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Child disadvantage in NSW: recent findings

by Daniel Montoya

1. Introduction

Children born into disadvantage are more likely to have health problems and develop behavioural issues; they are also likely to experience housing and food insecurity, lower levels of educational attainment and less supportive parental relationships.¹ Research also shows that experiences during child development affect *lifelong* health and wellbeing.²

This e-brief brings together recent findings on child disadvantage in NSW. It begins by defining disadvantage and the related concepts of poverty, deprivation and social exclusion. This is followed by research findings on poverty, social exclusion, childhood development, and health and wellbeing to create a picture of child disadvantage in NSW over the last five to ten years. Information on indigenous child disadvantage is included where available.

Methodological notes are generally detailed in the endnotes. The causes of disadvantage, impacts of disadvantage, inter-generational aspects of disadvantage and different policy responses are beyond the scope of this e-brief.³

2. Defining disadvantage, poverty, deprivation and social exclusion

Traditionally, disadvantage was commonly understood as poverty, where poverty meant inadequate resources or low income. Today, disadvantage is commonly understood as a multi-dimensional concept, its meaning perhaps best captured jointly by three overlapping terms: poverty, deprivation, and social exclusion.⁴

Income poverty may be defined in absolute or relative terms. Absolute poverty commonly refers to people who live in families that do not have sufficient income to pay for such basic necessities as food and housing.⁵ An absolute poverty line is an income poverty threshold which has its real value held constant over time.⁶ Relative poverty refers to people whose income is low relative to the incomes of other people; for example, less

than half the national median income.⁷ Most Australian research uses the relative definition of poverty.

Poverty as a measure of disadvantage has significant limitations (see also section 3 of this e-brief). It does not capture access to all of the resources required to maintain an acceptable standard of living.⁸ Neither does it take into account other potential causes of disadvantage, such as poor health, unemployment nor low literacy and skill levels.⁹ Disadvantage is therefore much broader than poverty, concerning not so much insufficient income as insufficient outcomes i.e. the wellbeing of a person or their living standards.¹⁰

Deprivation is generally defined as exclusion from the minimum acceptable way of life in a person's own society *because of a lack of resources*. For example, a person may lack sufficient basic needs (e.g. food and clothing) or the capacity to afford basic leisure and social activities. While it is closely related to poverty, it is possible to experience deprivation in one or more dimensions without necessarily being poor, just as it is possible to be income poor without being deprived.¹¹

Social exclusion highlights the role of institutional structures, community attitudes and social practises in creating barriers to a person's participation in the key activities of the society in which they live.¹² It has been defined as:

... a process that deprives individuals and families, and groups and neighbourhoods, of the resources required for participation in the social, economic and political activity of society as a whole. This process is primarily a consequence of poverty and low income, but other factors such as discrimination, low educational attainment and depleted living environments also underpin it. Through this process, people are cut off for a significant period in their lives from institutions and services, social networks and developmental opportunities that the great majority of society enjoys.¹³

Social exclusion may be measured across a number of dimensions, including material resources, employment, education and skills, health and disability, social connection, community, and personal safety.¹⁴ Social exclusion may also be thought of as being 'wide', 'deep' and 'concentrated':

- *Wide* exclusion refers to the large number of people being excluded on a single or small number of indicators;
- *Deep* exclusion refers to being excluded on multiple or overlapping dimensions. Deep exclusion is more entrenched and deep-seated than wide exclusion; and
- *Concentrated* exclusion refers to a geographic concentration of problems and to area exclusion.¹⁵

3. Child poverty rates: 2000-01 to 2011-12

The most commonly used measure for calculating relative income poverty rates is the half median poverty line.¹⁶ Used in each of the studies cited in this section, the half median poverty line is where a household or person is considered to be in poverty if their after-tax income is less than half of the median after-tax income of all households or persons in Australia.¹⁷

3.1 International comparisons

In 2010, 17% of Australian children were in relative poverty (Table 1). This placed Australia in the middle third of OECD (Organisation for Economic Co-operation and Development) countries for this child wellbeing indicator. When it came to the proportion of Australian children in jobless families (15%), Australia ranked in the bottom third of OECD countries. A large proportion of indigenous Australian children lived in jobless families in 2010 (45%).¹⁸

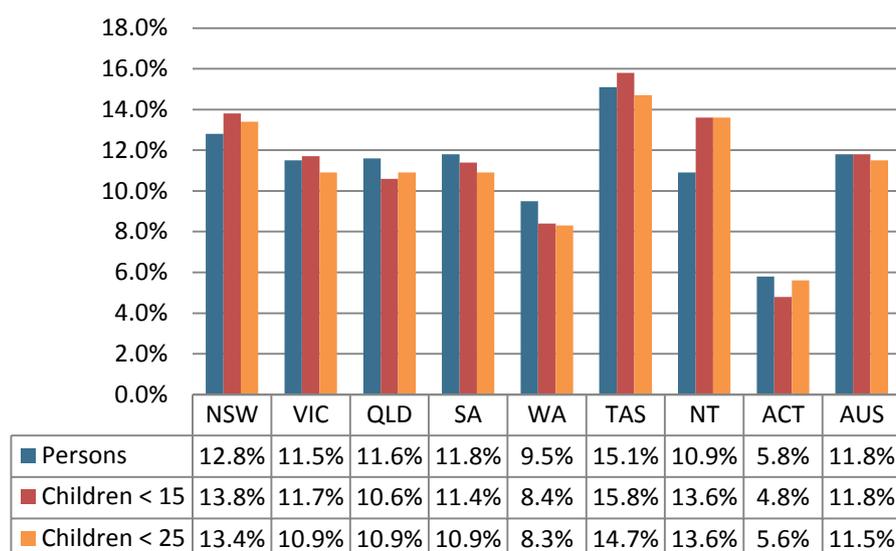
Table 1: Australian child poverty rates compared with other OECD countries¹⁹

Indicator	All Australian children	Indigenous children	OECD rank
% children (0-15) in poverty (<50% of national median income) (2010)	17%	n/a	16/29 (2009)
% children (0-14) in jobless families (2010)	15%	45%	22/25 (2008)

