Overcoming Indigenous Disadvantage in Australia

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Abstract

Despite ongoing policy attention over several decades, many of Australia's Indigenous people continue to experience significant disadvantage. As part of a renewed commitment by all governments within Australia, a two-yearly report is produced to map progress. The report, Overcoming Indigenous Disadvantage: Key Indicators, utilises a strategic framework, based on a preventive model covering key drivers of disadvantage, which has parallels with a 'social exclusion' approach. The latest report, just released, indicates that, while progress has been made in some key areas, particularly economic participation, other areas have shown no improvement.

Introduction

It is a privilege to have been invited to this OECD World Forum, in order to share Australia's experience with measuring outcomes for its Indigenous people with an audience concerned with 'Measuring and Fostering the Progress of Societies'.

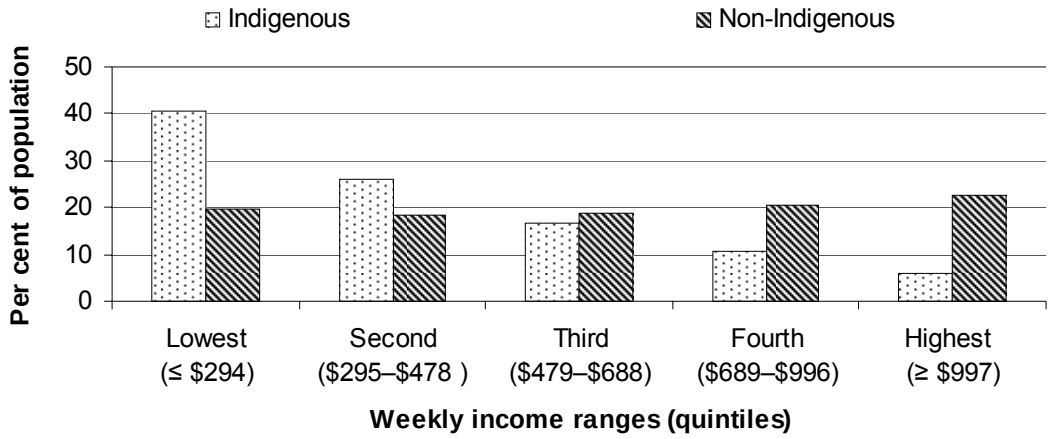
* Address to the Second OECD World Forum on "Statistics, Knowledge and Policy", *Measuring and Fostering the Progress of Societies*, Istanbul, Turkey, 27-30 June 2007. Gary Banks is also Chairman of the inter-governmental Steering Committee for the Review of Government Service Provision in Australia, which is responsible for the *Overcoming Indigenous Disadvantage* Report. This paper draws heavily on the latest report, but the views expressed in it are not necessarily shared by the Steering Committee.

As you may know, Australia is a relatively affluent country, even by OECD standards. It has also maintained a strong egalitarian tradition. After two decades of market-based reforms to promote competition and efficiency, average incomes in Australia have grown rapidly, but their distribution remains relatively even — indeed (slightly) more so than the OECD average.

Notwithstanding this overall economic success, a segment of Australian society experiences significant poverty, and this poverty is disproportionately concentrated among our Indigenous population (figure 1).

As the title for today's session suggests, however, poverty is only one facet of disadvantage, and the figure itself provides only a static picture of incomes. For many Australians, low incomes are a transitory or temporary phenomenon — when they first enter the workforce or choose to work part-time at certain stages of the lifecycle — but for many Indigenous people, low incomes and poverty are inter-generational. Moreover, they reflect wider disadvantage and social exclusion.

Figure 1 **Income distribution is skewed downwards for Indigenous Australians**[a]



a Distribution of gross weekly equivalised household incomes, people aged 18 years and over, 2004-05. Australian dollars.

Data source: SCRGSP 2007b, table 3A.6.3.

The Report I am going to talk about today, Overcoming Indigenous Disadvantage: Key Indicators, is built around a strategic framework of indicators that map the drivers of Indigenous disadvantage. While not explicitly based on 'social exclusion', the framework has many characteristics in common with that perspective. The UK Cabinet Office has defined social exclusion as:

> A shorthand label for what can happen when individuals or areas suffer from a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, high crime environments, bad health and family breakdown. (Social Exclusion Taskforce 2007)

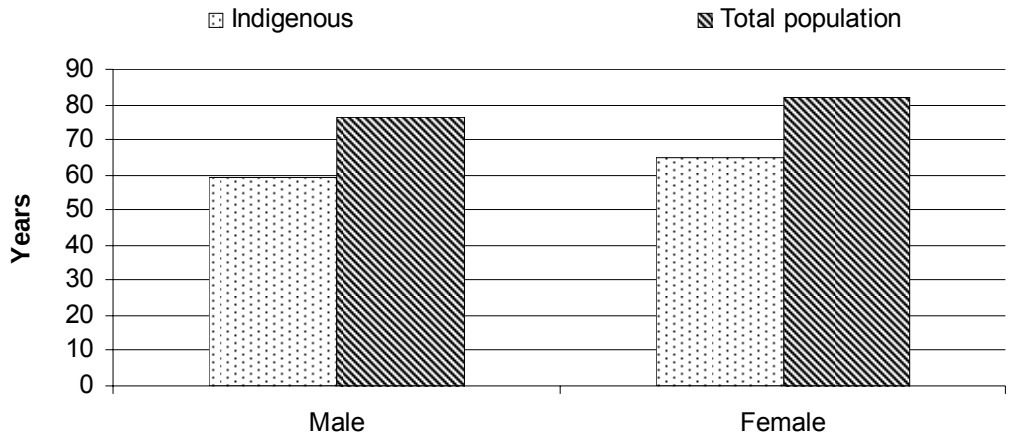
Regrettably, notwithstanding the diversity of Australia's Aborigines and Torres Strait Islanders, this 'label' describes the circumstances of too many Indigenous people, as reflected in this Report.

At the same time, there is a new determination in Australia to address Indigenous disadvantage and, as I will show, this Report has been assigned a central role in that effort.

Some 'headline' statistics

First, a few statistics from the latest report, released earlier this month, will convey to you the extent of the challenge. Perhaps the most telling of these — and the culmination of many aspects of disadvantage — is the seventeen year gap in life expectancy between Indigenous and other Australians (figure 2).

Figure 2 **A 17 year gap in life expectancy**[a]



a Life expectancy at birth. Indigenous for 1996–2001, total population for 1998–2000.

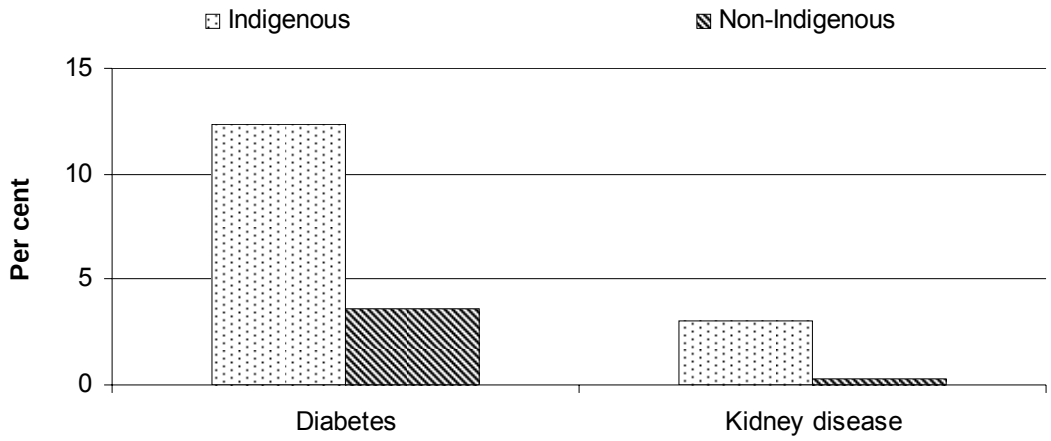
Data source: SCRGSP 2007b, figure 3.1.1.

While international comparisons in this area are fraught —an opportunity, perhaps, for the OECD? — this appears to be at least double the life expectancy gaps in three comparable OECD countries with Indigenous populations (New Zealand, Canada and the United States). In those countries, the gap also appears to have narrowed significantly over time, which cannot be said for Australia.

One significant contributor to life expectancy is infant mortality. Despite some improvement, mortality rates for Indigenous babies remain three times greater than for all Australian infants (which is about twice the difference observed in the other countries). There are also major gaps in virtually all children's health-related indicators, with the death rate for Indigenous children from 'external causes and preventable disease', for example, being five times as high as for other Australian children.

Indigenous health outcomes progressively worsen into adulthood, with much higher rates of debilitating chronic diseases. For example, in 2004-05, the incidence of kidney disease for Indigenous people was 10 times higher, and diabetes three times higher, than for other Australians (figure 3). The biggest difference in age-specific death rates is for the middle years — for Indigenous people aged between 35 and 54 years, the rates were 5 to 6 times those for other Australians.

