

## **Practical reconciliation and continuing disadvantage in Indigenous education**

B.H. Hunter, Australian National University  
R.G. Schwab, Australian National University

### **ABSTRACT**

The Howard Government has made ‘practical reconciliation’ a cornerstone of its Indigenous affairs policy. If practical reconciliation is a reality, then we should find some evidence of a convergence in the economic and educational status of Indigenous and other Australians, especially in the last inter-censal period. The main finding of our research, however, is that while there have been some absolute improvements in Indigenous educational attainment over the period 1986 to 2001, gains are less evident when measured relative to non-Indigenous attainment. By any measure, Indigenous Australians remain severely disadvantaged, and poor educational attainment is the key barrier to sustainable improvements in their socioeconomic status.

*Boyd Hunter and Jerry Schwab are Fellows at the Centre for Aboriginal Economic Policy Research, the Australian National University. Jerry is also the Deputy Director of the Centre.*

## **Practical reconciliation and educational attainment**

Indigenous education policy in Australia has long been underpinned by an awareness that improving Indigenous educational attainment is one possible way to improve the prospects of Indigenous people. Over the course of more than 30 years there have been many policy and program reviews and many reports dealing with Indigenous education (Aboriginal Consultative Group 1975; Commonwealth of Australia 1995, 2000a; Hughes 1988) and training and employment (ATSIC 1994; Commonwealth of Australia 1991, 2000b; Miller 1985). In every review, report, or policy recommendation over this period, access, participation and equity have been primary themes.

A key Indigenous public policy debate since 1996 has focused on whether the reconciliation process has overemphasised symbolic reconciliation—that is, Indigenous rights, stolen generations, deaths in custody, and the invalid alienation of land and resources—and underemphasised practical reconciliation—that is, improving the health, housing, education and employment of Indigenous Australians. That policy debate has had a strong ideological foundation. The new Howard Government articulated a view, echoed in the popular media, that the Keating Government had emphasised symbolic reconciliation at the expense of practical outcomes (see the ‘Motion of Reconciliation’ adopted by the Australian Parliament on 26 July 1999). The Howard Government proposed to redress this imbalance by focusing on the key areas of health, housing, education and employment.

The Social Justice Commissioner has criticised practical reconciliation as being assimilationist and focused on formal equality—on identical treatment without reference to differing opportunities or legacies—with limited recognition of cultural difference (Aboriginal and Torres Strait Islander Social Justice Commissioner 2000, 2001). While it is relatively easy to develop new policy, it is often difficult to measure its impact. In this paper we examine the impact of recent government policy changes to the Aboriginal Study Assistance Scheme (Abstudy) on educational attainment for Indigenous Australians.

Abstudy has long included programs and income support allowances and supplements intended to foster Indigenous participation in education beyond secondary schooling. It is undoubtedly one of the most contentious special programs in Indigenous affairs and is poorly understood by many in the community; it is sometimes cited as a program that provides an unfair advantage to Indigenous students and their families. When the Howard Government first indicated that it was considering changes to Abstudy, some researchers suggested that the changes were likely to have a negative impact on Indigenous participation in education (Schwab & Campbell 1997; Stanley & Hansen 1998). Nonetheless, the Howard Government changed the Abstudy scheme in January 2000, 20 months before the 2001 Census.

Under the new policy, Abstudy was means tested and more closely aligned with the mainstream Youth Allowance and NewStart programs. The Department of Education, Science and Training (DEST) claims that the changes have not discernibly reduced the number of people drawing on the scheme; indeed DEST claims the changes have increased access for many Abstudy recipients to supplementary allowances previously unavailable to them. However, some critics claim the changes have reduced Indigenous participation in education programs (Brabham et al. 2002; Bunda & McConville 2002). In this paper, in contrast to the approach taken by other critics, we examine educational attainment as well as 'participation' or attendance, since the former is what practical reconciliation is claimed to be addressing. While it is always difficult to prove a causal relationship between program changes and behavioural outcomes, census data collected by the Australian Bureau of Statistics (ABS) provide a useful means of charting changes in a range of important social indicators of education attainment.

