

Regional Change in the Economic Status of Indigenous Australians 1986-91

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Centre for
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Economic
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Research

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**Regional Change in the
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Australians, 1986-91**

by J. Taylor

**Centre for Aboriginal Economic Policy Research
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Foreword

When the Aboriginal Employment Development Policy (AEDP) was officially launched by the Federal Government in 1987, a commitment was made to commission a major independent review of the policy in 1993 (*Aboriginal Employment Development Policy Statement*, Australian Government Publishing Service, Canberra, 1987). This review is currently under way.

The AEDP was originally developed as an immediate Commonwealth response to the *Report of the Committee of Review of Aboriginal Employment and Training Programs* (Australian Government Publishing Service, Canberra, 1985) and launched in association with the 1986-87 Commonwealth Budget. Subsequently, it was expanded and officially launched in November 1987.

The *Aboriginal Employment Development Policy Statement* of 1987 highlighted that the overall objective of the AEDP was to assist indigenous Australians achieve broad equity with other Australians in terms of employment and economic status. This objective was incorporated in three specific goals that emphasise statistical equality. These are:

- i the achievement of employment equality with other Australians, that is, to increase the proportion of indigenous Australians of working age to equal the proportion for the total population;
- ii the achievement of income equality with other Australians, that is, to increase median individual incomes to the median of the total population; and
- iii to reduce the welfare dependency of indigenous Australians to a level commensurate with that of other Australians, with a particular emphasis being placed on unemployment-related welfare.

A fourth AEDP goal was to ensure equitable participation in primary, secondary and tertiary education, but in 1989 this was subsumed under the umbrella of the Aboriginal and Torres Strait Islander Education Policy that is currently being separately reviewed.

It has already been highlighted in earlier publications like *Aboriginal Employment Equity by the Year 2000* (J.C. Altman (ed.), Centre for Aboriginal Economic Policy Research, Australian National University, Canberra, 1991) and *A National Survey of Indigenous Australians: Options and Implications* (J.C. Altman (ed.), Centre for Aboriginal Economic Policy Research, Australian National University, Canberra, 1992) that an

assessment of AEDP outcomes, in broad policy and statistical terms, will be almost entirely dependent on labour force statistics collected in the five-yearly Census of Population and Housing. Indeed, it is fortunate that there is a degree of correlation between the 1986 Census and the launch of the AEDP (1986-87) and the availability of 1991 Census data in 1993 and its current mid-term review.

In late 1992, the Centre for Aboriginal Economic Policy Research (CAEPR) at the Australian National University negotiated with the Aboriginal and Torres Strait Islander Commission and the Department of Employment, Education and Training to provide an analysis of official census statistics to assist the review process. The terms of reference for what is termed phase 2 of the evaluation state specifically:

In order to assist in assessing the impact of the AEDP, conduct a detailed analysis of 1986 and 1991 Census data to ascertain the degree to which the AEDP objectives have been achieved and in particular examine:

- the extent to which the income status of Aboriginal and Torres Strait Islander people has improved since 1986;
- the extent to which the employment status of Aboriginal and Torres Strait Islander people has improved since 1986;
- the extent to which the dependency of Aboriginal and Torres Strait Islander people on welfare (*non-employment income*) has declined since 1986.

As far as possible from available census data, the consultancy should provide a quantitative analysis of the impact of the AEDP particularly in relation to the extent to which AEDP targets to the year 2000 are being achieved.

The analysis should identify relevant changes at national, State, section-of-State and ATSIC regional levels. The regional analysis will be dependent on provision of appropriate data to current (1993) regional boundaries by ATSIC.

Where possible, the analysis should also seek to identify:

- comparative changes in income status, employment and welfare dependence over the period since 1986 for the general Australian population;
- changes in overall macroeconomic conditions and employment opportunities in the mainstream labour market;
- other relevant factors like demographic, gender and locational issues impacting on the achievement of AEDP targets;
- changes for Torres Strait Islanders as a distinct group, where census data allow.

These wide-ranging terms of reference are being addressed by CAEPR in a series of reports, statistical tabulations and discussion papers. It is

anticipated that eventually all material prepared for the AEDP review process will be published. An interim draft report by John Taylor was provided to ATSIC in August 1993. This first report focused on relative intercensal socioeconomic change for Aboriginal, Torres Strait Islander and other Australians at the national level by section-of-State (urban, other urban and rural) residence. Subsequently, this report was published as *The Relative Economic Status of Indigenous Australians, 1986-91* (by J. Taylor, Centre for Aboriginal Economic Policy Research, Australian National University, Canberra, 1993). The monograph was provided to the AEDP Review Committee when it met for the first time in October 1993 and has subsequently been widely distributed.

As stipulated in the above terms of reference, an analysis is also required at the State level. A comprehensive set of tables without commentary, focusing on each State and Territory, were provided by Dr Taylor to the AEDP Review Secretariat in October 1993. These tables totalled some 336 pages. This census-based output has now been considerably condensed in this research monograph *Regional Change in the Economic Status of Indigenous Australians, 1986-91*. This monograph will initially be provided to the AEDP Review Committee at its second meeting in November 1993. It will then be more widely circulated to allow dissemination of statistical information on regional variations in the socioeconomic status of indigenous Australians to a wider audience.

There are three features of this monograph that require clarification. First, it is recommended that it be read alongside Dr Taylor's earlier monograph, CAEPR Research Monograph No. 5. Second, unlike the earlier monograph, Aboriginal and Torres Strait Islander Australians are grouped together owing to disaggregation difficulties at the State and Territory level associated with the smallness of the Torres Strait Islander population. Third, a great deal of the raw data on which this monograph is based will be published in 1994 in a number of CAEPR discussion papers on each State and Territory.

CAEPR research production staff Linda Roach and Krystyna Szokalski assisted enormously by ensuring design and production of this monograph were to the highest standard. Nicky Lumb assisted greatly with last minute proofreading and Liu Jin with last minute statistical queries. Finally, one cannot overstate the dedication of Dr Taylor, the monograph's author, not only for his commitment to this research consultancy and the excellence of his analysis, but also for his ability to meet very strict deadlines imposed by the AEDP review process. It is anticipated that the review process will benefit enormously from his research output.

Jon Altman
Director, CAEPR

November 1993

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Data used in this monograph were purchased from the Australian Bureau of Statistics (ABS) to undertake Phase 2 of the 1993 review of the Aboriginal Employment Development Policy (AEDP). A large part of the exercise was devoted to the design, acquisition and tabulation of these data. Raw table figures were provided on floppy disk by the National Aboriginal and Torres Strait Islander Statistics Unit of the ABS in Darwin. Statistical manipulation was conducted by INTSTAT Australia Pty Ltd. Subeditorial assistance was provided by Linda Roach, Krystyna Szokalski and Nicky Lumb. I would like to thank all these parties for working cheerfully under pressure to meet the tight deadlines imposed by the AEDP review process.

John Taylor
CAEPR

November 1993

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Abbreviations and acronyms

ABS	Australian Bureau of Statistics
AEDP	Aboriginal Employment Development Policy
ANU	Australian National University
ATSIC	Aboriginal and Torres Strait Islander Commission
CAEPR	Centre for Aboriginal Economic Policy Research
CDEP	Community Development Employment Projects (scheme)
CTP	Community Training Program
DEET	Department of Employment, Education and Training
TAP	Training for Aboriginals Program

1. Introduction

Recent analysis of change in the relative economic status of indigenous Australians points to an overall improvement in labour force status but not in income status (Taylor 1993a). This seeming paradox is explained by the nature of new employment generated, largely via the Community Development Employment Projects (CDEP) scheme, with the emphasis more on quantity (of participants) rather than quality (of job and income outcomes). Clearly, there is a sense in which program intervention may create necessary, but not sufficient, conditions for the enhancement of indigenous economic status.

This ambivalence in the measurement of progress towards the Aboriginal Employment Development Policy (AEDP) goal of overall statistical equality between indigenous people and the rest of the population acquires complexity at more detailed levels of analysis. This is because aggregate, national level data analysis has the capacity to conceal important variations in economic status, for example, according to settlement size and gender (Taylor 1993a). The same possibility applies in regard to regional analysis. Given the overtly spatial structure of the national economy, and its varied performance in different parts of Australia, it is not surprising to observe notable regional departures from the national norm in respect of indigenous (and non-indigenous) economic status (Tefaghiorghis 1991a; Sorenson and Weinand 1991). Leaving aside the question of whether standard economic indicators provide an appropriate means of inter-regional comparison for indigenous Australians (Altman and Allen 1992; Smith 1992), this spatial variation in economic status presents a dilemma. What may appear as progress towards the achievement of statistical goals at one level of analysis, say national, may be revealed as quite the reverse at another level, say State and Territory. In short, different benchmarks exist against which relative equality and disadvantage may be calibrated. While this may not obviate the need to set national goals and targets, it does imply that full appreciation of policy impacts requires an awareness of spatial outcomes.

The case for spatial analysis

Diversity is a theme which permeates indigenous affairs in Australia. This stems, in part, from the constitution of indigenous Australia as a 'network of localities' (O'Donoghue 1991: 13; 1992: 8) and the articulation of indigenous aspirations as a 'plurality of local interests' (Dillon 1992: 91). Equally, it has long been recognised that social and economic indicators for indigenous Australians reveal a spatial dimension. For example, two earlier academic surveys of indigenous economic status (Altman and Nieuwenhuysen 1979; Fisk 1985) structured their analyses using

geographic location as an organising principle on the understanding that levels of critical indicators varied between different categories of place.

More recent studies, using 1986 Census data, have revealed evidence of an urban/rural gradient for a range of economic indicators as well as notable variations between States.¹ To summarise briefly, indigenous people in large urban areas and in the Australian Capital Territory, Victoria and Tasmania were found to be generally better off in terms of economic status compared to those in rural areas and those in the Northern Territory and Western Australia. Indigenous residents of New South Wales, Queensland and South Australia occupied an intermediate position (Teschfaghiorghis 1991a; Gray and Teschfaghiorghis 1991). While the economic status of indigenous Australians seemed to correlate with the economic status of the non-indigenous population in each State (Gray and Teschfaghiorghis 1991: 28-30), this was not always the case. For example, in the Northern Territory, where the economic status of non-indigenous residents was among the highest in the country, indigenous economic status was the lowest. In contrast, non-indigenous residents of Tasmania displayed only average economic status compared to those elsewhere while this was one of the States where indigenous people were in a relatively favourable economic position compared to their counterparts in other regions.

This fact of regional variation is significant in the formulation of relevant policy as it points to the possibility that programs may require variable emphases and have different objectives and outcomes. Acknowledgement of this was one of the major conclusions of the Committee of Review into Aboriginal Employment and Training Programs (Miller 1985) and is reflected in the subsequent form of the AEDP. As a national policy, the AEDP statement carried a commitment to raising the economic status of all indigenous people irrespective of where they live (Australian Government 1987a: 5). It was equally clear, however, that the means to achieve this would need to be adjusted to match regional circumstances. The rationale was forcefully expressed in the Miller Report:

The option [of salaried employment] is not ... open to them [many Aboriginal people] and ... many of them reject it. In the more remote areas which were not colonised to the extent of others and where Aboriginal custom and law remain strong, people have removed themselves from the enforced change of life-style encompassed by a western-style economy ... and have chosen to maintain a life-style compatible with their traditional culture using a mix of components from their own traditional hunter-gatherer subsistence economy together with components of the wider market-based economy ... Not all Aboriginal people have the same concept of the mix of traditional Aboriginal and non-Aboriginal components in their life-style. Many of them who have chosen, or have felt compelled to live in an urban context, accept the employment for wage or salary basis for their livelihood to a greater extent than those who have remained in an isolated rural environment (Miller 1985: 5-6).

The sense of this observation is fully articulated in the AEDP. For people living in or around remote towns, provincial and capital cities (places with

1,000 or more population where an active mainstream labour market is deemed to exist) and those living on Aboriginal land, Aboriginal-owned pastoral properties, outstations and settlements of up to 1,000 population (where mainstream labour markets are regarded as either undeveloped or non-existent), the emphasis has been directed more towards employment generation in community enterprises and development projects via the Community sector elements of the Training for Aboriginals Program (TAP), as well as, more especially, via an expansion of the CDEP scheme (Australian Government 1987b: 5-7).² In urban places, on the other hand, the focus has been primarily on boosting employment in both public and private sectors of the mainstream labour market via the public and private sector elements of TAP. Thus, to the extent that the proportion of indigenous people of working age resident in rural and urban places varies geographically (for example between States), a spatial configuration is imposed on the application of different programs and their expected and actual outcomes.

Spatial variation in labour market outcomes may also be expected to occur due to regional imbalances in overall economic performance (O'Connor and Gordon 1989; Sorensen and Weinand 1991; Taylor 1991). One broad distinction frequently elaborated by social scientists to describe regional inequalities in Australia is that between closely settled areas and remote, sparsely populated areas. In the latter, economic development and service provision is severely impeded by force of relative locational disadvantage and low accessibility (Logan et al. 1975; Faulkner and French 1983; Holmes 1988). Other economic features that distinguish remote Australia have been summarised by Taylor (1992a: 56-7) and include: high scores on a socioeconomic deprivation index (Logan et al. 1975: 64); a prevalence of negative scores on a standardised index of accessibility to/from Australia's urban centres with concomitant greater distances between settlements and services (Faulkner and French 1983: 36); and a specialisation of urban functions with a predominance of service towns, mining towns and indigenous population centres offering few employment opportunities of limited range (Holmes 1988). The effect of this in remote Australia is to produce several non-contiguous labour markets that are spatially very restricted. Away from the few main settlements, pastoralism and mining predominate as the main rural sector economic activity and neither of these offer significant employment opportunities to indigenous people, although pastoralism, of course, did in the past (Altman and Nieuwenhuysen 1979: 64-8).

Taylor (1992a) has noted the far greater concentration of indigenous Australians in areas described above as remote. This particular imbalance in distribution partially explains regional variation in economic status as some States have greater proportions of their indigenous population in remote areas than others. In this context, the question of whether indigenous people in a given region improve their relative economic status, or not, may be seen as a function of two related factors. First, the relative

strength and composition of inter- and intra-regional economic performance producing a variable range of opportunities and constraints for job seekers. As noted above, this may operate to the disadvantage of certain regional components of the indigenous population given their overly remote location. Second, the relative strength and nature of AEDP-related programs produces varied outcomes between regions. For example, in those States where participation in the CDEP scheme accounts for a substantial proportion of indigenous employment, a quite different economic profile may be expected to emerge from standard social indicators in comparison to States where employment is characterised by more mainstream labour market involvement.

Appreciation of the spatial underpinnings of the national economy appears to wax and wane as a feature of Commonwealth public policy. Currently, it seems, regionalism is ascendant with the formation of the Department of Industry, Technology and Regional Development and a push to develop regional industry strategies. There would seem to be good reason for this renewed policy interest as broad regional differences in economic wellbeing, particularly between populations in metropolitan and remote areas, have been exacerbated in recent years due to the impact of recession and economic restructuring (Taylor 1991). In indigenous affairs, such spatial concerns have added policy significance as they are more broadly constituted in the political, administrative and, increasingly, the program structure of the Aboriginal and Torres Strait Islander Commission (ATSIC) which are inherently based on conceptions of regionalism (Dillon 1992: 102; Smith 1993).

Geographic scale

The policy evaluation question is not whether there should be regional analysis, but at what level this should proceed. In practical terms, the answer involves a trade-off between the level of detail and range of data required for useful policy evaluation, on the one hand, and issues such as the obligations of the Australian Bureau of Statistics (ABS) regarding confidentiality of census data, the level of non-response to census questions and the complexities involved in handling and analysing disaggregated data sets, on the other. ATSIC regional council areas provide one possible regional framework for analysis. While this has the advantage of providing data to match the ATSIC administrative structure, and has been utilised before to examine variation in indigenous socioeconomic status (Tefsfaghiorghis 1991b; Khalidi 1992), the degree of data disaggregation involved precludes analysis by section-of-State due to the problems mentioned above. This is a major constraint for policy analysis given that settlement size of residence has been established as a crucial factor in understanding the dynamics of intercensal change in indigenous economic status (Taylor 1993a). Also, since the emphasis here is on change in census indicators, the reconciliation required to match newly realigned regional

council boundaries with 1986 and 1991 census geography presents an added obstacle.³

From a social sciences perspective, and with regard to the comparative analysis of economic status, a more suitable regional framework is provided by the States and their respective sections-of-State. Not only are these shown to be adequate discriminators of regional variation in indigenous economic status (Gray and Tesfaghiorghis 1991),⁴ they are also the spatial units within which mainstream labour markets tend to function (Jarvie 1989).

In focusing on the major regional concerns likely to face indigenous affairs policy makers, especially in regard to the AEDP, three questions in particular appear most relevant and provide a basis for organising the subsequent analysis of intercensal change in economic indicators:

- i To what extent, and in what direction, does change in the economic status of indigenous and non-indigenous Australians vary between States and sections-of-States from that observed at the national level?
- ii To what extent do indigenous people vary between States and sections-of-States among themselves in terms of change in their economic status?
- iii To what extent does change in the economic status of indigenous people vary from that of other Australians in the same geographic areas?

Answers to these questions reveal the complexities involved in striving for global equality between populations that are heterogenous. The first question focuses on regional departures from national norms, for both indigenous and non-indigenous Australians, and serves to underline the fact that aggregate shifts in economic status are no more than the sum of many different parts. It is more than likely, for example, that progress towards national goals of statistical equality will be more in evidence in some regions than others. The second question highlights the reality of emergent economic stratification among the indigenous population (Merlan 1989). While this process is structurally complex and does not lend itself to simple categorisation, there is evidence of a rural/urban differential in economic status which has the potential to widen over time. This is manifest regionally according to varying proportions of rural-based populations in each State. The final question emphasises the regional structure of labour markets. Regional economic performance is dependent on the performance of the national economy working through local industrial structures and modified by local comparative advantage (Stilwell 1992: 190). In terms of employment change, much depends on the regional mix of growing and declining industries as well as regional shifts in occupational structure and the ratio of part-time to full-time work. In the

absence of significant inter-State labour migration (Gray 1989; Taylor 1991, 1992a), indigenous people compete for jobs in very localised labour markets which offer widely varying opportunities and constraints. This relative immobility impacts on policy outcomes.

Notes

1. Unless otherwise indicated, the term 'States' includes States and Territories.
2. From 1st July 1992, community sector elements of TAP were transferred from the Department of Employment, Education and Training (DEET) to ATSIC and renamed the Community Training Program (CTP).
3. The *Aboriginal and Torres Strait Islander Commission Amendment Act 1993* (No. 26 of 1993) reduced the number of ATSIC regional council areas from 60 to 36. For the most part this involved an amalgamation of existing council areas but in a number of cases new boundaries were created requiring a new reconciliation with census geography.
4. By international standards, Australia has relatively little regional disparity in income and labour force status when the regions are defined as States (Higgins 1989: 251-2). While this is noted here, further disaggregation by sections-of-State adds substantially to the level of regional divergence observed. At the same time, much greater variation in economic status between States is evident among indigenous Australians.

2. Population size and distribution, 1986-91

A correlation between location and economic wellbeing is well established within the social sciences (Logan et al. 1975; Smith 1977; Kirby 1982; Higgins and Zagorski 1989) and is increasingly acknowledged by social policy makers (Hawke and Howe 1990). In this context, the markedly different regional distribution of the indigenous population compared to that of other Australians, as well as their far greater representation in the smallest localities, makes an appreciation of such locational distinctions essential to an understanding of variable economic status. Equally important are the respective rates of growth in working-age populations. At a national level, this has continued to be much higher among indigenous Australians (Taylor 1993a) which means that the increased pressure to provide employment has, potentially at least, been much greater for this section of the population. Whether this applies to the same degree in all States is a function of regional variation in the rate of job creation set against corresponding rates of growth in the number of job-seekers.

