POPULATION CHANGE IN PORT AUGUSTA: CHALLENGES AND IMPLICATIONS FOR THE COAG URBAN AND REGIONAL STRATEGY

J. TAYLOR & N. WESTBURY

Centre for Aboriginal Economic Policy Research
ANU College of Arts & Social Sciences

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February 2013
Population change in Port Augusta: Challenges and implications for the COAG Urban and Regional Strategy

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<tr>
<td>ACEG</td>
<td>Aboriginal Community Engagement Group</td>
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<tr>
<td>APY</td>
<td>Anangu Pitjantjatjara (Lands)</td>
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<td>ABS</td>
<td>Australian Bureau of Statistics</td>
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<td>Department of Families, Housing, Community Services and Indigenous Affairs</td>
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<td>Indigenous Region</td>
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<td>National Centre for Vocational Education Research</td>
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<td>NGO</td>
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<tr>
<td>NILF</td>
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<tr>
<td>RCN</td>
<td>Regional Coordination Network</td>
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<td>Regional Participation Agreement</td>
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<td>SRA</td>
<td>Shared Responsibility Agreements</td>
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<td>TAFE SA</td>
<td>Training and Further Education South Australia</td>
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<td>VET</td>
<td>Vocational Education and Training</td>
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Abstract

In 2009, the Council of Australian Governments (COAG) agreed to include an Urban and Regional Strategy as part of the Indigenous Reform Agreement aimed at coordinating the delivery of services to Indigenous Australians. The main purpose of this strategy was to ensure that government agencies and community groups form partnerships to develop implementation plans for coordinated actions in relation to the headline indicators of the COAG Closing the Gap targets.

Of particular interest were the dynamics operating within regional areas, given that these account for around 50 per cent of the national Indigenous population.

These are significant service centres located geographically between metropolitan areas and remote Australia. They have extensive catchment areas from which they are drawing in Indigenous people as migrants as part of a step-wise movement of population out of remote locations. Combined with higher natural population increase, this stands in contrast to non-Indigenous out-migration and population ageing. From an Indigenous policy perspective, and in terms of the COAG Urban and Regional Strategy, they register as demographic ‘hotspots’ in the sense that demographic processes are generating specific outcomes that require place-based policy responses.

In order to understand these processes more fully and their particular implications for policy, this paper focuses on one such location (Port Augusta) as a case study of the changes that are underway in demographic composition more widely, and of the issues that are increasingly faced by all levels of government and local Indigenous organisations in dealing with them. The aim is to drill down into the population dynamics of Port Augusta and into the community responses to demographic change as a way of deriving general lessons for community governance and service delivery that are likely to be faced in similar situations by those seeking to implement the Urban and Regional strategy.

The paper is presented in two separate but linked components. First of all, recent population trends in Port Augusta are established pointing out the very different trajectories for the Indigenous and non-Indigenous populations, and leading to a set of estimates of current Indigenous social and economic outcomes. The second part outlines government and community responses to these trends and outcomes: it highlights lessons learnt from Port Augusta itself and from other attempts around the country that have sought to establish appropriate governance arrangements for local community planning.

Keywords: Indigenous demography, population dynamics, service delivery, Port Augusta, COAG, Closing the Gap.
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Introduction

In 2009, the Council of Australian Governments (COAG) agreed to include an Urban and Regional Strategy as part of the Indigenous Reform Agreement aimed at coordinating the delivery of services to Indigenous Australians. The main purpose of this strategy was to ensure that government agencies and community groups form partnerships to develop implementation plans for coordinated actions in relation to the headline indicators of the COAG Closing the Gap targets. The strategy outlines the contribution of Indigenous-specific and mainstream National Partnership Agreements in health, housing and homelessness, early childhood, education, and economic participation aimed at addressing disadvantage in urban and regional locations and it is to be progressed in each jurisdiction as part of the Overarching Bilateral Indigenous Plans agreed between the Commonwealth and each State and Territory. This approach towards the development of Local Action Agreements is place-based and focused on the identification of local needs. In their response, governments are committed to prioritising investments in services and programs and, where appropriate, in focusing attention on specific locations that have the greatest impact on Closing the Gap and breaking the cycle of intergenerational disadvantage. This refers to all relevant services and programs, whether under the umbrella of the National Partnership Agreements or not.

Part of the impetus for the development of an Urban and Regional strategy was the recognition—through empirical analysis conducted by the Centre for Aboriginal Economic Policy Research (CAEPR) at The Australian National University (ANU) for the Ministerial Council on Aboriginal and Torres Strait Islander Affairs (MCATSIA)—that Indigenous populations are concentrated in urban and regional Australia, where they are experiencing rapid growth and, in many regional towns, are increasing as a share of the resident population due to differential demographic processes (Taylor 2006). At the same time, social and economic outcomes often lag behind for Indigenous residents of city neighbourhoods and regional towns, thereby confirming that overall worse outcomes for Indigenous Australians are not solely the result of conditions in remote areas (Biddle 2009).

Population dynamics in inland regional centres

Of particular interest are the dynamics operating within regional areas, given that these account for around 50 per cent of the national Indigenous population. In many towns and urban centres across regional Australia there has been a significant demographic shift underway for some time that is characterised by in-migration of Indigenous people from surrounding areas as well as from remote parts of Australia. This is combined with relatively high natural population increase among existing Indigenous residents, on the one hand, and net out-migration and ageing among non-Indigenous residents on the other hand. This dual dynamic is gradually altering the demographic composition of many country towns and regional centres leading to a more Indigenous profile with consequences for the nature of service delivery, governance and economic participation. The spatial range of this effect stretches from Geraldton and Kalgoorlie in Western Australia through Port Augusta in South Australia to Broken Hill in New South Wales and across to Dubbo, Orange and Tamworth, as shown in Fig. 1 and Fig. 2. In each of these regional centres Indigenous population growth has substantially outstripped that of the rest of the population, with non-Indigenous populations in most locations experiencing decline (see Fig. 1). As a consequence, the Indigenous residential share of each location has been steadily rising and this has continued over the most recent intercensal period (2006–11) as shown in Fig. 2. For the most part, this Indigenous share is approaching 10–12 per cent, although in Port Augusta it is now approaching 20 per cent of the city’s population. These cities are significant service centres located geographically between metropolitan and remote Australia. They have extensive catchment areas from which they are attracting Indigenous people as migrants as part of a step-wise movement of population out of remote locations (Taylor 2006). Combined with higher natural population increase, this stands in contrast to non-Indigenous out-migration and population ageing. From an Indigenous policy perspective, and in terms of the COAG Urban and Regional Strategy, they register as demographic ‘hotspots’ in the sense that demographic processes are generating specific outcomes that require place-based policy responses.

In order to understand these processes more fully, together with their particular implications for policy, this paper focuses on one such location (Port Augusta) as a case study of the changes that are underway in demographic composition more widely and of the issues that are increasingly faced by all levels of government and local Indigenous organisations in dealing with them. The aim is to drill down into the population dynamics of Port Augusta and into the community responses to demographic change as a way of deriving general lessons for community governance and service delivery that are likely to be faced in similar situations by those seeking to implement the Urban and Regional strategy.
**FIG. 1.** Change in Indigenous and non-Indigenous estimated resident populations: Select regional centres, 1996–2006

![Bar chart showing percentage change in Indigenous and non-Indigenous populations for selected regional centres, 1996–2006. Source: ABS customised tables, based on estimated resident populations (ERPs).]

**FIG. 2.** Indigenous share of population in select regional centres, 2006 and 2011

![Bar chart showing Indigenous proportion of population by census year for selected regional centres, 2006 and 2011. Source: Based on ABS Census usual resident counts 2006 and 2011 (excludes Indigenous status not stated).]
The paper is presented in two separate but linked components. First of all, recent population trends in Port Augusta are established pointing out the very different trajectories for the Indigenous and non-Indigenous populations and leading to a set of estimates of current Indigenous social and economic outcomes. The second part outlines government and community responses to these trends and outcomes. It highlights lessons learnt from Port Augusta itself and from other attempts around the country that have sought to establish appropriate governance arrangements for local community planning.

Port Augusta: Indigenous population size and composition

Port Augusta is a regional city located at the head of the Spencer Gulf, 300 kilometres north of Adelaide. It is a place of significance to Indigenous peoples from a large area of South Australia, including the Anangu Pitjantjatjara (APY) Lands, the Flinders Ranges and the Eyre Peninsula. Specifically, the National Native Title Tribunal recognises three active claims either in or close to the city area—Nukunu (SC96/5), Barngarla (SC96/4) and Adnyamathanha (SC11/1), while the Port Augusta Native Title Working Group includes four native title claimant groups—Kuja, Nukunu, Barngala and Kokotha.

In common with many urban centres in regional Australia, Port Augusta has experienced mixed economic and demographic fortunes over recent decades due to structural adjustment, mainly in the transport and electricity industries. The period up to the mid 1980s was one of economic expansion and consolidation as Port Augusta emerged as a post-war regional hub for the Australian National Railways and for power generation into the South Australia grid. With city status conferred in 1964, the population rose steadily from just over 11,000 at the 1961 Census to almost 16,000 by 1986.

Over this time, the city’s function as a service centre for the entire north of South Australia also grew, leading to new employment in Commonwealth and State government departments and other service and retail industries. The story since 1986 is essentially one of gradual decline in employment, and therefore in population, due largely to the direct and indirect effects of labour shedding in the rail workshop and power station, followed by the rationalisation of public service positions (South Australian Centre for Economic Studies 1997). In recent years, it appears that this population decline has been halted and numbers are gradually rising again. To date, this increase has been mostly due to in-migration and higher natural increase of the Indigenous population; non-Indigenous numbers have been stable.
Up until the 1970s, most Aboriginal people in the vicinity of Port Augusta were confined to residence at Davenport, which itself emerged out of the Umeewarra Mission established in 1939 on Aboriginal Reserve land north of the town (Moisseeff, Houseman & McKenzie 1999). Today, this residence pattern is reversed with the majority of the Indigenous population of almost 3,000 located in Port Augusta suburbs, while Davenport (according to the 2006 Census) has a core resident population of around 200, with fluctuating additional numbers. The striking feature of demographic change in the city since the 1960s is therefore one of growth and decline in the non-Indigenous population against a background of steady and continuous increase in the Indigenous population (Fig. 3).

Non-Indigenous numbers peaked in the 1980s and fell consistently through the 1990s, while the past decade has seen a stabilisation in non-Indigenous numbers at around 12,000. The Indigenous population, on the other hand, has risen steadily since the 1960s and now sits at around 3,000. As a consequence, the Indigenous share of Port Augusta’s total population has also steadily increased from less than 5 per cent in the 1960s to almost 20 per cent today (Fig. 4). This emergent ‘Indigenisation’ of the Port Augusta population is a common feature of regional towns and cities across Australia and it mostly reflects differential trends in net migration (Taylor 2006).

At the 2006 Census, a total of 2,301 Indigenous people were counted as usual residents of the Port Augusta Indigenous Area, which incorporates the urban centre and immediate surrounds (including Davenport and Stirling North). Using a post-enumeration survey, the Australian Bureau of Statistics (ABS) adjusts this census figure to account for those estimated to have been overlooked by the census and allocates, pro rata, people who did not respond to the census question on Indigenous status. These procedures resulted in a revised figure for the 2006 Indigenous population—the Estimated Resident Population (ERP)—of 2,567, which represented 17.7 per cent of the total population estimate of 14,444. This is a substantially higher level of Indigenous representation compared to that in the total Australian population and it is higher too than the proportion in all other similar-sized regional centres across Australia apart from Broome, Mount Isa and Alice Springs.

