
Indigenous disadvantage: are we making progress?*

Gary Banks

Chairman, Productivity Commission

Introduction

As Chairman of the Productivity Commission, my previous presentations to CEDA have generally been concerned with the need for reforms to improve the performance of our economy and thus the living standards of Australians. More recently, it has been gratifying to observe how the microeconomic reforms of the past couple of decades have borne fruit. Australia's economic success and its links to these reforms were underlined in the past week by a very positive report card issued by the IMF (which follows similar assessments of our economy by the OECD).

Today, however, I am addressing you also as Chairman of the inter-governmental Steering Committee for the Review of Government Services, about an area of public policy where I am not able to convey such a record of achievement. And this is rarely acknowledged in the reports of international economic agencies.

The truth is that the disadvantage suffered by this country's first inhabitants casts a shadow over Australia's otherwise successful economy and society. Until this is rectified, it is hard to see how any Australian can feel really good about our otherwise undoubted achievements.

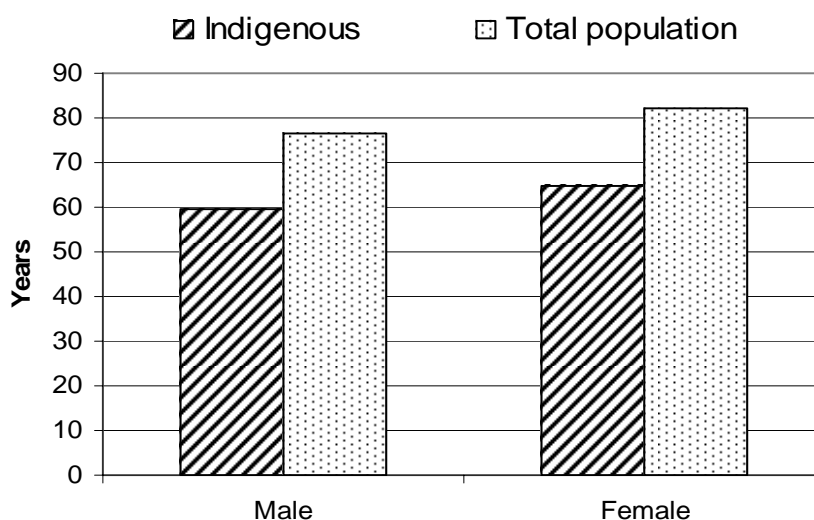
The challenge facing us is clearly documented in a major report, released in July, titled *Overcoming Indigenous Disadvantage: Key Indicators 2005*. It is the second in a series of reports prepared through the Government Services Review, with the assistance of the Productivity Commission. (I should emphasise, because this is often misconstrued, that it is not the Productivity Commission's report. It is released

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on the authority of the Steering Committee for the Review and has ownership by all governments.)

If any single statistic in that report could convey the enormity of Indigenous disadvantage, it is the seventeen year gap in life expectancy between Indigenous and other Australians.

Figure 1 A 17 year gap in life expectancy



At a time when national debate is rightly focussed on the policy challenges of an ageing population — a global phenomenon driven largely by increased longevity (PC, 2005) — Indigenous people still do not live long enough on average to be classified as ‘old’ by such conventional markers as eligibility for the aged pension.

Yet, as I will try to show, this Report also provides a message of hope. Indeed, its very existence signals a new preparedness by governments across Australia to confront the reality of Indigenous disadvantage — an essential precondition for redressing it.

The Report’s origins

The Report has its origins in a decision by COAG in 2002 to commission “a regular report against key indicators of Indigenous disadvantage”. The stated task 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” (Howard, 2002).

The significance of this decision should not be overlooked. It involved collective agreement at the highest political level to a reporting process that will not only chart

the state of Indigenous disadvantage over time but, in so doing, elevate the accountability of governments in dealing with it.

It is also significant that this new reporting and accountability process emerged from a COAG meeting that also signed off on a new approach to government service delivery. This involves the integration of service delivery within and across governments (Commonwealth, State and local) in cooperation with Indigenous communities. It is being trialled in eight sites across the country under the stewardship of seven Commonwealth agencies and ten State and Territory agencies (the ‘COAG Trials’).

An integrated approach to government services, involving consultation with those at the ‘receiving end’, may not sound very radical. It may even seem like common sense. But it contrasts strongly with the silo-based, tops-down approaches of the past.

More recently, we have seen a further development at the Commonwealth level in the Shared Responsibility Agreements. Motivated by a similar logic, I understand that there are about 60 of these currently in play and that more are proposed.

These and other new policy directions (such as the move to create leasehold tenure on communal land) have not been uncontroversial. But they do reflect a shared recognition by governments and Indigenous people alike that past policies and institutions, no matter how well-intentioned, have not delivered — that in important respects some have made matters worse. This Report should in time enable us to gauge the extent to which the newer policies are producing better results.

There are of course already many volumes of statistics detailing aspects of Indigenous disadvantage. While valuable as sources of information, these have arguably not driven change in the past and some scepticism may be warranted as to whether another report could do much better in the future. What can more information contribute?

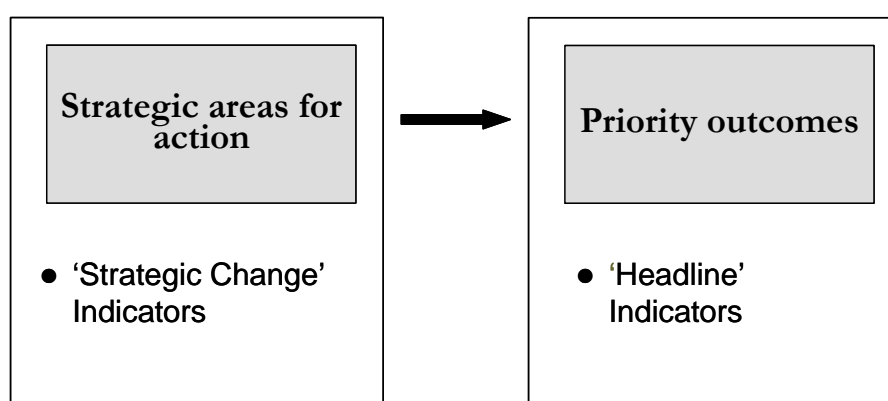
The reporting framework

The answer lies in two features of this reporting exercise which distinguish it from all other statistical compilations.

The first is its endorsement by COAG as an ongoing vehicle for monitoring Indigenous disadvantage and the impacts of policy. It has a direct link to broad policy development and review which no other report has had.

The second distinguishing feature of this reporting exercise is its strategic two-tier framework. At the top is a shared vision of what life should be for Indigenous people, with headline indicators that can tell us the extent to which it is being realised. That is not so unusual. If reporting stopped there it would not be adding much to what is available elsewhere. But the Report does more than this. It contains a second tier of information that focuses on areas where things need to change if the vision is to be realised. And, again, it provides a selection of indicators within those ‘strategic change areas’ to help us assess whether that is happening.

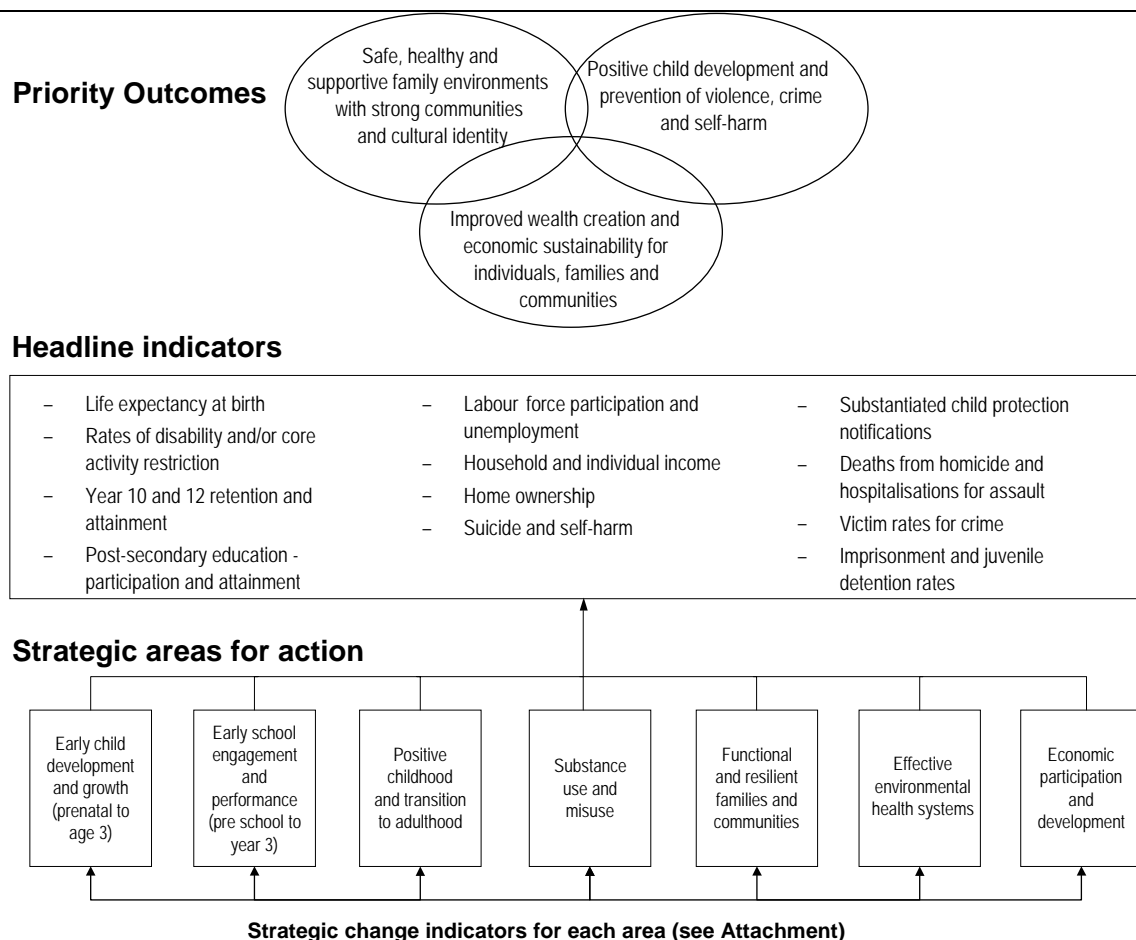
Figure 2 A ‘2 tier’ preventive model



This strategic approach to reporting is based on what is known as a ‘preventive model’; or, in common language, the notion that prevention is better than cure. It has its origins in work conducted by the Ministerial Council for Aboriginal and Torres Strait Island Affairs — MCATSIA — work that has been tested with and broadly endorsed by Indigenous people and organisations.