Apart from inter-State variations, a variety of intra-State locational types may also be recognised and in recent years there has been a growing tendency among policy makers to acknowledge this level of locational diversity in the social and economic circumstances of indigenous Australians. Several categories of indigenous communities which reflect varied patterns of settlement have generally been recognised. These categories divide into a broad rural/urban classification with rural areas comprising:

- i discrete townships mostly located in remote areas and likely to be responsible for their own municipal-type services;
- ii outstations and other small groups in remote areas linked to a resource organisation in a nearby township or other regional centre;

and urban areas including:

- iii indigenous people in State or Territory capital cities and major urban areas;
- iv indigenous people who are residents of country towns mixed in with a predominantly non-indigenous population;
- v groups of indigenous people living in an identified location or camp site near or within an urban area and having different arrangements from the town for municipal services, or no such facilities at all.

Although these categories do not readily translate into census geography, they do broadly align with the ABS section-of-State classification to a

degree which is analytically sound. Thus, category (iii) corresponds to major urban areas (over 100,000 persons), categories (iv) and (v) are found in other urban areas (1,000-99,999 persons), category (i) in rural localities (200-999 persons) and category (ii) in other rural areas and migratory (less than 200 persons). For convenience in data interpretation, and in order to minimise confidentiality problems in detailed disaggregations of data, the standard four-way section-of-State classification has been reduced for use in the present analysis to three components by amalgamating data for 'rural localities' and 'other rural' areas to create a single 'rural' category (that is, 0-999 persons).

Population distribution by State and section-of-State, 1991

In 1991, the majority of indigenous Australians (52.8 per cent) were resident in just two States, Queensland and New South Wales (Figure 2.1). If those resident in Western Australia are included, then more than two-thirds (68.5 per cent) of the indigenous population is accounted for. Most other jurisdictions, except the Northern Territory, have a relatively small share of the indigenous population. It is interesting to note that the State-wide proportional distribution of indigenous people closely follows that observed for the non-indigenous population, except in the Northern Territory which accounts for 15 per cent of all indigenous Australians but less than one per cent of the non-indigenous population. Because of the small overall size of the population in the Northern Territory, indigenous people comprise a relatively high proportion (23 per cent) of the total. In all other States, indigenous people uniformly comprise only a small minority (less than 3 per cent) of their total population.

Proportional difference between indigenous and non-indigenous Australians is more apparent in terms of their distribution according to section-of-State. Figure 2.1 illustrates that no State had more than half of its indigenous people living in major urban areas. Victoria had the greatest proportion in this category (45 per cent), followed closely by South Australia and New South Wales. However, in Western Australia, Queensland and Tasmania, less than a quarter of indigenous residents were found in major urban areas. This contrasts quite markedly with the rest of the population, particularly those of working age, who are far more likely than their indigenous counterparts to be found in major urban areas in all States except Tasmania (Table 2.1). As a consequence, the indigenous population of working age is distributed much more evenly across a wide range of medium to small urban centres as well as rural localities. In some areas, notably Queensland, South Australia and the more peripheral regions of Western Australia and the Northern Territory, the proportion of the indigenous population resident in rural areas is substantial and much higher than among the rest of the population. In each of these regions, this rural population, for the most part, resides in Australia's remotest localities, at least from a mainstream economic perspective.

Figure 2.1. Distribution of indigenous Australians by State and section-of-State, 1991.

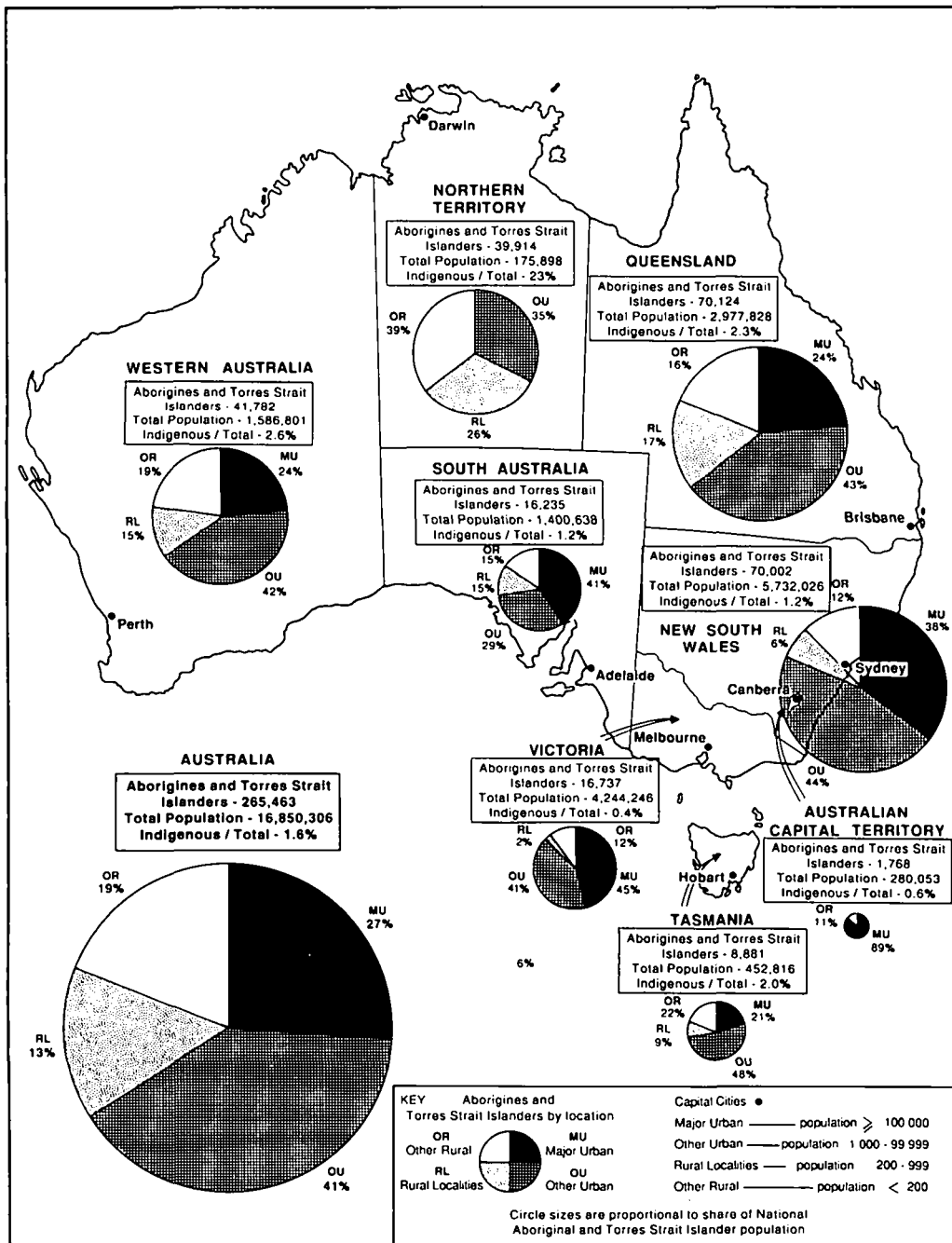


Table 2.1. Distribution of indigenous and non-indigenous Australians of working age by State, Territory and section-of-State, 1991.

	Indigenous			Non-indigenous		
	Major urban	Other urban	Rural	Major urban	Other urban	Rural
Queensland	24.3	42.1	33.6	50.9	28.5	20.6
New South Wales	39.2	42.7	18.1	68.4	19.4	12.2
Australian Capital Territory	88.8	0.0	11.2	98.6	0.0	1.4
Victoria	47.6	38.4	13.9	69.7	17.5	12.9
Tasmania	20.8	46.5	32.7	28.8	43.8	27.4
South Australia	42.0	27.3	30.7	69.4	15.9	14.7
Western Australia	24.8	41.0	34.2	65.8	20.0	14.2
Northern Territory	0.0	34.4	65.6	0.0	76.8	23.2
Australia	27.6	39.6	32.8	64.4	21.1	14.5

In all tables, the States and Territories are displayed in geographic order with the eastern jurisdictions presented first and the sequence running clockwise from Queensland through to the Northern Territory.

Table 2.2. Regional distribution of indigenous section-of-State populations of working age, 1991.

	Major urban	Other urban	Rural
Queensland	23.2	27.9	26.9
New South Wales	37.7	28.6	14.6
Australian Capital Territory	2.3	0.0	0.2
Victoria	11.1	6.2	2.7
Tasmania	2.5	3.9	3.3
South Australia	9.4	4.3	5.8
Western Australia	13.8	16.0	16.0
Northern Territory	0.0	13.2	30.4
Australia	100.0	100.0	100.0

Given the AEDP rationale for structuring labour market programs according to notional settlement size criteria, it is instructive to consider in more detail the regional distribution of indigenous urban and rural populations. Accordingly, Table 2.2 shows the proportion of the population in each section-of-State, by State. From an AEDP perspective, it is noticeable that the vast majority of indigenous rural residents (those in areas where labour markets are limited or non-existent) are found in Queensland, New South Wales, Western Australia and the Northern Territory. Collectively, these regions account for 88 per cent of the indigenous rural population. This suggests that the application of AEDP programs, and any outcomes they may generate, are likely to display

distinct regional characteristics with those components applying community-based initiatives focused most heavily in these areas, particularly in Queensland and the Northern Territory which together account for more than half (57.3 per cent) of the rural-based indigenous population.

Regional change in the working-age population, 1986-91

As foreshadowed by Gray and Tesfaghiorghis (1991), the overall rate of growth in the indigenous population of working age continued to outstrip that of the rest of the population during the 1986-91 intercensal period. This was the inevitable outcome of a decline in mortality rates (particularly infant mortality rates) set against sustained high fertility rates during the 1970s (Tefaghiorghis and Gray 1991: 52) resulting in distinct shifts in the age structure of the indigenous population towards a focus on growth in young adult age groups (Taylor 1993a: 12).

In most regions, the rate of growth of the indigenous working-age population was notably higher than among the rest of the population (Table 2.3). Exceptions to this are found in Queensland and the Northern Territory where non-indigenous growth rates were also relatively high probably due to net in-migration in the working-age group (Taylor 1989; Bell 1992: 214). Western Australia appears as an anomalous case for two reasons. Not only was the rate of growth of the indigenous working-age population substantially lower than the national average, it was also lower than the local non-indigenous rate which, along with other peripheral States, appears to have been augmented by net in-migration of working age persons. At the other extreme, Victoria and Tasmania displayed much higher than average rates of growth in their indigenous working-age population. The highest rate of indigenous working-age population growth occurred in the Australian Capital Territory, although the actual gain in numbers was comparatively small. Three factors operate to produce such variable growth rates: the impact of natural population increase, age-selective interstate migration, and changes in census coverage and self-identification.

While vital rates among the indigenous population do not differ greatly between regions of Australia, some variation in mortality and fertility has been noted according to settlement size of residence. Gray (1990a), for example, has established that birth rates among indigenous Australians are generally lower in urban areas, particularly major urban areas, compared to rural areas. Likewise, indigenous mortality levels appear to be slightly higher in those regions of Australia with greater proportions of rural and remote residents (Gray 1990b: 155). Thus, the Northern Territory, Queensland and Western Australia display somewhat different vital rates to other regions with slightly higher fertility and mortality. The net effect of this, however, would seem to have little bearing on regional variation in the growth of the working-age population. The same is true of interstate migration as Gray (1989), for example, using

1986 Census data, found that most indigenous population movements between States cancelled each other out. Therefore, the most likely explanation of regional difference in the growth of the working-age population is to be found in discrepancies in census enumeration. The low growth rate in Western Australia, for example, has been attributed to an undercount of the indigenous population in the 1991 Census relative to the 1986 Census (Gaminiratne 1993: 8; Luther, Gaminiratne and Gray 1993) while the higher than average rates of growth in Victoria and Tasmania have been associated with improved census coverage and an increase in the incidence of census self-identification (Gaminiratne 1993: 8). The increase in indigenous working-age population in the Australian Capital Territory, more than any other region, is most likely to reflect the impact of inter-State labour migration, as was the case in 1986 (Gray 1989).

Table 2.3. Regional change in population aged 15-64 years among indigenous and non-indigenous Australians, 1986-91.

	1986	1991	Net change	Per cent change
Queensland				
Indigenous	34,983	40,173	5,190	14.8
Non-indigenous	1,652,729	1,917,928	265,199	16.0
New South Wales				
Indigenous	34,180	40,547	6,367	18.6
Non-indigenous	3,528,355	3,747,318	218,963	6.2
Victoria				
Indigenous	7,515	9,779	2,264	30.1
Non-indigenous	2,670,031	2,829,819	159,788	6.0
Australian Capital Territory				
Indigenous	739	1,078	339	45.9
Non-indigenous	170,272	194,384	24,112	14.2
Tasmania				
Indigenous	3,792	5,031	1,239	32.7
Non-indigenous	279,560	288,430	8,870	3.2
South Australia				
Indigenous	8,367	9,439	1,072	12.8
Non-indigenous	885,773	916,407	30,634	3.5
Western Australia				
Indigenous	19,987	23,254	3,267	9.3
Non-indigenous	86,314	98,136	119,186	13.0
Northern Territory				
Indigenous	18,097	21,855	3,758	20.8
Non-indigenous	81,460	93,968	12,508	15.4
Australia				
Indigenous	131,104	152,839	21,735	16.6
Non-indigenous	10,187,516	11,026,090	838,574	8.2

The figures for Australia differ slightly from those published in Taylor (1993a: 12) owing to a processing error in the latter which excluded persons who did not state their labour force status.

Conclusion

Regional variation in the relative economic status of indigenous Australians cannot be understood without reference to variable rates of growth in the population of working age and differences in access to mainstream labour markets as a consequence of geographic location. This is because the economy varies in its capacity to create employment in line with expansion of the working-age population as well as in different places. Overall, growth in the population of working age has been higher among indigenous Australians than other Australians, while the greater relative concentration of the former in rural and other urban areas has been sustained.

The impact of these structural factors is two-fold. First, the increased pressure to find employment for indigenous Australians has, potentially at least, been proportionally greater than for other Australians. This was particularly the case in Victoria, Tasmania, New South Wales and the Northern Territory which all experienced higher than average growth in their indigenous working-age populations. Second, efforts to reduce overall differentials in labour force status are made more difficult by the continuing spatial bias of indigenous Australians towards rural areas and country towns where mainstream labour markets are often non-existent, or in decline. While this locational imbalance is evident in all States, Queensland, Western Australia, the Northern Territory and, to a lesser extent, New South Wales, stand out as having a much larger share of their indigenous populations resident in remote rural areas. This regional variation in access to mainstream labour markets adds to the complexity of the policy environment and is a critical structural element underlying State differences in economic outcomes.

3. Regional change in labour force status, 1986-91

Progress towards the AEDP goal of employment equality can be measured using three standard indicators to specify the extent and direction of relative change in indigenous labour force status. These are: the employment rate representing the percentage of those aged 15-64 years who indicated that they held a job during the week prior to enumeration; the unemployment rate expressing those not in employment at the time of enumeration, but who had actively sought work during the previous four weeks, as a percentage of those in the labour force (employed plus unemployed); and the labour force participation rate representing those in the labour force as a percentage of those of working age.

These conventional indicators of labour force status are used here despite their doubtful relevance in describing the economic circumstances of many indigenous people (Altman 1991: 161-3). What, for example, is the most appropriate description, in terms of labour force status, for a participant in a CDEP scheme or for an individual recycled through labour market programs? While Smith (1991) considers that official statistics fail to capture the full extent of indigenous economic status, they do nonetheless provide a basis for comparison with other Australians as required by the AEDP. In this context, the policy message is simply that official labour force data provide an overly optimistic view of the position of indigenous Australians, although they also provide the only available comparative view.

During the period between 1971 and 1986, indigenous employment rates steadily declined while unemployment rates increased (Daly 1993a). While the same trends were apparent among the rest of the population the changes in rates were far more moderate (Teschfaghiorghis and Altman 1991: 13-4). As a consequence, the relative labour force status of indigenous Australians gradually deteriorated. During the most recent intercensal period, however, the overall employment rate of indigenous people showed distinct signs of improvement, rising from 34.3 per cent of the working-age population to 38.6 per cent (Table 3.1). The significance of this shift is made clearer by the fact that non-indigenous rates remained relatively static over the same period, rising only slightly from 64.1 to 64.7. However, notwithstanding this shift towards less divergent employment status, the rate at which indigenous Australians of working age find employment remains substantially below that recorded for the rest of the population. In 1991, the ratio of indigenous to non-indigenous employment rates was 0.59 (Table 3.1).

While this relatively unfavourable position is evident in all States, a good deal of regional variation is apparent in the extent to which this applies, as the labour force status of indigenous people in some regions is noticeably more favourable than in others. This is despite some degree of

regional convergence in employment rates between 1986 and 1991 as indicated by the drop in the standard deviation. The geographic pattern of variation has, however, been sustained. For example, in 1986, the ratio of indigenous to non-indigenous employment rates in all eastern States, except New South Wales, was notably above the national average of 0.53 and markedly below average in Western Australia and the Northern Territory (Table 3.1). This was still the case in 1991, even though in the Australian Capital Territory and Tasmania, the relative employment status of indigenous people declined slightly, while elsewhere it improved.

Table 3.1. Indigenous and non-indigenous employment rates by State, 1986 and 1991.

	Employment rates ^a					
	Indigenous		Non-indigenous		Ratios	
	(1) 1986	(2) 1991	(3) 1986	(4) 1991	(1/3) 1986	(2/4) 1991
Queensland	36.1	42.1	62.0	64.2	0.58	0.65
New South Wales	33.6	38.0	63.1	64.8	0.53	0.58
Australian Capital Territory	61.0	57.8	73.6	72.6	0.82	0.79
Victoria	46.3	46.2	65.6	64.6	0.70	0.71
Tasmania	50.2	49.0	62.1	61.5	0.81	0.79
South Australia	36.1	41.3	64.1	64.8	0.56	0.64
Western Australia	29.1	32.9	65.2	64.4	0.44	0.51
Northern Territory	28.6	31.5	72.5	71.4	0.39	0.44
Australia	34.3	38.6	64.1	64.7	0.53	0.59
Index numbers						
Queensland	105	109	97	99		
New South Wales	98	98	98	100		
Australian Capital Territory	178	150	115	112		
Victoria	135	120	102	100		
Tasmania	146	127	97	95		
South Australia	105	107	100	100		
Western Australia	85	85	102	99		
Northern Territory	83	82	113	110		
Australia	100	100	100	100		
Standard deviation	33.2	22.5	7.1	5.9		

a. Those employed as a percentage of those aged 15-64. All figures exclude those who did not state their labour force status.

The change in distribution of regional employment rates for indigenous people around the national rate is shown in Figure 3.1. The regional pattern of employment remains unaltered, with the Northern Territory and Western

Australia firmly below the Australian average. Of equal interest is the clear separation of the Australian Capital Territory, Victoria and Tasmania as regions of relatively high employment status.

Figure 3.1. Index numbers of indigenous employment rates by State compared to the Australia-wide indigenous average, 1986-91.

