



## 1.6 Persistent disadvantage in Australia: extent, complexity and some key implications

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Why does disadvantage persist for some but not others? And, what might be done about it? This article describes the extent of persistent disadvantage in Australia, examines a range of complex contributing factors, and discusses some key implications for dealing with persistent disadvantage.

### Extent of persistent disadvantage in Australia

Australia has had a longstanding focus on disadvantage. This focus gained momentum with Henderson's work on measuring poverty—a distinct but related concept (Commission of Inquiry into Poverty & Henderson 1975; Johnson 1996). Disadvantage is complex, with no universally preferred definition or approach to measurement. Rather, there is a range of approaches to conceptualising it, and various measures can often be complementary (McLachlan et al. 2013). A detailed discussion of each approach is beyond the scope of this article; however, describing some well-established examples may show the difficulties in measuring persistent disadvantage (for more detailed discussions on the different concepts and measures, see McLachlan et al. 2013; Saunders 2011).

### Absolute and relative poverty measures

One common proxy measure for disadvantage is poverty of income, measured in absolute or relative terms (McLachlan et al. 2013). Absolute poverty is commonly defined as not having enough income to cover the cost of a given basket of goods that provides an agreed minimal level of decency (in this sense, the measure is not completely absolute as it is relative to changing views of decency). Based on absolute poverty rates in the Household Income and Labour Dynamics in Australia (HILDA) survey, the proportion of people in absolute income poverty in Australia has been estimated to have dropped from 13% in 2001 to 3.9% in 2014 (Wilkins 2016).

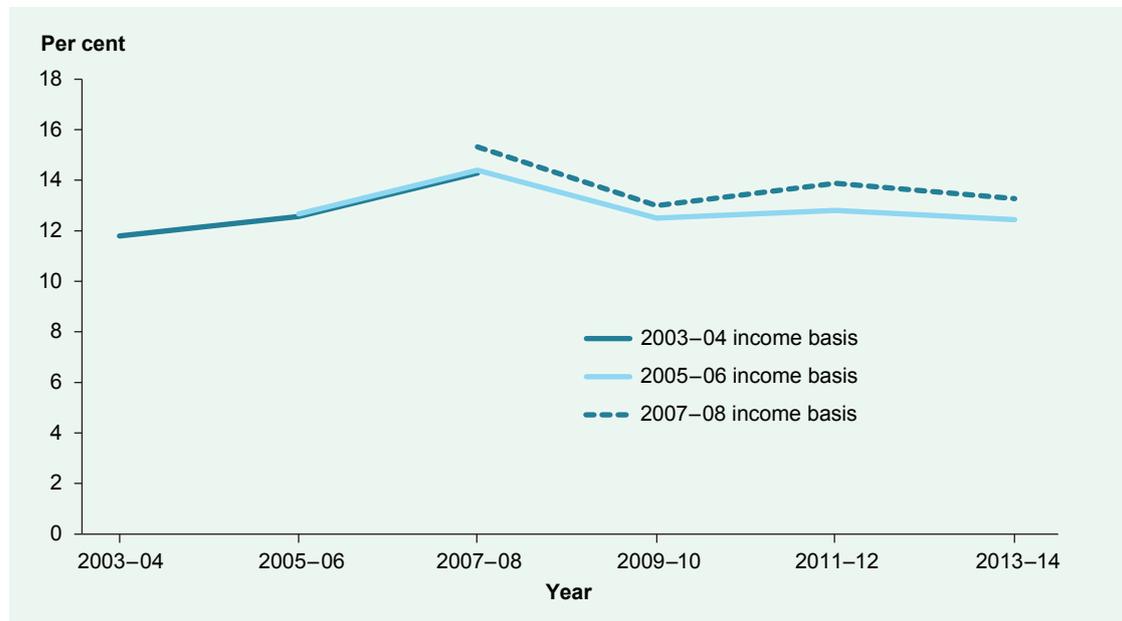
However, the picture is different if considering relative income poverty. In Australia, this measure usually assesses the proportion of households with an equivalised income that is less than 50% of the national median equivalised household income (McLachlan et al. 2013). Considering Australian rates of relative income poverty from 2003–04 to 2013–14, 'the overall





