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Economic Audit Committee Members
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Dear Committee Members

Economic Audit

I was appointed as Western Australia's inaugural Commissioner for Children and Young People in December 2007 pursuant to the *Commissioner for Children and Young People Act 2006* (the Act).

Under the Act, I have responsibility for advocating for the half a million Western Australian citizens under the age of 18 and for promoting children and young people's entitlement to live in a caring and nurturing environment and to be protected from harm and exploitation. In performing all functions under the Act, I am required to have regard to the *United Nations Convention on the Rights of the Child*, and the best interests of children and young people must be my paramount consideration. I must also give priority to, and have special regard to, the interests and needs of Aboriginal and Torres Strait Islander children and young people, and to children and young people who are vulnerable or disadvantaged for any reason.

It is with these responsibilities in mind that I submit initial comment to the Economic Audit Committee's review into the operational and financial performance of the Western Australian public sector. I intend to provide a more comprehensive submission to the Committee but in the short term I haven taken this opportunity to highlight areas of need as I see them, outline strategies to address these areas, and to encourage the Committee to consider children and young people as it steers Western Australian economic public policy into the future.

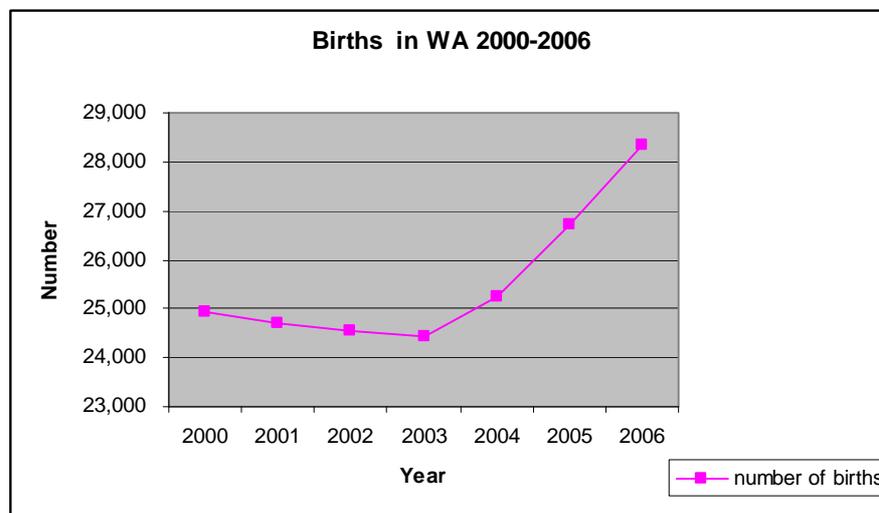
Investment in Early Years

The initiative to increase investment in young children in Australia is critically overdue. In comparison with other Organization for Economic Cooperation and Development (OECD) countries, Australia is among the lowest with (2005) expenditure of 0.1% of GDP on pre primary educational services, being 1.7% of the education budget. This compares with the UK expenditure of 0.45% of GDP in 2005 as 8% of the educational investment. Since that time the UK has dedicated additional amounts with recent estimates of 1.2% of GDP being spent on pre-primary educational services.

Denmark commits 2.1% of GDP to early childhood. The benefits of this investment for workforce participation are clear with the average employment rate from mothers with children under 6 at 74%, of whom 5% work part time - whereas for Australian mothers of children under 5 (data not available for under 6) 16.2% are employed full-time, 35.5% part-time. The child poverty rate for Denmark is 2.4% - Australia's child poverty rate is 14.7% (OECD average is 11.2 %).¹

Whilst the OECD statistics prove that Australia is lagging behind on early years investment, it is arguable that Western Australia is even further behind other jurisdictions in Australia. There has been no strategic direction for early childhood development in this State. Even ensuring that basic services keep pace with population growth has not occurred; birth rates for Western Australia have increased by 15.6% since 2002 (see figure 1) without the concomitant planning for and increase in the number of Community Child Health Nurses and Aboriginal Health workers.

Figure 1



Data Source: Epidemiology Branch, Analysis & Performance Reporting, DOH, WA March 2008

The increased demand for and burden on the existing Child Health Nurses is placing limitations on their ability to fulfill the potential of their role, with the ratio of birth notification to child health nurse FTE now up to 1:167 (in most other jurisdictions this ratio ranges from 1:78 to 1:98).² Subsequently there is less capacity for nurses to identify and build relationships with vulnerable families and to provide the appropriate level of support and involvement with families. The Department of Health estimates that an additional 94 Child Health Nurses are needed state-wide to adequately cater for these increased numbers.