In effect, Port Augusta is an urban centre with a notable and growing Indigenous resident constituency. Furthermore, it operates as a service centre for an even larger Indigenous clientele beyond its boundary, mostly
to the north, although lines of social connection run in all directions and produce flows of population along several well-established routes. It offers access to the Flinders area through Quorn and Leigh Creek to Nepabunna; along the Birdsville and Oodnadatta tracks to Finke; along the Coober Pedy/Alice Springs road to the Pitjantatjara Lands, to Docker River and Darwin through Alice Springs; along the Woomera road to Port Lincoln, and Ceduna, to Point Pearce/Raukkan; to Brisbane via Birdsville and Cunnamulla; to Broken Hill/Mildura; and finally to Geraldton via Kalgoorlie and Perth (Moisseeff, Houseman & McKenzie 1999: 41). The significance of these Indigenous numbers and cultural connections for urban planning is heightened by several other accompanying features of the town’s social demography:

- very different Indigenous and non-Indigenous age structures
- net in-migration of Indigenous population compared to net out-migration of non-Indigenous population leading to a rising Indigenous share of population
- substantial temporary residence in Port Augusta of Indigenous people from elsewhere
- marked differences between Indigenous and non-Indigenous populations in Port Augusta and its catchment area across a range of indicators that underpin social and economic participation.

**Age structure**

The Indigenous population of Port Augusta is much younger in profile than the rest of the city’s population, with 32 per cent below the age of 15 years compared to just 17 per cent of other residents. This reflects the demographic pattern across Australia generally. Fig. 5 highlights this difference in age distribution—Indigenous numbers are greatest at the base and recede with advancing age due to relatively high adult mortality. By contrast, non-Indigenous numbers are highest at older ages due to increased survival over recent years, while the younger age groups show signs of relative decline due to reduced fertility and out-migration.

The actual numbers in each age group are ultimately unknown, since ABS post-census estimates of Indigenous (and non-Indigenous) population by age are only calculated for the much larger Port Augusta Indigenous Region (IR) which incorporates the whole area north of Port Augusta to the Northern Territory border, including the APY Lands. What is shown in Fig. 5 for the city of Port Augusta are simply census counts. However, we can use the estimated figures for the larger Port Augusta IR to produce synthetic estimates for Port Augusta by distributing the 2006 ERP for the urban area according to the percentage distribution of age categories in the larger region. This assumes, of
### TABLE 1. Synthetic estimates of Indigenous population by age and sex, Port Augusta Indigenous Region, 2011

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<td>20–24</td>
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<td>Total</td>
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<td>1,431</td>
<td>2,819</td>
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Source: Authors’ own calculation; ABS Census of Population and Housing 2006; Biddle & Taylor 2009.

### FIG. 6. Indigenous and non-Indigenous net migration by broad age groups, Port Augusta, 2001–06

Source: ABS 2006 Census customised data.
course, that the age distribution in the city is equivalent to that of the wider region, and while this may not be the case exactly it is a reasonable approximation to make.

By this same strategy, it is possible to update synthetic 2006 Indigenous age data for Port Augusta town to 2011 by applying growth rates for each age group over this period drawn from existing projections of Indigenous population over this period for the wider region (Biddle & Taylor 2009). This produces an overall Indigenous estimate of 2,819 in 2011, with a five-year age and sex breakdown as shown in Table 1.

This reveals a 10 per cent increase in overall population numbers since 2006, based on the rate of increase projected for the wider IR. However, Port Augusta was a net recipient of Indigenous population from this wider region between 2001 and 2006 due to a net in-flow rate of 3.6 per cent. While the magnitude of this net flow was relatively small, the fact that it contributed to positive growth in the Indigenous population contrasts with the situation for the non-Indigenous population which experienced a net out-flow of equivalent size (3.1%). Fig. 6 shows the age distribution of these net flows and reveals net Indigenous gains at almost all ages but especially at older ages, and net non-Indigenous losses at almost all ages but especially at young adult ages.

If this same pattern and level of Indigenous net migration continued over the period 2006–11 then the estimated increase in numbers would have been 12 percent with a 2011 population of 2,879. However, because it is difficult to model this migration with any statistical certainty, the data in Table 1 will be used to estimate Indigenous population growth in Port Augusta, despite the fact the data are calculated without the use of migration data.

For community planning purposes, the potential significance of these age data can be illustrated by grouping them into select life-stage age categories that often form the focus of policy interest. For example, from the perspective of addressing current educational needs, the focus on securing universal pre-school access and the extension of compulsory schooling through to age 17 under ‘learn or earn’ programs, suggests a number of relevant groups. First are those of infant age (0–3), followed by those in pre-school and transition years (4–5). Presently, compulsory schooling in South Australia covers 6–17 years inclusive. The transition years from schooling into higher education or the workforce (18–24) are followed by the years of prime working age and family formation (25–54) divided into younger (25–34) and older (35–54) groups. Finally, an aged group is set here at 55 years and over in recognition of higher adult mortality and implied morbidity, as illustrated in Fig. 5. The size of each of these age groups is shown in Table 2.

In any discussion or assessment of community planning needs, these various cohorts provide the base quantum net of any sub-cohort characteristics (such as special needs students) that might imply particular requirements. A basic argument and empirical finding is that these cohorts display archetypal characteristics and that for planning purposes the implications of cohort progression should be considered. The most pressing example of this is to contemplate overall community outcomes in 20 years time, when those currently aged 35 years and over become a smaller group aged 55 years and over—and are replaced by the large block in the population (28% of the total). This large cohort that is currently aged 18–34, will become the future core working and parental group aged 35–54. There are similar implications for the future prospects for the current broad school age group of equivalent size.

### Table 2. Estimated size of policy-relevant Indigenous age groups, Port Augusta, 2011

<table>
<thead>
<tr>
<th>Policy/age group</th>
<th>Population (no.)</th>
<th>Estimated resident population (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infant (0–3)</td>
<td>260</td>
<td>9.2</td>
</tr>
<tr>
<td>Pre-school (4–5)</td>
<td>123</td>
<td>4.4</td>
</tr>
<tr>
<td>Compulsory school (6–17)</td>
<td>684</td>
<td>24.3</td>
</tr>
<tr>
<td>Broad school age (4–17)</td>
<td>808</td>
<td>28.7</td>
</tr>
<tr>
<td>Young adult/transition (18–24)</td>
<td>372</td>
<td>13.2</td>
</tr>
<tr>
<td>Younger working-age adult (25–34)</td>
<td>428</td>
<td>15.2</td>
</tr>
<tr>
<td>Older working age-adult (35–54)</td>
<td>670</td>
<td>23.8</td>
</tr>
<tr>
<td>Aged adult (&gt;55)</td>
<td>281</td>
<td>10.0</td>
</tr>
</tbody>
</table>

Source: Author’s calculations.
What educational and training needs for succession do these cohort shifts imply? How well-positioned are these younger cohorts to participate in Port Augusta’s economic future? Before considering these economic implications of demographic change, it is necessary to consider an additional component of the Indigenous population of Port Augusta that arises from temporary visitation to the town.

Temporary visitors

As mentioned, Port Augusta operates as a significant regional service hub and there are many reasons (e.g. service access) why Indigenous people from Port Pirie/Whyalla and all areas to the north (including from southern parts of the Northern Territory and eastern parts of Western Australia) live temporarily in Port Augusta. Of course, it is also true that residents of Port Augusta may be temporarily absent elsewhere for similar reasons (not least in Adelaide), and it is necessary for demographic accounting to attempt some measure of the balance between these flows.

Data on temporary population movements are difficult to collate, certainly in any systematic and comprehensive way. One set of sources are the administrative records of service agencies that maintain details of client episodes. Within Port Augusta, the Pika Wiya Health Service, Port Augusta Courts, Port Augusta Prison, the Port Augusta Hospital and Regional Health Service, the six primary and two secondary schools, the TAFE SA (Training and Further Education South Australia) Port Augusta campus, numerous social service non-governmental organisations (NGOs), Housing SA, the Lakeview Accommodation Centre, and the Lois O’Donoghue Hostel all gather information on Indigenous clients from beyond Port Augusta. This is invariably done in a manner that suits their individual purposes and not, therefore, in any systematic way that could be utilised for overall demographic profiling—at least not without considerable effort in statistical accounting. Nor do they include data on the additional individuals and family members who often travel to Port Augusta to accompany those who are recorded in administrative systems. Of course, any attempt to balance these data on in-flow with data on residents of Port Augusta who are temporarily absent elsewhere becomes even more indeterminate given potential multiple destinations.

Short of launching a dedicated survey, the only systematic information available on the net balance of temporary population movement in and out of Port Augusta derives once again from the national census. This refers to data on individuals who were enumerated in Port Augusta on census night but who had a usual residence address elsewhere, and those whose usual residence address was Port Augusta but who were enumerated elsewhere. In 2006, this showed a net temporary out-flow from Port Augusta of Indigenous population on census night amounting to 1.8 per cent of the population (an estimated 87 individuals in and 133 out using the 2006 ERP as the base). This represents a turnover rate of almost 10 per cent, although it should be noted that census data reflect dry season population outcomes and that wet season inflows to Port Augusta are likely to be notably higher due to temporary relocation from areas to the north, especially from the APY Lands.

It is also true that confusion can arise in individual interpretations of the concept of usual residence as applied in census enumeration and that this could impact on recorded temporary population movements, albeit in unknown ways. However, it is interesting to note that administrative data on change of usual residence address for Indigenous Centrelink clients over a one-year period show a similar balance between short-term in-flows and out-flows to and from Port Augusta as suggested by census data. For example, between September 2008 and August 2009 there were 431 changes of address indicating a move into Port Augusta and 432 indicating a move out. Half of these flows in and out were from locations to the north and west. The APY Lands were the largest single source and destination for these flows, followed by unincorporated parts of the Far North, Ceduna, Coober Pedy, Whyalla, and northern parts of the Flinders Ranges.

Indigenous population projections: Port Augusta in 2031

It is generally accepted that a fundamental step in establishing mechanisms for the identification of population needs is the construction of a demographic profile and related social and economic conditions at some point in time. While this allows for future assessment of change, more importantly it provides a basis for estimating in advance what this change is likely to be and how the scale and composition of needs are likely to change over time. This enables proactive, rather than reactive, decision-making. Partly because of continued uncertainty in the official estimation of local Indigenous population levels (Taylor & Biddle 2010) it is this predictive capacity of applied demography that is seen as most useful because, at the very least, it focuses attention on the probable scale and nature of future tasks in what are inevitably dynamic social and economic environments (Biddle & Taylor 2012). As we have seen, the Port Augusta population has fluctuated considerably in recent decades and while this has matched changing economic fortunes, there does now appear to be a greater sense of certainty about likely future trajectories, ironically not in the direction most recently envisaged.

The main potential impact on the future of Port Augusta’s population growth that was unfolding post-2006 Census was the agreement between the South Australian
Government and BHP Billiton to significantly expand mining and processing operations at the Olympic Dam deposit at Roxby Downs. This resulted in enabling legislation that passed both houses of the South Australian Parliament in November 2011. Clearly there were to be direct and indirect economic multiplier effects of this project on Port Augusta itself, and on economic opportunity in the wider region. There were also potentially significant and long-term economic benefits to native title parties recognised in the 2008 Olympic Dam Agreement —the Barngala, Kokatha and Kuyani Yartah communities, as well as a wider Indigenous constituency including Nukunu, Arabunna, Dieri and Adnyamathanha peoples—on whose lands sections of a proposed gas pipeline would be constructed. Moves towards the establishment of an Indigenous Land Use Agreement were also likely to provide significant economic opportunity for affected Indigenous parties, many of whom reside in Port Augusta. Accordingly, the BHP Billiton decision in August 2012 not to approve an expansion of Olympic Dam before the indenture agreement deadline of 15 December 2012 (citing falling commodity prices and higher capital costs) clearly curtails these impacts, at least for the foreseeable future. While BHP Billiton also announced that it will investigate an alternative, less capital-intensive design of the Olympic Dam open-pit expansion involving new technologies, there seems no doubt that expected medium-term impacts at Port Augusta are now less likely to eventuate. Thus, after some years of overall decline (in common with much of regional Australia), the economic prospects for Port Augusta were given a much-needed stimulus due to the proposed Olympic Dam extension, only to be deflated—a common regional economic problem where there is reliance on minerals development.