Figure 3 **Rates of chronic disease are much higher for Indigenous people**[a]

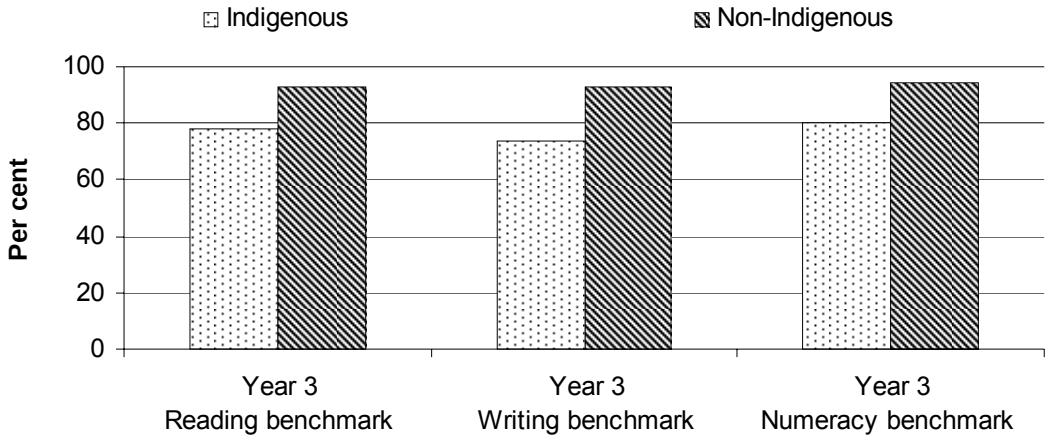


a Age standardised, 2004-05.

Data source: SCRGSP 2007b, table 3A.2.1.

Educational attainment, long seen as a key to overcoming disadvantage, is poor for Indigenous students, who are only half as likely as other students to complete secondary school, and generally have lower levels of achievement at school (figure 4).

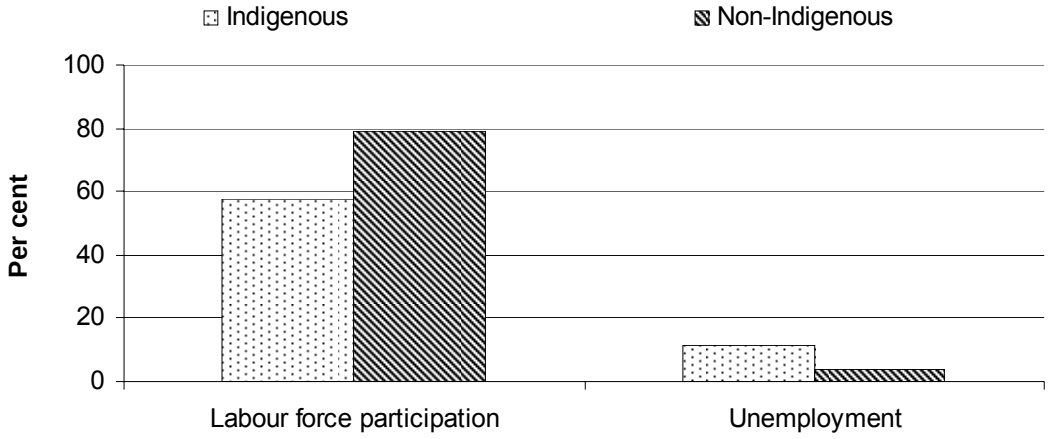
Figure 4 **An educational gap appears early**



Data source: SCRGSP 2007b, table 6A.3.1; 6A.3.2 and 6A.3.3.

Poor educational outcomes are reflected in labour force statistics, with much lower participation rates (especially in private sector employment) and higher unemployment rates (figure 5).

Figure 5 **Labour market outcomes differ significantly**[a]

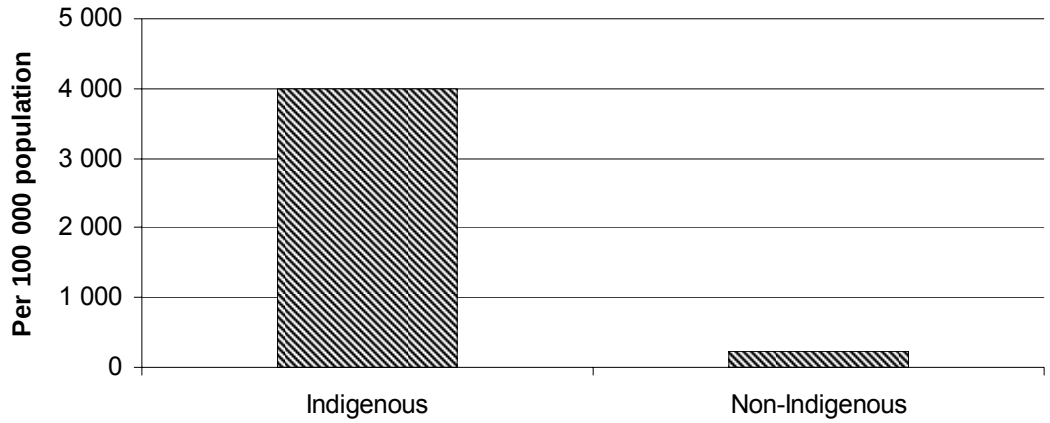


a Age standardised; people aged 18 to 64 years, 2004-05.

Data source: SCRGSP 2007b, table 3A.5.3.

Indigenous Australians are also greatly over-represented in the criminal justice system, as both victims and offenders. In 2006, after adjusting for age differences between the two populations, Indigenous adults were 13 times more likely to be imprisoned (figure 6) and juveniles 23 times more likely to be in detention.

Figure 6 **Imprisonment rates are much higher**[a]



a Age standardised male imprisonment rates, 2006.

Data source: SCRGSP 2007b, table 3A.12.4.

Perhaps most distressing of all, the (reported) incidence of suicides is up to three times greater for Indigenous people than for other Australians.

Demographic context

The intractability to date of Indigenous disadvantage could not be said to reflect a problem of numbers, as our Indigenous population currently stands at only 2.2 per cent of the total Australian population. This is comparable to North America, but far smaller than New Zealand's Maori population (about 15 per cent).

That said, Australia's Aboriginal and Torres Strait Islander people display some distinctive demographic features. Most notably, their lower average life expectancy, previously noted, is accompanied by a much younger population profile than for Australia as a whole. (In Australia, ageing and its impact on labour force participation and public expenditure are currently posing some major policy challenges). The younger Indigenous age profile reflects both a higher birth rate (2.1 children per Indigenous woman, compared with 1.7 for all women in Australia (Taylor 2006)), and a higher death rate, with Indigenous people on average not

living long enough to be classified as 'old' even by such conventional markers as eligibility for the aged pension (figure 7).

Figure 7 **A marked difference in the age profile of populations**

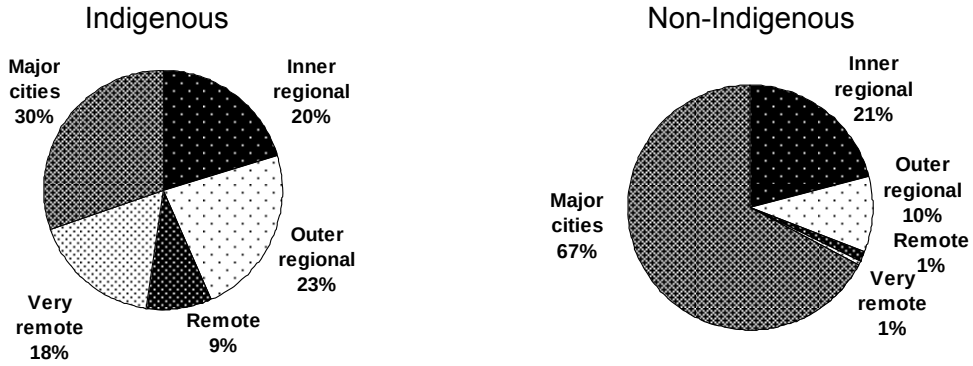
Data source: ABS (2001); ABS Australian Demographic Statistics (unpublished).

Remoteness of location is another distinguishing feature. Australia, in the words of one of our most popular poems, is a 'wide, brown land', with dispersed mining and rural activity. But it is also highly urbanised, with 90 per cent of Australians living in cities or inner regional centres. This applies to only 50 per cent of Indigenous people, however, and around 27 per cent of Indigenous people live in remote or very remote areas, typically in discrete Indigenous communities (figure 8).

In a country the size of Australia, 'remote' really does mean remote: some Aboriginal 'outstations' are several hours drive from the closest small settlement and even relatively large communities can be cut off for weeks at a time during the 'wet season'.

Indigenous people are also much more mobile than the rest of the population, with many moving between remote outstations, town camps and urban settings several times over a generation (Taylor 2006).

Figure 8 **Indigenous people are much less urbanised**[a]



a Data for 2001.

Data source: SCRGSP 2007b, figures A3.2 and A3.3.

Some historical and policy background

Each people's history is unique. Nevertheless, the experiences that have marked Indigenous Australians would appear to have much in common with the Indigenous communities of many other countries — a history of conflict and dispossession, loss of traditional roles, failed assimilation and passive welfare.

Last month, Australia celebrated the 40th Anniversary of the referendum that gave Aboriginal people recognition as full Australian citizens. Previously, Indigenous people were not even counted as part of the Australian population. (The Commonwealth Constitution originally stated, 'in reckoning the number of people…Aboriginal natives shall not be counted.') This statistical double standard has an ongoing legacy even today, which will become apparent later in this paper.

The referendum gave the Commonwealth Government power to legislate for Indigenous affairs, and it soon began using that power — passing anti-discrimination legislation and widening Indigenous access to workforce and welfare entitlements. It also began developing Indigenous-specific policies and institutions.

To convey the shifting policy approaches over time and their mixed contributions to the outcomes that we observe today, would require more space (and knowledge) than I have at my disposal. However, it is now generally recognised in Australia that aspects of the policy approaches since the late 1960s, while well motivated and directed at desirable ends, were implemented in ways that have had some perverse, even disastrous, consequences.

In particular, equal access to statutory minimum wages and unemployment benefits effectively deprived many Indigenous people of employment, and left them

dependent on welfare. As Noel Pearson, an Indigenous leader from the Cape York region, observed:

> Everybody understood, including counsel for the Commonwealth, that this [a significant increase in unemployment in the settlements and on the Missions] would be a consequence of the equal wages decision. The Commonwealth Government's view was that the decision was right, almost regardless of the consequences…[but] we can never support a view, that being in a situation of passivity and dependency is the right policy. (Pearson 2003, p. 8)

A complex array of institutions, policies and programs have governed Australian Indigenous affairs. Since the 1967 referendum, responsibility for Indigenous affairs has been split between the Commonwealth and the States, resulting in a multi-layered and fragmented mix of 'mainstream' services and Indigenous-specific services. Many Indigenous community organisations have been responsible for services that are provided by governments in non-Indigenous communities. These organisations face significant governance issues, trying to manage a large number of small scale programs, with limited administrative capacity and uncertain funding. Several reviews of 'government governance' have found a consistent failure to acknowledge Indigenous cultural perspectives in policy design and implementation, despite acknowledgement of its importance in achieving successful outcomes.

Renewed government commitment and new policy approaches

Growing recognition of past policy failures — a recognition shared by many Indigenous leaders — together with an apparent worsening of the circumstances of many Indigenous communities, have contributed to a new commitment by Federal and State governments to overcome Indigenous disadvantage. At recent ceremonies celebrating the 1967 referendum, both the Prime Minister and the Leader of the Opposition recognised past failures and the need to do better:

> On the 27th of May 1967, Australians said in a loud and collective voice that Indigenous Australians deserved a fair go; that the first Australians should not be second-class citizens in their own country. [But] too many of the hopes expressed so resoundingly and genuinely 40 years ago remain unrealised. … (Howard 2007)

> Rather than focus on what we disagree on in this critical area — so central to our national soul — let us instead focus on what we can agree on. Let us, for example, where we can find real common ground on school retention, literacy and numeracy, forge a common program. And let us work at it together — and with consistency and commitment — whoever should form the next government of Australia. (Rudd 2007)

In addition to the agreed need to forge 'whole-of-government' approaches (across portfolios and jurisdictions — see box 1 below), key elements of the new policy approach include:

- shifting from 'passive welfare' to 'mutual obligation', or 'shared responsibility'
- fostering economic development and a greater role for private property
- improving government's ability to interact with Indigenous communities in program design and delivery
- improving Indigenous governance
- recognising the need for differentiated approaches to deal with the diverse circumstances of Indigenous people.

Of course, not all elements of the new approach have been universally welcomed or accepted. Some, such as changes to community land title, are highly contentious. But their introduction has been facilitated by a shared recognition by governments and Indigenous people alike that past policies and institutions have not delivered — that in important respects some have made matters worse.

Box 1 **Some key national initiatives**

The Council Of Australian Governments (COAG) is the peak intergovernmental forum in Australia, comprising the Prime Minister, State Premiers, Territory Chief Ministers and the President of the Australian Local Government Association (ALGA).

- *COAG Trials:* COAG agreed to trials of a whole-of-government cooperative approach in up to 10 communities or regions. The aim of these trials was to improve the way governments interact with each other and with communities to deliver more effective responses.
- *National Framework of Principles for Government Service Delivery to Indigenous Australians:* these principles, agreed in 2004, address sharing responsibility, harnessing the mainstream, streamlining service delivery, establishing transparency and accountability, developing a learning framework and focussing on priority areas.
- *Indigenous Generational Reform:* in April this year, COAG reaffirmed its commitment to closing the outcomes gap between Indigenous people and other Australians over a generation, and resolved that the initial priority for joint action should be on ensuring that Indigenous children get a good start in life.

Source: COAG 2007, 2004.

Just as important has been recognition by government leaders that the adverse effects of some past policies were made more damaging by governments' failure to monitor them properly and undertake timely adjustments or reform. A fundamental element of the new approach is a commitment, made at the highest political level, not only to address Indigenous disadvantage in new ways, but also to monitor and evaluate the outcomes. A key vehicle for achieving this is the *Overcoming Indigenous Disadvantage* Report.

COAG agreement to monitor progress

The Report has its origins in a decision by COAG in 2002 to commission the Review of Government Service Provision to produce 'a regular report against key indicators of Indigenous disadvantage'. The Review is an inter-governmental body, comprising senior officials from central agencies of all governments. It was established in 1994 to report on the performance of a range of mainstream services across all jurisdictions in Australia. In 1997, the Prime Minister asked the Review to give particular attention to the performance of mainstream services in meeting the needs of Indigenous Australians.

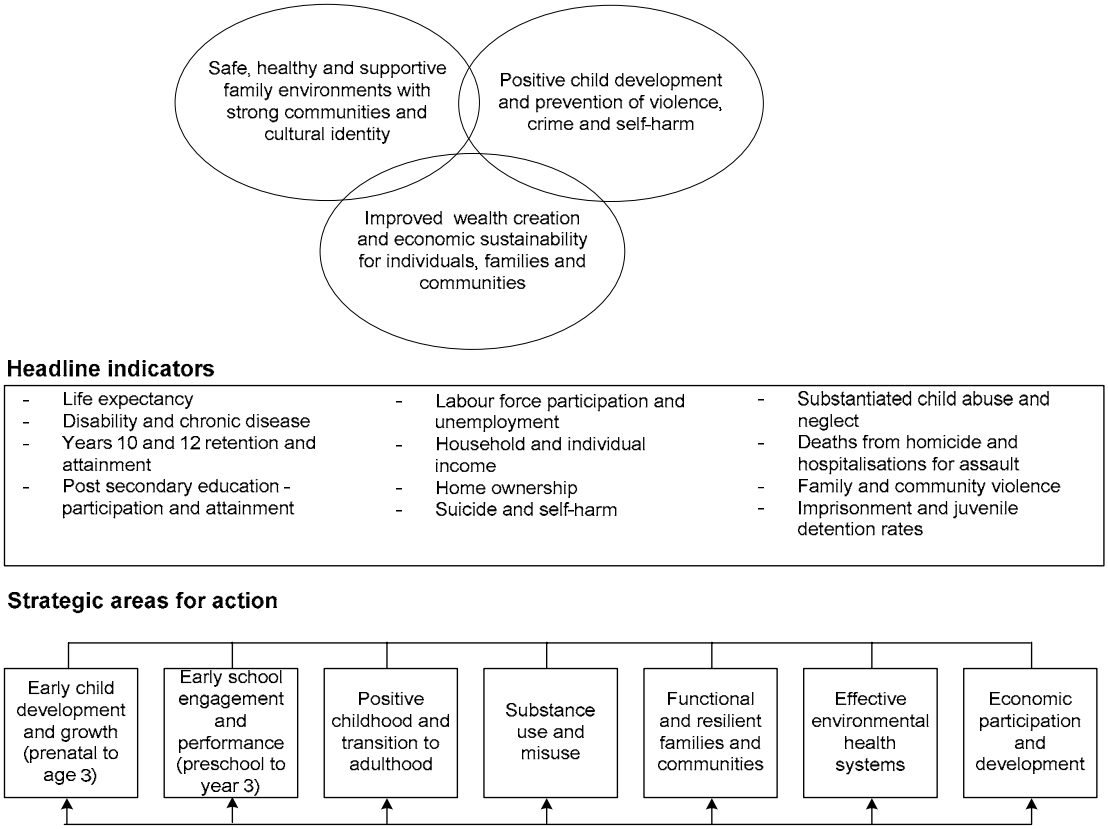
The task of the new report was to 'identify indicators that are of relevance to all governments and Indigenous stakeholders and that can demonstrate the impact of programme and policy interventions'. There are, of course, many volumes of statistics detailing aspects of Indigenous disadvantage. On some counts, Australia's Indigenous people are the most researched in the world. Although valuable as sources of information, previous reports had little policy impact, and there was some initial scepticism as to whether another report could do much better in the future. What could more information contribute?

