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Estimating indigenous Australian employment in the private sector

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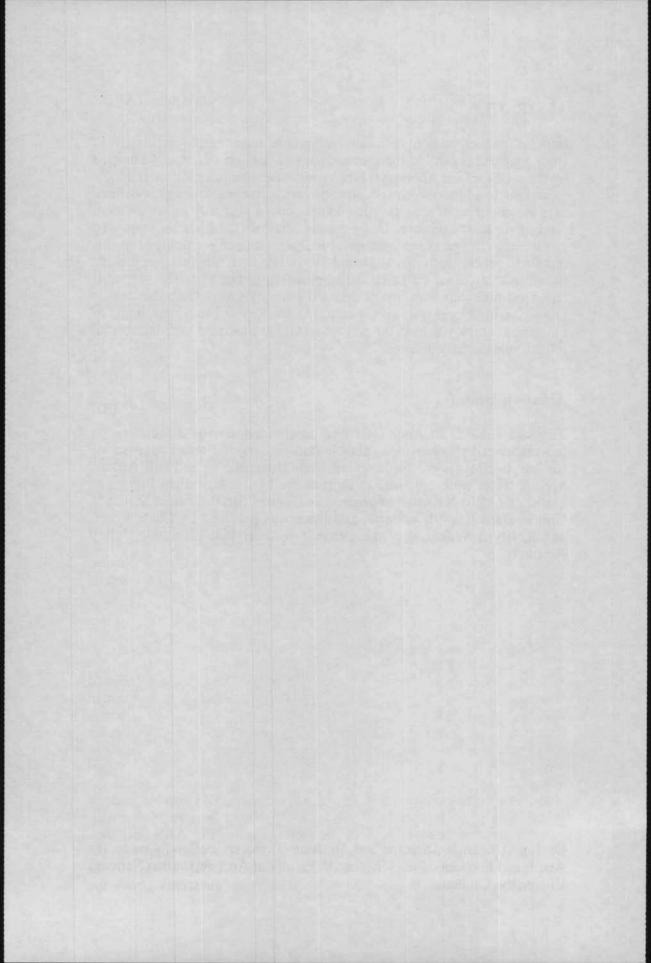
### ABSTRACT

Impetus for attempting to delineate 'real' private sector employment derived from concerns regarding the shortcomings of data on this issue identified by the review of the Aboriginal Employment Development Policy (AEDP). In seeking to address these concerns, private sector employment is defined here as consisting of activities that do not depend primarily on government funding for their existence. Using census data, two methods are employed to estimate change in the number of indigenous people employed in this redefined private sector in 1986 and 1991. The first, a residual approach, uses a mix of census statistics and administrative data sets. The second is based on judicious scrutiny of detailed industry tables from the census cross-classified by private sector employment. Revised statistical limits of indigenous employment in the private sector are produced with intercensal growth substantially deflated.

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In 1987, the Aboriginal Employment Development Policy (AEDP) estimated that two-thirds of the employment growth necessary to achieve statistical equality for indigenous Australians in the mainstream labour market could be met through increased opportunities in the private sector (Australian Government 1987a: 1). Accordingly, assistance has since been provided under this policy umbrella towards the aim of achieving a targeted net annual increase of 1,100 to the year 2000 in the stock of private sector jobs held by indigenous people.

No strict definitional distinction was made in the policy statement between private and public sectors, but it appears that the residual approach taken by the Australian Bureau of Statistics (ABS) was being used. This approach classifies private sector employment as the balance after accounting for those employed in Commonwealth, State and local governments. An initial issue, raised here, is that many of the private sector opportunities identified by the AEDP, including potential industries for industry strategies, are dependent entirely on public subsidy. This is most evident with respect to employment in indigenous community service organisations which is regarded as private sector activity in the AEDP Statement (Australian Government 1987a: 1).

Data from the 1986 and 1991 Censuses on employment by industry sector indicate that there has been an intercensal growth in indigenous employment in the private sector at a rate far in excess of that for non-indigenous Australians (Taylor 1993a: 64). At the same time, there is growing policy concern, expressed most cogently in the recent review of the AEDP (Bamblett 1994: 25), that a substantial share of this employment growth was not in the 'real' private sector but associated with indigenous community organisations which might be more accurately labelled as public sector.