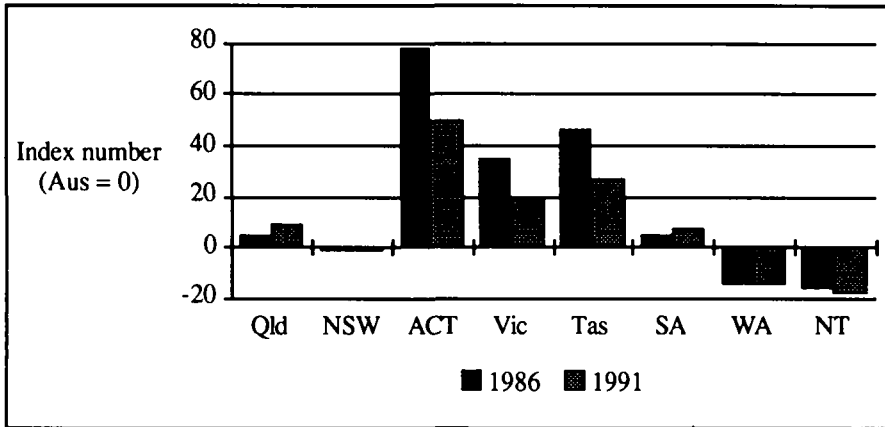
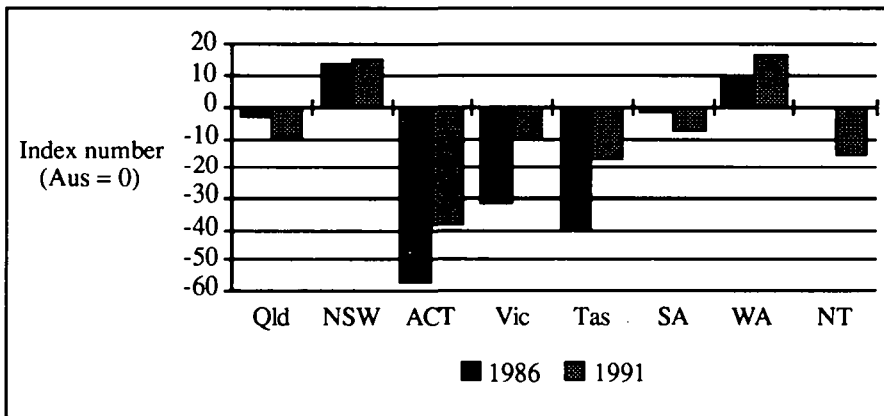


Figure 3.2. Index numbers of indigenous unemployment rates by State compared to the Australia-wide indigenous average, 1986 and 1991.



A similar mix of tendencies is displayed by indigenous unemployment rates (Table 3.2). These fell in most States at a time when non-indigenous rates comprehensively increased. Not surprisingly, the same regional pattern as that revealed by employment data is evident. As in 1986, indigenous unemployment rates in 1991 remained lowest in the eastern

States, with the exception of New South Wales where unemployment rates were consistently above the national average (Figure 3.2). This was despite an increase in unemployment rates in the Australian Capital Territory, Victoria and Tasmania. Elsewhere, the most significant shifts in unemployment occurred in Queensland, South Australia and the Northern Territory, where the rate among indigenous residents fell from levels around the national average in 1986 to positions notably below the average. The effect of this in the Northern Territory was to reduce the indigenous unemployment rate from 4.5 times higher than that observed for the non-indigenous population, to only 2.7 times higher in 1991, a ratio equivalent to the national level.

Table 3.2. Indigenous and non-indigenous unemployment rates by State, 1986 and 1991.

	Unemployment rates ^a					
	Indigenous		Non-indigenous		Ratios	
	(1) 1986	(2) 1991	(3) 1986	(4) 1991	(1/3) 1986	(2/4) 1991
Queensland	34.0	27.8	10.8	11.1	3.1	2.5
New South Wales	40.1	35.6	9.9	11.1	4.0	3.2
Australian Capital Territory	15.0	18.9	4.7	7.3	3.2	2.6
Victoria	24.0	27.4	7.0	12.0	3.4	2.3
Tasmania	21.2	25.4	9.9	13.3	2.1	1.9
South Australia	34.7	28.4	9.4	11.7	3.7	2.4
Western Australia	38.9	36.1	9.0	12.1	4.3	3.0
Northern Territory	35.0	25.9	7.7	9.6	4.5	2.7
Australia	35.3	30.8	9.0	11.4	3.9	2.7
Index numbers						
Queensland	96	90	120	97		
New South Wales	114	115	110	97		
Australian Capital Territory	42	61	52	64		
Victoria	68	89	77	105		
Tasmania	60	82	110	116		
South Australia	98	92	104	103		
Western Australia	110	117	100	106		
Northern Territory	99	84	85	84		
Australia	100	100	100	100		
Standard deviation	25.9	18.1	22.2	16.0		

a. Those unemployed as a percentage of those in the labour force.

Of course, regional relativities depend on the direction and magnitude of change in non-indigenous rates in each State. Although unemployment rates increased generally for non-indigenous Australians, wide regional differences are evident in the extent to which this occurred. In some States,

notably Victoria and Tasmania, unemployment rates increased substantially and despite an intercensal increase in indigenous unemployment in both these States, the ratio of indigenous to non-indigenous unemployment rates remained low because unemployment among the non-indigenous population rose to the highest levels in Australia.

It is important to qualify discussions of regional variation in employment and unemployment rates with data on regional rates of labour force participation since the propensity for indigenous Australians to be formally attached to the labour market has always been influenced by location. This is partly a function of the degree to which indigenous people in different parts of the continent have historically been incorporated into mainstream economic institutions. It also reflects the continuity of a mismatch between places where mainstream labour markets exist and places where many indigenous people choose to reside (Taylor 1992a, 1992b). The regional pattern of labour force participation in 1991 underlines the persistence of such severances with proportions in the labour force substantially higher among the more urbanised indigenous populations of the eastern States compared to the more rurally-based residents of Western Australia and the Northern Territory (Table 3.3). Although slight declines in participation were experienced in the Australian Capital Territory, Victoria and Tasmania, relative to the national level, the relative rate in the Northern Territory also fell, thus maintaining the pattern of regional divergence (Figure 3.3).

Overall, non-indigenous participation rates rose in tandem with indigenous rates, thus maintaining the size of the gap between them. In some regions, however, this gap is relatively minor. For example, in the Australian Capital Territory, Victoria and Tasmania, indigenous and non-indigenous rates are almost equivalent. In other regions, however, the gap in rates is noticeably wider. This is particularly so in the Northern Territory where the rate of indigenous labour force participation has always been far lower than that observed among the rest of the population. During the intercensal period this divergence increased.

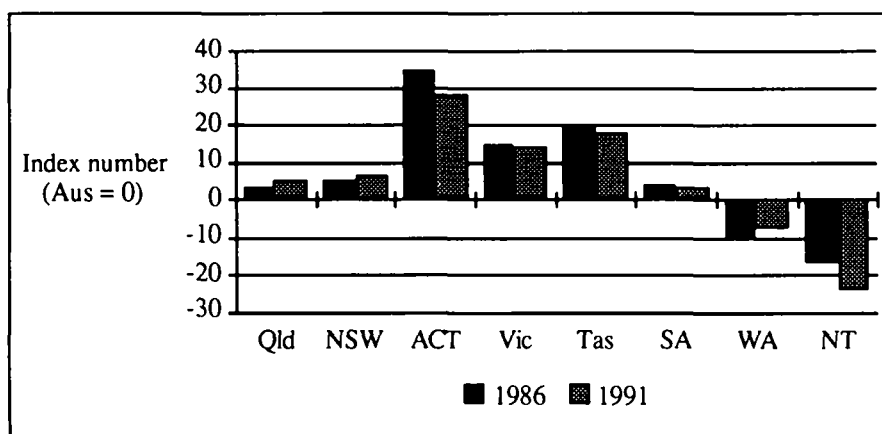
A number of points are relevant in interpreting these data. First, the much higher intercensal growth rates observed for the indigenous working-age population, notably in the Australian Capital Territory, Victoria and Tasmania, mean that a proportionally greater increase in numbers joining the labour force has been required than elsewhere to maintain ratios with the rest of the population. Likewise, with regard to employment rates, greater success in gaining employment has been necessary in these regions simply to maintain constant levels, let alone actually improve them. This may partly explain the decline in employment rates observed in the Australian Capital Territory, Victoria and Tasmania.

Table 3.3. Indigenous and non-indigenous labour force participation rates by State, 1986 and 1991.

	Labour force participation rates ^a					
	Indigenous		Non-indigenous		Ratios	
	(1) 1986	(2) 1991	(3) 1986	(4) 1991	(1/3) 1986	(2/4) 1991
Queensland	54.7	58.4	69.5	72.2	0.78	0.80
New South Wales	56.0	59.0	70.0	72.9	0.80	0.81
Australian Capital Territory	71.8	71.3	77.2	78.3	0.93	0.91
Victoria	61.0	63.6	70.5	73.4	0.86	0.87
Tasmania	63.7	65.6	69.0	70.9	0.92	0.95
South Australia	55.2	57.7	70.7	73.4	0.78	0.78
Western Australia	47.6	51.4	71.6	73.3	0.66	0.70
Northern Territory	44.0	42.5	78.6	79.0	0.55	0.54
Australia	53.1	55.7	70.4	73.1	0.75	0.76
Index numbers						
Queensland	103	105	99	99		
New South Wales	105	106	99	99		
Australian Capital Territory	135	128	109	107		
Victoria	115	114	100	100		
Tasmania	120	118	98	97		
South Australia	104	103	100	100		
Western Australia	90	92	102	100		
Northern Territory	83	76	112	108		
Australia	100	100	100	100		
Standard deviation	16.5	16.0	5.2	4.0		

a. Those in the labour force as a percentage of those aged 15-64.

Figure 3.3. Index numbers of indigenous labour force participation rates by State compared to the Australia-wide average, 1986 and 1991.



An additional factor which may have served to influence labour force participation rates in each State is the move to encourage higher levels of Aboriginal and Torres Strait Islander attendance and retention in educational institutions under the federal Aboriginal and Torres Strait Islander Education Policy. Overall in Australia, the number of indigenous people aged 15 years and over who were attending an educational institution at the time of the census increased by 14.6 per cent. In the eastern States, however, the rate of increase was much higher than this, particularly in the Australian Capital Territory and Tasmania (Table 3.4). Elsewhere, the numbers attending educational institutions barely increased, while in Western Australia they actually declined. It is difficult to establish any link between this pattern of educational attendance and changes in labour force participation. In the Australian Capital Territory, for example, where the rate of growth in attendance was relatively high, the level of labour force participation remained steady. In the Northern Territory, on the other hand, growth in attendance was very slight but labour force participation fell. One possible explanation for these seeming contradictions could be that some individuals attending educational institutions were engaged in training programs and therefore recorded as in the labour force.

Whatever the cause of variable labour force participation, conventional explanations advanced by labour economists to account for low labour market attachment (Daly 1992) may be more appropriate in some regions than others. For example, Altman (1992: 9) has suggested that standard social indicators may be inappropriate in remote areas where indigenous groups are often more tradition-oriented and less influenced by mainstream economic imperatives. This would include relatively large proportions of indigenous people in the Northern Territory, Western Australia, South Australia and Queensland.

Table 3.4. Attendance at educational institutions: indigenous Australians aged 15 years and over, 1986 and 1991.

	Number attending		Change	
	1986	1991	Net	Per cent
Queensland	6,233	7,323	1,090	17.5
New South Wales	6,793	8,562	1,769	26.0
Australian Capital Territory	155	268	113	72.9
Victoria	1,607	2,056	449	27.9
Tasmania	666	904	238	35.7
South Australia	1,883	1,963	80	4.2
Western Australia	4,142	4,038	-104	-2.5
Northern Territory	4,246	4,371	125	2.9
Australia	25,725	29,485	3,760	14.6

Source: 1986 Census Table CA0039, 1991 Census Table CAD5008.

Regional variations by section-of-State and gender

Disaggregation of State level data by section-of-State and gender reveals further departures from the national picture of change in indigenous labour force status. Table 3.5 demonstrates that the major improvements in labour force status, that is the greatest gains in employment levels, reductions in unemployment and increases in labour force participation, have occurred in rural areas. The only exception to this pattern occurs in Tasmania where labour force status declined regardless of intra-State location. There is some indication that position in the settlement hierarchy operates in an inverse manner to influence labour force status, with respective indicators in States such as Queensland, New South Wales, and South Australia progressively improving from larger to smaller-sized places. Elsewhere, however, the change in labour force status appears to be more polarised between distinct improvements in rural areas and less favourable outcomes in urban areas. The Northern Territory, for example, typifies this pattern with a clear contrast between substantial gains in employment and declines in unemployment in rural areas set against equally strong, but opposite, tendencies in urban places (Taylor 1993b).

A major qualifier to the above observations is revealed by a disaggregation of the data by gender. This is provided in Table 3.5 which shows the magnitude and direction of regional shifts in labour force status for males and females by section-of-State. The actual rates from which these figures are derived are shown in Appendix Table A1. The deterioration of labour force status in urban areas, particularly in major urban areas, is quite clearly restricted to indigenous males. This gender contrast is typified by the figures for major urban areas of Queensland (Brisbane and the Gold Coast) which show that male employment rates fell considerably (by 4.4 percentage points) at a time when female rates improved (by 2.8 percentage points). Likewise, the increase (by 4.4 percentage points) in the male unemployment rate contrasted with a decline in female unemployment. Also in opposition were respective labour force participation rates which fell for males (by -1.7 percentage points) while the female rate increased (by 3.4 percentage points).

This gender-based pattern of labour force change follows the trend in the workforce generally where non-indigenous males performed no better than indigenous males during the intercensal period (Appendix Tables A1c and A1d). This was regardless of their location by section-of-State. Thus, in the deteriorating labour market conditions of the late 1980s and early 1990s, one important impact of the AEDP in urban areas may have been to ameliorate potentially worse economic outcomes for many indigenous males seeking opportunities in mainstream labour markets. In some cases, such as in Adelaide and country towns of New South Wales, Queensland and South Australia, actual gains in indigenous male employment rates were achieved against the general trend. In rural areas, such improvement was more widespread and emphatic, as policy interventions have operated

to significantly enhance the labour force status of indigenous males relative to that of other males.

Table 3.5. Regional net change in indigenous labour force status by section-of-State and gender, 1986-91.

	ER ^a	Males UR ^b	LFP ^c	ER	Females UR	LFP
Major urban						
Queensland	-4.4	4.4	-1.7	2.8	-1.0	3.4
New South Wales	-1.1	-0.1	-1.7	4.9	-2.6	4.9
Australian Capital Territory	-11.6	6.4	-7.2	1.2	1.2	2.3
Victoria	-3.7	4.5	-0.2	3.1	1.7	5.0
Tasmania	-0.3	2.8	2.5	0.2	4.5	3.3
South Australia	1.7	-3.9	-1.6	4.5	-4.8	3.4
Western Australia	-0.4	3.4	3.5	5.2	-0.6	7.6
Northern Territory	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Australia	-1.6	1.6	-0.6	4.2	-1.4	4.9
Other urban						
Queensland	3.1	-3.2	1.1	5.6	-6.2	4.8
New South Wales	2.0	-2.3	0.7	5.2	-4.9	5.8
Australian Capital Territory	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Victoria	-7.5	10.6	0.7	1.5	0.6	2.5
Tasmania	-5.1	5.9	-0.6	1.7	2.6	3.9
South Australia	5.8	-5.1	3.9	4.9	-5.2	4.3
Western Australia	-2.8	3.6	-0.9	3.7	-2.1	4.9
Northern Territory	-9.0	8.1	-6.5	-2.6	7.0	0.6
Australia	-0.4	3.0	-0.4	3.9	-2.6	4.5
Rural						
Queensland	12.3	-12.2	4.3	11.7	-17.7	7.4
New South Wales	11.0	-15.1	1.3	9.2	-12.3	7.8
Australian Capital Territory	2.1	-3.9	-1.8	5.7	13.2	18.9
Victoria	6.6	-2.6	6.2	9.6	-9.6	6.7
Tasmania	-3.9	4.9	0.1	-0.7	4.6	2.0
South Australia	4.5	-8.0	-1.4	9.0	-4.8	7.9
Western Australia	10.8	-11.5	5.0	6.1	-10.0	3.6
Northern Territory	5.7	-19.2	-5.4	7.5	-20.8	1.7
Australia	9.0	-12.8	1.0	8.8	-14.4	5.2

a. Employment rate.

b. Unemployment rate.

c. Labour force participation rate.

n.a. not applicable.

Notwithstanding major shifts in employment, unemployment and labour force participation rates, an enduring characteristic of the regional pattern of labour force status, which is applicable to all sections-of-State, is a

continuing high level of interstate variation (Table 3.6). For the most part, above average labour force status is confined to the eastern States. This applies, for example, in major urban areas where, with the exception of Queensland, the capital cities of eastern Australia have notably better labour force status than those elsewhere. In some cases, this regional effect is quite marked. For example, indigenous employment rates in Canberra and Melbourne are almost twice that in Perth. Likewise, unemployment rates are around two to three times lower and the level of labour force participation is much greater. A similar pattern is discernible for intermediate-sized urban areas, although those in Queensland display above average labour force status, while country towns in New South Wales emerge as relatively disadvantaged. On the whole, however, the regional variation in labour force status between other urban places is less marked than for the largest cities. This is not the case for rural areas where, despite considerable improvements in the Northern Territory, Western Australia and New South Wales, rural labour force status in these regions remains firmly behind that in other States. The Northern Territory, in particular, emerges as a laggard region with rural employment rates substantially below the national level even despite an equally low level of labour force participation.

Table 3.6. Regional variation in indigenous labour force status by section-of-State, 1991.

	ER ^a	UR ^b	LFP ^c	Index numbers (Australia = 100)		
				ER	UR	LFP
Major urban						
Queensland	39.6	33.3	59.3	92	111	97
New South Wales	46.1	27.3	63.5	108	91	103
Australian Capital Territory	60.2	14.7	71.8	141	49	117
Victoria	51.5	22.7	66.7	120	76	109
Tasmania	48.7	25.4	65.3	113	85	107
South Australia	37.8	32.4	55.9	88	108	91
Western Australia	31.5	41.7	54.2	74	139	89
Northern Territory	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Australia	42.8	29.9	61.1	100	100	100
Other urban						
Queensland	38.7	32.1	57.1	113	85	104
New South Wales	31.4	43.9	56.0	92	116	102
Australian Capital Territory	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Victoria	37.7	36.1	59.0	111	95	107
Tasmania	46.1	27.8	63.9	135	73	116
South Australia	35.3	37.6	56.7	103	99	103
Western Australia	27.7	44.1	49.6	81	117	109
Northern Territory	32.1	34.5	49.1	94	91	89
Australia	34.1	37.8	54.9	100	100	100

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Table 3.6. Continued

	ER ^a	UR ^b	LFP ^c	Index numbers (Australia = 100)		
				ER	UR	LFP
Rural						
Queensland	48.4	18.5	59.4	120	83	114
New South Wales	35.6	36.5	56.0	88	162	107
Australian Capital Territory	77.6	43.0	66.9	192	191	128
Victoria	51.1	22.3	65.9	126	100	126
Tasmania	53.2	22.1	68.2	132	99	130
South Australia	51.5	15.4	60.7	127	69	116
Western Australia	40.1	22.2	51.6	99	99	99
Northern Territory	33.6	19.9	38.8	83	89	74
Australia	40.4	22.4	52.1	100	100	100

a. Employment rate.

b. Unemployment rate.

c. Labour force participation rate.

n.a. not applicable.

