



## 2021-22 Budget Submission

DEPARTMENT OF THE TREASURY

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**2 February 2021**

## 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.

For further information about this submission, please contact:

- Marion Stanton, Head of Government Relations: [marion.stanton@savethechildren.org.au](mailto:marion.stanton@savethechildren.org.au)
- Simon Henderson, Head of Policy, [simon.henderson@savethechildren.org.au](mailto:simon.henderson@savethechildren.org.au)
- Amrita Malhi, Senior Advisor: Geo-economics (in relation to international content): [amrita.malhi@savethechildren.org.au](mailto:amrita.malhi@savethechildren.org.au)
- Howard Choo, Australian Social Policy and Advocacy Advisor (in relation to domestic content): [howard.choo@savethechildren.org.au](mailto:howard.choo@savethechildren.org.au)

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## Executive Summary

### International context

Over the course of 2020, the COVID-19 pandemic has done enormous damage not only to public health outcomes and national balance sheets, but also to household budgets across the Indo-Pacific. For example, in Southeast Asia, the World Bank has estimated that up to 38 million people could either remain in poverty or fall back into poverty, this year alone. In the Pacific, the number of people living in poverty could increase by 1.2 million or more than 40 per cent.<sup>1</sup>

The lead up to the Federal Budget for 2021-22 is a good time for Australia to revise its regional development priorities so that recovery, protection, and wellbeing are at the top of the list. Australia's *Partnerships for Recovery* strategy has been a sound starting point for responding to COVID-19's immediate exigencies.<sup>2</sup> Meanwhile, additional developments have also pointed to positive change in Australia's thinking in relation to the purpose and scale of its development cooperation program. For example, Australia's Official Development Assistance (ODA) is increasing, as it should in the context of the greatest recession since the 1930s and Indo-Pacific nations' regression against their development gains since decolonisation. Development economist, Professor Stephen Howes at the Australian National University, has calculated this increase to be 9 per cent more in 2021-22 than in the previous year, or \$4.4 billion across the Federal Budget's ODA and other budget lines from which expenditure can (and likely will) be classified as ODA.<sup>3</sup> This increased investment includes money for vaccines in Southeast Asia and the Pacific as well as investing in Southeast Asian partnerships. Save the Children welcomes these developments and hopes to see this positive funding trajectory continue.

Importantly, Australia has also agreed to lend USD \$1 billion to Indonesia, offering concessional interest rates and an extended repayment window, to invest in its health and social protection systems. PNG too is receiving budget support to the tune of \$558 million. These are important steps towards recognising that the COVID-19 recession is having a profound impact not only on our sense of security and prosperity, but our neighbours', too, in Southeast Asia as well as the Pacific.

Australia now has an opportunity to place the Indo-Pacific within a new development strategy aimed not at competing with China on hard infrastructure but at supporting and expanding the social infrastructure that can allow our neighbours to build back better from the present crisis. This approach can also assist them to manage the impacts of climate change, while increasing their resilience to great power competition.

By "social" infrastructure, we mean the high-quality health and education systems that all our neighbours, across Southeast Asia and the Pacific, should enjoy. We also mean climate-proofed community halls, maternity wards, vaccination clinics, and primary schools. The idea also extends to developing national and universal social protection systems, including child benefit schemes, to protect jobs and wages, support households to buy their children school supplies and nutritious foods, and protect the elderly and disabled when their families can no longer earn. They can also

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<sup>1</sup> See World Bank. 'From Containment to Recovery: Economic Update for East Asia and the Pacific,' October 2020. Available at: <https://www.worldbank.org/en/region/eap/publication/east-asia-pacific-economic-update>.

<sup>2</sup> DFAT. 'Partnerships for Recovery: Australia's COVID-19 Development Response,' 2020. Available at: <https://www.dfat.gov.au/publications/aid/partnerships-recovery-australias-covid-19-development-response>.

<sup>3</sup> Stephen Howes. 'Coalition starts to reverse aid cuts,' DevPolicy Blog, 21 January 2021. Available at: <https://devpolicy.org/coalition-starts-to-reverse-aid-cuts-20210121/>.

supplement customary and community-based forms of mutual support that have survived many crises across the region but can only do so much when economic options collapse. Social protection systems are critical to addressing child poverty and building children’s human capital while also building the forms of state capacity that enable developing nations to focus more attention on children and their needs.<sup>4</sup>

The World Bank, too, has argued for social protection schemes to be established or expanded in the context of the present crisis. Covering more households, so that all the existing poor as well as the new, “COVID poor” are covered, is a wise investment in human security in our region.<sup>5</sup> As we have noted elsewhere, infrastructure building in the Pacific has been one of Australia’s priorities since it announced the Pacific Step-Up in 2018, including via its trilateral and quadrilateral partnerships with the US, Japan, and India. As we argue, social protection is one form of infrastructure investment that plays to Australia’s policy and soft power strengths, in a way that investing in expensive hard infrastructure, especially if it is aimed at outbidding China, does not.<sup>6</sup>

Save the Children’s international proposals sit within an understanding of our domestic COVID-19 response and how we can support our Indo-Pacific neighbours to recover from the pandemic. In 2019-20 and 2020-21, the estimated economic response to COVID-19 is \$137.8 billion,<sup>7</sup> driven in large part by increases in social security and welfare payments. Our proposed additional spend of \$700 million for ODA is approximately 0.5% of our domestic response. As a wealthy and prosperous country that has been able to bounce back from the COVID-19 pandemic relatively well, Australia has the capacity to do more in supporting low-and middle-income countries in our region.

