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Targeting for fairness

Setting targets for social inclusion

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Targeting for fairness

Many Australians are missing out on the benefits of over a decade of strong economic growth. Over 2.2 million Australians, including 412,000 children, lived below a standard international poverty line in 2006. Social exclusion is much more than living in poverty.

Governments in most wealthy countries have developed national strategies to reduce social exclusion and poverty. These strategies deal in a systematic way with barriers to participation in economic and social life. They are especially important where people face multiple disadvantages.

ACOSS welcomes the new Federal Government's commitment to: 'a social inclusion agenda to mainstream the task of building social inclusion so that all Australians can share in the nation's prosperity'.¹

We particularly welcome the Government's commitment to develop clear targets to reduce social exclusion and the means by which they can be measured and reviewed. Targets play a key role in converting social inclusion from a general commitment to an organising principle for Government policy. Social inclusion targets should be positioned alongside economic efficiency goals at the centre of the national reform agenda.

This paper looks at a selection of social inclusion targets and indicators that have been used in Australia and overseas, to inform discussion at the ACOSS Social Inclusion conference. No attempt has been made to prepare a comprehensive list.

For example, the UK and Ireland have had comprehensive national plans to reduce poverty and social exclusion for the past decade. Targets play a central role in these plans because they make everyone accountable. They demonstrate that Governments are as serious about social inclusion as they are about economic growth, inflation, or balancing their budgets.

What is exclusion?

The Government's social inclusion policy describes social inclusion and social exclusion in the following terms:

To be socially included, all Australians need to be able to play a full role in Australian life, in economic, social, psychological and political terms. To be socially included, all Australians must be given the opportunity to:

- *secure a job;*
- *access services;*
- *connect with others in life through family, friends, work, personal interests and local community;*
- *deal with personal crisis such as ill health, bereavement or the loss of a job; and*
- *have their voice heard.*

Social exclusion is the outcome of people or communities suffering from a range of problems such as unemployment, low incomes, poor housing, crime, poor health and disability and family breakdown. In combination, these problems can result in cycles of poverty, spanning generations and geographical regions.²

¹ Australian Labor Party 2007, An Australian social inclusion agenda.

² Gillard & Wong 2007, An Australian social inclusion agenda.

Related concepts are poverty (a lack of the essentials of life usually measured on the basis of incomes below poverty lines) and capability deprivation (limited life choices). Social exclusion and poverty measure different things (participation and basic living standards), but there is considerable overlap between them, including the groups most affected. For example, people who lack jobs are more likely to experience both poverty and social exclusion. Poverty reduction targets often play a central role in the design of national social inclusion policies. Further, the risk of social exclusion is much higher in 'poverty postcodes' where financial hardship and social exclusion reinforce each another, as they do in many Indigenous communities.

Choosing targets

The purpose of *targets* is to transform the idea of social inclusion into a set of measurable outcomes for policy and service delivery. An example is the Irish Government's target to increase the employment rate of people with disabilities of working age from 37% to 45% by 2016.

Another purpose of setting targets is to build credibility and public support for action to reduce social exclusion.

The most useful targets are those that are measurable and ambitious, yet achievable. It also helps if there is a clear relationship between the targets and the policy instruments available to the Government. Generally, targets work best where long term and shorter term objectives are combined. An example is the British child poverty target.

It is desirable to combine population wide targets (for example to reduce unemployment) with targets to achieve outcomes for specific disadvantaged groups (for example people with disabilities). One approach is to use 'gap measures', for example to reduce the gap in employment rates between people with disabilities and the overall population.

The following criteria were used by the British Government in developing its social inclusion targets:

- relevant to the Government's overall strategy for tackling poverty and social exclusion;
- capture key current aspects of poverty and social exclusion or factors that increase the risk of experiencing deprivation in later life;
- related to 'outcomes' the Government wants to achieve rather than 'processes' (so the number of children in workless households was selected as an indicator rather than the number of parents who find work through the New Deal);
- based on data that are publicly available and statistically robust;
- unambiguous interpretation – it should not be possible for the indicator to improve without this reflecting either a reduction in poverty and social exclusion or a reduction in an important causal factor.³

Another consideration is whether the chosen targets are likely to lead to cost effective investment of public and community resources, since binding targets are likely to draw public resources away from other areas of expenditure that might also contribute to the reduction of social exclusion. That risk is reduced where the targets are reasonably comprehensive.

³ Endean 2000, Opportunity for all, monitoring the Government's strategy to tackle poverty and social exclusion, in Centre for Analysis of Social Exclusion 2000, Indicators of progress.