Youth labour force status

The position of young Australians in the labour market has been of growing concern to policy makers for the past two decades as the unemployment rates of young people have become increasingly high over this period and have remained at levels well above the average for the total labour force (Daly 1993b; Chapman, Junankar and Kapuscinski 1993). Concerns expressed in the AEDP regarding the employment status of Aboriginal and Torres Strait Islander youth (Australian Government 1987b: 4) are heightened for two reasons. First, the proportion of indigenous Australians in the youth age bracket is substantially higher than among other Australians. In 1991, for example, this group accounted for 36.7 per cent of indigenous Australians of working age compared to only 23.6 per cent among all other Australians of working age. Second, the unemployment rate of Aboriginal and Torres Strait Islander youth has been estimated to be over twice that of other youth (Miller 1989: 12, 1991). In recognition of these differentials, attention is drawn to comparative changes in youth labour force status.

From a labour market perspective, two broad categories of youth are recognised: those aged 15-19 years which, for most individuals, refers to the period of completion of secondary school and transition into higher education or into the labour market; and those aged 20-24 years which generally involves the commencement of employment careers.

Given the obvious importance of securing an early foothold in an increasingly competitive job market, it is no surprise that the AEDP statement identifies the poor labour force status of indigenous youth as an issue of particular concern (Australian Government 1987: 4). Of equal interest, in a policy context, is the regional pattern of employment outcomes for youth as this provides clues regarding the likely future labour market performance of cohorts around the country. Put simply, if the youth in a particular region lag behind those in other regions in securing employment, then, all other things being equal, this is likely to influence the regional pattern of employment status for future years as well.

Table 3.7. Regional labour force status of indigenous youth, 1986 and 1991.

Age group	Employment rate		Unemployment rate		Participation rate	
	1986	1991	1986	1991	1986	1991
Queensland						
15-19	22.9	26.3	50.7	41.2	46.4	44.8
20-24	39.4	43.4	38.9	34.7	64.5	66.6
New South Wales						
15-19	20.4	22.2	58.9	52.3	49.8	46.0
20-24	37.0	41.8	45.1	44.3	67.3	75.2
Australian Capital Territory						
15-19	35.9	29.0	35.2	38.2	55.5	43.8
20-24	71.9	56.8	10.3	22.2	80.1	73.0
Victoria						
15-19	32.5	26.7	39.2	47.9	53.4	51.2
20-24	52.6	51.6	27.2	34.3	72.3	78.4
Tasmania						
15-19	38.3	31.6	32.5	38.0	56.8	52.0
20-24	52.2	51.8	28.3	28.3	72.8	75.0
South Australia						
15-19	23.4	28.0	50.4	40.0	43.5	46.7
20-24	35.9	36.9	44.7	38.8	64.7	60.5
Western Australia						
15-19	21.4	19.7	52.6	53.0	45.0	42.0
20-24	31.6	32.2	42.9	44.0	55.3	57.5
Northern Territory						
15-19	19.1	20.3	47.0	35.2	34.7	31.4
20-24	30.0	31.7	39.9	29.4	50.0	44.9
Australia						
15-19	22.1	23.7	51.5	45.7	45.6	43.6
20-24	37.0	38.3	40.4	38.1	62.1	61.9

In all regions, the figures demonstrate the well-known tendency for employment and labour force participation rates to increase with

progression into adulthood (Table 3.7). However, the degree to which indigenous youth attach themselves to the labour force and secure employment varies substantially between States. As is to be expected, employment rates are generally lowest in the school-leaving age group of 15-19 years with relatively minor inter-regional variation. In the more important 20-24 years age group, however, quite noticeable differences emerge between the States, particularly in regard to employment and unemployment rates. Broadly speaking, youth labour force status in the Australian Capital Territory, Victoria and Tasmania is substantially higher than elsewhere. This remains the case even though the labour market position of youth in these three regions, especially in the Australian Capital Territory, worsened during the intercensal period, while in most other regions it showed some signs of improvement. What these data suggest, therefore, is that the overall pattern of regional economic disadvantage is likely to persist for some time to come, being sustained, rather than overcome, by generational change.

Employment status

An additional perspective on regional labour force change is provided by shifts in employment status. This refers to a disaggregation of individuals in employment according to whether they are wage and salary earners or self-employed. The focus of special attention from an AEDP perspective is on the latter group who are regarded as the closest available proxy for those engaging in entrepreneurial activity. Overall, these constituted only a small proportion of indigenous Australians in employment in 1986 (4.3 per cent) pointing to a level of enterprise involvement which was notably lower than among the rest of the population where 15.9 per cent of those in employment were self-employed (Taylor 1993a: 20). By 1991, these relativities remained in place with 6.3 per cent of indigenous workers self-employed compared to 17.2 per cent of non-indigenous workers. This was despite the introduction of several government initiatives to encourage indigenous involvement in small business enterprise.

At a regional level, this discrepancy is broadly sustained despite an increase in the level of indigenous self-employment in all States between 1986 and 1991. However, the gap between indigenous and non-indigenous levels of self-employment in each State displays a tendency to vary quite markedly (Table 3.8). An interesting pattern emerges from this analysis. Those States with above average levels of self-employment among non-indigenous Australians (Queensland and Western Australia) are the same States that have below average self-employment among indigenous Australians. The exception to this is the Northern Territory which is below the average for both groups, although it should be noted that this region also recorded by far the lowest level of indigenous self-employment. The irony, in the Northern Territory, is that a large number of indigenous residents are engaged in the manufacture of arts and crafts but these are clearly not recorded as employed by the census. In 1989, the Review of the

Aboriginal arts and crafts industry estimated that there were 6,000 practising indigenous artists in Australia and approximately 2,500 of these were in the Northern Territory (Altman 1989: 34). In stark contrast, only 15 indigenous Australians were identified in the 1986 Census as artists, 20 were described as painters and sculptors and 24 as designers and illustrators (Taylor 1993c: 13).

Table 3.8. Regional employment status of indigenous and non-indigenous Australians, 1986 and 1991.

	Per cent distribution by employment status			
	Indigenous 1986	1991	Non-indigenous 1986	1991
Queensland				
Wage and salary earners	96.7	95.1	81.8	81.0
Self employed/employer	3.3	4.9	18.2	19.0
Total	100.0	100.0	100.0	100.0
New South Wales				
Wage and salary earners	95.4	93.1	84.8	83.4
Self employed/employer	4.6	6.9	15.2	16.6
Total	100.0	100.0	100.0	100.0
Australian Capital Territory				
Wage and salary earners	95.4	93.6	91.6	89.6
Self employed/employer	4.1	6.4	8.4	10.4
Total	100.0	100.0	100.0	100.0
Victoria				
Wage and salary earners	91.6	89.0	84.5	83.1
Self employed/employer	8.4	11.0	15.5	16.9
Total	100.0	100.0	100.0	100.0
Tasmania				
Wage and salary earners	90.4	88.4	85.5	83.3
Self employed/employer	9.6	11.6	14.5	16.7
Total	100.0	100.0	100.0	100.0
South Australia				
Wage and salary earners	95.6	93.5	87.6	82.9
Self employed/employer	4.4	6.5	16.4	17.1
Total	100.0	100.0	100.0	100.0
Western Australia				
Wage and salary earners	97.9	96.1	82.8	81.5
Self employed/employer	2.1	3.9	17.2	18.5
Total	100.0	100.0	100.0	100.0
Northern Territory				
Wage and salary earners	99.1	98.3	89.1	87.5
Self employed/employer	0.9	1.7	10.9	12.5
Total	100.0	100.0	100.0	100.0
Australia				
Wage and salary earners	95.7	93.7	84.1	82.8
Self employed/employer	4.3	6.3	15.9	17.2
Total	100.0	100.0	100.0	100.0

To further develop this regional analysis, additional information is required about the nature of self-employment among both population groups. For example, the large discrepancies between indigenous and non-indigenous workers in Queensland and Western Australia may be linked to a greater tendency for non-indigenous Australians to be engaged in family-based agricultural enterprises. In Queensland this may also extend to tourism-related enterprises.

Regional variations in employment growth

A strong indication of positive AEDP impacts on labour force status is provided by data showing that the highest rates of employment growth during the intercensal period occurred among indigenous Australians. Between 1986 and 1991, the number of indigenous Australians in employment increased by 13,894 representing an increase of 32.5 per cent, almost four times above the rate for other Australians (Table 3.9). Numerically, this represents an advance on the 9,952 new jobs created during previous intercensal period, 1981-86, although the rate of increase is only 2.1 percentage points higher.

Table 3.9. Regional employment growth among indigenous and non-indigenous Australians, 1986-91.

	Change in employment 1986-91			
	Indigenous		Non-indigenous	
	Net	Per cent	Net	Per cent
Queensland	4,313	35.9	190,893	19.0
New South Wales	3,744	33.8	176,125	8.1
Australian Capital Territory	173	39.2	15,140	12.3
Victoria	1,009	30.0	70,891	4.2
Tasmania	559	30.1	3,050	1.8
South Australia	957	33.4	27,938	5.0
Western Australia	1,443	24.4	67,203	11.5
Northern Territory	1,696	32.7	8,077	13.7
Australia	13,894	32.5	559,317	8.8

Further indication that this higher rate of job creation was linked to the widespread application of special labour market programs may be obtained from a comparison of indigenous and non-indigenous employment growth by region (Table 3.9). While indigenous growth rates were consistently higher in all regions, they were also far more uniform in distribution displaying only limited departure from the average rate compared to the more varied level of employment growth experienced by the bulk of the

population. This is indicated by the smaller standard deviation for indigenous percentage growth rates.

The significance of this from a policy perspective is the indication that indigenous employment is generated to a much greater degree by non-market forces. Comparison with the pattern of non-indigenous employment growth demonstrates this emphatically. In the labour market generally, Queensland, followed in turn by the Northern Territory, Western Australia and the Australian Capital Territory, clearly out-performed all other States in generating new employment. In this context, the more widespread increase in indigenous employment appears countercyclical in a macroeconomic sense and contrary to regional labour market trends. This is especially so in New South Wales, Victoria, Tasmania and South Australia, where the rate of employment growth among the non-indigenous population was notably subdued, but was relatively robust among indigenous Australians.

Regional employment growth by section-of-State

Overall, just over half (50.8 per cent) of all new jobs created for indigenous Australians were located in rural areas. This was despite the fact that such areas accounted for less than one-third of the indigenous population of working age (Table 2.1). Conversely, employment growth in urban areas, and particularly in the smaller urban centres, was far less than might have been expected given their share of the working-age population (Table 3.10). With the exception of the Australian Capital Territory, this rural emphasis in job growth was repeated in all States. At the same time, the absolute level of rural job growth in some regions, such as Queensland, New South Wales, Western Australia and the Northern Territory, was noticeably higher than in others.

One consequence of this bias towards small settlements in the creation of new employment has been an increase in the rural share of total employment in all regions. At the same time, an enduring feature of regional employment patterns is the considerable variation which occurs in the extent to which jobs are based in rural areas, with the range (not counting the Australian Capital Territory) extending from a high of 63.9 per cent of indigenous employment in the Northern Territory to a low of 15.2 per cent in Victoria. The main losers in this process of job creation have clearly been the intermediate-sized urban places in each State. Overall, 39.6 per cent of the indigenous working-age population reside in the smaller urban centres but employment growth in such places has been minimal. At a regional level, the worst performers in this regard were Western Australia, Queensland and Tasmania.

Table 3.10. Employment growth among indigenous Australians by section-of-State, 1986-91.

	Per cent employed		Change	
	1986	1991	Net	Per cent
Queensland				
Major urban	21.0	23.0	1,235	49.1
Other urban	44.4	38.7	988	18.5
Rural	34.6	38.3	2,090	50.2
Total	100.0	100.0	4,313	35.9
New South Wales				
Major urban	49.6	48.0	1,614	29.3
Other urban	37.4	35.2	1,077	26.0
Rural	13.0	16.8	1,053	73.2
Total	100.0	100.0	3,744	33.8
Australian Capital Territory				
Major urban	92.5	92.7	161	39.5
Rural	7.5	7.3	12	36.4
Total	100.0	100.0	173	39.2
Victoria				
Major urban	55.7	53.5	465	24.9
Other urban	33.9	31.3	228	20.0
Rural	10.4	15.2	316	90.0
Total	100.0	100.0	1,009	30.0
Tasmania				
Major urban	21.3	20.8	108	27.3
Other urban	47.4	44.7	175	19.8
Rural	31.3	34.5	276	47.5
Total	100.0	100.0	559	30.1
South Australia				
Major urban	39.8	38.3	325	28.5
Other urban	26.6	23.8	156	20.7
Rural	33.9	37.8	476	49.1
Total	100.0	100.0	957	33.4
Western Australia				
Major urban	24.5	23.9	313	21.6
Other urban	38.2	34.9	300	13.3
Rural	37.3	41.2	830	37.6
Total	100.0	100.0	1,443	24.4
Northern Territory				
Other urban	42.4	36.1	284	12.9
Rural	57.6	63.9	1,412	47.3
Total	100.0	100.0	1,696	32.7
Australia				
Major urban	31.1	30.9	4,221	31.8
Other urban	39.1	35.2	3,208	19.2
Rural	29.8	33.9	6,465	50.8
Total	100.0	100.0	13,894	32.5

Regional employment growth by gender

Just over half (51.3 per cent) of all new jobs for indigenous Australians created between 1986 and 1991 went to females (Table 3.11). However, because of their far fewer numbers in the labour force, the rate of employment growth among indigenous females was substantially higher than among their male counterparts (44.5 per cent compared to 25.3 per cent). This bias in the gender pattern of employment growth was consistent across the regions with the result that in all States the proportion of indigenous employees who were female increased, while the proportion of males correspondingly declined.

Table 3.11. Regional employment growth among indigenous Australians by gender, 1986-91.

	Per cent employed		Change	
	1986	1991	Net	Per cent
Queensland				
Males	66.0	62.2	2,224	28.1
Females	34.0	37.8	2,089	51.2
Total	100.0	100.0	4,313	35.9
New South Wales				
Males	61.7	58.1	1,770	25.9
Females	38.3	41.9	1,974	46.6
Total	100.0	100.0	3,744	33.8
Australian Capital Territory				
Males	60.5	56.5	80	30.0
Females	39.5	43.5	93	53.4
Total	100.0	100.0	173	39.2
Victoria				
Males	59.8	56.8	475	23.6
Females	40.2	43.2	534	39.6
Total	100.0	100.0	1,009	30.0
Tasmania				
Males	62.3	60.6	307	26.5
Females	37.7	39.4	252	36.1
Total	100.0	100.0	559	30.1
South Australia				
Males	59.0	55.6	437	25.9
Females	41.0	44.4	520	44.3
Total	100.0	100.0	957	33.4
Western Australia				
Males	63.8	60.6	689	18.3
Females	36.2	39.4	754	35.2
Total	100.0	100.0	1,443	24.4
Northern Territory				
Males	58.2	55.1	778	25.8
Females	41.8	44.9	918	42.4
Total	100.0	100.0	1,696	32.7
Australia				
Males	62.5	59.0	6,760	25.3
Females	37.5	41.0	7,134	44.5
Total	100.0	100.0	13,894	32.5

Table 3.12. Regional employment growth among non-indigenous Australians by gender, 1986-91.

	Per cent employed		Change	
	1986	1991	Net	Per cent
Queensland				
Males	61.7	57.9	71,905	11.6
Females	38.3	42.1	118,988	31.0
Total	100.0	100.0	190,893	19.0
New South Wales				
Males	60.6	57.5	33,324	2.5
Females	39.4	42.5	142,801	16.7
Total	100.0	100.0	176,125	8.1
Australian Capital Territory				
Males	57.0	54.2	4,708	6.7
Females	43.0	45.8	10,432	19.7
Total	100.0	100.0	15,140	12.3
Victoria				
Males	60.0	56.7	-14,979	-1.5
Females	40.0	43.3	85,870	12.6
Total	100.0	100.0	70,891	4.2
Tasmania				
Males	61.5	57.8	-4,413	-4.2
Females	38.5	42.2	7,463	11.4
Total	100.0	100.0	3,050	1.8
South Australia				
Males	59.7	56.5	-2,338	-0.7
Females	40.3	43.5	30,276	13.4
Total	100.0	100.0	27,938	5.0
Western Australia				
Males	60.9	57.6	19,603	5.5
Females	39.1	42.4	47,600	20.9
Total	100.0	100.0	67,203	11.5
Northern Territory				
Males	60.9	57.9	2,870	8.0
Females	39.1	42.1	5,207	22.6
Total	100.0	100.0	8,077	13.7
Australia				
Males	60.5	57.3	110,680	2.9
Females	39.5	42.7	448,637	17.8
Total	100.0	100.0	559,317	8.8

This trend followed the pattern observed for the non-indigenous population, although among this group the shift towards female employment was more pronounced with only 19.8 per cent of new jobs going to males (Table 3.12). When comparing gender differences in non-indigenous employment growth in Victoria, Tasmania and South Australia it is interesting to observe that the absolute number of non-indigenous males in employment actually declined. In view of this, the fact that

indigenous males in these three regions experienced positive employment growth at all, albeit at slightly lower rates than in other States, is suggestive of the impact of program intervention in overcoming locally depressed economic conditions.

AEDP impacts on regional employment growth

Identifying the impact of AEDP initiatives from census data is extremely difficult as little basis exists, other than sometimes tenuous inference, to link observable changes in economic status to the implementation of broad policy. One clue, however, is provided by the geographic pattern of AEDP program application. In urban areas, programs have focused primarily on boosting employment in both public and private sectors of the mainstream labour market via the public and private sector elements of the TAP program. In remoter, rural areas, the emphasis has been directed more towards employment generation in community enterprises and development projects via the community sector elements of TAP and, more especially, via an expansion of the CDEP scheme. These sets of program initiatives have quite different characteristics in terms of their delivery and anticipated economic outcomes. Given that they are also geographically based, any region where a particular program predominates may be expected to reflect associated program characteristics, more than other regions. Thus, for example, regions with a high proportion of rural dwellers would seem more likely to exhibit labour force characteristics associated with community-based employment initiatives. In regard to the CDEP scheme, for example, these would include high levels of employment in community service industries, the local government sector, part-time work and labouring occupations with low income returns (Altman and Daly 1992; Taylor 1993a).

Unfortunately, detailed regional data on the growth of participation in various AEDP programs are difficult to obtain. However, such figures are available for the CDEP scheme. These indicate the number of scheme participants in each State at the time of the census in 1986 and 1991. Thus, the overall growth of participation in the scheme may be calculated and its regional impact estimated. It is also known that most CDEP schemes are based in rural communities, particularly outside of New South Wales and Victoria. Changes in participation may thus be set against the composition of rural labour force change.

The regional pattern of involvement in the CDEP scheme is shown in Table 3.13. Overall, the intercensal period was one of substantial expansion with the increase in participant numbers (13,455) almost equalling the total growth in indigenous employment as revealed by the census (13,894). Most of this increase occurred in Queensland, in terms of both the number of individual schemes and associated participants. As a result, the Queensland share of total scheme participation grew substantially and it now constitutes the single largest regional concentration. Other prominent 'CDEP scheme regions' are the Northern

Territory and Western Australia. Between them, these three States accounted for 82.3 per cent of all CDEP scheme participants in 1991 and have experienced 83.9 per cent of the growth in participation since 1986. While the regional growth pattern of this highly distinctive labour market program is quite clear, connecting this to census-derived indicators of change in indigenous employment growth and labour force status involves a degree of further data manipulation.