# What is the 'real' private sector?

For our purposes, we prefer to define the private sector as consisting of those economic activities that do not depend primarily on government funding for their existence. This is a loose definition and one that is resistant to precise calibration. Obviously a fine line is drawn in many cases where, for example, seemingly private enterprises rely to a large degree on government tendering processes. Unfortunately, data that might enable discrimination between industry sectors using income source as the main determinant simply do not exist. Accordingly, ABS surveys and the five-yearly census do not differentiate what could be termed the non-government industry sector from the private sector. For ABS purposes, industry sector is defined as 'government' or 'private' sector simply on the basis of ownership of employment establishment (ABS 1993: 46). In census coding, this information is derived from questions about the

employer's trading name, workplace address and kind of industry, business or service carried out.

The sorts of confusion that this creates can be demonstrated with some illustrative examples. Persons employed by statutory authorities and quasi non-government organisations (quangos) are defined as employed in the private sector. Currently, employees of organisations like Qantas and Telecom are defined as 'private sector'. Although with corporatisation this might increasingly become an accurate depiction, their private sector designation remains contentious. At the other end of the spectrum are self-employed people like contractors or consultants who undertake all their work for the government sector. These people are rightly defined as in the private sector, but are in a similar situation to many indigenous employees of government-funded organisations.

In the following analysis a distinction is drawn between the government (Commonwealth, State and local) and non-government sectors and between public sector (government plus statutory authorities plus quangos and other government-funded bodies) and private sector (the rest). Data on the government/non-government sectors are available from standard census output, whereas data for the public sector/private sector distinction need to be constructed, with some broad discretionary assumptions, from tables showing detailed industry of employment. Thus, for the purposes of the analysis undertaken here we differentiate the officially-defined private sector as the non-government sector, and the private sector as employment where employers are neither government nor primarily government-funded.

# Why the concern?

The issue of differentiating employment in the non-government from the private sector is not of general policy interest. Indeed, it is an issue that was not broached at all in the Commonwealth's White Paper on Employment (Commonwealth of Australia 1994). Concern has been expressed about this issue for the indigenous population, however, owing to a perception that indigenous peoples are growing more reliant on employment that is dependent for its continuation on special government support, and that this is hidden to a large extent in official statistics (Bamblett 1994: 91). Disquiet over the lack of real private sector contribution to employment growth for indigenous people is also evident (Aboriginal and Torres Strait Islander Commission (ATSIC) 1994: 8). On a related note, the Aboriginal and Torres Strait Islander Commercial Development Corporation is developing a series of performance indicators which includes the measurement of indigenous employment in commercial projects and enterprises (Commercial Development Corporation 1993: 29). Thus, much of the impetus to identify indigenous employment growth in the 'real private sector' is an artefact of public policy.

Since 1987, there has been massive government intervention in labour market programs for indigenous Australians. Over 50 per cent of this intervention in program dollar terms has been under the auspices of the Community Development Employment Projects (CDEP) scheme, which has a close fiscal nexus with Job Search/Newstart allowances. Unfortunately, it is impossible to accurately assess how many CDEP participants were actually defined as employed in the 1991 Census; it is equally impossible to determine if those employed were in the public (government) or private (non-government) sectors.

Aboriginal and Torres Strait Islander affairs policy concerns are twofold. One of the overarching AEDP goals is to reduce indigenous welfare dependence. While it has been argued elsewhere that this goal was really referring to reliance on unemployment benefits rather than more broadly-defined welfare payments (Altman and Smith 1993), it is nonetheless clear that long-term CDEP scheme participation is 'welfare dependence' by another name owing to the scheme's notional links with social security entitlements. On the other hand, ATSIC has increasingly been arguing that the CDEP scheme is being exploited by both State and local governments as substitution funding to pay for services that are usually provided by the government sector. Sustaining this line of argument would imply that most CDEP scheme employment should be defined as in the public sector.