The general level of educational attainment for all Australians increased significantly over the period from 1986 to 2001. While this is certainly good news, the aggregate numbers do not reveal important variations within the overall population. If minority groups fail to keep up with the rate of increase of other Australians, it is likely that they will suffer increasing disadvantage and marginalisation in labour markets; indeed, it can be argued that disadvantaged groups need to greatly exceed the general rate of change if they are to make real gains. It is important, therefore, to examine how Indigenous Australians fare as the general level of educational attainment continues to rise. If they do not keep up with the rest of the population, it is likely that they will remain uncompetitive in the labour market and that high rates of Indigenous poverty will be perpetuated indefinitely (Hunter & Gray 2001).<sup>1</sup>

We examine recent trends in Indigenous and non-Indigenous education using data from the 1986, 1991, 1996 and 2001 censuses.<sup>2</sup> The statistics we present summarise recent patterns in educational attendance, and hence provide a basis for considering ways to improve the educational attainment and thus the related economic status of Indigenous Australians. The paper presents an aggregate analysis at the national level and is intended to provide a summary and overview for policy makers.

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<sup>1</sup> We note that there are some areas of the country (some remote regions, for example) where labour markets do not exist. Employment levels among Indigenous people in those areas are unlikely to rise.

<sup>2</sup> The education levels reported do not tell us what happened to the educational attainment of the original population. In order to motivate the inter-censal comparisons, we need to assume that the experience of people who identified as Indigenous for the first time in the last census is the same, at least in terms of education, as those who identified in 1986, 1991 and 1996 (see Hunter 1998).

## **Inter-censal changes in Australian education, 1986–2001**

The following analysis is based on census data because this data provides a comprehensive, national basis for comparing changes in education over time. The census questions on attendance at particular educational institutions, and the highest level of qualification received, provide information on educational participation and attainment respectively. Readers interested in the technical issues involved in constructing consistent information on education over time are referred to Hunter and Schwab (2003).

### **Cohort analysis of educational attendance**

One of the defining characteristics of the Indigenous population is that it is disproportionately youthful when compared with the rest of the population (Gray 1997). Consequently, educational attendance should be examined separately for the respective cohorts or age groups.

Table 1 presents the results of disaggregating (into age cohorts) the proportion of Indigenous and non-Indigenous populations attending university. Table 2 does the same for the proportion attending either TAFE or other non-university educational institutions. Of course while attendance is an important step to securing an educational qualification, successful completion of courses is what counts in terms of enhancing economic outcomes. However, attendance is a necessary step, and hence the following tables provide a leading indicator of the likely trends in Indigenous educational qualification.

We can interpret the cohort analysis in Table 1 as follows. Consider Indigenous males aged 25 to 29 in 1986. The proportion of this group attending a university was 4.4 per cent in 1986. In 1996, when this group were aged 35 to 39 years, the proportion of the cohort attending a university had increased to 5.0 per cent. The 1986 data for this cohort can also be compared with people who were 25 to 29 years old in 1996 (and so 15 to 19 years old in 1986), of whom 5.4 per cent were attending university. That is, the proportion of this age group attending a university increased by 1 per cent to 5.4 per cent between 1986 and 1996.

It is striking that while the Indigenous youth participation rate at universities has increased, the rate of participation among non-Indigenous youth has increased much more. For example, in 1986 the participation rate for Indigenous females aged 20 to 24 was 3.7 per cent. By 2001, participation for this age group had increased to 8.5 per cent—an increase of 4.8 percentage points. Contrast this group to non-Indigenous females aged 20 to 24, whose participation rate was 9.7 per cent in 1986, rising to 25.0 per cent in 1996—an increase of 15.3 percentage points. We can make a similar observation about male youth, although the size of the increase tends to be smaller. Overall, controlling for age, there has been a significant increase in the participation of youth in higher education, especially for non-Indigenous youth.

