Reference No. 147

Summarising: Taylor (2003), *Indigenous economic futures in the Northern Territory: The demographic and socioeconomic background*
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:
Indigenous economic futures in the Northern Territory: The demographic and socioeconomic background

Research Publication:
CAEPR Discussion Paper No. 246/2003

Name of Researcher(s):
J. Taylor

Time period:

Geographic location:
Northern Territory

Methodology:
An analysis of the 1996 and 2001 Census of Population and Housing and other Australian Bureau of Statistics survey information. Population and labour force projections for the period up to 2011 are also developed.

Aims:
The paper aims to establish changes between 1996 and 2001 in Indigenous and non-Indigenous employment and income status in the Northern Territory. The paper also explores some of the constraints and opportunities facing Indigenous people in their effort to increase their share of the Territory income and raise their levels of participation in the labour market.

Selected findings and insights:
Demography

Of the estimated resident population of 197,700 persons in the NT in 2001, 56,875 (29%) were Indigenous and 140,825 (71%) were non-Indigenous. In 2001:

- about 40% of the Indigenous population was counted as resident in one of the Territory's urban centres or larger Aboriginal communities (places with 1,000 or more residents); by contrast
- 88% of non-Indigenous residents were counted in such places — the overwhelming proportion of whom were in Darwin and Alice Springs.

This mismatch in spatial distribution immediately removed the majority of Indigenous people from direct access to the key regional centres of economic activity. Typically, most Indigenous people were located in relatively small settlements of less than 1,000 residents, and these were invariably remote from mainstream labour markets.
There were some 570 widely dispersed and small population clusters comprised of family groups on outstations, pastoral excisions and (to a lesser extent) in town camps. This spatial fragmentation, resulting from legal access to traditional lands, created contrasting conditions for economic participation:

- it presented a barrier to mainstream economic participation; however
- it could be argued that it was a necessary (and valued) feature of the customary economic sector.

High fertility rates and relatively large numbers of women of child bearing age, and even larger cohorts below them, indicate high potential for future economic growth.

- The paper estimates that by 2011, the Indigenous population in the NT will rise from the 2001 base of 56,875 to 67,512, an increase of 1.9% per annum.

**Employment**

The paper examines labour force characteristics and changes between 1996 and 2001, finding that there had been a decrease in Indigenous labour force participation over the period – from an already low rate of 42% in 1996 down to 38% in 2001.

While private sector employment was an area of growth for the non-Indigenous population, Indigenous employment in the private sector declined from 29% of Indigenous employment in 1996 down to 27% in 2001 (the respective non-Indigenous percentages were 68% and 69%). Aside from CDEP, where the majority of additional Indigenous jobs were created, employment in Commonwealth government agencies was the only other area of job growth for Indigenous people.

The decline in Indigenous mainstream employment and the increase in reliance on CDEP for work has resulted in a widening gap in average incomes between Indigenous and non-Indigenous people in the Territory.

- In 1986, the average annual personal income for Indigenous people aged 15 years or more was $7,700 compared to $16,800 for non-Indigenous adults. In 2001, the equivalent figures were $12,222 and $32,151.

These changes represented an annual rate of growth in mean income of 3.1% for Indigenous people and 4.3% for the non-Indigenous population for the period.

- The income gap as measured by the ratio of Indigenous to non-Indigenous incomes steadily widened between 1986 and 2001.

With a projected increase in the numbers of Indigenous persons of prime working age, the paper estimates the number of additional jobs required in the NT by 2011 if current employment/population ratios are to be maintained (maintenance of the status quo):

- an additional 1,008 jobs would need to be filled by Indigenous people, using 2001 as a base, and this assumes the continuation of the CDEP which is no longer the case in the NT.

Furthermore, if parity with non-Indigenous people was to be achieved by 2011, then an additional 19,500 jobs would be required (again assuming the continuation of the CDEP).

**Educational implications:**

The implications for educational authorities of such demographic and labour force analyses as presented in this paper are twofold. Firstly, the large number of jobs that need to be created for Indigenous people to approach parity with non-Indigenous persons will not only challenge industry and those responsible
for employment programs. Meeting the consequent demand for Indigenous job seekers will also challenge educational authorities to develop a highly skilled group of Indigenous job seekers. The development of pathways targeted to particular growth industries will be critical. Secondly, the existing low literacy and numeracy skills of Indigenous people will need to be addressed both in the short term and in the long term. That is, programs to meet the literacy needs of those entering the workforce are an immediate priority. At the same time programs to assist young Indigenous students will also need to be a priority to ensure that the current low literacy levels do not limit future education and employment prospects.

Relevance:

Introductory Topic: The Changing Demography of Indigenous Australia

Domain 5: Pathways to training, employment and higher education

The challenge for pathways to training, employment and higher education
Access to post-compulsory schooling, training, employment and higher education
Participation, retention and achievement in post-compulsory schooling, training and higher education

Related papers: