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# Indigenous disadvantage: assessing policy impacts\*

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## Introduction

Thanks largely to the economic policy reforms of the past twenty years, Australia has regained its position in the ten most prosperous countries in the world. Like other prosperous countries, we have policies and programs in place to assist the relatively disadvantaged within our society. In common with a number of those countries, the number of Indigenous people who are disadvantaged remains disproportionately high, despite longstanding policy attention. The contrast with our broader economic success is striking.

The widespread disadvantage among Indigenous people in Australia is reaffirmed in a new report released today. The Report, *Overcoming Indigenous Disadvantage: Key Indicators*, forms part of a broader process of policy reassessment and reform that has the potential to redress this persistent failure in the midst of general economic success.

The Report was commissioned by COAG and is the responsibility of a steering committee of senior officials from all governments within Australia, assisted by a secretariat drawn from the Productivity Commission. Its commissioning demonstrates a new resolve, at the highest political level, not only to tackle the root causes of Indigenous disadvantage, but also to monitor the outcomes in a systematic

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way that crosses jurisdictional and portfolio boundaries. In so doing, the Report will henceforth also raise the transparency of governments' performance.

This Report's purpose, therefore, is to be more than just another collection of data. It seeks to document outcomes for Indigenous people within a framework that has both an agreed vision of what life should be for Indigenous people and a strategic focus on key areas that need to be targeted if that longer term vision is to be realised.

The framework that distinguishes the Report had its genesis in work undertaken by the Ministerial Council for Aboriginal and Torres Strait Islander Affairs. It has benefited from ongoing input from ATSIC, the ABS and the AIHW. It has also evolved considerably as a result of widespread consultations across the country, particularly with Indigenous people and organisations. It is fair to say that, while agreement on all aspects of the reporting framework would be too much to expect, it has received broad endorsement from all of these groups, and not least from COAG itself.

## **A 'strategic' framework**

This is obviously not the first report to assemble data on the social or economic status of Indigenous people. Its difference lies in the strategic framework within which the information is collected and presented. The reporting framework is based on a 'preventive model', which focuses on the causal factors that ultimately lead to disadvantage; areas where experience and logic suggests that targeted policies will have the greatest impact.

### *The vision*

At the apex of this framework are three overarching priorities that were initially derived from COAG (see Figure 1). They reflect a vision for Indigenous people that is shared by governments and Indigenous people alike:

- safe, healthy and supportive families with strong community and cultural identity;
- positive child development and prevention of violence, crime and self-harm; and
- improved wealth creation and economic sustainability for individuals, families and communities.

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*'Headline' indicators provide a snapshot*

A first tier of 'headline indicators' has been developed to provide a snapshot of how actual outcomes for Indigenous people measure up against these overarching priorities. The choice of indicators, while subjective, has generally been accepted as meaningful by Indigenous people. Included are a dozen indicators of social and economic status of Indigenous people relative to other Australians.

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

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

*The innovation: 'strategic areas for action'*

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

The strategic areas for action are not 'rocket science': they sensibly focus on young people, the environmental and social factors bearing on quality of life, and material wellbeing (see Figure 2). They — and the indicators that relate to them — have been developed with advice and feedback from governments, experts in the field and, most importantly, Indigenous people and organisations. They meet COAG's need for "indicators that are of relevance to all governments and Indigenous stakeholders, and that can demonstrate the impact of program and policy interventions".

The Report recognises that Indigenous people are as diverse as other sections of the Australian community. People in Arnhem Land or Central Australia have a quite

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different life experience to people living in say, Sydney or Perth. Wherever possible, within the data limitations, we have attempted to reflect such differences by presenting information by geographic region. Even then, it can miss variations. For example, Indigenous people living in remote coastal or island areas may have quite different circumstances to those living in remote inland areas.

It should also be emphasised that there are many good things happening at the local level, the results of which may not get picked up in national or even State data collections. And finally, of course, not everything that is important to Indigenous people can be quantified. In some cases, the Report attempts to deal with this through case studies.

### **Some ‘headline’ messages**

So what are the facts as they emerge from this Report? As noted, the twelve headline indicators provide a high level ‘stocktake’. They confirm that disadvantage is broadly based, with major disparities between Indigenous and other Australians in most areas.

This is most fundamentally reflected in the 20 year gap in life expectancy for Indigenous men and women, relative to the rest of the population. Twenty years is just short of the standard measure of a generation. It represents a tragic loss and a waste, for Indigenous people and for Australia as a whole.

This was brought home to me most forcefully when, at the conclusion of an insightful discussion with one of Australia’s foremost Indigenous identities — a man about my own age — he said that on the basis of the averages, by the time the Report was released he would not be around to discuss it further with us. (Fortunately, that has not transpired.)

The lower life expectancy of Indigenous people is bound to reflect a range of influences and patterns of behaviour that impact differentially on their health. But there are other contributors. The proportion of homicides in the Indigenous population is over 10 times that for other Australians. The suicide rate for Indigenous people was around three times higher than for the rest of the population, with an even greater disparity for 25-34 year olds.

The headline indicators relating to young Indigenous people are also cause for concern. While getting robust and meaningful data in areas of child abuse and neglect is hard, significantly more Indigenous children appear at risk. The statistics show higher rates of child protection intervention, particularly related to neglect. And, despite some improvement, Indigenous juveniles are still 19 times more likely

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than other young Australians to land in criminal detention. (By the time they grow up, the disparity falls only slightly, to 15 times).

Indigenous students are more likely to leave school when it is no longer compulsory, and have much lower levels of participation and attainment at senior school and post secondary.

The circumstances for Indigenous adults also involve major disparities with other Australians. For example, even with the many people engaged under the Community Development Employment Projects (CDEP) (effectively a form of voluntary ‘work-for-the-dole’) counted as employed, the overall labour force participation rate for Indigenous people is lower and the unemployment rate is nearly three times higher than it is for non-Indigenous people. It follows that Indigenous people also have significantly lower incomes (at both the individual and household level). The difference is particularly marked in remote regions. And, while the incidence of Indigenous home ownership appears to have risen, it is still less than half that of non-Indigenous households.

### **Outcomes in the ‘strategic areas for action’**

These outcomes didn’t happen overnight. They have been influenced by experiences in childhood, within families and communities and in the economic and physical environments of Indigenous people. And they are likely to differ in various ways for people in urban environments relative to those in more remote (including island) regions of Australia.

#### *Young people*

In the three strategic areas that focus on young Indigenous people, the potential for cumulative disadvantage is plain to see.

The first of these areas, *early child development to age 3*, is widely seen as pre-conditioning outcomes in later life, particularly in health and education. Whether there have been improvements is unclear from the data. What is clear is that there are some significant gaps. In particular:

- the Indigenous infant mortality rate is twice as high as for other Australian babies, reflecting in part, a higher incidence of low birthweight; and
- children under four appear to have a significantly higher incidence of infectious diseases requiring hospitalisation and, in particular, long-term ear infections and consequent hearing loss — a major inhibitor of early school performance.

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The second strategic area, *early school engagement*, is critical to future educational performance, and all that follows from that, as well as for social development.

Unfortunately, crucial data on attendance were unavailable. School participation, a weak proxy used in this year's Report, was found to be lower for Indigenous children. By year 3, Indigenous students already had significantly lower literacy and numeracy than other students. Among other things, this increases the likelihood of poor subsequent performance and early exit from school.

This was confirmed by indicators in the third area, labelled '*positive childhood and transition to adulthood*', which revealed widening disparities in performance in years 5 and 7, and high drop out rates once compulsory schooling ends in years 9 and 10. Indigenous people have argued persuasively that having more Indigenous teachers and content in schools would make a difference in turning this story around. They have also suggested that this would yield benefits for non-Indigenous students. So far, however, Indigenous teachers are heavily under-represented in the mainstream system.

The transition from school to work is a critical phase for all young people. An educational attainment of certificate level 3 or above has been found to reduce significantly an Indigenous person's chance of being unemployed. However, Indigenous people aged 15-24 were much less likely than non-Indigenous people to be in either school or work.

### *Families and communities*

Families and communities are the bedrock of any society. Indigenous leaders have argued, and research confirms, that dysfunctional families can undermine the potential for individuals to enjoy good health, educational attainment and employment. That said, the functioning of families and communities is a subjective and 'private' matter, for which reliable data or meaningful indicators are inherently hard to obtain.

Some of the Report's indicators are therefore least satisfactory in this area, and more work will be needed. For example, the indicator on long-term care and protection orders for children, is not an adequate reflection of actual levels of abuse or neglect. The indicator, 'repeat offending' was chosen because cycles of Indigenous imprisonment can have severe impacts on family life and communities. The data show that Indigenous people are not only massively over-represented in prisons — four in five Indigenous inmates were found to have had previous stints in prison.

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A strong theme running through our consultations with Indigenous people was that while spiritual and most cultural matters were not amenable to or appropriate for statistical reporting, access to traditional lands played such a fundamental role in their culture and community wellbeing (particularly for aboriginal people) that it needed to be reflected in the reporting framework. The framework therefore allows for this and some information will emerge from the ABS's Indigenous Social Survey next year.

### *Substance 'use and misuse'*

The interconnections between substance abuse, social problems and poor health are well established, and are manifest within the wider community. Among legal and commercially available drugs, the rate of (regular) *smoking* was more than twice as high for Indigenous people. In contrast, and notwithstanding perceptions to the contrary, survey-based data indicates that the incidence of excessive consumption of *alcohol* was not much higher overall, though more concentrated in remote communities. Nevertheless, nearly three-quarters of Indigenous homicides involved both the victim and the offender having consumed alcohol at the time — four times the rate for the rest of the population.

Marijuana is the most common illicit drug in Indigenous as well as non-Indigenous populations. Anecdotal evidence suggests that its use has spread quickly. The use of inhalants (glue, petrol) by children also appears much more prevalent in some Indigenous communities, but there is little or no data to verify this.

### *'Environmental health systems'*

The conditions in which people live and work have a major influence on their wellbeing and social behaviour. Sanitation, drinking water quality, disease control and housing conditions are some of the factors which contribute to environmental health.

An indication of the relative living conditions of Indigenous people is that the incidence of diseases associated with poor environmental health is up to four times higher than for other Australians.

Overcrowding in housing is a particular problem, even allowing for cultural differences, and has been shown to have particularly adverse impacts on health, family violence and educational performance. Indigenous people were nearly six times more likely to live in overcrowded households than other Australians.

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## *Economic participation and development*

The strategic areas just discussed have a bearing on material as well as other aspects of disadvantage in the longer term. However, a separate set of indicators relating to the current economic participation and development of Indigenous people was seen as critical to focusing attention on what could be done in the shorter term. The extent to which people participate in economic life is obviously closely related to their living standards and broader wellbeing. It also influences how they interact at the family and community levels.

Published employment data show much lower rates of full-time employment, and higher rates of unemployment, for Indigenous people. This is also the case to a lesser extent for long-term unemployment. However, the unemployment data for Indigenous people are not really comparing like with like, as they do not distinguish CDEP jobs from other jobs.

Under CDEP, Indigenous people undertake to have their Centrelink entitlements pooled to pay for their employment in projects managed by Indigenous community organisations. It is thus akin to a work-for-the-dole program. While data on CDEP are poor, the scheme clearly accounts for a substantial proportion of Indigenous employment. In remote regions (including the Torres Strait Islands), it accounts for the overwhelming majority of jobs. This is not surprising, of course, as in such areas there may be little market-based employment available to Indigenous people, at least at the wages prevailing in the pastoral and mining industries.

This strategic area also contains an indicator relating to Indigenous owned or controlled land, in recognition of its economic as well as cultural value. Most such land is in very remote parts of Australia and its potential productive value will clearly vary a lot from place to place. The scope to realise the economic potential of Indigenous land is inhibited in many cases by common property ownership and inalienable title — the effects of which have been well documented in the development economics literature. This need not be an insuperable barrier, as developments in other countries have shown, but it will generally need the creation of institutions that give stronger defacto property rights.

Finally, the Report reflects the growing recognition of the importance of good governance to economic performance. However, capturing this in any meaningful quantitative sense is a major challenge. Initially, the Report has focused only on training in the skills relevant to capacity building in administration. The incidence of such training among Indigenous people was found to be only one-fifth of that for other Australians. In addition, future reports will seek to provide case studies that can illuminate aspects of good governance within Indigenous communities and organisations that may have wider application.

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## Doing better

This excursion through the indicator results confirms the pervasiveness of Indigenous disadvantage. It is distressingly apparent that many years of policy effort have not delivered desired outcomes; indeed in some important respects the circumstances of Indigenous people appear to have deteriorated or regressed. Worse than that, outcomes in the strategic areas identified as critical to overcoming disadvantage in the long term remain well short of what is needed.

The Report challenges us to do better. It also vindicates COAG's decision to give new impetus to the development and coordination of Indigenous policies and programs.

### *Harnessing the report's potential*

The Report's contribution to this important national endeavour is essentially *informational*. It does not (and cannot) in itself provide policy answers. But it can (and hopefully will) help governments and Indigenous people to identify where programs need to deliver results, and to assess whether they are succeeding.

For it to be effective in this, it will be important that governments integrate elements of the reporting framework into their policy development and evaluation processes. One important national vehicle for this is the Action Plans that are being developed by Ministerial Councils in such areas as health, education, employment, justice and small business. The whole-of-government, outcomes orientation of the framework also complements the coordinated service delivery trials in eight different regions across Australia that was initiated by COAG.

Information of this kind can thus help governments to devise coordinated strategies and to monitor their impacts. But it can also help to clarify the problems or targets for policy action. It can provide an agreed basis for community awareness and debate. And it may help to engender broader support for new policy actions.

This report is merely a first step in that direction — a work in progress. Its immediate contribution is constrained by serious gaps and deficiencies in data. For example, we know that hearing impediments in young children can seriously undermine their ability to succeed at school, yet we have little basis for knowing whether this problem is getting better or worse. We know that attendance at school is critical to lifelong achievement, but we have inadequate data to monitor it. Substance abuse is blighting young lives, but we have little systematic information on it. Data on the extent of disabilities among Indigenous people is almost non-existent. The Review documents these and a range of other data priorities that will

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need to be addressed if the Report is to realise its potential and meet COAG's needs.

*Policy Implications: some personal observations*

As noted, the Report seeks to inform us about emerging outcomes in the areas that count most for improving disadvantage over time. It is up to governments to devise and maintain the policies and programs that can improve matters. That said, the process of testing the indicator framework with relevant government agencies and (especially) Indigenous representatives, brought out a number of insights and lessons for policy makers that seem too important to ignore.

(In order to make clear that they do not form part of the official report, I label them 'personal observations'.)

The first thing I learnt from those consultations in which I was personally involved, was how little I knew. It was cold comfort to be assured that government officials designing programs were sometimes not adequately informed either. We heard several stories of solutions devised at the 'top' that didn't work at the 'bottom', or where it counted. For example, we heard of Indigenous housing that failed to recognise basic needs and preferences of Indigenous people (too many doors, not enough communal space). We heard about related programs that were delivered in parallel without any apparent coordination between those involved.

Sometimes programs designed with the best intentions have actually had perverse results. For example, when in central Australia, we were told about a program to help young petrol sniffers which provided them with certain beneficial inducements to join the program. Sounded logical enough in conventional terms: but because the benefits were not provided to those who were not users, some young people allegedly became users to get on the 'bandwagon'.

The implication is pretty simple. Good policy in this area, as in others, depends on acquiring a good understanding of its likely effects. That generally requires consultation with those affected. In my experience, the culture of most bureaucracies is not conducive to really effective consultation, the kind that involves some serious listening. Indigenous people are often best placed to know what is likely to work and can help governments think 'outside the square'.

Where consultation has been well done, the measures have sometimes been highly innovative and effective. A small example that we first heard of when in Western Australia, is the 'no school, no pool' initiatives that have been implemented in a number of country towns with the involvement of community leaders. This uses the carrot of access to the town's swimming pool to get children to attend school and

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keep themselves clean — apparently improving both their health and their educational performance (not to mention their swimming skills!). Another locally devised scheme is the Heavy Equipment Management and Training Project (HEMTP) in the Torres Strait Islands. This scheme, operating in partnership with the Queensland Government, provides cost-effective road building and maintenance to Torres Strait communities. The scheme combines formal training and on-the-job experience, creating opportunities for local employment and boosting the communities' self-sufficiency in managing their own assets.

