Monitoring ‘practical’ reconciliation:
Evidence from the reconciliation decade,
1991–2001

J.C. Altman and B.H. Hunter

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Note

This electronic version of Discussion Paper No. 254 dated late November 2003 incorporates some minor changes for the printed version released in October 2003. These changes are precipitated by a minor error in educational attendance data for 1996. We acknowledge the assistance of Mr Bryan Palmer for the federal Office of Aboriginal and Torres Strait Islander Affairs, Department of Immigration, Multicultural and Indigenous Affairs for identifying this error. In revisiting this variable, it became apparent that the initial treatment was problematic and subsequently we chose to recast the issue to specifically focus on university attendance. This change resulted in a minor revision of the original text.

Jon Altman
Series Editor
November 2003
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### Abbreviations and acronyms

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<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>ABS</td>
<td>Australian Bureau of Statistics</td>
</tr>
<tr>
<td>ABSTUDY</td>
<td>Aboriginal Study Assistance Scheme</td>
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<tr>
<td>AEDP</td>
<td>Aboriginal Employment Development Policy</td>
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<td>AGPS</td>
<td>Australian Government Publishing Service</td>
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<td>ANU</td>
<td>The Australian National University</td>
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<td>ATSIC</td>
<td>Aboriginal and Torres Strait Islander Commission</td>
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<tr>
<td>CAEPR</td>
<td>Centre for Aboriginal Economic Policy Research</td>
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<tr>
<td>CDEP</td>
<td>Community Development Employment Projects</td>
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<td>HREOC</td>
<td>Human Rights and Equal Opportunity Commission</td>
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<td>IEP</td>
<td>Indigenous Employment Policy</td>
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</table>
Abstract

This paper sets out to examine, at the national level, changes in the socioeconomic status of Indigenous Australians during the decade 1991–2001, a period that closely matches ‘the reconciliation decade’. The information used is from three five-yearly censuses undertaken by the Australian Bureau of Statistics in 1991, 1996 and 2001. Comparisons are made both of change in absolute wellbeing for the total Indigenous population, and of relative wellbeing between Indigenous and non-Indigenous Australians. Five broad categories of socioeconomic status are used in the analysis—employment, education, income, housing and health.

The decade is divided into two five-year periods, 1991–1996 and 1996–2001. In 1996, there was a change in Federal government so that for the first time since Indigenous Australians were included in the census in 1971, there is a close match between political and census cycles. This facilitates a comparative assessment of the broad Indigenous affairs policy performance of the Hawke and Keating governments from 1991 to 1996, and that of the Howard governments between 1996 and 2001. This comparative analysis is important because there has been an attempt to change the broad approach in Indigenous policy since 1996. According to recent policy discourse, the period 1991 to 1996 saw a focus on both ‘symbolic’ (Indigenous rights) and ‘practical’ (socioeconomic improvements) reconciliation, while the period since 1996 has focused increasingly on ‘practical’ reconciliation only, in an attempt to reduce the material disadvantage of Indigenous Australians.

The paper develops a ‘scorecard’ and shows that, in absolute terms, it is difficult to differentiate the performance of governments pre- and post-1996. However, in relative terms—that is when comparing the relative wellbeing of Indigenous people as a whole with all other Australians—there is some disparity between the two periods, with the early period 1991–1996 clearly outperforming the more recent period. In conclusion we note that while practical reconciliation forms the rhetorical basis for Indigenous policy development since 1996, there is no evidence that the Howard governments have delivered better outcomes for Indigenous Australians than their predecessors. Indigenous socioeconomic problems are deeply entrenched and do not seem to be abating even during a period of rapid economic growth at the national level. It is of particular concern that some of the relative gains made between 1991 and 1996 appear to have been offset by the relatively poor performance of Indigenous outcomes between 1996 and 2001.

Acknowledgments

Versions of this paper have been presented as a CAEPR seminar on 6 August 2003 and at the Cranlana Programme seminar ‘Pathways for Reconciliation’ 4–5 September 2003. We thank participants at both presentations for helpful feedback. We also thank Will Sanders, John Taylor and Nic Peterson for independently reading this paper. We acknowledge valuable research assistance provided by Melissa Johns who is a Graduate Research Assistant at CAEPR. Hilary Bek, Wendy Forster, John Hughes and Frances Morphy provided editorial and layout assistance.
Introduction

The objectives of the Centre for Aboriginal Economic Policy Research (CAEPR) at the Australian National University (ANU) are to contribute to better outcomes for Indigenous Australians by independently monitoring changes in their socioeconomic status; by informing constructive debate; and by influencing policy formation. This Discussion Paper sets out to do all three of these things with respect to changes in Indigenous socioeconomic status over a ten-year period, 1991 to 2001.

This decade, the last of the 20th century, is significant in Indigenous affairs policy for three reasons. First, the period loosely matched the decade of the government-created Council for Aboriginal Reconciliation that began work in 1991 and was disbanded on 31 December 2000 (Sanders 2002).

Second, the Howard government came to office in 1996 with a socially conservative policy platform that was intended to indicate a marked break from the ‘progressive’ Labor party policies. Since 1996 there has been a key Indigenous public policy debate about whether the reconciliation process since 1991 has seen too much focus on symbolic reconciliation—on Indigenous rights, stolen generations, deaths in custody and the invalid alienation of land and resources—and too little focus on practical reconciliation. The new Howard government articulated a view, echoed in the popular media, that the Keating government had given too much emphasis to ‘symbolic’ reconciliation at the expense of practical outcomes. The new government was going to redress this imbalance by giving greater emphasis to ‘practical’ reconciliation, focusing on the key areas of health, housing, education and employment. At least rhetorically, this seems to be a defining difference between the pre- and post-1996 national governments.