Our proposals calling on the Australian Government to invest an additional \$700 million over the forward estimates to maximise the impact of Australia’s international development program in the context of the COVID-19 pandemic. These targeted investments include:

1. \$65 million over three years to establish pilot child benefit payments, child disability benefit payments, and adult disability benefit payments in Western Province of Papua New Guinea, Malaita province in Solomon Islands, and Sanma province in Vanuatu, as a first step towards establishing wider, child-sensitive social protection systems in these Pacific nations;
2. at least \$210 million over three years to replenish Australia’s commitment to the Global Partnership for Education;
3. \$34 million in matched funding for five Save the Children projects supported by the Green Climate Fund, representing new investments in climate adaptation in Vanuatu, Solomon Islands, Laos, Myanmar, and Indonesia; and

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<sup>4</sup> See also Save the Children. ‘Strengthening Australia’s Relationships with Countries in the Pacific Region,’ Submission to Joint Standing Committee on Foreign Affairs, Defence & Trade, 20 July 2020. Available at: <https://devpolicy.org/coalition-starts-to-reverse-aid-cuts-20210121/>; and Save the Children. ‘Activating Greater Trade and Investment with Pacific Island Countries,’ Submission to Joint Standing Committee on Foreign Affairs, Defence & Trade, 15 May 2020. Available at: <https://devpolicy.org/coalition-starts-to-reverse-aid-cuts-20210121/>.

<sup>5</sup> World Bank, *ibid*, October 2020.

<sup>6</sup> Parts of this introduction have previously been published as Amrita Malhi. ‘The Pandemic Drags On. But What About Infrastructure?’ *The Diplomat*, 23 December 2020. Available at: <https://thediplomat.com/2020/12/the-pandemic-drags-on-but-what-about-infrastructure/>.

<sup>7</sup> Parliament of Australia, ‘Australian Government expenditure: Budget Review 2020-21 Index’, October 2020. Available at: [https://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/pubs/rp/BudgetReview202021/AustralianGovernmentExpenditure](https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/BudgetReview202021/AustralianGovernmentExpenditure).

4. \$391 million increase in humanitarian protection funding in 2021-22, responding to the significantly rising need for humanitarian support triggered by the primary and secondary impacts of the pandemic and rising conflict around the world.

## Domestic context

In 2020, the ability of governments and communities to together enact significant changes in response to exceptional circumstances was on full display. In the face of significant and, in many respects, unprecedented challenges, Australia's response has succeeded in putting the country in a position that many others would envy.

Australia has reached a pivotal moment. The decisions made in the 2021-22 Budget will set the course for Australia's medium and longer-term recovery from the events that began in 2020 and continue to shape every aspect of our society and economy, for better or for worse. Continuing to rely primarily on reactive and short-term responses to the pandemic's continuing challenges will not work. This crisis is not over, and in many respects, it will deepen in 2021 as its economic and human costs grow and become increasingly apparent. Nor will attempting to return to 'business is usual' be effective. The world has changed and Australia's policy and investment approach must change to meet it.

There is an opportunity – and a need – to make fundamental changes to address long-standing systemic challenges and establish the building blocks for recovery. This is the time to lay the foundations for Australia to emerge from this crisis stronger, more prosperous, and more resilient – a better place to live for all members of our society.

Our most important resource in building back better in the long term is the human capital represented by our children and their healthy development and participation in society and the economy, including into adulthood. Children are also our greatest responsibility. At the same time, children are uniquely vulnerable to the continuing stressors and instability that now affect us all and are particularly exposed to both immediate and longer-term harm from the pandemic's compounding effects. Some children, such as those still only in the early stages of recovery from the devastating 2019-20 bushfires and those facing a slide towards poverty and increased risks of neglect and abuse, need particular support. To secure the future, we must invest in our children now.

Save the Children calls on the Australian Government to invest additional resources aimed at achieving the above goals, including:

1. \$11.7 million over four years to engage children at risk of disengaging from school;
2. support for children's wellbeing and recovery from the events of 2020 and throughout 2021;
3. support for families to provide the material basics for all children;
4. ensure that all children can access Child Friendly Spaces in emergencies; and
5. ensure organisations are able to become and stay child safe.

## Key Recommendations – International

1. \$65 million over three years to establish pilot child benefit payments, child disability benefit payments, and adult disability benefit payments in the Pacific

Save the Children is making this recommendation in light of the ongoing impacts of the pandemic on the economies of the Indo-Pacific in general, and on household incomes in the Pacific Island Countries (PICs) in particular. While the PICs have thankfully largely been spared from the health impacts of the pandemic, the collapse of regional and international travel and tourism has generated severe impacts on their economies. According to the latest Global Economic Prospects report published by the World Bank, collectively, these economies are expected to remain around 9 per cent smaller than projected before the pandemic.<sup>8</sup>

At the individual country and household level, too, the impacts have been tragic and raise serious concerns about children's already poor nutritional and educational outcomes as families' incomes are constricted. In Papua New Guinea (PNG), for example, some people have returned to using shell money and bartering, while 52 per cent of families have indicated reducing the number of children attending school because of reduced incomes, when contacted by World Bank surveyors.<sup>9</sup> In the Solomon Islands, 57 per cent of families surveyed are eating less because of reduced incomes.<sup>10</sup> In a region where 38.4 per cent of children have stunted growth and 9.5 per cent of children under five experience wasting, the impact is likely devastating and lifelong.<sup>11</sup>

Initial surveys seeking to understand the impact and experience of COVID-19 indicate that many Pacific families remain reliant on informal and customary mutual help traditions, with more than 60 per cent of Solomon Islanders accessing financial and non-financial support from friends and family, churches, or community-based organisations.<sup>12</sup> Of the 41 per cent of households who received some form of assistance in PNG, the vast majority came from informal sources.<sup>13</sup> Less than five per cent of households in PNG and 11.5 per cent of households in the Solomon Islands received direct government assistance.<sup>14</sup> While informal systems of community reciprocity continue to provide vital support, the need for additional coping mechanisms indicate that these networks are being pushed to their limits, as supported by previous research that has pointed to the inadequacy of customary assistance practices.<sup>15</sup> This lends weight to the argument that donors need to invest in permanent social protection systems so that long-term harm does not result to the human capital held in families and their children, along with hard-won national development gains.

