1 About this report

Aboriginal and Torres Strait Islander terminology

The Steering Committee acknowledges current debate around appropriate terminology to refer to the Indigenous peoples of Australia.

Following feedback on previous editions of the report, this report generally uses the term ‘Aboriginal and Torres Strait Islander Australians’ to describe Australia’s first peoples and ‘non-Indigenous Australians’ to refer to Australians of other backgrounds, except where quoting other sources.

This is the seventh report in the Overcoming Indigenous Disadvantage (OID) series. The OID report measures the wellbeing of Aboriginal and Torres Strait Islander Australians, and Aboriginal and Torres Strait Islander Australians have been actively involved in the development and production of the report.

Section 1.1 describes the origins of the report, and section 1.2 describes its key objectives. Section 1.3 provides contextual information on the Aboriginal and Torres Strait Islander population. Section 1.4 includes a brief historical narrative to help put the information in the report into context. Section 1.5 summarises some recent developments in government policy that have influenced the report and section 1.6 provides further information on the Steering Committee and the OID Working Group that advises it.

1.1 Origins of the OID report

The origins of this report can be traced back to the Council for Aboriginal Reconciliation’s final report, National Strategies to Advance Reconciliation (CAR 2000), which called on all governments to report against measurable program performance benchmarks.

In December 2000, the (then) Prime Minister wrote to the (then) Ministerial Council for Aboriginal and Torres Strait Islander Affairs (MCATSIA), requesting it to develop performance reporting strategies and benchmarks. When the Council of Australian Governments (COAG) commissioned the OID report in 2002, the MCATSIA work formed the basis of extensive consultations to develop the framework for the first report.

The original terms of reference for the OID report requested the Steering Committee for the Review of Government Service Provision to:

… produce a regular report against key indicators of Indigenous disadvantage. This report will help to measure the impact of changes to policy settings and service delivery and provide a
concrete way to measure the effect of the Council’s commitment to reconciliation through a jointly agreed set of indicators (COAG 2002, appendix 1).

The report’s terms of reference were updated in 2009. The new terms of reference noted the report’s significance 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. (p. iv)

Following an independent review of the report in 2012, the Steering Committee adopted suggestions from Aboriginal and Torres Strait Islander Australians that the focus of the report be expanded to incorporate more strengths-based reporting (see section 2.2 in chapter 2). In September 2014, COAG Senior Officials endorsed the Steering Committee’s proposed changes to the framework, including the addition of several new indicators that measure outcomes that Aboriginal and Torres Strait Islander Australians said are important to them.

### 1.2 Role and purpose of the OID report

COAG nominated two core objectives for the OID report:

- to inform Australian governments about whether policy programs and interventions are achieving improved outcomes for Aboriginal and Torres Strait Islander Australians
- to be meaningful to Aboriginal and Torres Strait Islander Australians.

The report therefore aims to be more than a collection of data; it aims to provide a practical tool for both government agencies and Aboriginal and Torres Strait Islander people and organisations. Other national reports covering individual areas of expenditure, health and the COAG Closing the Gap targets are outlined in box 1.2.1.

The information in this report provides a high level view of the wellbeing of Aboriginal and Torres Strait Islander Australians. It identifies where progress is being made and draws attention to where more change is needed. The report’s framework of indicators focuses on some of the factors that ultimately cause disadvantage and the factors that can contribute to wellbeing — those areas where evidence, logic and experience suggest that targeted policies will have the greatest impact.
The information in the report can help inform the design of policies, by illustrating the nature of the disadvantage experienced by many Aboriginal and Torres Strait Islander Australians, and identifying some of the significant sources of their wellbeing.

The report draws on many examples of evaluated programs to identify some of the factors behind policies and programs that have been successful in addressing Indigenous disadvantage. However, while this report draws on evaluations conducted by other bodies, this report does not attempt to evaluate specific policies or programs — rigorous
evaluations require detailed information about the aims, costs and benefits of individual programs and are beyond the scope of this report.

Similarly, the report does not include targets for most of its indicators (the COAG targets, which have been agreed by all governments, are an exception, but the report does not specifically assess performance against these targets). While the aim is to close the gap in outcomes, more information about the policies and programs of all governments would be necessary to set meaningful targets.

