

Chapter 4. Are key indicators showing progress?

4.1 Introduction

This chapter uses key indicators to provide an overarching picture of Australia's progress against the themes of the COAG reform agenda. It answers the question: 'Are key indicators showing progress?' Section 4.7 provides a summary of the council's findings.

COAG directed that the council's report should only use performance indicators or targets/benchmarks set out National Agreements and National Partnerships (since these are measures against which governments have agreed to be assessed). Issues arising from this direction are addressed in Section 4.8.

This chapter presents results against high-level indicators at a national level. The council's sector-specific reports are available at the council's website www.coagreformcouncil.gov.au and contain further detailed results, including jurisdictional comparisons.

This is the third year of the COAG reform agenda under the *Intergovernmental Agreement on Federal Financial Relations*. Data availability remains a key challenge. For a number of indicators data are collected only every few years. While the council will continue to monitor the indicators used in this report, it may not report against the same progress indicators every year due to data availability and timing and the need to measure performance against a broad agenda. The council anticipates that a more comprehensive report on progress will be possible from next year as additional data become available.

4.1.1 Relationship between reform activities and indicators of progress

The performance indicators assessed in this chapter are influenced by a range of factors including: COAG reform activity, government activity conducted outside COAG arrangements and economic and social factors over which governments have limited or no influence.

In reporting on progress, the council has not attempted to identify causal links between the reform activities described in Chapter 3 and any changes in the high-level indicators of progress outlined in this chapter. The council may explore—in consultation with governments—whether it is feasible to measure the effects of reform implementation on indicators of progress in future reports. In the interim, the Productivity Commission has been tasked with assessing the economic impacts and benefits of reform every two to three years. Its first report is due at the end of March 2012. Its findings may be relevant to assessing whether COAG reform activity is contributing to any improvement in the indicators.

4.1.2 Linkages between themes

There are clear linkages between COAG's strategic themes. The most obvious example is the Closing the Gap on Indigenous Disadvantage theme, which intersects with the other four themes as they apply to Indigenous Australians specifically. The council has reported on an indicator

under the theme that it most directly or most obviously relates to, however, the interrelationships between COAG’s themes and the relationships between one indicator and multiple themes should be borne in mind.

4.1.3 Selection of performance indicators to measure progress

The council has selected high-level progress indicators for the themes in consultation with governments. In selecting progress indicators for each theme, the council has been guided by the following criteria:

- the indicator is of apparent strategic importance to COAG (for example, indicators related to COAG targets)
- the indicator is conceptually linked to a particular theme (for example, housing affordability indicators for ‘a more sustainable and liveable Australia’)
- data are available and sufficiently robust to enable regular reporting of progress.

Progress indicators have been drawn from the six National Agreements. See Appendix C for a full list of data sources.

4.1.4 Visual schema

In this chapter, the council has presented a visual summary of any changes in the data for the selected indicators. Box 4.1 sets out the council’s visual schema for the relevant summary tables.

Box 4.1 Visual schema for chapter 4

Progress in this chapter is represented as follows:

- ↑ Change is indicated with an upward arrow where there is a statistically significant change which represents an improvement, or, if no statistical testing is available, there is a notable improvement.
- ↓ Change is indicated with a downward arrow where there is a statistically significant change which represents a worsening, or, if no statistical testing is available, there is a notable worsening in performance.
- Change is indicated with a sideways arrow where there is no statistically significant change, or, if no statistical testing available, there is no notable change.



Cells are left blank where data are available for a baseline year only.

4.2 A long-term strategy for economic and social participation

4.2.1 A summary of progress

To measure progress towards this theme, the council has selected performance indicators that relate to educational outcomes, participation in post-school education, training and the labour force. Table 4.1 summarises performance against key indicators related to the theme *A long term strategy for economic and social participation*.

This suite of indicators suggests that progress towards economic and social participation has been mixed.

Some improvements have been made in literacy and numeracy in schools. Internationally, however, Australian students are not performing as well as they used to, especially in comparison to other countries such as China.

Additionally, unemployment amongst young people when they leave school has increased. The latter reflects, in part, the impact of the economic downturn in 2009 on young people, which included high unemployment across Australia.

Further, there has been no statistically significant improvement in labour force participation for people with disability from 2003 to 2009. By comparison, the participation rate for people without disability has significantly increased over the same period.

In the future, as the data quality improves, the council may report on the rate of homelessness or other outcomes for homeless people under this theme.

Table 4.1 A long-term strategy for economic and social participation: a summary of progress

| Performance Indicator | Change | 2008 | 2009 | 2010 | COAG benchmark | Comment |
|---|--------|-----------------|--------|-------|--|--|
| 1 Proportion of students achieving at or above national minimum standards in literacy and numeracy, for Years 3, 5, 7 and 9. As an example, Year 5 Reading is shown here. | → | 91.0% | 91.7% | 91.3% | N/A | From 2008 to 2010, across Reading, Writing and Numeracy in years 3,5,7 and 9 (12 data sets altogether), there was a statistically significant improvement in three data sets, a statistically significant decline in one data set and stable performance in eight of the 12 data sets. |
| 2 The proportion of students in the bottom and top levels of performance in international testing. As an example, students at the top levels for reading are shown here. | ↓ | (2000) 17.6% | 12.8% | - | N/A | For Reading, there was a statistically significant decline in performance at the highest levels (Level 5 or above). For Numeracy there was a statistically significant decline in performance at the highest levels and stable performance at the lowest. |
| 3 Year 12 or equivalent or Certificate II attainment rate for 20 to 24 year olds | → | 84.2% | 84.5% | 85.6% | Lift to 90 per cent by 2015 | No statistically significant difference from 2008 to 2010. |
| 4 Proportion of 18 to 24 year olds fully engaged in employment, education or training at or above Certificate III | ↓ | 76.3% | 72.7% | 72.6% | N/A | Statistically significant decline from 2008 to 2009 followed by steady performance. |
| 5 Proportion of Australians aged 20 to 64 years old without qualifications at Certificate III level or above | ↑ | - | 47.1% | 45.4% | Halve the proportion by 2020 (to 23.6%) | Statistically significant decline from 2009 to 2010. |
| 6 The number of higher qualification completions (diploma or advanced diploma) | | - | 55 093 | - | Double the number between 2009 and 2020 (to 110 186) | Baseline data only. |
| 7 Labour force participation rate, by disability status | | (2003) | | | | |
| -With disability | → | 53.2% | 54.3% | - | N/A | No statistically significant change for people with disability. |
| -Without disability | ↑ | 80.6% | 82.8% | - | | Statistically significant increase for people without disability. |

Indicator 1: Some improvements in literacy and numeracy in schools since 2008

The annual National Assessment Program for Literacy and Numeracy (NAPLAN) reports on the literacy and numeracy achievement for all students in Years 3, 5, 7 and 9. Students' achievement was mostly stable from 2008 to 2010, except for the following changes:

- For students in Year 3, there were statistically significant improvements from 2008 to 2010 in Reading (92.1 per cent to 93.9 per cent).
- For students in Years 5 and 7, there were statistically significant improvements from 2008 to 2010 in Writing, (from 92.6 per cent to 93.1 per cent and from 91.8 per cent to 92.6 per cent respectively)
- For students in Year 9 there was a statistically significant decline in performance from 2008 to 2010 in Reading from 92.9 per cent to 90.8 per cent (see Table 4.2).