Third, for the first time ever there has been a relatively close correlation between the five-yearly census and political cycles. In August of 1991, 1996 and 2001, the Australian Bureau of Statistics (ABS) conducted five-yearly censuses that are still the only comprehensive means to assess changes in Indigenous socioeconomic status over time and to compare the relative socioeconomic status of Indigenous and other Australians. The change in government shortly before the 1996 Census means that 1996 data reflect the Labor legacy rather than the effect of early policy initiatives of the new government. While arguably there are various types of policy lags (recognition lags, decision lags, implementation lags, and the ‘take-effect’ lags), the second inter-censal period (1996–2001) can be readily interpreted as the policy domain (and legacy) of the Howard government.

However, it would be naive to assume that the year 1996 marks a complete disjuncture between the ‘symbolic’ and the ‘practical’, or between the ‘progressives’ and the ‘conservatives’. This is clearly not the case, as many pre-1996 institutions in Indigenous affairs, such as the Community Development Employment Projects (CDEP) scheme and indeed the Aboriginal and Torres Strait Islander Commission (ATSIC) (until 1 July 2003), have in fact grown or remained relatively unchanged under the Howard governments. Further, the global
economy has not been identical in both periods. But our analysis leads us to take
the view that scrutinising change between 1991 and 1996, then between 1996
and 2001 and finally over the decade 1991 to 2001, is both instructive and
informative.

It is important to emphasise that although CAEPR’s monitoring of Indigenous
socioeconomic status endeavours to be independent, we are dependent, at a
national level, on the official statistics collected by the ABS, not on our own data.
Furthermore, CAEPR analyses ABS statistics despite shortcomings in the census
approach that are discussed below. CAEPR researchers have increasingly used
official census data to track both absolute and relative change in Indigenous
socioeconomic status at a national level. Census information has also been used
since 1991 to make population projections and associated predictions about the
divergence between Indigenous and non-Indigenous employment status.

In this Discussion Paper we aim to answer an apparently straightforward
question that is rarely asked: how do the outcomes in the period 1991–1996,
represented by the Federal government and many conservative commentators as
a period when symbolic reconciliation was too dominant, compare with those in
the period 1996–2001 when a change in government saw a greater policy focus on
practical reconciliation?

**Data sources, difficulties and caveats**

Using the census as a data source has shortcomings—it is a blunt instrument
that has not been designed to track changes in socioeconomic status over time.
Indeed, the main reason that it generates social statistics about Indigenous
people is as a by-product created by the introduction of an Indigenous identifier
into the census in 1971.

There are four broad difficulties inherent in using census information to track
changes in absolute and relative Indigenous socioeconomic status. These can be
characterised as practical, methodological, compositional and conceptual. They
are briefly summarised as follows.

There are practical problems in defining the size of the Indigenous population and
who is Indigenous. Even over the relatively short period being examined here, the
census estimated that the Indigenous Australian resident population had
increased from 265,000 in 1991, to 352,000 in 1996, to 460,000 in 2001. This
growth was at a rate of 6.6 per annum in the first five-year period, and 6.1 per
cent per annum in the second five years. It is now well recognised by
demographers that such population growth does not just represent natural
growth. It has two additional components, changed identification and inter-
marrriage, with offspring of ethnically-mixed couples likely to identify as
Indigenous (Taylor 1997).

It is seldom acknowledged officially that under the Indigenous Enumeration
Strategy methodology administered by the ABS there are in fact two distinct
Indigenous populations, those who complete their own census forms and those,
mainly in rural and remote regions, who have Special Indigenous Forms filled out by interviewers on their behalf (Martin et al. 2002). In 1996, it was estimated that 20 per cent of Indigenous population fell into the latter category (Altman & Gray 2000).

The nature of family and household composition is an important issue. There is growing evidence that a significant proportion of Indigenous people in couple relationships have a partner who is non-Indigenous. As noted above, this is a partial illuminator of fast Indigenous population growth because offspring of such mixed ethnicity couples are often identified by parents (and then self-identify) as Indigenous. In measuring changes in socioeconomic status, the high proportion of mixed couples creates difficulties that have previously been noted in the literature (see e.g. O’Reilly 1994).

Finally, there are conceptual difficulties in adopting normative criteria like social indicators from the census in cross-cultural situations. This is an issue that has been alluded to since census data were first used for comparing Indigenous and non-Indigenous socioeconomic status (Altman & Nieuwenhuysen 1979). There is now growing recognition of the cultural heterogeneity of the Indigenous population Australia-wide. In some situations, standard social indicators have considerable relevance, in others they are close to meaningless (Morphy 2002)—social indicators reflect the values of the dominant society (Altman 2001).

**Monitoring practical reconciliation: choice of variables**

Monitoring practical reconciliation using census data is, however, very appropriate because in a number of speeches the current Prime Minister has highlighted health, housing, education and employment equality (or moves in that direction) between Indigenous and other Australians as the hallmark of his government’s approach (see [http://www.pm.gov.au](http://www.pm.gov.au)).