Data limitations, and a desire to keep the report to a manageable size, mean that much of this report concentrates on outcomes at the national and State and Territory level. A focus on what is happening at the aggregate level is important, to help ensure the underlying causes of disadvantage and foundations of wellbeing are being addressed.

However, the Steering Committee recognises the diversity of Aboriginal and Torres Strait Islander cultures and experiences and acknowledges that the outcomes measured in this report can vary markedly by geography, age, sex, employment status and other factors. Some Aboriginal and Torres Strait Islander Australians experience little or no disadvantage compared to non-Indigenous Australians, while some Aboriginal and Torres Strait Islander Australians are highly disadvantaged. Throughout the report, outcomes are presented by remoteness and other characteristics wherever possible. In addition, the analysis in chapter 13 explores some of the complex factors that contribute to improving outcomes.

In particular, there are significant differences within and between Aboriginal Australians and Torres Strait Islander Australians. The relatively small number of Torres Strait Islander people makes it difficult to report about them separately, but available data are summarised in chapter 12.

It is important to have an overall picture of outcomes for Aboriginal and Torres Strait Islander Australians, because they are overrepresented among Australians facing disadvantage, and this disadvantage appears more persistent over time and across generations. The Indigenous peoples of countries with similar colonial histories to Australia, such as Canada, the United States of America and New Zealand, also experience high rates of disadvantage (Jackson Pulver et al. 2010; Cooke et al. 2007; King, Smith and Gracey 2009; Armitage 1995 cited in Cornell 2006).

This report tracks progress against the COAG targets, plus a number of other indicators of disadvantage and wellbeing, to provide accountability for overcoming Indigenous disadvantage. In this report, a number of indicators show improvements, particularly some early childhood, health and education measures. However, significant gaps in outcomes remain. Particularly concerning, it appears that family/community violence outcomes have stalled, while involvement with the child protection system remains high,

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1 A number of other reports include information on outcomes for Aboriginal and Torres Strait Islander people. A diagram of the key national reports is in box 1.2.1 in this chapter.
and mental health, drug and alcohol, and youth and adult criminal justice outcomes appear to be worsening.

### 1.3 Putting the OID report into context

Following the 2011 Census, there were an estimated 670,000 Aboriginal and/or Torres Strait Islander Australians. This Aboriginal and Torres Strait Islander population is diverse — made up of many different nations, clans and skin groups with different cultures, languages, histories and perspectives (Flood 2006, p. 17; Broome 2010, p. 12). Overall, the Aboriginal and Torres Strait Islander population is relatively young, largely urbanised and fast-growing. Figure 1.3.1 shows the estimated distribution of Aboriginal and Torres Strait Islander people in Australia in 2011 — the heavier shades indicate higher numbers of Indigenous people living in those areas.

![Figure 1.3.1](image-url)

**Figure 1.3.1** Where do Aboriginal and Torres Strait Islander Australians live? a, b

<table>
<thead>
<tr>
<th>Number of people</th>
</tr>
</thead>
<tbody>
<tr>
<td>24,872 - 64,993</td>
</tr>
<tr>
<td>14,660 - 24,311</td>
</tr>
<tr>
<td>10,014 - 13,625</td>
</tr>
<tr>
<td>7,180 - 9,884</td>
</tr>
<tr>
<td>2,827 - 6,885</td>
</tr>
</tbody>
</table>

a The estimated number of Aboriginal and Torres Strait Islander Australians in the 37 ABS Indigenous regions as at 30 June 2011. b The legend is not continuous as there were no regions with numbers in between the five categories derived.

Source: ABS 2014, Estimates and Projections, Aboriginal and Torres Strait Islander Australians, 2001 to 2026, Cat. no. 3238.0, Canberra.

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2 The most recent Census was conducted in August 2016. Data from the 2016 Census were not available for this report. The ABS will release these data progressively from 2017 onwards.
Torres Strait Islander people continue to maintain a unique cultural identity. They are a separate people in origin, history and way of life, with many cultural connections to New Guinea and nearby islands (Shnukel 2001; AIATSIS 2008, pp. 2, 6, 24, 30). In 2011, 38 100 people identified as being of Torres Strait Islander origin only, and 25 600 as both Aboriginal and Torres Strait Islander, with around 10 per cent living in the Torres Strait and the remainder on the Australian mainland (see chapter 12 for more information).