Several inquiries into social and economic challenges facing Port Augusta over the years have highlighted the difficulties that are presented for sustainability and community planning by an over-reliance on single or few industries, initially in the form of transport and power generation and more recently in the area of government services (Port Augusta City Council 2000; South Australian Centre for Economic Studies 1997, 1998). It is now necessary to add mining development to this list. This is not to say there are no prospects for new economic activity in servicing the mineral developments in adjacent areas of inland South Australia—both in terms of enhanced infrastructure, processing and supply chains as well as by offering dormitory residence to fly-in-fly-out or drive-in-drive-out workers—but it does mean that the scale of anticipated impacts is likely to be much less than previously envisaged, at least for the foreseeable future as none of the other existing or proposed projects in the region come close to the scale of the Olympic Dam proposal. The 2010 Regional Employment Plan for Port Augusta—Whyalla—Port Pirie envisaged medium to long-term expansion of employment opportunities largely as a consequence of nearby minerals development and associated downstream activities in construction, transport and tertiary sectors. This now needs to be pared back. To provide a sense of scale here, in 2011 total employment in the mining industry in the north and far west of South Australia was estimated to be 11,700. If the expansion of Olympic Dam had proceeded as planned, estimates produced by BHP Billiton indicated that this would have generated an additional 15,000 new jobs (Gray et al. 2011).

Other developments likely to impact on Port Augusta’s future growth include increased public service spending in defence, health and education and possible developments in renewable energy, while tourism always holds potential given the city’s strategic location. As noted, until recently the economic prospects for Port Augusta appeared very positive, with one set of (medium) projections developed for the City Council based on these more prospective outcomes suggesting a future urban population of 21,000 by 2031 (IBISWorld 2008). In 2012, there were around 90 Olympic Dam workers residing in Port Augusta (BHP Billiton 2011: 620) and this was expected to increase given that the mine is only a three-hour drive to the north. There was also likely to be an influx of workers into Port Augusta arising from construction of the proposed landing facility, access corridor and pre-assembly yard, plus associated infrastructure. These expected developments led to recognition on the part of BHP Billiton and the South Australian Government of a need to monitor potential impacts on rental rates, rental availability and housing stress in Port Augusta. While always useful as a planning tool, this requirement is now less urgent.

No official projections of Indigenous population are available for Port Augusta. Even projections of the total population are scarce and those that are available can appear dubious. For example, using 2001 Census data as the base, the Commonwealth Department of Health and Ageing projected a figure of 10,694 for Port Augusta by 2021 whereas the latest available ABS estimate indicates a figure of 14,784 in 2010 (ABS 2011). As for Indigenous projections, the ABS has produced these for the larger Port Augusta IR and they indicate a regional population of 8,499 by 2021. Biddle and Taylor (2009) also produced Indigenous projections for the Port Augusta IR and these suggest a population of 9,321 by 2021. The main difference here is the inclusion of an estimate of net migration loss from the region in the ABS projection which is not included in the Biddle and Taylor assumptions (net migration here is set to zero).

While estimates of the future size of population are an essential output from population projections, equally important from a social policy and planning perspective are estimates of change in age composition. Of particular
note here is the balance between future potential producers and consumers in the population; that is, between those of working-age and those who are age-dependent, either young or old. Presently, the age dependency ratio for the Indigenous population of Port Augusta is effectively the same as that of the non-Indigenous population (0.65 compared to 0.64). In other words, the Indigenous and non-Indigenous populations of young (under 15 years) and old (over 60 years) when combined are around two-thirds the size of the respective populations of working-age (15–59). However, this symmetry occurs for very different reasons—for the Indigenous population it is because of a surfeit of young people and for the non-Indigenous population it is because of a surfeit of aged people. This reflects a stark difference in population dynamics whereby non-Indigenous birth rates have long been much lower than Indigenous rates, and survival rates have long been higher. This is now changing as these differences in rates have been narrowing over time and they are likely to continue to narrow as a consequence of Indigenous affairs public policy and associated social and economic change. Put simply, as Indigenous participation in mainstream institutions of education and work has increased, and as urban lifestyles have become more widespread, so the Indigenous fertility rate has fallen and there are signs, too, of enhanced survival. What is less certain is the pace and local rate of these changes, but to the extent that government policy seeks to enhance participation in mainstream institutions under the closing gaps strategy there is likely to be a continuation—indeed intensification—of these demographic trends. In effect, the Indigenous population is now ageing, albeit from a youthful base, and government policy is only likely to enhance this process.

According to this scenario, in some decade ahead the share of the Indigenous population in the working-age group (15–60) will peak, mostly due to further falls in fertility. In other words, a point will be reached where the ratio of potential producers in the population compared to consumers (under 15 years of age and over 60 years who are dependent for economic resources on those of working-age) will be maximised. This shadow-effect of the transition in vital rates leading to a heightened ratio of producers to consumers has been referred to by demographers and economists as a ‘demographic dividend’ in the sense that the minimising of age/dependency ratios enables a maximising of income, savings and investments—at least potentially (Bloom, Canning & Fink 2010; Bloom & Williamson 1998; Jackson 2008). Eventually, this dividend passes as continued ageing leads to an increase in the share of population at older ages, a situation that now faces Australia as a whole. Because there is persistence of early onset mortality in the Indigenous population, any improvements in life expectancy that might now occur (in line with the avowed aims of policy) will contribute—along with fertility decline—to an expansion in the relative proportion of those in productive age groups for some decades to come. Admittedly, this concept has been developed for national-scale populations, but as Jackson (2011) has argued for Maori, it is relevant to apply it to structurally younger sub-populations that co-exist alongside much older national populations.

Thus, to the extent that this structural shift does continue, it has profound implications for social policy as it raises the opportunity for enhanced Indigenous economic potential, albeit within the overall context of factors affecting labour demand and supply. The basic issue here, given current levels of Indigenous education and productivity, is that the opportunity for Indigenous families and communities to ‘cash in’ on this transitory structural position could be foregone, or at least be less than optimised, for want of adequate human capital among key implicated cohorts. While there are signs at the national level of steady improvement in mainstream employment participation (Gray & Hunter 2011), this is not repeated everywhere and the story for education participation and achievement is also often less than favourable.

To begin to explore the contours of this ageing process for the Indigenous population of Port Augusta two projection series are prepared for the period 2006–31. As with the 2011 synthetic estimates shown in Table 1, these are based on the existing projections produced for the larger Port Augusta IR (Biddle & Taylor 2009). Basically, growth rates from these projections for the period 2006–31 are applied to the 2006 ERP age groups for Port Augusta Statistical Local Area (SLA). The first, projection Series A, assumes no change in existing demographic parameters and it sets net inter-regional migration to zero. This focuses attention on the effects of age structure and natural increase under current conditions. The second, Series B, also maintains zero net migration but it models the effect of a variation in fertility and survival parameters towards convergence with the rest of the population by 2031. The Series B assumptions thus reflect the idea of sustained Indigenous demographic transition in line with long-term observed trends in fertility and mortality (Condon & Wilson 2007; Kinfu & Taylor 2005; Taylor 2003) and observed positive interactions with related social and economic determinants, such as employment, education and income (Gray 1990) that government policy also seeks to influence. It is an unlikely scenario, certainly over the 25 year period in question, but it represents the ultimate logical outcome of existing social and policy trends and as such provides an indication of where the population is heading. Results from these projections are shown in Fig. 7 and Fig. 8.

The Series A projection, which holds current demographic parameters constant, points to an Indigenous population in Port Augusta of 3,896 by 2031 representing an increase of 38 per cent from 2011. This converts to a compound annual rate of 1.68 per cent which is over four times higher
**FIG. 7.** Series A Indigenous population projections by age group, Port Augusta, 2006 and 2031

Source: Author's calculations.

**FIG. 8.** Series B Indigenous population projections by age group, Port Augusta, 2006 and 2031

Source: Author's calculations.
### Table 3. Proportion of Indigenous population in working-age and dependent age groups, Series A and B projections, Port Augusta, 2006–31

<table>
<thead>
<tr>
<th>Age group</th>
<th>2006</th>
<th>2011</th>
<th>2016</th>
<th>2021</th>
<th>2026</th>
<th>2031</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Series A</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0–14</td>
<td>33.4</td>
<td>31.9</td>
<td>31.4</td>
<td>31.3</td>
<td>30.8</td>
<td>30.2</td>
</tr>
<tr>
<td>15–59</td>
<td>60.7</td>
<td>61.4</td>
<td>61.1</td>
<td>60.1</td>
<td>59.2</td>
<td>58.7</td>
</tr>
<tr>
<td>60+</td>
<td>5.9</td>
<td>6.7</td>
<td>7.6</td>
<td>8.7</td>
<td>10.0</td>
<td>11.0</td>
</tr>
<tr>
<td><strong>Series B</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0–14</td>
<td>33.4</td>
<td>31.9</td>
<td>30.8</td>
<td>29.7</td>
<td>27.9</td>
<td>26.1</td>
</tr>
<tr>
<td>15–59</td>
<td>60.7</td>
<td>61.4</td>
<td>61.5</td>
<td>61.2</td>
<td>61.1</td>
<td>61.1</td>
</tr>
<tr>
<td>60+</td>
<td>5.9</td>
<td>6.7</td>
<td>7.7</td>
<td>9.1</td>
<td>11.0</td>
<td>12.8</td>
</tr>
</tbody>
</table>

Source: Author’s calculations.

### Fig. 9. Proportion of Indigenous population aged 15–59 years old, Series A and B projections, Port Augusta, 2006–31

Source: Author’s calculations.
than the official annual rate of growth of 0.438 per cent over the same period projected for the total population in the Northern Statistical Division (Government of South Australia 2010: 46). The Series B projection produces a similar population level in 2031 of 3,811. If recent medium assumption projections to 2031 for the total population of Port Augusta were to eventuate (IBISWorld 2008), the Indigenous population share would remain constant at around 19 per cent of the total, regardless of which projection series applies. What does differ between Series A and B, though, is the relative growth of different age groups as shown in Table 3.

In both projection Series A and B the proportion in the 0–14 age group steadily declines. The degree and pace of this decline is greatest in the Series B projection as Indigenous fertility converges with the rest of the population. Likewise, the proportions of aged population increase but slightly more so in the Series B projection. The significant observation here is that the proportion of the population in productive working ages appears to have already peaked in the Series A projection at 61.4 per cent with a noticeable subsequent decline, whereas under the Series B projection—with its assumptions related to ‘closing the gap’—this ‘peaking’ appears to be prolonged over the next couple of decades (as illustrated in Fig. 9). The simple message here is that Closing the Gap policies, if effective in achieving their target outcomes, are likely to produce a potential for an Indigenous demographic dividend for years to come. However, because this effect is transitory as the population continues to age, it places emphasis on ensuring that those entering this phase of demographic transition are well placed to take up this opportunity.

One complication in compiling these data is the difficulty in predicting how future migration in and out of Port Augusta might affect the outcomes. If the net flows recorded by the census over the 2001–06 period were to continue, the overall effect would be to increase the relative expansion of the oldest age group in both Series. However, if future growth of Port Augusta were to be assisted by an expansion of economic opportunity this may in turn inflate the relative increase in working-age population. Either way, if we assume that the most likely scenario for change in age dependency occurs somewhere between the two projected outcomes, the overall message is still that of an urgent need to ensure that the human capital base of the younger population is sufficient to respond to economic opportunity as the bulge in working-age population continues to age. This raises important questions about the human capital base of those currently in younger age groups and about the size and composition of any remedial inputs that might be required to maximise their potential for future participation.