A 'strategic' reporting framework

The answer lies in two features of the Overcoming Indigenous Disadvantage Report that distinguish it from other statistical compilations.

- The first is its endorsement by COAG as an ongoing vehicle for monitoring Indigenous disadvantage and the impacts of government policies and programs. It thus has a direct link to broad policy development, which is not a feature of any other data compilation.
- The second distinguishing feature is its strategic framework (figure 9). The reporting framework is based on a 'preventive model', which focuses on the causal factors that ultimately lead to disadvantage; areas where experience, evidence and logic suggest that targeted policies will have the greatest impact.

Figure 9 **The Overcoming Indigenous Disadvantage framework**



Data source: SCRGSP 2007b.

At the top of the framework are three overarching priorities, based on a report to COAG in 2000 by the Council of Aboriginal Reconciliation. The priorities are inter-related and relate to the quality of family and community life, including both cultural identity and material wellbeing. The vision is for Indigenous people ultimately to enjoy the same standard of living as other Australians — for them to be as healthy, as long-living and as able to participate in the social and economic life of the country.

'Headline' indicators provide a snapshot

A first tier of 'headline indicators' has been developed to provide a snapshot of how actual outcomes for Indigenous people measure up against these overarching priorities. The choice of indicators, while subjective, has generally been accepted as meaningful by Indigenous people (see below). There are a dozen indicators of social and economic status of Indigenous people relative to other Australians, a number of which I have already cited.

The framework and report could rest there, as other reports have done. However, this would not do much for policy-makers, or for those who wish to monitor program effectiveness. Headline indicators of this kind reflect desired longer term outcomes and most are therefore likely to change only gradually. Because most of these measures are at a high level and have long lead times (for example, life expectancy) they do not provide a sufficient focus for policy action and are only blunt indicators of policy performance.

Indeed, reporting at the 'headline' level alone can make the policy challenges appear overwhelming. The problems observed at this level are generally the end result of a chain of contributing factors, some of which may be of long standing. These causal factors almost never fall neatly within the purview of a single agency of government, or even a single government.

The innovation: 'strategic areas for action'

For this reason, the framework also contains a second tier of indicators under seven 'strategic areas for action'. These areas have been chosen for their demonstrated potential to have a lasting impact on (higher level) disadvantage, and for their potential to respond to policy action within the shorter term. They assist policy makers to focus on the causes of disadvantage, with the indicators providing intermediate measures of progress.

The strategic areas for action are not 'rocket science': they sensibly focus on young people, the environmental and social factors bearing on quality of life and material wellbeing. They — and the indicators that relate to them — have been developed with advice and feedback from governments, experts in the field and, most importantly, Indigenous people and organisations. There is broad acceptance that actions in these areas by government, in cooperation with Indigenous people, can make a difference.

A holistic approach

This preventive framework allows for the fact that disadvantage not only has various dimensions, it has multiple causes.

That again is most obvious for life expectancy, which is the outcome of a host of influences on health and mortality across the life cycle. But the same is true for most headline indicators. For example, educational performance is shaped by a range of influences from the earliest years of life. Many Indigenous children have chronic ear infections when they first start school, which physically limit their capacity for learning. Domestic violence or substance abuse at home will clearly

have a major bearing on a child's school attendance and performance. And if children are not performing adequately by year 3, they are much less likely to cope in subsequent years.

This illustrates that poor educational performance, and all that flows from that, cannot be wholly laid at the door of education authorities. Responsibility for doing better needs to cross portfolios and to be at least partly borne by Indigenous people themselves. In this sense, the Report does not promote a 'blame game'. It suggests that answers cannot be left to particular service providers to find on their own. A whole of government approach, with community support, is needed.

By the same token, improvements in some individual service areas can have pervasive effects. Within the strategic area 'environmental health', for example, it is well established that overcrowding in housing contributes to adverse health outcomes, as well as domestic violence, substance abuse and, once again, school performance. It is thus an obvious target for policy action.

It becomes apparent that the reporting framework has many similarities to the 'social exclusion' approach, as well as to the 'capabilities' approach championed by Amartya Sen (Sen 1983; Robeyns 2003). However, as noted, the report does not attempt to measure 'wellbeing' as its prime objective. Its focus is on disadvantage, a concept based on relativities — and wellbeing involves more than just the absence of disadvantage. That said, the report does include some 'wellbeing' indicators — including self-reported feelings of happiness, and the stressors experienced by Indigenous people — and future reports may be able to include more.

Reporting on Indigenous disadvantage against a framework based on causal relationships appears to be unique to this Report. While other countries have published reports comparing outcomes for Indigenous and other ethnic or racial groups within their populations, they generally have been confined to what the Review classes as headline indicators.

Broad endorsement by Indigenous people

Although this Report was commissioned by governments, one of the key requirements was for it to be 'relevant to Indigenous stakeholders'. The Review has taken this instruction seriously, and endeavoured to involve Indigenous people at each stage of the Report's development.

The draft framework was developed by a working group which included representatives from the then Aboriginal and Torres Strait Islander Commission (an elected Indigenous representative body). Before finalising the framework and collecting data, the Review conducted consultations across Australia with

Indigenous organisations, communities and leaders, resulting in some changes to the framework. Following release of the 2003 and 2005 Reports, further consultations were conducted and further changes made to the indicators. At each round of consultations, there was broad support for the Report's framework. Indigenous people endorsed the priority outcomes and generally agreed that the indicators reflected the issues that were affecting their communities and causing disadvantage (SCRGSP 2007a).

Are things getting better in the 'strategic areas'?

The data that were available when this exercise started in 2003 were so deficient that no reliable national trends could be identified for most indicators. Two of the key functions of the report, therefore, have been to drive data improvements and to establish baseline information against which to measure future outcomes.

This problem, and the relatively short period since then, has (unsurprisingly) meant that there has been relatively little movement in most of the (slow-moving) headline indicators. Where there are large changes, these tend to be off very small bases. Among the few discernable trends, some go either way. On the *positive* side:

- From 2002 to 2006, apparent school retention rates to years 10 and 12 improved — although there was still a marked drop-off between years 11 and 12 — while the proportion of Indigenous people participating in post-school education increased from 5 per cent in 1994 to 11 per cent in 2004-05.
- Between 2002 and 2004-05, the unemployment rate fell by one-third, from 21 to 13 per cent, and median household income increased by about 10 per cent.

On the *negative* side:

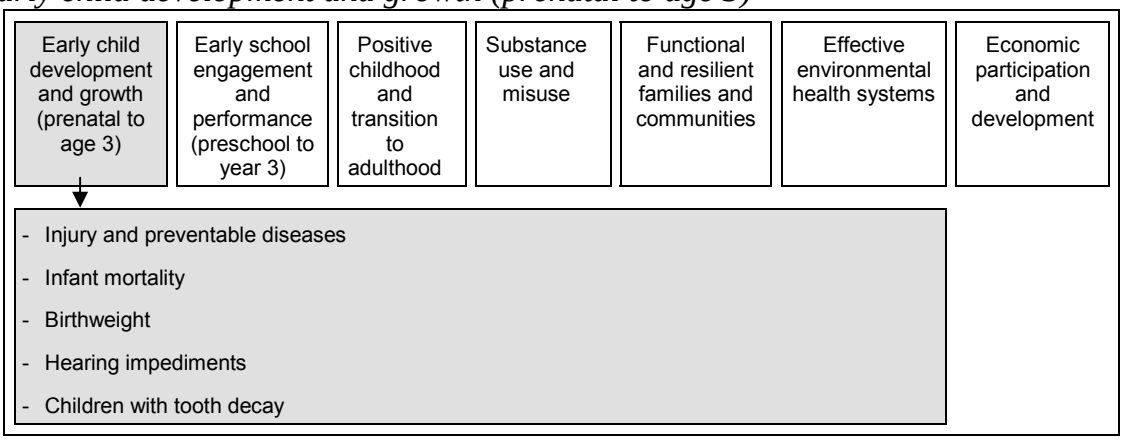
- From 2001 to 2004-05, there was an increase in the number of long-term health conditions for which Indigenous people reported higher rates than non-Indigenous people.
- From 1999-2000 to 2005-06, the rate of substantiated notifications for child abuse and neglect doubled for Indigenous children but rose only slightly for non-Indigenous children.
- Indigenous imprisonment rates increased by one-third between 2000 and 2006.

As noted, the 'strategic areas' and 'strategic change indicators' reported in the framework should be more amenable to early improvement. And, over time, such improvements could be expected to influence outcomes at higher levels.

Delays in data collection and publication meant that the 2007 report was largely restricted to data for 2005 and earlier, giving little scope to observe policy impacts from approaches implemented since 2003. (2006 Census data were not available for the 2007 Report, but will enable the next report to be more revealing.)

What do the available data tell us in each of the seven 'strategic areas for action'?

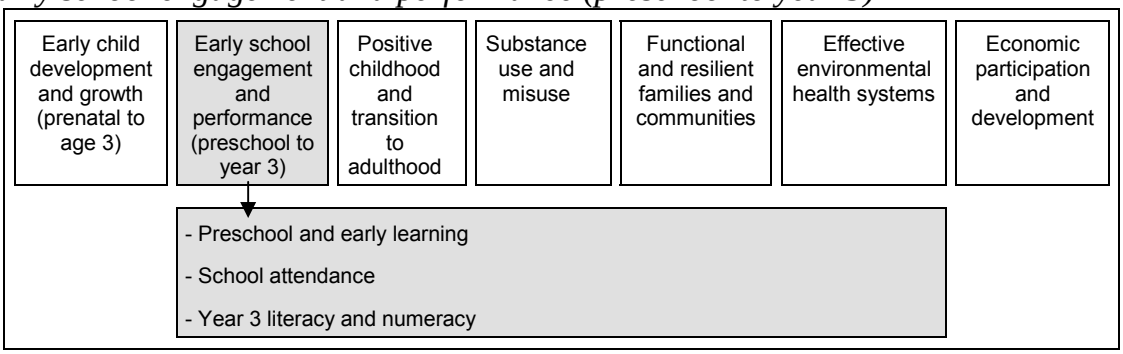
Early child development and growth (prenatal to age 3)



The first three years of life play a crucial role in life outcomes. Stress and neglect in these early years can have significant effects on later health and educational performance, so that policy action in these early years can yield significant longer term benefits.

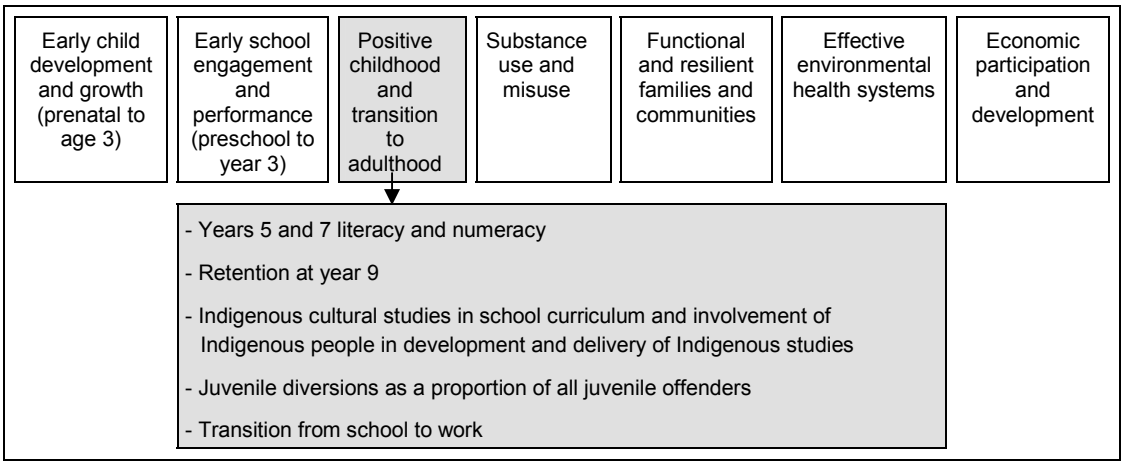
Thus far (anticipating the results in other strategic areas as well) the results have been mixed. Infant mortality rates have improved in recent years, in states and territories where data are available. Low birth-weight — correlated with subsequent health problems — did not improve. However, hospitalisations for various ear diseases declined by 25 per cent from 2002 to 2005.

Early school engagement and performance (preschool to year 3)



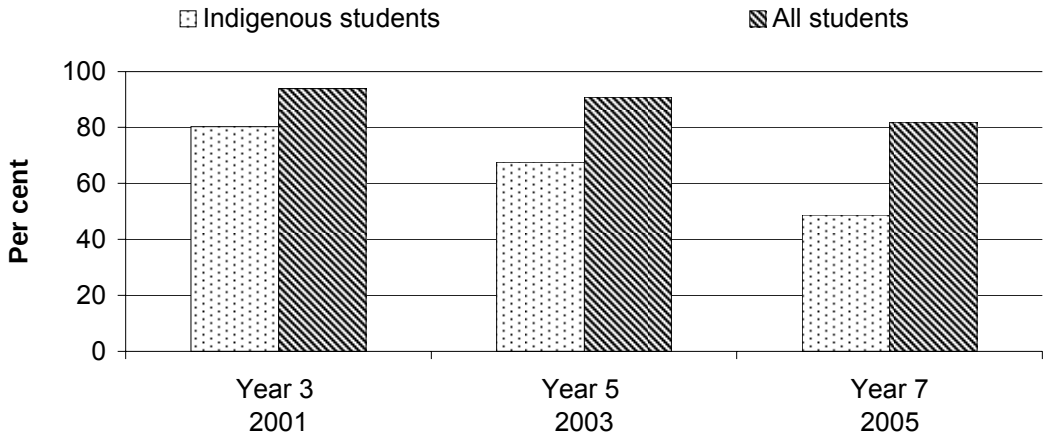
Pre-school can be particularly important to the future educational performance of children. It is therefore significant that Indigenous enrolments increased slightly between 2002 and 2005 and are at a comparable rate to those for non-Indigenous children. The story is similar for school participation rates for 5 to 8 year old children. However, it is attendance at school that really counts and, while data are lacking here — a key deficiency that has proven slow to remedy — available evidence suggests a marked disparity. This is likely to contribute to the significant gap in learning outcomes that opens up between Indigenous and other students by year 3, which had narrowed only slightly in 2005.

Positive childhood and transition to adulthood



Later childhood and adolescence — and the transition to adulthood — are key points in a person's development. However, many young Indigenous people falter at this crucial stage (figure 10).

Figure 10 **Educational disparities progressively widen — the numeracy benchmark**[a]



a Proportions of students who achieved the numeracy benchmark. A similar cohort of students is assessed at each year level.

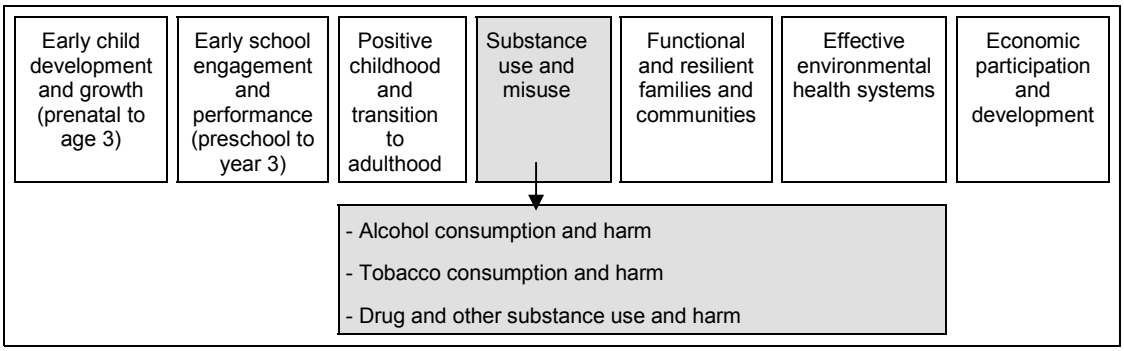
Data source: SCRGSP 2007b, figure 7.1.15; tables 6A.3.3, 6A.3.6 and 6A.3.9.

As Indigenous students progress through school, the proportion who achieve the national minimum literacy and numeracy benchmarks decreases (while the proportions for non-Indigenous students were fairly stable, with some decline for numeracy).

In some states and territories, diversion programs allow young offenders to be dealt with outside the traditional court processes. Despite evidence that diversionary programs can successfully reduce re-offending, a smaller proportion of Indigenous than non Indigenous juvenile offenders had this opportunity.

In 2004-05, 40 per cent of Indigenous people aged 18 to 24 years were neither in the labour force nor studying, compared with 11 per cent of non Indigenous people in the same age group, with little discernible change since 2002. Research shows that young people in these circumstances, whether Indigenous or not, are at particular risk of long term disadvantage.