This, in fact, was the view of the ABS in coding CDEP employment in the 1991 Census. In the 1986 Census, employment provided via Aboriginal and Torres Strait Islander organisations and the CDEP scheme was generally classified as private sector employment on the premise that such employers were not government bodies. They are, however, publicly funded. In recognition of this, coding procedures were changed in the 1991 Census to classify such employment as local government sector in cases where community councils or organisations were clearly stated as the employer on census forms. If such an employer was not specified, then a private sector designation was applied. While this change in procedure was reflected in an 86 per cent increase in local government employment from 2,942 in 1986 to 5,473 in 1991 (Taylor 1993a: 64), the number of indigenous people recorded by the census in private sector employment also continued to grow, from 22,779 to 31,267. What remains unclear is how many of these private sector jobs should have been more correctly attributed to employment in the more than 1,000 Aboriginal and Torres Strait Islander community organisations, many of which are wholly funded by ATSIC from the public purse (ATSIC 1991: 99).

At a wider level there is concern that both indigenous communities and regional economies are overly dependent on public sector subvention. To make them less dependent would require a higher degree of private sector employment, in indigenous or non-indigenous enterprises. The general thrust of the AEDP is fundamentally fourfold: to reduce the dependence of

indigenous economics via government-subsidised generation of an indigenous economic base; to create employment opportunities via the CDEP scheme and associated community enterprise development; to create employment opportunities via training and Jobstart programs in both private and public sectors; and to create employment opportunities via affirmative action in the government sector. Policy concern about the limited extent of indigenous employment in the private sector is linked to perceived failure of these strategies to reduce dependence on ongoing government subvention. Related to this is the fact that continuing reliance for employment on a limited range of industries and occupations may in itself constitute a barrier to a greater diversity of opportunities by reinforcing assumptions held by both employers and indigenous jobseekers regarding the position of indigenous labour in the market place (Bamblett 1994: 92).

Given the importance of the private sector in contributing to future growth in employment, it is seen as crucial that indigenous people secure increased access to business and industry opportunities simply to enhance their employment chances (Bamblett 1994: 93). There are also sound economic reasons for achieving a more diversified labour market profile in the context of AEDP efforts to raise the income level of indigenous people. Experience in the United States shows that employment in the public sector, while safe and reliable (to a degree, given the recent experience of public sector downsizing), creates upper limits on rewards. The real gains to income are acquired through participation in private sector activity (Smith and Welch 1989: 561).

Small business and self-employment are regarded as important components of the private sector and a range of government policies are aimed at promoting such activity among indigenous people. Commonwealth programs designed to promote small business are available through the Department of Industry, Technology and Commerce, Department of Education Employment and Training (DEET) and the Department of Primary Industries and Energy. The Aboriginal Enterprise Incentive Scheme, which aims to assist unemployed Aboriginal and Torres Strait Islander people to establish small businesses, was administered by DEET until its transfer to ATSIC in July 1992. This now forms part of the larger Business Funding Scheme which provides both loans and loan guarantees from commercial sources to indigenous individuals and indigenous corporations. Other ATSIC (prior to 1990, Department of Aboriginal Affairs) initiatives, such as the Small Business Funding scheme and Community Employment and Enterprise Development scheme appear to have met with limited success and their role under the AEDP has diminished (Jarvie 1990; Office of Evaluation and Audit 1990, 1991). More recently, the Community Enterprise Initiatives Scheme has been established for the promotion of indigenous community enterprises. This initially involved a \$23 million allocation to be administered by ATSIC over a five-year period and has recently received an increase in funding in the Commonwealth White Paper on Employment (Commonwealth of Australia 1994: 137). Other grants for the establishment and support of small business are available through the Enterprise Employment Assistance program while one of the aims of funding the CDEP scheme is to engender community-operated business activity.

Table 1. Change in employment status of indigenous and non-indigenous Australians, 1986-91.

|                            | Per cent employed |       | Change     |          |
|----------------------------|-------------------|-------|------------|----------|
|                            | 1986              | 1991  | Net        | Per cent |
| Indigenous Australians     |                   |       | 1917 ettes | S. Jed   |
| Wage and salary earners    | 82.9              | 84.9  | 12,185     | 29.8     |
| Self employed/employer     | 3.3               | 5.1   | 1,583      | 97.9     |
| Not stated                 | 13.8              | -10.0 | -621       | -9.1     |
| Total                      | 100.0             | 100.0 | 13,147     | 26.6     |
| Non-indigenous Australians |                   |       |            |          |
| Wage and salary earners    | 81.3              | 79.4  | 383,634    | 7.2      |
| Self employed/employer     | 15.3              | 16.4  | 175,979    | 17.5     |
| Not stated                 | 3.4               | 4.2   | 77,828     | 34.7     |
| Total                      | 100.0             | 100.0 | 637,441    | 9.7      |