picture on a ten-year trend basis is one of a persistent and entrenched poverty rate around 12%' (Figure 1.6.1) (ACOSS 2016: p.17). Similar analysis by the Melbourne Institute has indicated that, from 2001 to 2014, trends have generally been toward slowly reduced relative poverty in Australia (despite a rapid rise in 2007), but that relative poverty has nonetheless remained between 10.3% and 13.0% (Wilkins 2016). Further, there has been an estimated increase of more than 2 percentage points in the proportion of children living in relative poverty (2004 to 2014), with an estimated 17% of children aged under 15 currently living in households below the poverty line (ACOSS 2016).

The apparent lack of decline in relative poverty in Australia contrasts with absolute poverty reductions and has occurred despite more than 25 consecutive years of economic growth. As an example of economic growth, Australians born in 1991 now have an average household disposable income about twice what it was when they were born, even after accounting for rising prices and population growth (ACOSS 2016).



*Note:* Figure shows an estimate of the proportion of people living in households with incomes below the poverty line of 50% of national median income.  
*Source:* ACOSS 2016.

**Figure 1.6.1: Poverty trend (50% of median, after housing costs), all persons, Australia, 2003-04 to 2013-14**

Measures of relative income poverty have been used for international comparisons (Förster & d’Ercole 2009; McLachlan et al. 2013). The Organisation for Economic Co-operation and Development (OECD) has estimated that the proportion of people facing relative income poverty in Australia in 2014 was 12.8% (compared with an OECD average of 11.4%) (ACOSS 2016). This placed Australia fourteenth highest (or among the middle third of countries), despite its relative prosperity compared with other nations in the OECD. While the characteristics of the compared nations certainly differ, the fact that six countries had relative income poverty proportions of 8% or less suggests that reductions in relative income poverty may be possible.





However, these measures of income poverty (whether absolute or relative) are cross sectional snapshots (even if repeated over time). They do not directly indicate how many people are persistently impoverished since individuals can, and do, move in and out of poverty. An alternative is to measure the duration of poverty. The Melbourne Institute analysed HILDA data from 2002 to 2013 for persons aged over 18 who entered poverty, reporting the number of years before they exited it ('poverty spell durations') (Wilkins 2016). While the majority of people entering poverty (61%) had a spell of 1 year, others had spells lasting 2 years (17%), 3 years (7.4%), 4 years (4.4%), 5 years (2.5%) or 6 or more years (8.2%). Wilkins (2016) also provides a second, similar analysis, but using duration of receiving income support payments. Whether measuring snapshots of absolute or relative poverty or the duration of poverty, all such measures are proxies of disadvantage since they rely on measuring income. Measures based solely on income are limited in assessing disadvantage as they do not account for financial resources other than income (for example, savings or home equity) nor for the range of non-financial factors that may contribute to disadvantage (for example, poor health, low education or limited community participation) (Förster & d'Ercole 2009; McLachlan et al. 2013).

## Measuring persistent disadvantage

A multifaceted approach to measuring persistent disadvantage has been employed by the Productivity Commission, using the Social Exclusion Monitor (SEM) (Box 1.6.1). Table 1.6.1 shows estimated proportions of segments of the Australian population facing deep and persistent social exclusion from 2001 to 2010, based on the SEM (McLachlan et al. 2013). The table lists population groups where estimates were at least twice that of the national estimate. Groups with estimates above (but less than twice) the national estimate are not shown, but include single adults (aged 18 to 64), single adults aged over 65, all adults aged over 65, and migrants (from a non-English-speaking background).

### Box 1.6.1: Social Exclusion Monitor

The SEM provides a composite measure of disadvantage based on seven dimensions: material resources, employment, education and skills, health and disability, social support, community participation, and personal safety perceptions. Disadvantage (social exclusion) is scored from 0 to 7, with scores of 2 or more defined as deep exclusion and of 3 or more as very deep exclusion (for further details on the SEM, see McLachlan et al. 2013; Scutella et al. 2013). The Productivity Commission estimated that between 2001 and 2010, deep exclusion levels among Australians aged 15–64 affected:

- almost 3% for 5 years or more (465,000 people)
- around 1% for 7 years or more (165,000).