This report focusses on aggregated data (although behind the figures there is great diversity in the lives of Aboriginal and Torres Strait Islander Australians). On average, Aboriginal and Torres Strait Islander Australians experience poorer outcomes than non-Indigenous people wherever they live. For many indicators in the report, the level of disadvantage tends to increase with remoteness (figure 1.3.2), although for some important cultural indicators, such as connection with country and language maintenance and revitalisation, outcomes are better in remote areas.

Figure 1.3.2  
Selected outcomes for Aboriginal and Torres Strait Islander Australians vary by remoteness, 2014-15\(^a,b,c\)

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Non-remote</th>
<th>Remote</th>
<th>Very remote</th>
</tr>
</thead>
<tbody>
<tr>
<td>20–24 yr olds with year 12 (4.6)</td>
<td>6.5</td>
<td>5.4</td>
<td>5.1</td>
</tr>
<tr>
<td>20–64 yr olds with Cert III or above (4.8)</td>
<td>5.2</td>
<td>4.3</td>
<td>4.0</td>
</tr>
<tr>
<td>17–24 yr olds fully engaged (7.3) (a)</td>
<td>4.8</td>
<td>3.9</td>
<td>3.6</td>
</tr>
<tr>
<td>Home ownership (9.3)</td>
<td>8.8</td>
<td>7.9</td>
<td>7.6</td>
</tr>
<tr>
<td>Overcrowding (10.1)</td>
<td>10.2</td>
<td>9.3</td>
<td>9.0</td>
</tr>
</tbody>
</table>

\(^a\) Fully engaged includes full time employment and/or education and training. \(^b\) More detail on all of these outcomes can be found in the relevant sections of the report. \(^c\) Error bars represent 95 per cent confidence intervals around each estimate.


Over time, community and individual attitudes toward Aboriginal and Torres Strait Islander people have changed, and recent surveys indicate high levels of recognition of the importance of Aboriginal and Torres Strait Islander cultures to Australia’s identity as a nation (Polity Research & Consulting 2015). Similarly, over time there has been an encouraging increase in the willingness of Aboriginal and Torres Strait Islander
Australians to identify in official data collections. The ABS found that this was at least partly driven by a sense of pride and confidence in their identity, and the perception that identification can promote recognition of issues and lead to benefits for Aboriginal and Torres Strait Islander peoples (ABS 2013, pp. 10, 11). Section 3.1 provides information on the impact of this change in identification on population counts.

1.4 The historical context

Disadvantage may have both immediate social, economic and cultural determinants, and deeper underlying causes. For example, the relatively high rates of violence in Aboriginal and Torres Strait Islander communities are influenced by immediate factors such as alcohol and illicit drug use, mental health issues and childhood experience of violence. However, a number of researchers also suggest that deeper underlying causes include ‘intergenerational trauma’ resulting from the ongoing and cumulative effects of colonisation, loss of land, language and culture, the erosion of cultural and spiritual identity, forced removal of children, and racism and discrimination (Bryant 2009; Clapham, Stevenson and Lo 2006; HREOC 1997).

Many readers will be familiar with much of the history of Aboriginal and Torres Strait Islander Australians since European settlement, and will be conscious of the importance of seeing the information in this report in the context of that history. For other readers, the following material provides a very brief introduction to a complex and sometimes contentious subject. For readers interested in exploring the historical context further, the reference list provides a range of views on the impact of past events on Aboriginal and Torres Strait Islander Australians living now.

Aboriginal people have lived in Australia for some 40 000 to 60 000 years, with the Torres Strait Islands settled some 10 000 years ago (AIATSIS 2008). It is estimated that, prior to European settlement, there were some 250 distinct nations, with different languages and social systems. Much diversity remains today, with many distinct Aboriginal and Torres Strait Islander peoples of Australia.