Population ageing and labour force status

The structural ageing evident in the Port Augusta projections provides something of a business case for efforts aimed at raising Indigenous human capital levels via education and training, given that Indigenous people represent a prominent and rising share of the city’s population. Referring to the economic benefits for Australia as a whole as it passed through the phase of demographic dividend, Jackson (2008: 225) points out that the non-Indigenous population was educated before it became ‘old’, whereas the risk for the Indigenous population is that it will become old before it becomes educated. This would clearly have implications for future workforce participation during the very period when Indigenous economic status might receive an added boost due to reduced age/dependency ratios. However, it is not only the level but also the nature of workforce participation that requires attention as low Indigenous occupational status and intermittent work also serve to constrain individual and family income and asset accumulation (Pragnell 2002). This focuses attention on the current education and employment profile of the Port Augusta population, especially those at younger adult ages (under 35 years) who will be at the vanguard of the bulge in working-age population as it develops.

The percentage of younger (aged 15–34) and older (aged 35–54) Indigenous adults according to their labour force status in 2006 is shown in Fig. 10. Employment rates are shown separately for those in Community Development Employment Projects (CDEP) work and mainstream (non-CDEP) work. Despite the fact that CDEP has long been a key employer of local Aboriginal labour (Gray & Thacker 2000), the 2006 Census did not identify persons in CDEP employment in urban centres such as Port Augusta. Instead, these are derived as a separate group from CDEP administrative data provided by Bungala Aboriginal Corporation. In terms of future potential economic benefit from demographic dividend, the ideal in each instance would be that participation rates in both mainstream and CDEP work were higher for the younger cohort, or at least not lower, than for the older cohort. However, what we see is the opposite—younger adults were far less likely to be in mainstream employment and slightly less likely to be in CDEP. They were also slightly more likely to be unemployed or not in the labour force (NILF). Aside from limited involvement in mainstream employment, the striking feature when considering prospects for demographic dividend is the very high NILF rate among younger adults. Of course, this may be because some of those aged 15–34 were still at school or engaged in further education and training, however these instances are accounted for in Fig. 10, which shows that around 12 per cent of those at younger ages recorded in the census as ‘not in the labour force’ were also attending an educational institution.
**FIG. 10.** Indigenous adults by labour force status, younger and older age groups, Port Augusta, 2006

![Bar chart showing Indigenous adults by labour force status, younger and older age groups, Port Augusta, 2006.](source)

*Source:* Customised 2006 Census tables and CDEP administrative data.

**FIG. 11.** Newstart and Youth Allowance payments to Indigenous residents, Port Augusta 2007–11

![Line graph showing Newstart and Youth Allowance payments to Indigenous residents, Port Augusta 2007–11.](source)

*Source:* Centrelink, Canberra.
FIG. 12. Indigenous adults by labour force status, younger and older age groups, Port Augusta, 2011

Source: Customised 2011 Census tables.


Source: Customised 2006 and 2011 Census tables.
The levels of NILF shown in Fig. 10 are therefore genuinely high and suggest that younger adults were more likely than older adults to be NILF in 2006, and that almost half of them were dependent on some form of government benefit outside of work, schooling or training. Of course, one immediate concern—given the substantial reliance on CDEP employment in 2006—is the subsequent phasing out of this employment program in urban centres like Port Augusta by 2007 and uncertainty regarding the impact that this has had on labour force status. While, no doubt, some transfer has occurred from CDEP employment into mainstream employment, the more pressing question is whether this has been sufficient enough to avoid a rise in unemployment as former CDEP workers move on to Centrelink Newstart payments instead.

To consider this, Fig. 11 shows the number of Indigenous Newstart and Youth Allowance (non student) recipients with a usual residence address in Port Augusta at select points in time between 2007 and 2011. This seems to suggest that there may well have been an increase in unemployment following withdrawal of funding for CDEP activities in Port Augusta in 2007. However, it also suggests that this impact may have peaked by 2009 and that numbers might be back to their original pre-2007 level.

As for a more conventional measure of current labour force status, this is now available from the 2011 Census (see Fig. 12). The key difference with 2006 is, as noted, the absence of a CDEP employment category, and this seems to have been accounted for by a doubling of the proportions in mainstream employment in both age groups with the proportions in other labour force status categories remaining reasonably stable. This indicates a substantial structural shift in local labour market outcomes, although it is not clear how to interpret this—has employment in CDEP simply been re-badged as mainstream employment? If so, what has been the mechanism? If not, have people formerly employed in CDEP been able to find jobs in the mainstream labour market? If so, where and how? Census data are only able to highlight such questions, finding answers will require more local intelligence and analysis.

However, one clue is provided by shifts in part-time/full-time employment, and Fig. 13 shows how these proportions have changed between 2006 and 2011 among Indigenous workers in Port Augusta in the young and old age groups. This shows a dramatic increase in full-time employment among younger workers and a concomitant decline in part-time employment. Very little change is evident for older workers and there is now little difference in the balance of full-time/part-time work by age whereas, previously, older workers were far more likely to be in full-time employment. If this shift into more full-time employment reflects a shift from CDEP to more mainstream forms of work, then it only seems to have occurred among younger workers.

**Labour market outlook**

Presently, mining and related activities, social services, retail and public administration are the main employers in Port Augusta and its hinterland. According to Gray et al. (2011) the three biggest mining operations in the region—Jacinth (Iluka), Prominent Hill (OZ Minerals) and Olympic Dam (BHP Billiton)—employed just over 300 Indigenous employees or contractors in 2011, with Indigenous workers ranging from 18 per cent of the workforce at Iluka and 17.5 per cent at OZ Minerals to 6.4 per cent at Olympic Dam. These and other mining companies (as well as some contractors) are engaged in training projects specifically targeted at Indigenous job seekers with relatively few workplace skills, as vacancies open up in the skilled trades, transport, labouring and other semi-skilled occupations. For example, aside from BHP Billiton scholarships and support for the development of Indigenous business skills and for study assistance for high school students in Port Augusta, the Olympic Dam Indigenous Participation Program aims to increase Indigenous participation in the Olympic Dam workforce via work-readiness programs, provision of on-the-job training and employment opportunities including apprenticeships, and by identifying contracting/subcontracting/joint venture opportunities to ensure that Indigenous companies secure contracts at the site. Opportunities will predictably expand in heritage and environmental management services.

As the major service centre for the Far North, any increased employment in mining will likely lead to an increased demand for labour in other industries in Port Augusta including retail, health, education and community services. Port Augusta has been the location of choice for many government agencies in the region and recurrent employment opportunities in this sector will include clerical and administrative roles. While retail is one of the largest employers in Port Augusta, Indigenous people are significantly under-represented in this industry. Building local Indigenous capacity may increase opportunities in retail employment, although this may also require broader strategies to address any problems of discrimination that might impact on employer demand. Aside from the two coal-fired power stations in Port Augusta, a ‘Green Grid’ renewable energy project is also proposed for the region that could generate significant employment in construction and operation phases. Aquaculture in the Port Augusta region is expected to grow in coming years. Aquaculture farmers and technicians usually require Certificate-level qualifications in aquaculture. There may also be opportunities for employment in natural resource management in ‘green teams’ with public funding or on a fee-for-service basis.
From the standpoint of participation in this regional economic development, educational achievement is a key prerequisite. While census and survey-based studies reveal a clear positive relationship between economic status and level of educational achievement as measured by standard indicators, such as highest level of schooling completed, and post-school qualifications (Biddle 2006), an important shortcoming is their lack of measurement of the quality of education outcomes. For example, age at leaving school or highest level of schooling completed does not necessarily equate with expected core competencies. In fact, age or grade level can be a poor indicator of achievement as many Indigenous students perform substantially below their age and grade levels in terms of literacy and numeracy benchmarks. Thus, while data on participation in the education system provide an important indication of access and utilisation, it should be noted that they are less revealing about outcomes in terms of demonstrated ability, irrespective of how this might be measured.

School participation

Using census data, the situation regarding relative Indigenous schooling outcomes by age group appears more favourable than that regarding workforce participation, although it is difficult to compare education outcomes between younger and older adults given limited metrics and variable expectations and policies in regard to schooling over time. One current option from the census is to compare highest year of schooling achieved for different age groups (Fig. 14). As might be expected, this shows that younger Indigenous adults are more likely than older adults to have progressed in schooling to Year 10 and beyond, and they are far less likely to have left school at below Year 10. However, Year 12 achievement is still relatively low among younger Indigenous adults in Port Augusta compared to their non-Indigenous counterparts—55 per cent of the latter had completed Year 12 compared to just 22 per cent of younger Indigenous adults. At the other extreme almost one-fifth (18%) of younger Indigenous adults had left school before Year 10 compared to just 5 per cent of their non-Indigenous counterparts.

As for those currently of school age, data were obtained from the South Australia Department of Education and Child Development on Indigenous enrolments and attendance in 2010 for all public schools in Port Augusta (including Augusta Park Primary, Flinders View Primary, Port Augusta West Primary, Stirling North Primary, Willaden Primary, Carlton School, and Port Augusta Secondary School). For the most part, Indigenous enrolments at Caritas College were not included in the analysis; the

**FIG. 14.** Highest year of schooling achieved, younger and older Indigenous and non-Indigenous adults, Port Augusta, 2011

![Graph showing highest year of schooling achieved by age group and education status for Indigenous and non-Indigenous adults in Port Augusta, 2011.](source: Customised 2011 Census tables.)
impact of this on the overall educational profile of Port Augusta was considered negligible given that they accounted for only 6 per cent of all Indigenous enrolments.

In reporting school enrolment and attendance, absolute numbers tend to be presented with little reference to population rates. In the present analysis we seek to include an estimate of rates of enrolment and attendance for the resident Indigenous population using the synthetic estimates already presented for Port Augusta. What this suggests (in Table 4) is that resident pre-school and primary school age groups are fully enrolled but only two-thirds of secondary age students are enrolled—and male rates are noticeably lower than female. Actual attendance rates amongst those enrolled are of more interest. These are shown in Fig. 15 for single school years. This indicates that in primary years, overall attendance rates hover around the 80 per cent level. This is significant since a review of research on the consequences of school non-attendance conducted by the Commonwealth’s Closing the Gap Clearinghouse has...
**Fig. 16.** Indigenous school students at or above NAPLAN national benchmarks by learning area according to grade level, Port Augusta, 2010

*Source: South Australian Department of Education and Child Development.*

**Fig. 17.** Indigenous school students at or above NAPLAN benchmark by grade level according to learning area, Port Augusta, 2010

*Source: South Australian Department of Education and Child Development.*
found that children who miss more than one full day per week on average would lose two years of education over a 10 year period (Purdie & Buckley 2010: 3). This review also reports that a child’s education is at risk if they frequently miss more than half a day of school a week (less than 90% attendance) and that attendance above 90 per cent is considered regular attendance (Purdie & Buckley 2010: 3). Also cited is the fact that students with high rates of non-attendance are more likely to leave school early and are less likely to undertake alternative education and training pathways; there is also a strong positive relationship between truancy and crime. It is a matter of concern, then, that primary attendance sits at minimum requirement levels and secondary attendance levels are substantially below the minimum requirement. Because of this, consideration needs to be given to the likely cumulative effects on social pathologies of this withdrawal from education participation.

We can apply the average attendance rates for 2010 (shown in Fig. 15) to the synthetic estimates of current primary and secondary school-age population shown in Table 2 to derive an indicative measure of the number and proportion of current school-age children and youth who are not in regular school attendance. In 2011, there were an estimated 687 Indigenous children and youth of compulsory school age resident in Port Augusta (404 at

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**TABLE 5. Indigenous students in single year age groups at or above NAPLAN minimum standard (number), Port Augusta, 2010**

<table>
<thead>
<tr>
<th>Learning area</th>
<th>Age 8 (no.)</th>
<th>Age 10 (no.)</th>
<th>Age 12 (no.)</th>
<th>Age 14 (no.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Numeracy</td>
<td>13</td>
<td>31</td>
<td>32</td>
<td>5</td>
</tr>
<tr>
<td>Reading</td>
<td>28</td>
<td>26</td>
<td>27</td>
<td>9</td>
</tr>
<tr>
<td>Writing</td>
<td>32</td>
<td>29</td>
<td>20</td>
<td>10</td>
</tr>
<tr>
<td>Grammar</td>
<td>23</td>
<td>24</td>
<td>11</td>
<td>12</td>
</tr>
<tr>
<td>Spelling</td>
<td>25</td>
<td>37</td>
<td>28</td>
<td>14</td>
</tr>
</tbody>
</table>

Source: South Australian Department of Education and Child Development.