The average duration for deep exclusion was 1.7 years, and 1.4 years for very deep levels of exclusion (McLachlan et al., 2013).





The Productivity Commission also reported on yearly shifts between various levels of social exclusion, from 2001 to 2009. It found that the largest proportion of people facing deep or very deep social exclusion in any given year experienced less exclusion (lower SEM scores) the year after. These findings were consistent with the Melbourne Institute's analysis of durations of poverty (Wilkins 2016) and analyses of the Panel Study of Income Dynamics (PSID) in the United States (for example, Duncan & Vandell 2012; Gottschalk et al. 1994). However, the Productivity Commission also found that, of people who were very deeply socially excluded in any given year, 31% remained so the following year and that, of people who were deeply socially excluded, 37% remained so the following year and 8% moved on to being very deeply socially excluded (proportions being a year-on-year average across the period) (see McLachlan et al. 2013: Table 3.7).

**Table 1.6.1: Proportion of people aged 15 and over facing deep and persistent disadvantage, by selected population groups, 2001 to 2010**

	Group	Facing deep and persistent disadvantage (%)
	Living in public housing	23.6
	Dependent on income support	15.3
	Unemployed	11.5
	Lone parents	11.3
	With a long-term health condition or disability	11.2
	Indigenous Australians	10.8
	Highest educational attainment Year 11 or below	9.3
	All Australians	4.4

Notes

1. Deep and persistent disadvantage is defined as being an individual aged 15 and over and having a SEM score of 2 or more for 4 or more years between 2001 and 2010.
2. Groups are not mutually exclusive.

Source: McLachlan et al. 2013.





## Complexity of persistent disadvantage

Disadvantage is a multifaceted phenomenon with both individual and environmental factors interacting in complex ways to alter its likelihood and persistence.

### Individual attributes

The likelihood that external risk factors will result in persistent disadvantage seems to be amplified or mitigated by various individual characteristics. These interactions between environmental and individual characteristics are further complicated given that, while some individual characteristics are largely stable over time (for example, ethnicity and sex), others may or may not change (for example, attitudes) and yet others will certainly change (for example, age, employment status, family status).

### Indigenous status

*Indigenous Australians (aged 15 and older) had more than twice the prevalence of deep and persistent social exclusion (10.8%) compared with that for all Australians (4.4%) (see Table 1.6.1).*

On virtually any measure of disadvantage, Aboriginal and Torres Strait Islander Australians are over-represented, and this disadvantage appears to persist (SCRGSP 2016). For example, while educational attainment for Indigenous Australians is increasing, large educational gaps remain between Indigenous and non-Indigenous people (see Chapter 7.4 'Closing the gap in education'). In 2014–15, 47% of Indigenous people aged 20–64 either had a Certificate level III or above or were studying at any post-secondary level—a 21% increase from 26% in 2002. However, a similar rise of 18% was also seen for non-Indigenous people of the same age, from 52% in 2002 to 70% in 2014–15. So this educational gap has remained largely steady (SCRGSP 2016).

Similarly, the Indigenous employment rate (48%) in 2014–15 was much lower than the non-Indigenous employment rate (73%), and the gap has not changed substantially since 2008 (PM&C 2017). Median equivalised gross weekly household incomes for Indigenous Australians are two-thirds of those for non-Indigenous Australians (\$556 vs \$831 in 2014–15) (see Chapter 7.5 'Income and employment for Indigenous Australians'). More than 1 in 5 (22%) Indigenous Australians reported experiencing physical or threatened violence in 2014–15, a rate 2.5 times higher than for non-Indigenous Australians (SCRGSP 2016). As at 30 June 2015, Indigenous Australians made up more than one-quarter (27%) of the adult prison population, and the imprisonment rate for Indigenous Australian adults was 13 times that for non-Indigenous adults. In 2014–15, the juvenile detention rate for young Indigenous Australians was 25 times that for their non-Indigenous counterparts (see Chapter 2.6 'Youth justice supervision' and Chapter 7 'Indigenous Australians').

### Sex

Research indicates that females are consistently more likely to live in households below the poverty line than males. This is primarily due to their generally lower rates of employment, lower wages and the associated impacts of their greater family caring commitments (ACOSS 2016). Nationally, in 2014, the rates of poverty for females were estimated to be 1 percentage point higher than those for men (13.8% vs 12.8%, respectively) (ACOSS 2016). Similarly, deep and persistent social exclusion has been found to be more prevalent for females (5.2%) than for males (3.7%) (national prevalence: 4.4%) (McLachlan et al. 2013).





Cobb-Clark et al. (2016) explored the relative durations, for females and males, of two key markers of persistent poverty: housing insecurity (for example, living with friends or in a motel) and homelessness (for example, sleeping on the street or in crisis accommodation). They found that, on average, females leave circumstances of housing insecurity around 2 months sooner than males. In contrast, they tended to remain homeless for around 1.4 months longer than males (although this was not statistically significant). The study attributed the longer duration of homelessness for females to their being more likely to enter crisis accommodation (characterised by relatively longer stays) while males were more likely to be sleeping rough (characterised by shorter durations).

## Attitudes

Unlike other individual factors such as ethnicity, sex or age, attitudes can be directly influenced by public policy. Changes of attitude may, in turn, alter behaviours, which may change the course of disadvantage. For example, Baron and Cobb-Clark (2010) found that Australian high school students who more strongly believed they could control life events were more likely to complete Year 12 by age 18 and to obtain a university entrance rank. Further, entrance ranks tended to be higher for students reporting stronger beliefs about control. In contrast, a study of the behaviours of Dutch students facing financial disadvantage due to changes to university funding found that students with an 'all-will-be-well' attitude were less likely to act to tackle this perceived concern (Stroebe 2013). This was independent of the perceived extent of the concern, or the perceived effectiveness of action. Similarly, a study in the Midwestern United States found that where low-income mothers attributed their own poverty to romantic relationships or to children, this was positively associated with beliefs about upward mobility, while self-focused attributions were negatively associated with such beliefs (Mickelson & Hazlett 2014).

## Age

Data suggest that older age (particularly beyond the traditional age of retirement at 65) somewhat increases the likelihood of poverty (ACOSS 2016). People aged over 65 (at 13%) are more likely to experience poverty than people of typical working age (25–64: 12%) (though less likely than children aged under 15: 17%). Similarly, people aged over 65 have been found to be the least likely to exit poverty (Wilkins 2016), and people aged over 60 represent 'close to two-fifths' of people who are deeply and persistently disadvantaged (McLachlan et al. 2013).

Similar patterns have been observed with homelessness. Cobb-Clark et al. (2016) have reported evidence that the likelihood of people experiencing homelessness or housing insecurity quickly moving to more stable accommodation decreases with age (that is, the older a person, the longer before they secure stable housing). Similarly, while the current proportion of people seeking specialist homelessness services who are older (aged over 55) is relatively small (8% in 2015–16), this group represents one of the fastest growing populations seeking help from specialist homelessness agencies (AIHW 2016b). This group has shown an average annual growth rate of 9.5% since 2011–12, more than twice the rate of the general population seeking specialist homelessness services. This may be of greater concern for such disadvantaged people given the evidence that greater age may be associated with a greater likelihood that disadvantage will persist.





## Family characteristics

### Family structure and relationships

People living in lone-parent families are more likely to experience disadvantage. As at June 2016, the majority (83%) of the 618,900 one-parent families with dependants in Australia were single mother families (ABS 2017b). Australian children living in lone-parent families are more than 3 times as likely to be in poverty as children in two-parent families (41% vs 13%) (ACOSS 2016). This is consistent with international evidence that, compared with two parent families, poverty tends to be higher for households headed by single parents (Corcoran & Chaudry 1997) and that children living in the absence of fathers are more likely, as adults, to move downward in the income distribution (Hancock et al. 2013).

*The prevalence of deep and persistent social exclusion for lone-parents (11%) is more than twice the national prevalence (4.4%) (Table 1.6.1).*

Divorce and separation are associated with greater likelihood of experiencing disadvantage, and evidence suggests the impacts may span multiple generations. Previous research has consistently shown that the likelihood of separation in adulthood is greater for adults whose own parents have separated (D'Onofrio et al. 2007; Wolfinger 2005, 2011). Of the few studies of the effects of divorce on multiple generations, Amato and Cheadle (2005) reported that lower educational attainment and more marital discord among grandchildren may be correlated with divorce among their grandparents. In a study that highlights the complex interactions between life events (such as relationship breakdown) and individual factors (in this case, age and sex), de Vaus et al. (2014) found that females who experienced a relationship breakdown late in life—especially those who did not re-partner—were more likely to move into poverty than males who had a relationship breakdown in their later years.

