PO Box 267 CANBERRA CITY ACT 2601

7 August 2004



Mr Jonathan Curtis Secretary Senate Select Committee on the Administration of Indigenous Affairs Parliament House CANBERRA ACT 2600

Dear Sir

SENATE SELECT COMMITTEE ON THE ADMINISTRATION OF INDIGENOUS AFFAIRS

Thank you for the opportunity to lodge a submission to the Senate Inquiry on the Administration of Indigenous Affairs.

I believe that in spite of any misgivings about ATSIC, its abolition has set the advancement of Indigenous affairs in Australia back some 30 to 40 years.

Indigenous Australians have been seeking, and will continue to seek, greater control over their own affairs. Australian people want to see a better Australia for all - and no doubt would welcome the introduction of strategies that would lead to a significant reduction and maybe the elimination in some cases, of continual supplementary assistance in the longer term. I offer the following issues for your consideration.

Mainstreaming the Bureaucratic Structure

I propose that within mainstream government agencies there be particular provision for Indigenous Australians to contribute in a total and holistic way to the design, development and delivery of government services. What this will mean is that an Indigenous stream will exist within mainstream bureaucracies. The stream would extend from the lowest levels of bureaucracy all the way through to the respective Minister. This is not an Indigenous stream at the exclusion of all others. Rather it is a stream wherein Indigenous Australians make decisions for Indigenous Australians with the help and support of willing non-Indigenous Australians. To the best of my knowledge, this situation has never existed within the Australian Public Service (APS). The closest would have been at the time when Charles Perkins was the Secretary of the Department of Aboriginal Affairs.

If such a model were to be implemented, it would place greater responsibility for Indigenous affairs in the hands of Indigenous Australians. Currently, many of the views, opinions and ideas of Indigenous Australians in the APS do not get to see the light of day or even a chance to be read by the Minister, let alone considered.

This model would see the universal application of the rules and guidelines applicable to the normal operation of government organisations applying to all and any review subject to the same

rigorous level of scrutiny that apply generally to any other public service agency. It would also assist the Australian Public Service and Merit Protection Commission in its efforts to attract Indigenous Australians into the APS. It would expand the horizons for Indigenous Australians. Indigenous Australians could then genuinely aspire to positions beyond that of just an ASO 5-6. On the basis of the available evidence Indigenous Australians are only attaining the lower level positions. Positions in which they are directed by more senior non-Indigenous Public Servants at the EL levels and more particularly at the SES levels. In effect, within the existing mainstream bureaucracy, decisions, programmes and policy are being made and developed by, in some cases, and, at best, well-intended non-Indigenous Australians. When these programmes fail to produce the desired outcomes the "axe" falls somewhat miraculously on the heads of Indigenous Australians. Unpublished research by the University of Western Sydney shows that unlike their non-Indigenous counterparts, young Indigenous Australians have greater aspirations to help their Indigenous communities when considering what lines of employment they might pursue on completing secondary school.

In summary, the organisational model being submitted here for mainstream government agencies would be along the lines of:

See Attachment A

Addressing the Needs of Indigenous Australians

Currently, the Australian Government assists Indigenous Australians through a range of different programmes, with specific departments/agencies having responsibility.

Since our best efforts to date have failed to achieve the desired level of change towards Indigenous Australians becoming less dependent on assistance, I would like to suggest that different models of service provision and delivery need to be considered. Rather than departments and agencies being programme-centred, they should be client/regional-centred. The proposed model is consistent with the concepts being mooted in association with of Indigenous Coordination Centre (ICCs) regions.

On the basis of Indigenous Australians wanting to have more control over their future, they want to have significant input into decisions that affect them, (rather than decisions being made by others). Communities in particularly well defined regions should be given the right to determine, rank order and cost those activities or areas of concern that they want, and need, addressed. They then take their considered regional advancement plans/proposals to the Board of Secretaries for consideration and decision.

The Secretaries would have at their disposal a pool of money to address community priorities, and would reach agreement by majority vote. At the very least a pool of funds for each ICC region would be derived from all discretionary programme funds (across the nation) being divided up in an equitable manner on say a per capita basis, with national appropriate loadings applying (ie remote vs metropolitan).

In the 2005 - 06 budget the Federal Government should appropriate funds on a regional basis, rather than on a programme basis as is the case now.