Two comments need to be made about using census information to monitor such indicators. First, insofar as social scientists have measured Indigenous socioeconomic disadvantage using social indicators since they first became available in 1971, in today’s parlance they have always been measuring and commenting on the success (or failure) of ‘practical’ reconciliation. Second, governments always try to distance themselves from their predecessors, and it is unclear how different Howard’s ‘practical reconciliation’ is, conceptually, from the Hawke government’s ‘statistical equality’, the hallmark of the Aboriginal Employment Development Policy (AEDP) launched in 1987 (Australian Government 1987).

We focus on five sets of variables—employment, income, housing, education and health. We have included income even though it is rarely mentioned as a measure of ‘practical reconciliation’, because it is probably the most important summary statistic of economic wellbeing. In choosing these variables, we make no comment about their relationship, although obviously in many situations they are linked.
And we do not attempt to combine them into any index of socioeconomic disadvantage, preferring to use the ‘raw’ census data.

**Employment**

We have chosen five variables to measure employment outcomes, including the unemployment rate, the employment to population ratio and the labour force participation rate; all these are standard measures of employment status. A key factor that impacts on employment is the CDEP scheme, an Indigenous work-for-the-dole scheme whose participants should be enumerated as employed in the census in specified areas (see Morphy & Sanders 2001). It is quite clear that all CDEP participants are not enumerated as employed in the census (especially in non-special enumeration regions), but it is also likely that they are not counted as unemployed (Altman & Gray 2000). It is noteworthy that at the 2001 Census there were 30,474 Indigenous CDEP participants—this is a very significant institution in the lives of working-age Indigenous Australians.

While there is now a mainstream work-for-the-dole scheme, it is not directly analogous to the CDEP scheme because it is unlikely to be systematically coded as employment in the census. Two extra variables were included to control for the influence of the CDEP scheme: the proportion of adults who are in private sector jobs and those in full-time jobs. Both variables effectively exclude the influence of the scheme, and consequently it is relatively easy to compare the results for Indigenous and non-Indigenous Australians.

**Income**

To measure income status, we have selected two census-based variables, median adult income for Indigenous and non-Indigenous individuals (independent of families, households or dependents) and median income for Indigenous and non-Indigenous households bearing in mind that Indigenous households often have non-Indigenous members. Income has several shortcomings as a measure, especially as the usual focus is on cash income, and non-cash components that may include returns from customary economic activity, employer superannuation contributions, and other non-pecuniary benefits available to wage and salary earners are not taken into account. There is also evidence that in remote regions census collectors do not fully enumerate income from non-standard sources like royalty payments or cash earned from sale of art (Morphy 2002). Income is sensitive to changes in the consumer price index so all dollars for the period 1991–2001 are expressed in constant 2001 terms.

**Housing**

The two variables that are used to measure housing status involve establishing whether the home is owned or being purchased and the number of persons in the household. Home ownership is important in Australia because in the absence of any official statistical collections on wealth, home ownership is an important proxy of accumulated savings and command over resources (i.e. wealth). A problem with home ownership is that not only do many Indigenous people reside
in public housing, but in some situations on Indigenous-owned land, individual home ownership (in a commercial sense) is either not possible or there is no real estate market. Similarly, the size of household is generally taken as a measure of over-crowding and poverty, but large household size can also reflect a cultural preference for co-residing within large extended families.

**Education**

Educational status is measured by four variables, two that reflect negative measures that capture the historical legacy of disadvantage, ‘did not go to school’ and ‘left school aged less than 15 years’; and two that reflect positive measures, ‘currently attending a tertiary institution’ and ‘holding a post-school qualification’. Educational status is clearly influenced by location of residence, since in many rural and remote situations there are neither secondary schools nor tertiary education institutions. Education is a very important determinant of employment outcomes except possibly in remote contexts where labour markets may be small or non-existent.

**Health**

Health status is broadly measured by three variables, life expectancy at birth differentiated by gender and the proportion of the population aged over 55 years. The focus in these measures of health status is on mortality, rather than morbidity which is equally important but for which historic comparative data, at a national level, are unavailable.

**Analysis and findings**

Our analysis compares two periods, 1991–1996 and 1996–2001, with a greater emphasis on the second five years because contemporary policy developments make such a focus more pertinent. The analysis uses 1991 as the base for measuring socioeconomic change. All the caveats on the quality of data and its applicability cross-culturally might suggest that the analysis has limited validity and this would be so if we only relied on absolute figures. However, we adopt a twin approach that first assesses absolute change for the Indigenous population only, and then assesses change in Indigenous/non-Indigenous ratios over time. The analysis also mixes negative and positive social indicators—for example, the unemployment rate is a negative measure and the employment-population ratio is a positive measure. One would look for improvement to be reflected in a downward trend in the ‘negative measures’ and an upward trend in the ‘positive measures’. Socioeconomic improvement requires negative measure ratios to shift (from >1) towards one and positive measure ratios to shift (from < 1) towards one.