While some programs or services have not been adequately attuned to cultural differences, it has been argued that in some areas culture is being used as a cloak for double standards in service delivery. Education is again one cited example. In all jurisdictions of Australia, attendance at school is compulsory. But there is much anecdotal evidence that truancy is seen as okay for Indigenous kids, perhaps drawing on the reality that cultural or family obligations may require periods away from school. If Indigenous children don't attend school regularly, their ability to rise above disadvantage is fundamentally compromised. This is a serious issue for policy. It is therefore alarming that, as noted, we don't have consistent statistics on school attendance, despite the relative simplicity of collecting them. (The national data we do have — on participation — can actually hide the problem.)

I am not suggesting that the reasons for absenteeism by Indigenous children, or their poor educational performance, are simple or easily remedied by standard procedures. Indeed, I believe that the problems observed in this area are instructive of the need for differentiated approaches and have some wider implications. They are not new insights, but they bear repeating.

One is that equality of opportunity for Indigenous people is unlikely to be achieved merely through equality of treatment. A child with a dysfunctional home life, or who is suffering persistent mental or physical abuse, or who has little familiarity of the English language, cannot be expected to prosper at school (among other things) without extra help. Service delivery cannot be infinitely tailored to individual needs. But it can and should respond to more systemic problems through systemic solutions. Thus in the education field we are beginning to see more schools with Indigenous educators, cultural components in curriculum and even breakfast programs, among other initiatives. But are we doing enough? Casual observation suggests that we are not.

A second implication with wider relevance is that the solutions to poor educational performance do not depend on the actions of education portfolios or institutions alone. Community services, justice administration, health policy, and other government services can all have a bearing on outcomes. Governments are generally not well structured to deal with issues that transcend individual portfolio

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responsibilities. However, with prompting from some Indigenous leaders, there is now recognition that fragmented ‘silo’ approaches have not worked and that more coordination is needed. The COAG trials are an important attempt to achieve more coordinated action. It is essential that we learn from and build on this national initiative.

A third general message has perhaps been expressed most forcefully by Noel Pearson, when he observed in a recent speech that, ‘man cannot live by service delivery alone’. The ultimate responsibility for ensuring that children are well looked after and attend school lies with their parents. The State cannot do it all, and it may be counterproductive to try.

The broader implication is that the quality of leadership and governance within Indigenous families and communities is likely to be central to overcoming economic and social disadvantage. A new emphasis on these matters in policy discourse is evident, and we are seeing some important initiatives within Indigenous communities. These include, in the Cape and other places, the forging of productive relationships with private industries, to develop opportunities for sustainable wealth creation and reduce reliance on public welfare.

The potentially corrosive effects of public welfare have long been recognised. How to design safety nets that do not undermine incentive and ultimately compound disadvantage represents a challenge that is wider than Indigenous policy. However, as Pearson has observed, in combination with the introduction of award wages in the pastoral industry that perversely cost many thousands of Indigenous people the opportunity to work for a living, ‘passive welfare’ has played a destructive role within Indigenous communities.

The CDEP program has attempted to address these problems by channelling welfare payments into the provision of work. Marcia Langton has noted that it had its origins in the Northern Territory in the early 1970s, at the suggestion of aboriginal people worried about the emerging social problems associated with their newly won entitlement to what they called ‘sit-down money’. As the scheme has evolved, it aims to provide meaningful employment and training for Indigenous people, that would not only have beneficial motivational and social spinoffs, but also increase the prospects of a progression to ‘real’ jobs.

I do not pretend to be in a position to make informed comment on how well CDEP has met these goals. What I can report is that there is considerable ambivalence and some criticisms within Indigenous communities (as well as by analysts such as Langton) about how the scheme is working in practice. In particular, there is little evidence of it serving as a conduit to mainstream paid employment for Indigenous people. The extent and scale of the scheme, and the significance of the welfare-