The quality and type of parenting and nurturing has important impacts on the life chances of children. Being disadvantaged does not necessarily diminish the quality of parenting; however, caregivers need sufficient education, time and support to ensure the health and wellbeing of children (Engle et al. 1999; Harper 2004a). Persistent poverty, exclusion and disadvantage may increase the stresses and strains on caregivers and reduce the resources and supports they need to optimally nurture child development.

### Family income and housing

A growing number of international and Australian studies have examined the relationships between the incomes of consecutive generations (Andrews & Leigh 2009; Broom & Jones 1969; Cobb-Clark 2010; Corak 2013; Huang et al. 2016; Leigh 2007; Mendolia & Siminski 2016; OECD 2010). In summary, these studies provide two main findings. First, they suggest that there is a correlation between the income of one generation and the next. Second, they suggest that the strength of this correlation is associated with the income inequality of a country, such that greater income inequality is associated with a stronger correlation between generational incomes—in other words, greater inequality between higher and lower incomes is associated with reduced income mobility between generations, as measured by the Gini coefficient (see Chapter 9.2 'Indicators of Australia's welfare'). While estimates of social mobility for Australia have varied over the last decade, all the estimates suggest that Australia has relatively greater social mobility than countries such as Italy, the United States and the United Kingdom, but less than the Nordic countries.





Using PSID data, Duncan et al. (2010) assessed the consequences of child poverty for a range of adult outcomes while controlling for average later childhood and adolescent family incomes as well as a large range of demographic variables. They found that early childhood poverty was associated with both lower earnings and lower work hours in adulthood.

Source of income is associated with disadvantage.

*For people dependent on income support, the prevalence of deep and persistent social exclusion (15%) is more than 3 times as high as the national prevalence of such exclusion (4.4%) (Table 1.6.1).*

Analysis by Cobb-Clark (2010) indicates that, relative to young people from families with no income support, people from families with intensive, multi year income support tend to have poorer education and health outcomes, and engage in more risky behaviours. Importantly, however, this study indicated that young people from families with intensive income support also have a decreased sense of control over life events. This was associated with a lower likelihood of completing year 12 and lower university entrance ranks. The study suggests that these attributional and educational attainment factors are likely to be more important mediators of poor education, health and behavioural outcomes than the receipt of welfare payments.

In terms of housing, children who experience homelessness tend to have a lower likelihood of employment as adults, with men being more at risk than women (Cobb-Clark & Zhu 2015).

*The highest prevalence of deep and persistent social exclusion was for people living in public housing (24%) (Table 1.6.1).*

## Life events

People living in disadvantaged circumstances are more likely to experience multiple adverse life events (Baxter et al. 2012; Moloney et al. 2012). Moreover, adversity is far from randomly distributed, with people in disadvantage experiencing both a higher frequency and higher severity of adverse events, while simultaneously having a lower likelihood of effective protective influences that enable them to bounce back. In short, vulnerability tends to beget further vulnerability (Baxter et al. 2012).

## Job loss

Loss of employment is a major life event that has marked impacts on families.

*For people aged over 15, the prevalence of deep and persistent social exclusion was more than twice as high among people who were unemployed (11%) as the national prevalence (4.4%) (Table 1.6.1).*

Living in jobless households is associated with children tending to have both poorer social-emotional wellbeing, and health and educational outcomes (Gray & Baxter 2012; Gray et al. 2011), particularly in families where joblessness endures (Gray & Baxter 2011). These effects may extend across multiple generations, with research by Hancock et al. (2013) finding that 'being in a jobless family was also associated with experiences of grandparent joblessness'. Factors that predict future joblessness include current joblessness, along with lower education level and long-term individual health problems (Hérault et al. 2015) (see Chapter 9.2 'Indicators of Australia's welfare').