Table 1. Cohort analysis of the proportion of the population attending university, 1986–2001

Age (years) at 1986 Census	Indigenous				Non-Indigenous			
	1986	1991	1996	2001	1986	1991	1996	2001
<b>Male</b>								
0–4				1.8				9.8
5–9			2.3	5.9			9.2	20.6
10–14		2.1	6.0	5.1		9.0	17.3	8.7
15–19	1.3	4.8	5.4	4.9	6.4	15.0	7.7	5.6
20–24	3.8	3.5	4.9	4.5	10.8	6.1	5.5	4.1
25–29	4.4	4.2	5.0	3.7	5.5	4.8	4.5	3.2
30–34	4.0	3.4	4.1	2.9	4.9	4.0	3.5	2.3
35–39	4.4	3.4	3.2	2.8	4.1	2.8	2.5	1.5
40–44	3.7	2.7	3.5	1.4	3.2	1.9	1.7	0.9
45–49	3.6	2.0	3.2	0.8	2.5	1.2	1.2	0.6
50–54	6.0	3.3	1.2	0.6	2.0	0.9	0.9	0.4
55–59	2.1	0.0	0.0	0.0	1.9	0.8	1.1	0.5
60–64	0.0	0.0	2.0	4.1	2.0	1.2	1.6	0.7
65+	3.9	2.6	4.0	2.0	3.3	1.6	2.0	1.0
Total 15+	3.4	3.2	4.2	3.1	4.7	4.8	5.3	5.2
<b>Female</b>								
0–4				3.6				14.1
5–9			3.5	8.5			13.0	25.0
10–14		3.4	6.8	6.3		12.1	19.4	8.9
15–19	2.5	5.9	5.7	5.9	7.8	15.7	7.6	5.7
20–24	3.7	4.5	5.5	5.4	9.7	5.7	5.3	4.5
25–29	3.7	4.8	6.0	5.5	4.6	4.6	4.7	3.8
30–34	5.0	5.6	5.9	4.1	4.4	4.4	4.2	3.0
35–39	4.8	4.7	4.9	3.3	4.4	3.8	3.3	1.9
40–44	5.0	4.2	5.3	2.8	3.9	2.8	2.2	1.1
45–49	3.9	3.8	3.3	1.5	3.1	1.8	1.4	0.6
50–54	4.3	2.3	2.0	0.4	2.5	1.2	1.1	0.4
55–59	1.2	0.9	0.0	0.0	2.3	1.0	1.1	0.5
60–64	0.0	0.0	1.5	3.0	2.5	1.3	1.7	0.7
65+	1.9	2.2	2.4	3.8	3.5	1.9	2.3	1.1
Total 15+	3.5	4.3	5.1	4.7	4.7	5.3	5.9	6.0

Source: Customised cross-tabulations from the 1986, 1991, 1996, and 2001 censuses.

We can also analyse the changing age structure of educational participation using this data. In 2001 and earlier censuses, the participation rate at universities for Indigenous males and females aged 30 years and older was generally higher than for non-Indigenous males and females of the same age. This suggests some catch-up of educational attainment for older Indigenous males and females. The differential is particularly pronounced in middle age groups, where income is highest relative to the rest of the life cycle. This differential may reflect better government funding for Indigenous students, full pay scholarships, study leave with pay, and perhaps positive changes in the attitudes, programs and entry procedures of universities and vocational education and training institutions and providers (Schwab 1996). It is also possible that the advent of the Higher Education Contribution Scheme (HECS) may discourage older non-Indigenous people from returning to study: their wages are already relatively high and so the financial return from further education would be quite low. That is, the generally higher income of non-Indigenous mature age students means that they will have to pay back fees faster than the Indigenous population. However, this cannot be the whole story, since the differential between Indigenous and non-Indigenous participation for males aged 50 to 54 years is highest in 1986, well before the introduction of HECS.

Perhaps the most remarkable feature of Table 1 is the fact that so many people do not go to university until after they are 25 years old. Australia is clearly an open post-industrial economy where workers need to upgrade their skills and qualifications to meet the demands of employers. While older Indigenous age cohorts appear to be rising to the challenge, the main challenge for policy makers is to encourage Indigenous youth to participate in the university system, because this is where the greatest gains can be made for the individuals involved and the Indigenous community as a whole.