3.2 Child poverty rates in NSW

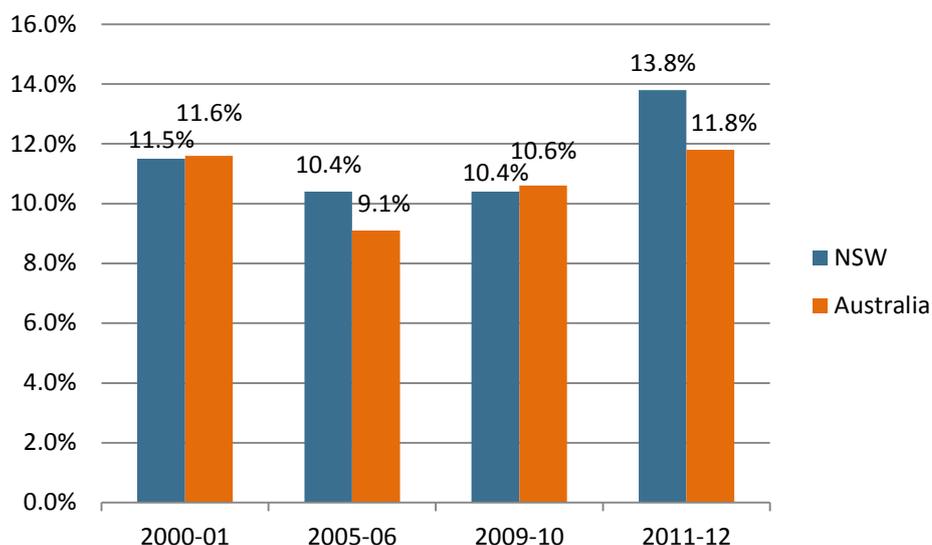
This section provides several *point in time* pictures of the number and proportion of children in poverty in NSW, rather than a picture of the period of time over which *particular* children have experienced poverty. In 2011-12, NSW had the some of the highest poverty rates in the country (Figure 1). NSW poverty rates for all persons (12.8%) and children under 15 (13.8%) were second only to Tasmania (15.1% and 15.8% respectively). NSW also had the third highest poverty rate for children under 25²⁰ (13.4%), after Tasmania (14.7%) and the Northern Territory (13.6%).

Figure 1: Poverty rates by State and Territory (2011-12)²¹



NSW child poverty rates dipped from 11.5% in 2000-01 to 10.4% in 2005-06 and 2009-10, before rising to 13.8% (approximately 181,000 children) in 2011-12 (Figure 2). During the last decade, NSW child poverty rates were either approximately equal to or higher than Australian child poverty rates.

Figure 2: NSW and Australian child poverty rates (<15 years of age) (2000-01 to 2011-12)²²



In 2011-12, NSW child poverty rates were highest in the Far West (22.45%), Mid North Coast (21.79%) and Northern Rivers (21.61%) [regions](#) (Table 2). Child poverty rates were lowest in the Hunter (13.66%), Sydney (13.60%) and the Southern Highlands/Tablelands (13.79%).

Table 2: Children in poverty by region (<15 years of age) (2011-12)²³

Region	Estimated number of children	Estimated child poverty rate
Central Coast	9,662	15.98%
Central West	6,157	15.75%
Far West	861	22.45%
Hunter	15,996	13.66%
Illawarra/South Coast	10,363	15.09%
Mid North Coast	9,899	21.79%
Murray-Lower Darling	3,350	16.30%
New England/North West	6,993	19.52%
Northern Rivers	11,072	21.61%
Orana	3,984	19.69%
Riverina	5,329	16.02%
South East NSW	4,763	14.55%
Southern Highlands/Tablelands	2,050	13.79%
Sydney	90,921	13.60%
NSW	181,400	13.80%

In 2011-12, Brewarrina Local Government Area (LGA) had the highest estimated child poverty rate in NSW (31.15%) (Table 3). Of the ten LGAs with the highest levels of child poverty, five were located in the Orana [region](#) of NSW. The two Sydney LGAs with the highest child poverty rates were Auburn (26.10%) and Canterbury (25.60%).²⁴

Table 3: NSW LGAs with highest child poverty rates (2011-12)²⁵

Local Government Area	NSW region	Estimated child poverty rate
Brewarrina	Orana	31.15%
Kyogle	Northern Rivers	28.20%
Tenterfield	New England/North West	27.94%
Walgett	Orana	27.93%
Gilgandra	Orana	27.80%
Gwydir	New England/North West	27.35%
Urana	Murray-Lower Darling	27.23%
Warrumbungle	Orana	26.90%
Nambucca	Mid North Coast	26.69%
Coonamble	Orana	26.23%

3.3 The persistence of child poverty in Australia

Longitudinal data on the *persistence* of child poverty (i.e. the length of time a child lives in poverty) is only available at the national level. 36.8% of Australian children experienced poverty at some stage between 2001 and 2010 (Table 4). The figure is much higher for children in single parent families (70.4%) and lower for children who lived with both parents for all ten years between 2001 and 2010 (28.3%). 3.1% of Australian children lived in poverty for at least six of the ten years from 2001 to 2010.

Table 4: Long-term child poverty in Australia – years in poverty of children under 10 years of age in 2001 (2001 to 2010)²⁶

	0 years	1 or 2 years	3 to 5 years	6 to 10 years	Total
Lived with one parent only in all 10 years	29.6%	38.4%	23.2%	8.8%	100.0%
Lived with one parent only in majority of years	50.7%	24.5%	17.0%	7.8%	100.0%
Lived with both parents in majority of years	50.5%	36.7%	10.4%	2.3%	100.0%
Lived with both parents in all 10 years	71.7%	19.5%	6.8%	2.0%	100.0%
All children (total)	63.2%	24.1%	9.6%	3.1%	100.0%

4. Child Social Exclusion Index: 2001 to 2011

The Child Social Exclusion (CSE) Index is a “geographic index of social exclusion risk for children in Australia and combines economic and social factors that are specifically related to child outcomes”²⁷. The 2011 index primarily uses data from the 2011 Census, supplemented by data from the 2011 NAPLAN Year 5 results and the 2009 Australian Early Development Index (AEDI).

The CSE Index covers 5 domains of disadvantage and was constructed for dependent children aged 0-15 years (Table 5).²⁸ The LGA index scores for all Australian LGAs were divided into five groups, where the bottom group,

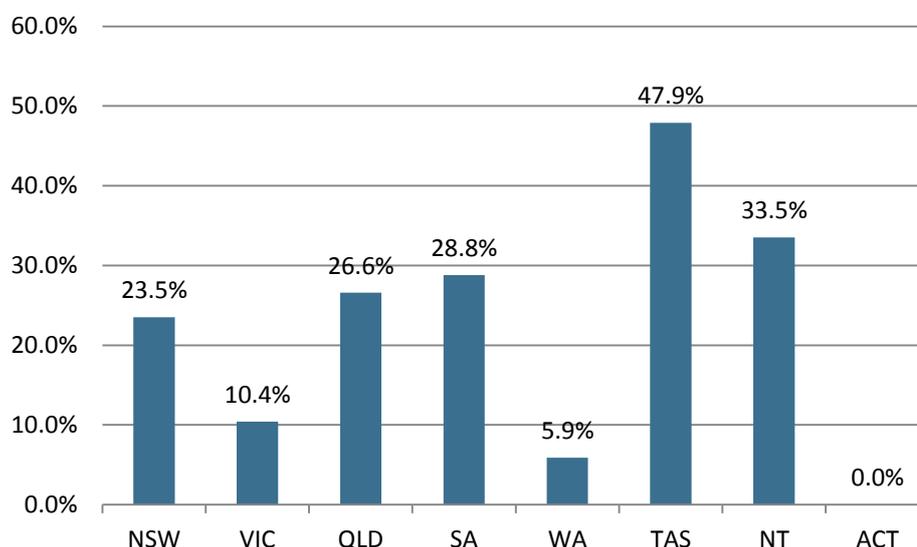
or quintile, represents 20 per cent of total children (rather than 20 per cent of LGAs) facing the highest risk of being socially excluded.

Table 5: Child Social Exclusion Index, Domains and Variables

Domain	Variables
Socioeconomic	Sole parent family
	Bottom income quintile
	No parent in paid work
Education	No family member completed Year 12
	NAPLAN Year 5 reading score Index
	NAPLAN Year 5 numeracy score Index
	Low AEDI score (2009)
Connectedness	No internet at home
	No parent doing voluntary work
	No motor vehicle
Housing	High rent and low income
	Overcrowding (not enough bedrooms)
Health service access	No. of GPs per 1,000 persons
	No. of dentists per 1,000 persons

In 2011, 23.5% of all NSW children faced the highest risk of social exclusion (Figure 3). This is equivalent to 313,139 children.²⁹ The national average was 20.0%.

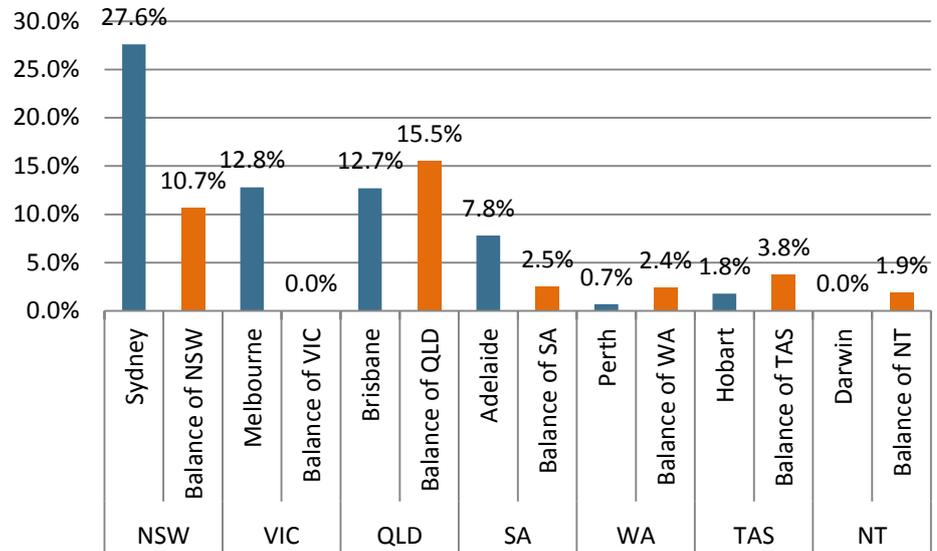
Figure 3: Proportion of children in State in the bottom CSE quintile (0-15 years of age) (2011)³⁰



In Australia, 38.3% of children most at risk of social exclusion live in NSW (Figure 4). This exceeds the proportion of *all* children who live in NSW (32.1%). It is a marginal increase from 2006, when 38.2% of Australian children most at risk of social exclusion lived in NSW.³¹ Of those Australian children most at risk of social exclusion, 27.6% live in Sydney and 10.7% live in the balance of NSW.

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Figure 4: Distribution of children in the bottom CSE quintile across the States (0-15 years of age) (2011)³²



At the LGA level, in 2011 only 3 of the 50 LGAs with the highest CSE Index scores (i.e. those most at risk of social exclusion) were in NSW – Brewarrina, Central Darling and Walgett. In total, 39 NSW LGAs were in the bottom CSE quintile (Table 6). 90 LGAs, or almost 60% of all LGAs, were in the bottom two quintiles. The LGAs most at risk of social exclusion were most highly concentrated across the north of the State: 22 of 41 LGAs in the Far West, Mid North Coast, New England/North West, Northern Rivers and Orana [regions](#) were in the bottom quintile, and 39 of 41 were in the bottom two quintiles.

Table 6: NSW LGAs in the two lowest CSE quintiles by region³³

Region	Lowest quintile	Lowest & second lowest quintiles	Total no. of LGAs
Central Coast	0	1	2
Central West	2	9	12
Far West	2	3	3
Hunter	2	6	11
Illawarra/South Coast	0	2	4
Mid North Coast	3	6	6
Murray-Lower Darling	2	3	12
New England/North West	6	12	13
Northern Rivers	3	6	7
Orana	8	12	12
Riverina	4	9	16
South East NSW	1	5	11
Southern Highlands/Tablelands	0	1	3
Sydney	6	15	41
Total	39	90	153

5. The Australian Early Development Index: 2009 to 2012

Conducted in 2009 and 2012, the Australian Early Development Index (AEDI) is a national progress measure of early childhood development as children enter school. Teachers complete an AEDI Checklist based on five domains for each child in their class (Table 7). Children with a score ranked in the lowest 10 per cent are classified as developmentally vulnerable.³⁴

Table 7: AEDI domains and subdomains³⁵

Physical health & wellbeing	Social competence	Emotional maturity	Language & cognitive skills	Communication skills & general knowledge
Physical readiness for the day	Overall social competence	Pro-social and helping behaviour	Basic literacy	Communication skills & general knowledge
Physical independence	Responsibility and respect	Anxious and fearful behaviour	Interest in literacy, numeracy and memory	
Gross and fine motor skills	Approaches to learning	Aggressive behaviour	Advanced literacy	
	Readiness to explore new things	Hyperactivity and inattention	Basic numeracy	

In 2012, the proportion of children in NSW who were developmentally vulnerable was less than the proportion at the national level for each of the five AEDI domains (Table 8). The 'language & cognitive skills' domain had the lowest proportion of developmentally vulnerable children in NSW (4.8%), while the 'social competence' and 'communication skills & general knowledge' domains both had the highest proportion (8.5%). Between 2009 and 2012, the proportion of children in NSW who were developmentally vulnerable fell for each of the five domains.

Table 8: Developmentally vulnerable children in NSW and Australia (% of children below the 10th percentile) (2009 & 2012)³⁶

	Physical health & wellbeing	Social competence	Emotional maturity	Language & cognitive skills	Communication skills & general knowledge
NSW					
2012	8.3%	8.5%	6.2%	4.8%	8.5%
2009	8.6%	8.8%	7.4%	5.9%	9.2%
Australia					
2012	9.3%	9.3%	7.6%	6.8%	9.0%
2009	9.3%	9.5%	8.9%	8.9%	9.2%

In 2012, 19.9% of NSW children (17,695 children) in their first year of school were developmentally vulnerable on one or more AEDI domains (Table 9). This is a statistically significant drop from the 2009 figure of 21.3% (17,617 children). It is also lower than the national figure of 22.0%.

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In 2012, 9.2% of NSW children were developmentally vulnerable on two or more domains, down from 10.3% in 2009.

Table 9: Percentage of children developmentally vulnerable on one or more domains (2009 & 2012)³⁷

	Developmentally vulnerable on one or more domains	Developmentally vulnerable on two or more domains
NSW		
2012	19.9%	9.2%
2009	21.3%	10.3%
Australia		
2012	22.0%	10.8%
2009	23.6%	11.8%

Table 10 sets out the 20 NSW communities with the largest proportion of children developmentally vulnerable on one or more AEDI domains. 52.6% of children in Central Darling were developmentally vulnerable, down from 61.1% in 2009. Of the 20 communities, 10 are located in the Far West, New England/North West and Orana [regions](#) of the State, with the remainder spread across the rest of the State.

Table 10: NSW communities with the largest proportion of children developmentally vulnerable on one or more AEDI domains (2012)³⁸

Community	%	Community	%
Armidale Dumaresq	33.3	Far West NSW (incl Broken Hill)	32.2
Balranald	30.0	Greater Taree	29.3
Bankstown	28.5	Griffith	28.3
Bourke	43.1	Moree Plains	39.7
Brewarrina	41.4	Orange	29.4
Carrathool	29.3	Tenterfield	35.8
Central Darling	52.6	Urana	30.4
Cooma-Monaro	36.1	Walgett	35.8
Coonamble	29.5	Weddin	32.0
Fairfield	27.8	Wellington	39.1

Note: The percentages in this Table are not comparable, as the number of children in each community may be significantly different

Table 11 sets out the NSW communities which recorded the largest increases and decreases in the proportion of children developmentally vulnerable on one or more AEDI domains between 2009 and 2012. Urana recorded an increase of 21.3 percentage points in the proportion of developmentally vulnerable children. In total, 21 communities recorded a statistically significant increase in the proportion of children developmentally vulnerable on one or more domains.

Table 11: NSW communities with the largest change in the proportion of children developmentally vulnerable on one or more AEDI domains (2009 to 2012)³⁹

Statistically significant increase in most vulnerable		Statistically significant decrease in most vulnerable	
Community	%	Community	%
Urana	21.3	Narromine	17.7
Gilgandra	16.6	Tumbarumba	15.0
Cooma-Monaro	15.0	Muswellbrook	14.1
Snowy River	14.1	Temora	13.6
Balranald	13.9	Parkes	12.8
Leeton	12.9	Gunnedah	12.6
Tenterfield	11.9	Cobar	12.4
Coolamon	11.3	Forbes	10.5
Griffith	10.7	Narrabri	10.0
Walgett	10.3	Kyogle	8.7

Narromine recorded a decrease of 17.7 percentage points in the proportion of developmentally vulnerable children between 2009 and 2012 (Table 11). In total, 46 communities recorded a statistically significant decrease in the proportion of developmentally vulnerable children.

5.1 Indigenous children

In both 2009 and 2012, the proportion of indigenous children in NSW who were developmentally vulnerable was less than the proportion at the national level for each of the five AEDI domains (Table 12). In 2012, the ‘emotional maturity’ domain had the lowest proportion of developmentally vulnerable indigenous children (12.9%) and the ‘physical health & wellbeing’ domain had the highest proportion of developmentally vulnerable indigenous children (17.7%). Indigenous children in NSW were twice as likely to be developmentally vulnerable when compared with the figure for all children in NSW (Table 8), except in the case of the ‘language & cognitive skills’ domain, for which they were three times as likely to be developmentally vulnerable. Statistically significant decreases between 2009 and 2012 were recorded for the ‘language & cognitive skills’ and ‘communication skills & general knowledge’ domains.

Table 12: Developmentally vulnerable indigenous children in NSW and Australia (% of children below the 10th percentile) (2009 & 2012)⁴⁰

	Physical health & wellbeing	Social competence	Emotional maturity	Language & cognitive skills	Communication skills & general knowledge
NSW					
2012	17.7%	16.9%	12.9%	14.8%	16.5%
2009	18.4%	17.1%	12.5%	16.6%	17.5%
Australia					
2012	20.4%	18.7%	15.6%	22.4%	19.9%
2009	21.9%	20.2%	17.1%	28.6%	21.3%

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In 2012, 36.7% of indigenous children in NSW (4,550 children) in their first year of school were developmentally vulnerable on one or more AEDI domains (Table 13). This is a statistically significant drop from the 2009 figure of 39.1% (3,711 children). In 2012, 21.0% of indigenous children in NSW were developmentally vulnerable on two or more AEDI domains, a statistically significant fall from 22.5% in 2009. All of the NSW figures in Table 13 are roughly twice the comparable figure for all NSW children.

Table 13: Percentage of indigenous children developmentally vulnerable on one or more domains (2009 & 2012)⁴¹

	Developmentally vulnerable on one or more domains	Developmentally vulnerable on two or more domains
NSW		
2012	36.7%	21.0%
2009	39.1%	22.5%
Australia		
2012	43.2%	26.0%
2009	47.4%	29.6%

For methodological reasons, data for indigenous children in NSW at the community level is only available for 71 of the 152 communities in NSW.⁴² Of these communities, in 2012 Wellington had the highest proportion of indigenous children who were developmentally vulnerable on one or more AEDI domains (66.7%) (Table 14). Only two of the 20 communities in Table 14 recorded a statistically significant decline between 2009 and 2012: Albury and Lachlan. Four recorded a statistically significant increase between 2009 and 2012: Armidale Dumaresq; Brewarrina; Griffith; and Leeton. Of the 20 communities, 12 are located in the Far West, Mid North Coast, New England/North West, Northern Rivers and Orana [regions](#) of the State, with the remainder spread across the rest of the State.

Table 14: NSW communities with the largest proportion of indigenous children developmentally vulnerable on one or more AEDI domains (2012)⁴³

Community	%	Community	%
Albury	44.4	Gunnedah	46.2
Armidale Dumaresq	62.1	Lachlan	47.1
Bourke	55.3	Leeton	65.4
Brewarrina	52.0	Lismore	51.0
Broken Hill	51.2	Mid-Western Regional	52.2
Coonamble	42.9	Moree Plains	61.8
Dubbo	44.4	Nambucca	44.4
Great Lakes	48.4	Orange	48.2
Greater Taree	47.1	Sydney	52.8
Griffith	60.5	Wellington	66.7

Note: The percentages in this Table are not comparable, as the number of children in each community may be significantly different

Of the 71 communities for which data was available, 18 recorded a statistically significant decrease between 2009 and 2012 in the proportion

of indigenous children who were developmentally vulnerable on one or more AEDI domains. Eight communities recorded a statistically significant increase in the proportion of indigenous children who were developmentally vulnerable on one or more AEDI domains.⁴⁴

6. Children’s Headline Indicators: 2006 to 2012

In 2006, the health and the community and disability Ministerial Councils (AHMC and CDSMC) and the then Australian Education Systems Officials Committee (AESOC) endorsed the [Children’s Headline Indicators](#).⁴⁵ The Children’s Headline Indicators are:

... a set of 19 indicators designed to focus policy attention on priorities for children’s health, development and wellbeing. They are a mechanism to help guide and evaluate policy development by measuring progress on a set of indicators that are potentially amenable to change over time through prevention and early intervention.⁴⁶

The Indicators cover a number of developmental phases, including the prenatal period, infancy, early childhood and school-age childhood.

Data on 8 of the 19 indicators is included in Table 15; the remainder are absent for methodological reasons.⁴⁷ For indigenous children, four of eight indicators showed improvement over time (birthweight, infant mortality, numeracy and teenage births) and one indicator recorded no change (literacy). Three indicators regressed for indigenous children: child abuse and neglect; immunisation; and injuries. In 2012, indigenous children in NSW were worse off than the Australian average on two indicators: child abuse and neglect; and immunisation.

Table 15: Selected health, development and wellbeing indicators for indigenous and non-indigenous children in NSW and Australia (2006 to 2012)⁴⁸

Indicator	2006		2012		
	Indigenous	Non-indigenous	Indigenous	Non-indigenous	
Birthweight (<2.5kg)	NSW	12.4%	5.9%	11.4% (2010)	5.7% (2010)
	AUS	12.4%	6.2%	12.0% (2010)	6.0% (2010)
Child abuse and neglect (substantiations per 1,000 children)	NSW	52.6 (2009-10)	6.0 (2009-10)	59.4 (2011-12)	6.6 (2011-12)
	AUS	35.3 (2011-12)	4.6 (2011-12)	41.9 (2011-12)	5.4 (2011-12)
Immunisation	NSW	91.7% (2008)	92.5% (2008)	91.3%	92.9%
	AUS	90.7% (2008)	92.6% (2008)	91.9%	92.8%
Infant mortality (deaths per 1,000 live births)	NSW	7.5	4.6	4.5 (2011)	3.9 (2011)
	AUS	10.6	4.9	7.0 (2011)	3.9 (2011)

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Indicator		2006		2012	
		Indigenous	Non-indigenous	Indigenous	Non-indigenous
Injuries (deaths per 100,000 children)	NSW	10.3	5.4	10.6 (2011)	3.8 (2011)
	AUS	-	-	16.9 (2011)	4.8 (2011)
Literacy	NSW	77.6% (2008)	94.4% (2008)	77.6%	93.7%
	AUS	63.4% (2008)	92.6% (2008)	64.7%	93.1%
Numeracy	NSW	78.9% (2008)	95.2% (2008)	80.8%	95.2%
	AUS	69.2% (2008)	94.0% (2008)	69.2%	94.6%
Teenage births (births per 1,000 females)	NSW	70.9	13.8	64.4 (2010)	11.8 (2010)
	AUS	79.6	14.7	72.4 (2010)	12.9 (2010)

For non-indigenous children, five of eight indicators showed improvement over time (birthweight, immunisation, infant mortality, injuries and teenage births) and one indicator recorded no change (numeracy). Two indicators regressed for non-indigenous children: child abuse and neglect; and literacy. In 2012, NSW non-indigenous children were worse off than the Australian average on one indicator: child abuse and neglect.

7. Conclusion

It is difficult to draw overall conclusions from the data on trends in child disadvantage in NSW. On the one hand, child poverty rose from 10.4% in 2009-10 to 13.8% in 2011-12, well above the Australian 2011-12 average of 11.8%. Substantiations of child abuse and neglect increased for indigenous and non-indigenous children and, at the local level, some NSW communities experienced significant increases in child developmental vulnerability. On the other hand, across the State as a whole the proportion of children who were developmentally vulnerable fell. Improvements were also recorded for indigenous and non-indigenous children for headline indicators, such as low birthweight, infant mortality, numeracy and teenage births.

Nevertheless, the data does draw attention to the significant numbers of children in NSW who are disadvantaged. In 2011-12, 181,300 children were in poverty and in 2011, 313,139 children faced the highest risk of social exclusion according to the Child Social Exclusion (CSE) Index. In 2012, 19.9% of NSW children (17,695 children) in their first year of school were developmentally vulnerable on one or more AEDI domains. The research findings together also enable identification of areas of *concentrated* social exclusion. Six LGAs in three [regions](#) of the State were in the bottom twenty LGAs for child poverty, the CSE Index and the proportion of children developmentally vulnerable on one or more AEDI domains: Central Darling (Far West region); Tenterfield (New

England/North West region); and Brewarrina, Coonamble, Walgett and Wellington (Orana region).⁴⁹

While less readily available, the data on indigenous children highlights significant discrepancies in wellbeing between indigenous children and non-indigenous children in NSW. In 2012, when compared to all NSW children, indigenous children were twice as likely to be developmentally vulnerable on four of the five AEDI domains, and three times as likely on the fifth domain – ‘language & cognitive skills’. Indigenous children were also worse off on the eight Children’s Headline Indicators, in some cases quite significantly – indigenous children were almost 10 times as likely to be subject to child abuse and neglect in 2012.