The vision at the apex of the reporting framework is expressed in three ‘priority outcomes’, based on the Council of Aboriginal Reconciliation’s 2000 report to COAG (see figure 3).

Figure 3 The strategic framework



As you can see, these ‘priority areas’ essentially relate to the quality of family and community life, including cultural identity, and material wellbeing. The shared vision is essentially 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.

Assessing the extent to which these goals is realised is of course not straight forward, and must ultimately be a matter of judgement. However, a dozen ‘headline indicators’ were agreed to which provide an overview (see figure 3).

A mixed picture on progress

The 2005 Report, like the inaugural one in late-2003, confirms that in each of these headline areas, the gap between Indigenous and other Australians is very wide. This is documented in considerable detail in the Report. I have also provided a summary in a previous speech (Banks, 2003). My purpose this time is not to go over that

ground again, but rather to focus on signs of progress. Understanding the extent to which progress is being made is after all the Report's main function.

First, some bad news. Some of those familiar with the first Report seized on an apparent three year reduction in the life expectancy gap from 20 years in the first report to 17 years. I wish it were so. Unfortunately the gain is a statistical chimera. It has resulted from refinements to the methodology rather than a substantive improvement in life expectancy for Indigenous people (SCRGSP, 2005, p. 3.3). It illustrates in a stark way the practical difficulty of monitoring Indigenous disadvantage when even the most basic data are bedevilled with problems. Many of these have their origin in the inability to accurately identify Indigenous people. Changes in identification over time can undermine the ability to draw firm conclusions from apparent trends, notwithstanding progress in adjusting historic data.

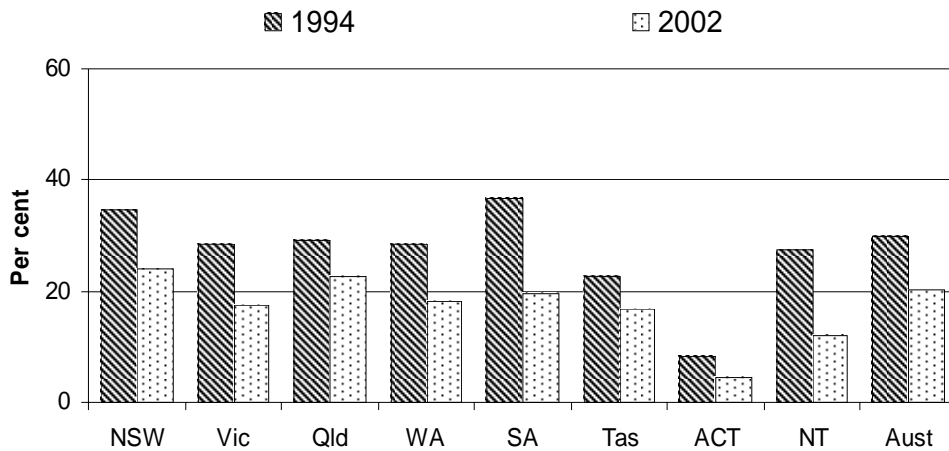
Areas of improvement

Nevertheless, and allowing for such difficulties, evidence of progress is apparent for some important headline areas.

One is employment. Having a job is as important for Indigenous people as it is for anyone else — for the benefits it brings in material and psychological wellbeing for those concerned and their families. Inability to find meaningful work can contribute to poor health and mortality outcomes, as well as substance abuse and domestic violence.

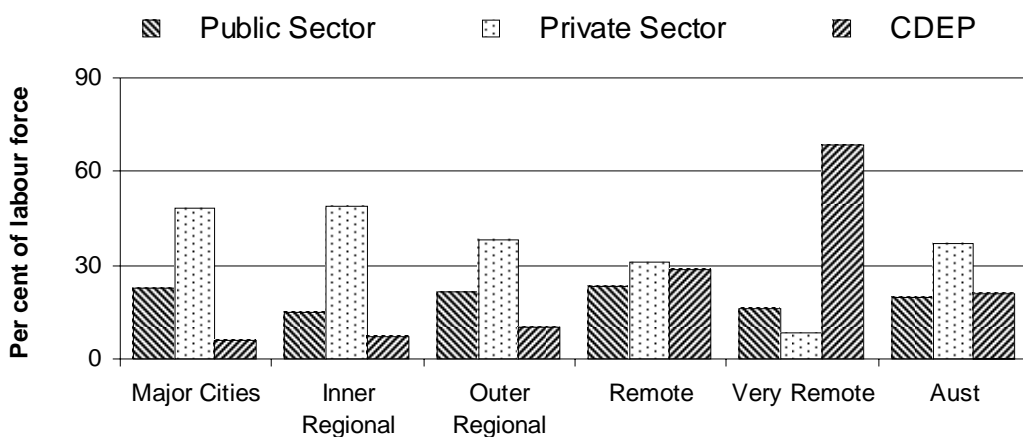
It is heartening, therefore, that we have seen both a rise in labour force *participation* (more people available for work) and a decline in *unemployment* (fewer people not in work) over the period 1994-2002. Moreover, the proportionate improvement appears to have exceeded that for the economy as a whole.