Substance use and misuse

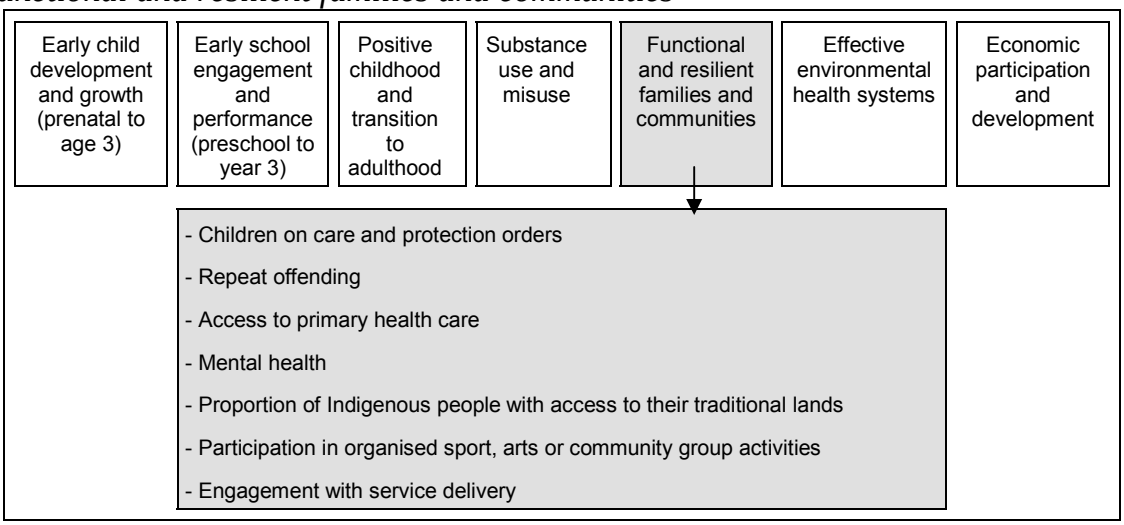


Substance use and misuse can have far-reaching effects on a person's quality of life and health, and on the wellbeing of those around them. Many factors have a role, including socioeconomic status, unemployment and poor education. The general situation for Indigenous people is poor. For example:

- The rate of short term 'risky' drinking for Indigenous people, at 17 per cent, was nearly double the rate for non-Indigenous people, and had not changed since 1995.
- 28 per cent of Indigenous adults living in non remote areas reported illicit substance use in the previous 12 months.

Fortunately, there appears to be some reduction in the scourge of petrol sniffing that has been blighting young lives in remote communities. Recent evidence suggests that the introduction of 'non-aromatic' fuels, together with promotion of alternative activities for young people, have had a major impact.

Functional and resilient families and communities



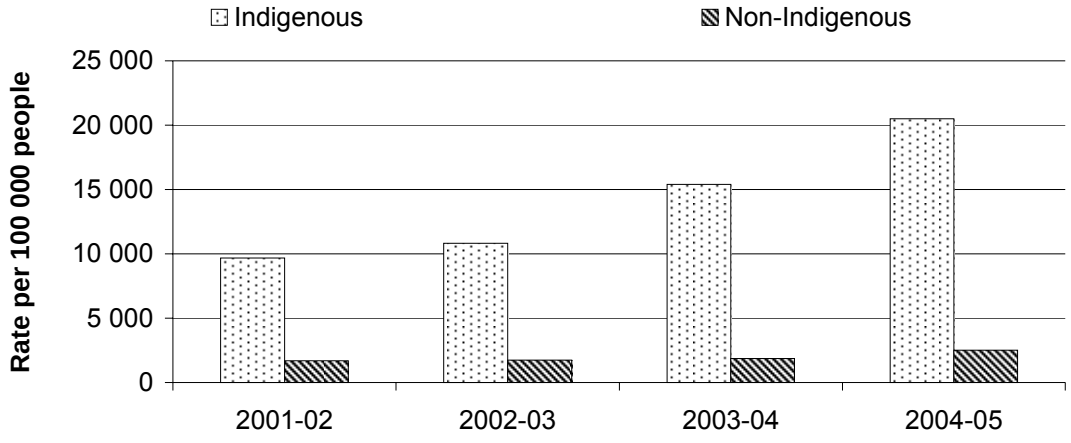
Families and communities are the bedrock of any society. Indigenous leaders have argued, and research confirms, that dysfunctional families can undermine the

potential for individuals to enjoy good health, educational attainment and employment. That said, the functioning of families and communities is a subjective and 'private' matter, and it is inherently difficult to develop meaningful indicators, or to collect reliable data.

This is an evolving area of the Report, with ongoing work on how to address key elements of family and community resilience, including Indigenous cultural dimensions. However, available information does not tell a positive story. For example:

- From 1999-2000 to 2005-06, the rate of children on care and protection orders increased for both Indigenous and non-Indigenous children in all states and territories. But the rate for Indigenous children was almost six times greater.
- The impact on families and communities of high imprisonment rates, already noted, is compounded by high rates of repeat offending (74 per cent versus 52 per cent). Despite the introduction of more culturally relevant sentencing options in many jurisdictions, there has been no improvement in reoffending at the national level.
- Primary health care is obviously crucial to the timely detection and treatment of illness and disease. The significantly lower expenditure on primary health care for Indigenous people (half that for non-Indigenous people), could well be contributing to the rising rate of hospitalisations for potentially preventable conditions, suggesting that more policy effort is needed in this area (figure 11).

Figure 11 **Rising disparity in hospitalisations for potentially preventable conditions**

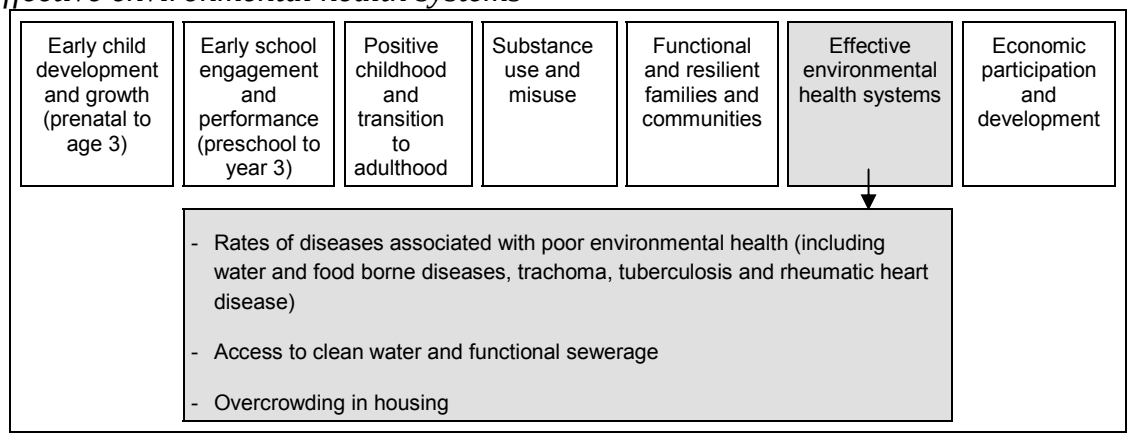


Data source: SCRGSP 2007b, tables 9A.3.1 and 9A.3.2.

Data on the mental health of children, though limited, is concerning. 'Life stress events' are strongly associated with a high risk of clinically significant emotional or behavioural difficulties. In a large survey in Western Australia, more than one in five Aboriginal children were living in families where seven or more major life stress events, such as death, imprisonment, violence and severe hardship, had occurred in the preceding 12 months. The same survey found, however, that very few children had had contact with Mental Health Services (Zubrick et al. 2005).

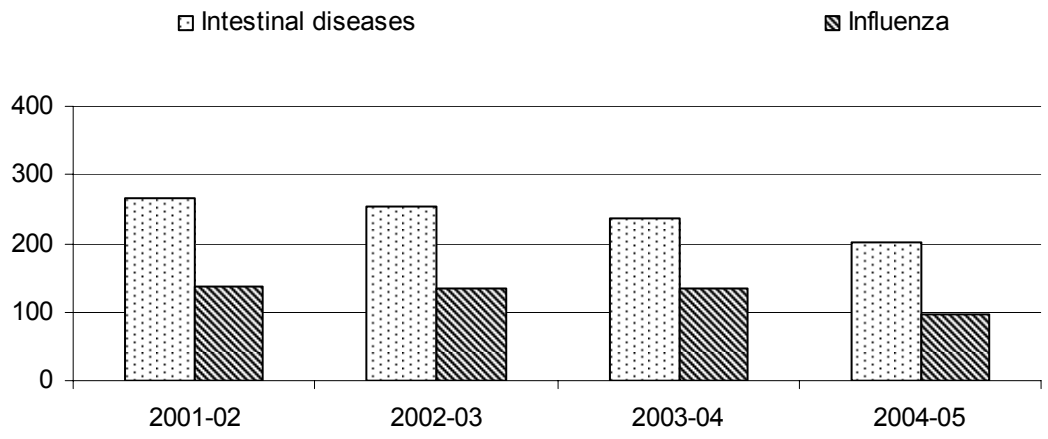
This reflects a more general issue. In 2004-05, over 26 000 Indigenous people who needed to go to hospital in the previous 12 months, did not do so, for a variety of reasons.