While efforts to stimulate entrepreneurial activity are many and varied, little is known about their impact on private sector employment. Some indication of this can be gleaned from analysis of change in employment status revealed by 1986 and 1991 Census data. Individuals in employment may be disaggregated according to whether they are wage and salary earners or self-employed. The latter are seen as engaging in entrepreneurial activity and constitute a relatively small proportion of employed indigenous people. Two census categories have been included in the definition of self-employed used here: those who said that in the main job held last week they were 'conducting own business but not employing others' and those who were 'conducting own business and employing others'. Table 1 shows the change in the number of self-employed individuals as well as those who were wage and salary earners and provides a partial indication of the relative level and growth of indigenous entrepreneurship.2 The message appears mixed. On the one hand, the absolute increase of 1,583 indigenous people who are self-employed seems to have fallen short of AEDP targeted growth as 1,600 new jobs were expected in community enterprises, many of which may have generated self-employment (Australian Government 1987b: 2), while 1,400 enterprise jobs were planned to emerge in the private sector (Australian Government 1987c: 6). On the other hand, the rate of increase in selfemployment among indigenous people was very high and certainly far above that achieved by non-indigenous Australians. At the same time, these growth rates are calculated from a very low base and the proportion of indigenous people in self-employment remains far behind that of non-indigenous Australians (5.1 per cent compared to 16.4 per cent) (Daly 1994).

## Methodology, assumptions and estimates

Two broad approaches are available for estimating the number of indigenous people employed in the private sector as we define it here. The first, a residual approach, uses a mix of census-based statistics and administrative data sets. The second is based on close scrutiny of detailed industry tables from the census tabulated by private sector and excluding those seemingly misclassified according to our definition of private sector as distinct from non-government sector. Comparative data for non-indigenous employment in the private sector are not provided. This is based on a valid assumption that the issue of public/private sector employment is of far greater policy relevance in relation to indigenous Australians than other sections of society. In any case, the process of identifying misclassification of industry sector is less straightforward for the general population given their relative lack of involvement in discrete community-based industries.

Making forward estimates based on 1986 Census data, Altman and Daly (1992) proposed a method for calculating the likely magnitude of private sector employment in 1991. This essentially was the residual of those in the labour force after accounting for individuals employed in the CDEP scheme, those registered as unemployed with the Commonwealth Employment Service (CES) and those likely to be recorded by the census as employed in the government sector. With the availability of 1991 Census data, this calculation is reworked below with one variation. Instead of using CES figures of the number of indigenous people registered as unemployed we utilise the census unemployment figure.<sup>3</sup> Using this residual approach, Table 2 shows the change in private sector employment between 1986 and 1991.

The figure of 25,896 indigenous people employed in the private sector in 1991 is substantially higher than the estimate of 12,200 made by Altman and Daly (1992: 13). There are two reasons for this. First, Altman and Daly subtracted from the labour force all participants in the CDEP scheme. This contrasts with the deletion of only 60 per cent of participants as used here, this being the proportion of CDEP participants estimated by Taylor (1993a: 3) to be actually in employment.<sup>4</sup> Second, they used CES figures of registered unemployed as opposed to the census figure which is based on a narrower definition of unemployment and is consistently lower. In this context, it is interesting to note that the 1986 estimate of indigenous private

sector employment (22,827) was almost identical to the figure derived from the industry sector classification in the 1986 Census (22,779), although this was not the case in 1991 as the census figure was much higher than the estimated figure (31,267 compared to 25,896). In terms of the dynamics of labour force participation over the intercensal period, it is clear that assumptions made regarding the ratio of CDEP scheme workers to participants has a major bearing on the estimation of private sector employment using the residual approach.<sup>5</sup> To some extent this particular problem is overcome by the industry reclassification approach which enables the identification of industries in which private sector CDEP scheme workers are likely to have been misclassified.