## Changes in health

*The prevalence of deep and persistent social exclusion for people with a long-term health condition or disability (11%) is more than twice that of the national prevalence (4.4%) (Table 1.6.1).*

Good health is a key asset and ill health is the single most widespread hazard affecting poor households (Harper 2004b). Reduced health is a key driver of downward social mobility. This is because reduced health diminishes the workforce participation of individuals and their carers, which alters household dependency ratios. In Australia, data indicate that 81% of people who are deeply and persistently socially excluded have a long-term health condition or disability (McLachlan et al. 2013).

## Relationship conflict and violence

Exposure to physical, emotional and/or psychological violence is associated with the intergenerational transmission of poverty. In Australia, domestic violence is the main reason that women and children leave home and is consistently cited among the most common reasons for seeking support from specialist homelessness services (AIHW 2016a; Spinney 2012). Domestic violence has negative impacts on children's educational performance. It is also associated with being more likely to have to repeat grades, discipline problems, and poor child mental health (Aldaz-Carroll & Morano 2001). Where violence leads to family breakdown, it further contributes to persistent intergenerational disadvantage through impacts such as asset loss, inheritance loss, reduced income, and reduced social networks (Bird & Shinyekwa 2005). Johnson et al. (2008) identify domestic violence as one of five 'typical' pathways into homelessness in Australia, along with mental health, substance abuse, youth (first experience of homelessness when aged under 18), and housing crisis pathways (see also Mackenzie and Chamberlain (2001) for domestic violence as a major factor in family breakdown; see Chapter 2.7 'Family, domestic and sexual violence').

## Educational opportunity and human capital

A lack of education is associated with greater risks of disadvantage. People with inadequate education are more likely to experience unemployment, low income, poor health and high rates of involvement with the criminal justice system (Vinson 2007). In the United States, persistent poverty is highest among people who have not completed high-school (Bird 2007). Consistent with this, Australian research indicates that 61% of people who are deeply and persistently disadvantaged have low educational attainment (Year 11 or below).

*The prevalence of persistent deep disadvantage among Australians with low educational attainment (9.3%) is twice that of the national average prevalence of such disadvantage (4.4%) (Table 1.6.1).*

The effects of limited education may also be intergenerational, with household poverty and disadvantage associated with having parents with limited education (Aldaz-Carroll & Morano 2001; Emerson & Souza 2005; Falkingham & Ibragimova 2005; Handa et al. 2004).

In contrast, increased education is widely considered to be a protective factor in later life (Bird 2007). In many countries, schooling correlates strongly with adult earning potential and actual income (Aldaz-Carroll & Morano 2001; Emerson & Souza 2005). Education may also reduce the risk of housing insecurity (Cobb-Clark et al. 2016). Educational opportunities for girls and women are important in interrupting persistent disadvantage, and more educated mothers are more likely to send their children to school (Christiaensen & Alderman 2004; Rose & Dyer 2008) (for more information on education, see Chapter 3 'Education in Australia').





## Wider risk factors

As well as factors associated with individuals and their immediate families, circumstances and settings, several wider factors can affect persistent disadvantage. These include the local neighbourhood, and structural economic changes.

### Location and disadvantage

Evidence suggests that, relative to urbanised areas, disadvantage is more prevalent (Saunders & Wong 2012) and persistent (Tanton et al. 2012) in regional and remote parts of Australia. However, people experiencing disadvantage can be co-located with others who are more mobile, making it difficult to precisely describe disadvantage in locational terms (McLachlan et al. 2013).

Saunders and Wong (2012) analysed how deprivation and social exclusion among Australian adults varied (based on 2010 Poverty and Exclusion in Modern Australia (PEMA) survey data). They found that people in rural areas or villages experienced the highest prevalence of deprivation, generally higher rates of social disengagement, the highest rates of service exclusion, and higher rates of economic exclusion. In contrast, people living in the inner city experienced the lowest prevalence of deprivation and generally lower rates of social disengagement (for an extended locational analysis of the PEMA data, also see Saunders & Wong (2014)).