**TABLE 6. Indigenous students single year age groups at or above NAPLAN minimum standard (per cent), Port Augusta, 2010**

<table>
<thead>
<tr>
<th>Learning area</th>
<th>Age 8 (%)</th>
<th>Age 10 (%)</th>
<th>Age 12 (%)</th>
<th>Age 14 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Numeracy</td>
<td>52.5</td>
<td>55.1</td>
<td>56.9</td>
<td>9.4</td>
</tr>
<tr>
<td>Reading</td>
<td>49.2</td>
<td>45.5</td>
<td>47.5</td>
<td>15.7</td>
</tr>
<tr>
<td>Writing</td>
<td>55.7</td>
<td>50.4</td>
<td>34.7</td>
<td>17.3</td>
</tr>
<tr>
<td>Grammar</td>
<td>41.0</td>
<td>42.2</td>
<td>20.0</td>
<td>20.4</td>
</tr>
<tr>
<td>Spelling</td>
<td>44.3</td>
<td>64.9</td>
<td>49.3</td>
<td>25.1</td>
</tr>
</tbody>
</table>

Source: South Australian Department of Education and Child Development.

**TABLE 7. Indigenous students in single year age groups below NAPLAN national minimum standard (number), Port Augusta, 2010**

<table>
<thead>
<tr>
<th>Learning area</th>
<th>Age 8 (no.)</th>
<th>Age 10 (no.)</th>
<th>Age 12 (no.)</th>
<th>Age 14 (no.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Numeracy</td>
<td>27</td>
<td>26</td>
<td>25</td>
<td>52</td>
</tr>
<tr>
<td>Reading</td>
<td>28</td>
<td>28</td>
<td>28</td>
<td>28</td>
</tr>
<tr>
<td>Writing</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>Grammar</td>
<td>23</td>
<td>23</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td>Spelling</td>
<td>25</td>
<td>25</td>
<td>25</td>
<td>25</td>
</tr>
</tbody>
</table>

Source: South Australian Department of Education and Child Development.
primary ages and 283 at secondary ages). If we exclude the notional 39 enrolments at Caritas College, those of primary school age who are not in attendance amount to 98 (26% of the primary school-age population) while the number of secondary school age who are not in attendance is much greater at 180 (66% of the secondary school age population). This suggests that in terms of potential transition from school to work or tertiary training over the next several years, only 103 secondary students are currently in regular school attendance while the majority are not. In other words, the structure of extant education participation by age suggests only limited capacity for closing the gap in educational outcomes in Port Augusta, at least in the immediate future.

**Schooling outcomes**

Of course, indicators of school participation and highest level of schooling achieved provide only a partial measure of outcomes from schooling, especially in terms of human capital acquisition and readiness for further study or work. Accordingly, outcomes from education are now routinely measured by the National Assessment Program—Literacy and Numeracy (NAPLAN) with its details of achievement in (English) reading, writing, language conventions and numeracy against national benchmarks. These benchmarks represent an agreed standard of performance that professional educators across the country deem to be the minimum level required for students at particular key stages in their educational development in order to make adequate progress.

Data on NAPLAN results for Indigenous students enrolled at Port Augusta public schools were obtained for the year 2010. Fig. 16 shows the percentage of students achieving at or above national benchmarks for numeracy, reading, writing, grammar and spelling according to grade level performance, while Fig. 17 shows the same data organised by grade level according to subject performance.

For the most part, less than half of Indigenous students in Port Augusta are at or above national benchmark achievement levels across all skill categories with the exception of numeracy, reading and spelling at Year 7, writing at Year 3 and spelling at Year 5. In none of the assessments do more than two-thirds of students achieve benchmark levels. From Fig. 16 we can see that achievement levels are lowest in Year 9, with very low proportions reaching benchmark levels in the key areas of numeracy and reading. Indeed, we can quantify the numbers at or above NAPLAN national minimum standards for each skill category and Table 5 shows these according to single year of age as a proxy for grade level. Thus, among 14 year olds, only five individuals achieve national minimum standards in numeracy and only nine in reading. Of course, the degree to which individuals overlap in these achievement figures is not known but the absolute numbers in each cell do not appear to be substantial. As a rate, these figures can be expressed as a percentage of each single year age group derived from the population estimates. Thus, in Table 6, barely 10 per cent of 14 year olds are achieving the national benchmark in numeracy and 16 per cent in reading. Rates of achievement are higher at younger ages but there does seem to be a tendency for these to decline with age. The most successful outcome is among 10 year olds in spelling with two-thirds achieving or exceeding benchmark level.

Conversely, we can identify the scale of non-achievement for each age category and here the numbers are fairly even, and average around 27 for each skill set except among 14 year olds where those testing for numeracy make up a sizeable remedial group (Table 7). Of course, these statistics only refer to those at the four selected ages whereas there are 12 single age categories for compulsory schooling. If we take the average of 27 as a rough guide for the numbers underachieving in each single year age group (leaving aside the issue of potential overlap) and apply this across the board, then, all told, around 325 (47%) out of a school age population of 687 can be estimated as the approximate size of the remedial group if all Indigenous students were to achieve national minimum standards.

**Early childhood development**

A significant new metric in regard to school outcomes (or at least potential school outcomes) is the Australian Early Development Index (AEDI). This provides a consolidated measure of how young children have developed across five domains of early childhood development (physical health and wellbeing, social competence, emotional maturity, language and cognitive skills; communication skills and general knowledge) by the time they commence their first full year of schooling (which in in South Australia is at age 5). This is important because it helps local communities understand how their children are developing compared to other communities and to State and national averages. More importantly, though, early childhood development outcomes are important measures of future health and human capital including in the important phase of transitioning into school and learning environments (Centre for Community Child Health and Telethon Institute for Child Health Research 2009).

Across the range of measures that make up the AEDI, higher proportions of Indigenous children across Australia were found to be developmentally vulnerable in 2009 compared to non-Indigenous children. Overall, 47.4 per cent of Indigenous children were developmentally at risk on one or more AEDI domains compared to 22.4 per cent of non-Indigenous children and 29.6 per cent were vulnerable.
While the AEDI does not report Indigenous results for Port Augusta, we can nonetheless report results for all children on the assumption (based on the national evidence) that these are likely to represent minimum outcomes for Indigenous children.

The 2009 AEDI results for Port Augusta across the five domains are summarised in Table 8, and compared with State and national averages. In each domain, the proportion of children developmentally vulnerable or at risk is higher in Port Augusta than at the State and national levels, most notably in regard to language and cognitive skills and in physical health and wellbeing. Overall, around one-third of Port Augusta children fall into this category in each domain. As for those who are developmentally vulnerable in one or more domains, this proportion is 32 per cent in Port Augusta compared to 23 per cent and 24 per cent in South Australia and Australia respectively, while the figures for two or more domains are 20 per cent in Port Augusta compared to 11 per cent and 12 per cent. By national and State standards, therefore, children in Port Augusta display considerable vulnerability and Indigenous children are likely to be more so.

In order to acquire a sense of just how many Indigenous children are likely to be implicated here, we can use the reported proportions for each domain above and apply these as rates to the 2011 estimate of Indigenous children aged 0–5 years. As shown in Table 9, this suggests that a minimum of between 110 and 132 Indigenous children are developmentally vulnerable or at risk in each of the AEDI domains and that a core group of at least 77 are extremely vulnerable.

### Table 8. Children developmentally vulnerable or at risk in Port Augusta, South Australia and Australia (per cent), 2009

<table>
<thead>
<tr>
<th>AEDI measure</th>
<th>Port Augusta (%)</th>
<th>South Australia (%)</th>
<th>Australia (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication skills &amp; general knowledge</td>
<td>31.2</td>
<td>24.7</td>
<td>25.0</td>
</tr>
<tr>
<td>Language and cognitive skills</td>
<td>33.6</td>
<td>16.9</td>
<td>22.9</td>
</tr>
<tr>
<td>Emotional maturity</td>
<td>32.6</td>
<td>25.7</td>
<td>24.4</td>
</tr>
<tr>
<td>Social competence</td>
<td>28.8</td>
<td>26.4</td>
<td>24.7</td>
</tr>
<tr>
<td>Physical health and wellbeing</td>
<td>34.4</td>
<td>24.8</td>
<td>22.3</td>
</tr>
</tbody>
</table>

Source: AEDI 2011.

### Table 9. Indigenous children developmentally vulnerable or at risk (estimated number), Port Augusta, 2009

<table>
<thead>
<tr>
<th>AEDI measure</th>
<th>Rate</th>
<th>Estimated number aged 0–5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication skills &amp; general knowledge</td>
<td>31.2</td>
<td>119</td>
</tr>
<tr>
<td>Language &amp; cognitive skills</td>
<td>33.6</td>
<td>129</td>
</tr>
<tr>
<td>Emotional maturity</td>
<td>32.6</td>
<td>125</td>
</tr>
<tr>
<td>Social competence</td>
<td>28.8</td>
<td>110</td>
</tr>
<tr>
<td>Physical health &amp; wellbeing</td>
<td>34.4</td>
<td>132</td>
</tr>
<tr>
<td>Developmentally vulnerable or at risk</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(one or more domains)</td>
<td>32.0</td>
<td>123</td>
</tr>
<tr>
<td>Developmentally vulnerable or at risk</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(two or more domains)</td>
<td>20.0</td>
<td>77</td>
</tr>
</tbody>
</table>

Source: AEDI 2011.
Vocational education and training

A key human capital requirement in the regional labour market, and an increasingly necessary outcome from education and training for individuals is the acquisition of formal post-school qualifications. While Vocational Education and Training (VET) program data can reveal numbers passing through courses, it remains the case that the five-yearly census provides the most comprehensive source of data on the number of individuals within the region who are likely to hold a post-secondary qualification (Fig. 18).

While it is difficult to determine the precise level of qualifications acquired given high non-response rates to the relevant census question, once again the indication is that younger adults are more likely than older adults to hold a post-school qualification (although at what level is indeterminate). It is apparent, though, that qualification rates for both age groups are very low. On the face of it this overall difference by age should be encouraging for future workforce participation, although it should be noted that the labour force generally is now more qualified than in the past. While almost 50 per cent of younger adults still have no post-school qualification, the indications from National Centre for Vocational Education Research (NCVER) data are that this may be about to change.

Participation

School-based and post-secondary education and training leading to the acquisition of formal workplace qualifications is available in Port Augusta from a variety of public and private providers including TAFE SA, Bungala Aboriginal Corporation and Pika Wiya Health Service Inc. Not surprisingly, most enrolments are at Certificate level I level. Among 15–19 year olds, almost half (40%) of this age group are enrolled in Certificate I courses—no doubt reflecting government learn-or-earn policy directives (Fig. 19 and 20).

Altogether, two-thirds of 15–19 year olds (65%) are enrolled in a VET course. While overall enrolment numbers decline with age, this varies according to course level. For example, the proportion of 20–24 year olds in Certificate II and III courses is higher than among those of younger ages who are transitioning from school. This suggests some degree of progression from Certificate I courses to higher level courses. In contrast, Certificate IV and Diploma level enrolments are very low for all age groups.
FIG. 19. Indigenous enrolments in VET courses by course level, Port Augusta, 2010

Source: NCVER 2010.

FIG. 20. Proportion of Indigenous adult age groups enrolled in VET courses by course level (%), Port Augusta, 2010

Source: NCVER 2010.
As for field of study, two areas of enrolment stand out (Fig. 21), with more than half of all students enrolled in engineering and related technologies and in mixed field programs (the latter include literacy and numeracy courses, and social skills and employment skills courses). The other main study areas are agriculture/environment and health.

