

CLOSING THE GAP REFRESH

Submission by Indigenous Business Australia (IBA) in response to the
“Closing the Gap - The Next Phase - Public Discussion Paper”

Contents

Acknowledgement	2
Overview	3
Call to Action: Structural reform and revisiting the priority outcomes	4
Goals, indicators, measures and policy reform	6
Proposed Metrics.....	7
Statistical equality as a policy tool.....	10
Closing comments.....	10

Acknowledgement

IBA pays respect to our Elders past, present and emerging.

We honour the resilience and continuing connection to country, culture and community by all Aboriginal and Torres Strait Islander people across Australia.

We recognise that the decisions we make today will impact the lives of generations to come.

We ask for understanding, trust and above all guidance so that we may hold the space necessary for positive change which encompasses the courage to uphold the collective sacrifices and paths that have led us all here today – a journey that continues to impact the lives of Aboriginal and Torres Strait Islander people in Australia.

Overview

Indigenous Business Australia (IBA) is an independent Commonwealth entity.

Our **vision** is for a nation in which the First Australians are economically independent and an integral part of the economy.

Our **purpose** is to assist and enhance Aboriginal and Torres Strait Islander self-management and economic self-sufficiency; and to advance the commercial and economic interests of Aboriginal persons and Torres Strait Islanders by accumulating and using a substantial capital asset for the benefit of Aboriginal and Torres Strait Islander people.

Primarily IBA's purpose is about economic independence: our products and services enable and facilitate Aboriginal and Torres Strait Islander people taking up the challenge of commercial development, influencing and engaging with the private sector as well as the public.

Whilst IBA's focus is on economic and commercial development, there are many programs and services that all levels of Government in Australia run and/or fund, for the purpose of improving the well-being of Aboriginal and Torres Strait Islander people. IBA notes that underpinning these programs and services is a very real need for Aboriginal and Torres Strait Islander people to not only lead but be adequately represented when such initiatives are being developed. The benefit of this type of approach is clear - where there complex relationships between key determinants of well-being and outcomes, the people most impacted by the socio-economic disparity are likely to be the ones with the most effective solutions.

The overall well-being of any community is built and assessed on the foundations of a number of socio-economic pillars. The challenge Governments continue to face when it comes to Aboriginal and Torres Strait Islander people is how to leverage the full suite of resources at all levels of Government to deliver a more holistic and collaborative model that follows a set of metrics set and agreed upon by Aboriginal and Torres Strait Islander people that demonstrate is supported by evidence.

This goal of a holistic and collaborative model and system is to facilitate collaboration between all levels of Government and the beneficiaries of a properly functioning system: Aboriginal and Torres Strait Islander people, groups and communities themselves.

Rather than focus narrowly on just the seven Closing the Gap targets, IBA considers that this important Closing the Gap Refresh discussion provides an opportunity to consider and interrogate the broader structural and policy settings (the **framework**) that are directed towards improving well-being for (as opposed to with) Aboriginal and Torres Strait Islander people and importantly which goals, indicators and metrics, in partnership, we should work towards achieving and measuring to demonstrate success or otherwise.

The United Nations Declaration on the Rights of Indigenous People (UNDRIP) clearly states that the foundation for serious transformation within Indigenous communities must begin with the right policy settings, targeted investment, strong evidence and above all accountability for outcomes rather than outputs.

Accordingly, this submission adopts the UNDRIP as a fundamental foundation upon which any framework for facilitating Aboriginal and Torres Strait Islander well-being should be built, and in IBA's view and in terms of an appropriate framework for articulating goals, indicators and measures, the *National Indigenous Reform Agreement* and its associated initiatives, like the *Overcoming Indigenous Disadvantage Report*, contain significant detail on strategies required, including for co-ordination between the Commonwealth and State and Territory Governments.