Table 4.2 Proportion at or above the national minimum standard in Reading, Numeracy and Writing and significance of change, Australia, 2008 to 2010

| | Year 3 | Year 5 | Year 7 | Year 9 |
|-----------------|--------|--------|--------|--------|
| Reading | | | | |
| 2008 | 92.1 | 91.0 | 94.2 | 92.9 |
| 2010 | 93.9 | 91.3 | 94.9 | 90.8 |
| Numeracy | | | | |
| 2008 | 95.0 | 92.7 | 95.4 | 93.6 |
| 2010 | 94.3 | 93.7 | 95.1 | 93.1 |
| Writing | | | | |
| 2008 | 95.4 | 92.6 | 91.8 | 87.2 |
| 2010 | 95.5 | 93.1 | 92.6 | 87.2 |

Notes:

1. Statistically significant changes in the proportion of students achieving at or above the national minimum standard between 2008 and 2010 are shaded. Green represents a statistically significant increase and red, a statistically significant decrease. Unshaded values were not statistically significantly different.

Indicator 2: Fewer students are achieving at the highest levels

In an increasingly global economy and labour market it is important that Australia's top performing students aim to achieve at the highest levels by international standards. It is also important that Australia continues to lift our lower performing students in order to raise our overall performance and address educational disadvantage. The data for this indicator is sourced from an international test, the Programme for International Student Assessment (PISA).

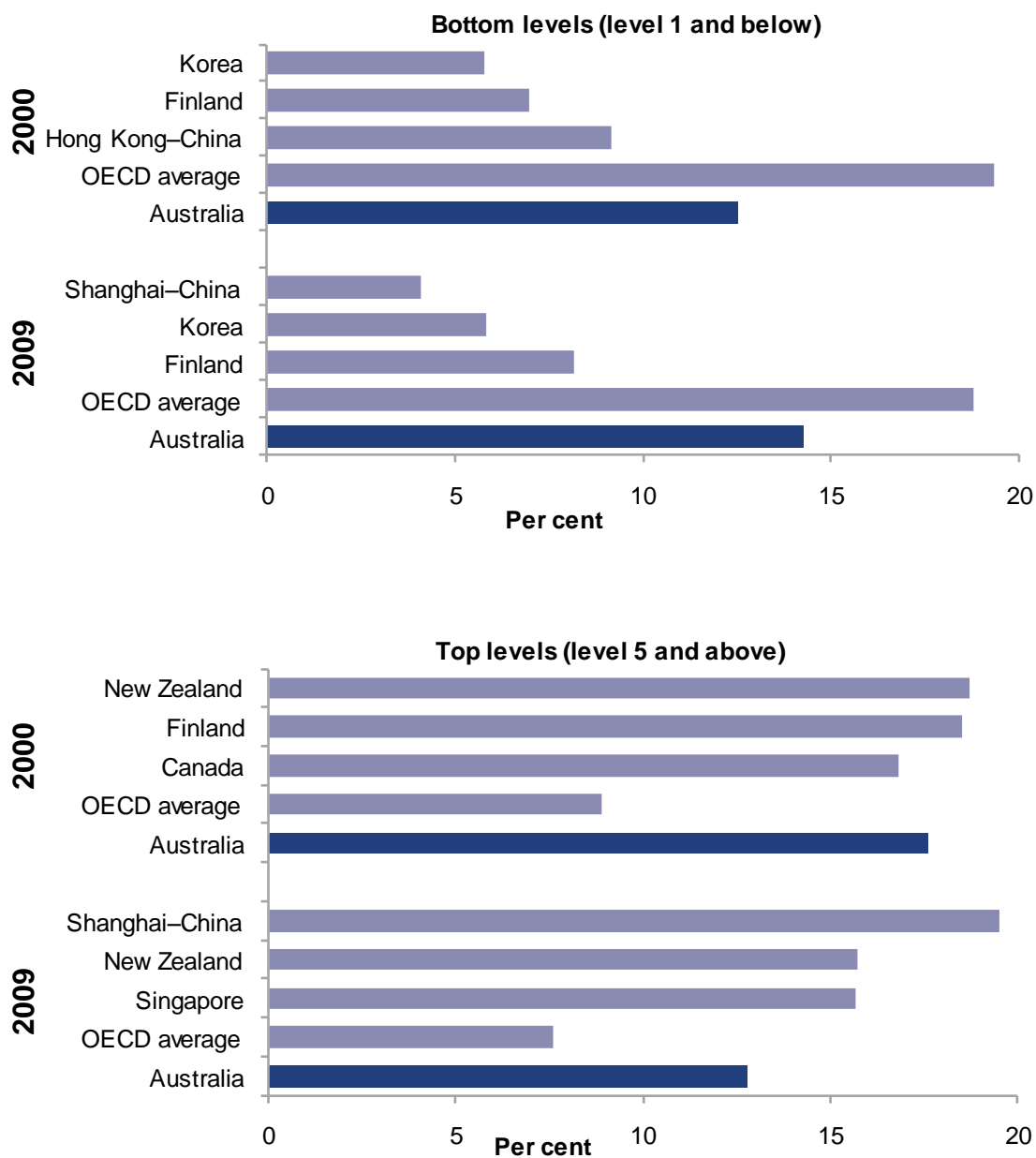
Changes in reading performance between PISA 2000 and PISA 2009

- The proportion of students performing at the highest levels in reading (Level 5 or above) decreased from 17.6 per cent in 2000 to 12.8 per cent in 2009.
- Compared to high performers:
 - Shanghai had 19.5 per cent of its students at Level 5 or above, compared to Australia at 12.8 per cent.
 - Shanghai had 4.1 per cent of students at Level 1 or below, compared to Australia at 14.2 per cent.
- Refer to Figure 4.1 for the proportion students in the top and bottom levels in reading in 2000 and 2009. Countries included are the top performing countries for that PISA.

Changes in maths performance between PISA 2003 and PISA 2009

- The proportion of students performing at the highest levels in maths (Level 5 or above) decreased from 19.9 per cent in 2003 to 16.5 per cent in 2009.
- There was no significant change in the proportion of students performing at the lower levels.

Figure 4.1 Performance at the top and bottom levels, reading literacy, top three countries, OECD and Australia average, 2000–2009



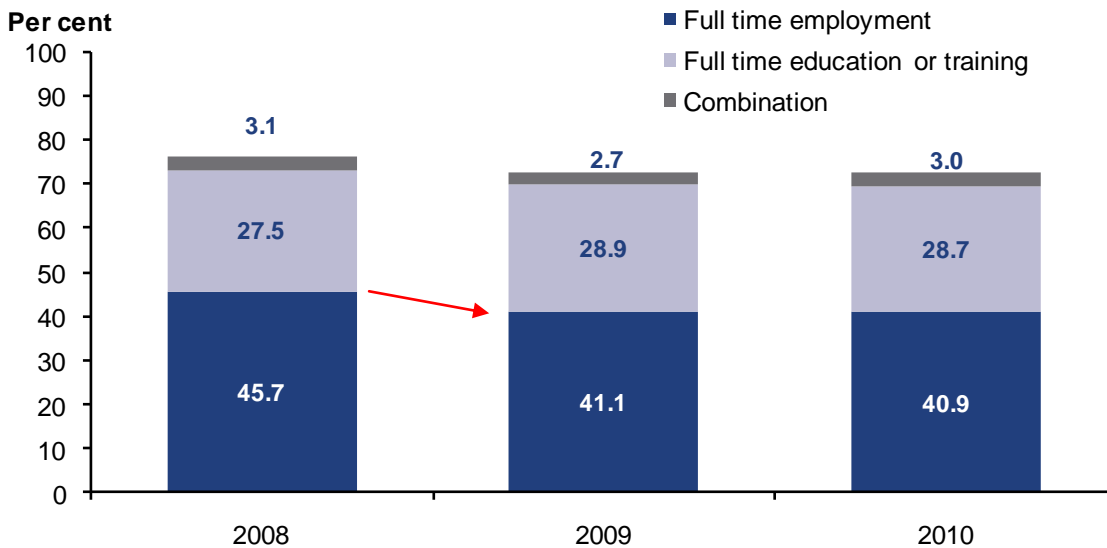
Source: Thomson, De Bortoli, Nicholas, Hillman and Buckley 2011, Challenges for Australian Education: Results from PISA 2009

Indicator 4: Decline in post-school engagement in full-time employment

After declining between 2008 and 2009, young people's engagement in full time employment has not improved between 2009 and 2010.

Between 2008 and 2009 the proportion of 18 to 24 year olds in full time employment significantly decreased by 4.6 percentage points from 45.7 per cent to 41.1 per cent. This decline in employment was not offset by an increase in education or training. The council noted in its 2009 report on the *National Education Agreement* that this reflected, in part, the impact of the economic downturn. In 2010 there has been no improvement in full time employment and no significant changes in any other category (Figure 4.2).

Figure 4.2 Proportion of 18 to 24 year olds engaged in full time employment, education, training at or above Certificate III level, 2008, 2009 and 2010



Notes:

1. 'Full-time employment' comprises those that are in full-time employment and not in full-time education
2. 'Full time education or training' comprises those that are full-time education and part-time or no employment.
3. 'Combination' comprises persons in full-time employment and full-time education/training at Certificate III level or above; and part-time employment and part-time education/training.

Source: ABS (2010) Education and Work May 2010.

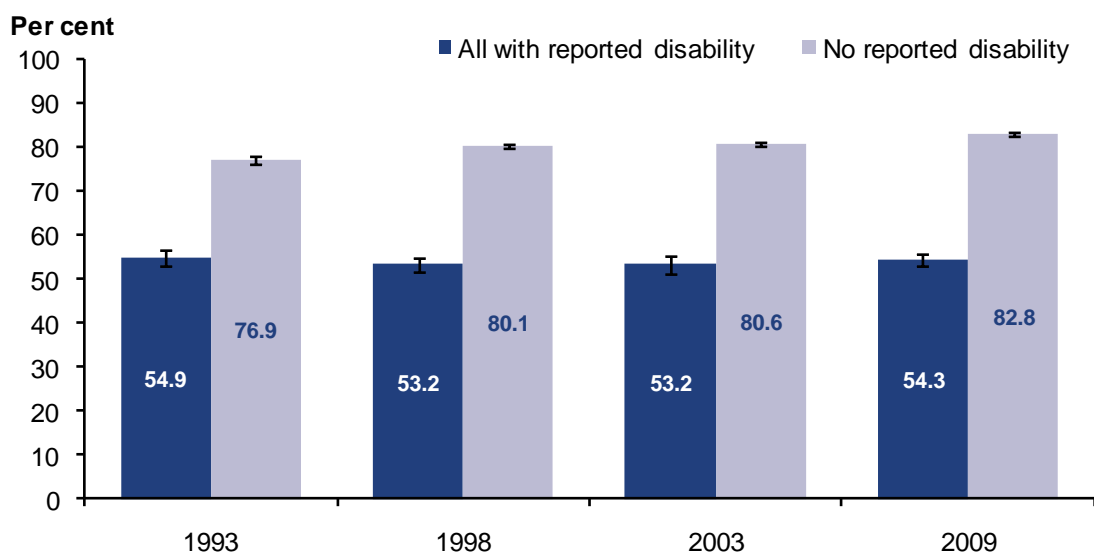
The council is concerned that there may be longer-term impacts of this increased unemployment amongst youth. In the future, measuring the outcomes of COAG's current reforms which focus on education and training for this age group (for example, lifting the Year 12 or equivalent attainment rate to 90 per cent by 2015) will be important to assess whether a long-term strategy for economic and social participation is being achieved.

Indicator 7: No improvement in labour force participation for people with disability over the last 16 years

The gap in the labour force participation of people with disability and people without disability has increased. The recent Survey of Disability Ageing and Carers (SDAC) 2009, shows that in the period from the last survey in 2003 until now, there has been no statistically significant improvement in the labour force participation of people with disability from 53.2 per cent to 54.3 per cent (as shown in Figure 4.3). In contrast, there has been a statistically significant improvement in the labour force participation for people without disability, which increased from 80.6 per cent to 82.8 per cent—that is, the gap in the labour force participation grew from 27.4 percentage points to 28.5 percentage points.

SDAC data from 1993 and 1998 show similar rates of participation for people with disability—there has been no significant change for at least 16 years (while the proportion of the population with disability has remained similar). In contrast, there has been a significant improvement in the participation rate for people without disability—from 76.9 per cent in 1993 to 82.8 per cent in 2009.

Figure 4.3 Labour force participation rate of the working age population (15–64 year olds), by disability status, 1993, 1998, 2003 and 2009



Source: ABS (unpublished) Survey of Disability, Ageing and Carers 1993, 1998, 2003, 2009

4.3 A national economy driven by our competitive advantages

The council is unable to report any indicators relevant to this theme which meet COAG's direction that the council's report should only draw on performance indicators or targets/benchmarks set out in National Agreements and National Partnerships.

The *National Partnership Agreement to Deliver a Seamless National Economy* fits within this theme; however, it does not contain any performance indicators or benchmarks. For instance, one outcome of this National Partnership is 'expanding Australia's productive capacity over the medium-term through competition reform, enabling stronger economic growth' and another is 'improving workforce participation' yet there are no measures of participation, productivity or economic growth established in the agreement. There are measures of labour force participation contained in the *National Disability Agreement* (participation for people with disability) and the *National Indigenous Reform Agreement* (NIRA) (participation for Indigenous Australians). The NIRA also contains an indicator for the employment to population rate for Indigenous Australians. However, these indicators are more relevant to the theme *A long-term strategy for economic and social participation*.

4.4 A more sustainable and liveable Australia

4.4.1 A summary of progress

For progress in relation to the theme *A more sustainable and liveable Australia*, the council has found only limited performance indicators which meet COAG's direction that the council's report should only draw on performance indicators or targets/benchmarks set out National Agreements and National Partnerships.

The indicators cover the proportion of low income renter households and the affordability of homes for people from moderate income households. These indicators are limited in their capacity to show progress towards this theme—particularly given the indicator on the affordability of homes is largely influenced by interest rate movements, rather than government action as discussed below. In addition, there remain gaps in measuring performance in relation to sustainability. Table 4.3 summarises performance against key indicators related to the theme *A more sustainable and liveable Australia*.

From the limited performance indicators that are available to measure progress towards this theme, the data show that more than one in three households that rent are in rental stress (a consistent result over the 10 years from 1997–98 to 2007–08). Yet, home purchase affordability for moderate income households has improved from 2008 to 2010. The share of homes affordable to moderate-income households grew by more than half, from 27.4 per cent to 42.0 per cent.

As the council has discussed, in its *National Affordable Housing Agreement: Performance report for 2009–10*, the change in the proportion of affordable homes appears to be closely related to the drop in interest rates that occurred in response to the global financial crisis in late 2008. The council cannot comment on the extent to which the improvement in affordability is attributable to any specific action by governments (COAG Reform Council 2011a).

Table 4.3 A more sustainable and liveable Australia: a summary of progress

| | Performance Indicator | Change | 2007-08 | 2008-09 | 2009-10 | COAG benchmark | Comment |
|----------|---|--------|---------|---------|---------|----------------|-----------------------------------|
| 8 | Proportion of low income households in rental stress | | 37.2% | - | - | N/A | Baseline data only |
| 9 | Proportion of homes sold or built that are affordable by moderate income households | ↑ | 27.4% | 43.4% | 42.0% | N/A | Increase from 2007-08 to 2008-09. |

Notes:

1. '-' indicates that there are no data available; 'N/A' indicates that there is no relevant benchmark/target

Indicator 9: Improvements in home purchase affordability linked to decline in interest rates

A home is considered to be affordable if a household would have to spend no more than 30 per cent of its gross income on mortgage repayments. The overall proportion of homes that were affordable to moderate-income households grew from 2007–08 to 2009–10 by more than half: from 27.4 per cent to 42.0 per cent.

All of this growth occurred in 2008–09. The council notes that interest rate movements appear relevant to much of the change between 2007–08 and 2009–10 in the proportion of homes affordable to moderate-income households.

The standard variable interest rate averaged 8.79 per cent over the course of 2007–08, 7.28 per cent in 2008–09 and 6.55 per cent in 2009–10 (Reserve Bank of Australia 2011). This means that, holding income levels and home prices constant, home purchase affordability—as measured by the current indicator—would be expected to grow over this period.

Given the sensitivity of this performance indicator to changes in interest rates, the council cannot comment on whether the overall improvement in home purchase affordability between 2007–08 and 2009–10 was attributable to any separate action by governments.

In addition, other key variables which influence home purchase affordability—household income and home prices—are likely to have been affected by the broader economic conditions.

4.5 Better health services and a more sustainable health system for all Australians

4.5.1 A summary of progress

The council has selected performance indicators and related targets in the areas of health outcomes, service delivery efficiency and sustainability of our health system. Compared to other themes, there are a number of relevant indicators available for reporting for this theme. Table 4.4 summarises performance against key indicators related to the theme *Better health services and a more sustainable health system for all Australians*.

Australia has made some good progress towards better health services. Immunisation rates are rising and emergency department performance is improving.

Notwithstanding these improvements, however, some areas of service delivery are still in need of improvement. GP affordability is an issue with over a million people deferring seeing a GP due to cost. Average elective surgery waiting times have increased in the three years from 2007–08 to 2009–10 by one day from 34 to 35 days.

The key measure of efficiency available to the council this year is cost per casemix-adjusted separation. In 2008–09, nationally the cost was \$4 469.

Table 4.4 Better health services and a more sustainable health system for all Australians: a summary of progress

| Performance Indicator | Change | 2007-08 | 2008-09 | 2009-10 | COAG benchmark | Comment |
|---|--------|----------|----------|----------|---|--|
| 10 Immunisation rates for vaccines in the national schedule for five year olds | ↑ | - | 82.4% | 89.6% | Maintain or increase vaccination coverage. | Increase from 2009 to 2010. |
| 11 Proportion of adults who are daily smokers | | 19.1% | - | - | Reduce to 10 per cent by 2018 and for Indigenous Australians, reduce by half by 2018 | Baseline data only. |
| 12 Proportion of adults who are obese | | 24.7% | - | - | - | Baseline data only. |
| 13 Proportion of the population deferring access to GP due to cost | | - | 6.4% | - | - | Baseline data only. |
| 14 Waiting times for Elective Surgery | | | | | | |
| - 50 th percentile | ↓ | 34 days | 34 days | 35 days | Maintain or improve waiting times at 50 th and 90 th percentile | At the 50 th percentile, there was an increase from 2008-09 to 2009-10. |
| - 90 th percentile | ↓ | 233 days | 217 days | 246 days | | At the 90 th percentile, there was an increase overall from 2007-08 to 2009-10. |
| 15 Proportion of emergency department presentations are seen within clinically recommended times | ↑ | 67% | 68% | 68% | 80% by 2012-13 | Increase from 2007-08 to 2008-09 and then steady in 2009-10 |
| 16 Cost per casemix-adjusted separation | | np | \$4 469 | - | - | Baseline data only. |

Notes:

1. '-', '.' indicates that there are no data available; 'N/A' indicates that there is no relevant benchmark/target; np indicates the data are not published.

Indicator 10: Immunisation rates have increased, suggesting improving coverage

The national rate of immunisation for children 60–63 months of age increased from 82.4 per cent to 89.6 per cent from 2008–09 (baseline) to 2009–10. The increase in this period continues the general trend over the past few years of increasing rates of child immunisation.

The council also notes the encouraging result that immunisation rates for Indigenous children 60–63 months of age (85.7 per cent) are similar to those for non-Indigenous children (89.7 per cent), with both rates increasing from 2009 to 2010.

Medicare Australia has noted that the increase in coverage between these two time periods can be linked to changes in the way the Australian Childhood Immunisation Register assessed children as being late for vaccinations. A consequence is that parents were encouraged to have their children vaccinated earlier, which has in turn positively affected the number of children assessed as fully immunised for this age group (Commonwealth Government 2010a).