**Outcomes**

The definition of student success in VET is fraught with conceptual and measurement difficulty. Course completion rates (qualifications awarded against commencements) might seem the most obvious measure, but there is difficulty in matching numerators with denominators due to the preponderance of part-time attendance and movement between courses, even into higher-level courses without completion. It may also be the case that part-completion of a qualification is useful if students gain what they set out to learn or need to learn. For what it is worth, Table 10 shows the number of course completions for Indigenous students in Port Augusta in 2010 by age group and course level.

As to be expected, more than half of these completions were at Certificate I level, although mostly in older age...
groups and far less in the 15–24 age group, despite the overwhelming majority of enrolments being in the younger age groups (Fig. 17). Indeed, as a ratio of completions to extant enrolments, students in the age bracket 30–49 fared considerably better than those aged 15–29. At a whole-of-population scale, this level of annual course completion (barely 1% of the Indigenous adult population aged 15–59) is insufficient to improve the overall rate of post-school qualification, especially given the estimates of expanding numbers in the working-age group. In terms of regional labour supply and demand, as we have seen the demand-side appears reasonably buoyant, although more work is needed to disaggregate the nature and level of occupations that are likely to emerge—and predicting which might match with Indigenous supply. As far as the latter (supply) is concerned, clearly more needs to be done if Indigenous residents of Port Augusta are to maximise the benefit of their changing demography. In an increasingly skilled labour force this would require ensuring that the high enrolment rates at Certificate I carry through to Certificate II and beyond, or at the very least are directly linked to actual on-going employment activity.

Policy responses to regional demographic trends

These shifts in local demography in Port Augusta, and the social and economic outcomes that have attended them, are typical of circumstances unfolding across much of regional Australia and they have not gone unnoticed by Indigenous representative groups or by the various levels of government and those charged with providing human services. In the remainder of this paper, we examine the policy responses that have begun to emerge in Port Augusta as a consequence. We then outline, in some detail, key elements of other policy initiatives (mostly in remote Australia) that have been shown to improve the coordination of place-based service provision whilst ensuring local Indigenous participation.

Initiatives in Port Augusta

Initial analysis in 2010 of government responses to the service delivery and governance challenges presented by emerging social trends in Port Augusta revealed that related research was either currently underway or had recently been completed, and that these activities awaited a South Australian Government response. The main effort was the ‘Owens Report’ commissioned by the South Australian Government and submitted in June 2010 (Owens 2010). This was followed by the Port Augusta Dialogue facilitated by the Centre for Dialogue at ANU and conducted in Port Augusta in October 2010. Finally, in July 2011, the South Australian Government response to the Owens Report findings were announced by the then Minister for Aboriginal Affairs. Its recommendations are currently in their early stages of implementation. A number of specific recommendations from the Owens Report that were identified for immediate implementation remain outstanding or are in various stages of progress.

Port Augusta has experienced ongoing issues, dating back many years, in addressing the diverse of the needs of its local Indigenous population. This includes both the residents of the City of Port Augusta and of the adjacent Davenport Aboriginal Reserve controlled by the Aboriginal Lands Trust. The provision of suitable accommodation services to Indigenous visitors from outlying regions has been an ongoing issue. As discussed earlier, Port Augusta is a service centre, and apart from a substantial permanent Indigenous population it is also a place of temporary residence for a significant Indigenous population as a result of the need to visit relatives or access various health, educational, public housing and recreational services not generally available in remote communities.

The respective roles and responsibilities of Commonwealth, South Australian State and local governments in addressing the needs of both populations have been contested, as has the effectiveness of inter-governmental planning, coordination and engagement with the Indigenous population both within Port Augusta and across the region. These issues have often been the subject of public debate and widespread media reporting over an extended period. They are reflected in various representations to the South Australian Government from the Mayor on behalf of the Port Augusta City Council expressing concern over alleged poor coordination between service delivery agencies, alcohol abuse and anti-social behaviour. For its part, in recent years the South Australian Government has sought to respond to the needs of the local Aboriginal population through various initiatives culminating, as we have seen, in its response to the Owens Report and establishment of the Port Augusta Urban and Regional Strategy Initiative.

The Aboriginal Consultative Forum and the Northern Regional Coordination Network

This initiative had its origins in an Aboriginal Consultative Forum convened by the Mayor of Port Augusta in June 2008, which included representatives of the local Aboriginal communities and State and Commonwealth bodies. A total of 70 people attended and a comprehensive list of ‘principal concerns and issues’ were identified ‘that need to be dealt with’ (South Australian Government 2008). In responding to the results of this forum the then Chief Executive Officer (CEO) of the Northern Regional Coordination Network (RCN) agreed ‘to facilitate a process to identify solutions that would be put in place by the range of Government agencies operating in the town’ (South Australian Government 2008).
What followed was a series of meetings between relevant agencies in both Port Augusta and Adelaide (including at agency CEO level) resulting in the unpublished report ‘Port Augusta: Responsiveness of Government Services to the Aboriginal Community’ (South Australian Government 2008). This comprehensive report represented “a coordinated Government response to the issues and concerns identified at the initial Consultative Forum” and collated a detailed comparative analysis of both individual agency administrative and ABS data. It also sought to map ‘what services are available now’, identify ‘what is working well’ and ‘what could be improved’ and identify a range of initiatives to address issues such as school attendance and work readiness. The report’s findings were presented at a second meeting of the Consultative Forum on 11 August 2008 with approximately 90 people in attendance. The outcomes of this forum included agreement that:

- the RCN will establish a sub-group of senior officers ‘to consider issues’ in report with a view to improving ‘coordinated responses to the Aboriginal community’ and that it will also include representatives from the Aboriginal community
- a formal consultative mechanism to ‘engage’ members of the Aboriginal community will be agreed upon between the RCN and the Aboriginal community supplemented by open forums with the Port Augusta Aboriginal Community three times a year.

The initial starting point involved the RCN requiring its existing sub-committees to finalise action plans and commence implementation by 30 June 2009 (South Australian Government 2008). It does not appear that all the commitments to follow-up action at the second Aboriginal Consultative Forum were fully implemented, nor that the envisaged formal Aboriginal Consultative mechanism and regular open forums ever took place. This approach appears to have been subsumed or overtaken by the subsequent commissioning of a further report to the South Australian Government by an appointed ‘Special Adviser Port Augusta’, Lewis Owens, leading on from representations to the South Australian Government from the Port Augusta City Council and Aboriginal community representatives (Owens 2010).

The Owens Report

In February 2010, the South Australian Government through its Minister for Aboriginal Affairs announced the appointment of Lewis Owens as a ‘Special Adviser Port Augusta’, to examine and report on measures that would aim to result in positive and sustainable outcomes in Port Augusta. Mr Owens had previously held a number of senior public sector positions with the South Australia Government. The subsequent report, titled ‘Report on observations of service delivery issues at Port Augusta’, was submitted to the Minister for Aboriginal Affairs and Reconciliation on 29 June 2010 (Owens 2010). The key finding was that ‘many of the problems in delivering positive and sustainable outcomes in Port Augusta result from a lack of ongoing and meaningful coordination between the Commonwealth, State and Local Governments’. In addition, it was pointed out that while there was no shortage of programs or funding and that a large number of dedicated and competent individuals were committed to addressing the multitude of issues and needs, the problem was one of overall coordination, management and governance of programs (Owens 2010).

Owens therefore recommended the establishment of a ‘workable governance system that has full engagement of the Commonwealth, State and Local Governments’ and he cited the Urban and Regional Strategy proposed pilot programs as a potential avenue to pursue this approach. In making a number of recommendations, the Report drew attention to and highlighted some specific areas for immediate implementation, including:

- completion of a number of initiatives with respect to the Davenport community including a resolution of land ownership and leasing issues, parallel acceptance by SA Housing and SA Water of housing and upgrading of sewerage services, and ongoing governance support to the Davenport Community Council
- change of the current government policy which requires the selling of 26 public housing dwellings annually to repay the Commonwealth (against the background of an already acute shortage of public housing)
- addressing the lack of holding facilities for youth in the court system in Port Augusta (this resulted in the transport of young people held over for trial to Adelaide without access to family and cultural support for months at a time), and
- implementation of a more holistic approach by the State Government to expenditure on community recreational and sporting facilities (Owens 2010).

Despite requests for an up-to-date progress report on the implementation of the priority recommendations of the Owens report, at the time of writing this has yet to be formally provided by the South Australian Government.

The Port Augusta Dialogue

Subsequent to the submission of the Owens Report, a further public dialogue was conducted by the Centre for Dialogue from ANU. This exercise was instigated by the Port Augusta City Council and funded by the South Australian Minister for Aboriginal Affairs and Reconciliation. It was held in September 2010 in response to ‘ongoing challenging issues experienced by the Aboriginal and non-Aboriginal communities in Port Augusta including Aboriginal disadvantage, community disharmony and violence’ (Hancock & Dudgeon 2010).
The Dialogue was attended by over 70 representatives of local communities, government service providers, NGOs and business. It sought to build on the findings of the Owens Report (which was circulated to participants) including ‘the need to address underlying cultural and safety issues’ and ‘the need for Aboriginal participation in governance and proposed solutions’ (Hancock & Dudgeon 2010: 1). The report prepared on the Dialogue made various recommendations that focused on a need to address Aboriginal participation in governance; coordination and information on services; and a need to maintain the goodwill and momentum arising from the Dialogue in promoting Aboriginal and non-Aboriginal communities working together (Hancock & Dudgeon 2010).

**Government response to Owens Report findings**

On 7 January 2011 the then Minister for Aboriginal Affairs delivered the South Australian Government’s response to the Owens Report recommendations by announcing ‘a major new approach to governance in Port Augusta’ (Portolesi 2011). The Minister stated that the report would be ‘the last report on Port Augusta’. She committed to the establishment of a ‘new governance model whereby the three tiers of Government would, for the first time, sit around the same table with the community on an ongoing basis to drive service delivery’ (Portolesi 2011).

The Minister emphasised, in response to a recommendation in the Owens Report, that the Aboriginal community ‘must have a key voice in determining priorities’ and that two community advocates would ‘work in a voluntary capacity to independently check on progress of the initiative and keep us all accountable’. The Minister announced other ‘key aspects of the initiative’ including a ‘forum’ for Aboriginal Community representation; a central project group to drive the initiative; a high level Steering Committee to manage the project and clear any blockages to service delivery; and a Local Action Agreement and Plan which would ‘consolidate community-agreed priorities within the national “Closing the Gap” framework and identify specific actions to address areas of concern’ (Portolesi 2010). The Minister confirmed that this initiative would now form part of the Closing the Gap initiative endorsed by COAG. The Minister announced other ‘key aspects of the initiative’ including a ‘forum’ for Aboriginal Community representation; a central project group to drive the initiative; a high level Steering Committee to manage the project and clear any blockages to service delivery; and a Local Action Agreement and Plan which would ‘consolidate community-agreed priorities within the national “Closing the Gap” framework and identify specific actions to address areas of concern’ (Portolesi 2010). The Minister confirmed that this initiative would now form part of the National Urban and Regional Service Delivery Strategy for Indigenous Australians, which forms part of the Closing the Gap initiative endorsed by COAG.

**The Port Augusta Urban and Regional Strategy Initiative**

Following this announcement, The Port Augusta Urban and Regional Strategy was established with a governance model and a broad description of roles with the terms of reference for a Steering Committee and an Aboriginal Community Engagement Group (ACEG). These Committees were to be supported by a central project group drawn from officers employed by the South Australian and Commonwealth Governments and the Port Augusta City Council. The overall project also identifies ‘initiative advocate(s)’—one Aboriginal and one non-Aboriginal—as ‘voluntary’ positions to independently monitor the process.