Table 2 presents a cohort analysis of participation rates at TAFE and the other non-university tertiary education institutions. Of the cohort of Indigenous males and females aged 15 to 24 years in 2001, a smaller proportion attended such an institution than did the corresponding non-Indigenous cohort. However, the gap in participation rates for Indigenous compared with non-Indigenous people narrowed between 1986 and 2001. For example, the difference in attendance for males aged 15 to 19 was 5.0 per cent in 1986 (8.0 per cent and 13.0 per cent for Indigenous and non-Indigenous males respectively), but this had fallen to 1.8 per cent by 2001 (10.6 per cent and 12.4 per cent for Indigenous and non-Indigenous males respectively). Indeed, in 2001, Indigenous females were actually more likely to attend TAFE than non-Indigenous females in this age group. This is a positive development because it reflects a greater Indigenous engagement in the TAFE system at an earlier age than is evident in the university sector.

Table 2. Cohort analysis of the proportion of the population attending a non-university post-secondary educational institution, 1986–2001

Age (years) at 1986 Census	Indigenous				Non-Indigenous			
	1986	1991	1996	2001	1986	1991	1996	2001
<b>Male</b>								
0–4				10.6				12.4
5–9			8.8	12.0			11.1	11.8
10–14		9.1	9.9	10.2		12.3	10.9	6.7
15–19	8.0	9.4	8.9	9.2	13.0	11.1	6.3	5.2
20–24	8.9	7.8	8.2	8.8	10.5	7.1	5.3	4.3
25–29	7.2	7.2	7.8	7.7	7.3	6.0	4.5	3.6
30–34	7.4	6.7	6.8	7.2	6.1	4.9	3.6	3.0
35–39	7.1	5.8	7.2	5.9	5.2	3.7	2.7	2.2
40–44	6.6	6.3	7.3	6.0	4.3	3.0	2.3	1.8
45–49	7.1	7.2	7.0	5.9	3.8	2.5	2.4	1.5
50–54	2.8	6.3	8.5	5.1	3.7	2.2	2.3	1.4
55–59	0.0	7.1	5.7	2.1	4.0	2.3	2.6	1.5
60–64	2.4	4.2	4.9	4.1	4.9	2.7	2.9	1.6
65+	3.9	9.0	4.0	10.2	6.7	4.4	3.4	2.0
Total 15+	7.0	7.8	8.3	8.0	6.8	5.8	5.1	4.7
<b>Female</b>								
0–4				10.7				9.9
5–9			8.3	9.6			8.9	10.0
10–14		7.8	8.7	9.1		8.7	9.4	7.2
15–19	6.6	7.1	8.5	9.0	8.3	8.5	6.5	6.1
20–24	8.6	7.9	9.7	9.0	7.6	6.0	5.7	6.0
25–29	9.1	8.2	9.2	8.6	5.8	5.5	5.5	5.6
30–34	10.1	7.7	8.8	7.6	5.8	5.2	4.8	4.5
35–39	9.6	6.7	8.1	7.2	5.7	4.4	3.7	3.3
40–44	7.8	7.5	7.5	6.7	4.9	3.5	3.0	2.5
45–49	8.5	7.7	9.8	5.8	4.3	2.8	2.6	1.9
50–54	8.3	8.7	10.3	4.9	4.4	2.6	2.8	1.9
55–59	9.7	8.9	11.5	5.5	5.1	2.9	3.4	2.0
60–64	7.5	1.8	6.1	6.0	6.6	3.6	4.1	2.1
65+	9.7	8.1	7.8	4.3	8.7	5.4	4.5	2.7
Total 15+	8.5	7.6	8.8	8.1	6.4	5.3	5.3	5.0

Source: Customised cross-tabulations from the 1986, 1991, 1996 and 2001 censuses.

In all four censuses, the proportion of Indigenous people aged over 24 years attending a TAFE or other post-secondary educational institution tends to be higher than that recorded for the non-Indigenous population. The only exception to this was for males aged 50 years and over in 1986. In 2001, Indigenous people were more likely to attend TAFE than non-Indigenous people of the same age, except in the youngest age groups.

An important point revealed by Tables 1 and 2 is that the life-cycle profile of participation in post-secondary education differs between the Indigenous and the non-Indigenous population. The non-Indigenous population has a higher participation rate in post-secondary education than the Indigenous population at a younger age, but the Indigenous population shows much higher participation rates later in the life-cycle.

The TAFE sector has a practical, vocational focus, which can be instrumental in helping people who are unemployed—or marginally attached to the labour force—find work. A significant component of the ALP Government's *Working Nation* labour market program of the early 1990s was the provision of formal training.<sup>3</sup> This may provide an institutional explanation of the later Indigenous starts in TAFE and other post-secondary courses. However, if training programs from *Working Nation* were heavily weighted towards Indigenous youth, as were the labour market programs from that policy (Hunter & Gray 1998), then one should not place too much emphasis on this as an explanation of the substantial increases in post-secondary participation of older Indigenous people.

Labour economics describes two broad forms of education that are useful in securing work and making existing workers more productive: firm-specific training and general education, with the latter tending to be less vocationally focused. The human capital investment model of education (see Becker 1975) suggests that the overall level of education a person decides to pursue is an investment decision, where the costs are incurred now and the returns (if the person is successful) accrue over the rest of the person's working life. The human capital model therefore predicts that investment in human capital is more likely to occur early in a person's life, as this will leave the longest period for the returns on that investment to be realised. Thus the delayed educational participation pattern of Indigenous Australians presents an

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<sup>3</sup> In May 1994 the Federal Labor Government introduced a set of labour market programs targeted at the long-term unemployed. The main features included the provision of formal training (typically at TAFE), a big expansion in labour market programs, case management of the unemployed, a Youth Training Initiative, training wages for all trainees, and direct job creation. In addition, any person who had been on unemployment allowances for over 18 months was offered a full-time job (for at least 12 months). Most of these jobs were in the private sector. The programs were phased out after the change of government in March 1996.

apparent paradox. One possible explanation is that to Indigenous individuals, the return from education is not the private gain of higher future earnings but rather a gain that is realised by the entire community in the form of increased cultural capital (Schwab 1996). Family formation at a younger age may also limit participation in education. It is difficult to combine childcare and study, for example, and an interruption to educational participation may become permanent, especially among young Indigenous women who necessarily take time off at the birth of a child.

### **Recent trends in qualifications gained**

Attending educational institutions is important, but one is unlikely to secure substantial economic benefits until a course is completed and the qualification has been conferred. Furthermore, the decline in the number of jobs available for low-skilled workers in the last 25 years, especially in the manufacturing sector, means that economic returns are increasingly likely to be greatest among those with higher educational qualifications (Hunter 2002). Table 3 describes the composition of qualifications for the working-age populations in the last three censuses. Figures 1 and 2 illustrate the basic findings by listing the percentage of the Indigenous population and the percentage of the non-Indigenous population with various qualifications.

While there have been absolute increases in the proportion of the Indigenous population with a post-secondary qualification, there have also been increases for the non-Indigenous population. Both Indigenous males and Indigenous females remain significantly less likely to hold post-secondary educational qualifications. For Indigenous females, the proportion with any qualification increased steadily from 18.6 per cent in 1991 to 26.0 per cent in 2001. For non-Indigenous females, the proportion with some post-secondary qualification also increased steadily, by 7.7 percentage points, to 39.5 per cent in 2001—with increases of roughly equal magnitude in the two inter-censal periods. For Indigenous males the proportion with some qualification increased from 22.0 per cent in 1991 to 29.8 per cent in 2001, an increase of 7.8 percentage points spread approximately evenly across the two inter-censal periods. Within the non-Indigenous male population the proportion with some qualification increased by 5.9 percentage points to 50.1 per cent in 2001.

Therefore the absolute improvement in the proportion of the adult population with qualifications was actually greater for Indigenous males than it was for non-Indigenous males; it was marginally smaller for Indigenous females compared with their non-Indigenous counterparts. However, the overall ratio of Indigenous to non-Indigenous attainment for educational qualification increased for both males and females (from 0.50 to 0.59 and from 0.59 to 0.66 respectively) between 1991 and 2001. Given that the absolute improvement in attainment is of a similar magnitude for the respective populations, or even marginally smaller in the case of Indigenous females, this relative improvement is due largely to the low base from which the Indigenous population is building its human capital.