With the abolition of ATSIC and ATSIS the Howard Government announced that it would not reduce its commitment to Indigenous affairs. However, it is well known and understood that with the level of change still to be determined and details worked out and settled in, programmes and projects will be delayed in their implementation. This will result in appropriated and or

allocated funds not being expended by the end of the financial year and accordingly it is highly likely that such funds will be lost to the programme and being returned to consolidated revenue. I ask therefore that the committee in its recommendations seek from the Australian Government agreement to at least maintain its current level of commitment over the next five years or so. More importantly, that the government make provision for unexpended funds in each year during this initial period to be available for roll-over from one year to the next.

The Board of Secretaries would monitor and be accountable to the Australian Government/Parliament through a Ministerial Taskforce and the Prime Minister. The Australian Government could, through the Council of Australian Government (COAG) processes, seek to have this model adopted by all state and territory governments, though there should already be a high level of agreement and cooperation.

This proposed model would require government agencies to hand over a greater level of control to Indigenous Australians. It will require also that die-hard bureaucrats see the world differently. It will mean that whereas public servants see 'X' as being the way to save these poor unfortunate individuals, Indigenous Australians may seek to address matters of concern via a different, albeit more appropriate, alternative path. For instance, a particular community may not see education as being high on its list of priorities to be addressed in the short term. It might want to address more basic needs in the first instance. This way of community looking at things could well be consistent with the writings of Abraham Maslow. Maslow, an Australian, many years ago, contributed to our understanding of what motivates us. He developed a model which suggested that we are driven by a number of things and that these things can, to a degree, be ordered from lower to higher. His model in general suggests that when the lower level needs are satisfied then we can move forward to those higher up the scale. For many Indigenous communities they may want (and need) to address some more basic needs before turning to education. This is not to imply in any way that education is not important, for this is not the case at all.

In undertaking its work, I sincerely ask that the Committee to take cognisance of the situations, that happened in Indigenous affairs at the time changes were being introduced. What happened was that many die-hard bureaucratic public servants were taken from their old jobs and put into similar, if not the same, jobs in the new agencies each time they were established, thus bringing with them old baggage. Many such people went from one agency to another three or four times, still doing the same job with the same old attitudes. While there is no denying the value of corporate knowledge Australia at this time can not afford for this golden opportunity to be undermined by bureaucratic termites. What is wanted and needed are enthusiastic, driven Indigenous people who are prepared to put their hands up, get dirty and bring about changes of a magnitude that Australia has not seen before.

The new way of doing Indigenous business does not need, nor can it tolerate, individuals who are not genuine in their belief in the rights of Indigenous Australians to a better Australia. The idea of Indigenous regions making decisions to meet their own particular needs and backed-up by bureaucracy with empathy and understanding provides Australia with a golden opportunity at this stage of its development.

While there is no doubting the value of corporate knowledge there still needs to be a significant level of change in personnel. Knowledgeable non-Indigenous public servants can and should be able to contribute to the change agenda. These appropriate personnel could in many cases be engaged in the change process as executive mentors and coaches to the new bread of upcoming enthusiastic Indigenous bureaucrats.

The Foundations for a New and Robust Indigenous Australia

Many, if not all, programmes to assist Indigenous Australians are based on a deficit model. That is, they are endeavouring to right the less than satisfactory situations that currently exist, rather than preventing undesirable situations from continually recurring. Since this way of addressing issues is far too costly, too slow and with outcomes problematical, since the rate at which the required outcomes to be achieved is less than satisfactory, then again a new model is needed. Now is an appropriate time for the introduction of a new way of looking at and addressing the current poor situation in Indigenous affairs in Australia.

I submit for your consideration a model that takes a holistic more approach to the development of Australia, in particular for Indigenous Australians. The model focuses on establishing a solid foundation upon which to build/grow strong, resilient Indigenous Australians. The model begins with encouraging women pregnant with Indigenous children to modify their habits/behaviour so as to give birth to healthier offspring and then for the environment in which these babies will grow to be conducive to good social and emotional development. To achieve this highly beneficial goal programmes would be developed and implemented by Indigenous Australians through the one new department. This department would have responsibility for all areas impacting on early childhood education and care (ECEC). The focus of the new department would be for the cohort of young Australians from age -9 months to 5 years (i.e. from conception to their 6th birthday).

The concept of administrative integration is not new. In the OECD publication, *Education Policy Analysis, 2002*, it noted in its discussion on early childhood education and care that it was becoming the preferred means of integrating policy at the national level. That is was the solution adopted by countries such as Denmark, Finland, Norway and Sweden.

The department being proposed here would go beyond ECEC. It would have a very significant influence through its monitoring role of a number of other agencies and would be required to ensure that the needs of Australia's young were being addressed as the priority for these other agencies. This model can be introduced in stages. Firstly, the number of clients in the first year will be determined by the number of births and will increase with the number of births in subsequent years. Secondly, it could be introduced in a staged approach, initially for Indigenous Australians only.

Which Way To Go

Over the next year or so research is needed in a number of areas to inform governments of the situations that are likely to present themselves in Australia in the not too distant future. If the current less than satisfactory situations being experienced now by Indigenous Australians are not addressed, then we can not expect a better more equal Australia for our first peoples. Attachment B draws out some of the issues pertinent to Indigenous affairs policy. While the paper was developed for another purpose, the issues (the same old) are still relevant.

Some two to three years ago the Centre for Aboriginal Economic Policy Research (CAEPR) found that in order to reduce the level of Indigenous unemployment to a figure comparable to one for non-Indigenous Australians then an additional 10 000 jobs per year would need to achieve parity by 2011.

Again with education. A significant contribution continues to be made in this area, but when will parity be reached. When will we reach a time when current additional supplementary

investment will no longer be required. The Australian Government needs to ascertain where it is heading, at what rate and a time when the desired goal - equal educational outcomes - will be achieved. Research is needed to provide a base on which discussion can take place on the current gains and effectiveness and any efficiencies to be gained from making a greater investment now. Are we, in spite of all our best intentions, approaching the issues from the most appropriate direction. CAEPR has noted in its work that 'while a good higher education qualification does not guarantee a comparable employment outcome to that which can be achieved by non-Indigenous Australians, it does provide a significant opportunity to gain employment."

In looking at the growing population figures for Australia in 2001 (Attachment C), we note a totally different situation exists between young Indigenous and non-indigenous Australians. The overall age distribution is totally different. The graph shows, relatively speaking, a much younger Indigenous population. What are the implications for a future Australia when these young Indigenous Australians first reach adult status and working age, and secondly, on reaching retirement age.

It seems that we as a country would benefit from would be appropriate research organisations being engaged in undertaking some multi-variate modelling. The outcomes or observation would feed into and inform future policy development. A number of possible scenarios based on best available data and trend data can be considered. Such an approach would place the need to address Indigenous affairs on a more robust and objective base. An economic analysis of what we are doing, or what we might do in the future, would contribute to the development of a national goal(s) for Indigenous Australia.

Indigenous Australians have been calling for equality since long before being recognised as Australian citizens in the referendum of 1967. They are still calling for equality. I call on this Senate Select Committee to call upon the Australian people through a recommendation to government to establish a national goal of equality for Indigenous Australians by some specified time. This is no easy task. In fact the only successful instance I can recall of such a situation occurring was when the then President of the United States, John F Kennedy, said there would be a man on the moon by the end of the (20th) century. Having made the announcement, he followed up with the necessary resources. How much more important is it for Australia's first peoples to have parity with their non-Indigenous fellow Australians.

Yours sincerely

Cantra

Jim/Castro 7 August 2004

ATTACHMENT A

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ATTACHMENT B

BACKGROUND

Trend data

The ABS Census highlights that of 21,904¹ Indigenous children eligible to attend preschool (3 and 4 year olds) only 10,440 (48%) actually enrol and attend. ABS Census figures show that the Indigenous population relative to the overall population is a lot younger, and that it is increasing far more quickly than the overall population.

Year	No. of Indigenous	Percentage increase in Indigenous population between censuses	Cumulative increase in Indigenous population	No. of non- Indigenous	Increase in non- Indigenous population - year on year	Percentage increase in non- Indigenous population between censuses
1981	159,897			14,685,215		
1986	227,593	42.3%	42.3%	15,374,511	4.7%	4.7%
1991	265,371	16.6%	66.0%	16,584,875	7.9%	12.9%
1996	352,970	33.0%	120.7%	17,399,859	4.9%	18.5%
2001	410,003	16.2%	156,4%	17,591,489	1.1%	19.8%





¹ Australian Bureau of Statistics Census 2001- Census of Population and Housing Tables 103 and 104

According to the ABS Census figures for 2001, 2.8 per cent of Indigenous Australians were aged 65 years or more compared to 12.5 per cent for the total Australian population.