Currently, PNG, the Solomon Islands and Vanuatu all lack social protection systems; key components of what we at Save the Children are referring to as social infrastructure, or the systems required to defend and protect Pacific communities' – and especially children's – human

<sup>8</sup> See World Bank. Global Economic Prospects: Subdued Global Economic Recovery, 2020: p. 70. Available at: <https://www.worldbank.org/en/publication/global-economic-prospects>.

<sup>9</sup> World Bank. 'Papua New Guinea High Frequency Phone Survey On COVID-19: Results from Round 1,' 2020. Available at: <http://documents1.worldbank.org/curated/en/459511607010120078/pdf/Papua-New-Guinea-High-Frequency-Survey-on-COVID-19-First-Round-Results.pdf>.

<sup>10</sup> World Bank. 'Solomon Islands High Frequency Phone Survey On COVID-19: Results from Round 1,' 2020. Available at: <http://documents1.worldbank.org/curated/en/167041607012187892/pdf/Solomon-Islands-High-Frequency-Survey-on-COVID-19-First-Round-Results.pdf>.

<sup>11</sup> UNICEF, WHO & World Bank. 'Levels and Trends in Child Malnutrition: Joint Child Malnutrition Estimates 2020 edition,' 2020: p. 4.

<sup>12</sup> World Bank. Papua New Guinea High Frequency Phone Survey On COVID-19: Results from Round 1.

<sup>13</sup> World Bank, *ibid*, 2020.

<sup>14</sup> World Bank, *ibid*, 2020.

<sup>15</sup> Manoranjan Mohanty, 'Informal Social Protection and Social Development in Pacific Island Countries: Role of NGOs and Civil Society,' *Asia-Pacific Development Journal* 18:2, 2011: pp. 25-56.

security, through the present crisis. Without such systems, these three PICs have not been in a position to deliver proven interventions, such as cash transfers, that would alleviate household pressures and mitigate the need for coping mechanisms that compromise children's nutritional and educational futures. Donor assistance is therefore necessary, and Australia should take the lead in assisting these three PICs to build the infrastructure they require to succeed.

To begin the work of designing, commissioning, and advocating for such an important, system-building intervention, Save the Children has commissioned economic advisory service Development Pathways to estimate some of the costs involved. Specifically, we have modelled the costs of establishing child-sensitive social protection schemes in PNG, Solomon Islands, Tonga, and Vanuatu, while also enhancing Fiji's existing social protection system by instituting a universal child benefit payment. Based on this modelling, the cost of ensuring universal social protection coverage for all children aged under 10 years (plus additional disability benefit payments for children and adults) is estimated at AUD \$519.7m in Financial Year 2021-22, to be borne in the medium to long term by both national governments and donors, albeit with the assistance of an initial investment by donors alone.

While such an investment represents good value for money, we recognise that expenditure at such a significant scale is unlikely to proceed without pilot programs and proof of concept experiments. Consequently, **we recommend an initial investment of \$65 million over three years. This investment should be aimed at instituting pilot payments to households in three sub-national government areas in three PICs**, namely Western Province in PNG, Malaita province in Solomon Islands, and Sanma province in Vanuatu. The payments should specifically be aimed at assisting children by directly targeting the costs of raising them, such as appropriate and nutritious food and educational supplies. We also recommend a special focus on children and adults with disabilities, who bear additional living costs for reasonable accommodations and services, and whose capacity to participate in meaningful employment and future economic recovery is more precarious and vulnerable.

Such pilots would allow for the impact of child-sensitive social protection on human capital to be assessed, just as they would contribute to the development of national capacity for ongoing delivery of social protection. Further, they could contribute to building support for the introduction of long-term, national-level investments in the lives, rights, and futures of Pacific children. We note that many of the leading sources of discussion on social protection, such as the World Bank, have not highlighted the specific needs of children in their recommendations, which otherwise largely align with ours, and we are seeking for this gap to be addressed.<sup>16</sup> We note that DFAT has successfully led similar pilot programs in the past via its MAHKOTA (Towards a Strong and Prosperous Indonesian Society) and KOMPAK (Governance for Growth) programs in Indonesia, including in Papua province, which shares many of the characteristics of the three countries we have identified, including underdeveloped facilities for service delivery and remoteness from national systems and structures. Despite these challenges, the BANGGA Papua program implemented an inclusive child grant for all indigenous Papuan children under the age of four in 2018.<sup>17</sup>

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<sup>16</sup> World Bank, 'From Containment to Recovery,' 2020. Available at: <https://www.worldbank.org/en/region/eap/publication/east-asia-pacific-economic-update>.

<sup>17</sup> Karishma Huda, Fernando Carrera, Hector Salazar Salame, Anton Tarigan, & Shez Farooq. 'An inclusive child grant in Papua: lessons learnt from implementing cash transfers in remote contexts.' MAHKOTA, Australian Government, 2020. Available at:



The payments would act as a valuable first step towards creating wider, nationally owned, and adequately resourced social protection schemes, and therefore we envisage that they would be **accompanied by a separate and additional investment in system-focused capacity-building led by DFAT**. This capacity should include a cohort of technical experts, to foster national buy-in via the sharing of expertise, for example from Australia’s successful JobSeeker and JobKeeper rollouts. They should also involve technical advice on building and maintaining the infrastructure that permanent social protection systems entail, for example, skilled workforces, information and communications technology systems, and partnerships with financial and telecommunications agencies to facilitate cash transfers.

In addition to coordination of child benefit payments, a successful scheme will link households to critical education, nutrition, protection, and other services in line with a proven ‘cash-plus’ approach. This approach would build on proven models in the region, including Save the Children’s cash transfer programming in Fiji, which uses Vodafone’s Mpaia platform to transfer funds to pre-selected households once a month for four months, as part of the Disaster READY program.<sup>18</sup> As the recession continues, however, we are calling for a critical departure from instituting successful, one-off, small-scale projects, an approach which we wish to see now form the core of a permanent, networked, Pacific-wide system, fit for the future.

## 2. At least \$210 million over three years to replenish Australia’s commitment to the Global Partnership for Education

As well as its health and economic impacts, the COVID-19 pandemic has created an education emergency that may reverse the gains made in education – especially for girls – over recent decades. COVID-19 is pushing children out of school due to falling household incomes caused by the COVID-19 recession. As a result, the World Bank has suggested that 7-10 million school-age children could drop out of school entirely.<sup>19</sup>

The Global Partnership for Education (GPE) supports girls’ education, inclusion for children with disabilities, and helps children in fragile and conflict-affected states to continue their schooling, prioritising the poorest and most vulnerable. It is an important and effective global initiative through which Australia has contributed to improving education outcomes for children and communities across the Indo-Pacific and beyond. Australia has been a strong supporter of this initiative, contributing \$90 million in 2018-20. This contribution, however, is now expiring and the United Kingdom and Kenya are hosting the GPE’s new replenishment round in 2021.

Save the Children recommends that Australia **pledges a substantial contribution to GPE through a replenishment of \$210 million over three years**, recognising the impacts from COVID-19, and given the strong outcomes the GPE has supported to date. These outcomes are significant and align with the Sustainable Development Goals (SDGs), namely SDG 4, to “ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.” At a global level, 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

[https://socialprotection.org/sites/default/files/publications\\_files/An%20Inclusive%20Child%20grant%20in%20Papua%20Lessons%20Learnt%20from%20Implementing%20Cash%20Transfers%20in%20Remote%20Contexts.pdf](https://socialprotection.org/sites/default/files/publications_files/An%20Inclusive%20Child%20grant%20in%20Papua%20Lessons%20Learnt%20from%20Implementing%20Cash%20Transfers%20in%20Remote%20Contexts.pdf).

<sup>18</sup> ‘Save the Children launches a first-of-its-kind digital cash project to help Fijian families devastated by COVID-19,’ Media Release, 13 January 2021. Available at: <https://www.savethechildren.org.au/media/media-releases/cash-transfer-project-launch>.

<sup>19</sup> Andrew Jack. ‘Pandemic creates a “learning crisis” in parallel to health emergency,’ FT.com, 10 December 2020. Available at: <https://www.ft.com/content/5ed0d046-467e-495f-b67e-b1aa0dc23fcc>.

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.<sup>20</sup>

Around the Indo-Pacific region, the GPE is active in conflict-affected states such as Myanmar, and in the Pacific, it has worked in countries like PNG and Vanuatu.<sup>21</sup> In addition, in 2020, seven new Pacific Island Countries joined the GPE, including Kiribati, the Republic of the Marshall Islands, Samoa, Solomon Islands, Tonga, and Tuvalu, which have joined under the Pacific Regional Education Framework (PacREF) 2018-2030: Moving Towards Education 2030, which was developed with the financial support of the GPE. The Federated States of Micronesia, which has also joined the GPE, has done so under its own education sector plan, which was also developed with GPE support and aligns with PacREF. The GPE’s aims for the Pacific, including improving the quality of learning in climate-resistant learning environments, align with the Australian Government’s Pacific Step-Up and Partnerships for Recovery strategy, and extend from work supported by the GPE’s 2020 COVID-19 emergency support grants, which assisted several PICs to navigate pandemic-related disruptions to their education systems. Australia, too, is involved in this support work, serving as the coordinating agency for the education sector in Kiribati, Tonga, and Tuvalu, while New Zealand has played a similar role for Samoa and Solomon Islands.<sup>22</sup>

Moving forward, between 2021 and 2025, the GPE plans to enable 175 million children to learn, including by reaching 140 million students with professionally trained teachers and placing 88 million more children in school. It anticipates that from 2025, these interventions should add \$164 billion to partner economies, save 3 million lives, lift 18 million people out of poverty, and save 2 million girls from child marriage. The 87 countries GPE will target are home to 82 per cent of the world’s out-of-school children.

Save the Children urges the Australian government not to consider “education” and “COVID” as either/or choices. The GPE addresses systemic issues that exacerbate inequality by preventing children from accessing education, and we recommend that Australia continues to support the GPE.

### 3. \$34 million in matched funding for five Save the Children Green Climate Fund projects

Save the Children is the first and only development and humanitarian-focused NGO accredited to the Green Climate Fund (GCF). We are also Australia’s only NGO with this accreditation. As such, we are presently working with a range of Indo-Pacific nations – including Vanuatu, Solomon Islands, Bangladesh, Indonesia, Laos, Myanmar, Nepal, Ethiopia, Malawi, Mali, Mozambique, Sierra Leone, Senegal, and Somalia – to develop an ambitious pipeline of thirteen community-based projects for the GCF-1 period (2020-23). These projects will be active across several key sectors of interest to Australia’s development cooperation program including governance, health, water, sanitation, and hygiene (WASH), food security and nutrition, livelihoods and economic resilience, and disaster risk reduction. All are aimed at building local resilience to the unavoidable impacts of climate change on lives and livelihoods, by strengthening local and sub-national governance and implementation systems. The total value of the anticipated GCF contribution to this portfolio is **more than \$500**

<sup>20</sup> See this data on the Global Partnership for Education website. Available at: <https://www.globalpartnership.org/>.

<sup>21</sup> For the full list of countries where the Global Partnership for Education operates, see: <https://www.globalpartnership.org/where-we-work/partner-countries>.

