Reference No. 140

Summarising: Taylor & Stanley (2005), *The Opportunity Costs of the Status Quo in the Thamarrurr Region*
Responsibility for the preparation of this research summary rests with the authors of the MCEETYA report *Education, Training and Indigenous Futures: CAEPR Policy Research 1990–2007* and not the original author(s) of the summarised material.

Title of Research:
The Opportunity Costs of the Status Quo in the Thamarrurr Region.

Research Publication:

Name of Researcher(s):
J. Taylor and O. Stanley

Time period:
The report was finalised in 2005, drawing upon the most up-to-date information available at the time, which was generally 2002-03 and 2003-04 financial information.

Geographic location:
The analysis is undertaken in the Thamarrurr Region of the Northern Territory which is the region surrounding Wadeye, a largely Aboriginal township of some 2000 people.

Methodology:
This study, which is an extension of an earlier study identifying socio-economic benchmark information for the region, analyses expenditure data provided by relevant Commonwealth and Northern Territory government departments, as well as the Thamarrurr Regional Council. The study compares the status of the Thamarrurr population with the Northern Territory population as a whole, and estimates:

(i) the additional output that would have been achieved if the socio-economic conditions in the region were the same as elsewhere in the Territory, and

(ii) the additional costs to government to achieve the same conditions in the region as elsewhere in the Territory.

Aims:
This working paper estimates the cost to the Australian community of the socio-economic conditions prevailing in the Thamarrurr Region.

Selected findings and insights:
Population projections for the region indicated rapid expansion across all age groups which will impact on infrastructure needs as well as require a significant expansion of the labour market. By 2023 the population should reach 3,833, an increase of 88.4% on the 2003 population of 2,034 persons. For example:

• The school age population (5-15 years old) was expected to rise by 82.1%; and

• Those aged 16-24 years and hence likely to be continuing secondary education, entering further education and training or directly entering the workforce were expected to rise by 69.7%.

Participation in schooling and further education and training in the region was very low by Territory and national standards. In 2003:

• only half of the region’s school age population was enrolled at school, and only half of those enrolled actually attended classes, and even then mostly on an irregular basis;
• less than 20% of teenagers of compulsory school age were estimated to be attending classes. As a result very few school leavers entered working age with upper secondary level achievement and skills;

• there was very low participation in Certificate-level Vocational Education and Training (VET) courses.

Low secondary school attainment levels combined with low levels of VET Certificate level training has resulted in those young adults of an age most likely to be entering the workforce being unable to compete effectively with non-Indigenous workers in the (limited) mainstream employment market. The study points out that:

• 45% of those not in the workforce and 35% of those unemployed were in the 15-24 years age group.

In terms of overall expenditure on education, the study found that there was a per capita gap of -$5,051 and a total expenditure gap of -$3.2m. if parity with the rest of the Northern Territory is to be achieved. As noted, such a large gap was largely reflecting low levels of school attendance, on which expenditure on schools is calculated:

• While funding for those attending school was marginally higher than the Territory average, the low attendance rate meant that for every education dollar spent by governments on the average child of compulsory school age in the Northern Territory, $0.47 was spent on the Thamarrurr equivalent child.

There was almost as great a per capita underspend in training, with an estimate of about $0.41 on a per capita basis being spent in the region compared to the Territory as a whole.

Expenditure in the area of health which is a significant influence on education, training and employment outcomes throughout life was, on a per capita basis, slightly above that for the overall Territory as was expenditure on housing, infrastructure and community development which, less directly, may impact on these outcomes.

As at 2003, there were 133 Indigenous persons employed under CDEP and 45 in other employment, giving a total of 178 employed Indigenous persons out of a total of 1,104 Indigenous persons of working age, that is over the age of 15 years. Of those not employed 449 (41%) were unemployed and another 477 (43.2%) were not in the labour force. Within this employment setting and taking account of projected population increases:

• To maintain the existing very low employment/population ratio of 16.1%, inclusive of CDEP, an additional 165 jobs would be required by 2023 – thus requiring a doubling of the workforce;

• To approach the overall Indigenous employment rate within the Northern Territory of 33.2% would require an additional 530 jobs created and filled by 2023.

The paper gives an indication of how increasing the employment conditions in the region would influence employment incomes and regional output:

• if parity with the NT Indigenous average, then there would be total increases of $4.44m. in employment income and $7.39m. in the value of outputs per annum.

• if parity with the NT average, then there would be total increases of $26.3m. in employment income and $43.77m. in the value of outputs per annum.

• if parity with a similar sized remote town such as Longreach, then there would be total increases of $14.2m. employment income and $23.7m. in the value of outputs per annum.
Educational implications:

The most important educational implication of this analysis is that for any improvement in the social well-being of the large Indigenous community there needs to be a substantial increase in employment-related skill levels of the community – that is, human capital. To achieve this will of itself require major investment in school and vocational education and training infrastructure and the range of services, including educational support services, being delivered. The analysis also points to the importance of joint government agency action, together with Indigenous community organisations, to address pressing welfare issues such as health and housing which influence educational participation and attainment. [planning] [inter-agency coordination]

Finally, the study indicates the need to ensure training courses and services, including VET in Schools programs, are developed which are linked to overall regional development priorities, including those linked to activities such as the arts and crafts industries and ‘caring for country’, especially in regard to land management and sea management employment – although much of this might be expected to be dependent on CDEP or come from government agencies outsourcing what amount to government responsibilities of coastal and fisheries surveillance, feral animal and weed management and other environment responsibilities. Ranger Programs, incorporating TAFE accreditation courses through to diploma level, are essential strategies if such employment activities are to be sustainable and lead to improved Indigenous social and economic outcomes. [training]

Relevance:

Introductory Topic: The Changing Demography of Indigenous Australia

Introductory Topic: The Health of Indigenous Australians

Domain 5: Pathways to training, employment and higher education

- The challenge for Pathways to training, employment and higher education
- Participation, retention and achievement in post-compulsory schooling
- Pathways and strategies for remote locations

Related papers:

