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The Productivity Commission acts as the Secretariat for the Steering Committee.

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Suggestions:

The Steering Committee welcomes suggestions on the information contained in this report. Please direct your suggestions to the Productivity Commission Secretariat at the above address.

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CAUTION: Aboriginal and Torres Strait Islander people should be aware that this publication may contain images of deceased people.

The Steering Committee thanks Reconciliation Australia and the Department of Sustainability, Environment, Water, Population and Communities for providing the photographs reproduced in this report. No inference is intended that the people or communities shown are the subject of any issue raised in the report.

Cover photos: Photos courtesy of Reconciliation Australia and Wayne Quilliam (Indigenous Governance Awards 2010).

Foreword

Overcoming Indigenous Disadvantage: Key Indicators 2011 is the fifth in a series of regular reports commissioned by heads of governments in 2002.

The reports serve as a public account of progress against the six targets set by the Council of Australian Governments (COAG), together with a number of other significant indicators. The Steering Committee has consulted extensively on the report's framework, which has been endorsed by Indigenous people, governments and a range of relevant organisations in the public and private sectors.

The reports help governments monitor and address the disadvantage that limits the opportunities and choices of many Indigenous people. While a number of dimensions of disadvantage increase with geographic remoteness, Indigenous people in urban settings can also face significant disadvantage compared with non-Indigenous people in those areas.

Nine years after this series was commissioned, there is still a considerable way to go if we are to fulfil COAG's commitment to close the gap in Indigenous disadvantage. Wide gaps in average outcomes remain across most indicators. Of the 45 quantitative indicators in the report, for example, available data show improvement in outcomes for only 13 indicators — including in employment, educational attainment and home ownership. For 10 there has been no real improvement, while for another seven, including social indicators such as criminal justice, outcomes have actually deteriorated.

The utility of this report depends on access to good data. Despite ongoing improvements in data collections, for one third of the indicators in this edition adequate data were not available to measure changes over time. All governments have committed to improving data availability and quality, and some impressive efforts at data improvement are underway. These efforts are strongly supported.

On behalf of the Steering Committee, I record our gratitude 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 also very grateful for the support of staff in

the Secretariat at the Productivity Commission and for their commitment to this enterprise. Finally, we thank all those who participated in consultations on previous editions of the report, which have contributed greatly to improvements in the scope and content of this latest edition.

Gary Banks AO
Chairman

August 2011

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Steering Committee

This report was produced under the direction of the Steering Committee for the Review of Government Service Provision (SCRGSP). The Steering Committee comprises the following current members:

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Mr Ron Perry	Aust. Govt.	Department of Prime Minister and Cabinet
Mr Peter Robinson	Aust. Govt.	Department of the Treasury
Mr David de Carvalho	Aust. Govt.	Department of Finance and Deregulation
Dr Liz Develin	NSW	Department of Premier and Cabinet
Mr Kevin Cosgriff	NSW	NSW Treasury
Mr Simon Kent	Vic	Department of Premier and Cabinet
Mr Tony Bates	Vic	Department of Treasury and Finance
Ms Amanda Scanlon	Qld	Department of the Premier and Cabinet
Ms Janelle Thurlby	Qld	Queensland Treasury
Mr Warren Hill	WA	Department of the Premier and Cabinet
Mr David Christmas	WA	Department of Treasury and Finance
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Mr David Reynolds	SA	Department of Treasury and Finance
Ms Rebekah Burton	Tas	Department of Premier and Cabinet
Ms Pam Davoren	ACT	Chief Minister's Department
Ms Jenny Coccetti	NT	Department of the Chief Minister
Mr Tony Stubbin	NT	NT Treasury
Mr Trevor Sutton		Australian Bureau of Statistics
Mr David Kalisch		Australian Institute of Health and Welfare

People who also served on the Steering Committee during the production of this report include:

Ms Sue Vroombout	Aust. Govt.	Department of the Treasury
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Ms Chris Christensen	SA	Department of the Premier and Cabinet
Ms Anne Coleman	NT	Department of the Chief Minister
Dr Penny Allbon		Australian Institute of Health and Welfare

Acronyms and abbreviations

ABS	Australian Bureau of Statistics
ABS Census	Census of Population and Housing
ACARA	Australian Curriculum, Assessment and Reporting Authority
ACER	Australian Council for Educational Research
ACIR	Australian Childhood Immunisation Register
ACF	Administration for Children and Families
ACT	Australian Capital Territory
AEDI	Australian Early Development Index
AHMAC	Australian Health Ministers' Advisory Council
AIC	Australian Institute of Criminology
AIEF	Australian Indigenous Education Foundation
AIEW	Aboriginal and Islander Education Workers
AIHW	Australian Institute of Health and Welfare
AIMSC	Australian Indigenous Minority Supplier Council
AMIC	Aboriginal Maternal and Infant Care
AMIHS	Aboriginal Maternal and Infant Health Service
ANAO	Australian National Audit Office
ANTA	Australian National Training Authority
ASCED	Australian Standard Classification of Education
ASGC	Australian Standard Geographical Classification
ATAR	Australian Tertiary Admission Rank
ATSIC	Aboriginal and Torres Strait Islander Commission
ATSIEB	Aboriginal and Torres Strait Islander Elected Body
ATSIHPF	Aboriginal and Torres Strait Islander Health Performance Framework

BMI	body mass index
CAEPR	Centre for Aboriginal Economic Policy Research
CDE IMQS	Census Data Enhancement Indigenous Mortality Quality Study
CDEP	Community Development Employment Projects
CDHS	Child Dental Health Survey
CEaCS	Childhood Education and Care Survey
CGRIS	Coordinator General for Remote Indigenous Services
CHINS	Community Housing and Infrastructure Needs Survey
COAG	Council of Australian Governments
CPiCLAS	Children’s Participation in Cultural and Leisure Activities Survey
CRC	COAG Reform Council
CRCAH	Cooperative Research Centre for Aboriginal Health
CYI	Cape York Institute
CYPAL	Cape York Peninsula Aboriginal Land
CYWR	Cape York Welfare Reform
DALYs	Disability-adjusted life years
DEECD	Department of Education and Early Childhood Development
DEEWR	Department of Education, Employment and Workplace Relations
DERM	Department of Environment and Resource Management
DHAC	Commonwealth Department of Health and Aged Care
DMFT	Decayed, missing and filled teeth
DTP	Diphtheria, tetanus, pertussis
DVD	Digital Versatile Disc
ECEC	Early Childhood Education and Care Collection
ESO	Essential Service Operator
FaHCSIA	Department of Families, Housing, Community Services and Indigenous Affairs
FAS	Fetal alcohol syndrome

FASD	Fetal alcohol spectrum disorder
FIM	Family Income Management
FRC	Family Responsibilities Commission
GP	General practitioner
g	grams
GSS	General Social Survey
GWEH	Gross Weekly Equivalised Household Income
HEPS	Higher Expectations Program — Secondary
HEPT	Higher Expectations Program — Tertiary
h'hold	household
Hib	<i>Haemophilus influenzae</i> type b
IBA	Indigenous Business Australia
ICD-10	International Classification of Diseases, 10th Edition
ICD-10-AM	International Classification of Diseases, 10th Edition, Australian Modification
ICGP	Indigenous Community Governance Project
IESIP	Indigenous Education Strategic Initiatives Programme
ILC	Indigenous Land Corporation
ILUA	Indigenous Land Use Agreement
IPA	Indigenous Protected Area
KAWA	Kapululangu Aboriginal Women's Association
KBN	Koori Business Network
KIMSS	Kimberley Indigenous Management Support Service
KMS	Koori Maternity Services
LDC	Larrakia Development Corporation
LINs	Local Indigenous Networks
LMOs	Labour Market Outcomes
LORI	Levels of Relative Isolation
MBS	Medicare Benefits Schedule
MCATSIA	Ministerial Council for Aboriginal and Torres Strait Islander Affairs

MCEECDYA	Ministerial Council for Education, Early Childhood Development and Youth Affairs
MMR	Measles, mumps, rubella
NAPLAN	National Assessment Program — Literacy and Numeracy
NATSIHS	National Aboriginal and Torres Strait Islander Health Survey
NATSIS	National Aboriginal and Torres Strait Islander Survey
NATSISS	National Aboriginal and Torres Strait Islander Social Survey
NCACCH	North Coast Aboriginal Corporation for Community Health
NCIE	National Centre of Indigenous Excellence
NCVER	National Centre for Vocational Education Research
NDA	National Disability Agreement
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
NHS (I)	National Health Survey — Indigenous Supplement
NIEHS	National Indigenous Eye Health Survey
NIRA	National Indigenous Reform Agreement
NMDS	National Minimum Data Set
NNTT	National Native Title Tribunal
NP	National Partnership
NPA	National Partnership Agreement
NPC	National Preschool Census
NPDC	National Perinatal Data Collection
NPPG	Napranum Preschool PaL (Parents and Learning) Group
NPRSD	National Partnership on Remote Service Delivery
NSAOH	National Survey of Adult Oral Health
NSSC	National Schools Statistics Collection
NSW	New South Wales