- ¹ S King et al., [2012 State of Sydney Report: Poverty’s Effect on Children](#), Anglicare, 2012
- ² Australian Institute of Health and Welfare, [Headline Indicators for Children’s Health, Development and Wellbeing 2011](#), 2011
- ³ See for example: B Bradbury, [Child poverty: A review](#), Commonwealth Department of Family and Community Services, Policy Research Paper No. 20, SPRC, 2003; A Daly, [Social Inclusion and Exclusion among Australia’s Children: A Review of the Literature](#), NATSEM, Discussion Paper no. 62, December 2006; A Huston, [Children in poverty: Can public policy alleviate the consequences?](#) *Family Matters*, Australian Institute of Family Studies, Issue No. 87, 2011, pp13-26; ACOSS, [Poverty Report: Poverty and its Causes – October 2011 update](#), Australian Council of Social Service, October 2011; S King et al., [2012 State of Sydney Report: Poverty’s Effect on Children](#), Anglicare, 2012
- ⁴ P Saunders and M Wong, [Promoting Inclusion and Combating Deprivation: Recent Changes in Social Disadvantage in Australia](#), Social Policy Research Centre, UNSW, December 2012. The Productivity Commission identified a fourth, less commonly used term – the capabilities approach. The capabilities approach was developed by Amartya Sen. He defined poverty in terms of *low capabilities and functionings*. Poverty results when individuals lack key capabilities, and so have inadequate incomes, education, poor health, low self-confidence or a sense of powerlessness. Functionings include working, resting, being literate, being healthy and being part of the community. Capabilities are a person’s *potentials*, while functions are *actualities*. This approach has informed work by the EU, United Nations and the Australian Treasury. Source: R McLachlan et al., [Deep and Persistent Disadvantage in Australia](#), Productivity Commission Staff Working Paper, July 2013, Chapter 2
- ⁵ H Greenwell et al., [An Introduction to Poverty Measurement Issues](#), NATSEM Discussion Paper No.55, December 2001
- ⁶ R Wilkins, Relative income poverty, in [Families, Incomes and Jobs, Volume 8: A Statistical Report on Waves 1 to 10 of the Household, Income and Labour Dynamics in Australia Survey](#), Melbourne Institute of Applied Economic and Social Research, R Wilkins (ed), 2013, pp23-30
- ⁷ Choice of definition produces significantly different results. For example, according to R Wilkins (2013), relative poverty in Australia remained relatively stable between 2001 and 2010, falling from 13.3% to 12.4%, while absolute poverty experienced a significant decline from 13.3% to 5.8%. This study set the absolute poverty line at the 2001 relative poverty line and adjusted for inflation to maintain its purchasing power over the 2001 to 2010 period. According to the study, the significant difference between the relative and absolute poverty rates in 2010 makes it clear that “even among the poor, average living standards have increased over the full ten-year period” (page 24). R Wilkins, Relative income poverty, in [Families, Incomes and Jobs, Volume 8: A Statistical Report on Waves 1 to 10 of the Household, Income and Labour Dynamics in Australia Survey](#), Melbourne Institute of Applied Economic and Social Research, R Wilkins (ed), 2013, pp23-30
- ⁸ R Reeve, Indigenous poverty in New South Wales major cities: A multidimensional analysis, *Australian Aboriginal Studies*, 2012, Vol 1, pp19-34
- ⁹ S King et al., [2012 State of Sydney Report: Poverty’s Effect on Children](#), Anglicare, 2012
- ¹⁰ R McLachlan et al., [Deep and Persistent Disadvantage in Australia](#), Productivity Commission Staff Working Paper, July 2013. See the following for a discussion of the concept of ‘wellbeing’: T Drabsch, [Measuring Wellbeing](#), Briefing Paper 04/2012, NSW Parliamentary Research Service, 2012

- ¹¹ P Saunders and M Wong, [Promoting Inclusion and Combating Deprivation: Recent Changes in Social Disadvantage in Australia](#), Social Policy Research Centre, UNSW, December 2012; R McLachlan et al., [Deep and Persistent Disadvantage in Australia](#), Productivity Commission Staff Working Paper, July 2013. According to Saunders and Wong, it may be possible to experience deprivation without being poor, or vice versa, because “the equivalence scale used to identify poverty either incorrectly estimates certain costs (e.g. of large families, or sole parenthood) or omits them altogether (e.g. the costs associated with disability) ... In addition, when poverty and deprivation are observed at a particular point in time, no account is taken of the factors other than income that determine the standard of living, nor of the lagged responses that link changes in people’s income to their standard of living and hence to the deprivation actually experienced. Thus, a sudden decline in income (because of the loss of a job, for example) may not translate immediately into increased deprivation because those affected may have access to other resources that can cushion or delay the fall in living standards. Similarly, those in poverty whose incomes suddenly rise may still experience deprivation for some time while they pay off accumulated debts or replace items that are worn-out or broken ... the existence of deprivation may also reflect factors other than a lack of income, including poor working conditions, inadequate neighbourhood facilities, lack of access to appropriate health services, or barriers that prevent people from participating in widely practiced and endorsed community activities.” (page 12).
- ¹² P Saunders and M Wong, [Promoting Inclusion and Combating Deprivation: Recent Changes in Social Disadvantage in Australia](#), Social Policy Research Centre, UNSW, December 2012; S King et al., [2012 State of Sydney Report: Poverty’s Effect on Children](#), Anglicare, 2012
- ¹³ Pierson (2001) quoted in Social Inclusion Unit, [Social Inclusion. A compendium of social inclusion indicators: How’s Australia faring?](#) Department of the Prime Minister and Cabinet, May 2009, p.viii
- ¹⁴ See for example: P Saunders and M Wong, [Promoting Inclusion and Combating Deprivation: Recent Changes in Social Disadvantage in Australia](#), Social Policy Research Centre, UNSW, December 2012; R McLachlan et al., [Deep and Persistent Disadvantage in Australia](#), Productivity Commission Staff Working Paper, July 2013; F Azpitarte, [Social exclusion monitor bulletin](#), Brotherhood of St Laurence and Melbourne Institute of Applied Economic and Social Research, October 2013
- ¹⁵ A Hayes et al., [Social Inclusion: Origins, concepts and key themes](#), prepared for the Social Inclusion Unit, Department of the Prime Minister and Cabinet, October 2008, p.5
- ¹⁶ Several writers note that there is a degree of arbitrariness in poverty measurement (Phillips et al., 2013). This is because changing the parameters of the calculation may significantly change the findings. Key parameters include the following: (1) Other poverty lines may be used e.g. the Henderson poverty line or the half mean poverty line (Harding and Szukalska, 2000); (2) The percentage associated with the poverty line may vary (e.g. 50% or 60% median poverty line) (ACOSS, 2011); (3) Different equivalence scales may be used. An equivalence scale is used to account for differences in household size and structure (R McLachlan et al., 2013); (4) The ‘income unit’ may vary (e.g. defining a child as being aged under 15 or under 25) (Phillips et al., 2013); (5) Poverty may be measured before or after families have paid their housing costs (Harding and Szukalska, 2000). Other methodological issues include the following: (1) Relative income poverty does not take into account a person or household’s consumption, net worth or liquid assets. A 2009 study found that taking these factors into account reduces the poverty rate from 13.7% to 2.5% (Headey et al., 2009 cited in R McLachlan et al., 2013); (2) ‘Needs’ vary across individuals and households. A threshold level of income that is minimally adequate for most people could still leave some with insufficient resources because they have special needs (e.g. a disability), high work-related expenses or the purchasing power of their income is affected by geographical variations in prices of goods and services and travel expenses (R McLachlan et al., 2013); (3) An income poverty rate is generally only a partial measure because it is taken *at a point in time*. In any given year, the income of a household could be atypical because of events such as illness, temporary unemployment or receipt of a bonus. Longitudinal studies address this issue to some extent (R McLachlan et al., 2013). Sources: A Harding and A Szukalska, [Financial Disadvantage in Australia – 1999: The Unlucky Australians?](#) Report prepared for The Smith Family, 2000; ACOSS, [Poverty Report: Poverty and its Causes – October 2011 update](#), Australian Council of Social Service, October 2011; B Phillips et al., [Poverty, Social Exclusion and Disadvantage in Australia](#), NATSEM, Report prepared for UnitingCare Children Young People and Families, 2013; R McLachlan et al., [Deep and](#)