Effective environmental health systems



The conditions in which people live and work have a major influence on their wellbeing and social behaviour. Sanitation, drinking water quality, disease control and housing conditions all contribute to environmental health. One indication of the relative living conditions of Indigenous people is the incidence of diseases associated with poor environmental health — up to four times as high as for other Australians. Since 2002 there has been a significant decrease in hospitalisation rates for such diseases for the 0–14 age groups (figure 12), though a puzzling (slight) increase for older Indigenous people (possibly related to a greater willingness to present for treatment).

Figure 12 **Hospitalisation of children for environmental diseases has decreased**[a]

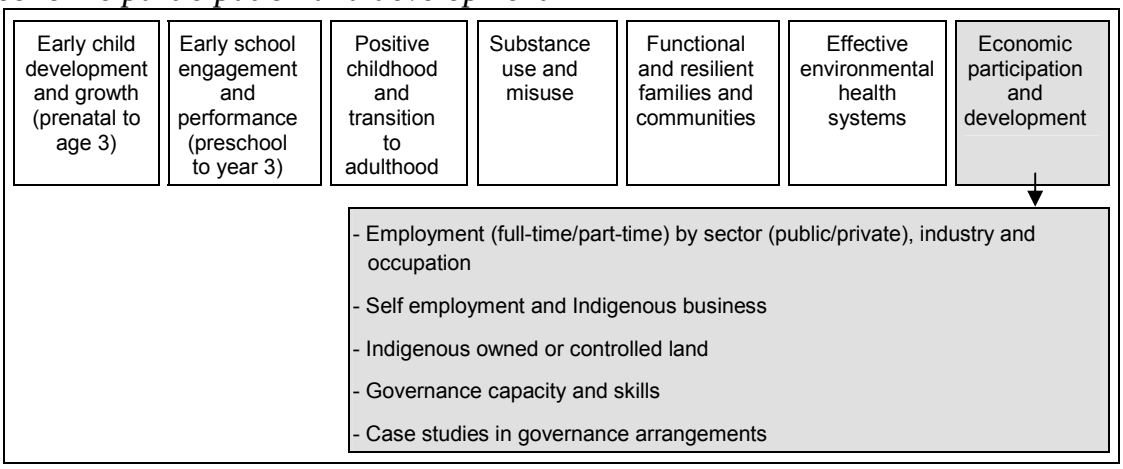


a Children 0–14 years.

Data source: SCRGSP 2007b, table 10A.1.2.

Overcrowding in housing is a particular problem, even allowing for cultural differences, and has been shown to have particularly adverse impacts on health, family violence and educational performance. Over 25 per cent of Indigenous people were living in overcrowded housing in 2004-05 (up to 63 per cent in very remote areas), with little change since 2002.

Economic participation and development

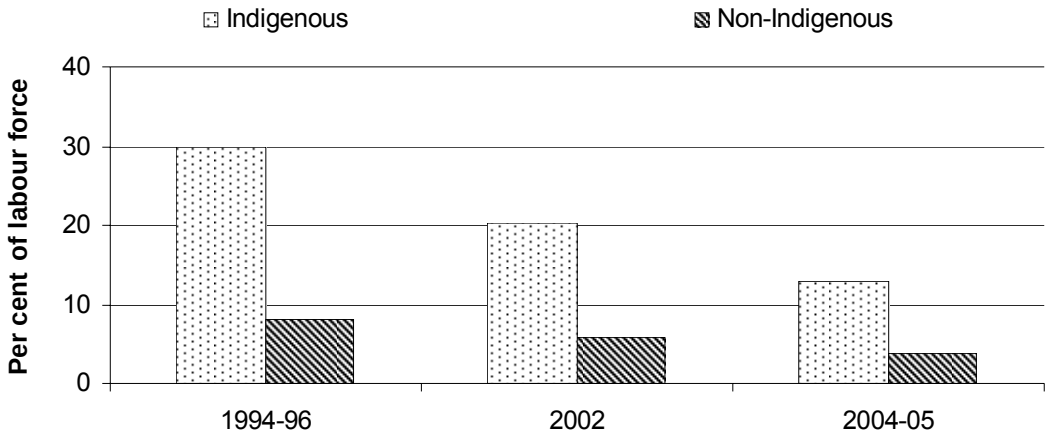


In the long term, all the strategic areas have a bearing on material wellbeing, as well as other aspects of disadvantage. However, a separate set of indicators relating to the economic participation and development of Indigenous people was seen as critical to focusing attention on what could be done in the shorter term. The extent

to which people participate in economic life is closely related to their living standards and broader wellbeing. It also influences self-esteem, self confidence, how people interact at family and community levels, and is closely related to social exclusion.

It is heartening, therefore, that we have seen both a rise in labour force participation (more people available for work) and a decline in unemployment (fewer people not in work) over the period from 1994 to 2005 (figure 13). Moreover, improvements in outcomes for Indigenous people appear to have exceeded improvements for the economy as a whole (that is, the gap in outcomes between Indigenous and non-Indigenous people has been closing).

Figure 13 The Indigenous unemployment rate has fallen[a]



a Non-Indigenous data for 1994-96 are total population aged 15 to 64 years, all other data are for people aged 18 to 64 years.

Data source: SCRGSP 2007b, figure 3.5.9.

That said, the unemployment rate for Indigenous people is still more than three times greater on average than for other members of the workforce. And, compared to the employment market as a whole, there is a much greater reliance on publicly funded jobs — notably through the Community Development Employment Program (CDEP) a form of 'work for welfare' for Indigenous people.

This strategic area also contains an indicator relating to Indigenous owned or controlled land, in recognition of its potential economic as well as cultural value. There has been a steadily rising trend in Indigenous-controlled land. Most is in very remote parts of Australia and its potential productive value varies greatly from place to place. Scope to realise the economic potential of Indigenous land is inhibited in many cases by common property ownership and inalienable title — the effects of which have been well documented in the development economics literature.

Finally, this strategic area reflects the growing recognition of the importance of good governance to enhancing economic performance. However, capturing this in any meaningful quantitative sense is a major challenge. Initially, the Report has focused on formal training in skills relevant to capacity building in administration.

In 2005, 22 per cent of non-Indigenous students were undertaking such training, compared to 9 per cent of Indigenous university students. Over 42 per cent of non Indigenous technical students (TAFE) were undertaking governance related studies, compared to 38 per cent of Indigenous students. This appears to be an improvement from 2001, when non-Indigenous students were almost five times as likely to be studying in governance related fields.

The Report also draws on recent research into features of good Indigenous governance, based on the Harvard criteria relating to institutions, leadership, capacity building, self determination and cultural match. The Report has added the additional criterion, 'resources', and discusses the importance of 'government governance' — the relationship of government with Indigenous organisations and communities.

Our report discusses these features in some detail, drawing on numerous examples of good Indigenous governance from the national Reconciliation Australia/BHP Billiton Indigenous Governance Awards (for which I was on the judging panel last year). The winners of the 2006 Indigenous Governance Award are profiled in box 2 below. The challenge now is to propagate these successful models.

Box 2 **Reconciliation Australia/BHP Billiton Indigenous Governance Awards — 2006 winners**

The Indigenous Governance Awards were established in 2005 by Reconciliation Australia, in partnership with BHP Billiton. Their purpose is to identify, encourage and reward Indigenous organisations that employ sound management practices.

Gannambarra Enterprises, NSW

Develops sustainable businesses and provides opportunities for local Indigenous people to find employment in their preferred fields. Located in a regional centre (Wagga Wagga) the organisation has been instrumental in promoting reconciliation in a conservative environment. An emphasis on teamwork at all levels — Board, management and staff — and strong and candid engagement with participants has challenged stereotypes held by both Indigenous and non-Indigenous people.

WuChopperen Health Service, Qld

Formed in Cairns in 1979 as an essential health care service provider, its services include specialist clinics and chronic disease management, oral health, and social health and wellbeing. It also oversees the establishment of medical services and clinics in remote regions. The service manages to combine state of the art medical facilities with culturally appropriate service delivery. It is a striking model of an organisation successfully 'walking in two worlds', to the significant benefit of its community.

Source: Reconciliation Australia 2006.

In summary

While there is still insufficient data in many areas to judge the outcomes from recent policy efforts, some of the emerging trends provide cause for hope.

