

Rejoinder to 'Key Social and Economic Indicators for Indigenous Australia: A Comparative Analysis'

Response to a study prepared for the Office of Aboriginal and Torres Strait Islander Affairs, Department of Immigration and Multicultural and Indigenous Affairs by Australasia Economics.

by

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EXPLANATORY INTRODUCTION

In September 2003, the Centre for Aboriginal Economic Policy Research (CAEPR) published a peer-reviewed discussion paper entitled 'Monitoring 'practical' reconciliation: Evidence from the reconciliation decade 1991–2001' (Altman and Hunter 2003a). This paper was initially presented as part of the public CAEPR seminar series on 6 August 2003, and again at a Cranlana Program seminar 'Pathways for Reconciliation' on 5 September 2003 in Melbourne.

On publication, the discussion paper received some media coverage. It subsequently proved to be the first of a number of publications that noted how Indigenous affairs performance in the intercensal period 1996–2001, as measured by standard social indicators, was little different, or worse, than the previous intercensal period 1991–1996 (see Australian Bureau of Statistics (ABS) 2003; Productivity Commission 2003; Hunter 2004; Jonas, 2004; ABS 2004a, 2004b). Explicitly or implicitly, all this research questioned the efficacy of the practical reconciliation approach of the current Australian government in improving Indigenous socioeconomic status.

In November 2003, staff from the then Office of Aboriginal and Torres Strait Islander Affairs (OATSIA) in the Department of Immigration, Multicultural and Indigenous Affairs (DIMIA) met with a number of CAEPR staff (including the authors) to discuss these findings and to consider ways to tease out some of their implications at the sub-national level. Subsequently, a select tender sought to commission a study, with a Statement of Requirement that the successful tender:

Assess the relevance of the key social and economic indicators used in the Centre for Aboriginal Economic Policy Research (CAEPR) discussion paper: 'Monitoring 'practical' reconciliation: Evidence from the reconciliation decade, 1991–2001' and ascertain if there are other useful indicators that can be derived from the 1996 and 2001 census data.

Furthermore, the tender sought that the study would 'assess the methodology of the CAEPR discussion paper in light of the analysis of standardised comparisons of key indicators between Indigenous and other Australian populations'.

CAEPR was invited to tender to undertake this study, but refused on the grounds that it is counter to standard academic practice to be commissioned to auto-critique either one's own research or that of immediate colleagues.

The successful tenderer was the consulting company Australasia Economics, who produced the report 'Key Social and Economic Indicators for Indigenous Australia: A Comparative Analysis'. This report was completed for OATSIA in April 2004. On July 1, OATSIA ceased to exist and the new Office of Indigenous Policy Coordination (OIPC) was established. OIPC is a new entity within DIMIA that inherited certain functions from earlier organisations. In August 2004, the Australasia Economics report was posted on the OIPC website <www.oipc.gov.au/publications/>. The report provided much valuable data from the 1996 and 2001 censuses that were previously unavailable to individual

researchers, especially a statistical breakdown using the Accessibility/Remoteness Index of Australia (ARIA) (Australasia Economics 2004). There was clearly public interest in making such information available.

Appendix B of the commissioned report is titled 'Critique of the CAEPR Discussion Paper', and is separately available on the OIPC website <<http://www.oipc.gov.au/publications/KeyIndicatorsReport>>.

In August 2004, we prepared an early version of this rejoinder, but did not post it publicly on the CAEPR website as it is not standard academic practice to conduct debates in non-peer-reviewed forums. But we were informed by OIPC that the Australasia Economics report (2004) has not, and will not, be peer-reviewed, as this was not standard DIMIA practice. More recently, academics and others who have seen the critique posted on the OIPC website have sought our views on its veracity. Under these circumstances, and given that debate about the Australasia Economics report cannot be conducted in a refereed publication, we have decided to make our response publicly available.

THE ALTMAN/HUNTER REJOINDER

The Australasia Economics critique refers to 'the CAEPR paper' as a 'political economy tract' that showcases the views of authors (Altman and Hunter) rather than representing a 'disinterested commentary solidly grounded in fact' (Australasia Economics 2004: B1). This characterisation appears more than a little unfair, as our discussion paper merely tried to bring some evidence to bear on a topical issue of public policy using available official statistics. There was no attempt to find a particular result, at least on our part. While all scholarly work can, and should, be debated and contested, there appears to be no attempt in the Australasia Economics critique to refute the national trends reported by our analysis of standard social indicators. Since the evidence presented did not accord with someone's preconceptions (as suggested by the commissioning of this additional research at public expense) it is perhaps worth reflecting on just whose analysis might be lacking in objectivity.

Before moving on to substantive issues, it is noteworthy that the critique's reference to our paper as 'CAEPR (2003)', rather than to the more conventional 'Altman & Hunter (2003a)' is clearly both misleading and erroneous. This is of some import, as all papers in the CAEPR Discussion Paper series carry the highlighted series note:

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In addition, the Australasia Economics critique could have cited the more recent version of the discussion published in the peer-reviewed journal *Economic Papers* (Altman & Hunter 2003b).

Overall, the critique of Altman and Hunter (2003a) contained in the Australasia Economics report is remarkably slight. Almost 40 per cent of Appendix B comprises quotes from our original discussion paper. The remaining discussion is efficient in other ways, as it relies heavily on our section on 'Data sources, difficulties and caveats', sometimes without attribution. While this could be interpreted

as a compliment, it is also a rhetorical device that has the effect of trivialising our argument. It is especially unfortunate when our analytic responses to our own highlighted caveats are neither acknowledged nor accurately represented.

One important issue raised by Australasia Economics in Appendix B is the possibility of compositional change arising from non-demographic (changed identification) growth in the Indigenous population affecting our analysis. In earlier research, Hunter (1998) has explicitly assessed the validity of intercensal comparisons for Indigenous people between 1986 and 1996, and has presented formal statistical tests which allowed us to discount the possibility that compositional change arising from non-demographic growth in the population was affecting our analysis. While we do not dismiss analytical challenges arising from non-demographic growth, we stand by the robustness of intercensal comparisons because we have evidence about their validity.

It is ironic that the Australasia Economics Report makes no mention of the complicating issue of non-demographic population growth outside Appendix B, given that it relies heavily on comparing rates in 1996 and 2001. Arguably, the issue is even more important when analysing particular regions, since selective migration may distort the composition of an area, even within a relatively short five-year period. It should be noted, however, that selective migration is much *less* important for the national estimates presented in Altman & Hunter (2003a, 2003b), as international migration is insignificant among Indigenous Australians (Hunter 2004).

The Australasia Economics critique both oversimplifies and trivialises our argument and makes a gross characterisation. At no stage do we say that we give 'the thumbs up for symbolic reconciliation and the thumbs down for practical reconciliation'. This representation is more than a little disingenuous, as we clearly indicate that there is no existing measure to evaluate symbolic reconciliation. Another instance of the disingenuous level of intellectual engagement is that the Australasia Economics critique reflects on how Indigenous females might feel at having their life expectancy left out of the 'scorecard' in our discussion paper. Australasia Economics uses emotive rhetoric here, rather than arguing that life expectancy of females is a measure of Indigenous welfare that is independent of life expectancy of males and hence should be separately included in our final assessment. Even if they did mount this argument it would be unsustainable, as female and male life expectancies obviously track each other for both the Indigenous and non-Indigenous populations (Ross & Taylor 2002; Taylor 2003).

The Australasia Economics critique does not say how we could have improved our analysis or which census data we should have used. It claims that there are 'thousands of possible candidates derivable just from census data' (Australasia Economics 2004: B2) that we could have used, referring (we assume) to the way that a very limited number of census questions could be cross-tabulated. However, there are always less than 50 questions asked in the five-yearly census, and only a limited number have value as measures of socioeconomic wellbeing. In addition, many of the questions asked are not comparable between censuses.

The issue of data comparability is more important the further back in time one goes. For example, the ARIA classification used by Australasia Economics (2004) was not available before 1996. In any case, the main indicators discussed in our paper are standard socioeconomic indicators that can be said to reflect the main dimensions of practical reconciliation as defined by the Prime Minister—health, housing, education and employment. These standard indicators are also used by the Productivity Commission (2003) and in the National Aboriginal and Torres Strait Islander Social Survey (ABS 2004b).

At times, the polemic in the Australasia Economics Report leaves one searching for a rationale. For example, the claim that we 'are all at sea about the most simple data' appears to be based on an assumption that there is an analytical link between our proper use of estimated residential population figures to indicate population growth, and our subsequent use of census counts for constructing social indicator rates.¹ Given that our paper does not indicate or imply that such a link exists, the rhetorical device employed in the Australasia Economics Report is a spurious attempt to undermine our analytical credibility.

CONCLUSION

There are more than 200 pages of tables and associated text in the main Australasia Economics report, a fact that serves to illustrate the point that there is tremendous diversity in Indigenous Australia. This is a point that one of us might take some credit for statistically establishing some 26 years ago (Altman & Nieuwenhuysen 1979), and one that has been a central feature of numerous publications both by authors based at CAEPR and others since 1990. (See, for example, Altman 1991 and Hunter 2004). It is probably one of the most common features of the CAEPR corpus (see Rowse 2002) and it is an observation with which we strongly concur.

Nevertheless, in our discussion paper we implicitly assume that if the Australian government's policy were effective on average, one would expect some overall measurable benefit at the national level, despite the variability in regional level outcomes. That is, the focus on regional variation is tangential to our explicit focus and conclusion.

It is important to encourage public debate on the important issues of socioeconomic change and government policy, but it is not clear that the Australasia Economics report achieves such aims. The report, in our view, does provide much useful data that other researchers may use constructively. However, the analysis is not sufficiently structured to provide new insights into how policy-makers should proceed. We hope that other researchers can use the data provided to this important end.

Given that the process of peer reviewing provides a quality control on material circulated for public debate, we also hope that future commissioned reports that are publicly funded and that might be used in the formulation of government policy have a formal and transparent process of quality control, preferably conducted via independent peer-review.

1. Estimated residential population (ERP) refers to the ABS's best estimate of the population that accounts for the 'undercount' in raw census data.

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