Indicators 11 and 12: The council awaits future years' data on smoking and obesity rates as an indicator of the success of preventive health initiatives in these areas

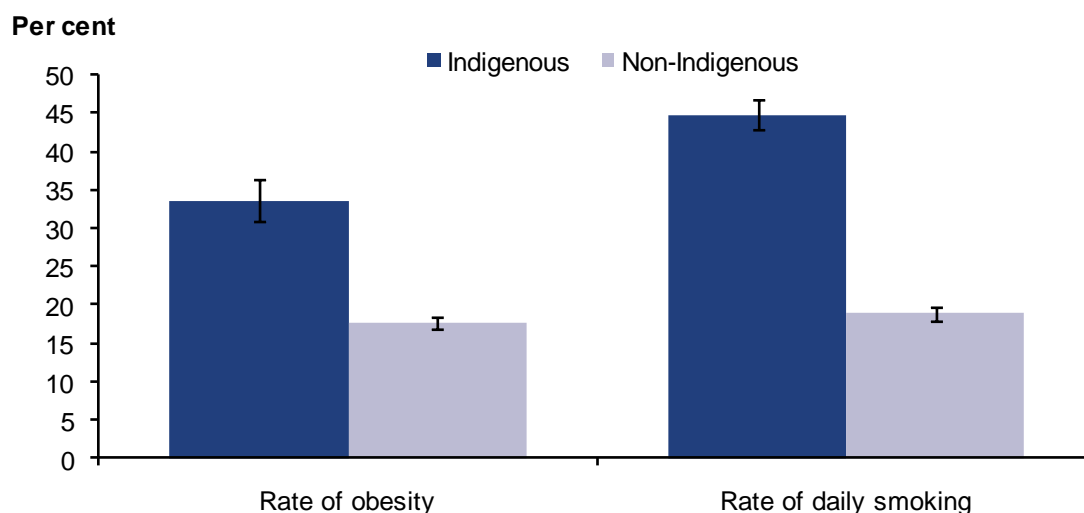
Smoking and obesity (as well as alcohol and lack of exercise) are modifiable risk factors that can contribute to poor health outcomes. They can contribute to a wide range of illnesses such as cancer, cardiovascular disease and type-2 diabetes. Improvements in prevention of these indicators of diseases can help to reduce longer-term health impacts (COAG Reform Council 2010b, p. 75).

The council notes that for both smoking and obesity rates, only baseline data are available. The data show that 19.1 per cent of Australian adults smoked daily while around one-quarter of Australian adults (24.7 per cent) were obese.

Of note, for both smoking and obesity:

- rates were significantly higher among Indigenous Australians, when compared to non-Indigenous (see Figure 4.4)
- rates were significantly higher among people from the most disadvantaged areas when compared to people from the least disadvantaged areas (see Figure 4.5)
- rates were significantly higher among people from remote areas compared to people from major cities (see Figure 4.6).

Figure 4.4 Rates of obesity and daily smoking for adults (18 years and over), by Indigenous status, 2007–08

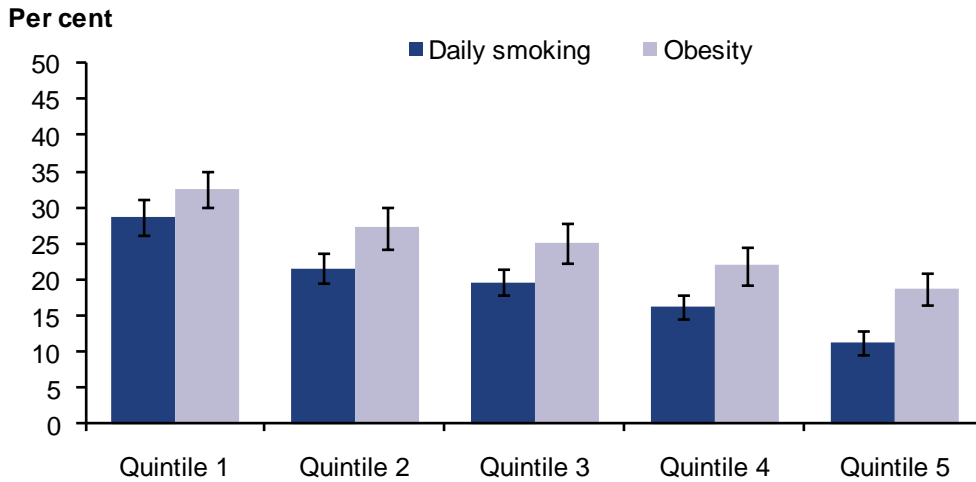


Notes:

1. Rates are age standardised by State and Territory, to the 2001 Estimated Resident Population.
2. Data for Indigenous people are based on the ABS National Aboriginal and Torres Strait Islander Social Survey, 2008. Data for non-Indigenous people are based on the ABS National Health Survey, 2007–08.

Source: ABS (2009) National Aboriginal and Torres Strait Islander Social Survey 2008; ABS (2009) National Health Survey 2007–08.

Figure 4.5 Proportion of adults who are obese and proportion who are daily smokers, by socio-economic quintiles, 2007–08

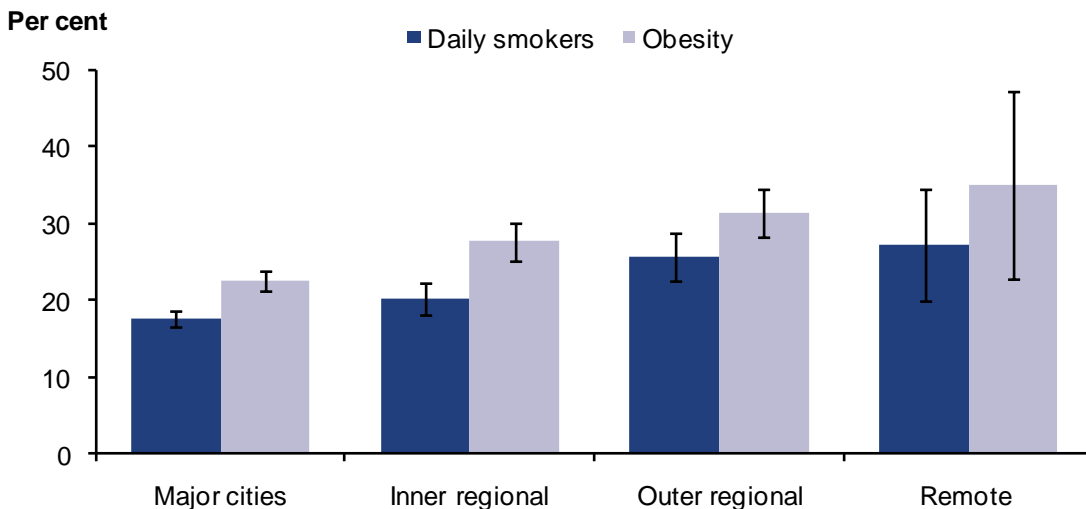


Notes:

1. The Socio-economic Indexes for Areas (SEIFA) quintiles are based on the SEIFA Index of Relative Socio-economic Disadvantage (IRSD), with quintile 1 being the most disadvantaged and quintile 5 being the least disadvantaged.
2. Rates are age standardised by State and Territory, to the 2001 Estimated Resident Population (5 yr ranges from 18 yrs).

Source: ABS (unpublished) National Health Survey 2007–08.

Figure 4.6 Proportion of adults who are obese and proportion who are daily smokers, by remoteness areas, 2007–08



Notes:

1. Data are not available for very remote areas.
2. Rates are age standardised by State and Territory, to the 2001 Estimated Resident Population (5 year ranges from 18 years).

Source: ABS (unpublished) National Health Survey 2007–08.

Indicator 13: Cost is a barrier to accessing General Practitioners for many Australians

In 2009, over one million Australians deferred seeing a GP due to the cost (6.4 per cent of the population). There was no significant variation in rates of deferring access to a GP by socio-economic status or whether a person lived in a major city or inner/outer regional areas— though there may be other non-financial barriers that affect access in regional areas.

Indicator 14: Average waiting times for elective surgery are worse

Across our hospitals, the average waiting time for elective surgery increased from 34 days in 2007–08 to 35 days in 2009–10. At the 90th percentile (the number of days within which 90 per cent of patients were admitted) waiting times increased from 233 to 246 days. The council notes that under the *National Health Reform Agreement: National Partnership Agreement on Improving Public Hospital Services*, COAG has recently agreed to the National Elective Surgery Target. In the future the council will consider reporting against this target.

Indicator 15: Emergency department performance has improved but it is still short of the benchmark

In emergency departments, performance improved from 2007–08 to 2009–10 although there remains some way to go to meeting the COAG performance benchmark. The proportion of emergency department presentations seen within clinically recommended times was 67 per cent in 2007–08, which rose to 68 per cent in 2008–09 and 2009–10. The benchmark currently contained in the *National Healthcare Agreement* is for 80 per cent of emergency department presentations to be seen within clinically recommended times by 2012–13. Based on the three years' of available data and a review of past performance, the council considers it will be difficult to meet the performance benchmark by 2012–13. The council notes that COAG has recently agreed to the National Emergency Access Target and in the future the council will consider reporting against this target.

Indicator 16: Future years' data required to determine the efficiency of services in hospitals

Cost per casemix-adjusted hospital separation is an indicator of the efficiency of hospitals, and also an indicator of the efficiency of the health system more broadly. In 2008–09, nationally the cost per casemix-adjusted separation was \$4 469. The council will monitor this indicator in future years to determine whether the efficiency of services is improving or not.

4.6 Closing the gap on Indigenous disadvantage

4.6.1 A summary of progress

The council has chosen to report against five of the six closing the gap targets developed under the *National Indigenous Reform Agreement* to assess progress towards this COAG theme. The one target not reported here is to achieve 95 per cent enrolment of Indigenous children in early childhood education by 2013. Data for this target are yet to be adequately developed. Once data are sufficiently developed, the council will consider reporting on this target.

The *National Indigenous Reform Agreement* includes trajectories to monitor the performance of governments to reach the targets. The trajectories are intended to be a guide as to whether current trends are on track to meet the targets within the timeframes set by COAG. While straight line trajectories can give a guide as to how the trends are tracking in relation to the end point, care is required in using them in isolation where there is a lag between the implementation of a measure and time it actually takes to affect outcomes. For some targets there can be non-linear trajectories. These are based on a number of assumptions and caution is similarly required in interpreting progress against non-linear trajectories.

For one target, life expectancy, the council has reported using a proxy measure of age standardised mortality, which provides more frequent data with which to assess progress.

Table 4.5 summarises the baseline data for the indicators selected and annual progress where available.

It is still relatively early to assess progress towards many of the Closing the Gap targets.

For three of the targets, only baseline data are available. For these indicators, several additional years' data are required to determine whether COAG is making progress towards the Closing the Gap targets.

For the other two targets that are reported, there are some positive results. In 2010, governments met most of the indicative progress points on the national trajectories towards halving the gap between Indigenous and non-Indigenous students' achievement in literacy and numeracy. In addition, the mortality rate for Indigenous children under five has improved, decreasing from 232.6 to 214.1 per 100 000 population from 2007 to 2009.

Table 4.5 Closing the gap on Indigenous disadvantage - National Indigenous Reform Agreement Targets

| | Performance Indicator | Change | 2007 | 2008 | 2009 | COAG target | Comment |
|-----|--|--------|-----------------------------|---------|----------------|---|--|
| 17 | Life expectancy gap (years) | | 11.5 (male) 9.7 (female) | - | - | Close the gap in a generation | Baseline data only. |
| 17a | - Proxy measure: age-standardised mortality, by Indigenous status (per 100 000) | ↑ | 1 231.9 | 1 257.6 | 1 148.8 | Close the gap by 2031 (2031 target is 315.7) | Between 2007 and 2009, there was no statistically significant change in Indigenous mortality rates. Based on historical data, the gap has narrowed although progress has slowed in recent years. |
| 18 | Mortality rate for Indigenous children under five, (per 100 000 population aged 0-4) | ↑ | 232.6 | 220.7 | 214.1 | Halve the gap by 2018 (2018 target is 146.9) | Between 2007 and 2009 there was a statistically significant fall in child mortality rates for Indigenous children. The gap between Indigenous and non-Indigenous child mortality rates significantly decreased. |
| 19 | Proportion of Indigenous students at or above the national minimum standard in literacy and numeracy in Years 3, 5, 7 and 9. As an example only, Year 3 Writing is presented here. | → | - | 78.8 | (2010) 79.0 | Halve the gap by 2018 (as an example, the gap in 2008 in Year 3 Reading was 25.2 percentage points) | <i>Indigenous students achievement:</i> In 2010 across Reading, Writing and Numeracy in years 3,5,7 and 9 (12 data sets altogether), there was stable performance in nine of the 12 data sets, improvement in two and decrease in one of the 12 data sets. <i>Closing the gap:</i> In 2010, governments met most of the indicative progress points on the national trajectories towards halving the gap, except for five of the 12 data sets where the data points were below the progress point. |
| 20 | Indigenous students with a Year 12 certificate (or its vocational equivalent) | | (2006) 47.4% | - | - | Halve the gap by 2020 (the target in 2020 is 69%) | Baseline data only |
| 21 | Employment to population ratio for Indigenous Australians | | | 53.8% | - | Halve the gap by 2018 (the gap in 2008 was 21.2%) | Baseline data only |

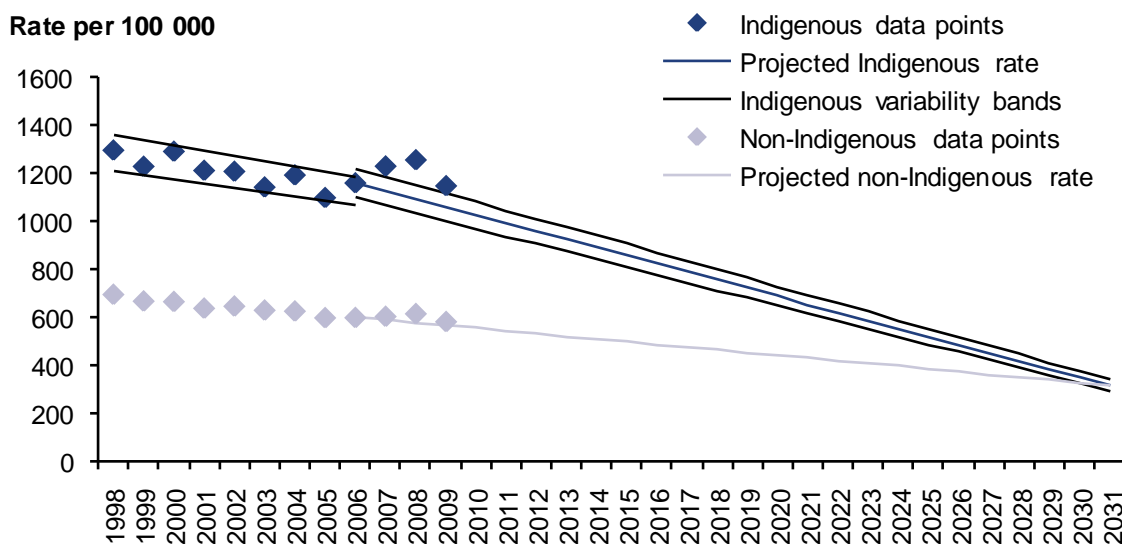
Indicator 17a: Gap in mortality rates closing over the long-term but recent progress slow

COAG aims to close the gap in life expectancy between Indigenous and non-Indigenous Australians by 2031. The baseline gap—using data from 2005-07—is 11.5 years for males and 9.7 years for females. Life expectancy can only be measured every five years when the new Census figures are available.

The all-cause mortality rate indicator has been developed as a proxy annual indicator for life expectancy. A straight line trajectory has been developed using the five jurisdictions with adequate identification of Indigenous deaths and/or large enough numbers to produce reliable results (NSW, Queensland, Western Australia, South Australia and the Northern Territory).

Between 2007 and 2009 there has been no statistically significant change in Indigenous mortality rates. Historical data show Indigenous mortality rates declined significantly between 1991 and 2009 in the jurisdictions with adequate data for long term analysis (Western Australia, South Australia and the Northern Territory). There was also a decline in non-Indigenous death rates over this period and while the gap has narrowed, progress has slowed in recent years. Figure 4.7 shows the 2006 to 2031 trajectory, with actual rates from 1998 to 2009.

Figure 4.7 Indicative trajectory to close the gap in all-cause mortality rates 2006–2031, NSW, Qld, WA, SA and NT combined (age-standardised), with actual rates from 1998 to 2009



Notes:

1. 'Indigenous data points' and 'non-Indigenous data points' are the actual rates at the given point in time. The 'projected rates' are the indicative path required to achieve the target, based on the 2006 baseline. The variability bands are used to describe the probability that the true value of a data item falls within a certain range of estimates.
2. Trend data will be influenced by variations in the quality of Indigenous identification in mortality and population estimates. The Indigenous mortality rates in 2008 were affected by late registrations of some deaths and a coding change, which potentially increased the number of deaths counted as Indigenous.
3. ABS is currently investigating the volatility of Indigenous deaths in Western Australia in recent years. ABS advises caution be used when analysing 2007 and 2008 Indigenous deaths data for Western Australia.

Source: National Indigenous Reform Agreement, schedule G; AIHW analysis of National Mortality Database.

Indicator 18: Australia on track to halve the gap in mortality rates for Indigenous children under five by 2018

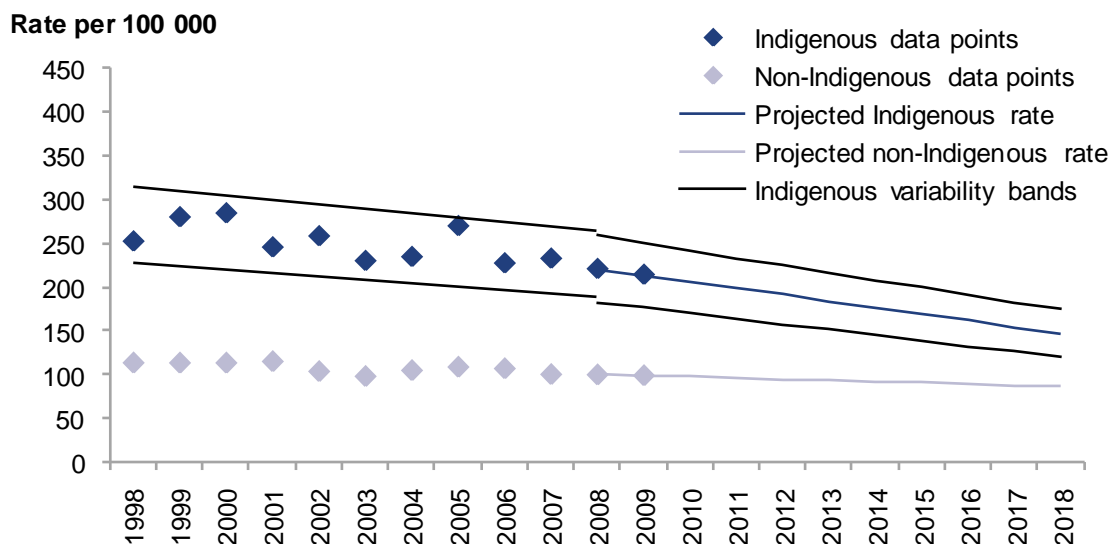
This target aims to halve the gap in mortality rates for Indigenous children under five by 2018.

A trajectory has been estimated for only the five States and Territories considered to have adequate identification of Indigenous deaths and/or large enough numbers to produce reliable results (NSW, Queensland, Western Australia, South Australia and the Northern Territory).

According to the trajectory, to achieve this target, it is estimated that the mortality rate for Indigenous children under five years would need to fall from the 2008 baseline level of 220.7 deaths per 100 000 to around 146.9 deaths per 100 000 in 2018. This equates to an overall reduction in the Indigenous child mortality rate of 33 per cent over the target period.

For the five jurisdictions combined, the 2009 child mortality rate (214.1 deaths per 100 000) is consistent with the 2009 progress point on the trajectory (213.3 deaths per 100 000). Given the volatile nature of these data, it is also important to consider progress in the context of longer term trends which shows a significant narrowing of the gap between 1991 and 2009 in the jurisdictions with adequate data for long term analysis (Western Australia, South Australia and the Northern Territory).