<sup>22</sup> GPE. ‘GPE welcomes seven new partner countries from the Pacific region,’ Media Release, 3 November 2020, available at: <https://www.globalpartnership.org/news/gpe-welcomes-seven-new-partner-countries-pacific-region>.

**million** over the next decade, which will help ensure children and communities in climate vulnerable places will have significantly increased resilience. The Government's decision to not participate in the GCF's first replenishment was contentious, particularly in the Pacific. While pursuing bilateral arrangements on adaptation with partner countries has been beneficial, it has also increased fragmentation in the delivery of much needed resilience building support. Providing direct co-funding to our GCF projects in priority countries will help reduce fragmentation without distracting from bilateral priorities. It will also ensure this significant scale up of resources remains aligned to key aid priorities in the region.

This significant funding from the GCF will result in a step change in the way community-based approaches to adaptation are developed and implemented across the developing world. Because of the importance of this portfolio of projects, and the opportunity to leverage the GCF funding, we recommend the Australian government **invest \$34 million to partially match this funding in relation to 5 selected projects**, in 5 countries of key strategic importance to Australia (Vanuatu, Solomon Islands, Laos, Myanmar, and Indonesia). The GCF aims to leverage significant climate finance from donors and other sources through its investments. We see this working both ways: Australian co-finance for our GCF projects will ensure they meet GCF expectations, and it will also help leverage significant additional climate finance to support the most vulnerable populations in our region. This approach will allow us to scale up our work even further in these key partner countries while allowing the Australian Government to leverage GCF investment for greater impact across both the Pacific and Indian Ocean.

The projects we wish to scale up further, with this additional support from the Australian Government, are:

- **Vanuatu** – The “Vanuatu Community-based Climate Resilience Project” (\$39 million) will help around two-thirds of ni-Vanuatu increase their resilience to the impacts of climate change on their food security and livelihoods. The project focuses on vulnerable rural communities and, once under implementation, it will be the largest specifically community-based climate change adaptation project ever developed.
- **Solomon Islands** – The “Solomon Islands Knowledge-Action-Sustainability for Resilient Villages Project” (\$39 million) will systematically address barriers keeping villages from climate-resilient development trajectories by enhancing awareness, skills, and institutions at the village level while establishing and/or strengthening the national-provincial-village linkages needed to fund village investments and sustain community-led, gender and socially equitable adaptation.
- **Laos** – The “Strengthening Climate Resilient Health Facilities at Sub-National Level in Lao PDR Project” (\$65 million) will aim to increase the climate resilience of health systems to protect and improve the delivery of essential health services to the Lao population via strengthening institutional capacity to mainstream climate change resilience into the health sector; upgrading healthcare facilities to be climate-resilient; and knowledge management and community outreach initiatives.
- **Myanmar** – The “Supporting Climate Resilient Communities in Dry Zone and Southeast Regions of Myanmar through Increased Food Security and Adaptive Governance Project” (\$34 million) aims to increase the resilience of communities in the Dry Zone and Southeast Myanmar to the impacts of climate change on food security by increasing knowledge and skills and developing adaptive governance. This will be achieved via activities leading to three objectives: 1) increasing communal knowledge to drive adaptation actions and plan for future impacts; 2) supporting communities to implement scalable adaptation actions to

ensure food security in the face of climate change impacts; and 3) ensuring that local and national structures minimize climate change induced losses on household and communal level by catalysing adaptive governance and supporting local-level adaptation planning.

- **Indonesia** – The “Enhancing Preparedness for Climate Change-Linked Epidemics Project” (\$17 million) will support Indonesia’s health system (people, institutions, and resources) to have a clear understanding of the implications of climate change for infectious disease outbreaks and an increased ability to reduce risks; develop effective surveillance and preparedness plans; and build the system’s resilience to meet the challenges of future climate-related epidemics. This will be achieved via implementation of activities under three components: 1) increased understanding of the implications of climate change for infectious diseases in each country, across a range of possible climate futures; 2) increased capacity at national and sub-national levels to assess climate-sensitive disease outbreak risks and implement effective risk reduction actions; and 3) increased ability to develop and implement targeted high priority actions to build system resilience to anticipated climate change-related disease outbreaks.

#### 4. \$391 million increase in humanitarian protection funding in 2021-22

In 2017, Australia’s Foreign Policy White Paper stated that Australia would increase its investment in international humanitarian assistance to more than \$500 million per annum. This was a laudable aim, yet since then, the dynamics of multiple, localised interactions between rising conflict, climate change, and the COVID-19 pandemic have created the greatest humanitarian challenge the world has experienced since the Second World War, far surpassing 2017’s challenges.

The scale of the increase in need for humanitarian assistance is enormous. For example, for the first time since the 1990s, extreme poverty will increase, life expectancy will reduce, HIV, tuberculosis, and malaria deaths will double, and the number of people facing starvation will increase two-fold.<sup>23</sup> The COVID-19 pandemic has triggered the deepest global recession since the 1930s, and **150 million** additional children will now experience multidimensional poverty as a result. Almost 24 million children and young people will not return to school in 2020.<sup>24</sup>

In addition to the pandemic and its associated economic crisis, conflicts are increasing in number and intensity worldwide. Around 426 million children live in conflict zones, the highest total ever recorded.<sup>25</sup> The world is also experiencing the greatest number of grave violations against children ever recorded, with 26,000 incidents in 2019 alone.<sup>26</sup> Around 79 million people, the highest recorded number, are internally displaced within their nation’s borders by conflict and violence.<sup>27</sup>

Hunger is also on the rise, with conflict acting as the main driver of acute hunger for 77 million people in 22 countries. At the close of 2020, the number of acutely food insecure people was estimated at 270 million, while 11 million children face extreme hunger or starvation across 11 countries in Africa, the Caribbean, the Middle East, and Asia, with a risk of famine in Yemen and

<sup>23</sup> UN Office for the Coordination of Humanitarian Affairs. ‘Global Humanitarian Overview 2021,’ 2020. Available at: [https://reliefweb.int/sites/reliefweb.int/files/resources/GHO2021\\_EN.pdf](https://reliefweb.int/sites/reliefweb.int/files/resources/GHO2021_EN.pdf).