Figure 4 **Indigenous unemployment rate has fallen**



That said, the unemployment rate for Indigenous people is still more than three times greater on average than for other members of the workforce. Also, most of the additional jobs have been casual or part-time. And, compared to the employment market as a whole, there is a much greater reliance on publicly funded jobs — notably through CDEP (the Community Development Employment Program, a form of ‘work for the dole’ for Indigenous people).

Figure 5 **Government funded employment looms large**

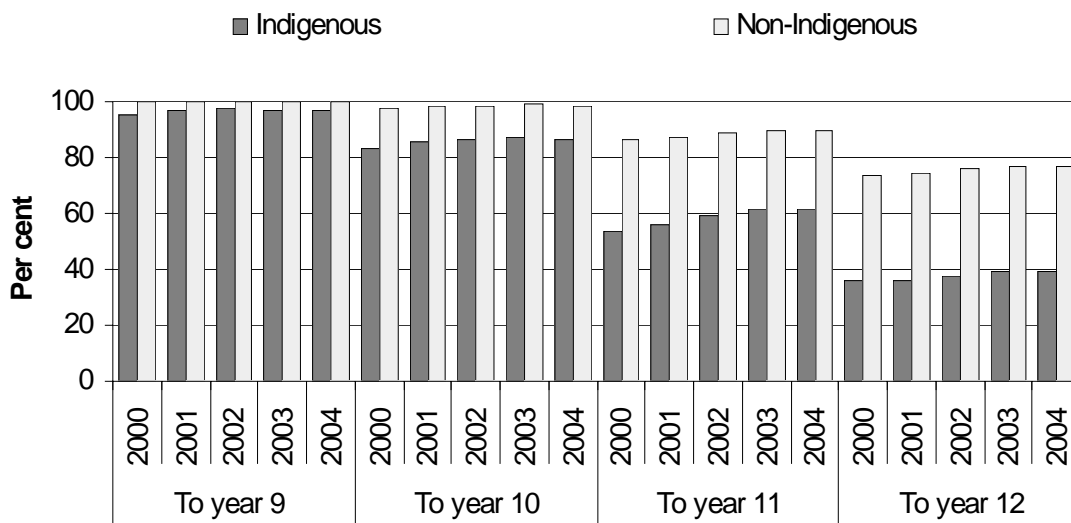


It is apparent from figure 5 that the share of ‘private’ jobs falls significantly, while that of CDEP rises, as the relevant labour market is further from the major cities. A major challenge in getting more Indigenous people into work is indeed the thinness of labour markets in more remote regions. (Key potential exceptions being the mining, pastoral and tourism industries.)

A second important area where we are seeing some improvement is in educational engagement at senior secondary and post-school levels. For example, there was a doubling in the proportion of Indigenous people over 15 years in post-secondary education between 1994 and 2002. This is skewed more to VET participation than is true for the rest of the population. (And there has been a doubling in the proportion of students attaining Certificate Level 3 or above.) It nevertheless is associated with enhanced employment prospects.

Staying on at school is the obvious pre-condition for more advanced educational attainment. However, the story on this illustrates how the positives in this Report need to be kept in perspective. As can be seen from figure 6, there has been a rise in apparent retention rates for Indigenous students in each post-compulsory year of school. At the same time, we have seen a widening of the gap with non-Indigenous students across the years. (Indigenous students' retention rate in 2004 dropped from 60 to 40 per cent between Years 11 and 12, whereas the decline for other students was from 90 to 78 per cent.)

Figure 6 **Secondary school retention rates**

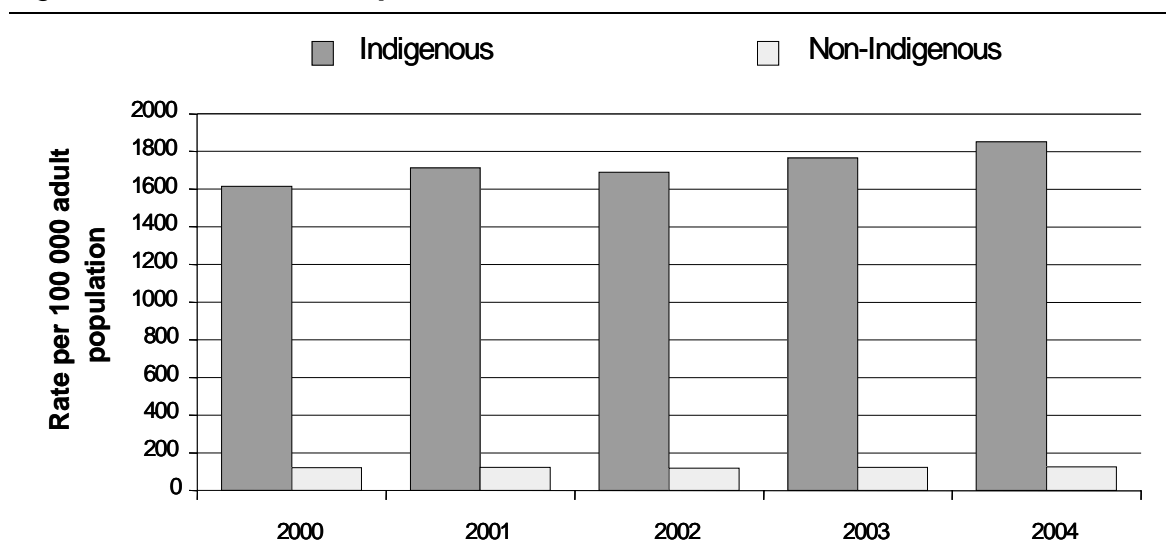


Areas of regression

Nevertheless, it remains the case that some of the more economically-oriented indicators appear to be moving in the right direction. (This is reflected also in a rise in home ownership.) Unfortunately, other headline areas that are central to the wellbeing of Indigenous people and their prospects appear to have deteriorated. For example:

- 23 per cent of Indigenous people were reported as being victims of violence in 2002, compared to 13 per cent in 1994;
- child protection notifications — a proxy indicator of child abuse and neglect — rose in most jurisdictions;
- as did imprisonment rates, especially for women, where the increase from 1994 to 2002 was 25 per cent, more than double that for men.

Figure 7 **National imprisonment rates**



At best, therefore, the picture is mixed at the headline level. There has been potential improvement in relation to only one of the three priority outcomes, with things having gone backwards in the others.

It is important, however, to recognise that this is largely based on information that predates the more recent policy initiatives emerging from the COAG process.

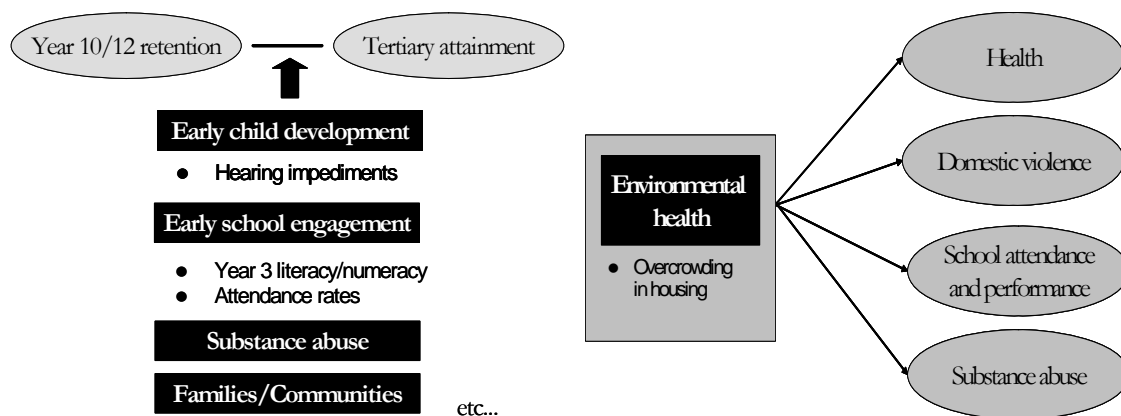
It is also apparent that least progress — or deterioration — has occurred in those areas that are least directly amenable to government policy measures. Domestic violence and child abuse are difficult for governments to deal with wherever they occur — whether in Indigenous communities or not. The particular problem in Indigenous communities is the greater relative scale. 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 called for. That said, there are a number of initiatives that governments can take which can have an impact.

The 'strategic change' areas

These are encompassed within the seven strategic areas, where experience and logic suggests that actions by government, in cooperation with Indigenous people, can ultimately have a payoff in reducing disadvantage. These areas of strategic focus have all been 'road tested' for relevance with Indigenous people, as well as with experts in the field. Under the preventive model, they sensibly focus on young people, families and communities, and the key social, economic and environmental circumstances that shape outcomes over time.

The framework also allows for the fact that disadvantage not only has various dimensions, it has multiple *causes*. This 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 also preconditioned by a range of influences from the earliest years of life (figure 8). 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 also have a major bearing on a child's school attendance and performance. And if children are not performing adequately in Year 3, they are much less likely to cope in subsequent years.

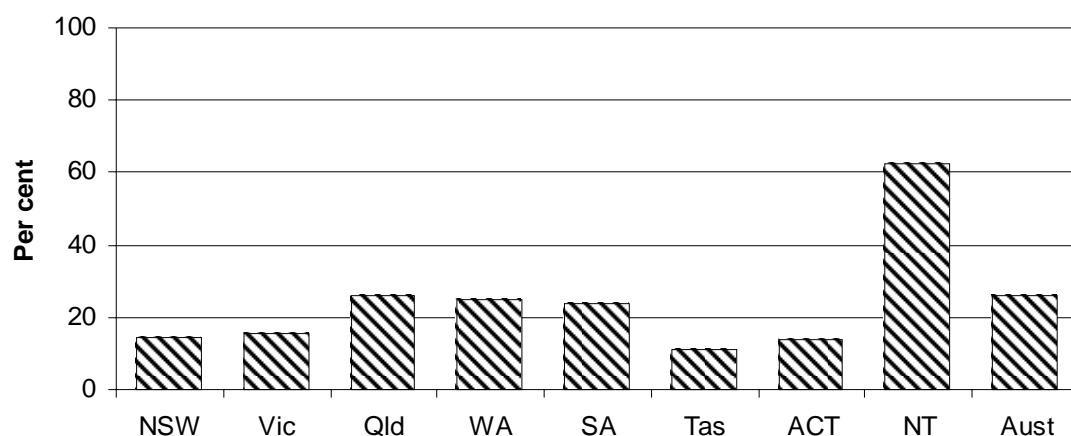
Figure 8 **A preventive model: multiple sources and impacts**



Again this illustrates that poor educational performance cannot be wholly laid at the door of education authorities. Responsibility for doing better needs to be spread across portfolios and 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 is needed.