Call to Action: Structural reform and revisiting the priority outcomes

The reality is that neither past nor current efforts will achieve the aspirations for greater overall well-being of Aboriginal and Torres Strait Islander peoples if we do not return to reset the fundamental settings upon the foundational principles provided by the United Nations Declaration on the Rights of Indigenous People (UNDRIP) as follows:

1. **Self-determination:** is about Aboriginal and Torres Strait Islander people being able to shape their own lives, including their economic, social, cultural and political futures.
2. **Participation in decision-making:** means that Aboriginal and Torres Strait Islander people have the right to participate in decision-making in matters that affect their rights and through representatives they choose. This participation must be consistent with the principles of free, prior and informed consent. Aboriginal and Torres Strait Islander people must be respected and treated as key stakeholders in developing, designing, implementing, monitoring and evaluating all policies and legislation that has an effect on their wellbeing.
3. **Equality and non-discrimination:** means that Aboriginal and Torres Strait Islander people should be able to govern themselves without discrimination from individuals, governments and/or external stakeholders to the improvement of their economic and social conditions, including, in the areas of education, employment, vocational training and retraining, housing, sanitation, health and social security. States shall take effective measures and, where appropriate, special measures to ensure continuing improvement of the economic and social conditions.
4. **Recognition of Indigenous people's own institutions:** means that Aboriginal and Torres Strait Islander people have the right to maintain and develop their political, economic and social systems or institutions, to be secure in the enjoyment of their own means of subsistence and

development, and to engage freely in all their traditional and other economic activities.

Furthermore, Aboriginal and Torres Strait Islander peoples deprived of their means of subsistence and development are entitled to just and fair redress.

5. **Importance of Indigenous self-management and control over programs and services:** means that Aboriginal and Torres Strait Islander people have the right to determine and develop priorities and strategies for exercising their right to development. In particular, Indigenous peoples have the right to be actively involved in developing and determining health, housing and other economic and social programmes affecting them and, as far as possible, to administer such programmes through their own institutions.
6. **Respect for and protection of culture:** means that Aboriginal and Torres Strait Islander people have a right to maintain, protect and practice their cultural traditions and cultural heritage. This includes protecting their integrity as distinct cultural peoples, their cultural values, intellectual property and Indigenous languages.

Building on these foundational principles established by UNDRIP, IBA supports policy reform aimed at returning Aboriginal and Torres Strait Islander matters to their rightful place – to a framework that is led by Australia’s First Nations people.

We welcome the opportunity to contribute to this important Closing the Gap Refresh discussion and trust that the outcomes of this discussion will contribute and lead to a policy framework that is Aboriginal and Torres Strait Islander-led, comprehensive, clear, consistent and based on evidence.

There have been a range of policy frameworks to address Aboriginal and Torres Strait Islander development in the relatively short period of time that the Australian Government has been involved in such matters: from the flawed origins in the 1950s and the policy of assimilation to the foray in the 1970s with the policy of self-determination.

From 1998 onwards the dominant policy approach has arguably been upon “mainstreaming” with a focus on achieving statistical equality.

The opportunity now presented by the Closing the Gap Refresh discussion is to consider the framework for Aboriginal and Torres Strait Islander well-being, the design of that framework, and how transformative opportunities that occur when Governments act in partnership can be grasped.

Goals, indicators, measures and policy reform

The 2016 Redfern Statement which was made by a number of Aboriginal and Torres Strait Islander peak organisations notes the countless policies and policy changes, reports and recommendations directed towards improving outcomes have been made on behalf of Aboriginal and Torres Strait Islander peoples.

That statement also makes valuable suggestions about resourcing to deliver upon an outcome built upon self-determination.

To frame a system that is directed towards achieving improved outcomes and well-being, and as a critical step to the structural reform proposed in this submission, IBA considers it essential that priority outcomes be established by Aboriginal and Torres Strait Islander peoples: that is – that Aboriginal and Torres Strait Islander people establish the goals and outcomes towards which a policy framework should be directed.

Of course, the precedent for such a system exists in the *Overcoming Indigenous Disadvantage Report*, which adopts an indicator framework that is based on best available evidence about the root causes of disadvantage in order to ensure that policy attention is directed to prevention, as well as responding to existing disadvantage.

At the top of that framework sit three interlinked priority outcomes which reflected COAG's vision for Aboriginal and Torres Strait Islander peoples to have the same life opportunities as other Australians (or a vision for 'how life should be like for Indigenous people'¹).