Table 3. Highest level of qualification in the working-age population, 1991–2001

	Indigenous			Non-Indigenous		
	1991	1996	2001	1991	1996	2001
<b>Male</b>						
Basic vocational	3.0	2.7	2.8	3.3	2.6	2.2
Skilled vocational	15.3	16.3	18.7	24.6	23.8	24.7
Associate diploma	1.0	2.0	2.8	2.1	3.6	4.3
Undergraduate diploma	1.1	1.3	1.4	3	3.1	3.4
Bachelor degree	1.2	2.6	3.1	8.4	10.1	11.3
Postgraduate diploma	0.2	0.4	0.5	1	1.3	1.3
Higher degree	0.2	0.3	0.5	1.9	2.4	2.8
Total qualification (males)	22.0	25.6	29.8	44.2	46.9	50.1
<b>Female</b>						
Basic vocational	7.1	6.2	5.9	6.5	5.5	4.9
Skilled vocational	2.7	3.3	5.7	3.5	4.1	5.5
Associate diploma	1.6	3.6	4.9	1.7	3.5	5.1
Undergraduate diploma	4.4	3.2	2.7	8.9	6.8	5.6
Bachelor degree	2.1	4.3	5.4	8.3	11.4	14.2
Postgraduate diploma	0.6	0.9	0.9	2	2.4	2.3
Higher degree	0.1	0.4	0.6	0.9	1.4	1.9
Total qualification (females)	18.6	21.9	26.0	31.8	35.1	39.5

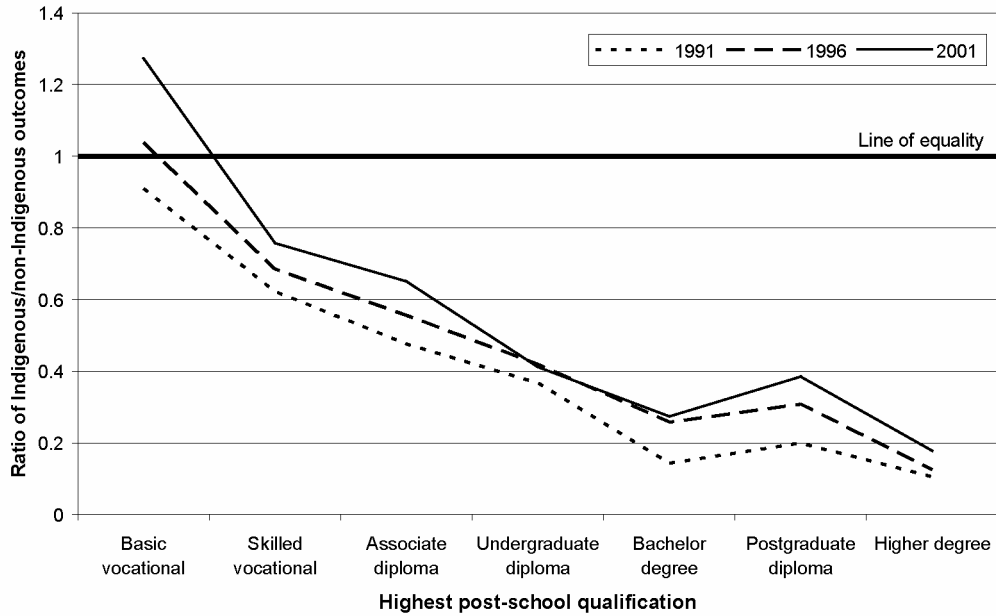
Notes: The 'not stated' and 'inadequately described' categories are proportionately allocated to other cells. The working-age population is defined as those aged 15 and over. The change in the ABS classification of educational qualifications between 1996 and 2001 means that it was necessary to make assumptions to facilitate broad comparisons between these two censuses. The standard correspondences between the respective classification systems were used.

Source: Customised cross-tabulations from the 1991, 1996 and 2001 censuses.

Because of recent changes in the official classification of courses and educational institutions, it is prudent to focus our attention on the ratio of the proportion of the Indigenous population with a particular qualification to the proportion of the non-Indigenous population with the same qualification (Figs 1 and 2). As this ratio gets closer to one, the less inequality in educational attainment there is between the Indigenous and non-Indigenous populations.

