

CABINET - SUBJECTS FOR CONSIDERATION, 03 JUNE 2002 9:00 AM

1 **New Initiatives/Policy Matters**

101

102

Not Relevant

103

DPC015/02CS

**Social Inclusion Establishment
APPROVED**

All Ministers

104

105

106

107

Not Relevant

108

103

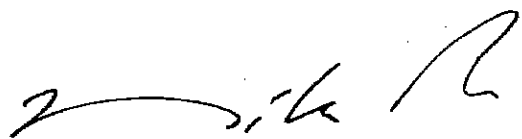
CABINET COVER SHEET

1. **TITLE** Social Inclusion Establishment
2. **MINISTER** Premier
3. **PURPOSE** To seek Cabinet approval for funding to establish and operate the Social Inclusion Unit, the Social Inclusion Board, to approve the parameters for the Unit's initial operation; and to note the Terms of Reference for the Board.
4. **RESOURCES REQUIRED** Resources required for establishment and operation of the Social Inclusion Initiative and associated programs.
\$1.8m 2002-03
\$1.824m 2003-04; 2004-05; 2005-06
(Including per annum \$500,000 for pilot projects and \$370,000 offset from DPC).
5. **RELATIONSHIP TO GOVERNMENT POLICY** Establishment of the Social Inclusion Initiative and directed by a Board, was an election commitment of Government as a "cornerstone of a different way of tackling pressing social issues".
6. **CONSULTATION** Consultation has been undertaken across the public sector through Chief Executives and with the Chair of the Social Inclusion Board.
7. **REGULATORY IMPACT** Social and economic benefits are potentially significant and outweigh costs with no regulatory impact.
8. **REGIONAL IMPACT** Social and economic benefits will also accrue to regions.
9. **FAMILY IMPACT** Families are expected to benefit significantly from this initiative.
10. **URGENCY** High.
11. **RECOMMENDATIONS:** It is recommended that Cabinet:
 - 10.1 Approve funding for the Social Inclusion Initiative of \$1.8m for 2002-03, \$1.824m per annum for 2003-04, 2004-05 and 2005-06 while noting that \$370,000 will be offset by savings from the Department of Premier and Cabinet and that \$500,000 per annum will be available to initiate new projects;
 - 10.2 Approve the operational parameters and the

six month work plan for the Social Inclusion Unit as outlined in this submission and at Attachment A;

- 10.3. Note the Terms of Reference for the Social Inclusion Board at Attachment B;
- 10.4. Note that the Social Inclusion Unit is likely to identify additional program funding requirements, to provide services in a new or innovative way, or to provide additional services, as it develops and that these would be subject to separate Cabinet Submissions;
- 10.5. Note that the work of the Social Inclusion Unit will be evaluated within two years of establishment against progress in achieving the targets set by the Government; and
- 10.6. Note that the Board will be subject to an annual performance review by the Premier to ensure that the members are fulfilling the requirements outlined in the Terms of Reference set out at Attachment B.

Mike Rann
Premier



20 / 5 / 2002

TO: CABINET

RE: SOCIAL INCLUSION INITIATIVE ESTABLISHMENT

1. PURPOSE

To seek Cabinet approval for funding to establish and operate the Social Inclusion Unit, the Social Inclusion Board, to approve the parameters for the Unit's initial operation; and to note the Terms of Reference for the Board.

2. BACKGROUND/DISCUSSION

The Government issued a Social Inclusion Initiative Policy Statement (on 15/1/02) during the recent election campaign. In the Statement, the Government proposed the establishment of a Social Inclusion Unit, to be modelled on similar initiatives in Britain, Scotland, France and Canada, to be "the cornerstone of a different way of tackling pressing social issues".

The Social Inclusion Initiative aims to assist in the creation of a society where all people feel valued, their differences are respected and their basic needs both physical and emotional are met, so that as members of the society they are empowered in their participation and contribution.

Partnership, innovation and leadership are the key ingredients in developing effective policies to combat social and economic exclusion and promote social and economic inclusion.