The MCEETYA Discussion Paper on Effective Learning Issues for Indigenous Children Aged 0 to 8 years ² states (p.7):

Australia's Indigenous population has grown from about 116,000 in 1971 to about 353,000 in 1996 and now comprises about 2 per cent of the total population. The 1996 Census also showed that the Indigenous population is currently expanding at a rate more than twice that of the total population, with an average growth rate of around 2.3%.

and (same page)

The age structure of the non-Indigenous Australian population is significantly different to that of the Indigenous Australian population. The Indigenous population is comparatively young, while the non-Indigenous population has an older profile with a large concentration in middle-age. 70% of Indigenous Australians are under 25 years of age, compared to

about 45% of all Australians, according to the 1996 Census.

THE FOUNDATIONS FOR LEARNING

Investment in competencies

Numerous studies have been undertaken into early childhood education and care. The OECD publication, *Education Policy Analysis*³ notes that in 2001 OECD Education Ministers endorsed the theme of investing in competencies to guide the education work of the Organisation over the next five years. The OECD approach reflects the goal of ensuring that all citizens have the basic competencies on which other learning depends, and the high-level intellectual and social competencies necessary for full engagement in the knowledge society. It builds on the commitments Ministers made to lifelong learning for all in 1996 (p. 7).

Education must build strong foundations for learning; and also enable people to continue building by developing the motivation and competence to manage their own learning.

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² MCEETYA Taskforce on Indigenous Education Discussion Paper (2001), *Effective Learning Issues for Indigenous Children Aged 0 to 8 Years*

³ OECD (2002) Education Policy Analysis

Where better to begin building the foundations than in the early years of childhood? Failure to establish firm foundations in the early years invariably results in high cost remedial work, which carries no guarantee of success. High quality programmes are needed to give all young children a strong start in lifelong learning. An unequal start (in learning) will become increasingly costly to remedy later on, as well as being individually damaging and socially divisive.

The effects of ECEC on subsequent achievement

In her paper, An Early Childhood Research Agenda: Voices from the Field ⁴ Fleer notes (p. 17) that the effects of early childhood education on children's subsequent achievement in later schooling and beyond have been well documented through many studies – all suggesting the positive outcomes for children. These analyses have demonstrated that ECEC programs are cost effective, reduce later school year repetitions, have reduced the resourcing needs for special education, have increased school completion rates and have diminished later delinquency. The report cites strong evidence for:

- · increased secondary school completion;
- positive socialisation outcomes;
- increased outcomes for girls;
- a lack of year repetitions and reduced interventions;
- more settled behaviours;
- aspirations for education and employment, motivation and commitment to schooling;
- the prevention of chronic delinquency or crime/anti-social behaviour; and
- increased benefits with longer periods of time in early childhood programs.

There is widespread evidence that participation in a preschool programme promotes cognitive development in the short term and prepares children to succeed in school. There is also evidence that preschool is a greater positive force in the lives of children from low income families than for children in advantaged families. The Report also cites (p. 3) a study (Yelland 2000) that contends that a child who does not have a good start in the early years will be disadvantaged in their later performance as the cumulative effect of such lack of skills and knowledge becomes increasingly problematic and difficult to overcome.

Similar studies cited in the same report found that early childhood and development programmes can produce large effects on IQ during the early childhood years and sizeable, persistent effects on reading and maths achievement, grade retention, special education, and socialisation. In the Australian context, the outcomes for any early interventions will be observable within a relatively short period and measured objectively during year 3 reading and year 5 numeracy benchmarking.

⁴ Fleer M (2000) An Early Childhood Research Agenda: Voices from the Field (for Department of Education, Training and Youth Affairs)

IMPLICATIONS OF POOR EDUCATIONAL OUTCOMES

Numerous reports with regard to Indigenous participation and success in education and employment cite poor literacy and numeracy skills as being an (if not the major) impediment to 'success' in these areas.