The membership of the Steering Committee includes senior departmental representation from the South Australian and Commonwealth Governments, the Port Augusta City Council, two Aboriginal community representatives and one non-Aboriginal community representative. As for the ACEG, this initially involved 23 people from the Aboriginal community of Port Augusta who were nominated and self-nominated following ‘community consultations’. ACEG members participate on a voluntary basis. By the time of writing (late 2012) there had been six meetings of the ACEG covering issues such as information sharing, the election of two representatives to the Steering Committee and the identification of priority issues for action.

A key task of the Urban and Regional Strategy is the development of a Local Action Agreement prepared in close consultation with the ACEG (and other Aboriginal community members as appropriate). Consultations to date have identified a number of priority areas for inclusion in the Local Action Agreement including Governance and Leadership (measures that help ensure Aboriginal people are respected and meaningfully involved in decision making over issues and programs that impact on them), Healthy Homes (measures that ensure Aboriginal people can gain equitable access to both rental housing and home ownership), Safe Communities (a range of initiatives to ensure people can feel safe from domestic, family or community violence), and Learning (a range of initiatives aimed at assisting Aboriginal people to succeed at school). Each of these is impacted by the demographic and socioeconomic trends outlined above.

For example, the governance issues focus on strategies to ensure that Aboriginal people run for council and that Aboriginal culture is made more visible. These aspirations are entirely in keeping with the fact that the Indigenous proportion of the city population continues to rise and is now substantial. The governance issues highlight a need for mentoring young people in leadership skills. This need is also borne out by the analysis of future growth in working-age groups and the potential for ‘demographic dividend’ that this brings if the younger cohorts of Port Augusta today are in position to participate economically by the time they become a more prominent sub-group in the decades ahead. This issue also emerges in the Local Action Agreement in its focus on learning and the need to support parents in maintaining school attendance and one-on-one school mentoring, as raised in the Local Action Agreement.
The Agreement also supports the case for an audit and assessment of utility of programs designed to support school-to-work/study transition. Once again, the evidence presented on early childhood development, school attendance and school outcomes is directly linked to the age distribution of workforce participation. There are worrying implications for the capacity of future working-age groups to benefit from either existing or possible future employment opportunities in the region unless urgent and substantial action to raise education performance is undertaken immediately. Importantly, the demographic analysis suggests that the numeric scale of such requirements is not of so great an order as to be prohibitive of case management of individuals through school years and on to work/study.

Regarding Healthy Homes, 2011 Census results show that the home ownership rate for Indigenous households has barely changed in recent years and that it is still well below the rate for all other households in Port Augusta. In 2006, 29.7 per cent of Indigenous dwellings were either owned or mortgaged and by 2011 this had risen to 31.2 per cent. This compares to a level of 68 per cent for all other dwellings. Not surprisingly, Indigenous households remain heavily reliant on public housing, with 40 per cent in this category compared to just 10 per cent for the total population. According to 2011 Census results, 38 per cent of the State housing stock is occupied by Indigenous households and there remains a lengthy waiting time for new occupancies (in 2010, 120 families were on a wait list of 36 months).

On a brighter note, it now appears that the anticipated increase in Port Augusta house prices due to added demand associated with the proposed Olympic Dam development may not eventuate, at least into the near future. This would have represented a further barrier to home ownership for Indigenous households. In 2006, median weekly Indigenous household income in Port Augusta was $632—nearly three-quarters of the figure of $832 for non-Indigenous households. By 2011, Indigenous household income had risen to $795; however, as non-Indigenous household income had risen comparably, the gap in household incomes between the groups remained the same. Since there is no reported difference in median monthly mortgage repayments (around $1,200 for both Indigenous and non-Indigenous households in 2011) Indigenous households with a mortgage are likely to pay greater share of their income on housing compared to non-Indigenous households. They are therefore far less likely to be able to withstand any increase in house prices that could eventuate from renewed housing demand. Of course, this may be offset by increased Indigenous labour force participation, but this returns to the issues of work-readiness referred to above, pointing to the need for a holistic approach to improvement in Indigenous outcomes.

These priority areas are being progressively negotiated through further forums where the ACEG engages with the relevant agency stakeholders to identify agreed responses to the listed priority strategies. This will translate into a draft Local Action Agreement for consideration by the Port Augusta Steering Committee. For its part, the Port Augusta Steering Committee will consider the proposed Local Action Agreement and work through any difficulties that may arise in individual government agency responses to the proposals, before submitting it to the Commonwealth and South Australian Governments and Port Augusta City Council for final endorsement.

Lessons for the Urban and Regional Strategy from Port Augusta and elsewhere

There are a number of implications for the Urban and Regional Strategy that can be drawn from the Port Augusta experience and from elsewhere. To date in Port Augusta, there has been what can only be described as a stop/start approach to both government inter-agency and community engagement. There is a consistent pattern of the same (or similar) issues being identified but limited evidence of these issues being systematically addressed, and little evident accountability for outcomes. This has resulted in frustration and a feeling of powerlessness by both agency representatives and local Aboriginal people in respect to effecting long-term positive change. The focus has remained on a succession of one-off short-term measures aimed at responding to constant changes in government policies and programs. This situation has not been helped by the sheer number of government and non-government agencies involved and the lack of an overall locally-based planning and service delivery governance framework backed up by the necessary commitment and governance authority. Various previous attempts to secure a more consistent long-term approach to coordinated planning across agencies (e.g. Far North Regional Coordination Network, Indigenous Coordination Centres) are also seen to have largely failed, giving way to intermittent political pressure resulting in one-off initiatives (e.g. temporary crisis accommodation at Lakeview located adjacent to Davenport, and the Alcohol Management Plan). Whilst these one-off initiatives may be singularly important in their own right, they do not address the underlying structural issues that require concerted and longer-term attention. In addition, there has been ongoing debate over whom or what constitutes the ‘Aboriginal community’ and how a meaningful involvement of local Aboriginal people in decision making might best occur in a sustainable way.

The current approach being adopted by governments and the city council under the Urban and Regional Strategy framework includes the local inter-government planning
framework and a more systematic approach to Aboriginal engagement as a response to the inadequacy of stop/start approaches to addressing Aboriginal needs. Whilst this response is still being developed, it is useful to consider learnings from other attempts to build coordinated government/community engagement. Accordingly, summary findings from four select evaluations of innovative ways of conducting government business are presented. These include the Council of Australian Government Trials; the remoteFOCUS project (facilitated by Desert Knowledge Australia); the Groote Eylandt and Bickerton Island Regional Partnership Agreement, and the Indigenous Community Governance Project (undertaken at CAEPR over the period 2004–08). These evaluations provide insights into McDonald and Brown’s (2012: 86) view that, ‘governments still need to develop and internalise new ways of working which are truly collaborative and place-based. Inherent in place-based planning is that the driver for investment is not the requirements of various government programs and their separate constituents and accounting requirements, but rather governments adopting a whole of government approach to the expressed needs and priorities of local people’.

**Council of Australian Government Trials**

The establishment of eight COAG Trial sites in 2002 flowed from a decision by COAG in 2000 that all governments would work together to improve the social and economic wellbeing of Indigenous people and communities. This decision recognised that the response of Federal and State and Territory governments to Indigenous issues needed better coordination and was spread across many departments, agencies, and programs which operated mostly in a silo approach. The Trials, referred to as the Shared Responsibility Trials, were established to prepare:

- governments to work together better at all levels and across all departments and agencies, and
- Indigenous communities and governments to work in partnership and share responsibility for achieving outcomes and building the capacity of people in communities to manage their own affairs.

An independent review of the eight Trial evaluations concluded that whilst these Trials were about learning new ways of working together to find solutions, the emphasis was often on getting things done with insufficient attention to how this could happen or be sustained over time (Morgan, Disney & Associates 2006). It found that in most locations there was almost no discussion between the partners regarding what working differently might mean: it was assumed that ‘new ways of working’ were considered to be the new structures established and did not extend to new ways and processes for working within these structures. A recommendation was therefore made that discussions take place between the partners on how to address this perception and to ensure agreement about what an effective partnership would look like for both sides. It highlighted that the expectations of what can be achieved must be discussed and agreed at the outset, and within a framework for planning and evaluation. Basically, most of the Shared Responsibility Agreements (SRAs) negotiated for the Trials were considered to be very ambitious and to have set unachievable goals. This was either because the number and nature of the priorities were too many or too big to make a difference in two years, or because the issue chosen was too complex or sensitive to achieve impact outcomes in the timeframe.

These issues were further examined by Hunt (2008) in a critique of the trials which argued that the evaluation reports revealed many problems. Although conceding there had been more progress at some sites than others, Hunt (2008: 37) argued that achievements were relatively limited in light of the significant resources dedicated to the trials and concluded that the trials showed the need for:

- urgent priority to be given to address the capacity constraints within and between governments engaging with Indigenous communities
- clear, agreed policy frameworks and a simplification of program and funding arrangements
- cultural change and professional staff development for carrying out whole-of-government work in Indigenous communities
- setting realistic expectations
- a framework to enable Indigenous people to have sustained, properly resourced opportunities to build their governance and participate in planning and decision-making
- building community governance and capacity at local and regional levels as providing the foundation stone on which effective partnerships and programs can be built.

**remoteFOCUS**

The remoteFOCUS project facilitated by Desert Knowledge Australia (2012) has conducted research over recent years on assessing the governance needs of remote Australia and recently released a major report (Walker, Porter & Marsh 2012). Key issues identified by the report that occur across remote Australia resonate with recent experience in Port Augusta in meeting the challenges of effectively engaging with local Aboriginal populations, the continuing shift from the direct provision by government of services to arms-length performance-based contractual arrangements, and the fragmentation of government service delivery. It identifies six governance dysfunctions that are common to remote Australia (Walker, Porter & Marsh 2012).

- Lopsided governance and responsibility—where a shift to greater centralisation of decision making has been matched by greater outsourcing of service delivery to the private sector and assignment of responsibility
for implementation and problem solving to local communities, households and individuals.

- Organisational deficits and misalignments—where organisational arrangements are not ‘fit for purpose’ with a resulting misalignment of needs and responses in remote Australia.
- Policy over-reach and administrative under-reach—where commitments ‘over-reach’ or go beyond what is feasible from an administrative and fiscal point of view and a lack of local capacity to actually implement.
- Inability to reconcile parochial and general interests—where there is a lack of any coherent mechanism for balancing distinctive local needs and aspirations from the needs and aspirations of the urban majority.
- Policy turbulence and instability—where constant policy ‘churn’ results in policy nonsense, together with a continual shuffling of functions, powers, and resourcing of different levels of territorial authority.
- Mismatches between responsibilities and resources—where the principle of ‘resourcing following function’ is rarely, if ever, achieved.

Place-based solutions are an increasingly popular policy mechanism to overcoming these dysfunctions but the question remains, how do you get there? The remoteFOCUS report concludes that the nature and pace of change in remote Australia necessitates the creation of regional governance structures that have sufficient authority, legitimacy and effectiveness to:

- create and sustain a vision that unites, identifies criteria for success and provides a strategic framework for all regional interests
- negotiate compacts that provide clear mandates of responsibility and a common platform of accountability
- foster place-based approaches with regional agencies—delegating authority and power to deal at local level and negotiate overlaps
- ensure resourcing for functional capacity—resourcing follows function/budget pooling and fiscal transparency.

**Groote Eylandt and Bickerton Island Regional Partnership Agreement Stages 1 and 2**

The Groote Eylandt and Bickerton Island Regional Participation Agreement (RPA) commenced in 2008 following extensive negotiations between the Anindilyakwa Land Council (representing the three local Aboriginal townsships of Angurugu, Umbakumba and Milyakburra) and the Commonwealth and Northern Territory Governments leading to the signing of a formal agreement by the Commonwealth Minister, Northern Territory Chief Minister and Anindilyakwa Land Council Chair. Stage 2 of the Agreement was finalised in 2009 and additional signatories included the East Arnhem Shire and BHP Billiton.