Attachment to the land was, and still is, a central element of traditional (and ongoing) Aboriginal and Torres Strait cultures, customs and laws. Yet, when the British established the penal colony of New South Wales in January 1788, the legal system operated as if Australia belonged to no one, and denied that Aboriginal and Torres Strait Islander people had sovereignty or property rights over the land.

The colonisation period resulted in many Aboriginal and Torres Strait Islander people being dispossessed of their traditional lands, at times through violence and murder. Aboriginal people began resisting European occupation within months of the founding of the colony of NSW, and there are accounts of fighting as late as the early 1930s (Egan 1996; Elder 2003; Expert Panel 2012, p. 23; Read 2007; Reynolds 2006).
Dispossession, violence and the introduction of new diseases had a devastating effect on the local populations. Although it is difficult to estimate the size of pre-settlement populations, researchers suggest that, in different locations across mainland Australia, the number of Aboriginal people declined by between 30 and 80 per cent from the time of European settlement to the early 1900s (Madden and Pulver 2009; (eds) Briscoe and Smith 2002; Smith 1980; Department of Aboriginal Affairs 1981; Butlin 1983, pp. 119–148; Diamond 1998, p. 320).

From 1860, ‘protective’ legislation (known as the ‘Aborigines Acts’) required many Aboriginal people to live on reserves. In practice, these laws placed almost unlimited discretion in the hands of reserve superintendents and police protectors — lives on the reserves were highly regulated and basic human rights were suppressed (Chesterman and Galligan 1997, p. 41; Cunneen 2001, pp. 57-58; Morris 1988, p. 50). Aboriginal people living outside reserves were spared the worst of the reserve regime, but their rights were still limited (AIATSIS 2008; Blake 1998, p. 53). Torres Strait Islander people faced special laws, including segregated cinemas, schools, churches and housing, travel restrictions and poorer health and educational opportunities (AIATSIS 2008).

From the late 1800s through much of the twentieth century, governments in several jurisdictions controlled many Aboriginal people’s wages, pensions and endowments, with much of the money mismanaged or diverted — a practice now called ‘stolen wages’ (AIATSIS 2008, p. 122; Thornton and Luker 2009, p. 647). Some governments have since put in place reparation schemes, most recently Queensland in 2015 (Queensland Government 2016), although the passage of time and lack of records have made it very difficult to determine the full impact of ‘stolen wages’ or to determine the true value of any compensation (Western Australia Stolen Wages Taskforce 2008).

In the 1900s, governments adopted a more assimilationist approach, with explicit goals of integrating Aboriginal and Torres Strait Islander people into ‘mainstream’ society, initially focused on ‘the natives of Aboriginal origin but not of the full blood’ and later extended to all Aboriginal (and Torres Strait Islander) people (Rowley 1978, pp. 320-321). The policy was defined at the 1961 Native Welfare Conference of Federal and State Ministers in these terms:

The policy of assimilation means that all Aborigines [sic] and part-Aborigines [sic] are expected to attain the same manner of living as other Australians and to live as members of a single Australian community, enjoying the same rights and privileges, accepting the same customs and influenced by the same beliefs as other Australians. (Reynolds 1972, p. 175)

Removal of Aboriginal and Torres Strait Islander children from their families became common. Between 10 and 30 per cent of Aboriginal and Torres Strait Islander children were forcibly removed from their families and communities between 1910 and 1970, now referred to as ‘the stolen generations’ (HREOC 1997, p. 31).

Aboriginal and Torres Strait Islander people did not passively accept these experiences. Some directly petitioned governments — in 1935 and 1937, petitions were presented to the
Commonwealth Government seeking representation in the Parliament and the establishment of a national department of native affairs and state advisory councils. Following the lack of a response, in 1938 Aborigines from around Australia established a National Aboriginal Day Observance Committee (NADOC). In August 1963, a further petition was presented as a pair of bark paintings, signed by 131 clan leaders of the Yolngu region (Gove Peninsula) of the Northern Territory. The bark petitions are considered ‘founding documents’ of Australia’s democracy (Australian Government nd).