Implications of low literacy and numeracy outcomes for Indigenous students

The National Report to Parliament on Indigenous Education and Training 2001 ⁵ notes a number of areas of improvement in education outcomes for Indigenous students; however it also notes (p. xviii):

... serious gaps between Indigenous and non-Indigenous outcomes remain in literacy, numeracy, student attendance, retention into senior secondary education, Year 12 certificates, and some complete rates in VET and higher education.

It goes on to say (p. xix):

... A major concern with low achievement levels in literacy and numeracy in the early years is that these students may experience serious levels of disadvantage throughout the rest of their schooling and education. If students' literacy and numeracy skills are insufficient to cope with more complex and abstract content of secondary education, many study and career options may be closed off to them.

The National Report notes that a number of providers have indicated that when Indigenous students experience success they are more likely to attend school regularly, thereby enhancing their chances of further success.

The success needed can be achieved if an appropriate education foundation is provided for all Indigenous students. This can best to put into place in the beginning – in the early years of childhood.

Economic implications

In 1998 ATSIC commissioned a Report, *The Job Still Ahead: Economic costs of continuing Indigenous employment disparity*⁶. *This Report, based on the 1996 Census, noted that:*

Just to maintain the status quo (an employment rate of 39 per cent and an unemployment rate of 26 per cent) would require 25,000 extra

⁵ The National Report to Parliament on Indigenous Education and Training, 2001 (2002) Commonwealth of Australia

⁶ Taylor J and Hunter B (1998) A Report for ATSIC, *The Job Still Ahead: Economic costs of continuing Indigenous employment disparity*, Commonwealth of Australia

jobs by the year 2006, whereas on [then] current trends only 21,000 are expected to be created. To achieve employment equity with the rest of the Australian population, an additional 77,000 Indigenous people would have to be employed resulting in an overall deficit of some 55,000 jobs.

While a good higher education qualification does not guarantee a comparable employment outcome to that which can be achieved by non-Indigenous Australians, it does provide a significant opportunity to gain employment.

The publication, *The Job Still Ahead: Economic costs of continuing Indigenous employment disparity* notes (p, 9) the implications on employment of rapid Indigenous population growth, which is currently expanding at a rate more than twice that of the total population, with an average annual rate of growth of around 2 per cent compared to 1 per cent for the rest of the population. A high quality education is crucial to ensure good employment outcomes for Indigenous people.

Costs to government of continued employment disparity

The *Job still Ahead* report notes that because there are more than half of Indigenous adults not in employment and one-quarter of those in the labour force are unemployed, there are two major costs to government:

- the direct cost of meeting the basic income support of those who want to work but cannot acquire jobs in mainstream employment; and
- the cost of tax revenue forgone.

It is estimated that if Indigenous unemployment was reduced to the same level as that commensurate with the rest of the population and assuming that this latter rate remained consistent, then the savings to government in payments to the unemployed in 1996 dollars, would be around \$193 million by 2001 and \$274 million by 2006, with much lower unemployment bills of \$112 million and \$125 million respectively.

Implications for employment

In the publication, *Indigenous Futures: Choice and Development for Aboriginal and Islander Australia*⁷ Anne Daly found from her regression analysis of 1986 Census data that even when Aborigines were equal in education to non-Aborigines, they were less likely to have a job.

Similarly, the CAEPR Discussion Paper, *The determinants of Indigenous employment outcomes: the importance of education and training*⁸ concludes (p. 12) that education is the largest single factor associated with the current poor outcomes for Indigenous employment. The paper goes on to note that:

⁷ Rowse T (2002) Indigenous Futures: Choice and Development for Aboriginal and Islander Australia, UNSW Press

⁸ Hunter B (1996) The determinants of Indigenous employment outcomes: the importance of education and training, Centre for Aboriginal Economic Policy Research (CAEPR)

Education is clearly important for the Indigenous labour force irrespective of whether it improves the productivity of individual workers or identifies those who are most likely to be productive. Accordingly, the improvement of Indigenous retention in schools and tertiary institutions should be accorded the highest priority in order to promote greater employment equity among Australians.

COMMONWEALTH EXPENDITURE ON EDUCATION

Preschool education

The Commonwealth, in general, does not provide funds on a national basis for preschool education, the only exception being for Indigenous preschoolers. This exception arose out of the Royal Commission into Aboriginal Deaths In Custody, where it was firmly established that there is a strong correlation between Aboriginal deaths in custody and the lack of, or a poor, education.