- [Persistent Disadvantage in Australia](#), Productivity Commission Staff Working Paper, July 2013
- ¹⁷ B Phillips et al., [Poverty, Social Exclusion and Disadvantage in Australia](#), NATSEM, Report prepared for UnitingCare Children Young People and Families, 2013
- ¹⁸ Australian Research Alliance for Children & Youth, [Report Card: The wellbeing of young Australians](#), 2013. The Alliance notes that significant data limitations were encountered whilst putting together its Report Card: "(f)or example, we do not have comprehensive data sets on critical areas, such as social and emotional wellbeing of children and young people, comparative data for children with disability, an agreed poverty measure or index, and agreed measures of family functioning or participation" (page 3).
- ¹⁹ Ibid.
- ²⁰ Children under 25 are defined as children 'who are under 25 yet still dependent upon their parents'. B Phillips et al., [Poverty, Social Exclusion and Disadvantage in Australia](#), NATSEM, Report prepared for UnitingCare Children Young People and Families, 2013, p.5
- ²¹ B Phillips et al., [Poverty, Social Exclusion and Disadvantage in Australia](#), NATSEM, Report prepared for UnitingCare Children Young People and Families, 2013, p.10
- ²² B Phillips et al., [Poverty, Social Exclusion and Disadvantage in Australia](#), NATSEM, Report prepared for UnitingCare Children Young People and Families, 2013, p.45
- ²³ Notes: (1) Three LGAs are not included in this count, figures not having been provided in the study – Bankstown, Burwood and Fairfield (2) The NSW child poverty rate calculated by aggregating the figures for NSW LGAs is 14.97%. It is unclear from the study why this would be the case, given the quoted figure in the study is 13.80%. B Phillips et al., [Poverty, Social Exclusion and Disadvantage in Australia](#), NATSEM, Report prepared for UnitingCare Children Young People and Families, 2013, pp46-50
- ²⁴ B Phillips et al., [Poverty, Social Exclusion and Disadvantage in Australia](#), NATSEM, Report prepared for UnitingCare Children Young People and Families, 2013, pp46-50
- ²⁵ B Phillips et al., [Poverty, Social Exclusion and Disadvantage in Australia](#), NATSEM, Report prepared for UnitingCare Children Young People and Families, 2013, pp46-50. Division of Local Government, Department of Premier & Cabinet, [Local Council Boundaries](#), no date [online – accessed 14 January 2014]. Notes: (1) the unincorporated NSW area had a child poverty rate of 27.07% (2) no figure was provided for Bankstown, Burwood and Fairfield. Fairfield and Bankstown were both in the bottom quintile of the CSE Index; it is therefore likely that they would have had high child poverty rates.
- ²⁶ R Wilkins, Relative income poverty, in [Families, Incomes and Jobs, Volume 8: A Statistical Report on Waves 1 to 10 of the Household, Income and Labour Dynamics in Australia Survey](#), Melbourne Institute of Applied Economic and Social Research, R Wilkins (ed), 2013, p.27. Note: Percentages may not add up to 100 due to rounding.
- ²⁷ B Phillips et al., [Poverty, Social Exclusion and Disadvantage in Australia](#), NATSEM, Report prepared for UnitingCare Children Young People and Families, 2013, p.29
- ²⁸ In order to create an index measure of child social exclusion risk, the authors combined the individual variables according to their relevant domains with a combination of techniques, namely Principal Component Analysis and equal weighting. The index was then created by calculating the arithmetic mean of the five domains. B Phillips et al., [Poverty, Social Exclusion and Disadvantage in Australia](#), NATSEM, Report prepared for UnitingCare Children Young People and Families, 2013, p.30; see also: A Abello et al., Spatial Dimensions of Child Social Exclusion Risk in Australia: Widening the Scope, [Child Indicators Research](#), 2012, Vol 5(4), pp685-703
- ²⁹ This was calculated using the total number of children aged 0-15 years according to the [2011 Census](#).
- ³⁰ B Phillips et al., [Poverty, Social Exclusion and Disadvantage in Australia](#), NATSEM, Report prepared for UnitingCare Children Young People and Families, 2013, p.33
- ³¹ This figure may not be directly comparable because the 2006 study used Statistical Local Areas as the basis of its calculations, while the 2011 study used Local Government Areas. For 2006 and 2001 CSE results see the following: A Daly et al., [Indicators of Risk of Social Exclusion for Children in Australian Households: an Analysis by State and Age Group](#), [Australasian Journal of Regional Studies](#), 2008, Vol14(2), pp133-154; A Abello et al., Spatial Dimensions of Child Social Exclusion Risk in Australia: Widening the Scope, [Child Indicators Research](#), 2012, Vol5(4), pp685-703
- ³² B Phillips et al., [Poverty, Social Exclusion and Disadvantage in Australia](#), NATSEM, Report prepared for UnitingCare Children Young People and Families, 2013, p.36. The

ACT is not included in this Figure because no children facing the most risk of social exclusion live in the ACT.