Tanton et al. (2012) examined entrenched disadvantage and found that multiple-life-stage-disadvantage is more prevalent in *Remote* and *Very remote* areas of Australia, and not as prevalent in most (though not all) capital cities. Most people living in *Major cities* were in areas that were not designated as 'disadvantaged' for any life-stage. Consistent with Tanton et al. (2012), Vinson and Rawsthorne (2015) provide evidence of the prominence of disadvantaged localities in rural areas and on the fringes of metropolitan areas.

### Changes to economic and labour market conditions

Labour markets do change, and certainly have changed in Australia (see Chapter 4.1 'The changing nature of work and worker wellbeing'). For example, in 1966, manufacturing accounted for around one-quarter of all jobs (ABS 2007); as at February 2017, it accounted for 7.5% of jobs (ABS 2017a). In the 1980s, casual employment (that is, employment without entitlement to annual or sick leave) climbed steadily, representing 13% of employees in 1982, and 20% in 1989 (Dawkins & Norris 1990). Since that time, the proportion of casual employees has remained at around 20% (Wooden 2016). The proportion of jobs requiring higher skills and qualifications has grown, possibly associated with the expansion of disruptive technologies such as automation (Department of Employment 2016). Such changes do not necessarily result in disadvantage. However, for people already on a pathway toward disadvantaged circumstances, risks may be even further increased by such economic changes, if they or members of their family do not have the skills, capabilities or qualifications needed to make a shift in line with changing labour market conditions.





## Some key implications

Dealing with complex issues such as persistent disadvantage has potentially profound and positive social and economic effects. As a parallel example, Brown et al. (2012) reported on the anticipated benefits of government action to reduce health inequities, concluding that if Australia adopted WHO recommendations to tackle the social determinants of health this would potentially mean:

- some 170,000 extra Australians could enter the workforce, generating \$8 billion in extra earnings
- around \$4 billion in annual savings in paying welfare support
- around 60,000 fewer people admitted to hospital annually, resulting in savings of \$2.3 billion in hospital expenditure
- 5.5 million fewer Medicare services each year, resulting in annual savings of \$273 million
- 5.3 million fewer Pharmaceutical Benefit Scheme scripts filled each year, resulting in annual savings of \$184.5 million each year.

One key implication of the complexity of persistent disadvantage is to recognise that many of the contributing factors are dynamic and, therefore, amenable to change. Conceptualising disadvantage as a state that can dynamically change over the life course is foundational to public policy in this area since it is these alterable factors—both within and around individuals—that public policy can most directly consider.

## Multidimensional approaches to measurement

The complex and dynamic character of persistent disadvantage calls for a multidimensional approach to measurement and monitoring (Martinez & Perales 2015). Such an approach informed the widely adopted SEM, used to estimate the prevalence of deep and persistent disadvantage for various groups highlighted throughout this article. Measures such as the SEM highlight that there may be both clear differences and overlaps in the trends of different dimensions of disadvantage. For example, a recent analysis of HILDA data showed that the domains of health and disability, material resources, social support, and education and skills all contributed to increased disadvantage between 2001 and 2013. However, these were offset by relative decreases in disadvantage over the same period related to safety perceptions, employment, and community participation (Martinez & Perales 2015). Considering the trends and relationships between various dimensions of disadvantage may more fully inform practice.

Australia has extensive data resources, including its existing longitudinal collections (for example, Growing up in Australia, the Longitudinal Study of Australian Children; the Australian Longitudinal Study on Women's Health; the HILDA survey and the Longitudinal Surveys of Australian Youth, along with the collections of the Australian Bureau of Statistics). Australia has also developed longitudinal social security administrative data to support the Priority Investment Approach (see Chapter 1.3 'Understanding welfare'). While bearing in mind issues of ethics and privacy, integrating government administrative data sets via data linkage and/or combining them with other evaluative or research data has the potential to provide better understanding of different forms of disadvantage. This could guide initiatives that target persistent disadvantage in Australia (see Chapter 1.7 'Understanding health and welfare data').





## Priority population groups

As indicated in Table 1.6.1, the prevalence of deep and persistent social exclusion is substantially greater than the national average for several identifiable groups:

- public housing tenants
- people dependent on income support
- unemployed people
- lone parents
- persons with a long-term health condition or disability
- Indigenous people
- people with low educational attainment.