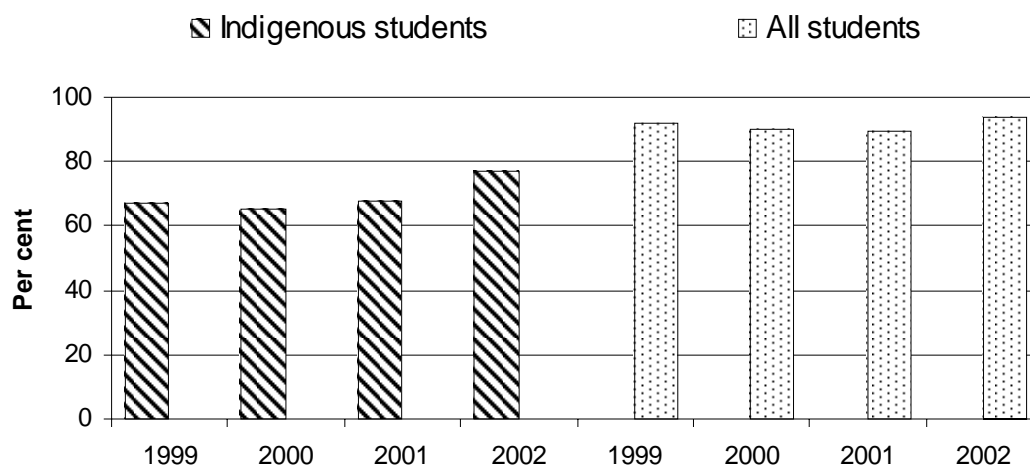
By the same token, improvements in some individual service areas can have quite pervasive effects. Within the strategic area ‘environmental health’, for example, overcrowding in housing is a key indicator. It is well established that overcrowding is a contributor to adverse health outcomes, as well as domestic violence, substance abuse and, once again, school performance (figure 8). It is thus an obvious target for policy action. Available indicators (imperfect though they may be) nevertheless suggest that much more needs to be done (figure 9). Equally, experience in this area tells us that if we are to achieve good outcomes, housing programs need to be developed in close consultation with the people concerned, to ensure that houses are fit for purpose and therefore more likely to be well cared for.

Figure 9 Proportion of Indigenous people in overcrowded housing



The state of the data until recently has provided little basis to assess trends in this and other strategic areas. However, there does appear to be some improvement in infant mortality rates in most jurisdictions (though it remains two to three times the rates for other babies). We are also seeing evidence of an improvement in aspects of year 3 literacy (see figure 10).

Figure 10 **Proportion of year 3 students who achieved the writing benchmarks**



We should be able to get a better steer on trends in future reports. What seems clear right now, however, is that in the areas identified as crucial to reducing disadvantage, outcomes fall well short of what is needed. This represents a daunting challenge. Indeed, if our only basis for looking forward were the published data, there would be little cause for optimism.

‘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 our attention many positive and successful initiatives at a local or community level. These have often been at the instigation of Indigenous people themselves, and involve constructive new relationships with government bodies and private enterprises. 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 have therefore brought them to the surface in the Report, in an array of boxed mini-case studies on ‘things that work’ in each of the target areas.

To illustrate, again within an educational attainment theme, attendance at school is clearly fundamental to scholastic achievement. As I have previously lamented, it is therefore regrettable, indeed inexcusable, that there is so little comparable data on it. Nevertheless available anecdotal and other evidence suggests that truancy among Indigenous children is generally very high. What’s more, it appears to have defeated the conventional remedies of educational authorities.

Instead, we are seeing the emergence of a range of alternative approaches that are achieving dramatic improvements in school attendance. These include, for example:

- the Northern Territory’s mobile pre-school program, which recognises the particular importance of organised pre-school training for Indigenous children and the inability of those in more remote areas to access it;
- the Maitland Area School’s Narungga language program in South Australia, which has demonstrated the pulling power of Indigenous language tuition, both in gaining the interest of Indigenous children and in enhancing their sense of worth within a school environment;
- the ‘no school – no pool’ programs in several remote communities, which (at the instigation of Indigenous elders) have employed the obvious attractions of swimming pools in such regions to bring about not only much improved school attendance, but also much better health outcomes; and
- the AFL’s ‘Kickstart’ program, which has also harnessed Indigenous childrens’ interest in and aptitude for sport in a way that places schooling at the centre, again with quite striking outcomes in improved attendance and achievement.

By the way, this last example illustrates the increasing role of private organisations in helping to overcome Indigenous disadvantage. From large corporations, like Westpac, BHP-Billiton or Rio Tinto, to many smaller enterprises, we are witnessing a range of initiatives with practical goals and records of achievement — many occurring in partnership with both Indigenous communities and government.