Table 2. Residual estimation of indigenous employment in the private sector, 1986-91.

|                              | 1986   | 1991   | Per cent change |
|------------------------------|--------|--------|-----------------|
| Labour force                 | 65,989 | 81,670 | 23.8            |
| CDEP employment <sup>a</sup> | 3,010  | 11,083 | 268.2           |
| Unemployed                   | 23,239 | 25,154 | 8.2             |
| Public sector                | 16,913 | 19,537 | 15.5            |
| Private sector               | 22,827 | 25,896 | 13.4            |

Based on the assumption that only 60 per cent of CDEP scheme participants were recorded by the census as employed.

The alternative approach to the estimation of private sector employment is based on the empirical observation that a sizeable proportion of this employment is in industries that ultimately depend on government funding. An obvious case in point is employment in particular community service industries. One way of revealing the magnitude of such 'misclassification' of industry sector is to cross-tabulate indigenous people employed in the private sector against their industry of employment. While this approach involves some degree of subjectivity in determining which industries have predominantly government, rather than private sector, orientation, the extent of guesswork can be minimised by using a detailed breakdown of industry classes.6 Individual industries identified in this way as predominantly government sector in character but with indigenous people classified as private sector employees include: legal services, federal government administration, state government administration, local government administration, defence, community services undefined, community health centres (medical), community health centres (paramedical), welfare and charitable homes not elsewhere classified (n.e.c.), welfare and charitable services n.e.c., community organisations n.e.c., employment services, police, parks and gardens, and the accommodation industry.7

By identifying indigenous people in these industries employed in the private sector and reclassifying them to the government sector, an estimation of employment in the non-government sector is obtained. The actual shifts in employment for each of these industry classes are shown in Table 3. In 1986, a total of 3,916 persons are estimated to have been misclassified, while in 1991 this number more than doubled to 8,122. Using these data for adjustment purposes has the effect of reducing private sector employment in 1986 from 22,779 to 18,863. The dampening effect on 1991 Census data is even greater with a reduction in private sector employment from 31,267 to 23,145. The most likely explanation for this intercensal increase in misclassification is a continued coding of some CDEP scheme participants as private sector at a time when the scheme expanded substantially. This is suggested by the marked increases in private sector employment in community organisations n.e.c. and community services undefined as shown in Table 3. In terms of overall growth in private sector employment, the effect of reclassification is to reduce the intercensal increase in private sector employment from 8,488 (37 per cent) to 4,282 (23 per cent).

Table 3. Indigenous private sector employees by selected industry classes, 1986 and 1991.

| Industry class                         | Number of private sector employees<br>1986 1991 |       |  |
|--|---|-------|--|
| Legal services                         | 200   | 207   |  |
| Federal government administration      | 0   | 24    |  |
| State government administration        | 0   | 19    |  |
| Local government administration        | 0   | 41    |  |
| Defence                                | 0   | 8     |  |
| Community services undefined           | 12  | 639   |  |
| Community health centres (medical)     | 90  | 153   |  |
| Community health centres (paramedical) | 45  | 62    |  |
| Welfare, charitable homes (n.e.c.)     | 156   | 243   |  |
| Welfare, charitable services (n.e.c.)  | 1,157   | 1,225 |  |
| Community organisations (n.e.c.)       | 1,932   | 4,719 |  |
| Employment services                    | 26  | 77    |  |
| Police                                 | 0   | 9     |  |
| Parks and gardens                      | 16  | 32    |  |
| Accommodation                          | 282   | 664   |  |
| Total                                  | 3,916   | 8,122 |  |

n.e.c. = not elsewhere classified.

Source: Special tabulations, Australian Census of Population and Housing, 1986 and 1991 Censuses.

Despite the fact that revised figures for the private sector indicate an absolute increase in such employment, the private sector share of total

employment declined. In 1986, the revised figure of private sector employment, using the industry reclassification approach, accounted for 44.2 per cent of total employment. By 1991, this proportion had fallen to 40.9 per cent. A similar trend emerges using the residual approach with the private sector accounting for 53.7 per cent of total employment in 1986, falling to 45.7 per cent in 1991. While the gap between these two sets of proportions derives ultimately from the semantics of how one defines the private sector, the sharper fall in the private sector share of total employment using the residual approach more directly reflects the growing relative importance of employment in the indigenous sector due primarily to the expansion of the CDEP scheme.