**The Hawke–Keating years, 1991–1996**

Table 1 documents the change in social indicators during the Hawke and Keating years between 1991 and 1996, and considers these as a measure of performance in terms of reducing the material disadvantage of Indigenous Australians in income, housing, education, health and labour force status.
Table 1. Synoptic view of socioeconomic differences between Indigenous and non-Indigenous Australians, 1991–1996

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<td></td>
<td>Indig. (1)</td>
<td>Non-Indig. (2)</td>
<td>Ratio (1)/(2)</td>
<td>Indig. (4)</td>
<td>Non-Indig. (5)</td>
<td>Ratio (4)/(5)</td>
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<tr>
<td>Labour force partic. (% adults)</td>
<td>53.5</td>
<td>63.2</td>
<td>0.85</td>
<td>52.7</td>
<td>62.0</td>
<td>0.85</td>
</tr>
<tr>
<td>Unemp’t rate (% labour force)</td>
<td>30.8</td>
<td>11.4</td>
<td>2.71</td>
<td>22.7</td>
<td>9.0</td>
<td>2.52</td>
</tr>
<tr>
<td>Total emp’t rate (% adults)</td>
<td>37.1</td>
<td>55.8</td>
<td>0.66</td>
<td>40.7</td>
<td>56.4</td>
<td>0.72</td>
</tr>
<tr>
<td>Employed private sector (% adults)*</td>
<td>21.9</td>
<td>42.7</td>
<td>0.51</td>
<td>21.6</td>
<td>46.3</td>
<td>0.47</td>
</tr>
<tr>
<td>Employed full-time (% adults)*</td>
<td>22.9</td>
<td>40.7</td>
<td>0.56</td>
<td>23.1</td>
<td>39.3</td>
<td>0.59</td>
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<td>Income (in 2001 $)</td>
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<td>Median income, adults (p.w.)</td>
<td>263.7</td>
<td>375.8</td>
<td>0.70</td>
<td>211.7</td>
<td>325.3</td>
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<td>848.6</td>
<td>0.67</td>
<td>559.2</td>
<td>813.2</td>
<td>0.69</td>
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<td>Housing^b</td>
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<tr>
<td>Home owner or purchasing (%)</td>
<td>30.2</td>
<td>72.1</td>
<td>0.42</td>
<td>32.5</td>
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<td>3.6</td>
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<tr>
<td>Did not go to school (% adults)^c</td>
<td>5.4</td>
<td>1.0</td>
<td>5.40</td>
<td>3.1</td>
<td>0.7</td>
<td>4.43</td>
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<td>Left school aged &lt;15 years (% adults)</td>
<td>54.0</td>
<td>39.2</td>
<td>1.38</td>
<td>44.2</td>
<td>35.7</td>
<td>1.24</td>
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<td>Now attending university aged 15–24 years (% youth)*</td>
<td>3.0</td>
<td>12.6</td>
<td>0.23</td>
<td>3.4</td>
<td>14.4</td>
<td>0.24</td>
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<tr>
<td>Post-school quals (% adults)</td>
<td>8.2</td>
<td>27.3</td>
<td>0.30</td>
<td>23.6</td>
<td>40.2</td>
<td>0.59</td>
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<td>Health</td>
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<tr>
<td>Male life expectancy at birth (years)^d</td>
<td>57.0</td>
<td>74.4</td>
<td>0.77</td>
<td>57.0</td>
<td>75.0</td>
<td>0.76</td>
</tr>
<tr>
<td>Female life expectancy at birth (years)^d</td>
<td>63.8</td>
<td>80.4</td>
<td>0.79</td>
<td>64.0</td>
<td>81.0</td>
<td>0.79</td>
</tr>
<tr>
<td>Population over 55 yrs (% adults)</td>
<td>6.2</td>
<td>18.7</td>
<td>0.33</td>
<td>6.3</td>
<td>20.4</td>
<td>0.31</td>
</tr>
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</table>

Notes: a. Estimated for people working more than 35 hours per week and aged between 15 and 64. b. Based on household level data. Indigenous households are defined as those in which at least one resident aged over 15 is Indigenous. Households who do not state their tenure status are excluded from home ownership calculations. c. Most of the 1991 data is from ATSIC (1994). The housing data is from ABS (1993; 1994). d. 1991 based on Gray (1997). Non-Indigenous life expectancy is based on data for the total Australian population. Source: Most 1996 estimates are derived from Altman (2001). An asterisk denotes that estimates are based on authors’ calculations in all years. Unless otherwise indicated, 1991 estimates based on authors’ calculations.
On labour force status, the social indicators in both absolute and relative terms improved for Indigenous people for three of five indicators. The relative improvement for Indigenous employment correlated with the trend for the rest of the population. One area where the absolute move for Indigenous people was negative was in labour force participation, which declined, but this decline was consistent with broader patterns, and overall there was no relative change.

Turning to income, the median income of both Indigenous adults and families declined in absolute terms (adjusted for 2001 price levels) between 1991 and 1996, a surprising outcome that may reflect the rapid expansion of the CDEP scheme (Hunter 2002) with its links to Newstart allowance income levels. For example, as the CDEP scheme employs a larger proportion of the Indigenous population over time, the median worker is more likely to be a low income, presumably part-time worker. In relative terms though, this absolute change had mixed results—relative income for individuals got worse, but relative income for families improved.

The situation for housing was positive in both absolute and relative terms. The number of Indigenous home owners or purchasers increased, and household size, used here as a proxy for crowding (but also a possible measure of fertility decline) also declined.

The most important indicator of future prospects is education. The government’s performance here was statistically all positive: the proportion of adults (aged 15 and over) who have never gone to school and who left school aged less than 15 years declined both absolutely and relatively, and the numbers at universities and with post-school qualifications increased.