It would be important to make it clear who is committing to meet the targets. Within the National Reform Agenda, this would include State and Territory Governments as well as the Australian Government.

In overseas social inclusion strategies, the targets are sometimes built into the Key Performance Indicators of the relevant government departments, for example in the UK Public Service Agreements.

Progress towards meeting the targets could be published regularly in 'Social Inclusion' reports to Parliament, as is done in Ireland and Britain. These would include up to date data on outcomes for disadvantaged people and communities, descriptions of key social inclusion policies and strategies, and evaluations of their effects.

Unlike targets, *indicators* are measures of social disadvantage that are not tied to a particular Government policy commitment. However, they can still be used to track progress in reducing social exclusion generally, and could in future be converted into targets. This report therefore cites a range of indicators used here and overseas to monitor social disadvantage, as well as targets that are tied to specific Government policy commitments.

The following criteria were used by the European Union to develop their 'commonly agreed indicators' to measure poverty and social exclusion:

- an indicator should capture the essence of the problem and have a clear and accepted normative interpretation;
- an indicator should be robust and statistically validated;
- an indicator should be responsive to policy interventions but not subject to manipulation;
- an indicator should be measurable in a sufficiently comparable way across Member States, and comparable as far as practicable with the standards applied internationally;
- an indicator should be timely and susceptible to revision;
- the measurement of an indicator should not impose too large a burden on Member States, on enterprises, nor on the Union's citizens;
- the portfolio of indicators should be balanced across different dimensions;
- the indicators should be mutually consistent and the weight of single indicators in the portfolio should be proportionate;
- the portfolio of indicators should be as transparent and accessible as possible to the citizens of the European Union.⁴

⁴ Social Inclusion Unit 2004, *Social inclusion initiative indicators, South Australia's strategic plan*, Government of South Australia, <http://www.saplan.org.au/content/view/65>.

Australian experience

The Australian Government has committed to developing targets to reduce social exclusion. A number of targets have already been announced for early education for Indigenous Australians.⁵

The Council of Australian Governments (COAG) has developed targets and indicators for overcoming Indigenous disadvantage in Australia.⁶

This paper also lists a selection of targets and indicators developed by three State and Territory Governments: South Australia, Victoria and the Australian Capital Territory.

The South Australian Government's Social Inclusion Board developed a set of criteria for determining social inclusion targets, drawing on international experience. The Government has included a range of social targets in its Strategic Plan.⁷

The Victorian Department for Communities has developed a set of indicators of 'community strength', to measure community cohesion and resilience within different localities in Victoria. These indicators cover three types of social networks: close personal networks, broader associational and community networks, and governance networks.⁸

The Australian Capital Territory Government has a Social Inclusion Board, which has provided advice on the targets set in its Canberra Social Plan.⁹

A number of non government organisations have developed and monitored indicators for social inclusion. For example, Jesuit Social Services and Catholic Social Services Australia commissioned Professor Tony Vinson to update his substantial research on the regional distribution of social disadvantage.¹⁰

In conjunction with ACOSS, Brotherhood of St Laurence, Mission Australia and Anglicare NSW, the Social Policy Research Centre has used a national survey and focus groups of welfare agency clients to estimate the incidence of social exclusion and deprivation in Australia. This study divided social exclusion into three categories: disengagement (lack of participation in social and community activities), service exclusion, and economic exclusion (lack of access to economic resources and employment).¹¹

⁵ Rudd 2008, *Apology to Australia's Indigenous peoples*, Address to the House of Representatives, 28 February 2008.

⁶ Steering Committee for the Review of Government Service Provision 2007, *Overcoming Indigenous disadvantage*.

⁷ Social Inclusion Unit 2004, *op cit*.

⁸ Department for Victorian Communities 2006, *Indicators of community strength*.

⁹ ACT Government 2004, *Building our community*, the Canberra Social Plan.

¹⁰ Vinson 2007, *Dropping off the edge*, mapping the distribution of disadvantage in Australia.

¹¹ Social Policy Research Centre 2007, *Towards new indicators of disadvantage*.

International experience

Most of the targets included in this paper are drawn from the social inclusion and anti-poverty strategies of overseas Governments. Indicators of exclusion that were developed by overseas Government agencies are listed separately.

The British and Irish Social Inclusion targets cover six areas:

- Reducing poverty
- Disadvantaged communities
- Children and young people
- People of working age
- Mature age people
- People with disabilities (in Ireland only)

Progress made against these targets is published regularly.¹² In the UK they are included in public service agreements between the Government and the bureaucracy, and in funding agreements for local government.