The increase in demand currently experienced by Child Health Nurses will continue through to the childcare sector, primary schools and other (including Aboriginal) services. The first cohort of children from the year of increase 2004 will be coming into the four year old pre primary system in 2008/2009. There is an urgent need to plan for services that are delivered to these children and families, including an additional 135 school health staff to deliver fundamental prevention and promotion health services in schools.

¹ Organization for Economic Cooperation and Development, *Starting Strong II: Early Childhood Education and Care*, 2006.

² Information provided to the Commissioner for Children and Young People from Department of Health, correspondence received 20 August 2008.

In a recent article for the Australian Institute of Family Studies, Professor Fiona Stanley points out:

The amount of GDP alone does not predict good outcomes for children and young people. In fact the wealthiest countries performed relatively poorly compared with those with lower GDPs but whose policies focus more on family support, valuing parenthood (e.g. very good parental leave provisions), early childhood services and on reducing inequalities.³

As well as the benefits to children, there are strong economic arguments that an investment in early childhood leads to benefits for the community and government in that children are more likely to be physically healthy, succeed academically, have greater employment options, and that they are less likely to commit crime, be engaged in child protection systems or dependant on welfare in the long term. These outcomes are even more strongly indicated for children who live in disadvantaged families or areas. Many senior economists agree that the gains of early childhood investment are great at both an economic and human capital level:

Investing in early years programs is good economic policy. If society intervenes early enough it can affect cognitive and social emotional abilities and the health of disadvantaged children. Early interventions promote schooling, reduce crime, promote workforce productivity and reduce teenage pregnancy. These interventions are estimated to have high benefit-cost ratios and rates of return.⁴

The significant effort and activity of the Council of Australian Governments' (COAG) Early Childhood Agenda provides a unique opportunity for Western Australia to focus on critical issues and investment in early years.

Office and Plan for Early Childhood

In addition to early childhood not being given sufficient priority by government agencies in Western Australia, the service planning and delivery that does exist is fragmented, ad hoc and consequently not as efficient or effective as it could be. One stark example brought to my attention recently is that five separate WA government agencies are currently funding disparate parenting programs, with little or no communication occurring between them. I have met with a number of representatives from the resource sector who are keen to contribute financial support to early childhood programs but have been frustrated in their efforts because of the considerable challenges in determining which agency to go to for advice and assistance. Western Australia is failing to take advantage of opportunities to channel investment into our children's wellbeing simply because of bureaucratic difficulties.

In short, there is overlap and duplication in early childhood programs in some areas, and a dearth of programs in others; a consequence of the absence of coordinated strategic planning as well as limited clarity or agreement as to the outcomes we wish for our young children both in their childhood and as functional adults contributing to society.

Over the past year I have been advocating for an **Office of Early Childhood for Western Australia** and a comprehensive **Early Childhood Plan** to provide the framework for the provision of early childhood services throughout the State.

³ Stanley, F., 'The Importance of Caring for Children in Australian Society', in *Family Matters*, Australian Institute of Family Studies, issue No. 76, 2007.

⁴ Cunha, F., 'Investing in Disadvantaged Young Children Is Good Economics and Good Public Policy', presentation to Business Leadership for America's Youngest Citizens: The Economic Promise of Investing in Early Childhood, April 2008.

An Office of Early Childhood would bring together a wide range of government and non government activity including health, parenting support programs, playgroups, child care, and early childhood education. It would be responsible for developing a set of agreed outcomes for children across government agencies. These outcomes would then be measured at a local level every two or three years to monitor progress of communities in caring for their children. The office would identify the best research and evidence for 'what works' for young children and families, providing this to parents and workers. It would also function as a 'one stop shop' for industry, providing the much needed advice and support for companies wanting to invest in early years projects/programs.

With these developments in place, service delivery to and by the early childhood sector would be streamlined, bringing much needed cohesion and coordination and vastly improving economic efficiencies. Importantly, Western Australia would then be best placed to maximise the opportunities arising from the COAG Early Childhood Agenda directions and resources.

I believe that the development of an Office for Early Childhood and a comprehensive Early Childhood Plan would greatly enhance the development and long term wellbeing of children in Western Australia—an immediate investment that will provide measurable benefits for the future economic and social productivity of the State.

I commend the State Government for creating the portfolio of 'Early Childhood Development' and I hope that this provides the opportunity for increased focus and strategic activity in this area.