Other Aboriginal and Torres Strait Islander people took more direct action, such as the ‘Gurindji Walk-Off’ in 1966, when about 250 Aboriginal pastoral workers and their families walked off the Wave Hill Station in response to the low rates of pay and poor living conditions. The action developed as a wholesale rejection of the governmental and industrial framework applying to Aboriginal pastoral populations and included a demand for the return of traditional lands (Australian Heritage Database nd).

This activism led to increasing community concern about Indigenous policy. By 1967, there was widespread support to make two amendments to the Australian constitution — to allow the Commonwealth Government to legislate with respect to Aboriginal people, and to include Aboriginal people in the Census. The referendum, commonly regarded as a watershed in relations between Aboriginal and Torres Strait Islander Australians and non-Indigenous Australians, was supported by over 90 per cent of voters, the largest majority for any Australian referendum (Expert Panel 2012, p. 32).

Rights to vote varied across states and territories (and there were often differences between legal entitlements and the practical exercise of those entitlements). The Commonwealth Electoral Act 1962 gave Aboriginal and Torres Strait Islander Australians the right to register and vote in federal elections, but voting was not made compulsory until 1984.

Land rights were, and continue to be, a prominent focus of Aboriginal and Torres Strait Islander activism. In the 1970s, these efforts led to governments passing various forms of land rights legislation. In the 1992 Mabo case, the High Court recognised native title, overturning the previous legal fiction that the land had belonged to no one at the time of European settlement (Expert Panel 2012, p. 35). This decision led to the Commonwealth Native Title Act 1993, which provides a court process for determining native title claims. However, in many circumstances, native title is found to have been extinguished.

In the late 1960s and early 1970s, overtly paternalistic policies were formally abandoned (including the Aboriginal Acts) and a new policy of self-determination introduced. The Commonwealth Racial Discrimination Act was introduced in 1975, as a result of Australia becoming a signatory to the International Covenant on the Elimination of All Forms of Racial Discrimination.

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3 NADOC later became NAIDOC to include Torres Strait Islander Australians.

4 In all censuses up until 1966, the Bureau of Census and Statistics (now the ABS) included ‘aboriginal natives’ in the Census count but published them in attachments to the official population count (Expert Panel 2012, p. 21).
However, actions that sought to establish equal rights for Aboriginal and Torres Strait Islander Australians sometimes had perverse effects. The successful 1966 equal pay case for Aboriginal pastoral workers led to many workers and their families being forced off the land and, over time, onto welfare (ABC Radio National 2003; Chaney 2013, p. 54; Flood 2006, p. 215). Extensive lobbying by the Federal Council for Aboriginal Advancement (later the Federal Council for the Advancement of Aborigines and Torres Strait Islanders) led to different groups of Aboriginal and Torres Strait Islander people receiving access to social security benefits at different times (Chesterman 2005). In 1959, legislation was amended to provide access to social security benefits to Aboriginal people who were not ‘nomadic’ (Chesterman 2005), with the legislation further amended in 1966 so that all Aboriginal people were eligible. However, in practice, many Aboriginal people living on government and mission stations were excluded from some welfare payments (particularly unemployment benefits) until 1976 (HREOC 1997). In 1977, the Community Development Employment Projects (CDEP) program was introduced, pooling unemployment benefits to create local employment opportunities in remote communities where the labour market might not otherwise offer employment. The program was later extended to all areas (including non-remote) then again restructured in 2007 when it was restricted to remote areas. From 1 July 2013, remote CDEP was rolled into the Australian Government’s Community Development Programme on 1 July 2015.5

Over the 1970s and 1980s, increasing desires for self-determination saw the establishment of many community controlled services, particularly primary health and legal services, many of which continue to operate today. In 1990, an elected Aboriginal and Torres Strait Islander Commission (ATSIC) was established, both to provide advice to the government and to deliver some services (although it never had responsibility for any mainstream services delivered to Aboriginal and Torres Strait Islander people, and its level of responsibility for Indigenous-specific services declined over time) (Australia 2003). A 2003 review of ATSIC found that it was in urgent need of structural change. While the regional council structure was considered to be working well, major changes were recommended to the governing body. The review recommended that any changes to ATSIC’s program delivery role be considered as part of a Commonwealth/State examination of the most effective delivery of services and programs of significance to Aboriginal and Torres Strait Islander Australians (Australia 2003, pp. 5-6). However, following a series of national board scandals, ATSIC was abolished with bipartisan support in 2004 (AIATSIS 2008), and responsibility for services delivered by ATSIC returned to line departments. At the time, it was emphasised that ‘mainstreaming’ was not intended to reduce funding of services to Aboriginal and Torres Strait Islander Australians (Howard 2004).

