, including implementation, is producing positive results. There are great examples of success: Stronger Places, Stronger People is a community-led collective impact initiative stewarded by the Commonwealth in partnership with state and territory governments. At its heart, the initiative draws on data and evidence to inform where we need to invest.

Working with communities, facilitating more inclusive engagement, joint decision making, governance and local action. Earlier this year, I was fortunate to meet the passionate backbone team behind Burnie Works. For over seven years, Burnie Works has been facilitating a place-based system

to create the conditions for positive change in Burnie in northwest Tasmania. Burnie Works is jointly funded by the Tasmanian and Australian governments through the Stronger Places, Stronger People program to invest in collective impact in the area. It facilitates community engagement over issues and priorities, service system issues and opportunities for the community to mobilise on new reforms and investment. Through the Stronger Places, Stronger People program, the Tasmanian Government has engaged Burnie Works on the implementation of the, It takes a Tasmanian Village child and youth wellbeing strategy, and both have recently partnered with Seer Data and Analytics to provide a data-sharing platform.

This collaboration will assist to build on an informed approach to community building through sharing state and other data. With the Burnie Child and Family Learning Centre, Burnie Works has mobilised community interest and is now working to implement a suite of measures to help with connection, nutrition, caring and moving to support baby and infant physical activity.

### Conclusion

In conclusion, disadvantage affects how individuals and their children participate in society. Disadvantage affects an individual's self-esteem and self-confidence, which in turn impacts individual performance.

Existing measures to address disadvantage have failed, resulting in the entrenchment of disadvantage for many. If we are to break the cycle and create greater opportunities for social and economic participation, we all need to change the way we think about policy and how it is developed. This will require governments, communities, provid-

ers, and individuals to work in partnership. It will require place-based approaches, and community-driven approaches built around genuine partnerships with initiatives co-designed and supported with careful monitoring and evaluation. Early interventions to tackle disadvantage can prevent entrenchment, not only providing opportunities for individuals, but reducing costs on health and welfare expenditure and build greater community cohesion. Thank you.

### Bibliography

- Burnie Works (2023) Welcome to Burnie Works, <https://burnieworks.com.au/>
- Cottam H (2018) *Radical Help: How We Can Remake the Relationships Between Us & Revolutionise the Welfare State*. London: Virago LittleBrown.
- Department of Social Services (2023) *Stronger Places, Stronger People*. <https://www.dss.gov.au/families-and-children-programs-services/stronger-places-stronger-people>
- Murdi Paaki *Local Decision Making Accord II* <https://mpracom.au/uploads/images/news/Signed-MPRA-Accord-for-distribution.pdf>