The purpose of the RPA was to:

- establish the principles and strategies necessary to improve the coordination and provision of services across the Anindilyakwa region
- encourage sustained economic development through targeted investments of government, private and royalty funding in education; employment, training and business development; housing; infrastructure and community health and safety
- establish a framework for implementation including governance arrangements, roles and responsibilities and an evaluation framework
- set out an agreed plan of action, which aims to achieve measurable and sustainable improvements for people living in the Anindilyakwa region, and
- enable parties to maximise the impact of their respective resources through collaboration and a shared vision of long-term economic independence for the Anindilyakwa region.

Guiding principles written into the Agreement included:

- recognition of the need for all parties to strengthen effort to address the full extent of Indigenous disadvantage
- a spirit of cooperation, partnership and shared responsibility
- acknowledgement of the need to build the economic independence of the people in the region
- focus on priorities agreed at the regional level
- willingness by government to be flexible and innovative
- commitment to improvements in accountability and performance monitoring by all parties
- a desire to achieve clarity of responsibility for service delivery and increased effectiveness across the three levels of government
- understanding that greater certainty and stability in funding arrangements, including multi-year funding agreements, can facilitate more effective planning and service delivery mechanisms, and
- recognition of the need to build capacity and strengthen governance.

An independent evaluation of the Groote RPA was undertaken by Tempo Strategies and their findings were publicly released in September 2012 (McDonald & Brown 2012). This found several features of the Agreement that did not work.

- Some essential projects under the RPA framework were dependent on small amounts of unreliable short-term program grants funding which remain impediments to success
- Implementation needs to evolve from funding of programs through separate agencies with individual accountability arrangements to an integrated and comprehensive approach to planning and service development for change
Conflicts between State or national upstream policies and systems need to be addressed in order to have streamlined collaborative approaches at the local level; this finding of the evaluation report reflects the challenges that arose in satisfying requirements of the Remote Service Delivery program, which was implemented post the RPA.

Many issues were unanticipated—partnerships of this nature need resource and governance flexibility to respond incrementally to issues as they arise.

Other elements, however, were successful:

- Political will and support was provided from senior Ministerial and CEO/Secretary levels and local authorised organisation (i.e. Anindilyakwa Land Council) throughout the process of agreement implementation.
- The Agreement was focused on addressing needs identified by local communities themselves.
- Senior authorised representatives of the Anindilyakwa Land Council were ‘at the table’ at all stages of planning and implementation and resourced to participate, including being able to utilise independent advocates and relevant technical expertise.
- Agreed principles of the partnership were identified upfront and spelt out in a formal agreement, including an emphasis on effective implementation which has been vital to its success, and which drew directly from the lessons learnt from the COAG trials and earlier RPAs in Western Australia.
- The principles underpinning the RPA have also been important as a touchstone for positive working relationships, and set the tone for professional collaboration and trust that participants will deliver on their promises.
- There was a parallel investment in developing governance skills via a specific Indigenous Governance Development Plan.
- A dedicated secretariat was established in the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) to monitor implementation across all both governments and to support the RPA Steering Committee.
- The RPA Steering Committee was chaired by the State Manager of FaHCSIA, CEO of the relevant Northern Territory Government agency and Chairman of the Anindilyakwa Land Council meeting quarterly to both monitor and report on progress against the commitments identified in the agreement with the authority to keep all the partner agencies accountable, and
- A disputes resolution clause and requirement for an independent evaluation of the progress being made under the agreement (McDonald & Brown 2012; Westbury 2010).

The Indigenous Community Governance Project

The Indigenous Community Governance Project (2004–08) was a partnership between CAEPR and Reconciliation Australia to undertake research on Indigenous community governance with participating Indigenous communities, regional Indigenous organisations, and leaders across Australia. The findings were directly based on evidence drawn from a diverse range of case studies of Indigenous governance in action, within differing community, geographical, cultural and political settings across the nation. The Indigenous Community Governance Project (Hunt & Smith 2007) concluded that poor outcomes occur when:

- there is a lack of adequate succession planning and lack of focus on leadership for governance that target skills required by emerging leaders to become effective governors (different to simple leadership training).
- government agencies fast-track community governance arrangements that merely aim to fulfil their own bureaucratic requirements and result in reducing Indigenous involvement to a purely advisory role.
- governments and the private sector have omitted or largely ignored the fundamental need to put governance-building (in real partnership with the Indigenous communities and organisations) at the heart of the negotiation and implementation stages of their partnerships and agreements.
- constant policy changes and program re-badging undermines stable Indigenous governance on the ground, and both seriously diminishes the internal accountability and corporate history knowledge within governments.
- the existing government policy framework for promoting effective Indigenous governance is erratic, disjointed, negatively compartmentalised into disconnected program initiatives, poorly evaluated, and ill-informed about current developmental best-practice, and
- the policy goal of ‘whole-of-government’ partnerships and coordination in Indigenous affairs is not matched by the necessary implementation capacity, strategies or operational effectiveness by the bureaucracy on the ground.

For governance arrangements to be successful in achieving their objectives, government policy frameworks and program guidelines must actively promote Indigenous capacity and authority to:

- work through and define their past and contemporary relationships for the purposes of governance.
- determine the appropriate cultural geographies, and build the legitimacy and institutions for their governance, and
- incorporate the principles of networked governance, relational autonomy and subsidiarity into workable designs for their governance arrangements (Smith & Hunt 2008: 20–21).
The research (Hunt & Smith 2007; Smith & Hunt 2008) also highlighted that:

- Capacity development should be a process that actively strengthens Indigenous decision making and control over their governance institutions, goals and collective identity, and that enhances legitimacy, and
- Governance capacity development appears to work best when it is place-based; work and goal oriented; based on self-assessed governance priorities; delivered in ways that are meaningful and relevant in terms of local community realities; and sustained and reinforced over the longer-term.

**Implications for the Port Augusta Urban Regional Service Strategy**

A number of the findings of these various reports and evaluations have relevance to the Port Augusta Urban Regional Service Strategy and the associated development and implementation of a Local Action Agreement. Among the key ingredients for success the following are highlighted:

- political will and support is required from the highest levels at Commonwealth, State and local government levels
- genuine partnerships require work to be community driven, with Indigenous involvement in decision making and to be seen as such
- ability for community representatives to be ‘at the table’ at all stages of planning and implementation is critical in building trust, maintaining clarity of purpose and for being accountable to community
- agreed principles of the partnership need to be identified up front and spelt out in a formal agreement
- the Indigenous community must be resourced to participate, be supported in developing its own governance arrangements and be able to seek its own technical advice where required
- place-based approaches need to be supported, with regional coordinating agencies having the authority and power required to deal at local level and to negotiate overlaps
- ensure resourcing for functional capacity—resourcing should follow function and encourage budget pooling and fiscal transparency
- building an evidence base (including census and administrative data) to support a place-based approach is important to ensure needs of community are accurately documented and to provide a sound platform for sustainable change
- the importance of mechanisms that ensure transparency and accountability of all the partners in ensuring effective implementation and the follow-up of identified priorities

- recognise that overcoming long-term disadvantage is complex and difficult to make sustainable—it requires long-term investments in community development and recognition of need for such investment to be maintained
- acknowledge that many issues that arise are unanticipated and partners need resource and governance flexibility to respond effectively
- gather evidence on good practice from the outset and apply to implementation of strategies into the future
- educate staff in agencies on the background, content and purpose of the agreement—this helps address reality of constant turnover of staff
- secure a long-term approach to resourcing and service implementation—critical in ensuring current investments are built upon and contribute to sustainable change
- a dedicated resourced secretariat is required to support implementation of any agreement(s) and ensure accountability by all agreement partners
- understand that small amounts of unreliable short-term program funding is an impediment to success, and
- administer locally where possible, resource the partners to participate, and do not underestimate the need for persistence in resolving the difficulties that inevitably arise.

With these lessons in mind, the Port Augusta Urban Regional Service Strategy has the advantage of having coordinated governance arrangements in place to provide for ongoing engagement with the local Indigenous community and for participation from all levels of government at senior levels. It has a resourced secretariat drawn from all governments engaged in supporting the ACEG in its development of a Local Action Agreement that addresses local community concerns under a COAG national partnership framework. Against this background, key implementation lessons to be borne in mind in finalising a Local Action Agreement include the following:

- the importance of a formal agreement (signed off by responsible Ministers/local government/Aboriginal community leaders) identifying the nature and scale of the specific tasks, the specific outcomes being sought, the timeframe for meeting these outcomes and identification of the responsible agency(s) for implementation of individual projects
- the maintenance of a dedicated secretariat (i.e. the Central Planning Group) to support implementation of the Local Action Agreement through the Steering Committee and the ACEG
- the importance of setting realistic goals and objectives
- a need to give certainty about the duration of the Urban Regional Service Strategy Initiative in order to support effective long-term planning and signal a clear move away from previous stop/start approaches to community engagement and addressing local priority issues
• a recognition that the Local Action Agreement is an opportunity to evolve from funding of programs through separate agencies with individual accountabilities to a more integrated and thematic comprehensive approach to planning and sustainable development
• an appreciation that an effective Local Action Agreement will likely stimulate more collaborative work on entrenched and complex problems which will require involvement by a number of agencies and community representatives and innovative solutions, and
• an acknowledgement that community representatives are to be at the table and be engaged in genuine decision making at all stages of planning and implementation. This requires investing in Indigenous peoples’ own governance development including making provision for their participation and capacity to acquire their own technical advice and access to independent advocates where required.

Conclusion

The COAG Urban and Regional Strategy is largely a response to, and a recognition of, significant demographic changes that are underway across regional Australia leading to a transformation in the population composition of many inland towns and regional centres. The main consequence is a rise in the Indigenous share of total population in many urban settings. The implications that arise are mostly to do with the structure and resourcing of local governance and service delivery as well as with a growing urgency to ensure that largely marginalised Indigenous populations have a stake in future governance and community development through opportunities for increased economic and social participation. To the extent that such issues are common across regional Australia we have used the experience of social trends and associated responses in the community of Port Augusta as symptomatic.

This case study confirms continuing demographic trends that have been underway for some decades now, and may intensify in many regions. Part of the equation driving these trends is the market response to limited opportunity manifest in a net out-migration of non-Indigenous residents. This stands in contrast to the lack of such response among Indigenous residents who are less engaged in the labour market, less equipped to be so and, in any case, are often culturally attached to particular locations.

It also quantifies, for one location, the scale and composition of remedial tasks that are likely to be associated with initiatives aimed reducing marginalisation. These are based on population estimates and focus particularly on employment and education needs. A key message seems to be that while the overall task of ‘closing the gap’ across regional Australia may seem (and is) large, at the level of individual locations (such as Port Augusta) the task is not insurmountable—indeed it is at a scale that lends itself to the careful targeting of support to select individual households/families via consultative engagement mechanisms such as those in place via the ACEG. Specifically, it is possible to identify core needs within younger adult cohorts that if left unaddressed could have inter-generational repercussions. Other key messages relate to the means by which such engagements are made possible.

Here we have recorded the various attempts made in Port Augusta to establish meaningful Indigenous participation in the affairs of the urban community, and noted a consistent shortfall in outcomes due to lack of coordination of effort and diligence in ensuring that Indigenous people are in a position to experience a genuine role in local decision making. It is not a lack of program effort and expenditure that stands in the way of progress, quite the opposite. Rather, what we observe is similar to long-standing World Bank assessments of international development outcomes that consistently identify the governance effectiveness of governments themselves as a major missing factor in the sustained delivery of socioeconomic outcomes for marginal populations (World Bank 1994). These include the problems created by overly complex and short-term programs, complex intergovernmental fiscal arrangements, and lack of political will and commitment (Hunt & Smith 2006; Westbury & Dillon 2007).

Accordingly, we have provided examples of regional arrangements across Australia that have attempted to address such issues as well as a summary of research findings that indicate the key requirements of best practise. What these point to is a need to work in different and untested ways and to recognise that there are no ‘quick fixes’. The available evidence highlights that real return to government investment will only emerge from long-term commitments of resourcing and effort and meaningful Indigenous engagement in genuine decision making beyond the standard political electoral cycle.
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