The European Union has a set of commonly agreed indicators (the 'Laeken indicators') against which it regularly compares progress across member countries in reducing poverty and social exclusion. These cover the following broad areas:

- Income poverty and inequality
- Employment (including long term unemployment, employment gaps among regions, and disadvantaged groups such as new migrants)
- Educational outcomes for children, young people and adults
- Life expectancy.¹³

The Lisbon European Council (March 2000) also set targets and developed a set of indicators for employment and the provision of employment services across the European Union.¹⁴

While the United States does not have a national social inclusion strategy, the US Government has developed a set of indicators of children's well being, which are monitored regularly by the Office of Management and Budget.¹⁵

In 2003, the New Zealand Government set out to develop a set of indicators of well being to inform its 'reducing inequalities' strategy.¹⁶

¹² Department for Work and Pensions 2006, *Opportunity for all*; Ministry for Social and Family Affairs 2006, *Social Inclusion Report Ireland*.

¹³ European Commission 2006, Joint report on social protection and social inclusion.

¹⁴ European Commission 2006, Indicators for monitoring the employment guidelines.

¹⁵ Office of Management and Budget 2007, *America's children*.

¹⁶ Ministry for Social Development 2003, *Reducing inequalities strategy*.

Examples of targets and indicators

The following are examples of targets and indicators used here and overseas, from the sources described above. The list is illustrative, not comprehensive. The targets and indicators are listed under each of nine domains:¹⁷

1. Poverty
2. Early childhood
3. Indigenous people
4. Culturally and linguistically diverse people
5. People with disabilities
6. Young people and education
7. Employment participation
8. Housing and homelessness
9. Health

Within each of these domains, a set of targets (to which Governments have committed) and indicators (not linked to Government commitments) are listed according to their country or state of origin. In the case of targets, recent progress against them is indicated where the information is available.

1. Poverty

Targets:

Britain:

- A reduction in child poverty by 25% in five years and by 50% in ten years, from 1997:¹⁸

After rising from 12% to 25% between 1979 and early 1997, child poverty fell to 21% in 2004. The number of children in poverty fell by approximately 700,000, just short of the Government's initial target of a 25% reduction over this period

Ireland:

- The original target was to reduce the number of people in 'consistent poverty' from 9% to less than 5% within 10 years from 1997:¹⁹

By 2001 'consistent poverty' had already fallen to 4% so the target was revised down to 2%

¹⁷ See source materials footnoted above.

¹⁸ Poverty is measured as families living on less than 60% of the median (middle) income for all households.

¹⁹ Poverty was defined more strictly than in the UK, as living on a very low income (less than 60% of median income) *and* lacking basic items such as adequate food, clothing, and heating. 'Consistent' refers here to meeting both of these criteria, not the period of time that people live in poverty.

Indicators:

European Union:

- The percentage of individuals living in households with disposable incomes below 60% of the median, including breakdowns by household type, labour force status, accommodation tenure, and persistence of poverty over time²⁰

OECD:

- The percentage of individuals living in households with disposable incomes below 50% of the median²¹

2. Early childhood

Targets:

UK:

- A reduction in the proportion of children living in working-age workless households:
From 1997 to 2006, this fell from 18.4% to 15.3%, a reduction of over 350,000 children
- An increase in the proportion of 11-year-olds achieving 'good' grades in literacy tests for English and Mathematics:
From 1997 to 2006, those with 'good' grades in English rose from 63% to 79%, and those with 'good' grades in mathematics rose from 62% to 76%
- An increase in the proportion of children in disadvantaged areas with a 'good' level of development.²²
This fell from 37% of children in 2005 to 33% in 2006, due mainly to more rigorous measurement of child development

Ireland:

- Increase child payments for low income families to a benchmark of at least 33% of the adult income support payment rate:
This target was exceeded by 2007, despite large increases in the adult rate (see below)
- Reduce the gap in low birth weight rates between children from the lowest and highest income groups by 10% from 2001 to 2007

²⁰ Persistence refers to poverty over at least two of the last three years.

²¹ Forster & dErcole 2005, Income distribution and poverty in OECD countries, OECD Working Paper.

²² Based on a score of 6 or more across seven developmental indicator scales (including physical development, communication, literacy, personal and emotional development) across the 30 most 'deprived' regions.