- ³³ B Phillips et al., *Poverty, Social Exclusion and Disadvantage in Australia*, NATSEM, Report prepared for UnitingCare Children Young People and Families, 2013, pp46-50. The count of total LGAs includes the [Unincorporated Far West](#) in the Far West region.
- ³⁴ Australian Government, *A Snapshot of Early Childhood Development in Australia 2012 – AEDI National Report*, Australian Government, 2013. Responses from the AEDI questions are added together to determine an AEDI domain score. Up to five AEDI domain scores are calculated for each individual child. To determine whether an individual domain score is on track, at risk or vulnerable, national AEDI cut-offs were established during the first national AEDI data collection in 2009. To create the national AEDI cut-offs in 2009, all the children's AEDI domain scores were ranked from the lowest to highest score. Scores ranked in the lowest 10 per cent were classified as developmentally vulnerable. Scores ranked in between 10 per cent and 25 per cent were classified as developmentally at risk. Scores ranked in the highest 75 per cent were classified as developmentally on track. These national AEDI cut-offs will continue to be applied in future AEDI data collections providing a baseline to track children's developmental outcomes across Australia over time. Information about children with special needs is not included in the AEDI domain results tables because of the already identified substantial developmental needs of this group. However, teachers complete background information on children with special needs to enable communities to be responsive to all children in their community.
- ³⁵ Australian Government, *A Snapshot of Early Childhood Development in Australia 2012 – AEDI National Report*, Australian Government, 2013, p.14. See the relevant chapters in the publication for more detailed explanations of each domain and subdomain.
- ³⁶ Australian Government, *A Snapshot of Early Childhood Development in Australia 2012 – AEDI National Report*, Australian Government, 2013
- ³⁷ Australian Government, *A Snapshot of Early Childhood Development in Australia 2012 – AEDI National Report*, Australian Government, 2013; Centre for Community Child Health and Telethon Institute for Child Health Research, *A Snapshot of Early Childhood Development in Australia – AEDI National Report 2009*, Australian Government, Re-issued March 2011
- ³⁸ Australian Government, *Australian Early Development Index – Comparative Results Tool*, no date [online – accessed 16 January 2014]. Note that these communities are generally equivalent to LGAs. Unincorporated NSW and Broken Hill were combined into 'Far West NSW' in order to preserve the confidentiality of children.
- ³⁹ Australian Government, *Australian Early Development Index – Comparative Results Tool*, no date [online – accessed 16 January 2014]. Notes: (a) all of these changes are statistically significant except in the case of Lockhart (b) some of these areas had relatively low numbers of children in 2012 e.g. Urana (23), Balranald (32), Tumbarumba (37) and Lockhart (39).
- ⁴⁰ Australian Government, *AEDI Data request – Number of indigenous children and proportion developmentally vulnerable by AEDI Domain and Local Government Area: New South Wales, 2009 and 2012*, April 2014; Australian Government, *A Snapshot of Early Childhood Development in Australia 2012 – AEDI National Report*, Australian Government, 2013
- ⁴¹ Australian Government, *AEDI Data request – Number of indigenous children and proportion developmentally vulnerable by AEDI Domain and Local Government Area: New South Wales, 2009 and 2012*, April 2014; Australian Government, *A Snapshot of Early Childhood Development in Australia 2012 – AEDI National Report*, Australian Government, 2013; Centre for Community Child Health and Telethon Institute for Child Health Research, *A Snapshot of Early Childhood Development in Australia – AEDI National Report 2009*, Australian Government, Re-issued March 2011
- ⁴² Data on indigenous children in NSW was provided for the purposes of this paper in accordance with [AEDI publishing rules](#). The number of children, the percentage vulnerable and the critical difference statistics were been suppressed in communities with three or fewer indigenous children. Significance was only calculated for communities where data was available for 2009 and 2012. To avoid spurious comparisons, both vulnerability and significance were not calculated for communities with less than 15 children.
- ⁴³ Australian Government, *AEDI Data request – Number of indigenous children and proportion developmentally vulnerable by AEDI Domain and Local Government Area: New South Wales, 2009 and 2012*, April 2014

- ⁴⁴ Australian Government, *AEDI Data request – Number of indigenous children and proportion developmentally vulnerable by AEDI Domain and Local Government Area: New South Wales, 2009 and 2012*, April 2014
- ⁴⁵ Australian Institute of Health and Welfare, *Headline Indicators for Children's Health, Development and Wellbeing 2011*, 2011
- ⁴⁶ Australian Institute of Health and Welfare, *Headline Indicators for Children's Health, Development and Wellbeing 2011*, 2011, p.1
- ⁴⁷ Data is unavailable for five of the indicators: social and emotional wellbeing; shelter; family social network; smoking in pregnancy; and attendance at primary school. No NSW data is available for 'dental health'. The 'transition to primary school' indicator uses AEDI data, which is included in section 5 of this paper. The 'family economic situation' indicator was not included because income poverty is covered in section 3 of this paper. Data on breastfeeding and early childhood education is only available for one year. Data for the 'overweight and obesity' indicator is only available for non-indigenous children.
- ⁴⁸ Source: Australian Institute of Health and Welfare, *Child protection Australia 2009-10*, January 2011; Australian Institute of Health and Welfare, *Child protection Australia 2011-12*, 2013; Australian Institute of Health and Welfare, *Children's headline indicators*, 2013 [online – accessed 21 January 2014]. Notes: birthweight – proportion of liveborn infants <2.5kg; breastfeeding – proportion of infants exclusively breastfed to around 4 months of age; early childhood education – proportion of children attending an early education program (preschool) in the year before beginning primary school; child abuse and neglect – children who were the subject of child protection substantiations (children aged 0-17 years); immunisation – proportion of children on the Australian Childhood Immunisation Register who are fully immunised at 2 years of age; injuries – age-specific death rates from all injuries for children aged 0-14 (2004-06 and 2009-11 data); literacy – proportion of children in Year 5 achieving at or above the national minimum standards for reading; numeracy – proportion of children in Year 5 achieving at or above the national minimum standards for numeracy; overweight and obesity – proportion of children whose body mass index (BMI) score is above the international cut-off points for 'overweight' and 'obese' for their age and sex (children 5-14 years); teenage births – age-specific birth rate for 15 to 19 year old women.
- ⁴⁹ Note that the CSE Index includes 2009 AEDI results as one of fourteen indicators.

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