Table 3.13. The CDEP scheme: participants and communities, 1986 and 1991.

	Participating communities		Participants		Per cent of participants	
	1986	1991	1986	1991	1986	1991
Queensland	8	35	1,405	7,070	28.0	38.3
New South Wales	0	31	0	1,530	0.0	8.3
Australian Capital Territory	0	0	0	0	0.0	0.0
Victoria	0	2	0	109	0.0	0.6
Tasmania	0	0	0	0	0.0	0.0
South Australia	12	18	1,090	1,622	21.7	8.8
Western Australia	14	55	1,803	3,996	35.9	21.6
Northern Territory	4	24	720	4,146	14.3	22.4
Australia	38	165	5,018	18,473	100.0	100.0

This is because not all CDEP scheme participants are workers in the scheme and an unknown proportion are attached to participant schedules as non-working spouses (Deloitte Touche Tohmatsu 1993: 51). This is a major shortcoming of data relating to the CDEP scheme and reflects its role as both an income support and employment program (Altman and Sanders 1991b). A further complication is that the census provides no direct measure of CDEP scheme employment. While it cannot be certain that all those participating in the scheme as workers were recorded in the census as employed, there is evidence from the ABS to suggest that this was at least the intention during enumeration, particularly in 1991 (Taylor 1993a: 26-7).

Thus, to establish a statistical link between the expansion of CDEP scheme participation and employment growth revealed by the census, an assumption can be made that CDEP scheme workers were classified by ABS as employed. The exercise then becomes one of deleting non-working participants. In short, no definitive means of accomplishing this exists due to a lack of adequate and reliable data. One solution, which has some basis in fact and is utilised here, is to adopt the middle of a range from 30 per cent to 90 per cent workers to participants reported from a sample of 21

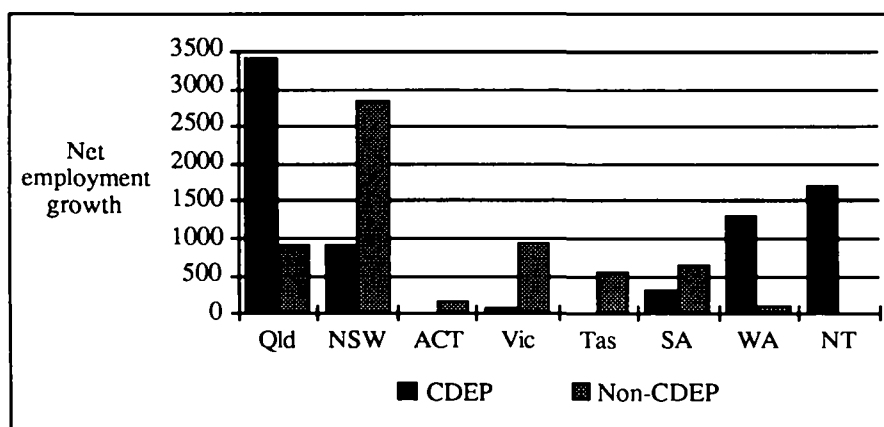
CDEP schemes by Deloitte Touche Tohmatsu (1993: 51). This produces a working figure of 60 per cent of CDEP scheme participants assumed to be recorded by the census as employed.¹ On this basis, estimates of the proportion of total indigenous employment growth due to involvement in the CDEP scheme can be derived. These are shown for each State and Territory in Table 3.14, together with regional estimates of absolute growth in employment ascribed to non-CDEP scheme activities.

Table 3.14. Regional estimates of total employment growth due to CDEP scheme participation, 1986-91.

	Employment growth (1986-91)	Per cent of growth due to CDEP (100) ^a (60/40) ^b		Absolute growth due to non-CDEP ^b
Queensland	4,313	131.3	78.8	915
New South Wales	3,744	40.8	24.5	2,827
Australian Capital Territory	173	0.0	0.0	173
Victoria	1,009	10.8	6.5	944
Tasmania	559	0.0	0.0	559
South Australia	957	55.6	33.3	639
Western Australia	1,443	152.0	91.2	127
Northern Territory	1,696	202.0	121.2	0
Australia	13,894	96.8	58.1	5,821

- a. Based on the assumption that 100 per cent of participants in CDEP schemes were employed at the time of the census and recorded in the enumeration as such.
- b. Based on the assumption that 60 per cent of participants in CDEP schemes were employed at the time of the census and recorded in the enumeration as such.

Figure 3.4. Absolute growth in indigenous employment due to CDEP scheme and non-CDEP scheme activities by State, 1986-91.



Using the first maximum assumption that all CDEP scheme participants were workers and recorded as such by the census, the regional impact of the scheme, in those States where participation occurs, ranges from comprehensive to partial. In States with relatively low CDEP scheme participation, such as New South Wales and South Australia, the estimation is that around half of all new employment was generated by the scheme. Elsewhere, in regions where the CDEP scheme predominates, the figures suggest that, not only did the scheme account for all employment growth, but that non-CDEP scheme employment actually declined. Given the strength of other program efforts to generate employment, and the prospects generally in the labour market, this degree of CDEP scheme dominance may seem unrealistic. On the other hand, the alternative assumption, that 60 per cent of scheme participants were recorded by the census as employed, represents a minimal position. As a consequence, the estimates of CDEP scheme impacts that are presented here cover the full range of probable outcomes and have considerable policy import.

In the Northern Territory, for example, the proposition that the CDEP scheme accounted for all indigenous employment growth and that the number of non-CDEP scheme jobs actually declined, is sustained even using minimum estimates. Elsewhere, the overwhelming significance of the scheme is also confirmed providing as much as 91.2 of new jobs in Western Australia and 78.8 per cent in Queensland. The only State to record a sizeable increase in non-CDEP scheme employment was New South Wales where almost half of all jobs outside of the scheme (48.6 per cent) were created. The resulting regional pattern of employment growth, due to CDEP scheme participation in the northern and western States and non-CDEP scheme activities in the south-eastern States, is illustrated emphatically in Figure 3.4.

Of equal interest is the proportion of total employment due to CDEP scheme participation. Using the conservative estimate of workers to participants it can be calculated that overall, nearly one-fifth (19.6 per cent) of all indigenous employed participated in CDEP scheme employment in 1991. This proportion rose to around one-third in the Northern Territory and Western Australia (36.1 per cent and 32.6 per cent, respectively) and one-quarter in Queensland and South Australia (25.8 per cent and 25.4 per cent, respectively). Elsewhere, CDEP scheme employment was either non-existent or, as in New South Wales and Victoria, accounted for a minimal proportion of total employment (6.2 per cent and 1.5 per cent respectively).

The impact of the CDEP scheme on regional labour force status is clearly demonstrated in Table 3.15 which shows that unemployment rates declined only in those States with CDEP schemes. Victoria was one exception to this due to a relatively small number of scheme participants. In Queensland, the Northern Territory, South Australia and Western Australia, where CDEP participation is prevalent, substantial declines in unemployment were recorded. In contrast, unemployment rates increased markedly in Tasmania and the Australian Capital Territory. A similar

regional effect can be established by comparison with changes to employment rates (Table 3.1), which increased in CDEP scheme areas and declined elsewhere.

Table 3.15. Regional growth in CDEP scheme participation and change in unemployment rates, 1986-91.

	CDEP participants Per cent			Unemployment rate Per cent		
	1986 ^a	1991 ^a	change	1986	1991	change
Queensland	1,405	7,010	+499	34	27	-21
New South Wales	0	1,530	+ve	40	36	-10
Australian Capital Territory	0	0	n.a.	15	20	+25
Victoria	0	109	+ve	24	27	+13
Tasmania	0	0	n.a.	21	26	+24
South Australia	1,090	1,622	+49	35	28	-20
Western Australia	1,803	3,996	+122	39	36	-8
Northern Territory	720	4,146	+576	35	26	-25
Total	5,018	18,473	+368	35	30	-14

a. At 30 June. Note that the 1991 Census was undertaken on 15 August, 1991.

n.a. not applicable; +ve means positive but percentage not calculated owing to zero base in 1986.

Source: Altman and Smith (1993b: 5)

Conclusion

The application of AEDP initiatives has had a marked regional effect on the pattern of employment growth and on relative shifts in indigenous labour force status. The importance of the CDEP scheme in accounting for much of the intercensal increase in employment has meant that those regions with the highest levels of scheme participation have benefited most. This was certainly the case in rural areas of Queensland, Western Australia, South Australia and the Northern Territory.

Using conservative assumptions regarding the census enumeration of CDEP scheme workers, it is estimated that participation in the scheme accounted for the entire increase in indigenous employment in the Northern Territory. This is not to say that individuals in the Northern Territory failed to obtain employment outside of the scheme, rather those who did were fewer than those who lost such jobs. The only substantial increase in employment outside of the scheme occurred in New South Wales which partly reflects the larger number of indigenous people in this State who

reside in proximity to diverse metropolitan labour markets. In all regions, however, the rate of employment growth for indigenous people was notably higher than for the rest of the population which suggests that non-CDEP scheme initiatives have left some mark.

Notwithstanding regional variations in job growth, the key policy issue to note is the considerable gap that remains between the much higher rates of employment and labour force participation and lower rates of unemployment among indigenous residents of south-eastern Australia compared to those in northern and western regions. This pattern holds irrespective of location by section-of-State. For example, indigenous residents of Sydney, Canberra, Melbourne and Hobart display consistently higher labour force status than their counterparts in Adelaide, Perth, Darwin and Brisbane. In this context, country towns and rural areas of New South Wales appear anomalous having an overall profile more like the remoter States than its eastern neighbours. The suggestion is one of deep-rooted structural differences reflecting the product of an historical process of economic marginalisation which has been more comprehensive and longer lasting in some regions than others. At the same time, regional disadvantage from a mainstream labour market perspective, may also be culturally determined. For example, case study evidence suggests that recycling employment and the intermittent worker effect may be active choices for some indigenous people and not indicative of economic exclusion (Smith 1991). Likewise, the decision to reside in remote locations, especially at outstations on indigenous-owned land away from mainstream job opportunities, can be viewed as a choice in favour of indigenous priorities. To the extent that regional differences in labour force status reflect supply-side constraints, there are limits to the potential effectiveness of AEDP strategies in attaining overall statistical equality.

Note

1. A further assumption is made that this ratio applies in each State. While this is unlikely to be the case, no data are available to fully establish otherwise. It does seem clear, however, judging by early indications from ATSIC's CDEP scheme census returns at the time of writing, that the 60/40 ratio applied here definitely represents a minimum estimate.

4. Regional change in labour force characteristics, 1986-91

A number of census indicators may be used to explore the underlying causes of change in labour force and income status by revealing details of the composition of net employment growth. Those scrutinised in this way at the national level have included: industry division of employment, occupation of employment, industry sector of employment and the number of hours worked for those in employment (Taylor 1993a). Relative intercensal change in the distribution of indigenous and other Australians for each of these characteristics have been examined according to section-of-State and gender.

One difficulty encountered in this exercise, however, concerned the high rate of increase in non-response to census questions regarding such labour force characteristics. This meant that, for some indicators, a substantial proportion of net employment growth was unclassifiable according to the very features that provide clues regarding the impact of the AEDP on the nature of work created, whether skilled or unskilled, public or private sector, full-time or part-time, and so on. This problem is exacerbated at the regional scale of analysis, leading to fundamental questions about the interstate comparability of labour force data for policy analysis, certainly in relation to the composition of new employment.

The extent of this problem and its regional expression is outlined in Table 4.1 which expresses the net change in non-response for selected labour force characteristics in each State as a proportion of each State's increase in employment. Overall, data concerning occupation of employment are the most problematic with non-responses accounting for almost one-third (32.9 per cent) of the total increase in employment. Of more interest, however, is the extent to which regional figures vary from national averages. Some regions, such as the Northern Territory, have much lower than average non-response ratios for all characteristics while in other regions, such as Queensland, this is the case for some characteristics, but not others. South Australia, on the other hand, stands out as having by far the highest ratio of non-response for all characteristics. Compared to other States, it would appear that the filling out of census forms, on these aspects of the enumeration, was less than satisfactory in South Australia, with the result that only very tentative conclusions can be drawn about the composition of new jobs created in that State. Taking the worst case, for example, less than half of the additional employment created in South Australia can be classified by occupation. By contrast, occupational details can be ascribed to almost all net employment growth in the Northern Territory.

One possible explanation for this regional variation may be found in the application of interview-based census enumeration techniques in remote areas. The suggestion here is that non-response was less common in areas where census forms were completed by ABS field officers on behalf of individual respondents, as opposed to areas where forms were self-administered. Remote area interview forms were utilised in the Northern Territory, Western Australia, Queensland and South Australia. According to estimates made by Taylor (1993c: 60), approximately 70 per cent of the indigenous population of the Northern Territory, around 30 per cent in Western Australia and up to 30 per cent in Queensland were enumerated using these special procedures. It is interesting to note that these were all regions with relatively low non-response ratios in terms of the characteristics of net employment change (Table 4.1). Although some 20 per cent of indigenous people in South Australia were also enumerated in this way, this may simply indicate that the high non-response levels in that State were found primarily among those in non-remote areas.

Table 4.1. Percentage increase in indigenous employed not stating labour force characteristics, 1986-91.

	Net increase in non-response as a per cent of employment growth			
	Industry division	Occupation	Industry sector	Hours worked
Queensland	18.1	40.9	16.1	9.4
New South Wales	28.7	27.6	28.3	16.8
Australian Capital Territory	21.7	46.4	15.5	16.7
Victoria	22.9	32.4	23.8	17.8
Tasmania	36.0	33.4	21.6	16.7
South Australia	49.7	51.9	31.3	48.6
Western Australia	21.3	34.0	15.6	5.5
Northern Territory	16.6	13.3	8.3	0.0
Australia	24.3	32.9	20.3	13.5

Industry division

While acknowledging the uncertainties created by non-response to questions on labour force characteristics, a number of observations can still be made regarding the characteristics revealed by persons in employment. With respect to industry division of employment, for example, one expectation, after several years of AEDP implementation, was that indigenous employment would be more concentrated in particular industry categories when compared with the rest of the workforce. Overall, intercensal comparison of broad industry divisions of employment has

confirmed such a trend (Taylor 1993d: 24-5). The picture at the regional level, however, is somewhat different. Table 4.2 shows the intercensal change in index of industry segregation for indigenous and non-indigenous workers in each State and Territory by gender.¹ Several features have potential policy significance in the context of industry-based employment strategies, although the constraints on interpretation due to non-response must be borne in mind.

Table 4.2. Index of industry segregation, indigenous and non-indigenous Australians by gender, 1986 and 1991.

	Index of segregation	
	1986	1991
Queensland		
Males	28.8	31.1
Females	26.5	29.6
Total	27.1	29.3
New South Wales		
Males	18.3	16.4
Females	20.3	19.4
Total	17.8	16.5
Australian Capital Territory		
Males	18.8	19.6
Females	24.0	28.0
Total	20.3	22.5
Victoria		
Males	11.7	11.2
Females	16.4	12.7
Total	13.0	10.7
Tasmania		
Males	11.5	13.0
Females	10.7	8.8
Total	10.0	11.2
South Australia		
Males	25.3	31.4
Females	25.5	27.1
Total	25.0	29.6
Western Australia		
Males	32.9	36.9
Females	33.8	35.1
Total	32.5	34.9
Northern Territory		
Males	36.5	42.9
Females	28.8	34.8
Total	32.5	39.2
Australia		
Males	24.5	27.2
Females	23.6	25.6
Total	23.3	25.8

First, wide variation exists around the national figures for each census year. Taking the extreme cases in 1991, almost half (42.9 per cent) of all indigenous (or non-indigenous) males in the Northern Territory would have been required to shift their industry division of employment in order to eliminate any difference between their respective distributions. This indicates a fairly high level of workforce segregation. On the other hand, indigenous and non-indigenous female employees in Tasmania display little need for employment adjustment in order to achieve comparable distributions across industry categories, at least at the broad level of classification utilised here.²

Second, movement towards greater or lesser employment segregation between indigenous and non-indigenous workers varies regionally. In New South Wales and Victoria, for example, the trend has been towards less segregation for both males and females. Elsewhere, but particularly in the Northern Territory, indigenous workers now look less like their non-indigenous counterparts in terms of their industry of employment, reflecting the impact on CDEP scheme participation.

Finally, the lack of difference between male and female segregation indices noted at the national level is sustained in most regions. Slight exceptions include the Australian Capital Territory, where females are more segregated than males in their industry of employment, and the Northern Territory where males display higher segregation.

Regional change in employment in community service industries

Ideally, a comparative analysis of regional change in labour force characteristics would be based on a full complement of relevant census variables. However, this would prove a cumbersome exercise given the large amounts of data necessary to compile individual tables. One compromise solution is to limit comparisons of regional change to the dominant category of each labour force characteristic identified at the national level. For industry division of employment, this is represented by community service industries (Taylor 1993a: 50) and mostly comprises indigenous workers in health, education and community development activities (Taylor 1993d).

At the national level, indigenous employment in such activities increased both numerically and as a proportion of total employment (Table 4.3). This trend was repeated across the States, except in Tasmania and the Australian Capital Territory. These last two regions also displayed the least overall reliance on employment in community service industries. By contrast, the greatest increases in such employment occurred in States where this already accounted for a high proportion of all those in work. This was particularly so in the Northern Territory and Western Australia, followed by South Australia and Queensland. New South Wales emerges with mixed indicators having below average overall dependence on community service jobs, but above average increase in such employment. One factor to note in each of the States where community service

employment expanded is the importance of the CDEP scheme in accounting for intercensal employment growth (Table 3.11). Thus, partly as a result of the expansion of the CDEP scheme, regional differences in reliance on community service employment have been exaggerated with a quite firm contrast in employment structure emerging between the remoter regions of Western Australia and the Northern Territory, on the one hand, and the Australian Capital Territory and Tasmania, on the other.

Table 4.3. Regional change in indigenous employment in community service industries, 1986-91.

	Per cent employed		Change	
	1986	1991	Net	Per cent
Queensland	24.5	29.4	1,498	45.4
New South Wales	21.8	23.9	1,143	47.0
Australian Capital Territory	14.4	12.8	11	18.0
Victoria	21.7	20.2	164	22.4
Tasmania	14.6	13.3	46	16.8
South Australia	37.8	39.1	419	38.5
Western Australia	34.0	42.3	1,102	54.5
Northern Territory	43.2	50.6	1,259	55.8
Australia	28.3	31.3	5,642	46.7

Occupation

One explanation advanced for the seeming contradiction between intercensal improvements in the labour force status of indigenous Australians and concomitant declines in their relative income status, was the nature of new employment created, emphasising quantity not quality (Taylor 1993a: 44). This underlines the essential link that exists between occupation and income status. While not explicit in the AEDP statement, the requirements for income equality clearly imply an upgrading of indigenous occupational status so that it more closely resembles that of the rest of the population. One indication that this might be occurring would be provided by a reduction in the overall proportion of indigenous workers in unskilled employment, as this occupational category has formed the largest single concentration of jobs for indigenous Australians in successive census rounds (Taylor 1992c, 1993a: 57). Despite an apparent reduction in the proportion of indigenous workers engaged in labouring and related occupations between 1986 and 1991, doubts surround any conclusions that might be drawn from this observation owing to the high non-response rates to occupational questions (Taylor 1993a: 28-9). Furthermore, such a decline followed recession-led shifts observed generally in the workforce

and did not appear to result from any wholesale transfer of indigenous workers into higher skilled jobs. Nonetheless, the level of unskilled employment remains a useful barometer of relative economic status.