The emphasis placed on Indigenous-specific services versus mainstream services has varied over time and across jurisdictions (for example, the majority of clients of many

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5 See box 4.7.3 in section 4.7 ‘Employment’ for further information on employment programs over time.
‘mainstream’ services in the NT are Aboriginal). Both pre- and post-ATSIC, there were widespread concerns around the provision of services to Aboriginal and Torres Strait Islander Australians (by both mainstream and Indigenous-controlled service providers). In many circumstances, lack of services or poorer quality services for Aboriginal and Torres Strait Islander people appeared to be tolerated (Chaney 2013, p. 57). These concerns led to an increasing focus on monitoring of expenditure on services provided to Aboriginal and Torres Strait Islander Australians. In 2001 the Commonwealth Grants Commission was requested to conduct an inquiry into Indigenous funding, to assist the Commonwealth Government to target resources to areas of greatest need (CGC 2001). For many years the AIHW has produced a report into Aboriginal and Torres Strait Islander health expenditure (AIHW 2013). In 2008, COAG commissioned the Indigenous Expenditure Report, to estimate government expenditures on both Indigenous specific and mainstream services to Aboriginal and Torres Strait Islander Australians (SCRGSP 2014). Indigenous-specific expenditure accounted for 18.6 per cent of direct government expenditure on Aboriginal and Torres Strait Islander Australians in 2012-13 (SCRGSP 2014).

In the late 1980s and early 1990s, two Royal Commissions helped promote a deeper understanding of the issues facing Aboriginal and Torres Strait Islander Australians, and led to the establishment of some of the current institutional arrangements.

The Royal Commission into Aboriginal Deaths in Custody reported on the complex effects of dispossession, colonisation and institutional racism on Aboriginal peoples (RCADIC 1991). Partly in response to the findings of the Royal Commission, the position of the Aboriginal and Torres Strait Islander Social Justice Commissioner was created (AHRC 2013) as well as the Council for Aboriginal Reconciliation. One of the final recommendations of the Council was the establishment of a regular report on outcomes for Indigenous Australians — the origins of the Overcoming Indigenous Disadvantage report (CAR 2000). In 2000, Reconciliation Australia was established to continue the national focus for reconciliation (RA nd).

A national inquiry into the separation of Indigenous children from their families resulted in the 1997 report on the Stolen Generations (HREOC 1997). In 2008, the Prime Minister of Australia, with bipartisan support, made a formal apology to the Stolen Generations (Rudd 2008; Nelson 2008).

Following the ‘Little Children are Sacred’ report into the Protection of Aboriginal Children from Sexual Abuse in 2007 (Wild and Anderson 2007), the Commonwealth Government assumed a greater responsibility for Aboriginal affairs in the Northern Territory, under the Northern Territory Emergency Response (also known as the ‘Intervention’). The response has been the subject of controversy, particularly the (temporary) suspension of the Racial Discrimination Act, the initial involvement of the military, and mandatory income management for those on welfare payments (AHRC nd; FaHCSIA 2011, p. 3; Shaw and d’Abbs 2011, p. 4). In late 2007, a change of government maintained a modified Northern Territory Emergency Response, and in 2012 a modified policy ‘Stronger Futures in the
The Close the Gap Campaign for Indigenous Health Equality commenced in 2006 with the goal of closing the health and life expectancy gap between Aboriginal and Torres Strait Islander peoples and non-Indigenous Australians within a generation (Close the Gap 2012). Since 2008, COAG has agreed and implemented the ‘closing the gap’ policy. COAG identified Indigenous issues as one of seven priority areas of national reform, set six targets for closing the gaps in outcomes between Indigenous and non-Indigenous Australians, and identified seven ‘building blocks’ that underpinned a National Indigenous Reform Agreement (NIRA). At its May 2014 meeting, COAG agreed to a new target — to close the gap in school attendance within five years (COAG 2014). The OID report framework is aligned with the NIRA, but has a much broader focus, with the indicator framework extending beyond the NIRA indicators and targets.