These demographic indicators flag segments of the population that may benefit from more focused efforts to reduce disadvantage. Clearly, where individuals fall into multiple categories, further prioritising how best to support them may need to be considered. The wider context also warrants consideration. Rural and remote communities, as well as suburbs on the outskirts of capital cities, may be areas where initiatives to tackle disadvantage could be of benefit (Saunders & Wong 2012; Tanton et al. 2012; Vinson & Rawsthorne 2015).

## Possible approaches to reducing disadvantage

The OECD (2010) recommended considering a range of approaches to increasing social mobility. Several of these recommendations focused on education, namely:

- prioritising education that facilitates social and economic mobility
- supporting education 'at both ends' through facilitating both early childhood education and greater completion of secondary schooling
- enabling greater equity of access to tertiary education
- facilitating greater local autonomy to match educational resources to local need
- enhancing teacher quality generally, and particularly encouraging quality teachers to work with school populations from disadvantaged backgrounds.

Surrounding these educational approaches, other approaches recommended for consideration include:

- urban planning that increases the heterogeneity of school populations
- taxation approaches that provide incentives and pathways from welfare to work
- child care arrangements that simultaneously support employment and child education (Duncan et al. 2007; OECD 2010).





## Adopting a multi-strategic approach to reducing persistent disadvantage

As discussed, persistent disadvantage is complex. It is both multifaceted and dynamic. A diverse range of individual attributes, family characteristics, life events, and wider geographic and economic factors interact to increase the risk of moving into and remaining in disadvantage.

Recent changes in social policy have focused on better targeting of policy and practice. This change has been influenced by the multi-strategic New Zealand Investment Approach. As reinforced in the McClure Report, this approach has four pillars of welfare reform:

- welfare system simplification
- skill development and ability
- strengthening employer engagement
- incentives and community support through encouragement of philanthropy and volunteering (McClure et al. 2015) (see also Chapter 1.3 'Understanding welfare').

However, as suggested by the range of possible approaches to reducing disadvantage outlined above—covering areas including education, urban planning, taxation and child care—dealing with persistent disadvantage would likely benefit not only from adopting a multi-strategic approach to welfare, but also to tackling issues of public concern more broadly. Problems as complex as persistent disadvantage clearly require a coordinated approach that involves authentic community engagement, shared aspirations and goals, evaluation systems that facilitate strategic learning, prioritising locally effective activities, and facilitating necessary change (Cabaj & Weaver 2016; Kania & Kramer 2011). In Australia, a coordinated approach has been evaluated, with longitudinal outcomes (from 2002 to 2011), providing emerging evidence that such an approach may be able to reduce persistent disadvantage (Homel et al. 2015). From a data perspective, much of this could be facilitated through better integrated data sources—for example, linkage between service data at state/territory and Commonwealth government level.

Given that social and economic disadvantage are dynamic states rather than fixed traits of individuals, the circumstances and contexts that contribute to persistent disadvantage can be directly considered. Multidimensional measures of persistent disadvantage (for example, SEM) can be illuminated by considering the range of factors that contribute to persistent disadvantage, tracking these over time, and identifying demographic indicators around which persistent disadvantage tends to cluster. The value of multidimensional measures could be further enhanced through integration with Australia's existing longitudinal data collections and with administrative data and other collections, including those of the AIHW and the Australian Bureau of Statistics.

Practice models based on coordinated approaches may provide a framework to deal with persistent disadvantage and have an emerging evidence base for their effectiveness. Approaches that prioritise targeted, multi-strategic initiatives to move people from persistent disadvantage carry promise for delivering substantial social and economic benefits.





## Where do I go for more information?

More information can be found in key documents at the following websites: [AIHW](#), [ACOSS](#), [OECD](#), from the Productivity Commission, and from several other reports (full details of which are provided in the references): *The cost of inaction on the social determinants of health* (Brown et al. 2012); *Collective impact 3.0: an evolving framework for community change* (Cabaj & Weaver 2016); *A new system for better employment and social outcomes* (McClure et al. 2015); *Deep and persistent disadvantage in Australia* (McLachlan et al. 2013); *Dropping off the edge* (Vinson & Rawsthorne 2015).

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