Very mixed outcomes were evident in the area of health, although this area probably has the longest lag between policy implementation and eventual outcome—health is often affected crucially by early childhood and even in-utero experiences (Barker 1994). Census findings illustrate that life expectancy at birth is still much lower for Indigenous males and females, being about 20 years less than that of their non-Indigenous counterparts. While there was absolute improvement for female life expectancy at birth and in the proportion of the population aged over 55 years, in relative terms both life expectancy and aged population declined vis-à-vis the general population.

**The Howard years, 1996–2001**

Table 2 documents shifts in social indicators for the period 1996–2001 as a measure of the performance of the Howard government in reducing the material disadvantage of Indigenous Australians.
Table 2. Synoptic view of socioeconomic differences between Indigenous and non-Indigenous Australians, 1996–2001

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<td>0.82</td>
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<td>Unemp't rate (% labour force)</td>
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<td>2.52</td>
<td>20.0</td>
<td>7.2</td>
<td>2.78</td>
</tr>
<tr>
<td>Total emp't rate (% adults)</td>
<td>40.7</td>
<td>56.4</td>
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<td>23.0</td>
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<td>0.48</td>
</tr>
<tr>
<td>Employed full-time (% adults)**</td>
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<td>559.2</td>
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<td>0.45</td>
<td>33.4</td>
<td>72.7</td>
<td>0.46</td>
</tr>
<tr>
<td>Household size</td>
<td>3.6</td>
<td>2.7</td>
<td>1.33</td>
<td>3.4</td>
<td>2.6</td>
<td>1.31</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Did not go to school (% adults)</td>
<td>3.1</td>
<td>0.7</td>
<td>4.43</td>
<td>3.2</td>
<td>1.0</td>
<td>3.20</td>
</tr>
<tr>
<td>Left school aged &lt;15 years (% adults)c</td>
<td>44.2</td>
<td>35.7</td>
<td>1.24</td>
<td>33.4</td>
<td>18.0</td>
<td>1.86</td>
</tr>
<tr>
<td>Now attending university aged 15–24 years (% youth)</td>
<td>3.4</td>
<td>14.4</td>
<td>0.24</td>
<td>3.8</td>
<td>16.9</td>
<td>0.22</td>
</tr>
<tr>
<td>Post-school quals (% adults)</td>
<td>23.6</td>
<td>40.2</td>
<td>0.59</td>
<td>27.9</td>
<td>44.7</td>
<td>0.62</td>
</tr>
<tr>
<td>Health</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male life expectancy at birth (years)d</td>
<td>57.0</td>
<td>75.0</td>
<td>0.76</td>
<td>57.0</td>
<td>76.0</td>
<td>0.75</td>
</tr>
<tr>
<td>Female life expectancy at birth (years)</td>
<td>64.0</td>
<td>81.0</td>
<td>0.79</td>
<td>65.0</td>
<td>82.0</td>
<td>0.79</td>
</tr>
<tr>
<td>Population age over 55 years (% adults)</td>
<td>6.3</td>
<td>20.4</td>
<td>0.31</td>
<td>6.7</td>
<td>22.0</td>
<td>0.30</td>
</tr>
</tbody>
</table>

Notes:  
- a. Full-time employment defined as people working more than 35 hours per week.  
- b. Based on household level data. Indigenous households are defined as those in which at least one resident aged over 15 is Indigenous. Households who do not state their tenure status are excluded from home ownership calculations.  
- c. The 1996 question on age left school changed, and the analogous question in 2001 measures the highest level of schooling completed. Assume that 1996 variable is equivalent to leaving school before Year 10.  
- d. 2001 estimates based on Kinfu and Taylor (2002).  
- e. Source: Most 1996 estimates are derived from Altman (2001). An asterisk denotes that estimates based on authors' calculations in all years. Unless otherwise indicated, 2001 estimates are based on authors' calculations.  

Labour force status declined for Indigenous people relative to the rest of the population for four of the five indicators. This relative decline in Indigenous
employment and participation was against the trend for the rest of the population. It was as much the product of improvements in non-Indigenous people’s labour market status as of any decline in the status of Indigenous people. For example, while the absolute overall Indigenous employment ratio fell only marginally, it fell more in relative terms because of a 2.5 percentage point increase in the non-Indigenous employment to population ratio. Similarly, at a time when non-Indigenous labour force participation increased by 1.4 percentage points, Indigenous participation actually fell slightly. Unemployment rates fell by less for the Indigenous population than for other Australians, despite rapid economic growth over the five-year period and growth in numbers participating in the CDEP scheme. There is little evidence of trickle down improving Indigenous economic participation and reducing the significance of non-employment (welfare) income. Given that low skilled workers are often the first to lose work in an economic downturn, the lack of improvement is worrying, especially if there is any significant deterioration in the Australian and international economies in the near future.

Private sector employment grew, possibly as a result of the success of the Indigenous Employment Policy (IEP) with its explicit goal of enhancing Indigenous private sector employment. The IEP generated 12,000 jobs for Indigenous people since its inception in 1998, with about 9,000 of these jobs being in the private sector.

The recent trend towards privatisation of public services may mean that many of the apparently new jobs are merely old public sector jobs that have been ‘re-badged’. In addition to limiting the effect of CDEP scheme on the analysis, the variable for full-time employment is included to control for any artificial changes in the composition of employment. On this score, the Howard government fares less favourably with full-time employment declining in both absolute and relative terms.