NT	Northern Territory
NTER	Northern Territory Emergency Response
NYPR	National Youth Participation Requirement
OCSAR	Office for Crime Statistics and Research
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
PALS	Partnership, Acceptance, Learning and Sharing
PCP	Partnership Community Program
PISA	Program for International Student Assessment
POIs	Persons of Interest
PTA	Papunya Tula Artists
Qld	Queensland
QTAC	Queensland Tertiary Admissions Centre
RCIADIC	Royal Commission into Aboriginal Deaths in Custody
RSE	Relative standard error
SA	South Australia
SAAAC	South Australian Aboriginal Advisory Council
SAAP	Supported Accommodation Assistance Program
SATAC	South Australian Tertiary Admissions Centre
SCRGSP	Steering Committee for the Review of Government Service Provision
SDR	Standardised death rate
SIDS	Sudden Infant Death Syndrome
SIH	Survey of Income and Housing
STI	Sexually Transmitted Infection
TAFE	Technical and Further Education
Tas	Tasmania
TIMSS	Trends in International Mathematics and Science Study

TISC	Tertiary Institutions Service Centre
UAC	Universities Admissions Centre
UNDP	United Nations Development Programme
UNICEF	United Nations Children’s Fund
VET	Vocational Education and Training
Vic	Victoria
VTAC	Victoria Tertiary Admissions Centre
WA	Western Australia
WAACHS	Western Australian Aboriginal Child Health Survey
WGIR	Working Group on Indigenous Reform
WHO	World Health Organisation

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.
- Canadian National Occupancy Standard** The Canadian National Occupancy Standard for housing appropriateness is a set of criteria adopted by the ABS to measure housing overcrowding. It compares the number of bedrooms with the number and characteristics of people in a dwelling.

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 in the survey data used in this report, the ABS classified 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 were essential roles in municipal services, health care, community services, education and other sectors that would be considered employment in mainstream communities and organisations. However, through the National Partnership Agreement on Indigenous Economic Participation agreed in early 2009, COAG committed to converting around two thousand CDEP positions to ongoing jobs in the government service provision (see section 4.6).

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.

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).

Confidence intervals

Survey data, for example data from the National Aboriginal and Torres Strait Islander Social 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’.

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’.
Infant mortality	Deaths of children between birth and exactly one year of age.
Inner regional	See ‘remoteness areas’.
Hospitalisation	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.
Indigenous status not stated/ Indigenous status unknown	Where a person’s Indigenous origin has either not been asked or not recorded.

Indigenous	A person of Aboriginal and/or Torres Strait Islander origin who identifies as an Aboriginal and/or Torres Strait Islander.
Inner regional	See ‘remoteness areas’.
Jurisdiction	The Australian Government or a State or Territory Government and areas that it has legal authority over.
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	<p>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).</p> <p>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.</p>

	<p>For example, the gross monthly incomes for 9 households are: \$10 000, \$5000, \$2500, \$1500, \$1500, \$1500, \$1000, \$450, \$450.</p> <p>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.</p>
Non-Indigenous	A person who does not identify as Aboriginal and/or Torres Strait Islander.
Non-school qualification	Non-school qualifications include vocational or higher education qualifications.
Non-remote	See ‘remoteness areas’.
Outer regional	See ‘remoteness areas’.
Perinatal mortality	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.
Quintiles	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.
Rate difference	The rate difference is the rate for the Indigenous population minus the rate for the non-Indigenous population. See ‘relative Indigenous disadvantage’.
Rate ratio	The rate ratio is the rate for the Indigenous population divided by the rate for the non-Indigenous population. See ‘relative Indigenous disadvantage’.
Regional	See ‘remoteness areas’.

Relative Indigenous disadvantage	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’.
Relative standard error (RSE)	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’.
Remote	See ‘remoteness areas’.
Remoteness	See ‘remoteness areas’.

Remoteness areas

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:

- major cities of Australia
- inner regional Australia
- outer regional Australia
- remote Australia
- very remote Australia
- migratory regions (comprising off-shore, shipping and migratory places).

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.

**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.

Very remote

See ‘remoteness areas’.

Terms of reference

Prime Minister
Canberra

Reference: B08/2004

11 Mar 2009

Mr Gary Banks AO
Chairman
Steering Committee for the Review of Government Service Provision

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.

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 MCATSI, the Deputy Premier of the Government of Western Australia and Minister for Indigenous Affairs, the Hon Dr Kim Hames MLA.

Yours sincerely

Kevin Rudd