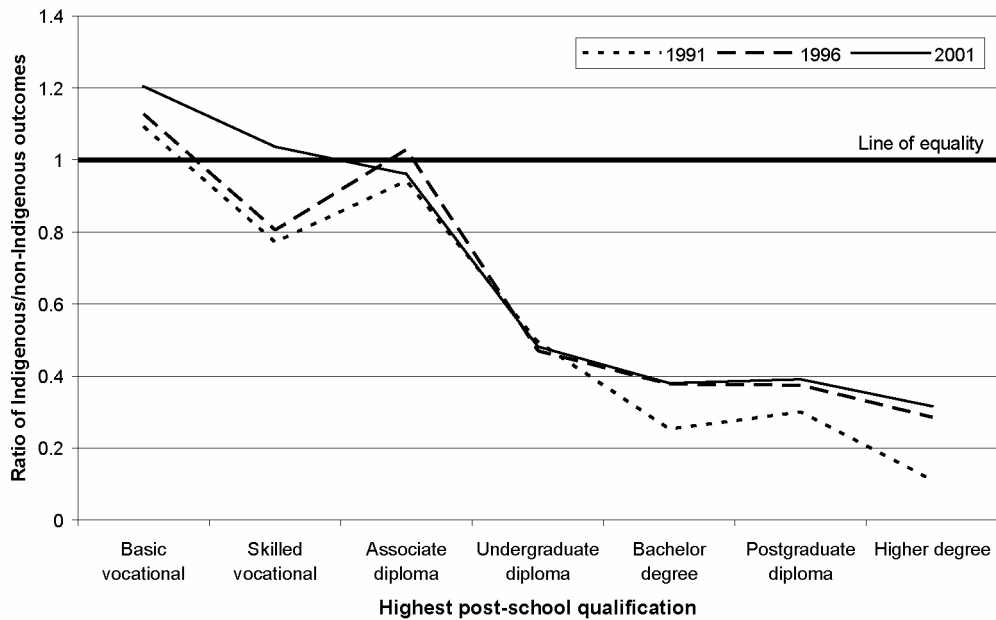
The degree of inequality in educational attainment between Indigenous males and females and non-Indigenous males and females increases with qualification level. That is, Indigenous people tend to have fewer higher qualifications relative to their non-Indigenous counterparts than the more basic vocational qualifications. Between 1991 and 2001 there was a significant narrowing of the gap for almost all educational levels. Indeed, Indigenous males were more qualified than their non-Indigenous counterparts for basic vocational qualifications. For Indigenous females there already had been complete catch-up in basic vocational qualifications by 1991, and convergence was also apparent in relation to associate diplomas and skilled vocational qualifications by the time of the 1996 and 2001 censuses.

Figure 1. Highest post-school qualification attained by males, 1991–2001: ratio of Indigenous to non-Indigenous attainment



Source: Calculations based on Table 3.

Figure 2. Highest post-school qualification attained by females, 1991–2001: ratio of Indigenous to non-Indigenous attainment



Source: Calculations based on Table 3.

The extent of catch-up in the proportion of the population with a bachelor degree is also noteworthy. For Indigenous females, the ratio of the proportion of the Indigenous to non-Indigenous population with a bachelor degree increased from 0.25 in 1991 to 0.38 in 2001. The ratio of the proportion of the Indigenous to non-Indigenous female population with a higher degree increased from 0.11 in 1991 to 0.32 in 2001. While the relative increase for Indigenous males was not as large, the ratios of Indigenous to non-Indigenous attainment almost doubled for both bachelor degrees and postgraduate diplomas for males in the last two inter-censal periods.

### **The report card on practical reconciliation and Indigenous education**

In 2000 the Council for Aboriginal Reconciliation (CAR) submitted its final report and made recommendations to the Prime Minister, the government, and the Australian people. CAR's recommendations included: the creation of a national framework for performance benchmarks for existing policy; a preamble to the Constitution that recognises the Indigenous population as the first peoples of Australia; a new section of the Constitution making it unlawful to discriminate against people on the grounds of race; and an agreement or treaty that addresses unresolved issues of reconciliation. Two years later the Howard Government responded, accepting only one of the six recommendations. The government reaffirmed its focus on practical over symbolic reconciliation by endorsing only the need for improved national data collection. It did not address the more difficult, politically sensitive issues (Commonwealth of Australia 2002).