2.2. Role of the Unit

The Unit will contribute to the Social Inclusion Initiative by working on the causes of social exclusion to develop solutions that will increase social inclusion. It will do this by:

- Undertaking high level thinking and analysis to develop a sound understanding of the complex dynamic and inter-relationship of factors which contribute to social exclusion, as well as how the Government, through its agencies, might best intervene to respond to these issues;
- Working across systems recognising the inter-connectedness of issues and the need for integrated solutions to tackle social exclusion. This will mean bringing together all players and building on existing knowledge, experience and structures; to

develop "joint solutions" which maximise outcomes for individuals and the community;

- Establishing a platform for change based on leadership and a developmental approach which both recognises specialist skills and creates a collaborative learning environment;
- Playing a strategic and coordinating role rather than an "interventionist" or service delivery role. While it will be important for the Unit to provide the Government with some early "runs on the board", this approach risks creating a perception of the Unit's role as direct intervention in service delivery. Such a project based approach, which is likely to focus on addressing symptoms rather than the underlying causes, will have to be carefully balanced if the longer term objectives of the Government are to be achieved without alienating Government agencies responsible for service delivery.

Opening inquiries for the Unit will be:

- School retention rates (target: increase from 56% to 90%; report due in 6 months);
- Homelessness (target: halved from 7,000 during term of government);
- Suicides in country areas;
- Aboriginal health;
- Coordination of a drugs summit, and
- Pilot program to address services in the Upper Spencer Gulf.

Longer term outcomes sought by the Government are:

- To decrease crime rates in South Australia;
- To increase social capital in South Australia;
- To improve the education status of South Australians;
- To improve the health status of South Australians;
- To improve the financial status of South Australians;
- To have a more cohesive society;
- To increase the connection of community to the delivery of government services.

A work plan for the Unit for the first six months of operation, April to September 2002, is at Attachment A.

The Unit will ensure that it seeks to develop community capacity building, that is, recognising and enhancing the inter-relationships between individuals, the community in which they live and the system that supports them.

2.3. Mode of Operation

The Unit will be innovative and challenging in the way it operates. It will not accept that the status quo cannot be changed for the better in regard to the way the public sector interacts, engages the community and delivers services. The focus will be on achieving systemic solutions in collaboration with all relevant agencies, using existing structures and innovation to develop a comprehensive response, not duplicating or supplanting interdepartmental approaches.

The total fulltime equivalent staffing of the Unit will be twelve (12 FTEs). The Unit will have a core staff of nine positions, headed by a Director, including a senior economist, an office manager, a graduate and five policy officers. Another three positions will be funded to allow for importing specialist expertise from the community, private and public sectors.

The Unit will provide executive and secretariat support to the Board, which will meet at least quarterly, however, the Board may be required to meet more frequently (up to eight times) in the first twelve months.

The Unit will also support a cross government Social Policy Officers (SPO) network, which will act as a forum for information and ideas exchange, promoting the work of the Unit and developing project concepts.

The Unit reports to the Premier and the Minister Assisting the Premier on Social Inclusion on a fortnightly basis, through the Chief Executive Department of the Premier and Cabinet (DPC), and works under the guidance of the Chair of the Social Inclusion Board, Father David Cappelletti.

2.4. Engagement Mechanisms

Two critical success factors will be positive public sector and community sector engagement, and the establishment of effective collaborative working arrangements with both sectors which build on existing knowledge, structures and experience. Such models already exist and have a long history in Government, for example the Port Augusta Social Vision and the Playford Partnership etc.

Relationships with other key advisory bodies such as the Economic Development Board and the Premier's Science and Research

Council will be essential. These may be facilitated by regular meetings between the relevant Chairs as well as meetings at officer level.

Engagement mechanisms will build on existing collaborative arrangements across the public sector, local and national governments, and with community sector organisations and community members, and in addition will include Community Cabinet, the proposed Social Policy Officers network, Social Inclusion Board members' own networks and inter-governmental forums.

A Social Inclusion Initiative website will be established to enable people to interact with the work of the Unit. Progress reports and research papers will be available on the web with a feedback capacity. In time, the site itself could become a source of information on best practice, together with the tools developed by the Unit in its work.

A booklet, "Stories from the Drugs Summit", is also being considered.

3. ECONOMIC FINANCIAL AND BUDGET IMPLICATIONS

Funding for this Initiative is being sought as part of the DPC budget bid for 2002-03.