Commonwealth funding for Indigenous education

In an attempt to achieve equitable educational outcomes the Commonwealth has been funding a number of programmes to supplement education programmes run in each State and Territory. One such programme, the Indigenous Education Direct Assistance (IEDA) programme, provides a more direct level of assistance to students, i.e. funds are not, in general, channelled through an education system or providers as is the case with the Commonwealth funded Indigenous Education Strategic Initiatives Programme (IESIP), but directly to the student.

Over the 2001-04 quadrennium the Commonwealth will provide supplementary financial support for Indigenous Australians over and above that which it provides through mainstream education programmes (which do not exclude Indigenous Australians) of over \$1 billion, in an effort to achieve equivalent educational outcomes for Indigenous Australians to those of all Australians. A significant proportion of these funds can be seen as being necessary to close the educational gaps between Indigenous and non-Indigenous Australians. The Aboriginal Tutorial Assistance Scheme (ATAS), in particular, which costs in the order of \$39 million per year (2002-03 financial year) with an increasing demand, provides for additional tutoring for students over and above that which might ordinarily be provided. The following tables give information on Indigenous Education funding by the Commonwealth on Indigenous education programmes.

Indigenous Education Funding 2002-2003

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	2002- 03 \$'000s	2003- 04 \$'000s	2004- 05 \$'000s
Indigenous Education Strategic Initiatives Programme	167,908	174,542	
Aboriginal Student Support and Parent Awareness Aboriginal Tutorial Assistance Scheme	19,356 38,950	,	
Vocational and Educational Guidance for Aboriginals Scheme	6,623	5,906	,
Sub-total, Indigenous Education Direct Assistance (IEDA)	64,929	66,488	68,155
ABSTUDY Secondary	85,312	91,157	97,195
ABSTUDY Tertiary ABSTUDY Loan Supplement	74,614	,	,
Sub-total, ABSTUDY Tertiary	23,810 98,424	,	23,466 101,631
Total ABSTUDY	183,736	191,139	198,826
Total Funding	416,573	432,169	443,954
Indigenous Support Funding Programme (Higher Education)	24,300	24,300	24,300
Indigenous Infrastructure Funding for ANTA	4,000	4,000	4,000
Total Indigenous Education	444,873	460,469	472,254

Table 2:Indigenous Education Funding 2002-03Accrual Estimates as at Budget 2002-03 (outturn prices)Source:DEST data

Commonwealth expenditure on ATAS from 1998-1999

Financial Year	Expenditure on ATAS \$ million
1998-1999	35.35
1999-2000	35.20
2000-2001	34.90
2001-2002	35.70
2002-2003	39.04
Forward Estimates	
2003-04	39.90
2004-2005	40.87
2005-2006	41.83

Table 3 ATAS expenditure 1998-09 to 2002-03 financial years and

Australia's expenditure on pre-primary education

The OECD Thematic Review of Early Childhood Education and Care Policy ⁹ states (p. 57) that in the current era, there is a view that children are a diminishing resources to be highly valued and that from this perspective, investment in the nation's children is a key priority. That view does not appear to be espoused by Australia in that, according to the OECD Paper, Education Policy Analysis (p. 34), Australia's expenditure on pre-primary education as a percentage of GDP in 1999 is the lowest of the 25 EPA-OECD countries cited in the paper.

Country	Expenditure (%)		
Australia	0.09		
Canada	0.25		
United Kingdom	0.42		
United States	0.39		
Country mean	0.44		

Table 4:Expenditure on pre-primary education as a percentage of GDP, 1999Direct and indirect expenditure on educational institutions from public and
private sources
Source: OECD

The need for equality of opportunities

The draft ATSIC Family Policy document reiterates the need for Indigenous children to be given the same opportunities as all other Australian children. It goes on (p. 11):

This will be measured by their levels of education, literacy, ability to find employment when old enough, mortality rates and other socio-economic factors that will pinpoint disparities between standards of living of Indigenous children and non-Indigenous children.

The policy document emphasises the need for recognition that it is severe poverty that affects many Indigenous families and denies Indigenous families the opportunity to raise their children in the way they choose. It also notes that Indigenous children are the only group in Australia for whom access to preschool is declining. On this latter point, our data shows preschool attendance is increasing in absolute numbers - but far too slowly, and there are still approximately 50 per cent of Indigenous children not attending preschool at all.