Measuring Outcomes

Across the board the Western Australian Government expends significant financial resources aimed at enhancing the wellbeing of children and young people. However, there is currently no systemic way of determining whether the financial investment by the Government is having the desired impact of improving specific outcomes for children and young people (in areas such as education, health, recreation, the built environment, transport, cultural identity, safety and protection).

Victoria provides a useful model in this area, reporting on the outcomes for children and young people every two years.⁵ The Victorian experience shows that this system enables Government to plan and monitor the impact of its investments and to target these investments to the outcomes that are most important and to the people who need them most.

I propose that Western Australia build on the comprehensive approach undertaken in Victoria and in other developments nationally, and develop a **WA Outcomes Report for Children and Young People**. This would provide the State's inaugural, systematic approach to gathering data on specific outcomes for children and young people and would enable the State Government to determine where it should direct its limited resources to obtain the most effect. I have developed a proposal to this effect and have submitted it to the Department of Treasury and Finance for consideration in the next budget.

⁵ Reported in: *The State of Victoria's Young People: A report on how Victorian young people aged 12-24 are faring* (<http://www.eduweb.vic.gov.au/edulibrary/public/govrel/Policy/children/sovcreport07.pdf>)

Effective Collaboration

One of the terms of reference for the Economic Audit Committee is to examine “the current structure of government agencies to determine whether changes are warranted to better support the efficient and effective delivery of government services”. I am strongly of the view that we require new models of collaboration and service delivery if we are to deliver practical outcomes for children and their families.

The experience of the past several years is that Government agencies continue to work in silos and in the main have not been able to address complex social issues or achieve social policy reform where the involvement of several agencies is required. The Western Australian Coroner's Report of February 2008 into the series of deaths in the Kimberley identified this as a critical issue.⁶

Communities, families, and children and young people do not present with isolated problems that can neatly be classified by departmental portfolio. Gary Banks, Chairman of the Productivity Commission provided a clear example of this in his presentation to the OECD World Forum:

Educational performance is shaped by a range of influences from the earliest years of life. Many Indigenous children have chronic ear infections when they first start school, which physically limit their capacity for learning. Domestic violence or substance abuse at home will clearly have a major bearing on a child's school attendance and performance... This illustrates that poor educational performance, and all that flows from that, cannot be wholly laid at the door of education authorities. Responsibility for doing better needs to cross portfolios...⁷

As it is impossible for communities and families to compartmentalise their issues to fit government structures, the only functional approach is for effective collaboration in government to dissolve departmental boundaries and allow for coordinated service delivery. Achieving this—consistently and sustainably—is a challenge that requires new ways of thinking and new economic and funding models.

The silo structure of government departments has meant historically that funding has also been fenced by departmental responsibility. This is a particularly rigid structure which, in all cases except the rare few, promotes single-agency focus where a department's priorities to manage its individual budget always overrides an individual project's priorities.

The youth justice system, for example, has suffered from a lack of coordination by government agencies and a culture of shifting responsibility. As a consequence, Western Australia has become one of the worst jurisdictions in the country in terms of overrepresentation of Aboriginal young people in the formal justice system.⁸ Presently, under the leadership of the Department for Corrective Services, agencies have begun to examine ways of working together. Whilst this is a positive step, I am of the view that enhanced financial incentive (through a revised budget/funding process) is required for these agencies to commit to long term, sustainable collaboration and genuine

⁶ *Sadly, it was clear from the evidence at the inquest that at present there is no such “whole of government coordinated approach” and there is certainly no Department or organisation which has taken a leadership role in that regard. In simple terms, it appears that Aboriginal welfare, particularly in the Kimberley, constitutes a disaster but no-one is in charge of the disaster response.* Western Australian Coroner, Alistair Hope, Report into the deaths of 22 Aboriginal people in the Kimberley, 2008, p23.

⁷ Gary Banks, Chairman, Productivity Commission, address to the Second OECD World Forum on “Statistics, Knowledge and Policy”, Measuring and Fostering the Progress of Societies, Istanbul, Turkey, 27-30 June 2007.

⁸ Australian Institute of Health and Welfare, *Juvenile Justice in Australia 2005-06*, 2007

improvements and efficiencies in service delivery. Without this incentive the status quo will remain, whereby any continuing collaboration is generally attributable to the motivation and good-will of individuals.