In terms of income, the median income of Indigenous adults was relatively low in 1996, a situation that became worse by 2001. Incomes for Indigenous individuals increased on average in the last inter-censal period, but by far less than for other Australians. The net result was that the relative income status of Indigenous individuals fell from 0.65 to 0.59.

The median income of Indigenous families fared better compared to other Australian families, principally as a result of larger Indigenous families, and a reformed set of family concessions (including beneficial tax arrangements) that tend to increase the relative income of large families with many young children. Whatever was driving changes in median family income, it increased substantially for both Indigenous and non-Indigenous families, with larger increases for the former resulting in a small improvement in relativities between Indigenous and non-Indigenous from 0.69 to 0.72.

In terms of housing, the proportion of Indigenous households who are home owners increased by almost one percentage point, and is now over one third for the first time. In contrast, home ownership among other Australians remained
unchanged. Indigenous home ownership improved, therefore, in both absolute and relative terms, albeit marginally. Another positive sign is that, while the size of Indigenous households continues to be much larger than that of other Australians, there was some evidence of a minor convergence in household size.

In education, the proportion of adults (aged 15 and over) who have never gone to school actually increased for both the Indigenous and non-Indigenous populations. This result is surprising. However, the increases were small for both populations and the extremely low numbers in this category for the non-Indigenous community meant that the situation appeared to improve in relative terms for Indigenous people.

A more robust indicator of education might be our proxy for early school leavers, that is, whether a person left before they were aged 15 years of age. Notwithstanding the difficulties in inter-temporal comparisons arising from the changes to the underlying census question, the incidence of leaving school early fell by much more for the non-Indigenous population, leading to substantial reduction in the relative educational attainment of Indigenous adults.

The proportion of Indigenous youth currently attending a university is just under one quarter that of other Australians. It may be an important issue for education policy that there was a decline, albeit rather small in the Indigenous to non-Indigenous ratio between 1996 to 2001. When the Howard government first indicated it was considering changes to ABSTUDY, a number of researchers suggested the changes were likely to have a negative impact on Indigenous participation in education (Schwab & Campbell 1997; Stanley & Hansen 1998). However, given that the changes to the ABSTUDY scheme were implemented in January 2000, only 19 months before the 2001 Census, there are probably other reasons for the relatively poor attendance of Indigenous youth in tertiary education. Whatever the reason, future prospects for improved socioeconomic outcomes for the Indigenous population are not particularly good when their youth have to compete against an increasingly university educated non-Indigenous population. Note that this relative decline is driven entirely by the expansion in the numbers of non-Indigenous university students as there was actually a small improvement in the proportion of Indigenous youth attending such tertiary institutions.

We have focused here on the proportion of youth attending tertiary education because this is the leading indicator for what will happen to educational attainment in the near future. The use of age-specific rates for education is justified on the grounds that educational attendance is strongly correlated with the early stages of the lifecycle. The comparison of educational attendance over all age groups would probably be misleading as the Indigenous population is disproportionately young. Therefore, Indigenous trends may be more volatile than non-Indigenous trends. The latter would be dominated by mature people who may feel they were too ‘old’ to go ‘back to school’. While it is true that older Indigenous people are more likely to be studying relative to their non-Indigenous
counterparts, the relative decline is still observed if those over the age of 25 years are included (Hunter & Schwab 2003).

On the positive side, there was a minor improvement in the proportion of Indigenous adults with post-school qualifications in both absolute and relative terms. In contrast to the number of Indigenous youth attending universities, the attendance at TAFE continues to grow strongly. Consequently, note of caution is raised by Hunter and Schwab (2003) who show that the majority of the improvement in incidence of Indigenous qualifications is due to the expansion of basic qualifications. Consequently, the type of qualifications being attained may only have limited impact on future employment outcomes.

It is not surprising that there has been no further clear improvement in Indigenous health given our previous comment about the lag between policy implementation and the eventual outcome. The upshot of census findings is that life expectancy at birth remains much lower for Indigenous males and females, being about 20 years less than that of their non-Indigenous counterparts. Furthermore, relative life expectancy worsened in the last inter-censal period as a result of improvements in non-Indigenous outcomes. It is noteworthy that life expectancy for Indigenous males remains stagnant at 57 years. The substantial inertia in Indigenous health is confirmed by the stability of the low proportion of the Indigenous population in the older age groups.

**Comparing ‘symbolic’ and ‘practical’ reconciliation**

In Table 3 we provide a ‘score card’ comparing both absolute and relative changes in Indigenous socioeconomic status during the two periods under consideration. Our cautionary comments about data quality and their contestable meanings have made us equally cautious in interpreting change—we focus only on broad movements, positive, negative or unchanged, in the 10 selected variables and not on the extent of changes which readers are at liberty to calculate for themselves.

The use of a score card is problematic because the variables selected in Tables 1 and 2 are somewhat arbitrary, and should not necessarily be given equal weighting. For example, some variables measure similar things and to include all of them would give undue weight to certain aspects of practical reconciliation. In an attempt to avoid the lack of independence of some variables, a select group of variables are identified that do not duplicate information in other variables (e.g. female life expectancy is omitted because it attempts to measure a similar thing to male life expectancy). The following ‘score card’ only includes two variables from each of the main dimensions of practical reconciliation, in order to provide a balanced representation of recent trends.