Regional change in unskilled employment

The decline in importance of labouring jobs observed at the national level is apparent in all regions, except the Northern Territory where the numbers in such employment increased at a much higher rate than elsewhere (Table 4.4). A stark contrast is evident between this increase in the Northern Territory and the intercensal change in Western Australia where a relatively large number of unskilled jobs were shed. Although this would seem to run counter to the growth of CDEP scheme employment in Western Australia, it should be noted that the loss of such employment occurred entirely in Perth and other urban areas.³ Other States where labouring jobs increased in number include Queensland and New South Wales where the bulk of such activity was also in rural areas and no doubt associated with participation in the CDEP scheme.

Table 4.4. Regional change in indigenous employment in unskilled occupations, 1986-91.

	Per cent employed		Change	
	1986	1991	Net	Per cent
Queensland	39.9	30.8	233	4.9
New South Wales	29.3	23.2	207	6.3
Australian Capital Territory	12.9	6.6	-18	-32.7
Victoria	21.7	15.9	-28	-3.8
Tasmania	26.4	20.0	-15	-3.0
South Australia	28.1	20.4	-24	-3.0
Western Australia	36.6	26.3	-237	-10.9
Northern Territory	28.2	28.8	524	35.5
Australia	32.2	25.4	642	4.7

The impact of this declining importance of unskilled employment, at least in terms of revealed occupational characteristics, is reflected in a reduction of occupational segregation indexes between indigenous and non-indigenous workers (Table 4.5).⁴ This has occurred for both male and female workers in all regions except the Northern Territory which has the highest overall level of segregation behind that displayed in Western Australia and Queensland. States with relatively little difference between indigenous and non-indigenous occupational distributions include Victoria, Tasmania and the Australian Capital Territory, although in New South

Wales and South Australia indigenous females have a very similar occupational profile to other female workers.

While these regional patterns would probably withstand the inclusion of non-response data (if this was possible), attention should be drawn again to the data in Table 4.1 which revealed the high proportion of employment growth that could not be classified according to occupation, particularly in States such as South Australia. Clearly, a degree of caution is appropriate when considering the various levels of occupational segregation particularly given the possibility that non-response data may detract from the numbers in labouring jobs or semi-skilled employment. In such an event, this would have the effect of considerably downskilling the overall occupational profile and increasing the level of segregation. Aside from these interpretive difficulties, it is also the case that more meaningful analysis of skill distribution is best conducted using more detailed occupational data with which it has been revealed that indigenous workers occupy only a limited range of skilled positions and often at lower levels of seniority (Taylor 1992c).

Table 4.5. Index of occupational segregation, indigenous and non-indigenous Australians by gender, 1986 and 1991.

	Index of segregation	
	1986	1991
Queensland		
Males	34.3	28.7
Females	18.4	14.9
Total	28.0	23.5
New South Wales		
Males	27.0	23.2
Females	12.3	8.6
Total	20.3	16.2
Australian Capital Territory		
Males	25.7	17.8
Females	21.7	13.6
Total	23.3	15.2
Victoria		
Males	19.5	17.2
Females	10.0	7.0
Total	14.3	11.9
Tasmania		
Males	23.9	19.0
Females	16.4	14.2
Total	20.8	16.9
South Australia		
Males	24.0	21.2
Females	13.3	8.7
Total	16.8	13.9

Continued over page

Table 4.5. Continued

	Index of segregation	
	1986	1991
Western Australia		
Males	34.2	30.5
Females	19.4	15.2
Total	28.1	23.7
Northern Territory		
Males	26.7	27.7
Females	16.1	17.2
Total	22.5	21.8
Australia		
Males	29.1	25.5
Females	13.9	11.4
Total	22.1	19.2

Industry Sector

By far the greatest concentration of indigenous employment, as revealed by census data, is in the private sector. In 1991, this accounted for 54.4 per cent of all Aboriginal workers and 60.7 per cent of all Torres Strait Islander workers (Taylor 1993a: 64), a proportion which increased from 1986. However, the broad distinction which is drawn in census data between indigenous employment in public (government) and private sectors appears to be increasingly blurred. In the 1986 Census, for example, employment provided via Aboriginal organisations and the CDEP scheme was generally classified as private sector employment on the premise that such employers were not government bodies. Such employment is, however, publicly-funded. In recognition of this, coding procedures were changed in the 1991 Census to classify such employment under local government in cases where community councils or organisations were clearly stated on census forms as the employer. If such an employer was not specified, then a private sector designation was applied.⁵ This change in procedure was reflected in intercensal shifts in industry sector data showing a substantial increase in local government employment (Taylor 1993a: 64). However, as in past censuses, it is also likely that a reasonable (though unknown) share of private sector job growth should also be more correctly attributed to employment in community organisations.

This uncertainty surrounding industry sector data makes regional comparisons of change in the level of private sector employment difficult to analyse in any meaningful way. Indeed, the only industry sectors which appear to be reasonably well defined, and therefore suitable for regional comparison, are the Commonwealth and State government sectors. While

these are not the largest employers of indigenous labour, they have been the focus of major AEDP initiatives in the form of the public sector elements of TAP programs which aimed to create at least 500 new public sector jobs per annum during the intercensal period (Australian Government 1987b: 10).

Regional change in Commonwealth and State government employment

Intercensal shifts in indigenous employment in Commonwealth and State government sectors need to be viewed against the backdrop of substantial downsizing of public sector operations leading to large job losses among the population generally (Taylor 1993a: 64). In this context, the fact that indigenous public sector employment grew at all, albeit very slightly, is an indication of the probable impact of AEDP initiatives.

Notwithstanding relatively small net changes, a number of distinct patterns emerge from a regional analysis of shifts in indigenous public sector employment (Table 4.6). The most noticeable of these concerns the overall loss of 483 State government jobs which was due entirely to a large net deficit in Queensland and a smaller net loss in the Northern Territory because net changes elsewhere were all positive. Why these jurisdictions should differ so noticeably from others in terms of the provision of public service jobs for indigenous people is somewhat puzzling. One possible explanation, however, concerns the role of the CDEP scheme as a substitution funding regime. Given the excessive concentration of indigenous employment in areas of the labour market that are functionally the preserve of State governments, the likelihood that the CDEP scheme serves to offset responsibilities in this area has frequently been raised (Altman and Sanders 1991b: 520-1). Empirical support for such a notion has been presented by Altman and Daly (1992) using 1986 Census data, and Taylor (1993a) using 1991 Census data. One possibility, given the census coding procedures for CDEP scheme employment, is that apparent job losses in the State government sector simply represent hidden transfers caused by reclassification into an expanded local government sector. If this is so, the negative growth of State government employment in Queensland and the Northern Territory may point indirectly to greater job substitution in those regions as a consequence of the CDEP scheme.

As far as Commonwealth employment is concerned, more than half of the increase in such jobs for indigenous workers occurred in New South Wales alone, outstripping even the Australian Capital Territory where Commonwealth employment, as a proportion of total indigenous employment, fell considerably despite having the highest regional rate (Table 4.6). Most of the remaining growth in Commonwealth employment was in Western Australia which contrasts with its immediate neighbours, the Northern Territory and South Australia where such employment actually declined.

Table 4.6. Regional change in indigenous employment in Commonwealth and State government sectors, 1986-91.

	Per cent employed		Change	
	1986	1991	Net	Per cent
Queensland				
Commonwealth	8.4	6.4	37	3.7
State	28.6	15.9	-849	-24.7
New South Wales				
Commonwealth	10.3	9.9	330	28.9
State	22.2	17.3	127	5.2
Australian Capital Territory				
Commonwealth	67.6	52.6	22	7.8
State	1.0	9.3	50	1,250.0
Victoria				
Commonwealth	9.1	9.0	96	31.5
State	16.2	13.6	62	11.4
Tasmania				
Commonwealth	6.5	5.9	20	16.5
State	15.6	13.7	36	12.3
South Australia				
Commonwealth	10.9	7.0	-45	-14.3
State	21.0	19.6	150	24.8
Western Australia				
Commonwealth	5.5	8.1	265	80.8
State	22.4	19.5	101	7.6
Northern Territory				
Commonwealth	9.7	6.4	-59	-11.7
State	25.2	16.6	-160	-12.2
Australia				
Commonwealth	9.4	8.2	618	15.4
State	23.2	16.7	-483	-4.8

Hours worked

One of the most dynamic features of labour market change in recent years has been the growth of part-time employment (less than 35 hours per week), both numerically and as a share of total employment. Sectoral shifts in the demand for labour have been accompanied by qualitative shifts in the type of labour required. This has involved a move towards service sector jobs as well as a growing emphasis on part-time work, particularly for females. At the national level, indigenous workers have shared in this general trend but because of their greater concentration in service-type employment, as well as a locational bias towards areas where full-time employment is generally lacking, their dependence on part-time work is far greater (Taylor 1993a: 70). To be fair, this may also reflect cultural

preferences for more flexible work arrangements, particularly in remote regions (Smith 1991). It also reflects different levels of engagement in secondary labour markets which are associated with low-status and intermittent employment.

Regional change in full-time employment

Table 4.7 considers the converse of growth in part-time employment, that is the decline of full-time work. Overall, the number of full-time positions for indigenous workers increased by almost 4,000, but as a proportion of total employment this represented a decline from 69.2 per cent in 1986 to 59 per cent in 1991. While all States shared in this trend, the decline in importance of full-time employment was more noticeable in the Northern Territory, Western Australia, South Australia and Queensland where the share of total employment due to full-time work was either close to, or below, the national average. The Northern Territory and South Australia experienced the smallest increase in full-time jobs and now have workforces predominantly engaged in part-time employment. In contrast, the eastern States, except Queensland, have consistently higher levels of indigenous full-time employment and are more in line with the national rate of 69 per cent observed for the non-indigenous population (Taylor 1993a: 70).

Table 4.7. Regional change in indigenous full-time employment, 1986-91.

	Per cent employed		Change	
	1986	1991	Net	Per cent
Queensland	71.3	59.7	1,207	14.1
New South Wales	74.0	63.8	1,304	15.9
Australian Capital Territory	83.2	73.9	80	23.1
Victoria	75.4	65.7	388	15.3
Tasmania	73.5	67.6	247	18.0
South Australia	68.5	52.0	27	1.4
Western Australia	58.5	55.8	634	18.3
Northern Territory	60.3	46.3	70	2.2
Australia	69.2	59.0	3,957	13.4

Full-time employment is defined as employment for more than 35 hours per week. Part-time employment is defined as anything less than this. The proportions employed part-time thus represent the percentage balance of the figures shown here.

Conclusion

The difficulties encountered in attributing net increase in indigenous employment to particular labour force characteristics are more evident in some regions than others. This raises questions regarding the conduct of the census enumeration in different regions with non-response to labour force questions generally less of a problem in regions where remote area interview forms were utilised. The problem is most severe in South Australia, but any substantial variation in non-response rates potentially undermines conclusions drawn about inter-State differences in the nature of employment created.

Notwithstanding interpretive problems, it appears that indigenous workers as a whole are increasingly concentrated in particular segments of the labour market. In regional terms, however, this varies considerably. For example, employment in the main overall industry category, community services, has increased most rapidly in regions associated with the CDEP scheme and now provides the bulk of employment for indigenous workers in the Northern Territory. Elsewhere, and notably in south-eastern Australia, this accounts for a much lower and declining share of total employment. Variations in occupational change are more difficult to establish, except to point out that levels of employment in unskilled jobs are persistently much higher in Queensland, Western Australia and the Northern Territory. The opposite applies to trends in full-time employment. While this has fallen as a proportion of total employment in all States, the greatest reductions and the lowest levels of full-time work are in the remoter regions.

It would appear that one impact of the AEDP has been to increase differentiation among indigenous workers between regions where individuals are more heavily dependent on jobs created by community organisations in unskilled, part-time activities characteristic of secondary labour markets, and those with a wider range, but more slowly expanding number, of job opportunities. It is unlikely, given this spatial trend, that parity with the workforce in general will be achieved in the foreseeable future in the remoter regions of Australia.

Notes

1. In a statistical sense, segregation refers to the degree of difference in the pattern of proportional distribution between two otherwise similar sets of data. A relative measure of such difference is provided by a wide range of segregation indices and one commonly used in studies of labour force segregation, the Index of Dissimilarity (ID), is applied here. This is calculated by summing the absolute differences between the per cent of all indigenous and non-indigenous people employed, for example, in different industries and dividing the answer by two. For example, using hypothetical data showing the percentage of indigenous and non-indigenous Australians employed in three industries:

	Indigenous employees (per cent)	Non-indigenous employees (per cent)	Absolute difference
Industry A	65	20	45
Industry B	15	50	35
Industry C	20	30	10
Total	100	100	90

In this case, the index of dissimilarity would equal $90/2 = 45$ per cent. In other words, almost half of indigenous workers would have to change their industry of employment in order to eliminate the difference in the statistical distributions. The index thus ranges from zero (no segregation) to 100 (complete segregation). For further discussion of the index methodology, plus a detailed analysis of the relative industry segregation of Aboriginal and Torres Strait Islander workers within the overall labour force, see Taylor (1993c).

2. The Australian Standard Industry Classification (ASIC) includes 12 industry divisions.
3. A comprehensive set of tables showing intercensal change in occupation and other labour force indicators has been prepared for each State and Territory. These will be published in a number of CAEPR discussion papers to appear in 1994.
4. The occupational segregation index is calculated as in (1) above. The Australian Standard Classification of Occupations (ASCO) includes 8 occupational major groups. For further, more detailed, discussion of the occupational status of indigenous Australians see Taylor (1992c).
5. Correspondence from the Director, Population Census Processing and User Services, ABS, Canberra dated February 1993.

5. Regional change in income status, 1986-91

One crucial policy finding to emerge from a recent analysis of intercensal change in the economic status of indigenous Australians was that the ratio of indigenous to non-indigenous incomes did not rise in accordance with improvements in relative labour force status (Taylor 1993a). Indeed, if anything, the two sets of indicators were negatively linked. While this summarises the general relationship between indigenous employment and income change, it would be wrong to conclude that indigenous income differentials with the rest of the population exist independently from the nature of work in which they are engaged. As already noted, indigenous people remain more heavily represented in low status and intermittent employment and this underlines the need for quality (in terms of income returns) as well as quantity in job creation if the overall aims of the AEDP are to be achieved.

Much the same linkage lies behind the persistence of regional income disparity among the population as a whole. Because of the application of centralised wage fixing, it is the composition of local labour markets, in terms of the range and quality of jobs available, that is likely to determine inter- and, particularly, intra-regional income effects (Ferry 1989; Zagorski 1989). This can be extended to an explanation of indigenous/non-indigenous differentials, as well as to regional differences in income among indigenous people. One factor likely to be of significance is the relative proportion of population in each State resident in metropolitan and other large cities as these command the widest range of job opportunities, particularly in those activities offering the greatest returns to labour. Thus, regions where the indigenous population is largely rural with limited access to mainstream labour markets, are unlikely to match the income levels generated in regions where a much higher proportion of the population is resident in urban areas.

This is precisely the pattern revealed by a geographic breakdown of census income data. Table 5.1 shows the change in mean and median incomes for indigenous residents of each State and expresses these as a ratio of non-indigenous equivalents.¹ In both census years, Queensland, Western Australia and the Northern Territory stand out as regions with below-average incomes. In the last two of these, and particularly in the Northern Territory, the ratio of indigenous to non-indigenous incomes also fell below the national average. Furthermore, indigenous incomes in the Northern Territory showed clear decline in relation to both the incomes of local non-indigenous people as well as to those of indigenous people in other regions (Figure 5.1). At the other extreme, Victoria, Tasmania, and especially the Australian Capital Territory, display income levels notably above those in other States. As a consequence, the disparities in income with the rest of the population in these regions are relatively low.

Table 5.1. Change in relative income status of indigenous Australians: State and Territory, 1986-91.

	Income (\$,000s)		Ratio indigenous/ non-indigenous	
	Indigenous 1986	1991	1986	1991
Queensland				
Mean	8.1	11.7	0.65	0.65
Median	6.4	9.5	0.62	0.62
New South Wales				
Mean	8.4	12.6	0.63	0.62
Median	6.4	9.8	0.56	0.58
Australian Capital Territory				
Mean	13.4	18.7	0.76	0.78
Median	12.2	15.8	0.76	0.73
Victoria				
Mean	9.8	13.9	0.73	0.72
Median	7.8	11.1	0.66	0.68
Tasmania				
Mean	9.5	13.4	0.78	0.78
Median	7.7	11.2	0.76	0.78
South Australia				
Mean	8.3	11.8	0.67	0.66
Median	6.4	9.0	0.61	0.59
Western Australia				
Mean	7.6	11.1	0.57	0.58
Median	5.8	8.1	0.52	0.51
Northern Territory				
Mean	7.7	9.7	0.46	0.42
Median	5.9	7.5	0.38	0.36
Australia				
Mean	8.3	11.8	0.62	0.61
Median	6.4	9.1	0.56	0.56

A number of points are revealed by the distribution of indigenous and non-indigenous income levels in each region around their respective national averages (Table 5.2). First, the regional variation in indigenous incomes is much greater than among other Australians as indicated by their higher standard deviations. Furthermore, the degree of difference between indigenous incomes in each State was maintained, while for non-indigenous Australians regional differences in median income diminished. Second, in some States, income relativities among indigenous Australians follow the pattern set by the rest of the population. For example, above average incomes are recorded among both groups in New South Wales and the Australian Capital Territory while the index numbers for Queensland are very similar. At the same time, significant regional contrasts are apparent. In Tasmania and Victoria, for example, median incomes for indigenous residents are consistently high, relative to the national level,

while non-indigenous incomes fall quite clearly below national levels. In the Northern Territory, the reverse of this pattern is evident with indigenous incomes falling well behind national levels, particularly in 1991, and non-indigenous incomes among the overall highest in the country.

Figure 5.1. Index numbers of indigenous median individual incomes by State compared to the Australia-wide indigenous median, 1986 and 1991.

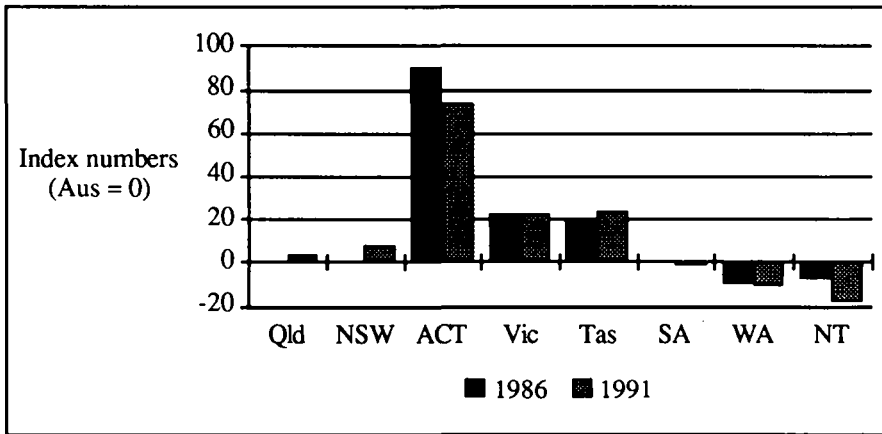


Table 5.2. Index numbers of indigenous and non-indigenous median individual incomes, 1986 and 1991.