The funding required for the Social Inclusion Initiative is \$1.8m for 2002-03, \$1.824m per annum for 2003-04, 2004-05 and 2005-06. This covers the operations of the Unit and the Board, and allows for approximately \$500,000 per annum for pilot projects. The cost of establishing and operating the Unit for the remainder of the 2001-02 financial year is approximately \$0.3m. This cost has been absorbed primarily from within DPC (five staff plus establishment and operational costs), with DHS meeting salary costs for two staff and DTF providing one staff member.

In the out years there is a continuing offset of approximately \$0.37m from DPC.

The Drugs Summit will be funded from savings from within DPC and given the timing of the Summit, will require some carryover into 2002-03.

The Unit is likely to identify additional program funding requirements, to provide services in a new or innovative way, or to provide additional services, as it develops. These would be subject to separate Cabinet Submissions as required. One possible way of developing a pool of funds to give Government the capacity to respond, would be to earmark a proportion of savings identified by the Expenditure Review for allocation to the Social Inclusion Initiative.

- lack of customers: with low income or benefit dependency reducing the nation's spending power;
- greater tax burden on business: reflecting the costs of social failure.

6. REGIONAL IMPACT

The Unit will develop strategies to address its reference areas on a state wide basis, recognising that locally developed responses work best for local problems. For example the Drugs Summit will include regional representation. Homelessness and school retention rates will be investigated and dealt with at both the regional and metropolitan level.

7. FAMILY IMPACT

Families are expected to benefit significantly as a result of the initiative.

8. CONSULTATION

All Chief Executives were consulted during the development of this submission and comments received were taken into account in developing the submission. Comments were supportive of the Initiative, however there were concerns that the Unit should build on existing approaches, work within an overarching policy framework, address systemic problems and provide systemic solutions. There was also some concern about whether the Unit was sufficiently resourced to deliver on its required agenda and that there may be a tendency to move too quickly on implementing solutions before a detailed understanding of the issues has been reached.

Father David Cappo was also consulted in the development of the submission.

9. EVALUATION AND REVIEW

The Social Inclusion Initiative will be evaluated within two years of establishment against progress in achieving the targets set by the Government.

The Board will be subject to an annual performance review by the Premier to ensure that the members are fulfilling the requirements outlined in the Terms of Reference set out at Attachment B.

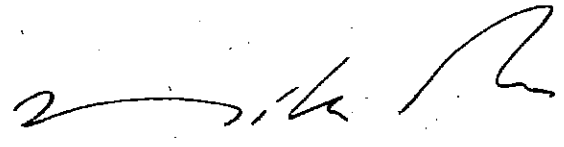
10. RECOMMENDATIONS

It is recommended that Cabinet:

- 10.1 Approve funding for the Social Inclusion Initiative of \$1.8m for 2002-03, \$1.824m per annum for 2003-04, 2004-05 and 2005-06

while noting that \$370,000 will be offset by savings from the Department of Premier and Cabinet and that \$500,000 per annum will be available to initiate new projects;

- 10.2 Approve the operational parameters and the six month work plan for the Social Inclusion Unit as outlined in this submission and at Attachment A;
- 10.3 Note the Terms of Reference for the Social Inclusion Board at Attachment B;
- 10.4 Note that the Social Inclusion Unit is likely to identify additional program funding requirements, to provide services in a new or innovative way, or to provide additional services, as it develops and that these would be subject to separate Cabinet Submissions;
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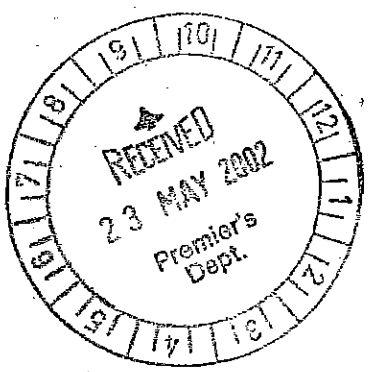