<sup>24</sup> UN Office for the Coordination of Humanitarian Affairs, Ibid.

<sup>25</sup> Save the Children, Stop the War on Children: Killed and Maimed, 2020. Available at:

[https://resourcecentre.savethechildren.net/node/18486/pdf/killed\\_and\\_maimed\\_a\\_generation\\_of\\_violations\\_final.pdf](https://resourcecentre.savethechildren.net/node/18486/pdf/killed_and_maimed_a_generation_of_violations_final.pdf).

<sup>26</sup> Save the Children, ibid.

<sup>27</sup> Save the Children, ibid.

South Sudan.<sup>28</sup> Alongside poverty and hunger, non-COVID-19 disease outbreaks are also a serious source of health risk around the world. Today, around 5 million children face threats of cholera and acute watery diarrhea (AWD). The pandemic could undo 20 years of progress in preventing HIV, TB, and malaria.

As a result, according to the Global Humanitarian Overview (GHO), 235 million people will need humanitarian assistance in 2021.<sup>29</sup> This is an enormous **40 per cent increase** from last year, meaning that one in 33 people worldwide will require some form of assistance. The GHO is appealing for \$35 billion in global humanitarian assistance from international donors to reach people in around 56 countries – the largest appeal on record to match the record scale of humanitarian need.

In light of the greatly increased need for humanitarian assistance, Save the Children acknowledges that Australia should not only meet its \$500 million commitment from 2017, but indeed **increase its humanitarian support allocation by \$391 million, to total \$861 million for 2021-22**. This figure is based on analysis by Oxfam, which has calculated Australia’s “fair share” of the 2021 GHO total of \$35 billion, based on a methodology that includes all high and upper-middle-income countries as potential donors and assesses the size of each economy to derive each country’s share.

Save the Children also supports collective calls from the peak body for international development NGOs, the Australian Council for International Development, to ensure that the additional funding is allocated in multi-year funding packages to protracted crises in at least 5 countries where humanitarian need is greatest. This acknowledges that the number of countries experiencing protracted crises, many of whom have been significantly impacted by the effects of COVID-19 and lack the resources to respond, has more than doubled from 13 in 2005 to 31 in 2019.<sup>30</sup>

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<sup>28</sup> UN Office for the Coordination of Humanitarian Affairs. ‘Global Humanitarian Overview 2021,’ 2020. Available at: [https://reliefweb.int/sites/reliefweb.int/files/resources/GHO2021\\_EN.pdf](https://reliefweb.int/sites/reliefweb.int/files/resources/GHO2021_EN.pdf).

<sup>29</sup> UN Office for the Coordination of Humanitarian Affairs, *ibid*.

<sup>30</sup> Development Initiatives, Global Humanitarian Assistance Report 2020, 2020. Available at: <https://devinit.org/resources/global-humanitarian-assistance-report-2020/people-and-crisis/>.

## Key Recommendations – Domestic

### 1. \$11.7m over four years to engage children at risk during the school years

COVID-19 threatens to turn what was already a national crisis of school disengagement and student wellbeing into a permanent rupture for a generation of students. Throughout 2020, COVID-19 and associated school closures and disruptions significantly interrupted children’s learning, weakened their connection to schools, and increased the risks of disengagement and early school leaving. Those most affected included students already vulnerable and many who became newly at risk. Every school year is vital to successful learning and children can ill afford a year of disruption such as they have just experienced – particularly those already facing educational and other disadvantage.

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.

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, exercised in establishing critical national education infrastructure, institutions, and standards, and supporting well-evidenced initiatives that meet national needs that span beyond individual school systems.<sup>31</sup>
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.<sup>32</sup>
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 is worsening.<sup>33</sup> Only the Commonwealth

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<sup>31</sup> 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.

<sup>32</sup> Productivity Commission, *Mental health*, Final report, June 2020 (publicly released November 2020).

<sup>33</sup> 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.

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.

Accordingly, **Save the Children recommends an investment of \$11.7m over 4 years to expand the wellbeing-focused school engagement program Hands on Learning.** This would enable Save the Children to establish the 'soft' infrastructure for the program to scale nationally with best practice fidelity, and ensure quality assurance and evaluation, where there is need and demand from schools – 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 has 118 implementations in schools. The majority are in Victoria,<sup>34</sup> 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 \$44m from over 300 predominantly low ICSEA<sup>35</sup> state government schools nationally, while tripling Hands on Learning's current footprint and making it available at scale nationwide. 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 the 2024-25 financial year.

The Commonwealth Government has historically funded a small number of other school-age education programs. Hands on Learning addresses a different set of education system problems from existing funded programs, in a way that is complementary but distinct. In particular, Hands on Learning is unique in its direct focus on supporting the wellbeing of at-risk students and keeping them engaged with learning by aiming to change disengaged students' experience of school, enhance their wellbeing, and empower students with the practical capabilities and skills to engage with education and thrive through school and into employment.

Given the nature of the investment in Hands on Learning and the outcomes towards which it would be directed, the appropriate portfolio would be Health (Mental Health) and/or Education.

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<sup>34</sup> As of January 2021, Hands on Learning has 100 implementations in Victoria, eight in NSW, five in Queensland and five 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.

<sup>35</sup> 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.

Budget Initiative	2021-22 (\$m)	2022-23 (\$m)	2023-24 (\$m)	2024-25 (\$m)	Total (\$m)
Hands on Learning	1.95*	2.78*	3.24*	3.73*	11.70*

\* 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.