	Indigenous		Non-indigenous	
	1986	1991	1986	1991
Queensland	99	99	94	94
New South Wales	102	107	101	104
Australian Capital Territory	163	158	134	124
Victoria	116	113	92	89
Tasmania	120	123	90	88
South Australia	101	100	95	93
Western Australia	93	94	101	100
Northern Territory	94	82	127	119
Australia	100	100	100	100
Standard deviation	23.1	23.1	16.7	13.5

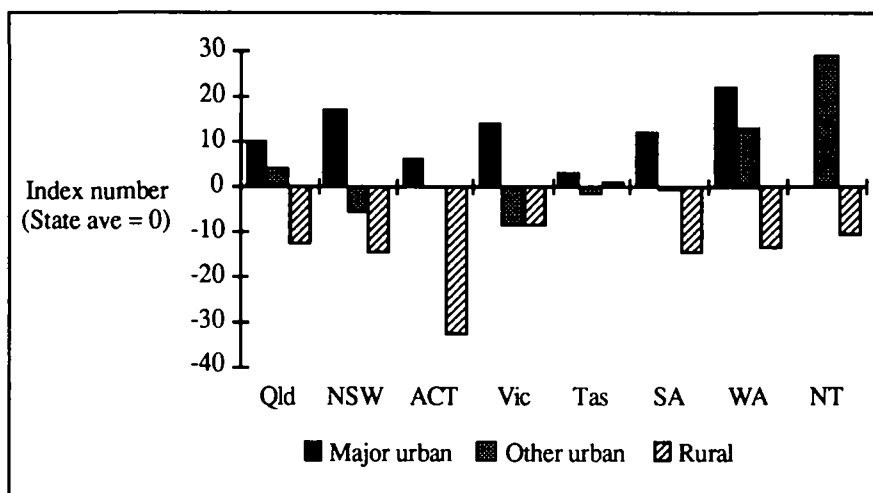
The importance of location as a factor influencing income status is reinforced by an analysis of income differentials according to section-of-State (Table 5.3). While little difference is apparent between the ratio of

indigenous to non-indigenous income levels in major urban and other urban places, a clear distinction does emerge between urban and rural places with indigenous incomes as a proportion of other incomes generally much higher in urban areas. This is particularly so in Western Australia and the Northern Territory where rural incomes have fallen further behind in recent years. The one exception to this is Tasmania where the ratio of indigenous to non-indigenous rural incomes is higher than the equivalent ratio in urban areas. The general pattern of rural income disadvantage is shown emphatically in Figure 5.2. Leaving aside the Australian Capital Territory, the greatest gaps between indigenous urban and rural incomes are found in the Northern Territory and Western Australia. Tasmania is noted for its lack of variation.

Table 5.3. Regional change in relative income status of indigenous and non-indigenous Australians by section-of-State, 1986-91.

	Ratio of indigenous/non-indigenous income							
	Major urban		Other urban		Rural		Total	
	1986	1991	1986	1991	1986	1991	1986	1991
Queensland								
Mean	0.66	0.68	0.68	0.68	0.66	0.62	0.65	0.65
Median	0.62	0.65	0.64	0.67	0.68	0.61	0.62	0.62
New South Wales								
Mean	0.68	0.67	0.65	0.66	0.65	0.64	0.63	0.62
Median	0.63	0.63	0.61	0.63	0.67	0.60	0.56	0.58
Australian Capital Territory								
Mean	0.80	0.81	0.0	0.0	0.50	0.56	0.76	0.78
Median	0.81	0.77	0.0	0.0	0.36	0.48	0.76	0.73
Victoria								
Mean	0.76	0.78	0.73	0.71	0.78	0.73	0.73	0.72
Median	0.68	0.74	0.69	0.66	0.65	0.71	0.66	0.68
Tasmania								
Mean	0.73	0.76	0.79	0.78	0.83	0.82	0.78	0.78
Median	0.68	0.74	0.77	0.78	0.83	0.83	0.76	0.78
South Australia								
Mean	0.69	0.70	0.67	0.68	0.68	0.64	0.67	0.66
Median	0.61	0.64	0.60	0.63	0.72	0.60	0.61	0.59
Western Australia								
Mean	0.60	0.66	0.58	0.60	0.55	0.48	0.57	0.58
Median	0.53	0.61	0.52	0.56	0.58	0.47	0.52	0.51
Northern Territory								
Mean	0.0	0.0	0.58	0.53	0.42	0.37	0.46	0.42
Median	0.0	0.0	0.51	0.46	0.38	0.35	0.38	0.36
Australia								
Mean	0.67	0.69	0.67	0.67	0.63	0.57	0.62	0.61
Median	0.61	0.64	0.62	0.63	0.64	0.54	0.56	0.56

Figure 5.2. Index numbers of indigenous median individual incomes by State and section-of-State compared to State averages, 1991.



Further variation in regional income distribution is revealed by gender differentials (Table 5.4). Of particular interest is the wide range of difference in incomes between indigenous males and females in each State. Overall, the gap between male and female incomes has narrowed during the intercensal period but male incomes remain much higher than female incomes in Tasmania particularly, followed by Victoria and the Australian Capital Territory. These are all regions where indigenous incomes overall are much higher than the national level (Table 5.2.) which suggests that any move towards income equality with other Australians is not necessarily also producing gender income equality between indigenous people. This is emphasised somewhat by the fact that the median income for indigenous females is now higher than that of males in the two regions with the lowest income levels nationally, Western Australia and the Northern Territory. Rather than representing a significant shift towards gender equality, this simply reflects the fact that indigenous male incomes in these regions have fallen even further behind those of their counterparts elsewhere.

If gender comparisons are drawn between indigenous and non-indigenous groups, it is clear from the ratios of median income that indigenous females in all States have income levels much closer to those of their non-indigenous counterparts than do males (Table 5.4). This was more so in 1986 than 1991, since the ratios for female medians declined in all regions, except the Australian Capital Territory. Indigenous females in Western Australia particularly have fallen substantially behind other females locally, while those in the Northern Territory have the lowest ratio of all. Among the male population, the contrasts in income levels are more

exaggerated. In the Northern Territory, for example, the median income for indigenous males is less than one-third (29 per cent) that of other males. Even in regions where male indigenous incomes are higher than average, such as the Australian Capital Territory, Victoria and Tasmania, these are still at levels considerably below those for other males. Furthermore, there is little sign of improvement.

Table 5.4. Regional change in income status of indigenous Australians by gender, 1986-91.

	Income (\$,000s)				Index numbers (male median=100)	
	Males		Females		1986	1991
	1986	1991	1986	1991		
Indigenous median						
Queensland	8.9	11.0	5.5	8.7	162	126
New South Wales	7.9	10.9	5.9	9.3	134	117
Australian Capital Territory	14.4	18.7	8.5	13.7	169	136
Victoria	10.6	13.8	6.5	9.6	163	144
Tasmania	11.8	15.4	5.4	8.2	218	188
South Australia	7.0	9.3	6.1	8.8	115	106
Western Australia	6.2	8.0	5.6	8.2	111	97
Northern Territory	6.9	7.2	5.5	7.9	125	91
Australia	7.9	9.8	5.7	8.7	138	113
Ratio of indigenous/non-indigenous median						
	Males		Females		Total	
Queensland	0.58	0.54	0.95	0.83	0.62	0.62
New South Wales	0.49	0.50	0.90	0.80	0.56	0.58
Australian Capital Territory	0.68	0.68	0.81	0.85	0.76	0.73
Victoria	0.65	0.65	0.95	0.85	0.66	0.68
Tasmania	0.75	0.77	0.97	0.86	0.76	0.78
South Australia	0.46	0.46	0.98	0.84	0.61	0.59
Western Australia	0.38	0.37	0.92	0.79	0.52	0.51
Northern Territory	0.36	0.29	0.52	0.49	0.38	0.36
Australia	0.49	0.45	0.89	0.78	0.56	0.56

Regional change in welfare dependency

The AEDP equates welfare dependency with income reliance on unemployment benefit. In Altman and Smith's view (1993a: 21), this definition is somewhat narrow, reflecting the labour market focus of the AEDP. They take a broader definition of welfare to include all transfer payments from the Federal Government to indigenous citizens. Such a wider definition is necessitated by the limited availability of official sources of income data for indigenous Australians. The most comprehensive indication of the reliance of indigenous people on welfare income is available from census data using a cross-tabulation of individual

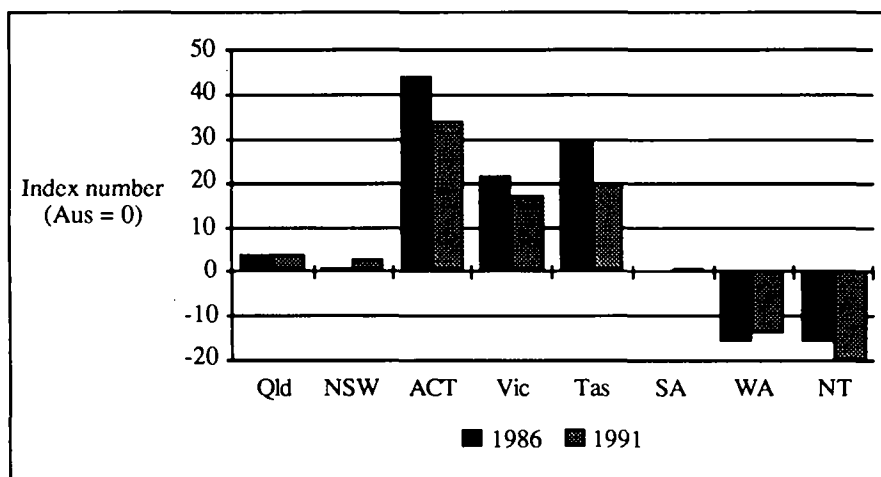
incomes by labour force status. From this source, Table 5.5 shows the proportion of total income in each region attributed to those employed and those not employed in 1986 and 1991.

Table 5.5. Total income of indigenous Australians by labour force status, 1986 and 1991.

	1986		1991	
	Income (\$m)	Per cent	Income (\$m)	Per cent
Queensland				
Employed	150.1	62.4	260.7	63.7
Non-employed	90.2	37.6	148.3	36.3
Total	253.8	100.0	445.4	100.0
New South Wales				
Employed	154.02	60.7	280.4	63.0
Non-employed	99.6	39.3	165.0	37.0
Total	253.8	100.0	445.4	100.0
Australian Capital Territory				
Employed	7.9	86.6	15.2	81.7
Non-employed	1.2	13.4	3.3	18.3
Total	9.1	100.0	18.6	100.0
Victoria				
Employed	47.7	73.4	84.3	71.4
Non-employed	17.2	26.6	33.6	28.6
Total	65.0	100.0	118.0	100.0
Tasmania				
Employed	26.0	77.7	44.1	73.0
Non-employed	7.4	22.3	16.2	27.0
Total	33.5	100.0	60.4	100.0
South Australia				
Employed	36.4	59.8	59.3	61.9
Non-employed	24.4	40.2	36.4	38.1
Total	60.8	100.0	95.8	100.0
Western Australia				
Employed	69.6	50.8	119.8	52.7
Non-employed	67.3	49.2	107.2	47.3
Total	137.0	100.0	227.1	100.0
Northern Territory				
Employed	62.9	50.7	95.0	49.2
Non-employed	61.2	49.3	98.1	50.8
Total	124.2	100.0	193.1	100.0
Australia				
Employed	555.0	60.0	959.1	61.1
Non-employed	369.2	40.0	608.9	38.9
Total	924.2	100.0	1,568.0	100.0

In Australia as a whole, 40 per cent of total income accruing to indigenous people in 1986 was derived from non-employment sources. By 1991, this proportion had declined slightly to 38.9 per cent. It must be noted, however, that given the notional link between CDEP scheme wages and social security entitlements, much of what is classified as employment income by the census is, in effect, little different from welfare income. Furthermore, the CDEP scheme contribution to employment income has increased considerably. Even following the census definition and excluding CDEP scheme wages from the calculation of welfare income, the proportions of indigenous total income derived from non-employment sources compares to figures of only 11.5 and 12.5 per cent for the non-indigenous population. This indicates the persistence of a substantially higher level of welfare dependency among indigenous people. At the same time, substantial regional variation in the level of dependency exists with most States having lower levels than this (Table 5.5). The particularly low levels recorded in the Australian Capital Territory are an exception and reflect the in-migration of individuals for employment. In both census years, the highest levels of welfare dependence were found in Western Australia and the Northern Territory. In the latter case, welfare income increased to reach just over half (50.8 per cent) of total income in 1991 (Figure 5.3).

Figure 5.3. Index numbers of indigenous employment income as a proportion of total income by State compared to the Australia-wide indigenous average, 1986 and 1991.



At first glance, this regional pattern is somewhat contrary to expectation given the distribution of employment growth and concomitant shifts in labour force status during the intercensal period favouring regions such as the Northern Territory. However, the fact that the contribution of

employment to overall income fell in the Northern Territory, at a time when the numbers in employment increased, merely serves to underline the low income returns to employment growth which was dominated by participation in the CDEP scheme. The same point probably applies to other States where employment status improved, such as Queensland, New South Wales, South Australia and Western Australia, as CDEP scheme employment is likely to have moderated the growth of employment income.

Table 5.6. Regional change in mean employment/non-employment income: indigenous Australians, 1986-91.

Labour force status	Mean income (\$,000s)		Change	
	1986	1991	Net	Per cent
Queensland				
Employed	13.24	16.58	3.34	25.2
Unemployed	5.38	8.44	3.06	57.0
Not in the labour force	4.80	7.56	2.77	57.7
New South Wales				
Employed	14.43	19.81	5.38	37.3
Unemployed	5.53	8.05	2.52	45.6
Not in the labour force	4.96	7.72	2.76	55.6
Australian Capital Territory				
Employed	18.28	25.54	7.26	39.7
Unemployed	6.98	7.92	0.94	13.4
Not in the labour force	4.16	8.94	4.78	114.8
Victoria				
Employed	14.94	20.37	5.44	36.4
Unemployed	5.40	8.15	2.75	50.9
Not in the labour force	4.98	7.69	2.71	54.4
Tasmania				
Employed	14.34	18.88	4.54	31.7
Unemployed	5.68	8.63	2.95	52.0
Not in the labour force	3.99	7.08	3.08	77.2
South Australia				
Employed	13.23	16.96	3.72	28.1
Unemployed	5.27	8.07	2.79	52.9
Not in the labour force	5.52	7.91	2.40	43.5
Western Australia				
Employed	12.71	16.81	4.10	32.3
Unemployed	5.77	8.78	3.02	52.3
Not in the labour force	5.32	7.87	2.55	47.9
Northern Territory				
Employed	13.17	14.27	1.11	8.4
Unemployed	6.09	7.91	1.82	29.8
Not in the labour force	5.31	7.39	2.08	39.1
Australia				
Employed	13.71	17.68	3.97	29.0
Unemployed	5.58	8.28	2.70	48.3
Not in the labour force	5.05	7.64	2.59	51.2

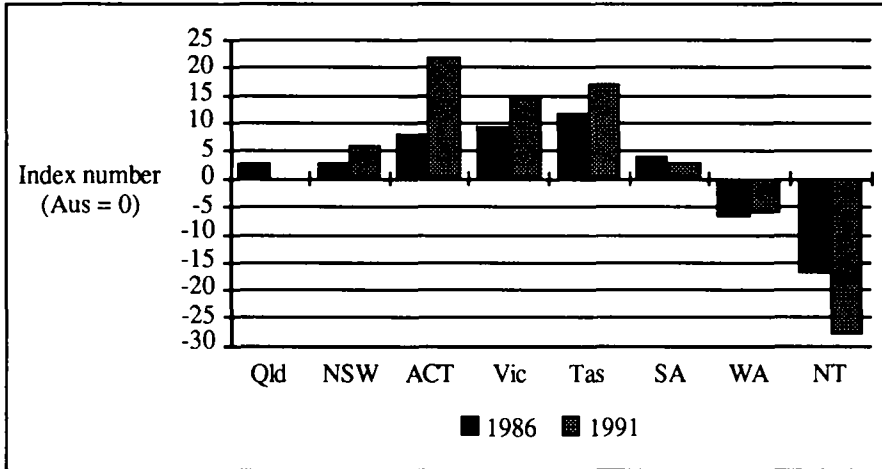
This point is reinforced by data showing regional shifts in mean employment/non-employment income. Between 1986 and 1991, the mean employment income for indigenous people increased by \$3,970 from \$13,710 to \$17,680 (Table 5.6). At the same time, regional variance in mean employment income also increased as indicated by a rise in the standard deviation around the national mean from \$1,800 in 1986 to \$3,400 in 1991. The main reason for this was a higher than average rate of increase in employment income in the Australian Capital Territory. Victoria, Tasmania and New South Wales, also emerged with relatively large increases in mean employment incomes. This contrasts with the situation in Queensland, South Australia and, particularly the Northern Territory, where gains in mean employment income were relatively slight.

A crucial test of the success of AEDP initiatives is not so much whether targets have been met in terms of employment creation, but whether such employment has resulted in a narrowing of the gap in individual income levels between indigenous and non-indigenous Australians. From this perspective, much depends on the type of work created. As already noted, participation in the CDEP scheme is estimated to have accounted for 60 per cent of all job growth during the intercensal period. This involves, for the most part, unskilled, part-time and low wage employment with incomes fixed by the level of, and by limited opportunities for, the enhancement of earning capacity. In contrast, the workforce generally is projected to continue its trend towards higher skilling at the expense of jobs at the lower end of the occupational scale (Department of Employment, Education and Training 1991).

Table 5.7. Regional change in ratio of mean indigenous/non-indigenous employment income, 1986-91.

	Ratio indigenous/non-indigenous mean employment income		Change	
	1986	1991	Net	Per cent
Queensland	0.78	0.71	-0.07	-9.3
New South Wales	0.78	0.75	-0.03	-3.8
Australian Capital Territory	0.82	0.87	0.04	5.2
Victoria	0.83	0.82	-0.02	-1.8
Tasmania	0.85	0.83	-0.02	-2.6
South Australia	0.79	0.73	-0.05	-7.0
Western Australia	0.71	0.67	-0.04	-5.6
Northern Territory	0.63	0.51	-0.12	-19.1
Australia	0.76	0.71	-0.06	-7.7

Figure 5.4. Index numbers for ratio of mean indigenous/non-indigenous employment income by State compared to the national indigenous/non-indigenous ratio, 1986 and 1991.



The suggestion here is that if current occupational trends persist, the income returns from employment for indigenous people are likely to fall increasingly behind those for the rest of the population, at least in certain regions. The basis for this prognosis is provided in Table 5.7 which shows changes in the ratio of indigenous to non-indigenous employment income for each State. While the overall increase in mean incomes for indigenous workers was less than for other workers, the rate at which they fell behind was greatest in those regions where the CDEP scheme accounted for the bulk of employment growth (Figure 5.4). This was most noticeable in the Northern Territory, where indigenous incomes from employment are now barely half the level paid to other workers, and was also apparent in Queensland, South Australia and Western Australia. By contrast, in regions with little, or no, CDEP scheme participation, the employment income gap either narrowed, as in the Australian Capital Territory, or remained the same, as in Victoria and Tasmania.