These outcomes are:

1. Safe healthy and supportive family environments with strong communities and cultural identity;
2. positive child development and prevention of violence, crime and self-harm;
3. improved wealth creation and economic sustainability for individuals, families and communities.

Whilst broadly endorsing these priority outcomes as goals which contribute toward well-being, IBA considers that as a result of the Closing the Gap Refresh discussions, that Aboriginal and Torres Strait Islander groups, communities and individuals should consider whether to endorse, add to or amend these priority outcomes, and to then work with Governments to establish the relevant indicator framework (and consequent targets) to record progress towards these outcomes and determine how well-being will be measured.

¹ Field, J. (2006), *Overcoming Indigenous Disadvantage*, The Journal of Indigenous Policy – Issue 5, 87

Proposed Metrics

IBA appreciates that there are complex relationships between determinants and outcomes and that each part of the policy framework is linked – e.g. education is linked to employment and both are linked with income.

However, IBA considers that a present deficiency in the indicators (targets) and measures is the omission of a focus on assessing economic independence and economic sustainability.

Accordingly, for the purpose of generating a discussion to include measurements that better capture a range of outcomes associated with economic independence and economic sustainability, in the following table we have suggested a range of broadly framed “economic” indicators and accompanying potential measures – with the intention that economic independence and economic sustainability become more integral parts of the reporting, policy development and policy evaluation framework for assessing Aboriginal and Torres Strait Islander well-being.

We have made these suggestions because the present measures in the Closing the Gap targets omit to record progress towards achieving economic independence, and to consequently identify impediments at a structural level to achieving that outcome; and also because the indicators and measures for assessing “Economic Participation” in the *Overcoming Indigenous Disadvantage* framework are overly narrow and fail to capture the extent of data available to measure progress (or not) towards economic inclusion.

We acknowledge, however, and in accordance with our view that UNDRIP principles be the foundation for the development of any policy framework, that the ultimate decision about the types of indicators, outcomes and measures be a matter for Aboriginal and Torres Strait Islander people.

In addition, by no means are we of the view that these measures proposed be mandated in the future direction of the Closing the Gap discussion but we want to highlight that there is a range of sophisticated metrics that could assist provide an in-depth insight into whether our collective attempt to bring about healthier communities and thriving families is actually achievable and more importantly, supported by Aboriginal and Torres Strait Islander people.

Indicators (headings remain broad to enable Aboriginal and Torres Strait Islanders to define specific targets)	Potential measures (suggested measures for collection of data to assist assess progress towards the indicators)
Secure housing	<ul style="list-style-type: none"> • Proportion of the Aboriginal and Torres Strait Islander population who own their home compared to the general population • Percentage of Aboriginal and Torres Strait Islander population accessing housing finance solutions • Level of Indigenous equity in property
Financial resilience	<ul style="list-style-type: none"> • Access to rental, mortgage and financial literacy advice and support • Access to financial products and services (a bank account, credit and insurance) • Financial literacy: knowledge and understanding about money and financial products and services, including superannuation • Financial capability: ability and willingness to apply that knowledge • Ability to make voluntary superannuation contributions
Employment	<ul style="list-style-type: none"> • Employment status (full time, part-time, casual) • Gender • Employment status by region • Level within organisation (entry level, junior employee, mid-ranking employee, manager, senior manager, executive, CEO, director, chair) • Proportion of the community who are employed/unemployed • Customary employment (cultural activities) • Distance travelled to place of employment • Employment an outcome of preferential procurement processes • Ability to access and respond to employment advertisements and opportunities • Hours spent participating in a hybrid economy based engaged in customary activities • Hours spent participating in voluntary work • Hours spent participating in training • The proportion of welfare payments as part of overall household income • Proportion of Aboriginal and Torres Strait Islander people still in employment three months after commencing a role
Business	<ul style="list-style-type: none"> • Access to and knowledge about business advice and support • Contribution and growth of Aboriginal and Torres Strait Islander businesses to