Figure 4.8 Indicative trajectory to halve the gap in child mortality rates, 2008–2018, NSW, Qld, WA, SA and NT combined, with actual rates from 1998 to 2009



Notes:

1. 'Indigenous data points' and 'non-Indigenous data points' are the actual rates at the given point in time. The 'projected rates' are the indicative path required to achieve the target. The variability bands are used to describe the probability that the true value of a data item falls within a certain range of estimates.

Source: National Indigenous Reform Agreement, schedule G; AIHW analysis of National Mortality Database.

Indicator 19: Indigenous students' achievement show early signs of progress towards the 2018 target to halve the gap

This target aims to halve the gap between Indigenous and non-Indigenous students at or above the national minimum standards in Reading, Writing and Numeracy in Years 3, 5, 7 and 9 by 2018—that is, there are 12 sets of data against this indicator. The baseline is NAPLAN data from 2008. NAPLAN is the set of nationally developed tests to measure student achievement.

Significant change in Indigenous students' achievement

Table 4.6 shows that although there are changes in performance between 2008 and 2010, most of these differences are not statistically significant (those that are significant have been shaded—green for increase and red for decrease).

- Nationally, there were significant improvements between 2008 and 2010 in Indigenous students' results for Reading in Years 3 and 7.
- Results for 2010, however, were significantly below the 2008 baseline for Reading in Year 9.

Progress against the target to halve the gap for Indigenous students in Reading, Writing and Numeracy by 2018

Progress against the target is determined against indicative trajectories (between the baseline and the target). The trajectories are a guide to progress, and include progress points for each year between the baseline and the target. The council has assessed whether the 2010 results are in line with the 2010 progress point as a means of assessing whether results are on track towards the target. Those cases where the 2010 estimate and its entire confidence interval are below the 2010 progress point are considered not to have met the annual progress point and are highlighted in **bold** in Table 4.6.

- Nationally, in 2010, most of the indicative progress points on the national trajectories towards halving the gap by 2018 were met.
- However, the proportion of Indigenous students at or above the national minimum standard was below the 2010 progress points for the national trajectory for: Year 9 in Reading, Writing and Numeracy, and also in Year 3 and Year 7 Numeracy.

Table 4.6 Proportion of Indigenous students at or above the national minimum standard in Reading, Numeracy and Writing, significance of change and progress towards 2018 target, Australia 2008 and 2010

| | Reading | Writing | Numeracy |
|---------------------|-------------|-------------|-------------|
| Year 3 | | | |
| 2008 | 68.3 | 78.8 | 78.6 |
| 2010 | 75.1 | 79.0 | 76.6 |
| Confidence interval | +/-1.7 | +/-1.9 | +/-1.7 |
| 2010 progress point | 70.1 | 80.0 | 79.7 |
| 2018 target | 84.7 | 90.6 | 90.5 |
| Year 5 | | | |
| 2008 | 63.4 | 69.7 | 69.2 |
| 2010 | 66.2 | 70.5 | 71.4 |
| Confidence interval | +/-1.8 | +/-1.9 | +/-1.9 |
| 2010 progress point | 65.2 | 71.4 | 70.6 |
| 2018 target | 82.7 | 85.4 | 85.8 |
| Year 7 | | | |
| 2008 | 71.9 | 67.9 | 78.6 |
| 2010 | 76.6 | 69.8 | 77.0 |
| Confidence Interval | +/-1.6 | +/-1.8 | +/-1.5 |
| 2010 progress point | 73.9 | 70.3 | 80.0 |
| 2018 target | 86.0 | 82.9 | 89.3 |
| Year 9 | | | |
| 2008 | 70.7 | 59.7 | 72.5 |
| 2010 | 64.2 | 59.0 | 70.4 |
| Confidence Interval | +/-1.9 | +/-1.8 | +/-1.9 |
| 2010 progress point | 72.0 | 61.4 | 73.7 |
| 2018 target | 82.8 | 74.5 | 84.1 |

Notes:

1. Statistically significant changes in the proportion of students achieving at or above the national minimum standard between 2008 and 2010 are shaded. Green represents a statistically significant increase and red, a statistically significant decrease. Unshaded values were not statistically significantly different.
2. Figures in **bold** indicate that the 2010 estimate, and its confidence interval, is below the 2010 progress point.
3. The ACT data should be interpreted with care due to very small numbers of Indigenous students in the ACT.
4. Confidence intervals shown are across years.

Source: ACARA (2009) National Assessment Program—Literacy and Numeracy: Achievement in reading writing, language conventions and numeracy 2008; ACARA (2010) NAPLAN Achievement in Reading, Writing, Language conventions and Numeracy; National Report for 2010.

4.7 Summary of findings

In many instances, the council is only able to report a baseline figure. In other cases, where two or three years of data is available there is no statistically significant or meaningful change.

Across the 21 performance indicators presented in this chapter, there are ten indicators where there has been a statistically significant or meaningful change: for seven indicators, there has been some improvement and for a further three, there has been worsening performance.

The indicators which show improvement are:

- literacy and numeracy achievement for all students (for three of the 12 data sets, while eight data sets were stable and one declined)
- literacy and numeracy achievement for Indigenous students (for two of the 12 data sets, while nine data sets were stable and one declined)
- the proportion of Australians aged 20 to 64 years old without qualifications at Certificate III level or above
- the proportion of homes sold or built that are affordable by moderate income households
- immunisation rates for vaccines in the national schedule
- the proportion of emergency patients seen within clinically recommended times
- the mortality rate for Indigenous children under five.

The indicators which show deterioration are:

- the proportion of Australian students in the top levels of performance in international testing
- the proportion of 18 to 24 year olds fully engaged in employment, education or training
- elective surgery waiting times.

Overall, it is too early to assess whether key indicators are showing progress although there are some positive early signs. The value of this work is in providing a framework for assessing progress over time. The council expects the data set for these 21 indicators to be much richer in the next iteration of this report due to the expected availability of additional data. This should enable the council to start to provide a more comprehensive picture of progress at the level of the goals (or ‘themes’) of the COAG reform agenda.

4.8 Indicator or benchmark limitations

The council found that the directive from COAG to only use indicators and benchmarks contained in National Agreements and National Partnerships was limiting. For example:

- there are limited measures of social participation
- there are no relevant indicators for the theme two: ‘a national economy driven by our competitive advantages’
- considering theme three in two parts, there are only limited indicators for the theme of ‘a more liveable Australia’ and no relevant indicators for ‘a more sustainable Australia’.

These limitations could be addressed in two ways. Governments could improve the range of performance indicators used in the agreements (including ensuring that they are introduced in the water and microeconomic reform agreements). Additionally or alternatively the council and governments could work together to select a more appropriate (but still limited) set of indicators that are relevant to assessing progress against COAG's themes of strategic importance. The council will pursue these possibilities in consultation with governments in the development of the next edition of this report.