Mike Rann
Premier

In Cabinet

19151 02

- 9 JUN 2002



WORK PLAN FOR THE SOCIAL INCLUSION UNIT - APRIL TO SEPTEMBER 2002

| MAJOR ISSUES/ REFERENCES | MAJOR TASKS | KEY MILESTONES |
|-----------------------------|--|--|
| ESTABLISHMENT | | |
| UNIT | <ul style="list-style-type: none"> • Budget, initial core staffing and administrative arrangements in place and fully operational | Approval of Unit Budget and operational parameters by Cabinet |
| BOARD | <ul style="list-style-type: none"> • Terms of Reference and remuneration framework established | Approved by Premier First meeting 6 May Second meeting 7 June Further meetings at least quarterly |
| REFERENCE AREAS | | |
| HOMELESSNESS | <ul style="list-style-type: none"> • Preliminary research including definition and enumeration of the issue and target groups involving data collection and analysis . • Review of existing program and policy responses including <ul style="list-style-type: none"> ◦ Analysis of State Homelessness Strategy for Implementation options ◦ Establishment of linkages with key stakeholders (government and non-government) ◦ Identification of a key project(s) for implementation ◦ Establishment of support requirements/funding options | Report due in March 2003 |
| RETENTION RATES | <ul style="list-style-type: none"> • Definition of issue and target groups • Develop an approach to MCEETYA re definition of retention rates to seek national consistency • Identification of key project(s) with DETE. • Engage school community, DETE, DHS and local community in identification of issues and development of models to provide solutions • Ongoing identification of successful models (within SA, national and international) for possible adaptation/adoption in SA • Identification of funding and necessary support arrangements for pilot • Implementation of pilot including monitoring and evaluation frameworks. | Report due September 2002 |

| | | |
|----------------------------|--|--|
| DRUGS SUMMIT | <ul style="list-style-type: none"> • Management of drugs summit content to ensure that the focus is on social inclusion (Cabinet Office are managing process) • Board members to participate in Drugs Summit • Development and implementation of an accountability and outcome monitoring framework with stakeholders • Ongoing management of outcomes from Drugs Summit | End June Drugs Summit |
| COMMUNICATION | | |
| | <ul style="list-style-type: none"> • Development of Communications Strategy • Establishment of interactive Web site • Stories from the Drugs Summit – personal case studies • Logo Competition for Social Inclusion Initiative • Establish public sector Social Policy Officers Network to meet quarterly • IPAA National Conference Presentation (Nov 2002) • Fortnightly Progress reports to Premier • Report to Cabinet as required • Establishment of collaborative mechanisms with key community sector organisations and individuals • Establishment of collaborative mechanisms with key government ministers, public sector agencies and officials | End June 2002 July 2002 Sept 2002 Logo launched at Drugs Summit First Meeting end May 2002 |
| RESEARCH ACTIVITIES | | |
| | <ul style="list-style-type: none"> • Chair of Board to visit UK Social Exclusion Unit • Research into operational models of similar units overseas to enhance operations • Ongoing research into reference areas in collaborative with relevant agencies | 14-21 June 2002 (to be confirmed) |

4. STATE DEVELOPMENT, SOCIAL, ENVIRONMENTAL AND OTHER IMPACTS INCLUDING STAFF IMPLICATIONS

The value of the Unit will be not only in the actual projects that it undertakes but also in the opportunity it provides to develop and deliver on new or better "joined up" ways of working within the public sector, in state, local and federal governments and community sector collaboration.

Community and public sector expectations of this Initiative are very high. It is one of the Government's top priorities and one of its first major public commitments since taking office. Failure to support this Initiative adequately would undermine Government's credibility and lose a major opportunity to address systemic problems and blockages and to rethink and improve the way Government develops and delivers its services, particularly to those who are most marginalised.

If the Unit requires additional staffing above the 12 FTEs, which includes funding secondments for 3 FTEs, then this would be sought by secondment, with salary and on costs, from the relevant areas within Government. It is important that within the budget there is enough flexibility to enable funding for the procurement of relevant expertise from either the community sector or the private sector.

5. REGULATORY IMPACT

The outcomes and benefits of this Initiative are potentially considerable, but difficult to quantify, particularly as the Unit has only recently commenced operation. The benefits are expected to be both social and economic. The evaluation of the Social Inclusion Initiative will include performance measurement against a baseline cost benefit framework.

5.1. Benefits

Social exclusion is undoubtedly one of the key pressures on public spending. Costs associated with social exclusion arise in a range of areas – welfare, costs of health care, support services for those who are excluded, the cost of crime and drugs, as well as the tax that would be paid if socially excluded people were off welfare or in higher paid work.

Reducing social exclusion now and preventing it in future can cut the financial cost to the South Australian Government in the longer term and leave individuals self sufficient. It is hard to put precise figures on the benefits wholly attributable to ameliorating the problem of social inclusion in this way. The following serve only as examples of the benefits involved:

- An individual who is assisted in stabilising their accommodation increases their chances of obtaining and retaining employment significantly. If this individual can then earn income, their increased spending capacity has a direct positive impact as well as a multiplier effect across the economy;
- Increased school retention enhances the employment prospects of young people. While retention at school does not necessarily mean attainment of a greater level of skill or credentials in all cases, for those who do reach a higher level of educational attainment by staying on at school, their income potential increases significantly. This in turn directly increases expenditure within the economy and has associated multiplier effects;
- Statistically, early school leavers are at much higher risk of never gaining sustained attachment to the labour market throughout their working lifetime, tending to move between insecure casual employment to welfare dependency. It is critical that people spend their formative teenage years in full time education or in full time work (or a part time combination of both) in order to ensure satisfactory long term labour market attachment.

5.2. Costs

The direct immediate budgetary cost of the Social Inclusion Initiative is outlined above. There may however be other indirect costs as the Unit develops and rolls out strategies which require additional investment by the Government to bring about the changes required to its operations to achieve better social inclusion.

There are also costs to the community in not addressing this issue. Social exclusion has huge costs for the individual. These include underachieving educational potential, financial loss, lack of hope for the future and poorer physical health, through poor diet or higher rates of smoking and drug use.

High levels of exclusion also impose indirect social costs on the whole population. These costs include reduced social cohesion, higher crime, fear of crime and a decrease in social capital.

Social exclusion, by trapping individuals and families in poverty, also affects business through:

- lack of skilled workers: widespread educational underachievement and shortages of relevant skills having a direct impact on the supply of talented individuals in the workforce;

SOCIAL INCLUSION BOARD

TERMS OF REFERENCE

1. Role and Functions of the Board

- 1.1 The Social Inclusion Board will consist of eight members including the Chair.
- 1.2 Members will be appointed by the Premier for a two-year term, subject to review of performance every 12 months. Board members cannot be appointed for more than two consecutive terms.
- 1.3 The Board will meet at least quarterly although it is anticipated that more frequent meetings will be required in the first year of operation.
- 1.4. The Chief Executive of the Department of Premier and Cabinet and/or the Director Social Inclusion Unit must attend each meeting.
- 1.5 Public communications by the Board will be through the Chair of the Board in consultation with Chief Executive, Department of Premier and Cabinet and/or the Office of the Premier, consistent with agreed protocol.

2. The Social Inclusion Board is responsible for :

- 2.1. Providing leadership to the work of the Social Inclusion Unit to ensure that Government receives expert policy advice on identified social policy issues and a coordinated and integrated approach to developing, implementing and reviewing the directions of Government to reduce social exclusion;
- 2.2. Providing recommendations, information and advice to the Social Inclusion Cabinet Committee and the Premier including providing advice on potential priorities for Government funding consideration.
- 2.3 Providing guidance to the Social Inclusion Unit in addressing issues identified by the Premier and Cabinet, in the first twelve months this will be focussed on improving school retention rates and reducing homelessness;
- 2.4. Developing strategies for dealing with the causes of social exclusion to provide leadership to influence and shape national social justice policy;
- 2.5 Assisting the Social Inclusion Unit to develop and maintain appropriate engagement mechanisms across government, community and stakeholders;
- 2.6 Providing advice and information to the Social Inclusion Unit to assist in research activities;
- 2.7. Reporting on a quarterly basis to the Premier.

3. Role and responsibilities of the Chair

3.1. The Chair reports to the Premier and works in consultation with the Chief Executive Department of Premier and Cabinet in undertaking the following:

- a) Set the agenda and work plan for the Board and the Social Inclusion Unit and guide the Board in the development of innovative responses, and models of community and public sector engagement, to reduce social exclusion.
- b) Advise the Premier on emerging issues in relation to social inclusion.
- c) Provide advice to the Premier and Cabinet Committee on :
 - funding priorities and mechanisms,
 - innovative and challenging models of cooperation and collaboration across the public sector for engaging other levels of Government, the community and business sectors.
- d) Establish and maintain linkages with the Premier, Chief Executives across the public sector, and the community to support the work of the Social Inclusion Unit, particularly in the development of new collaborative funding and operational models.
- e) Responsible as the public face of the Social Inclusion Board for public comment on the work of the Board under agreed protocols.