



Overcoming

Indigenous Disadvantage

# Overcoming Indigenous Disadvantage

Key Indicators 2009

Steering Committee  
for the Review  
of Government  
Service Provision

# 2009

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# Foreword

*Overcoming Indigenous Disadvantage 2009* is the fourth report in a series commissioned by heads of Australian governments in 2002, to provide regular reporting against key indicators of Indigenous disadvantage.

In March this year, the terms of reference were updated in a letter from the Prime Minister. The new terms of reference reaffirm governments' commitment to being accountable for improved outcomes for Indigenous Australians, with the OID serving as a public report card on progress against the COAG targets and other significant indicators.

The new terms of reference align the OID framework with COAG's six high level targets for Closing the Gap in Indigenous outcomes. The structure of the aligned framework remains very similar to that of previous reports, but highlights the COAG targets and priority areas for reform, as well as including additional indicators. The Steering Committee will be consulting further on the new framework.

The OID aims to help governments address the disadvantage that limits the opportunities and choices of many Indigenous people. However, it is important to recognise that most Indigenous people live constructive and rewarding lives, contributing to their families and wider communities. That said, across nearly all the indicators in the OID, there are wide gaps in outcomes between Indigenous and non-Indigenous Australians. While the gaps are narrowing in some areas, in too many cases outcomes are not improving, or are even deteriorating. We still have a long way to go to fulfil COAG's commitment to close the gap in Indigenous disadvantage.

Data from the past two Censuses show that Indigenous people have shared in the general economic prosperity of the past decade, with increases in employment, incomes and home ownership. A key challenge will be preserving and building on these gains and closing the gaps in a more difficult economic climate. In areas such as criminal justice, outcomes for Indigenous people have been deteriorating. Indigenous people and governments are grappling with ways to identify and address the underlying drivers of these outcomes.

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The utility of the OID report depends on access to good data. As the Prime Minister observed, ‘without high quality data, it is impossible to understand where we are headed’. All governments have been committed to ensuring data are available for reporting, and some impressive efforts at data improvement are underway. These efforts are strongly supported.

But more is needed. For example, life expectancy is a key COAG target, with a commitment to closing the unacceptable gap between Indigenous and other Australians within a generation. But estimating life expectancy is a complex undertaking, and requires robust data about death rates. Changes in methodology mean that the more accurate estimates in this report are significantly lower than estimates included in previous reports. But it is not possible to say that there has been any actual improvement over time.

On behalf of the Steering Committee, I again offer sincere thanks to all those who have contributed to this report, either by providing data or through their advice and feedback on earlier reports. Special thanks are due to members of the Working Group overseeing the development of the report, particularly its Convenor, Commissioner Robert Fitzgerald. I am grateful also to the members of the Secretariat at the Productivity Commission, for their efforts and evident commitment to the development of the report. Finally, we thank all those who participated in the consultations, which have contributed greatly to improvements in the scope and content of this latest edition of the Overcoming Indigenous Disadvantage report.

Gary Banks AO

Chairman

July 2009

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# Acronyms and abbreviations

ABS	Australian Bureau of Statistics
ABS Census	Census of Population and Housing
ACC	Area Consultative Committee
ACER	Australian Council for Educational Research
ACIR	Australian Childhood Immunisation Register
ACF	Administration for Children and Families
ACT	Australian Capital Territory
AEC	Australian Employment Covenant
AED	Aboriginal Economic Development directorate
AEDI	Australian Early Development Index
AES	Aboriginal Employment Strategy
AHMAC	Australian Health Ministers' Advisory Council
AHO	Aboriginal Housing Office
AIC	Australian Institute of Criminology
AIEW	Aboriginal and Islander Education Workers
AIHW	Australian Institute of Health and Welfare
AMIC	Aboriginal Maternal and Infant Care
AMP	Alcohol Management Plans
APY	Anangu Pitjantjatjara Yankunytjatjara
ASHE	Academy of Sport, Health and Education
ATSIHPF	Aboriginal and Torres Strait Islander Health Performance Framework
AuSSA	Australian Survey of Social Attitudes
BMI	body mass index
BSC	Building strong corporations

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CAEPR	Centre for Aboriginal Economic Policy Research
CDE	Census Data Enhancement Indigenous Mortality Quality Study
CDEP	Community Development Employment Projects
CHC	Child Health Check
CHINS	Community Housing and Infrastructure Needs Survey
CIRCA	Cultural and Indigenous Research Centre Australia
COAG	Council of Australian Governments
CRC	COAG Reform Council
CRCAH	Cooperative Research Centre for Aboriginal Health
CSTDA	Commonwealth, State and Territory Disability Agreement
CYI	Cape York Institute
CYWR	Cape York Welfare Reform
DALYs	Disability-adjusted life years
DEEWR	Department of Education, Employment and Workplace Relations
DET	Department of Education and Training
DEWR	(former) Department of Employment and Workplace Relations
DHAC	Commonwealth Department of Health and Aged Care
DHCS	Department of Disability Housing and Community Services
DOGIT	deed of grant in trust
DUMA	Drug Use Monitoring in Australia
FaHCSIA	Department of Families, Housing, Community Services and Indigenous Affairs
FAS	Fetal alcohol syndrome
FASD	Fetal alcohol spectrum disorder
FCH	Family and Community Healing
FIM	Family Income Management
FWB	Family Wellbeing
GP	General practitioner

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GWEH	Gross Weekly Equivalised Household Income
HEP	Higher Expectations Program
HFAB	Healthy Food Access Basket
HREOC	Human Rights and Equal Opportunity Commission (now Australian Human rights Commission)
IBA	Indigenous Business Australia
ICAP	Improving Care for Aboriginal and Torres Strait Islander Patients
ICC	Indigenous Coordination Centre
ICD-10-AM	International Classification of Diseases, 10th Edition, Australian Modification
ICGP	Indigenous Community Governance Project
IEP (1)	Indigenous Employment Program
IEP (2)	Indigenous Enterprise Partnerships
IESIP	Indigenous Education Strategic Initiatives Programme
IHHP	Indigenous Hip Hop Projects
IHO	Indigenous Housing Organisation
ILC	Indigenous Land Corporation
ILUA	Indigenous Land Use Agreement
IPA	Indigenous Protected Area
KIC	Kwinana Industrial Centre
KIEP	Kwinana Industry Education Partnership
LDC	Larrakia Development Corporation
LSAY	Longitudinal Surveys of Australian Youth
LSIC	Longitudinal Study of Indigenous Children
MBS	Medicare Benefits Schedule
MCEETYA	Ministerial Council on Education, Employment, Training and Youth Affairs
MOU	memorandum of understanding
NAPLAN	National Assessment Program — Literacy and Numeracy
NATSIHS	National Aboriginal and Torres Strait Islander Health Survey

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NATSIS	National Aboriginal and Torres Strait Islander Survey
NATSISS	National Aboriginal and Torres Strait Islander Social Survey
NCVER	National Centre for Vocational Education Research
NDICP	National Deaths in Custody Program
NDSHS	National Drug Strategy Household Survey
NHMD	National Hospital Morbidity Database
NHMP	National Homicide Monitoring Program
NHMRC	National Health and Medical Research Council
NHS	National Health Survey
NICP	National Indigenous Cadetship Project
NIRA	National Indigenous Reform Agreement
NMDS	National Minimum Data Set
NNTT	National Native Title Tribunal
NP	National Partnership
NPC	National Preschool Census
NSSC	National Schools Statistics Collection
NSW	New South Wales
NT	Northern Territory
NTCE	Northern Territory Certificate of Education
NTER	Northern Territory Emergency Response
OEA	Office of Evaluation and Audit (Indigenous Programs)
OECD	Organisation for Economic Co-operation and Development
OID	Overcoming Indigenous Disadvantage
OIPC	Office of Indigenous Policy Coordination
ORIC	Office of the Registrar of Indigenous Corporations
PEDS	Parents Evaluation of Developmental Status
PISA	Program for International Student Assessment
PTA	Papunya Tula Artists
QAS	Queensland Ambulance Service
Qld	Queensland

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RCH	Royal Children’s Hospital
RSE	Relative standard error
RTIO	Rio Tinto Iron Ore
SA	South Australia
SAAP	Supported Accommodation Assistance Program
SAAP NDCA	Supported Accommodation Assistance Program National Data Collection Agency
SCRCSSP	Steering Committee for the Review of Commonwealth/State Service Provision
SCRGSP	Steering Committee for the Review of Government Service Provision
STEP	Structured Training and Employment Program
STI	Sexually Transmitted Infection
SWAMS	South West Aboriginal Medical Service
TAFE	Technical and Further Education
Tas	Tasmania
TIMSS	Trends in International Mathematics and Science Study
UNICEF	United Nations Children’s Fund
VET	Vocational Education and Training
Vic	Victoria
VIAF	Victorian Indigenous Affairs Framework
WA	Western Australia
WAACHS	Western Australian Aboriginal Child Health Survey
WASTC	West Arnhem Shire Transitional Committee
WGIR	Working Group on Indigenous Reform
WHO	World Health Organisation