I have chosen to focus on those things that have worked for school attendance, but the report sets out examples in most of the strategic areas. They include:

- Victoria’s Koori Courts (and variants in other states) which have seen a marked reduction in recidivism;
- Western Australia’s Noonkanbah aboriginal-owned pastoral property, which with innovative management under a fee-for-service partnership agreement with the WA Government has become a commercial success as well as a source of employment for Indigenous people;
- the alternative fuels program in some remote communities in the Northern Territory to reduce the scourge of petrol sniffing; or
- the ‘Ladders to Success’ program in Shepparton, Victoria, which facilitates the transition of Indigenous people into the workforce, and has exceeded its targets for job placements.

You can read about these and other examples in the Report. Future editions will add new ones, as well as tracking progress on some of the existing ones, providing of

course that they continue to operate. (It was disturbing to hear this morning, for example, that school funding for indigenous language programs may be cut back.)

The range of innovations is diverse. However, they do appear to have at least two features in common:

- a central role for Indigenous people in coming up with the ideas, and an effective partnership between them and government or private bodies in implementation; and
- secondly, and related to this, effective management arrangements involving new approaches within Indigenous communities as well as within government. This is important to get right, because cooperative approaches are more complicated and demanding of government itself than unilateral, tops-down approaches.

Good governance is crucial

This opens up the wider issue of governance — something that is absolutely fundamental to the last strategic change area ‘Economic participation and development’, as well as to achieving functional communities. It is recognised in a number of important initiatives, including a major collaborative research project by the WA and NT governments, Reconciliation Australia and CAEPR (ANU).

It is easier to recognise good governance when you see it in action than to measure it. Drawing on the Harvard Project in the USA, the local work of Reconciliation Australia and its partners, and our own consultations, we have identified five core elements of good Indigenous governance:

- governing institutions;
- leadership;
- self-determination;
- capacity building; and
- cultural match.

Our report discusses these in some detail, which I don’t have the time to do here. What should be emphasised is that all need to be present. Observed organisational failures have generally been lacking in at least one area. For example, while leadership is crucial, making sustained progress will be a struggle without administrative capacity. And, while it is of central importance that Indigenous people take responsibility, it is also important that government provides support, particularly in the start-up phase. There are many examples of Indigenous organisations that have fallen over where government has withdrawn too soon.

Regarding cultural match, the key seems to be what is accepted by Indigenous people as appropriate in the circumstances, rather than rigid adherence to tradition.

Two case studies

The report contains two case studies which provide contrasting examples of good governance at work, assessed against these five principles.

The *Koorie Heritage Trust* is an organisation whose purpose is to “protect and promote the living culture of the Indigenous people of South Eastern Australia”. It was conceived in the mid-1980s by a Koorie man, Jim Berg, with the support of non-Indigenous lawyers, following a number of court cases relating to the sale and promotion of Aboriginal art and other material. It has a conventional corporate structure, with board members chosen for their skills as well as for their relationships to Indigenous communities in the region. However, the Chair and majority of the board must be Aboriginal. Governance arrangements have a high degree of transparency and accountability, and have proven adaptable to community needs. The Trust generates one-third of its revenue itself, with the balance derived from government grants and projects. It has enjoyed stable progress and succeeded in establishing the most comprehensive collection available of cultural material from south-eastern Australia. The Report’s attention to this organisation was further justified by its subsequent receipt of the BHP/RA Indigenous Governance Award for 2005.

Our second case study in governance relates to the business of government itself. The *Thamarrurr Regional Council* at Wadeye (formerly Pt. Keats) in the Northern Territory, has overcome the dysfunctionality derived from western governance arrangements being imposed on a community made up of some 20 clan groups. A number of these were originally attracted to the region from their own lands after the Catholic mission was established in 1935.

The new Council was the product of a consultative process that began in 1994, after the collapse of existing community governance arrangements. It draws on traditional cooperative arrangements — involving all clan groups — in parallel with the contemporary requirements of government. It was formally recognised by the NT Government in March 2003. There has been active involvement in Council meetings and a shared vision of priorities has emerged. The key theme is emblazoned in bright colours on a sign at Wadeye airport that greets visitors with the words: “Give every Aboriginal kid a chance.” One manifestation of the new Council’s success in this endeavour is a sharp increase in school attendance (an extra 200 children) since 2004, which has exceeded the school’s capacity to accommodate it.

With Wadeye subsequently being chosen as one of the COAG trial sites, its access to funding and expertise has been increased. The new governance arrangements provide reason for optimism about the future. That said, there is clearly some way to go and government support will remain crucial to its sustainability.

Looking forward

In sum, while this second Report confirms the major challenges in overcoming Indigenous disadvantage evident in the first, it also contains signs of encouragement for the future. A lesson from Australia's long history of policy failure in Indigenous affairs is that we need to learn from our mistakes. But we also need to propagate successes. As Indigenous representatives at a recent HREOC/Reconciliation Australia workshop put it, the Report is a tool for doing that — and for identifying where further actions are most needed.

The Report itself is a work in progress and needs to be improved in various respects. As noted, there continue to be data gaps and deficiencies in areas that are critical to the Report's core task of mapping changes in the various dimensions of disadvantage, particularly in the strategic areas. I have already said enough about the need for consistent data on school attendance. (How hard can it be?) But the Report also catalogues a range of other gaps in such important areas as birthweight, child protection, hearing impediments, school performance, environment health systems and health outcomes generally.