Our main finding is that there have been some absolute improvements in Indigenous educational attainment between 1986 and 2001. Indigenous post-secondary qualification rates, especially for mature-age students, have increased at a faster rate than the rates for non-Indigenous Australians. However, we are concerned that relative to the rate of improvement for non-Indigenous Australians, there has been little or no gain. This relative lack of improvement occurs not only in the proportion of the population with post-secondary qualifications, but also in the proportion of Indigenous teenagers staying at school (Gray, Hunter & Schwab 2000). By any measure the Indigenous population remains relatively disadvantaged.

To be fair to the 'practical reconciliation' agenda, it should be recognised that other factors may have affected education attainment during the last inter-censal period. For example, large demographic shifts in the Indigenous population mean that large numbers of Indigenous youth entered the working-age population between 1996 and 2001 (Taylor & Hunter 1998). These demographic factors have ongoing implications for Indigenous policy settings for the foreseeable future, with extra expenditure on Indigenous education required just to maintain the status quo. That is, even if the practical reconciliation agenda were sufficient to redress Indigenous disadvantage within the education system, the appropriate budget needs to expand in proportion

to the size of the cohorts entering the relevant age groups. Note that the Indigenous cohort born between 1996 and 2001 appears to be smaller than other recent cohorts (ABS 2003), which means that the expenditure on Indigenous education required to maintain the status quo may possibly fall in about ten years' time. However, any predictions about future Indigenous population and budgetary requirements are heavily contingent upon the propensity of Australians to identify as Indigenous (Gray 1997; Hunter & Dungey 2003).

In our view, trends in Indigenous education attainment cannot be reduced to an argument about the trade-off between practical reconciliation and symbolic reconciliation. The rhetoric of practical reconciliation needs to be backed up by real resources commensurate with the task at hand if its putative goals are to be realised.

The criticisms of practical reconciliation that arise from our analysis bear directly on the problem of sustainable economic futures for Indigenous Australians. If education in itself leads to increases in productivity and employability, then we would expect higher educational attainment to translate into absolute improvements in the labour market outcomes (both employment rates and wage levels) of Indigenous Australians. But these absolute improvements notwithstanding, our analysis suggests a continuing decline in employment and wage rates in the Indigenous population relative to the non-Indigenous population.

While it is generally argued that increased education leads to improved labour market outcomes by increasing individual productivity, an alternative view is that it leads to improved labour market outcomes by providing a signal to employers of a person's innate productivity. This is sometimes called the 'screening' hypothesis, whereby employers use the person's highest level of education as an indicator of their potential productivity. In this case employers are not looking at a person's absolute level of educational attainment, but rather at that person's relative attainment. If the screening hypothesis is valid, then practical reconciliation measures would have to be applied extremely vigorously to have the desired effect—to close the gap between Indigenous and other Australians, particularly in higher-level (degree or higher) qualifications. From this perspective, sustainable and substantial improvements in Indigenous labour force status will only occur with a large improvement in relative educational status.

The importance of the relationships between cultural, social and economic domains also need to be recognised (Borland & Hunter 2000; Folds 2001; Hunter 1999; Hunter 2000). For example, social alienation feeds into substance abuse, which leads to crime among Indigenous youth, which affects education attendance and hence employment (Borland & Hunter 2000; Hunter & Schwab 1998). One weakness of the practical reconciliation approach is that it tends to implicitly ignore subtle interactions between the dimensions of Indigenous disadvantage—sometimes termed

the social exclusion of Indigenous people. Australia's history of dispossession of Indigenous peoples (including the stolen generation phenomenon) means that addressing educational deficits is unlikely to be sufficient. While improved educational attainment provides one valuable method of breaking the cycle of Indigenous disadvantage, long-run sustainability and the practicality of reconciliation ultimately depend upon the extent to which widespread social dysfunction in Indigenous communities can be contained and redressed (Ah Kit 2002; Pearson 2000).

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