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# Glossary

- Aboriginal** A person who identifies as being of Aboriginal origin. May also include people who identify as being of both Aboriginal and Torres Strait Islander origin.
- Age standardised rates** Age standardised rates enable comparisons to be made between populations that have different age structures. Age standardisation is often used when comparing the Indigenous and non-Indigenous populations because the Indigenous population is younger than the non-Indigenous population. Outcomes for some indicators are influenced by age, therefore, it is appropriate to age standardise the data when comparing the results. When comparisons are not being made between the two populations, the data are not age standardised.
- CDEP** Community Development Employment Projects (CDEP) is an Australian Government funded program that provides activities for unemployed Indigenous people to develop work skills and move into employment. For statistical purposes the ABS classifies participants in CDEP as employed rather than as unemployed or not in the labour force. Some CDEP activities are similar to those undertaken by participants in Work for the Dole, while other activities are essential roles in municipal services, health care, community services, education and other sectors that would be considered employment in mainstream communities and organisations (see section 4.6).

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**Core activity  
limitation (ABS  
definition)**

The ABS defines a core activity need for assistance as a profound or severe disability, that is, people needing help or assistance in one or more of the three core activity areas of self-care, mobility and communication, because of a disability (lasting six months or more), long term health condition (lasting six months or more) or old age (ABS 2006).

Self care, mobility and communication are defined as core activities. The ABS defines levels of core activity limitation as follows: mild, where a person has no difficulty with self care, mobility or communication, but uses aids or equipment; moderate, where a person does not need assistance, but has difficulty with self care, mobility or communication; severe, where a person sometimes needs assistance with self care, mobility or communication; and profound, where a person is unable to perform self care, mobility and/or communication tasks, or always needs assistance (see section 4.8).

Data in section 4.8 are from the ABS 2006 Census, which collected data on people needing assistance with core activities. However, information on the degree of core activity limitation was not collected.

**Confidence  
intervals**

Survey data, for example data from the National Aboriginal and Torres Strait Islander Health Survey, are subject to sampling error because they are based on samples of the total population. Where survey data are shown in charts in this report, error bars are included, showing 95 per cent confidence intervals. There is a 95 per cent chance that the true value of the data item lies within the interval shown by the error bars. See ‘statistical significance’.

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**Disability (ABS definition)**

A person has a disability if he or she has a limitation, restriction or impairment, which has lasted, or is likely to last, for at least six months and restricts everyday activities. These activities include: loss of sight (not corrected by glasses or contact lenses); or an aid to assist with, or substitute for, hearing is used; speech difficulties; shortness of breath or breathing difficulties causing restriction; chronic or recurrent pain or discomfort causing restriction; blackouts, fits, or loss of consciousness; difficulty learning or understanding; incomplete use of arms or fingers; difficulty gripping or holding things; incomplete use of feet or legs; nervous or emotional condition causing restriction; restriction in physical activities or in doing physical work; disfigurement or deformity; mental illness or condition requiring help or supervision; long-term effects of head injury, stroke or other brain damage causing restriction; receiving treatment or medication for any other long-term conditions or ailments and still restricted; or any other long-term conditions resulting in a restriction. See ‘core activity limitation’.

**ICD**

ICD is the International Statistical Classification of Diseases and Related Health Problems, endorsed by the World Health Organization (WHO). It is primarily designed for the classification of diseases and injuries with a formal diagnosis. ICD-10-AM is the Australian modification of the tenth revision and was adopted for Australian use from 1 January 1999 (superseding ICD-9).

**Equivalised household income**

Equivalised household income adjusts the actual incomes of households to make households of different sizes and compositions comparable. It results in a measure of the economic resources available to members of a standardised household (see section 4.9).

**Excess deaths**

Calculated by subtracting expected Indigenous deaths (based on age, sex and cause specific rates for non-Indigenous Australians) from the number of actual cause specific deaths in the Indigenous population.

**Income ranges**

See ‘quintiles’.