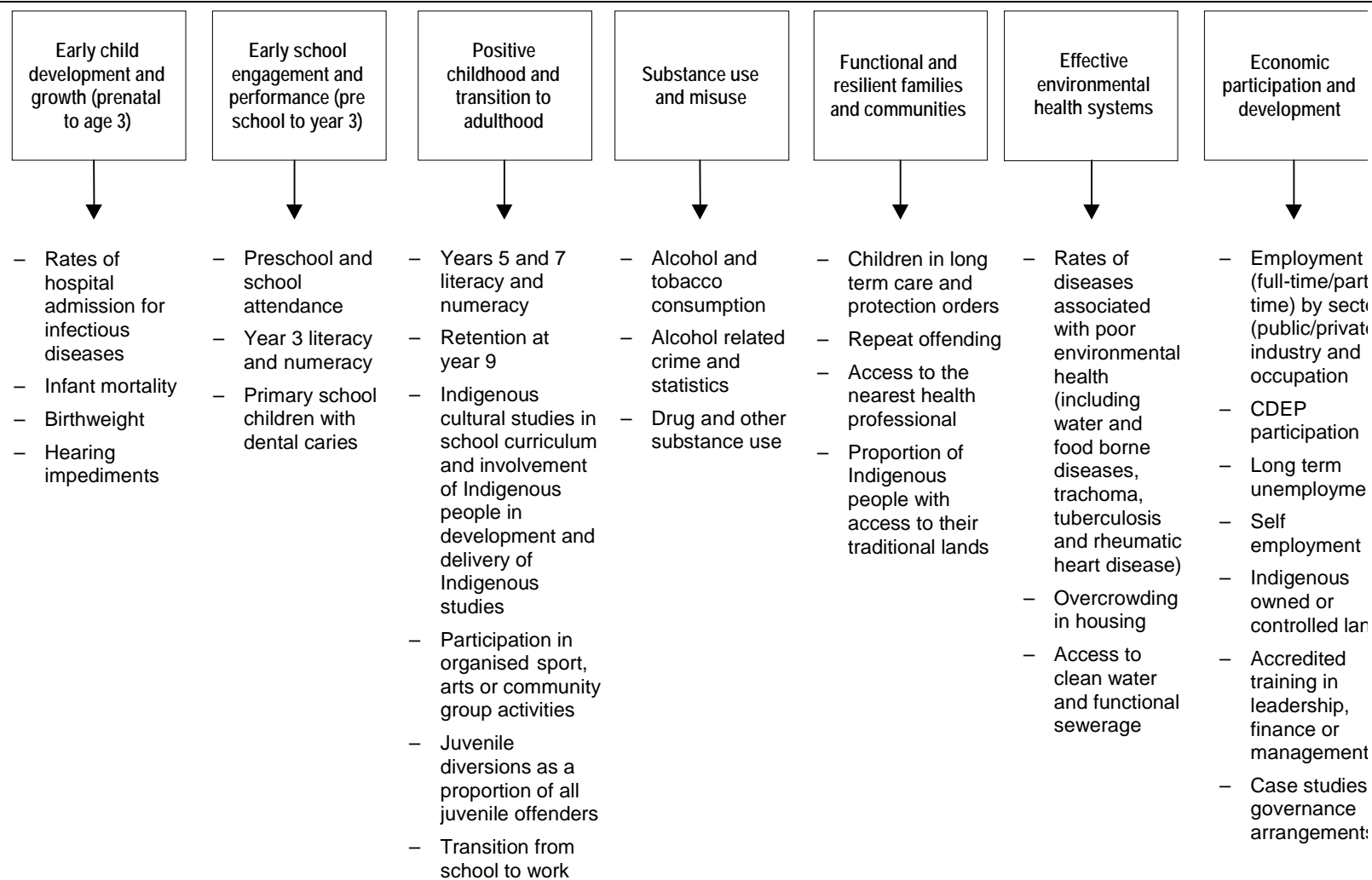
As a participant at the recent workshop also reminded us, there is a glaring lack of differentiation at a regional level, particularly for Torres Strait Islanders. And, while efforts have been made to capture key aspects of culture in the indicators (including in the governance case studies), the feedback is that we need to keep working on this. Two areas where this seems possible, again subject to data availability, are language and heritage. Our future rounds of consultations will hopefully help us in this.

The indicators in this Report provide useful guidance about outcomes in areas that matter. But this is inevitably at a broad level. It is not a substitute for detailed evaluation of specific programs and policy initiatives. Key among these right now are the COAG Trials and the Shared Responsibility Agreements. These need to be carefully monitored if we are to move forward in an informed way. That means that data requirements need to be built into their design from the outset. As far as I can discover, that has not been happening. If so, it is a major weakness and a lost opportunity. It needs to be redressed sooner rather than later.

This framework provides useful common ground for such local reporting, as well as more generally. However, notwithstanding COAG endorsement, integrating it effectively into policy evaluation across the different service areas of government is proving a challenge. Coordination, it seems, is easier said than done. Ongoing failures are evident both within governments and across governments.

Ultimately, this Report's contribution can only be informational. But the information it provides can be a powerful vehicle for change if it is used well. It helps all parties monitor progress in a consistent way over time, and to identify where more effort is needed. Currently those needs are pervasive. At the same time, we are seeing new approaches that hold out the prospect of a better future for Indigenous people, and thus for us all. I hope that the next report, in 2007, will confirm the progress that is so desperately needed.

Attachment: Strategic areas for action



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