## 2. Support children's wellbeing and recovery from the events of 2020 and throughout 2021

2020 has created extraordinary challenges for children's psychological, social, and emotional wellbeing across Australia. These will continue, and in some respects increase, in 2021.

Children's wellbeing has been put under extreme pressure in the past 12 months. This will not let up in 2021. Indeed, the stress on children's wellbeing is likely to increase over the coming year, as the full economic impact of the pandemic begins to be felt in earnest through increasing family financial hardship and other stress. Already, children's academic progress and social and emotional development have been fundamentally disrupted, while their 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 from the pandemic and other sources.

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 are particularly vulnerable or facing significant disadvantage.

Children who were directly affected by the 2019-20 bushfires need particular support. The bushfires were devastating, even before COVID-19's compounding effects. The fires can be expected to have long-term effects for the mental health and psychological wellbeing of those affected – especially children – unless effective interventions are made available to support recovery.<sup>36</sup> Ordinarily, recovery would require at least a five-year horizon.<sup>37</sup> Instead, in March 2020, COVID-19 largely halted early recovery efforts before they could even begin. Just when the ability to come together within their communities, and begin rebuilding and accessing support, was most needed, social distancing requirements made this impossible.

**Save the Children recommends that the Commonwealth Government establish funding and other arrangements to provide access to evidence-based specialist psychosocial support programs for all students' social and emotional wellbeing and resilience, within schools.** This could be phased over time to initially focus on schools with the greatest need but should be made widely available within relevant schools rather than being limited to only those children already identified as struggling. There could be potential for this to be a jointly Commonwealth and State funded initiative.

As one example, Save the Children's Journey of Hope program, a psychosocial emergency response and recovery program, has been delivered to more than 85,000 children over many years, including after Hurricane Katrina in New Orleans and an adaptation in New Zealand following the

<sup>36</sup> 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).

<sup>37</sup> 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](https://naturaldisaster.royalcommission.gov.au/system/files/exhibit/MDH.500.001.0001_1.pdf).



Christchurch earthquake. The program helps children recognise and process common emotions, identify stressors and triggers, and build capacity to deal with these emotions. The program's effectiveness has been confirmed by rigorous evaluation, including by the International Institute for Children's Rights and Development.<sup>38</sup>

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. Across Terms 3 and 4 of 2020, it was offered in 39 schools and preschools within heavily bushfire-affected regions across NSW and Victoria, reaching 2636 students. Given the continuing need for it, further delivery is planned in Terms 1, 2 and 3 of 2021. It is currently expected to reach an additional 1,700 students, but there is significant scope for rapid scaling to support larger numbers of students and meet the existing demand from schools if funding becomes available.

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 \$5,000 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.

### 3. 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 hazards and 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.<sup>39</sup>

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 – a point which has been reinforced by the finding and recommendations of the Bushfires Royal Commission.

<sup>38</sup> See e.g., Powell, T., 2011. *The Journey of Hope Curricula: Building resilience after a natural disaster*, University of Texas, available at: <https://www.savethechildren.org/content/dam/global/reports/emergency-humanitarian-response/JOH-NEW-ZEALAND-REPORT.PDF>; Powell, T. and Thompson, S., 2014. 'Enhancing coping and supporting protective factors after a disaster: Findings from a quasi-experimental study', *Research on Social Work Practice*, DOI: 10.1177/1049731514559422.

<sup>39</sup> 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 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. All staff in Child Friendly Spaces would be suitably qualified, with experience running professional services, as well as being trained in trauma-informed approaches, which is essential in an emergency context.

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.

#### 4. Support families to provide the material basics for all children

There can be no doubt that, without government intervention, COVID-19 will drive many families into poverty. Even before COVID-19’s onset, around 1 in 6 Australian children – or 774,000 children – aged 0-14 lived in poverty.<sup>40</sup> Many more are at significant and immediate risk of sliding into poverty as a result of the pandemic’s sweeping economic impact.

Poverty’s effects are especially harmful and difficult to escape for children. Childhood poverty causes lifelong harm. Poverty is the strongest predictor of developmental vulnerability in children starting school, and children in families facing economic hardship are far more likely to experience neglect and abuse, with all the harmful consequences that follow. Child poverty is associated with worse educational, employment, health, and wellbeing outcomes, extending across adulthood. It is linked to greater contact with the criminal justice and adult welfare systems. For children who are abandoned by society to poverty, escaping from disadvantage later on can be all but impossible.<sup>41</sup>

The Commonwealth Government’s Coronavirus Supplement has provided a critical lifeline for the most vulnerable children and families in Australia through the pandemic. At least 1.1 million children are relying on the Supplement.<sup>42</sup> For many, the Supplement has been the difference between a home environment which is safe and healthy and where they receive the material basics, and one in which those basic needs go unmet and their safety and welfare are severely compromised. To protect our most vulnerable children, we must ensure they are housed and fed.

No child should be living in poverty in Australia. **A permanent and adequate increase to JobSeeker, Youth Allowance, parenting payments, and other income support payments, to a level that keeps all Australians out of poverty and allows all Australian families to pay for the essentials, would be a simple and enormously powerful structural change.** The current circumstances, which have forced a re-examination of the underlying structural supports in Australia and created a social

<sup>40</sup> Australian Council of Social Service, 2020, *Poverty in Australia 2020* (based on the latest ABS data from 2017-18).

<sup>41</sup> See, e.g., Warren, D., 2017, *Low income and poverty dynamics: Implications for child outcomes*, Social Policy Research Paper No 47, Australian Institute of Family Studies.