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<b>Infant mortality</b>	Deaths of children between birth and exactly one year of age.
<b>Inner regional</b>	See ‘remoteness areas’.
<b>Hospitalisation</b>	Hospitalisations recorded in this report are called ‘hospital separations’ in many other publications using hospital statistics. A ‘separation’ refers to an episode of care, which can be a total hospital stay (from admission to discharge, transfer or death), or a portion of a hospital stay beginning or ending in a change of type of care (for example, from acute to rehabilitation). It is also defined as the process by which an admitted patient completes an episode of care by being discharged, dying, transferring to another hospital or changing type of care. For measuring a hospital’s activity, separations are used in preference to admissions because diagnoses and procedures can be more accurately recorded at the end of a patient’s stay and patients may undergo more than one separation from the time of admission. Admitted patients who receive same day procedures (for example, renal dialysis) are recorded in hospitalisation statistics.
<b>Indigenous status not stated/ Indigenous status unknown</b>	Where a person’s Indigenous origin has either not been asked or not recorded.
<b>Indigenous</b>	A person of Aboriginal and/or Torres Strait Islander origin who identifies as an Aboriginal and/or Torres Strait Islander.
<b>Inner regional</b>	See ‘remoteness areas’.
<b>Jurisdiction</b>	The Australian Government or a State or Territory Government and areas that it has legal authority over.

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**Labour force**

The labour force is the most widely used measure of the economically active population or the formal supply of labour. It is a measure of the number of people contributing to, or willing to contribute to, the supply of labour and, as defined by the ABS, comprises two mutually exclusive categories of population: the employed (people who have worked for at least one hour in the reference week, including those who have participated in Community Development Employment Projects (CDEP)), and the unemployed (people who are without work, but are actively looking for work and available to start work within four weeks).

**Major cities**

See 'remoteness areas'.

**Mean and median income measures**

A mean income value is the average value of a set of income data. It is calculated by adding up all the values in the set of data and dividing that sum by the number of values in the dataset. Median value is the middle point of a set of income data. Lining up the values in a set of income data from largest to smallest, the one in the centre is the median income value (if the centre point lies between two numbers, the median value is the average value of the two numbers).

Median value is a better measure for income than mean as mean income values are more influenced by extreme income values (including the lowest and highest incomes). Therefore, median income value is a more accurate measure of income for an average household or average individual income earner.

For example, the gross monthly incomes for 9 households are: \$10 000, \$5000, \$2500, \$1500, \$1500, \$1500, \$1000, \$450, \$450.

The **mean income value** among the 9 households is  $(\$10\,000 + \$5\,000 + \$2500 + \$1500 + \$1500 + \$1500 + \$1000 + \$450 + \$450) / 9 = \$2655.6$ . The **median income value** is the fifth value (the mid point), \$1500.

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<b>Non-Indigenous</b>	A person who does not identify as Aboriginal and/or Torres Strait Islander.
<b>Non-school qualification</b>	Non-school qualifications include vocational or higher education qualifications.
<b>Non-remote</b>	See ‘remoteness areas’.
<b>Outer regional</b>	See ‘remoteness areas’.
<b>Perinatal mortality</b>	Death of an infant within 28 days of birth (neonatal death) or of a fetus (unborn child) that weighs at least 400 grams of that is of a gestational age of at least 20 weeks.
<b>Quintiles</b>	Income quintiles are groups that result from ranking all people in the population in ascending order (from the lowest to the highest) according to their incomes and then dividing the population into five equal groups, each comprising 20 per cent of the population. In addition to use in measuring income distribution, quintiles can also be used for grouping other data.
<b>Rate ratio</b>	The rate ratio is the rate for the Indigenous population divided by the rate for the non-Indigenous population. See ‘relative Indigenous disadvantage’.
<b>Regional</b>	See ‘remoteness areas’.
<b>Relative Indigenous disadvantage</b>	Relative Indigenous disadvantage is measured by comparing the rate of Indigenous disadvantage (for example, the proportion of Indigenous people reporting they do not have a non-school qualification) with the rate for the non-Indigenous population. See ‘rate ratio’.
<b>Relative standard error (RSE)</b>	The relative standard error (RSE) of a survey data estimate is a measure of the reliability of the estimate and depends on both the number of people giving a particular answer in the survey and the size of the population. The RSE is expressed as a percentage of the estimate. The higher the RSE, the less reliable the estimate. Relative standard errors for survey estimates are included in the attachment tables. See also ‘statistical significance’.

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<b>Remote</b>	See ‘remoteness areas’.
<b>Remoteness</b>	See ‘remoteness areas’.
<b>Remoteness areas</b>	<p>Remoteness areas are defined in the Australian Standard Geographical Classification (ASGC) developed by the ABS. The ASGC remoteness classification identifies a place in Australia as having a particular degree of remoteness. The remoteness of each place is determined using the Accessibility/Remoteness Index of Australia (ARIA). The ABS generates an average ARIA score for each location based on its distance from population centres of various sizes. Locations are then added together to form the remoteness areas in each State and Territory. Remoteness areas comprise the following six categories:</p> <ul style="list-style-type: none"> <li>• major cities of Australia</li> <li>• inner regional Australia</li> <li>• outer regional Australia</li> <li>• remote Australia</li> <li>• very remote Australia</li> <li>• migratory regions (comprising off-shore, shipping and migratory places).</li> </ul> <p>The aim of the ASGC remoteness structure is not to provide a measure of the remoteness of a particular location but to divide Australia into five broad categories (excluding migratory regions) of remoteness for comparative statistical purposes. A map of Australia showing geographic areas according to each of the five remoteness categories is included in section 8.2.</p>

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**Statistical  
significance**

Statistical significance is a measure of the degree of difference between survey data estimates. The potential for sampling error — that is, the error that occurs by chance because the data are obtained from only a sample and not the entire population — means that reported responses may not indicate the true responses.

Using the relative standard errors (RSE) of survey data estimates, it is possible to use a formula to test whether the difference is statistically significant. If there is an overlap between confidence intervals for different data items, it cannot be stated for certain that there is a statistically significant difference between the results. See ‘confidence intervals’ and ‘relative standard error’.

**Torres Strait  
Islander people**

People who identify as being of Torres Strait Islander origin. May also include people who identify as being of both Torres Strait Islander and Aboriginal origin.

**Universities  
Admissions Index  
(UAI)**

Eligibility for admission to a public university in Australia on the basis of merit is determined in each State and Territory through the use of a score — the UAI. Calculating the UAI varies between each State and Territory.

**Very remote**

See ‘remoteness areas’.



PRIME MINISTER  
CANBERRA

Reference: B08/2004

11 MAR 2009

Mr Gary Banks AO  
Chairman  
Steering Committee for the Review of Government Service Provision  
C/- Productivity Commission  
Locked Bag 2  
COLLINS STREET EAST VIC 8003

Dear Mr Banks

I am writing in my capacity as Chair of the Council of Australian Governments (COAG) to convey to you updated Terms of Reference for the Overcoming Indigenous Disadvantage (OID) Report.

Since it was first published in 2003, the OID report has established itself as a source of high quality information on the progress being made in addressing Indigenous disadvantage across a range of key indicators. The OID report has been used by Governments and the broader community to understand the nature of Indigenous disadvantage and as a result has helped inform the development of policies to address Indigenous disadvantage. The OID report is highly regarded and I commend the Steering Committee for the Review of Government Services (the Steering Committee) for its efforts in preparing the report every two years.

In December 2007 and March 2008, COAG committed to six ambitious targets to close the gap in Indigenous disadvantage:

- closing the life expectancy gap within a generation;
- halving the gap in the mortality rate for Indigenous Children under five within a decade;
- ensuring all Indigenous four year olds in remote communities have access to quality early childhood programs within five years;
- halving the gap in reading, writing and numeracy achievements for children within a decade;
- halving the gap for Indigenous students in Year 12 attainment rates or equivalent attainment by 2020; and
- halving the gap in employment outcomes within a decade.

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Without high quality data, it is impossible to understand where we are headed in terms of overcoming Indigenous disadvantage. Through the National Indigenous Reform Agreement, all Governments have committed to ensuring their data is of high quality, and moreover, is available for reporting purposes. This undertaking has been made with specific reference to the need for data to be provided for the OID report.

In August 2008, the Chair of the COAG Working Group on Indigenous Reform (WGIR), the Hon Jenny Macklin MP, wrote to you requesting the Steering Committee work with the WGIR to align the OID framework to the Closing the Gap targets.

As a result, on 29 November 2008, COAG agreed a new framework for the OID report which takes account of the six ambitious targets to Close the Gap in Indigenous disadvantage. The Steering Committee should take account of this new framework in preparing future OID reports thereby ensuring the report continues to provide Governments and the broader community with an understanding of the progress being made to overcome Indigenous disadvantage.

I have copied this letter to the Treasurer, Ms Macklin and the Chair of MCATSIA the Deputy Premier of the Government of Western Australia and Minister for Indigenous Affairs, the Hon Dr Kim Hames MLA.

Yours sincerely



Kevin Rudd