The main outcome from the foregoing analysis is the production of a statistical range within which the true level of indigenous employment in the private sector may conceivably exist. The limits of this range are shown in Table 4.

Table 4. Statistical limits of indigenous employment in the private sector.

| Parameter                 | 1986   | 1991   | Change |          |
|---------------------------|--------|--------|--------|----------|
|                           |        |        | Net    | Per cent |
| Census definition         | 22,779 | 31,267 | 8,488  | 37.3     |
| Industry reclassification | 18,863 | 23,145 | 4,282  | 22.7     |
| Residual approach         | 22,827 | 25,896 | 3,069  | 13.4     |

Discounting the official census definition, the minimum number of indigenous people employed in the private sector in 1991 is estimated to have been around 23,000 while the maximum figure appears to have been almost 26,000. Depending on the assumptions adopted, this represents an increase in such employment since 1986 of between 13 and 20 per cent which, although substantially lower than the official census figure of 37 per cent, remains higher than the rate of growth in private sector employment recorded for the rest of the population (8.4 per cent).

# Policy implications and conclusion

The above analysis of 1986 and 1991 Census data indicates that there has been growth in private sector employment for indigenous Australians and that the rate of growth has exceeded that observed for the total population. However, as a proportion of total employment among indigenous people, private sector employment has declined. The key issues that arise are to what extent such private sector employment is evenly distributed Australia-

wide and how this distribution might be both influenced by, and responsive to, the four broad AEDP strategies outlined above.

The first issue has been well-documented in the literature and forms part of the rationale for the division between private and public sector strategies on the one hand and community sector strategies on the other in both the Miller Report and the AEDP Policy Statement (Miller 1985; Australian Government 1987a). More recently, Taylor (1993b) has highlighted regional variation in the economic status of indigenous Australians, emphasising the growing reliance of rural employment and income on the CDEP scheme. The main policy hurdle faced by government in accessing private sector employment stems from location, as around half the indigenous population resides in regions that lack vibrant economies. Holmes (1988) suggests that given its geographic distribution, the indigenous situation is not unusual; reliance on the public sector for employment is widespread and increasingly the norm in remote Australia. The Northern Territory, western Queensland and the Kimberley are good regional examples. In such situations how can private sector employment be generated without substantial government intervention and subvention. And if such structural arrangements are not to become entrenched, then special programs will need to achieve a far higher rate of success in establishing labour intensive and commercially viable enterprises free of government subvention than has been evident in Aboriginal and Torres Strait Islander communities over the last twenty years.

This raises the policy question of whether statistical equality, in the sense described here for private sector employment, is a useful or even appropriate yardstick against which to measure the enhancement of Aboriginal and Torres Strait Islander employment status. If such equality were to exist, would this imply a transfer of employment into activities which may be perceived as assimilationist for many indigenous people residing in remote, and at times culturally distinct, regions? What of those private sector industries where equal proportions are already employed or where relative over-employment of indigenous people exists: should further employment in these areas be stifled to allow more rapid progress in other industries where employment numbers are below the nonindigenous proportion? A more balanced distribution of employment by industry sector would require much greater involvement of indigenous people in mainstream labour markets and a population distribution like that for the total Australian population that is heavily skewed in favour of major cities. Given that such a balance would require substantial labour migration (Taylor 1992), is such an outcome either feasible or desirable?

Leaving aside these wider policy questions, it is also important not to overlook that conceptual limitations exist in the application of statistical measurement to social issues. For example, very small numbers of Aborigines, and particularly Torres Strait Islanders, employed in a given

industry sector can constitute an equal proportion to the rest of the workforce. Thus, while statistical balance or equality may be achieved, the actual impact in terms of the number of jobs involved will be far from equal given the difference in order of magnitude between the size of the groups being compared. Likewise, the achievement of equal distribution would almost certainly involve a reordering of employment profiles contrary to the aspirations of many indigenous people. For many individuals, whether rural- or urban-based, participation in publicly-funded community service activities may precisely reflect employment aspirations. It may also provide a comparative advantage in the labour market predicated on culturally-derived human capital. In remote areas, such employment may be all that can be achieved given the small size of many communities and the absence of private sector opportunities. This implies a need for flexibility in policy with acknowledgment that statistical equality with the rest of the population, in this case in terms of industry sector of employment, may not always be achievable or desired.

To conclude, we broach two broad issues. First, given the fourfold policy thrust of the AEDP identified above, it is important to ask how broad strategies can be targeted to particular regional circumstances. Altman and Gaminiratne (1994) suggest that such strategic targeting could only occur at the ATSIC regional council level if quantitative information was compiled on supply of, and demand for, indigenous labour for different industry sectors. The appropriate mix of enterprises, labour market program and training program resourcing could then be channelled to each region. A potential problem of such labour-power planning is that it would need to be centrally coordinated, counter to current decentralisation and devolution trends, and, in any case, regional council jurisdictions may be too large to allow effective implementation.

Second, we ponder what weight should be given to the issue of private sector employment equality, given more pressing labour market issues for indigenous Australians like the need to increase relatively low employment/population ratios and low labour force participation. If concern about the private sector is merely driven by the redefinition of CDEP scheme participants as employed, rather than as unemployed or not in the labour force, then consideration should be given to only targeting the scheme to regions devoid of mainstream labour markets, or else defending the scheme on the basis of its other positive spinoffs beyond private sector employment creation.

#### Notes

- The CDEP scheme is a Commonwealth Government labour market program in which unemployed indigenous people of working age forego their entitlements to payments from the Department of Social Security but receive the equivalent from a local community organisation in return for work. For a full description of the scheme and the policy issues surrounding it, see Altman and Sanders (1991) and Sanders (1993).
- If we assume that all self-employed indigenous people shown in Table 1 are in the private sector, then an estimated 21,163 out of 22,779 indigenous private sector workers recorded in the 1986 Census were wage and salary earners. By 1991, this number had increased to 22,697 out of a total of 25,896 private sector workers.
- 3. This revision is based on concerns regarding the accuracy of CES-based unemployment data. Briefly, census figures of unemployment are consistently lower than CES figures as they are based on a more restricted definition. At the same time, potential exists for CES figures to be inflated by the retention on the register of unemployed of persons ineligible for benefits. An example of this is the possibility that some CDEP scheme participants may continue to be registered with the CES leading to double counting. An added difficulty in matching CES data with census data are the different bases for ethnic identification. For a fuller discussion of these issues see Smith (1991: 9-10).
- 4. The number of participants in the CDEP scheme is higher than the actual number of workers as the participant schedules include non-working spouses. In the absence of comprehensive and reliable data, the 60:40 ratio of CDEP scheme workers to participants employed here is no more than an educated guess based on the middle of the range from 30 per cent to 90 per cent of the proportion of workers to participants reported from a sample of 21 communities engaged in the CDEP scheme by Deloitte Touche Tohmatsu (1993: 51).
- 5. A higher or lower ratio would obviously impact significantly on the residual calculation. For example, a higher ratio of 80:20 would result in the subtraction of 4,014 CDEP scheme workers in 1986 and 14,778 in 1991 resulting in lower estimates of private sector employment: 21,823 in 1986 and 22,201 in 1991. Conversely, a lower ratio, of say 40:60, would produce higher estimates of private sector employment: 23,830 in 1986 and 29,590 in 1991.
- The Australian Standard Industrial Classification comprises four levels of disaggregation. At the broadest level are the familiar twelve industry divisions. At the most detailed level are 612 industry classes. The latter were used in the crosstabulation with private sector employment.
- 7. Two examples will suffice to illustrate the process of selecting industry classes for reclassification from private to government sector. In 1991, a total of 276 indigenous people were recorded as employed in the legal services industry. Of these, 75 per cent (206) were classified as private sector employees even though the vast majority of these were likely to be employed by one of 21 Aboriginal and Torres Strait Islander Legal Services funded by ATSIC. Similarly, in 1991 a total of 752 indigenous people were employed in the accommodation industry and 89 per cent of these (664) were classified as private sector employees despite the fact that the bulk of those in this industry were employed by Aboriginal Hostels Ltd or by community-based hostels funded by Aboriginal Hostels Ltd.

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