The pronounced gains in economic participation are particularly welcome, given the key role that employment plays in reducing poverty and social exclusion. These gains, however, are yet to be reflected in the living conditions of many Indigenous people. Importantly, there has been no real improvement in housing overcrowding, a core contributor to several aspects of disadvantage. This problem is of long standing and is an area where determined government action should have been able to make a difference in a relatively short timeframe.

It remains apparent that least progress — and even some deterioration — has occurred in those areas that are least directly amenable to government policy measures. For example, domestic violence and child abuse are difficult areas for policy intervention wherever they occur. Remoteness and the greater relative scale of these issues in Indigenous communities are additional barriers for policy intervention. This poses a major challenge for public policy simply because the

answers do not depend on government alone. Corresponding efforts within Indigenous communities are also necessary.

Future reports will allow us to make stronger statements about whether recent actions in these areas are having an impact on outcomes. It is already clear, however, that in all the areas identified as crucial to reducing disadvantage, outcomes fall well short of what is needed.

'Things that work' can add up

Fortunately, there is more going on in Indigenous communities than is being (or can be) captured by statistics. Our consultations across the country have brought to light many positive and successful initiatives at a local or community level. Because they are localised in their effects, they tend to be swamped in the aggregate statistics (even at the State or wider regional level). We therefore have included in the Report mini-case studies of 'things that work' in each of the target areas, to assist the dissemination of information about what is working in some communities. There is growing demand for such information — in April this year COAG agreed to establish a jointly-funded clearing house for evidence about best practice and success factors in overcoming Indigenous disadvantage.

We found clusters of 'things that work' in the areas of 'Early childhood development and growth' — reflecting government emphasis on intervening early in the life course. Many programs focused on providing culturally relevant maternal and child health services. As noted, infant mortality rates are improving, as are vaccination rates and children's hospitalisations for preventable diseases.

Several innovations have targeted school attendance. 'Things that work' include programs linking school attendance to participation in sports activities, 'open education' programs to support secondary school students in remote areas, and several schemes providing scholarships for Indigenous students from regional and remote areas to attend private boarding schools. Indigenous cultural studies have been introduced into some schools' curricula, with Indigenous people involved in their development and delivery. This has improved Indigenous students' self-esteem and achievement at those schools, and provides non-Indigenous students with the opportunity to learn more about Indigenous people and their perspectives.

Many 'things that work' have also emerged in the area of 'Economic participation and development', including assisting Indigenous people into jobs. Importantly, many of these have strong private sector involvement, particularly from large mining companies operating in remote areas of Australia.

Our analysis of the 'things that work', together with consultations with governments and Indigenous people, identified the following factors that many of the success stories have had in common:

- cooperative approaches between Indigenous people and government (and the private sector);
- community involvement in program design and decision-making — a 'bottom-up' rather than 'top-down' approach;
- good governance; and
- on-going government support (human as well as financial).

Some concluding remarks

Indigenous disadvantage in Australia, as elsewhere, has complex causes that are inter related and cumulative. Overcoming such entrenched influences is a major challenge for public policy. Success demands a sustained effort over a considerable period of time. That has been recognised by leaders of government and Indigenous people alike, and is reflected in COAG's explicit adoption of a 'generational' perspective.

Some Indigenous leaders have gone further and argued for more explicit timeframes and targets (and recently this has been endorsed by the federal Labor Opposition) (Rudd 2007b). There is much to be said for targets as a means of galvanising action. But the value of targets depends not only on their feasibility, but also, more pragmatically, on the ability to measure progress against them. In many areas this has not been possible in the past, because data have not existed, or have lacked consistency over time or across jurisdictions. The most vexing example of this, given its importance as the lead headline indicator, is life expectancy (see box 3).

Box 3 **Measuring life expectancy has proved difficult**

While the life expectancy estimates in the Report are the best that can be compiled with currently available data, it has not been possible to present time series or trend statistics for Indigenous life expectancies, as the proportion of Indigenous people identified as such in death registrations has varied over time.

Life expectancy estimates for Indigenous Australians are sensitive to the demographic assumptions and differential quality of data across jurisdictions. The life expectancy estimates for Indigenous Australians presented in the 2005 and 2007 Reports (a 17 year gap) were not comparable to — and replaced — life expectancy estimates previous reported in the 2003 Report (a 20 year gap).

The three year difference between the newer estimates and those previously published represent improvements in methods and data quality and do not represent any changes over time in Indigenous life expectancy.

Source: SCRGSP 2007b.

As a result of COAG's commissioning of the Overcoming Indigenous Disadvantage Report, that is now changing. The Report itself does not include specific targets, but its framework would provide support for such an approach. This applies particularly to the 'strategic areas for action', which are generally recognised as being amenable to influence by governments over shorter time-frames than the headline indicators. Moreover, their narrower scope means that data definitions are simpler and measurement issues less severe, so that there would be greater confidence in the results (which is likely to be critical in the heightened politics that would surround specific targets).

Date deficiencies remain in key areas

That said, although data have improved since the first Report in 2003, information in some key areas remains poor. For example, we still do not have meaningful comparative data on school attendance, or on learning outcomes according to the degree of regional remoteness. Hospitalisation data for Indigenous people in NSW and Victoria, the two largest states, are too inaccurate to be published. A variety of other data gaps are detailed in the Report, spanning areas such as birth-weight, hearing impediments, family and community violence and environmental health.

Remaining data issues mainly relate to administrative or departmental collections. Australia's national statistical agency, the Australian Bureau of Statistics (ABS), has greatly improved the extent and quality of its survey-based collections. In addition to giving greater attention to Indigenous people in the national census, a series of specific Indigenous surveys have been conducted since the mid-1990s. The

2004-05 National Aboriginal and Torres Strait Islander Health Survey was the largest national health survey of Indigenous Australians ever conducted, covering over 10 000 persons in both remote and non-remote areas. The ABS has also developed an Indigenous Community Engagement Strategy, to develop and deliver statistics in an accessible manner to Indigenous communities, and to increase their understanding of and participation in ABS collections.

At the administrative level, some laudable efforts at data improvement are also underway, assisted by expert data agencies such as the ABS and the Australian Institute of Health and Welfare. But more is needed — particularly a commitment by governments to resource the infrastructure necessary to collect and publish the data. Just as importantly, public servants and service providers need to understand the importance of the data to formulating good policies and programs that will best assist those they are meant to serve. Many of the problems with current data collections stem from reluctance to 'ask the question'. By the same token, issues still arise with Indigenous people's willingness to self identify, because of fear of discriminatory treatment.

The need to improve administrative data has been recognised by all governments. As part of its recent Indigenous Generational Reform initiative, COAG has announced further efforts to address data gaps, including allocating significant additional funding (COAG 2007).

Some progress in 'embedding' the reporting framework

As the remaining data deficiencies are remedied, the Report will become an increasingly effective vehicle, not only to monitor change but also to drive it, by exposing where action is most needed. To realise its potential in this role, it is essential that governments integrate the reporting framework into their policy development and evaluation processes. Initially, there were some doubts about this happening, but there have been encouraging developments over the past couple of years.

Importantly, COAG has embraced the reporting framework as the centrepiece of its Indigenous Generational Reform strategy, and is building clearer links between the strategic framework, the National Framework of Principles for Delivering Services to Indigenous Australians, the COAG Reconciliation Framework and bilateral agreements between governments. The inter-governmental Ministerial Council for Aboriginal and Torres Strait Islander Affairs is also promoting use of the framework to drive action in policy and planning at the national, state and local levels. Indigenous Action Plans by other Ministerial Councils, however, have a

mixed record, contrary to the acknowledged need for whole-of-government approaches involving every portfolio.

At the federal level, the Departmental Secretaries' Group on Indigenous Affairs uses the Overcoming Indigenous Disadvantage (OID) framework to report annually on the performance of Indigenous programs across government. Performance measures in 'Shared Responsibility Agreements' between Indigenous communities and the Government mirror the strategic change indicators in the OID framework. A number of states and territories are also incorporating the OID framework into their policy agendas and reporting. Some (Western Australia and Queensland) have produced State versions of the Report. Other jurisdictions draw on elements of the framework for strategic plans, but the links are less direct and the Report's ability to drive change in those jurisdictions is accordingly more circumscribed.

Looking forward

Indigenous disadvantage continues to cast a shadow over Australia's otherwise undoubted economic and social achievements. Increasing affluence has made the disadvantaged circumstances of our country's first inhabitants all the more stark — and unacceptable to the wider Australian community. The now widely acknowledged failures of past policies have given impetus to new approaches. Just as importantly, past failures to correct in time policy approaches that were having adverse effects, have prompted a more integral role for monitoring and evaluation going forward.

The Overcoming Indigenous Disadvantage Report has a central place in this. Its framework of headline and strategic change indicators provides a breadth of information, helping both to measure and drive progress in overcoming Indigenous disadvantage in all its dimensions. After three reports in this series, it seems clear that, while some progress is being made, much more remains to be done.

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