Indicators:

Vinson report (Australia):

- Low birth weight
- Childhood injuries
- Domestic violence notifications

Victorian Department for Communities:

- Access to child care services

US children's wellbeing indicators:

- Percentage of children experiencing food poverty
- Low birthweight, by race
- Percentage of children read to every day, by mother's education level

European Union:

- Proportion of children living in jobless households

New Zealand:

- Incidence of abused and neglected children
- Obesity in children
- Participation in early childhood education

3. Indigenous people

Targets:

Australian Government:

- Over the next five years to have every Indigenous four-year-old in a remote Aboriginal community enrolled and attending a proper early childhood education centre or opportunity, and engaged in proper preliteracy and prenumeracy programs

COAG Working Group on Indigenous Reform:

- Close the life expectancy gap within a generation
- Halve the gap in mortality rates for Indigenous children under five within a decade
- Halve the gap in reading, writing and numeracy achievements within a decade

Indicators:

COAG Review of Government Service provision:

- Life expectancy at birth
- Disability and chronic disease
- Years 10 and 12 retention and attainment
- Post secondary participation and attainment
- Labour force participation and employment

- Household and individual income
- Home ownership
- Suicide and self harm
- Substantiated child abuse and neglect
- Deaths from homicide and hospitalizations for assault
- Family and community violence
- Imprisonment and juvenile detention

4. Culturally and linguistically diverse people

Targets:

South Australia:

- Increase the percentage of South Australians who accept cultural diversity as a positive influence in the community

UK:

- An increase in employment rates of ethnic minorities and a reduction in the gap between their employment rate and the overall rate:
From 1997 to 2007, the employment gap reduced from 16.4 to 14.2 percentage points

Ireland:

- Suitable accommodation to be provided to all Traveller's (Roma) families identified as being in need of accommodation, by 2004:
760 new homes were built for Travellers from 2000 to 2004
- Gap in life expectancy between the traveller community and the whole population to be reduced by at least 10% by 2007

Indicators:

Victorian Department for Communities:

- Residents feel that multiculturalism makes life in the local area better
- Feeling valued by society

United States children's wellbeing indicators:

- Percentage of people aged 5-17 who don't speak English at home, and have problems speaking English

European Union:

- Employment gap of migrants (difference between their employment rate and the overall figure)

New Zealand 'reducing inequalities':

- Retention of languages to maintain cultural and ethnic identities

5. People with disabilities

Targets:

South Australia:

- Double the number of people with disabilities employed by 2014

Ireland:

- Increase employment among people with disabilities by 7,000 by 2010
- Raise employment rate of people with disabilities from 37% to 45% by 2016
- Raise participation in education, training and employment to 50% by 2016
- By 2007, each local authority to have conducted an accessibility audit and developed an accessibility implementation plan for the built environment including roads, streets, pavements, parks, amenities and open spaces
- All urban buses to be accessible to people with disabilities by 2012

UK:

- An increase in employment rates of people with disabilities and a reduction in the gap between their employment rate and the overall rate:
From 1998 to 2007, the employment gap reduced from 35.1 to 27.1 percentage points.

Indicators:

UK Office for Disability Issues:²³

- Percentage of working age people with disabilities who have never had a paid job
- Percentage of people with disabilities experiencing difficulties in using transport related to their health problem or disability
- Civic participation
- Suitability of accommodation for people with disabilities requiring adaptations to their home

6. Young people and education

Targets:

South Australia's Strategic Plan:

- Increase the percentage of students completing Year 12 or its equivalent to 90% within 10 years
- Achieve a marked improvement in the percentage of regionally-based students completing SACE or equivalent, by 2010

²³ Office of Disability Issues 2007, *Annual Report*.

- Reduce the gap between the outcomes for South Australia's Aboriginal population and those of the rest of South Australia's population, particularly employment [and] school retention rates

UK:

- An increase in the proportion of 16-18 year olds in learning:
This proportion rose slightly from 76.8% in 1997 to 77.3% in 2006
- A reduction in smoking rates among children 11-15 years:
These fell from 13% in 1996 to 9% in 2006
- A reduction in the proportion of schools in which fewer than 65% of pupils achieve Level 4 or above in the Key Stage 2 tests for English and Mathematics:
From 1997 to 2006, this fell from 47% to 13% for English, and from 50% to 19% for Mathematics
- A reduction in the proportion of working-age people without a qualification at NVQ Level 2 or higher:
This fell from 39% in 1998 to 31% in 2006

Ireland:

- Raise the proportion of young people completing senior high school education to 90% by 2000 and 98% by 2007:
From 1996 to 1999, this rose only slightly from 81% to 82% though many early school leavers pursued other forms of training such as apprenticeships. The target was adjusted on the grounds that it did not comprehensively measure participation in education and training

Indicators:

Victorian Department for Communities:

- Parental participation in schools

European Union:

- Early school leavers not in education or training

US Children's wellbeing indicators:

- Mortality rate of 15-19 year olds by race and gender
- Motor vehicle and firearm injury death rates for 15-19 year olds by race and gender
- Birth rate for women 15-17 years

7. Supporting employment and participation

Targets:

ACT – Canberra Social Plan:

- To reduce the level of long-term unemployment to 12.5 per cent of total unemployment by 2013.

UK:

- An increase in the proportion of working age people in jobs, over the economic cycle:
This rose from 72.9% in 1997 to 74.5% in 2007
- A reduction in the number of working age people claiming Jobseeker's Allowance or Income Support for 2 years or more:
This fell from 2,040,000 in 1997 to 1,770,000 in 2007
- A reduction in the difference between employment rates in the 25 most deprived local authority areas and the overall employment rate, over the economic cycle:
From 2000 to 2006, the gap in the employment rate for the most deprived areas and the overall average fell from 12.8% to 9%

Ireland:

- Halve the rate of unemployment and long term unemployment by 2007:
From 1996 to 2007, the unemployment rate fell from 11.9% to 4.8% and the long term unemployment rate fell from 7% to 1.3%
- Increase the base rate of income support for adults to at least 150 Euros by 2007:
This target was reached by 2007. The real value of payment rose by 24% from 1994 to 2002

European Union:

- Raise the overall employment rate in the European Union to 70% and the female employment rate to more than 60% by 2010

Indicators:

European Union:

- Population living in jobless households (children and working age adults)

8. Housing and homelessness

Targets:

ACT – Canberra Social Plan:

- to reduce 'primary homelessness' (sleeping rough) to as close as possible to zero by 2013

UK:

- A reduction in the number of people sleeping rough:
This fell from 1,850 in 1998 to 498 in 2007²⁴
- A reduction in the proportion of people, including older people and children, living in a home that falls below the set standard of decency.²⁵
From 1996 to 2005, this fell from 46% to 27% among older people, from 41% to 23% among children, and from 44% to 27% overall
- A reduction in the number of households in fuel poverty:²⁶
This fell from 3.4 million (17% of households) in 1998 to 1.2 million (6%) in 2004

Ireland:

- By 2016, provide 60,000 additional homes for low income households who cannot afford to meet their own housing needs

Indicators:

Vinson report:

- Housing stress (proportion of low income households spending over 30% of income on rent or mortgage payments)

Victorian Department for Communities:

- Feels safe on the street alone after dark

New Zealand Reducing Inequalities strategy:

- Housing affordability
- Household crowding

²⁴ These numbers are very low by Australian standards, which may be partly due to differences in measurement and partly due to the responsibilities of local authorities in the UK to provide at least temporary accommodation for homeless people.

²⁵ This includes insulation, facilities and services, and general state of repair.

²⁶ Fuel poverty refers to households having to spend at least 10% of their income on household fuel and energy.

9. Health

Targets:

South Australia Strategic Plan:

- Reduce the percentage of young cigarette smokers by 10 percentage points between 2004 and 2014.

UK:

- A reduction in the infant mortality rate gap between manual occupational groups and the overall population:
The ratio of infant mortality among manual occupational groups compared to the overall population rose from 1.13 in 1997 to 1.18 in 2005.
- A reduction in child obesity:
Among 2-10 year olds, child obesity increased from 10.9% in 1997 to 16.7% in 2005.
- An increase in the proportion of older people being helped to live independently:
The proportion receiving intensive home care rose from 7.8% in 1998 to 12.2% in 2005, while the proportion receiving any community based service fell from 82% in 1999 to 81% in 2005.
- An increase in healthy life expectancy at age 65:
From 1998 to 2003 this rose from an average of 11.9 years to 12.5 years for men, and 13.3 years to 14.4 years for women.

Ireland:

- Reduce the gap in premature death from heart disease, cancers, injury or poisoning between the highest and lowest income group by at least 10% by 2007

Indicators:

Vinson report:

- Proportion of low-birthweight babies
- Incidence of childhood injuries
- Hospitalisation of people with mental illness
- Suicide rates

New Zealand Reducing Inequalities strategy:

- Incidence of workplace injuries