Conclusion

The implications of a lack of association between employment growth and income enhancement for long-term trends in regional income differentials are potentially undermining the ultimate aim of the AEDP to raise indigenous income status to levels commensurate with the rest of the population. Clearly, in some regions, growth in indigenous employment does not necessarily equate with income growth. This is not surprising

given the heavy dependence on CDEP scheme employment in remote rural areas. As Gruen and Grattan (1993: 260) point out, the economic parity of indigenous Australians will not be achieved until they obtain the bulk of their income in the same manner as the rest of Australians; namely through market-oriented mainstream activity, predominantly as wage earners, but also to a greater extent than at present, by being self-employed or employers. This raises a dilemma for policy, given the multiple goals of achieving statistical equality and economic self-sufficiency in a manner that ensures self-determination. Not only would the achievement of statistical equality involve a re-ordering of employment profiles contrary to the aspirations of many indigenous people, it would also need to be accomplished in such a way as to reduce dependence on government support. There is no evidence from the analysis of intercensal change in labour force characteristics or individual incomes to suggest that such dependence has declined. Indeed, if anything, given the growth of the CDEP scheme, it is now greater. This implies a need for flexibility in policy with acknowledgement that statistical equality, at least in regional terms, may not always be achievable or desired.

Note

1. In estimating mean incomes, the mid-point for each income category has been taken on the assumption that individuals are evenly distributed around this mid-point. The open-ended highest category is problematic, but following Treadgold (1988) it is arbitrarily assumed that the average income received by individuals in this category was one and a half times the lower limit of the category. Clearly, estimates of mean incomes will vary according to the upper level adopted. In this analysis the full range of income categories has been utilised with \$50,000+ as the highest category in 1986 and \$70,000+ in 1991.

6. Policy implications of the regional analysis

Altman and Sanders (1991a) highlight two aspects of the AEDP's goals and rationale that are important in determining the appropriate use of census data to examine progress towards the achievement of policy objectives. The first of these is the AEDP statement's frequent use of the term 'equity' in relation to Aboriginal employment and income, as a way of identifying the goal towards which all AEDP programs are directed and as the rationale for their existence (Australian Government 1987a). The second, related aspect of the AEDP statement is its setting of statistical targets. On the basis of preliminary data from the 1986 Census, the statement presented summary statistics of the current employment and income status of indigenous Australians in comparison with the rest of the population. It then went on to identify targets on the basis of these statistics which would need to be met if Aborigines and Torres Strait Islanders were to achieve equality with other Australians in relation to employment and income by the year 2000. The number of jobs that would need to be created, the amounts by which income or participation in education would need to be increased and the required reduction in welfare dependency were all quantified.

Leaving aside the fact that these targets grossly underestimated the scale of new job creation required to achieve statistical equality, due to a lack of regard for the dynamics of growth in the indigenous working-age population (Teshfaghiorghis and Gray 1991; Altman and Gaminiratne 1993), the setting of employment and income targets is further complicated at the regional level. In some States, such as Victoria and Tasmania, as well as in the Australian Capital Territory, the gap between indigenous and non-indigenous economic indicators is far less than in places such as Western Australia and the Northern Territory. At the same time, intercensal growth rates in the indigenous population of working age vary quite markedly between regions adding to the differential pressures on the need for new employment. While regional population forecasting is at best a risky enterprise, greater emphasis needs to be placed on refining employment targeting to better account for variations in levels of inequality and the growth of working-age population.

At a time when issues of regional disadvantage are again emerging in Australian public policy, the AEDP appears to be having a regional impact on indigenous economic status by emphasising existing economic disparities between regions which have large proportions of rural-based, as opposed to urban-based, indigenous populations. In this regard, the 1986 regional pattern, whereby the south-eastern States of Victoria, Tasmania and the Australian Capital Territory had the highest economic status and the Northern Territory and Western Australia had the lowest, persists. A crucial policy question that this raises is whether AEDP efforts to raise

economic status *in situ* imply that these regional discrepancies in economic status will inevitably be sustained and even possibly widened?

Although the Australian labour force as a whole exhibits relatively little regional differentiation, at least at the State level, regional supply and demand factors differ quite markedly among the indigenous population. On the supply side, differential access to mainstream labour markets results from a locational bias in some States towards remote rural residence. Similar variation in human capital endowments, as well as preferences for culturally appropriate employment arrangements are also evident. On the demand side, discrimination by employers against indigenous workers may exist to restrict access to certain activities but, if such distortions exist, there is no available measure of their operation at the national level, let alone at the regional level (Miller 1991). Much more overt demand distortions are created by program expenditures which produce a distinctly indigenous labour market focussing on the task of servicing the indigenous population and thus are overly concentrated in community service industries (Taylor 1993d). Also labour demand in Australia is shifting away from the lower end of the occupational scale, where indigenous workers are overly concentrated, towards more skilled requirements (Taylor 1992c). At the same time, the growth of jobs that are linked in some way to servicing the indigenous population or to funding regimes designed to specifically engage indigenous labour, provides indigenous people with a distinct advantage in certain segments of the labour market. This is manifest in the noticeably better performance of indigenous Australians generally in terms of their relative improvement in labour force status over the intercensal period. It should be noted, however, that this was largely due to participation in the CDEP scheme. Away from regions where the scheme predominated, indigenous Australians shared in the recessionary impacts on labour force status experienced by the population as a whole, although AEDP intervention served to ameliorate this effect.

Leaving aside the nature of work created by the CDEP scheme, the main downside from the perspective of the AEDP income equality goal, is that the scheme demonstrates limited capacity to enhance income levels much above ceilings set by social security equivalents that are the notional fiscal basis of the scheme (Altman and Sanders 1991b). As a consequence, indigenous Australians appear to remain firmly behind in an economy which is increasingly divided between the 'haves' and the 'have-nots' (Saunders 1992). At the same time, there are limits to the extent that government labour market programs can provide solutions to low income status in areas where labour supply is often determined by culturally-based priorities, such as a preference for intermittent employment, or where residential choices and lack of rural-urban labour migration limit access to mainstream labour markets (Taylor 1992a, 1992b). By contrast, in situations where low human capital is the main constraint on access to formal employment opportunities, policy responses seem more clearly defined in terms of mainstream labour market demands requiring an

upgrading of skill levels to ensure higher occupational status, although more education alone is not a sufficient panacea (Chapman 1991; Miller 1991).

This begs the question of whether statistical equality, as defined by the AEDP, is a useful or even appropriate yardstick with which to measure the economic standing of indigenous Australians, given the wide diversity of circumstances that exist across the country. If such equality were to exist, would this imply a transfer of employment into activities which may be perceived by many as assimilationist? For surely a more balanced distribution of economic status would imply much greater indigenous involvement in mainstream labour markets and a population distribution more heavily skewed to large urban places. Given that this would require substantial labour migration, is this feasible or even desirable? Clearly, there is a need for recognition of the heterogeneity of indigenous populations in so far as the policy goal of statistical equality may be appropriate for some sections of the population but not for others. At the same time, there is a danger that simplified categories like 'remote and settled areas', or 'rural and urban', may disguise the complexities that exist in areas where a whole spectrum of community and cultural types co-exist.

In reviewing the development of government initiatives for indigenous employment, Altman and Sanders (1991a) identified a degree of policy realism as one of the distinguishing qualities of the Miller Report (Miller 1985) and its subsequent response in the form of the AEDP. By this they referred to the way in which the structural underpinnings of low indigenous employment and income status were recognised with limited expectation of rapid improvement. The practical response has been to increase the range of programs directed to an increasingly differentiated set of indigenous employment problems in various regional and local settings. Also noted, however, was the fine line between, on the one hand, realism concerning the difficulty of finding ways to overcome the economic problems of many indigenous people and, on the other hand, the danger of reinforcing low economic status through policy inertia (Altman and Sanders 1991a: 11).

This conundrum is well illustrated by the data on regional change in indigenous economic status. Expansion of the CDEP scheme provided a convenient means of meeting employment targets in the intercensal period, especially in those areas with chronic unemployment. At the same time, the notional nexus of the scheme to welfare entitlements has locked participants into low incomes and largely unskilled work. Further expansion of the scheme can only continue to undermine the statistical goal of income equality, not just regionally but also at the national level. As Gruen and Grattan (1993: 259) point out, the welfare system aims to alleviate poverty in the short-term, it has never aimed to provide recipients with economic standards which are the norm for the Australian population.

A key feature of the Miller Report was that recognition of the economic and cultural heterogeneity of the indigenous population meant

that programs had to be tailored to variable circumstances and aspirations. Unfortunately, official statistics provide only limited means of reflecting this diversity as they are measures that focus on mainstream Australian economic status (Altman 1992). Notwithstanding these data limitations, the challenge to policy makers is, not only to target appropriate programs to appropriate clients, but also to ensure that success or failure is measured in a manner that reflects both regional priorities, the variability of participation in formal and informal economies, and the restricted options in many remote locations (Altman 1990; Altman and Allen 1992; Smith 1993).

Policy realism might dictate that goals of statistical equality in either employment or income terms applied in a pan-indigenous manner may need to be somewhat diluted. Given the growing emphasis on regionalism in Australian public policy generally, as well as in Aboriginal and Torres Strait Islander affairs under the aegis of the ATSIC regional council structure, it may be more appropriate to devolve goal-setting to the regions (Smith 1993). In many situations, the goal of statistical equality between indigenous and non-indigenous Australians may remain vitally important. In other situations, however, culturally-appropriate employment together with options to generate income beyond social security entitlements may be of greater appeal. Such devolution might relieve centralised policy makers from setting what appear to be unattainable statistical goals at the global level and it might also relieve some regions of the anxiety associated with not being able to meet such targets (Sanders 1991). A re-orientation of policy along these lines would also serve to enhance the social justice notion of equity and elevate it above more administrative notions of statistical equality which the regional diversity of the indigenous Australian population clearly undermines.

Appendix: detailed statistical tables

Table A1a. Indigenous labour force status by section-of-State and gender: State and Territory, 1986.

	Males			ER	Females		
	ER ^a	UR ^b	LFP ^c		UR	LFP	
Major urban							
Queensland	50.8	32.1	74.8	30.9	29.9	44.0	
New South Wales	54.5	29.7	77.6	34.5	27.0	47.2	
Australian Capital Territory	79.4	10.8	89.1	51.6	13.4	59.6	
Victoria	62.4	20.0	78.0	41.5	18.7	51.1	
Tasmania	57.2	23.6	74.9	41.5	19.5	51.6	
South Australia	41.5	40.5	69.8	28.7	32.0	42.2	
Western Australia	36.8	43.6	65.3	22.1	34.8	33.9	
Northern Territory	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Australia	51.3	31.3	74.6	32.5	27.4	44.7	
Other urban							
Queensland	45.8	36.2	71.8	23.7	37.1	37.7	
New South Wales	36.2	48.2	69.9	19.9	45.7	36.7	
Australian Capital Territory	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Victoria	52.8	28.7	39.3	29.7	30.9	43.0	
Tasmania	60.4	23.9	79.5	35.1	22.0	45.0	
South Australia	37.3	45.1	68.1	23.8	39.5	39.3	
Western Australia	36.1	43.9	64.3	19.0	41.0	32.2	
Northern Territory	43.3	30.7	62.5	32.9	22.8	42.7	
Australia	41.7	39.8	69.3	23.7	37.2	37.7	
Rural							
Queensland	51.1	29.3	72.2	20.4	39.1	33.4	
New South Wales	32.3	52.0	67.4	17.7	47.9	33.9	
Australian Capital Territory	42.6	45.9	78.7	24.5	31.6	35.8	
Victoria	53.2	26.9	72.7	31.0	28.1	43.1	
Tasmania	68.4	17.1	82.6	40.7	17.4	49.3	
South Australia	53.6	24.6	71.0	35.5	18.6	43.6	
Western Australia	39.7	33.5	59.8	21.9	32.7	32.6	
Northern Territory	31.5	39.6	52.2	17.7	40.0	29.5	
Australia	41.4	35.1	63.9	20.9	37.0	33.2	

- a. Employment rate.
 b. Unemployment rate.
 c. Labour force participation rate.

n.a. not applicable.

Table A1b. Indigenous labour force status by section-of-State and gender: States and Territories, 1991.

	ER ^a	Males UR ^b	LFP ^c	ER	Females UR	LFP
Major urban						
Queensland	74.1	11.6	83.9	56.7	9.9	62.9
New South Wales	53.4	29.6	75.9	39.4	24.4	52.1
Australian Capital Territory	67.8	17.2	81.9	52.8	14.6	61.9
Victoria	58.7	24.5	77.8	44.7	20.4	56.1
Tasmania	56.9	26.5	77.4	41.7	24.0	54.9
South Australia	43.2	36.6	68.2	33.2	27.2	45.6
Western Australia	36.5	47.0	68.8	27.4	34.2	41.6
Northern Territory	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Australia	49.7	32.9	74.0	36.7	26.0	49.6
Other urban						
Queensland	73.3	12.3	83.6	51.3	11.1	57.8
New South Wales	38.2	45.9	70.6	25.1	40.8	42.4
Australian Capital Territory	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Victoria	45.3	39.3	74.7	31.2	31.5	45.5
Tasmania	55.3	29.9	78.9	36.9	24.6	48.9
South Australia	43.2	40.0	72.0	28.7	34.4	43.7
Western Australia	33.3	47.5	63.4	22.7	38.9	37.1
Northern Territory	34.2	38.9	56.0	30.4	29.8	43.3
Australia	41.3	40.1	68.9	27.6	34.6	42.2
Rural						
Queensland	74.0	11.4	83.5	53.0	9.5	58.6
New South Wales	43.3	37.0	68.7	26.8	35.7	41.7
Australian Capital Territory	44.6	42.0	76.9	30.2	44.8	54.7
Victoria	59.7	24.3	79.0	40.6	18.5	49.8
Tasmania	64.5	22.0	82.7	40.0	22.0	51.3
South Australia	58.1	16.6	69.6	44.4	13.7	51.5
Western Australia	50.5	22.0	64.7	28.0	22.7	36.2
Northern Territory	37.2	20.4	46.8	25.2	19.2	31.2
Australia	50.4	22.3	64.9	29.7	22.6	38.4

a. Employment rate.

b. Unemployment rate.

c. Labour force participation rate.

n.a. not applicable.

Table A1c. Non-indigenous labour force status by section-of-State and gender: States and Territories, 1986.

	Males			Females		
	ER ^a	UR ^b	LFP ^c	ER	UR	LFP
Major urban						
Queensland	75.9	9.8	84.2	50.5	10.5	56.4
New South Wales	76.7	9.0	84.2	52.1	9.5	57.5
Australian Capital Territory	83.1	4.1	86.6	63.8	5.4	67.5
Victoria	78.1	6.2	83.3	53.9	7.5	58.2
Tasmania	74.5	8.8	81.7	52.7	8.3	57.5
South Australia	75.1	9.8	83.2	52.2	9.2	57.5
Western Australia	77.0	9.3	84.9	53.2	9.1	58.6
Northern Territory	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Australia	77.0	8.3	83.9	52.8	8.8	57.9
Other urban						
Queensland	75.0	11.1	84.4	45.0	12.7	51.5
New South Wales	73.3	11.1	82.4	44.5	12.7	51.0
Australian Capital Territory	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Victoria	77.5	7.2	83.6	47.7	9.4	52.6
Tasmania	76.3	10.2	85.0	45.7	11.2	51.4
South Australia	75.9	10.6	84.9	46.6	11.1	52.5
Western Australia	79.2	8.6	86.6	46.7	11.1	52.5
Northern Territory	81.9	7.8	88.8	62.8	8.1	68.4
Australia	75.7	9.9	84.0	46.2	11.5	52.2
Rural						
Queensland	75.4	10.9	84.6	47.4	11.3	53.5
New South Wales	73.8	12.1	83.9	48.2	11.4	54.4
Australian Capital Territory	85.8	3.7	89.1	60.5	7.3	65.3
Victoria	79.2	6.5	84.7	54.0	7.4	58.3
Tasmania	76.6	10.5	85.5	47.3	10.3	52.7
South Australia	79.9	8.1	86.9	56.5	7.3	60.9
Western Australia	79.7	7.2	85.9	53.3	7.8	57.8
Northern Territory	78.4	7.0	84.3	57.2	6.7	61.3
Australia	76.7	9.6	84.8	50.6	9.6	56.0

a. Employment rate.

b. Unemployment rate.

c. Labour force participation rate.

n.a. not applicable.

Table A1d. Non-indigenous labour force status by section-of-State and gender: States and Territories, 1991.

	ER ^a	Males		ER	Females	
		UR ^b	LFP ^c		UR	LFP
Major urban						
Queensland	74.1	11.6	83.9	56.7	9.9	62.9
New South Wales	74.4	11.4	83.9	57.4	9.9	63.7
Australian Capital Territory	78.8	7.5	85.2	66.3	7.1	71.3
Victoria	72.7	13.0	83.6	56.9	11.3	64.2
Tasmania	70.8	13.1	81.5	56.5	9.8	62.6
South Australia	72.4	13.1	83.2	56.9	10.0	63.3
Western Australia	71.9	13.9	83.5	56.1	10.8	62.8
Northern Territory	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Australia	73.5	12.2	83.7	57.2	10.3	63.8
Other urban						
Queensland	73.3	12.3	83.6	51.3	11.1	57.8
New South Wales	71.6	12.9	82.1	50.9	11.4	57.4
Australian Capital Territory	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Victoria	72.7	13.1	83.7	52.3	11.4	59.1
Tasmania	70.0	15.6	83.0	49.4	13.0	56.8
South Australia	72.8	13.9	84.5	53.1	11.1	59.7
Western Australia	75.2	12.7	86.2	51.6	11.2	58.1
Northern Territory	77.9	10.5	87.0	65.4	8.7	71.6
Australia	72.8	12.9	83.6	51.9	11.3	58.5
Rural						
Queensland	74.0	11.4	83.5	53.0	9.5	58.6
New South Wales	73.5	12.1	83.6	53.7	9.9	59.7
Australian Capital Territory	84.7	6.1	90.2	69.2	6.3	73.9
Victoria	75.1	11.0	84.4	56.9	8.9	62.5
Tasmania	72.0	14.5	84.2	51.4	11.3	57.9
South Australia	75.9	11.1	85.4	58.8	8.8	64.5
Western Australia	77.7	10.5	86.8	56.3	8.9	61.8
Northern Territory	76.8	9.7	85.0	60.4	7.9	65.6
Australia	74.6	11.5	84.3	54.9	9.4	60.6

a. Employment rate.

b. Unemployment rate.

c. Labour force participation rate.

n.a. not applicable.

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Regional Change in the Economic Status of Indigenous Australians, 1986-91

is the second of several CAEPR contributions to the 1993 review of the Aboriginal Employment Development Policy (AEDP). The work was commissioned by the Aboriginal and Torres Strait Islander Commission and the Commonwealth Department of Employment, Education and Training to assess the labour market impact of the AEDP. A detailed analysis of 1986 and 1991 Census data was conducted to ascertain the degree to which the AEDP objectives of employment and income equality have been achieved in each State and Territory. The analysis compares changes in the economic status of indigenous Australians with that of other Australians, using a range of social indicators at the State level, disaggregated by section-of-State. These indicators include labour force status, occupational status, industry, industry sector of employment, hours worked, level of qualifications, income status and levels of welfare dependence.

As the first regional overview of the relative economic status of indigenous Australians to be based on 1991 Census data, this study lays the ground for further inquiry into the contemporary economic situation of indigenous people in each State and Territory. As well as directly informing the AEDP review process, this monograph will be of great relevance to indigenous Australians generally, policy makers, bureaucrats and researchers with an interest in Aboriginal and Torres Strait Islander affairs.

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