<sup>42</sup> Department of Social Services, ‘Answer to Question on Notice’, Senate Select Committee on COVID-19, Public Hearing – 30 July 2020, available at: [https://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/COVID-19/COVID19/Additional\\_Documents?docType=Answer%20to%20Question%20on%20Notice](https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/COVID-19/COVID19/Additional_Documents?docType=Answer%20to%20Question%20on%20Notice) (question 269).

licence for change, are a unique opportunity to provide certainty and secure the living conditions of all Australian families – including those hardest hit by COVID-19 and most in need of support – and preserve opportunity for their children, enabling them to thrive.

Permanently raising the rate of JobSeeker and other income support payments would also produce large net economic benefits. Modelling by Deloitte, the Grattan Institute and others has highlighted the shocks to income and spending being created by COVID-19 and the contraction and harm to the broader Australian economy that will occur if income supports are not raised.<sup>43</sup> This will be felt both in the near term, as Australia seeks to weather the recession, and over a longer horizon, as the nation slowly recovers from the current high unemployment levels and broader economic downturn. It is notable that recipients of income support spend a greater proportion of their income, in paying for essentials, resulting in a high relative level of consumption which in turn flows to the wider economy.

## 5. Ensure adequate funding for organisations to become and stay child safe

Save the Children and 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 – strongly endorse the Government’s work to regulate the National Principles for Child Safe Organisations through funding agreements and support organisations’ capacity to meet these Principles by reforming how government engages with organisations and communities.

Save the Children and Child Wise welcome the Commonwealth Government’s strengthening of the Commonwealth Child Safe Framework in its second edition, which came into effect on 14 December 2020. However, a strengthened framework must be accompanied by commensurate arrangements for funded organisations to build their capacity to deliver the requirements, so that they are not ‘set up to fail’.

The Royal Commission into Institutional Responses to Child Sexual Abuse was clear in its recommendations that all organisations that have any contact with children must be compliant with 10 National Child Safe Standards. The Standards are a benchmark against which organisations can assess their child safe capacity and set performance targets for a best practice approach to child safety. The Royal Commission was equally clear that the effectiveness of the Standards depends on governments striking the right balance between ensuring effective implementation and recognising and supporting the burden of implementation by organisations.<sup>44</sup>

The Commonwealth Government has a clear mandate and a significant stake in improving institutional child safety. It can create the conditions for effective implementation of the National Principles through its funding mechanisms. If the Government is to realise its ambition for child safe organisations in Australia, and if organisations are to realistically meet the legislative and regulatory mandate (in substance as well as form), **adequate funding will be needed for organisations to meet the National Principles for Child Safe Organisations in the intended manner** through the Department of Social Services’ Families and Children portfolio, the National Indigenous Australians Agency’s Indigenous Advancement Strategy and other programs, and the National Office for Child Safety.

<sup>43</sup> Deloitte Access Economics, 2020, *Estimating the economic impacts of lowering current levels of income support payments*, September 2020; Daley, J. et al, 2020, *The Recovery Book: What Australian governments should do now*, Grattan Institute, June 2020.

<sup>44</sup> Royal Commission into Institutional Responses to Child Sexual Abuse, 2017, *Final report*, Volume 6 – Making institutions child safe.

**An appropriation could be calculated as a percentage of overhead above an organisation's funded budget, so that providers can incorporate institutional strengthening or capacity building to enable full integration of the 10 National Principles for Child Safe Organisations.**

## Attachment A: Child-sensitive social protection costing

Save the Children has commissioned Development Pathways to model the projected costs of delivering universal child benefit payments, child disability benefits and adult disability benefits to eligible populations in Fiji, Papua New Guinea, Solomon Islands, Tonga, and Vanuatu.

This modelling is underpinned by assumptions including population projections from the United Nations World Population Prospects 2019, and economic projections drawing on the International Monetary Fund's World Economic Outlook database (with inflation and GDP growth after 2025 assumed to stay constant). All currency conversions are sourced from oanda.com, for average exchange rates. The modelling accounts for benefit transfer values in line with comparable averages, including:

- Child benefit payments of 5% of GDP;
- Child disability benefits of 12% of GDP; and
- Adult disability benefits of 12% of GDP.

Outputs of the model, for **FY2021/22 only**, are provided below:

		Fiji	PNG	Solomon Islands	Tonga	Vanuatu
Child benefit	Age of eligibility	0-10	0-10	0-10	0-10	0-10
	Transfer value (local costing unit)	43	30	69	40	915
Child disability benefit	Age of eligibility	0-17	0-17	0-17	0-17	0-17
	Transfer value (local costing unit)	103	73	164	97	2195
Adult disability benefit	Age of eligibility	18-59	18-59	18-59	18-59	18-59
	Transfer value (local costing unit)	103	73	164	97	2195
Country program cost	USD	61,834,000	296,165,000	25,829,000	6,870,000	10,523,000
	AUD	80,087,700	383,594,000	33,453,800	8,898,050	13,629,400
Total program cost	USD	401,221,000				
	AUD	519,663,000				

To deliver estimates for a limited, three-year pilot initiative in Western Province, PNG; Malaita, Solomon Islands; and Sanma, Vanuatu, we calculated proportional costs drawing on census data.

Population assumptions included:

- Western Province as 2.8% of the population of Papua New Guinea;
- Malaita as 23% of the population of Solomon Islands; and
- Sanma as 21.6% of the population of Vanuatu.

The below also assumes (drawing on census data) that all provinces represent an average household size and disability prevalence, and models for annual indexation. All figures are presented in AUD (conversions from oanda.com, for average exchange rates):

**Modelling for proposed three-year pilot**

	2021/22	2022/23	2023/24
Western Province	10,740,600	10,867,600	10,993,400
Malaita	7,694,380	7,694,380	7,961,000
Sanma	2,943,960	2,981,170	3,028,730
Total	21,378,940	21,543,150	21,983,130
Total multi-year	64,905,220		