Several variables are omitted because they are difficult to compare over time and consequently may be misleading. For example, total employment and unemployment are omitted because the growth of the CDEP scheme could have unduly influenced the results. The variable ‘left school before 15’ is problematic because of the change to the relevant question in the 2001 Census. Private sector
employment is not included in Table 3 because recent privatisations mean that many private sector jobs have been 'created' at the expense of public sector jobs, rather than being a true indication of additional jobs for Indigenous workers.

It is important to note that the overall score in Table 3 is only broadly indicative of aggregation of improvement or decline in the variables. Ideally, scores that were all positive (and totalled +10 for the 10 variables) would reflect ideal public policy intervention outcomes.

Table 3 indicates that in the period 1991–1996, absolute wellbeing improved for six variables, declined for three and remained the same for one. In the period 1996–2001, absolute well being also improved for seven variables, declined for two and remained the same for one, an identical scorecard.

The issue of relative wellbeing is of greater significance. On one hand, the 1990s was a decade of general prosperity, and the period 1996–2001 was one of unparalleled national growth. On the other hand, practical reconciliation is as much about reducing relative disparities as about absolutes. Here there is some divergence of performance between the two periods under consideration.

Table 3 indicates that in the period 1991–1996, relative wellbeing improved for six variables, declined for three and remained static for one. In the period 1996–2001 relative well being improved for four variables and declined for six, a poor scorecard that suggests that Indigenous people have not shared in national economic growth to the same extent as other Australians.

Over the entire reconciliation decade 1991–2001, there was absolute improvement for six variables, a decline for three, and no change in one. Talk of policy failure in absolute terms for this decade is probably misplaced, although it is noteworthy that decade-wide changes are not as common as changes within in either the 1991–1996 or 1996–2001 period.

However, in relative terms the story has been a little different. In the period 1991–2001, there was relative improvement in five variables, and a relative decline in five variables. Of particular concern was relative decline over the period in educational and health status. In terms of reconciliation, if this is interpreted in relative and 'practical' socioeconomic terms, there is less reconciliation in 2001 than in 1996. It is equally worrying that areas of improvement evident to 1996 have been eroded over the period 1996–2001.
Table 3. A summary of direction of absolute and relative inter-censal change, 1991–2001

<table>
<thead>
<tr>
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<tbody>
<tr>
<td></td>
<td>Absolute</td>
<td>Relative</td>
<td>Absolute</td>
</tr>
<tr>
<td></td>
<td>changea</td>
<td>changeb</td>
<td>changea</td>
</tr>
<tr>
<td>Labour force status</td>
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<td></td>
<td></td>
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<tr>
<td>Labour force participationc</td>
<td>–</td>
<td>0</td>
<td>–</td>
</tr>
<tr>
<td>Full-time jobs</td>
<td>+</td>
<td>+</td>
<td>–</td>
</tr>
<tr>
<td>Income (in 2001 $)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Median income, adults</td>
<td>–</td>
<td>–</td>
<td>+</td>
</tr>
<tr>
<td>Median income, families</td>
<td>–</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Housing</td>
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<tr>
<td>Home owner or purchasing</td>
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<td>+</td>
<td>+</td>
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<tr>
<td>Household size</td>
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<tr>
<td>Education</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Currently attending university aged 15–24 yearsc</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Post-school qualification</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Health</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male life expectancy at birth</td>
<td>0</td>
<td>–</td>
<td>0</td>
</tr>
<tr>
<td>Population aged over 55 years</td>
<td>+</td>
<td>–</td>
<td>+</td>
</tr>
<tr>
<td>Score (net pluses out of 10 variables)</td>
<td>3</td>
<td>3</td>
<td>5</td>
</tr>
</tbody>
</table>

Notes:  
a. Absolute change in terms of Indigenous people in successive censuses.  
b. Relative change measured by ratios of Indigenous to non-Indigenous Indicators.  
c. A zero indicates that there were no differences between the numbers reported for the respective censuses in Tables 1 and 2 (i.e. there was no difference to the second significant digit). Also note that the scoring system used means that a plus followed by a minus for respective five-year periods (as with absolute figures for full-time jobs) may generate a plus or a minus for the overall decade depending on the respective magnitudes of the inter-censal changes.
Limitations to policy approaches based solely on practical reconciliation

Prime Minister John Howard has been quoted as saying: ‘Progress has been made in practical reconciliation in closing the gaps ... There are still big gaps and disadvantage but we have still made progress in the areas of mortality, high school retention, TAFE enrolments, and some progress in literacy’ (quoted in Sutton 2001). Our analysis illustrates that the data do not bear out this claim, at least during the first two terms of the Howard government. The main gains for Indigenous Australians have been in small increases in home ownership and post-secondary qualifications. Unfortunately, none of the gains are unambiguous. For example, enthusiasm about improvements in educational qualifications must be tempered by the knowledge that retention rates and participation rates of Indigenous youth in universities are not keeping up with other Australians.

The term ‘practical reconciliation’ implies that it is relatively straightforward to address Indigenous disadvantage. However, the multifaceted and historically ingrained nature of this disadvantage means that deficits in particular social indicators might not be amenable to easy solutions. Pearson was prompted to point out the limitations of the approach: ‘The problems that we are talking about are not simply “practical” problems that can be solved with good intentions and sufficient funding’ (Pearson 2000).

