

Watch the Gap—Indigenous Policy Focus Needs Change

A glance at the media or listening to political discussion on Indigenous affairs would suggest decades of policy have produced a quagmire of failure, where well-meaning ideas battle with political ideologies and nobody wins. The truth is somewhat more complicated.

Research I undertook with Nicholas Biddle and Boyd Hunter at the Centre for Aboriginal Economic Policy Research at the Australian National University used Census data from 1971 to 2006 to look at socioeconomic outcomes for the Indigenous population.⁴⁰

The findings are important, surprising and, in some cases, a wake-up call for policymakers. Using key indicators to measure employment, housing, education and health status—the central planks of John Howard's 'practical reconciliation' and now of Kevin Rudd's 'Closing the Gap'—we found that most socioeconomic outcomes are better now than 35 years ago.

In absolute terms, Indigenous unemployment and household size are lower and the employment-to-population ratio, private sector employment, median income (adjusted to 2006 dollars), home ownership, levels of post-school qualifications and the elderly proportion of the population, are all higher. These results are all positive and, somewhat surprisingly, some of the best outcomes were in the period 2001–2006 when the Howard Government's rhetoric framed Indigenous affairs as a disaster.

The gaps between Indigenous and non-Indigenous outcomes are generally narrower today, although the convergences in outcomes are not consistent. Arguably, the older the data, the less meaningful the comparison and so we estimated best-case scenarios for Closing the Gap in 35 years from two series of observations, 1971–2006 and 1996–2006.

Such an exercise assumes policy settings will be similar and that the macro-economy will continue to expand at recent rates. We extrapolate outcomes for 13 variables from the longer series and 15 variables from the shorter series to 2041.

Overall, we found that there are only a few outcomes—such as the unemployment rate, private sector employment, post-school qualifications and percentage of adults who never attended school—where the gaps will be eliminated and there will be parity. For other variables—such as labour force participation, median income, home ownership, degree or higher qualification and population aged over 55 years—Closing the Gap will take so much longer, more than 100 years. Even contemplating such scenarios today becomes

⁴⁰ Jon Altman, Nicholas Biddle and Boyd Hunter, above n 24.

meaningless. For a number of variables, such as employment-to-population ratio and labour force participation, there is divergence rather than convergence, indicating the gaps will never close without large structural changes.

These official statistics have shortcomings: they can only be used for comparative purposes at the national level and so clearly mask the extreme disadvantage in many remote communities, which has dominated public debate. And they primarily reflect the values of the dominant society. However, all the data is collected by the Australian Bureau of Statistics, internationally renowned for impartiality, and it is the only long-term time series data available.

The Rudd Government's recent commitments to close the gaps are an imperative for a rich country such as Australia. But the available statistical evidence suggests that gaps may never be eliminated at the national level, primarily because Indigenous and non-Indigenous populations are distributed very differently. Other cultural, structural and demographic factors as well as historical legacy and associated shortfalls also militate against statistical equality.

What should the Federal Government do to break the 'business as usual' gridlock that is delivering better outcomes, but not convergence, within a realistic timeframe? A fundamentally different policy framework is needed.

It would need to address the following questions. What is a proper philosophical basis for Indigenous policy that can accommodate the twin goals of ensuring Indigenous outcomes improve, while distinct Indigenous aspirations can be pursued? How can Indigenous Australians be guaranteed basic citizenship entitlements on an equitable needs basis and catch-up for past neglect? Is there a need to confer commercially valuable property rights alongside land and native title customary rights? How can policies be better framed to target the regional diversity of Indigenous circumstances? And how do we learn from the many successes of the past 35 years that have delivered much progress, but have happened too slowly to meet national expectations?

It's time for us to move on from the rhetoric of failure, and focus on using available evidence that documents outcomes.

17 April 2008