This has been a notable and consistent theme in the successful cases of collaboration I have seen. For example, Challis Early Learning Centre has, against all of the odds and with considerable cost, managed to bring together various departments on one site to form a 'hub' where parents and children receive a range of advice and supports. It is accomplishing marked results which can all be traced back to the Principal who is firmly committed to the Centre's success. Unfortunately, as I have learnt in my regional and remote travels, programs such as this are the exception rather than the rule and despite being widely recognised as the *only* effective way of working they tend to only last until the committed individual in the leadership role 'burns out'.

I suggest, therefore, that the Committee consider a modified approach to budget applications and funding provision in order to provide incentives and rewards for sustainable, effective cross-agency collaboration.

Although they require scoping and examination, some options to explore may be:

- Examining ways to provide funding to 'issues' rather than to departments – for example the issue of improving Aboriginal education outcomes involves a number of agencies and it may not be the most effective strategy to ring-fence funding solely to the Department for Education and Training.
- Encouraging the Department of Treasury and Finance to prioritise combined budget bids and give them preferential status – this might stimulate agencies to work together more regularly and effectively in order to secure funding for projects that cross agency boundaries.
- Requiring that departments provide combined reports/updates on collaborative projects to Ministers – this might strengthen cross-government ownership issues.
- Exploring whether Directors General could have an element of their performance agreements associated with demonstrating outcomes achieved as a consequence of collaboration – this was also a recommendation of the recent Special Commission of Inquiry into Child Protection Services in New South Wales.⁹

Regional and Remote Issues

Since my appointment in 2007, I have travelled more than 20,000km to regional and remote communities in the Kimberley, Pilbara and Goldfields regions. On those visits I have met with government agencies, community organisations, children and young people and their families. In almost every regional and remote community, from Kununurra to Kalgoorlie-Boulder, from Derby to Broome, there was a call for more activities and programs for young people of all ages, including Aboriginal children and young people in remote communities.

For example, in Karratha – a regional town that has been in the centre of the resources 'boom' for some time now - the resident children and young people told me that their two after school activity options were the cinema and the swimming pool, and the swimming pool was closed due to staff shortages.

⁹ Recommendation 24.2: "Each human services and justice agency CEO should have, as part of his or her performance agreement, a provision obliging performance in ensuring interagency collaboration in child protection matters and providing for measurement of that performance", *Special Commission of Inquiry into Child Protection Services in New South Wales* (the Wood Inquiry), 2008.

Often even where there is a strong will in communities to provide sport and recreation opportunities to the children and young people there is a lack of funding for basic programs. I found on my visits that, while most communities have sporting activities—particularly for young boys—there are limited alternative organised activities or programs.

In December 2008, I publicly called on the State Government to use its Royalties for Regions program to fund a **Regional Children and Youth Plan**.¹⁰ I envisage that the plan would fund, in a coordinated way, programs to provide activities for children outside of school which are proven to provide a range of benefits to both the individual child and the broader community. I commend this strategy to the Committee.

Aboriginal and Torres Strait Islander Children and Young People

The significant disadvantage that continues to be faced by Western Australian Aboriginal and Torres Strait Islander children and young people is of great concern to me and will continue to be a primary focus for my Office:

- The cumulative mortality rate for Aboriginal Western Australian children under one year old is four times higher than that for non-indigenous infants.¹¹
- Aboriginal Western Australian children suffer a great burden of infectious disease and emotional and behavioural problems.¹²
- Aboriginal children continue to be vastly overrepresented in Western Australia's juvenile justice system, making up 75 per cent of 10-17 year olds in detention.¹³
- In 2008, in every age group and area tested, Aboriginal Western Australian children achieved worse outcomes than the national average for Aboriginal children across Australia. Further, in Western Australia, in every age group and area tested, Aboriginal student achievement was significantly lower than non-Aboriginal student achievement.¹⁴

I concur with the Aboriginal and Torres Strait Islander Social Justice Commissioner, Tom Calma, that addressing this disadvantage is “the defining challenge for our nation” and that:

*Aboriginal children – wherever they live in Australia – deserve a future in which they have the same opportunity as other children to thrive, develop and enjoy life. They are entitled to such a future for no other reason than that they are human, born with dignity and in full equality to all other Australians.*¹⁵

I fully support the Australian Prime Minister's and the Western Australian Premier's commitment to 'close the gap' between Aboriginal Torres Strait Islander people and wider Australia, beginning “with the little children”¹⁶, and I will be encouraging all government and non-government agencies to build on evidence-based successes to move Aboriginal children into a future of equality, hope and dignity.

¹⁰ Media release: 'Twelve months on, Commissioner calls for Youth Plan', 7 December 2008 (http://www.ccyp.wa.gov.au/Files/Media_Release_YOUTH_Dec08.pdf)

¹¹ Freemantle, J., et al., *The First Research Report: Patterns and trends in mortality of Western Australian infants, children and young people 1980-2002*, Advisory Council on the Prevention of Deaths of Children and Young People, The Department for Community Development, Government of Western Australia, 2004, p30.

¹² Kulunga Research Centre, <http://www.ichr.uwa.edu.au/kulunga/research/overview>

¹³ Snowball, L., 'Diversion of Indigenous Juvenile Offenders', in *Trends & Issues in Crime and Criminal Justice*, No.355, Australian Institute of Criminology, June 2008, p1.

¹⁴ National Assessment Program Literacy and Numeracy, 2008

¹⁵ Aboriginal and Torres Strait Islander Social Justice Commissioner, *Social Justice Report 2007*, Human Rights and Equal Opportunity Commission, 2008, p5.

¹⁶ Prime Minister Kevin Rudd's Apology to Australia's Indigenous Peoples, http://www.aph.gov.au/house/Rudd_Speech.pdf, 13 February 2008.

As I have indicated above these challenges cannot be met by one agency alone and we must develop different and new service delivery models if we are to achieve improved outcomes for Aboriginal children and young people. The Productivity Commission, in its *Overcoming Indigenous Disadvantage Report*, provides some guidance on new approaches and 'things that work', citing the four common success factors as:

- *Cooperative approaches between Indigenous people and government (and the private sector)*
- *Community involvement in program design and decision-making—a 'bottom-up' rather than 'top-down' approach*
- *Good governance*
- *On-going government support (including human, financial and physical resources).*¹⁷

I implore the Committee to acknowledge the critical state of the health, education and wellbeing of Western Australia's Aboriginal children and young people and to ensure that improvements are a priority in future economic modelling.

State taxation structures

Recently, and in collaboration with Commissioners for Children and Young People from other states and territories, I submitted to the Federal Government's Australian Future Taxation Review Panel. In that submission, it was argued that the design of the tax system (both federal and state) influences the outcomes for children and young people across the Australian community probably much more than any other single factor, given financial difficulty is often a key factor in the development of dysfunctional families and socio-economic circumstances are closely correlated with the life outcomes for children and young people.

In its deliberations, I ask the Economic Audit Committee to consider that the design of the State tax system should recognise that children and young people not developing optimally imposes significant costs on society and limits development of human capital. I refer the Committee to the Commissioners' full submission at:

http://www.cyp.wa.gov.au/Files/Review_of_Australias_Tax_System.pdf

Child Centred Services

It is my view that the principle of the 'best interests of the child' needs to be embedded in all Western Australian policy and legislation—not just those that are specifically targeted to children. That is, even in the delivery of mainstream services or policies where children and young people are not the target group, a child-centred view should be taken to help promote the right for every child to feel loved and supported within the family and the community.

This point was enforced by Dr Judy Cashmore, Professor Dorothy Scott, and Gillian Calvert, the NSW Commissioner for Children and Young People in their joint submission to the Special Commission of Inquiry into Child Protection Services in NSW:

Services whose primary focus is on adults have a responsibility to children when there are factors relating to the parent which make children more vulnerable... Given that children of parents with an alcohol or drug problem, a mental illness or an intellectual disability are at much greater risk than other children, especially in a single parent family

¹⁷ Steering Committee for the Review of Government Service Provision, *Overcoming Indigenous Disadvantage: Key Indicators 2007*, Productivity Commission, 2007, p10.

or where both parents have such conditions, organisations servicing these client populations need to build their capacity to respond to children's needs.¹⁸

The 'best interest' principle can also be extended to incorporate work that promotes positive attitudes towards children and treats them as equal citizens with an important voice in our society, discourages discrimination against children and young people and supports child friendly communities. I ask the Committee to consider this perspective in its examination of the economic direction of Western Australia.

As mentioned above, it is my intention to lodge a more comprehensive submission to the Committee. However, I would also be pleased to discuss these matters further with members of the Committee at the earliest opportunity.

My Executive Assistant can be contacted on 6213 2219 should you wish to arrange a meeting.

Yours sincerely

MICHELLE SCOTT

Commissioner for Children and Young People WA

20 January 2009

¹⁸ Cashmore, J., Scott, D., Calvert, G., *Submission to the Special Commission of Inquiry into Child Protection Services in NSW*, March 2008, p38.