The same paper also notes (p. 3)

⁹ Press F and Hayes A (2000), OECD Thematic Review of Early Childhood Education and Care Policy, Commonwealth of Australia

High quality early childhood education and parental enrichment programs can make a difference for children in the longer term. However there are continuing concerns about the level of provision of these programmes, and the low levels of access and participation in them by Indigenous children and their parents and caregivers.

Overseas Findings

New Zealand

In new Zealand, the Ministry of Education commissioned a strategic research initiatives literature review into the outcomes of early childhood education, which found that the research evidence supported the claim that cognitive and social outcomes were evident for all children who received early childhood education.

The USA

Extensive research has been conducted in the USA on the benefits of early childhood education. The studies have examined how a high-quality early childhood programme contributes to the life outcome of participants born in poverty. One such study compared 123 randomly assigned preschool children to specific programmes and followed 95 per cent of the sample through to age 27. The findings indicated that children:

- were better prepared for school;
- had higher achievement-test scores in middle and high school;
- were likely to graduate from high school; and
- as young adults earned more money, were more likely to own a home and a second car, were less likely to be on welfare, and were arrested for half as many crimes.

Cost-benefit analysis of early childhood education

There is a need for a cost-benefit analysis of early childhood education. The Fleer report notes that a consensus has emerged among economists, developmentalists and others that investments in early childhood are cost-effective and cites a recent review (Karoly et al. 1998) that found that a variety of early intervention programmes have been successful in improving cognitive development and other outcomes for children (p. 3).

Investments in early childhood are seen as prudent because they come at an opportune time and because they can yield lasting benefits. A 1997 Report of the Council of Economic Advisors (The First Three Years: Investments that Pay) re-affirmed the importance of early intervention.

... Because of the long-lasting effects, early investments can have big payoffs. They avert the need to more costly interventions later in life, and so contribute to happier, healthier, and more productive children, adolescents, and adults (p. 22).

The research support for long-term social outcomes in the USA demonstrated a costsaving ratio of one to six. Evaluation of one particular preschool programme (the High/Scope Perry Preschool Program) has shown that the American taxpayers receive an economic return of \$7.16 for each dollar invested in the programme. There does not appear to be any comparable data on the Australian situation but there is no reason to doubt that a similar cost-saving ratio would not be mirrored in the Australian context.

In its discussion of whether resources can be better spent, the OECD Education Policy Analysis paper (p. 22), argues that there are good reasons to shift resources to younger children, especially towards the socially disadvantaged, as there are high social returns for investments in this group.

POLICY IMPLICATIONS

Against key indicators of economic status it is clear that decisive action is necessary to prevent a deterioration in the overall situation of poor outcomes for Indigenous people, partly because of population growth and partly due to the difficulties of economic catchup in a rapidly changing and increasingly skills-based labour market. Currently, around one-third of Indigenous adults are dependent on some form of government support to maintain their presence in the labour force or to sustain those discouraged from participation. A high quality education is the key to achieving educational and employment outcomes for Indigenous Australians on a par with their non-Indigenous counterparts.

There is also a need for a mechanism for measuring outcomes beyond using the census as the main source of information regarding the economic circumstances of Indigenous people.

CONCLUSION

There is clear evidence that investment in high quality preschool education for Indigenous children will have lasting social, economic and other benefits. Based on US data, it is reasonable to suggest a cost-saving ratio of one to six where funding is invested at the early (pre-primary) stage of education, rather than through 'catch up funding' provided later on in life (eg IEDA, IESIP, ATAS funding). We must strive to provide access for all Indigenous children to quality early learning experiences and to promote awareness amongst parents of the benefits of early childhood education.

Children are born with extraordinary capacities to learn and communicate. We must harness these capacities and support and enhance them. Investment in programmes of early childhood care and development can help to moderate social inequalities, can increase economic productivity and result in major cost savings. It will be necessary for the Indigenous Group to take a multi-faceted view of child development and work to integrate programmes in order to take advantage of the synergisms among health, nutrition and early education. This means we must overcome bureaucratic and academic compartmentalisation and work with families and communities to find approaches and models that are financially feasible and cost effective.

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Attachment C

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A growing young population 2001