In 2009, Australia adopted the UN Declaration on the Rights of Indigenous Peoples, which recognises Indigenous peoples’ rights to the full enjoyment of all human rights, plus non-discrimination, self-determination and autonomy, maintenance of Indigenous institutions, and the right to a nationality (AHRC 2010).

In 2010, the National Congress of Australia’s First Peoples was established. Made up of Aboriginal and Torres Strait Islander individuals and organisations, it provides independent advocacy on behalf of First Nation peoples in Australia (National Congress of Australia’s First Peoples nd). Originally funded by the Australian Government, this support was withdrawn in the May 2014 budget.

Over several decades, there have been calls for recognition of Aboriginal and Torres Strait Islander peoples in the Australian Constitution. In December 2010, the Australian Government appointed an Expert Panel on Constitutional Recognition of Aboriginal and Torres Strait Islander Peoples (the Expert Panel) to consult on options for a constitutional amendment on recognition of Aboriginal and Torres Strait Islander peoples. The Expert Panel found that 88 per cent of non-Indigenous individuals and 80 per cent of Aboriginal and Torres Strait Islander Australians supported constitutional recognition (Expert Panel 2012, p. 264). The Aboriginal and Torres Strait Islander Peoples Recognition Act 2013 formalised Commonwealth Parliament’s recognition of Aboriginal and Torres Strait Islander peoples and established a review of support for a referendum to amend the Constitution. Following the work of the Expert Panel, a parliamentary Joint Select Committee was appointed, which recommended that a referendum be held to make changes to the Australian Constitution to recognise Aboriginal and Torres Strait Islander people (Joint Select Committee on Constitutional Recognition of Aboriginal and Torres Strait Islander Peoples 2015). The Australian Government appointed a Referendum Council in December 2015 to consult on the best way to achieve constitutional recognition.
**1.5 Recent COAG developments**

In December 2007 and March 2008, COAG agreed to explicit targets for improving the lives of Aboriginal and Torres Strait Islander Australians (COAG 2007, 2008a).\(^6\) In November 2008, COAG established the National Indigenous Reform Agreement (NIRA), which was most recently revised in late 2012 (COAG 2012). The NIRA provides an integrated framework for the task of Closing the Gap, setting out the policy principles, objectives and performance indicators underpinning Closing the Gap and the specific steps governments are taking to meet the targets. At its May 2014 meeting, COAG agreed to a new target — to close the gap in school attendance within five years (COAG 2014). In December 2015, COAG agreed to renew and extend its early childhood education target to 2020 (the previous version of which had expired in 2013).

For the 2009 OID report, the Steering Committee liaised with jurisdictions and COAG committees to align the OID report framework with the COAG targets and the NIRA (box 1.5.1). COAG agreed to the new framework at its meeting in November 2008 (COAG 2008b) and the then Prime Minister wrote to the Chair of the Steering Committee with new terms of reference for the report in 2009. The report framework for the OID has been further amended since then to reflect changes to the NIRA over time.

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**Box 1.5.1 The Overcoming Indigenous Disadvantage (OID) report and the National Indigenous Reform Agreement (NIRA)**

The COAG Reform Council reported annually to COAG on progress against the NIRA between 2010 and 2014 (CRC 2010).\(^7\) The COAG Reform Council was abolished in 2014 and COAG requested the Productivity Commission report against the NIRA in 2015 (PC 2015).

The OID report framework is aligned to the NIRA and consequently the data in the two reports overlap.

However, the NIRA reporting is specifically focused on progress against the targets in the agreement, and comparisons of outcomes by State and Territory. The OID report has a broader focus and covers more areas than the NIRA. The OID report also includes available time series data that predate the NIRA baseline of 2008, and, where State and Territory data are not available, reports available information at the national level.