	<p>Australia's GDP</p> <ul style="list-style-type: none"> • Ownership of business by gender • Growth in incorporated Aboriginal and Torres Strait Islander enterprises • Proportion of Aboriginal and Torres Strait Islander enterprises relative to enterprises in the general population • The value added produced by Aboriginal and Torres Strait Islander businesses per annum • The total income (wages and profits) earned as a result of Aboriginal and Torres Strait Islander businesses Australians and contribution to GDP income per annum • Total revenue generated for Aboriginal and Torres Strait Islander businesses • The total expenditure of Aboriginal and Torres Strait Islander households and contribution to GDP expenditure per annum • Sector in which the business operates • Location of operations for the business • Surviveability of the business against ABS statistics for the wider economy
Income	<ul style="list-style-type: none"> • Median income (equivalised household income) • Median equivalised family income • Own income • Median income by region and remoteness • Parent's income • Level of disposable income
Culture	<ul style="list-style-type: none"> • Ability to access traditional land • Connectedness to family • Connectedness to community
Wealth	<ul style="list-style-type: none"> • Level of wealth in Aboriginal and Torres Strait Islander community organisations and trusts • Number of Aboriginal and Torres Strait Islander community organisations and trusts with long-term investment strategies and investment portfolios (and proportion against the total)
Technology	<ul style="list-style-type: none"> • Ability to access to internet, computing and telecommunication facilities • Internet connection / access

Statistical equality as a policy tool

The seven Closing the Gap targets and the indicator framework and which presently exists is broadly directed towards achieving statistical equality with the non-Aboriginal and Torres Strait Islander population.

Questions about the appropriateness of statistical equality as a tool for framing policy and program responses in Aboriginal and Torres Strait Islander issues have been raised previously, including in response to the Hawke Government's Aboriginal Employment Development Policy which was released in 1987.

Whilst we agree that the use of statistical equality as a policy tool to identify segments of a population has a role for identifying whether action should be taken (or not) toward addressing a perceived problem, the lesson to draw from the observations above is that wellbeing, in some cases, might not actually relate to "success" against various measures adopted by programs or policies, and that accordingly, it is essential:

- (i) that data is used carefully and in a way that reflects the vast diversity of lives, livelihoods and experiences of Aboriginal and Torres Strait Islanders; and
- (ii) that caution is used when setting targets at a national level given the divergence in outcomes between Aboriginal and Torres Strait Islander populations in different geographic regions in Australia.

Closing comments

IBA acknowledges the importance of the Closing the Gap Refresh discussion.

In framing its response, IBA has emphasised its role as a key and proven contributor to efforts to enhance Aboriginal and Torres Strait Islander self-sufficiency and self-management (and thereby to reduce disadvantage).

We reaffirm the absolute importance of a policy framework led by and for Aboriginal and Torres Strait Islander people that is not only clear, consistent and backed by evidence but one that also improves outcomes demonstrable through evaluation and reporting (and we acknowledge the critical role of evaluation in assisting determine which policy and program responses are working and which are not).

In response to the specific questions posed in the Closing the Gap Refresh discussion paper about measures, indicators and culture, IBA suggests that the present policy framework could be improved by:

1. Using the United Declarations on the Rights of Indigenous Peoples as the foundation upon which a policy framework should be built, including for developing Aboriginal and Torres Strait Islander measures of well-being and ensuring that Aboriginal and Torres Strait Islander people set the priority outcomes to which the policy framework should be directed to achieving;
2. Broadening the indicators to ensure that measures of economic independence and economic sustainability feature more prominently in determining whether priority outcomes are being achieved, and broadening the extent of data that is measured and assessed for this purpose;
3. Collecting and using data in a far more nuanced fashion to reflect the great diversity within and amongst the Aboriginal and Torres Strait Islander population; and
4. Being cautious, when measuring outcomes and articulating success (or failure) purely by reference to statistical equality with the non-Aboriginal and Torres Strait Islander population.

IBA looks forward to continuing to engage in this important discussion, and to providing its range of programs and services to support the economic self-management and self-sufficiency of Aboriginal and Torres Strait Islander groups, communities and individuals.