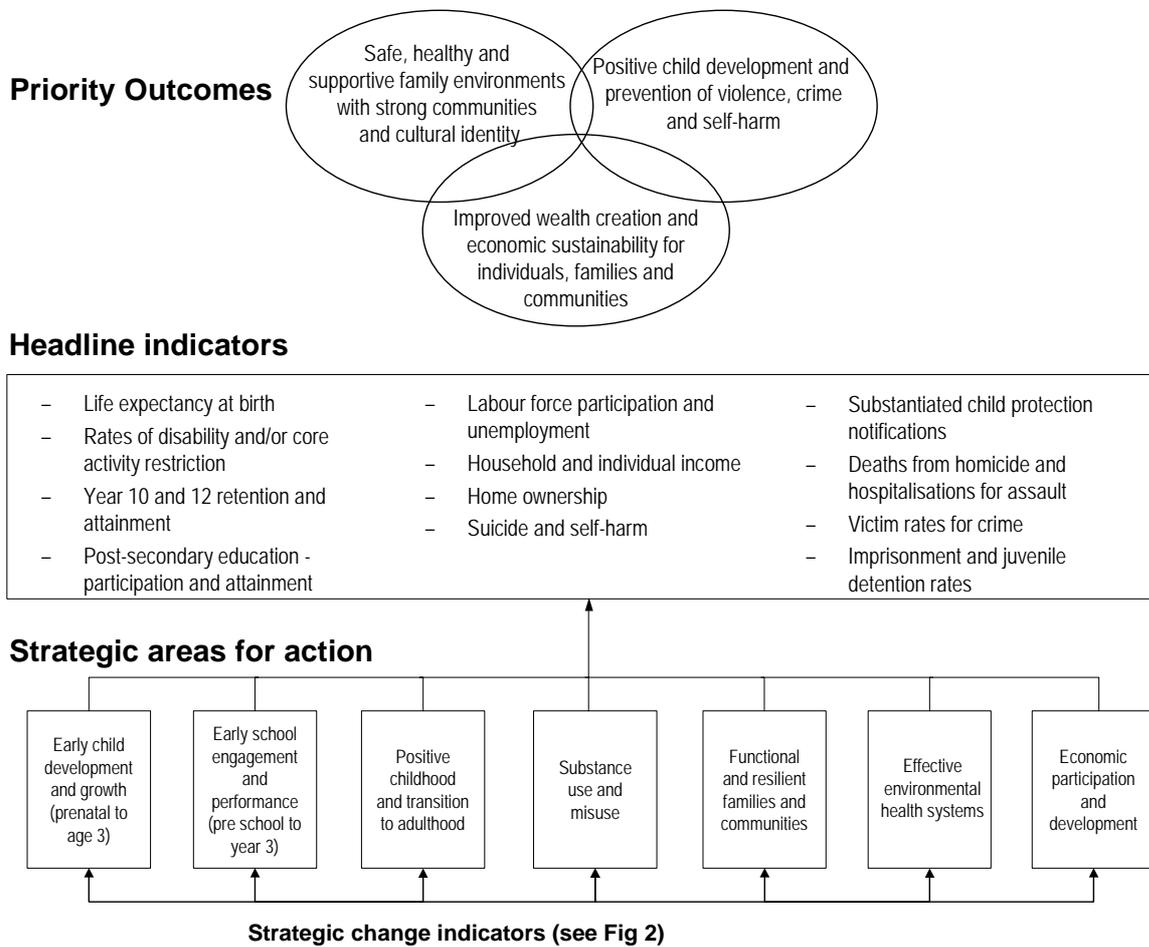
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related problems that it seeks to address, are such as to invite closer scrutiny through an independent public review. It would need to consult widely and go beyond the relatively narrow remit of the ANAO's reports, to assess CDEP's rationale and options for improving the scheme or replacing it.

More generally, governments can never be sure exactly how policies or programs will play out or what side-effects they may have. But they can reduce the potential for unexpected outcomes by a careful policy-formulation process that is clear about objectives and that tests thoroughly the pros and cons of different measures, especially with those affected. And they can follow up once policies are in place to ensure that they are having the intended effects. Mechanisms then need to be in place to propagate successes and, equally importantly, terminate failures.

On the evidence of this Report, governments have yet to meet these demanding standards in policies towards Indigenous people. However, to end where I began, there are important signs of a new commitment by all governments, based on a new appreciation of how important it is to do better in the interests of both Indigenous people and the wider community. I hope that this report will become a useful resource in this endeavour.

**Figure 1 The framework**



**Figure 2 Strategic areas for action**