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\(^6\) In December 2007, three targets were agreed (closing the life expectancy gap within a generation, halving the mortality gap for children under five within a decade and halving the gap in reading, writing and numeracy within a decade). Three further targets were agreed in March 2008 (all four year olds in remote communities access early childhood education within five years, at least halve the gap for students in year 12 attainment or equivalent by 2020, and halve the gap in employment outcomes within a decade) (COAG 2007, 2008a).

\(^7\) The COAG Reform Council ceased operation on 30 June 2014.
1.6 The Review of Government Service Provision

The Steering Committee

The Review of Government Service Provision was an initiative of the Prime Minister, Premiers and Chief Ministers at the Premiers’ Conference in July 1993 and now operates under the auspices of COAG. The Review is overseen by a Steering Committee, which comprises senior representatives from the Prime Minister’s, Premiers’ and Chief Ministers’ departments, and Treasury and Finance departments in the Australian, State and Territory Governments, and observers from the Australian Bureau of Statistics (ABS) and the Australian Institute of Health and Welfare (AIHW). It is chaired by the Chairman of the Productivity Commission, which also provides the Secretariat. (A list of current members is provided as part of the preliminaries to this report).

The Overcoming Indigenous Disadvantage Working Group

The Steering Committee is advised on production of this report by a working group comprising representatives from the Australian, State and Territory governments, as well as observers from the National Congress of Australia’s First Peoples and the ABS and the AIHW. The Working Group was convened by Nina Davidson, Acting Head of Office, Productivity Commission.

Other Steering Committee reports

The Steering Committee undertakes three other major exercises for COAG.

Report on Government Services

This annual report, now in its twenty-first edition, provides information on the efficiency and effectiveness of, and equity of access to, mainstream government services in the areas of education, justice, emergency management, health, community services and housing. Between 2003 and 2015, the Review published a separate Compendium of information from the Report on Government Services relating to the delivery of mainstream services to Aboriginal and Torres Strait Islander Australians (SCRGSP 2015b). For 2016 onwards, reference lists of performance data on services to Aboriginal and Torres Strait Islander Australians are available on the report’s web pages.

National Agreement data collation

From 2008 to 2014, an annual collation of performance information was undertaken relating to the six National Agreements between the Australian Government and the State
and Territory governments, for analysis by the COAG Reform Council. The Steering Committee continues to compile performance information for the National Indigenous Reform Agreement (the most recent in August 2016 [SCRGSP 2015a]). (Collation of other National Agreement performance data was subsumed into the Report on Government Services in 2015).

Indigenous Expenditure Report

The *Indigenous Expenditure Report* (IER) reports on expenditure related to Aboriginal and Torres Strait Islander Australians. The IER estimates government expenditure on both Indigenous-specific and mainstream services provided to Aboriginal and Torres Strait Islander Australians. Three editions of the report have been published, with the next edition due for release in late 2017.

The report is aligned with the OID framework, with both aligned to the NIRA building blocks, but direct comparisons are difficult. The differing scope and timeframes precludes anything more than fairly superficial comparison of analysis across the two reports.

The OID report contains indicators of outcomes that may be the result of social influences and government programs, both recent and from years or even decades earlier. For example, many health outcomes later in people’s lives are the result of behaviours, environments and access to services many years earlier; similarly, employment and economic outcomes reflect education and schooling earlier in life. However, the IER includes estimates of expenditure in specific financial years that are not directly attributable to outcomes in the OID report.

The OID report contains 39 indicators across the NIRA building blocks chosen for their importance to improving the overall wellbeing of Aboriginal and Torres Strait Islander Australians, whereas the IER includes estimates of all government expenditure for broad government functions and service areas aligned to each building block. Expenditure estimates are not separately available from government financial systems for some key groups of OID indicators such as those in maternal and child health and governance, leadership and culture. Other areas of expenditure in the IER are by necessity much broader than the key indicators in the OID report.

1.7 References


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8 The Indigenous Expenditure Report was originally overseen by a separate Steering Committee, with secretariat support from the Productivity Commission. In February 2011, COAG endorsed the inaugural report, and agreed to transfer responsibility for future reports to the Steering Committee for the Review of Government Service Provision.


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