Another important point, missed by advocates of practical reconciliation, is that physical and psycho-emotional needs must be satisfied simultaneously. One of the major problems with the practical reconciliation agenda is that it fails to recognise that many of the practical outcomes highlighted are driven, directly and indirectly, by social, cultural and spiritual needs. The current policy agenda ignores the interdependencies between many of the dimensions of Indigenous disadvantage, particularly how social and historical factors can influence contemporary Indigenous practical outcomes.

The emphasis on ‘practical reconciliation’ stands in opposition to a rights-based approach, and in particular to recognition of rights that may arise from the unique position of Indigenous peoples as the original owners and occupiers of the land and users of its resources. Thus while in the government’s view special measures can be implemented to overcome disadvantage, they are not to be seen as providing any rights additional to, or different from, those available to other Australians (see Aboriginal and Torres Strait Islander Social Justice Commissioner 2001; Commonwealth of Australia 2002: 17). Social Justice Commissioner Jonas has pointed out that the emphasis on practical reconciliation has been used to remove the rights discourse from matters involved with Indigenous disadvantage: ‘In brief the problem with this approach is the simplistic, arbitrary and extremely artificial division it creates between measures which are described as practical as opposed to symbolic’ (Aboriginal and Torres Strait Islander Social Justice Commissioner 2001: 23).
The importance of the inter-related dimensions of cultural, social and economic domains is the subject of much research (Borland & Hunter 2000; Folds 2001; Hunter 1999; Hunter 2000). For example, social alienation feeds into substance abuse, which leads to crime, which affects education and hence employment. One weakness of the approach of practical reconciliation is that it tends to implicitly discount subtle interactions between the various dimensions of Indigenous disadvantage—sometimes termed the social exclusion of Indigenous people.

The discounting of the historical nature of Indigenous disadvantage is particularly problematic. Social problems often have their genesis long ago in, for example, a lack of appropriate parenting—something that was denied the stolen generation by government fiat. Note that this is not merely a symbolic issue. Being a member of the stolen generation has an impact on the rates of Indigenous arrest and consequently employment and education, especially lifelong learning (Borland & Hunter 2000; Hunter & Schwab 1998). Administrative policies that were implemented over 30 years ago can affect the lives of Indigenous people today. The main ‘impracticality’ of practical reconciliation is that it ignores the things that continue to divide Indigenous Australians from the rest of the community. That is, even if we discount issues of social justice, so called ‘symbolism’ is important because it probably will have real effects on people’s psychological wellbeing and behaviour.

Similarly economic problems have their genesis long ago with the alienation of land and resource rights. While in recent years land rights and native title legislation have seen the return of much land to Indigenous Australians, there has been little restitution of commercially valuable property rights in resources (Altman 2002). While the restitution of such rights is based on a rights framework—so-called symbolic reconciliation—there is no doubt that it would have a significant impact on the socioeconomic status of Indigenous Australians. Conversely, to the extent that practical reconciliation is associated with socioeconomic equality, this will not be possible without an equality in the ownership of resource rights.

Another impediment to effective policy for Indigenous Australians is that current policies still fail to take into account the recent large increases in the number of Indigenous youth entering the workforce (Taylor & Altman 1997; Hunter, Kinfu & Taylor 2003; Taylor & Hunter 1998). It is also possible that educational participation is faltering because insufficient resources are allocated to deal with these increasing numbers of current and prospective students. There is a need for far greater investment in such areas if socioeconomic improvement is to occur.

While the growing numbers of Indigenous youth is a significant issue for employment and education policy, this demographic process is not never-ending. Current population projections indicate that the size of the Indigenous cohorts of youth entering the working-age population may decline after 2011.

The importance of education of females has been identified as crucial for reducing the size of Indigenous families which is itself a key dynamic in the ongoing under-development of Indigenous people. Research by Caldwell in Third World
development contexts reveals that even very modest increases in educational experience for mothers increases the health of their children and their chances of survival (Caldwell 1994: 14–15). Caldwell suggests that this increase in positive health outcomes results from a range of factors including the implementation of simple knowledge, increased confidence in dealing with the modern world (particularly health practitioners), and some shifts in family power structures whereby the woman increases her control over health choices for children. A similar link has been suggested for Indigenous Australians (Gray 1988).

Conclusion
The Howard government is highly critical of past performance in Indigenous policy and it is now timely to evaluate its efforts. Practical reconciliation forms the rhetorical basis for much of the Indigenous policy initiatives of the current government. Despite the policy rhetoric of three Howard governments, there is no statistical evidence that their policies and programs are delivering better outcomes for Indigenous Australians, at the national level, than those of their political predecessors. This intractability is worrying in part because it is evident during a time when Australian the macro-economy is growing rapidly. This suggests, in turn, that problems are deeply entrenched—it is not just a matter of choosing between practical and symbolic reconciliation. There are other pressing issues—the levels of investment to address historical legacies and contemporary shortfalls, the targeting of resources to the most needy, and the delivery of program support in whole-of-governments ways that will make a difference. A major problem for both Indigenous Australians and the nation is that other research (see Hunter, Kinfu & Taylor 2003) suggests that the situation described using the latest 2001 Census statistics is likely to get worse, rather than better, over the next decade.

Reconciliation between Indigenous and non-Indigenous Australians is not conditional on the achievement of equality of living standards across the two populations, although movement towards equality is urgently needed. True reconciliation requires a dialogue between equals whereby each party comes to accept the diverse aspirations and beliefs of the other. Such connections stray once again into the realm of the symbolic.

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