

# Australia: Worsening conditions for Aboriginal workers and youth in latest “Closing the Gap” report

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The 2026 “Closing the Gap” report provides another stark picture of the deepening social crisis confronting Aboriginal workers and youth. While the Albanese Labor government has presented the report as evidence of small progress and record “investment,” the data points to a very different reality.

Nearly two decades after the “Closing the Gap” program was first introduced by the Rudd Labor government in 2008, only four of the 19 national targets are on track to be met by the 2031 deadline. Most are improving only marginally, while four key indicators are moving decisively backward.

These findings again underscore the widening gulf between official rhetoric and the lived conditions facing Indigenous people.

Moreover, by presenting inequality as a “gap” between Indigenous and non-Indigenous Australians, the annual reports divert attention from the broader erosion of wages, housing and public services affecting the working class as a whole. These are conditions produced by the capitalist system, which concentrates wealth in the hands of a minority while imposing deprivation on the majority.

Presenting the report to parliament, Prime Minister Anthony Albanese declared he was “not contemplating failure.” He proposed continuing the existing arrangements and highlighted partnerships with Aboriginal organisations.

Albanese’s remarks obscure the reality of social conditions more commonly associated with the poorest regions of the world. Overcrowded housing, inadequate healthcare, under-resourced schools and chronic unemployment are entrenched across remote areas and working-class centres.

As with previous reports, there is no serious attempt to explain why these conditions persist and, in many cases, worsen.

The most glaring evidence of failure is found in the indicators classified as “widening gaps.” Adult incarceration rates have continued their upward trajectory, reaching

2,304.4 per 100,000 people in 2024, compared with a baseline of 1,906.1 in 2019. Aboriginal people remain imprisoned at rates more than 10 times those of the non-Indigenous population, demonstrating the increased reliance on punitive measures in response to deepening social distress.

Recent media reports indicate that more than 17,000 Indigenous people are currently incarcerated, making up roughly one-third of the total prison population, despite representing only 3.8 percent of the overall population.

Unreported in the “Closing the Gap” report is that last year recorded the highest number of Aboriginal deaths in custody in four decades. These figures reflect not only “law-and-order” measures that inflict state violence and neglect, but the deeper social devastation produced by entrenched poverty, chronic housing shortages and lack of secure employment.

The removal of children from their families is also intensifying. The rate of Aboriginal children in out-of-home care increased to 50.3 per 1,000 in 2024, up from 47.3 in 2019. This expanding intervention by state child protection agencies reflects intensifying social pressures, driven by impoverishment and inadequate support services.

Early childhood development indicators reveal a similar regression. Only 33.9 percent of Aboriginal children starting school in 2024 were assessed as developmentally on track across all five key domains, down from 35.2 percent in 2018. This decline points to the persistent lack of early education, health and family support systems that shape life outcomes.

Suicide rates have also worsened significantly. The national rate reached 30.8 deaths per 100,000 people in 2023, compared with a baseline of 23.6 in 2018. Suicide remains one of the leading causes of death among Aboriginal people aged 15 to 44, highlighting the depth of the mental health crisis and profound distress affecting entire communities.

Life expectancy figures reveal the cumulative impact of these conditions. Aboriginal men have a life expectancy of around 72 years compared with about 81 years for non-Indigenous men, while Aboriginal women live to around 76 years compared with roughly 85 years for non-Indigenous women. The gap remains large and shows no sign of closing by 2031.

The Northern Territory stands as the sharpest expression of this crisis. Eight of the 19 targets are moving backward there, with extreme incarceration levels, severe overcrowding and suicide rates among Aboriginal people aged 25 to 34 reaching 46.9 per 100,000.

Despite these terrible conditions, the government continues to highlight areas it considers “successes,” particularly the expansion of land and sea rights. The area subject to Indigenous legal rights has grown significantly, with land coverage rising by 7.8 percent and sea country exceeding 113,000 square kilometres. Yet this expansion has coincided with a widening divergence between the acquisition of rights and the living conditions of the vast majority.

Government procurement policies have channelled billions of dollars in public contracts to Indigenous enterprises, particularly through infrastructure, resource and military projects across northern Australia. This has facilitated the emergence of a small but growing layer of wealthy Indigenous landowners, CEOs and administrators, even as poverty continues to shape the lives of most.

Central to the Albanese government’s pro-market agenda is the expanding role of Prescribed Bodies Corporate (PBCs), the legal entities responsible for managing native title rights. Established in the mid-1990s, PBCs were initially focused on land governance, but are now increasingly involved in negotiations and commercial arrangements tied to the exploitation of Indigenous land and waters.

PBCs negotiate terms when governments or corporations seek access to native title land, whether for mining, infrastructure or military projects. Agreements often involve compensation, royalties or community funding, embedding native title institutions within the supply chains of large state and corporate projects.

The latest report allocates \$75 million to “strengthen” PBCs, claiming this will deliver “lasting economic benefits” for communities. At the same time, the Department of Defence is a central driver of procurement, with military base upgrades and logistics operations across northern Australia. While presented as partnership and opportunity, this process ties a growing Indigenous corporate layer to preparations for war.

Labor’s failed attempt in 2023 to entrench an Indigenous

Voice institution in the constitution aimed at further integrating sections of the Indigenous elite into the state apparatus, including its military plans. Although the Voice referendum was defeated—largely due to working-class distrust of Labor’s claims it would improve conditions for Indigenous people—the Albanese government continues to advance measures that bolster a wealthy Aboriginal leadership.

Housing provides one of the clearest examples of the gulf between rhetoric and reality. The Albanese government’s \$4 billion Northern Territory remote housing pledge, announced in 2023, was presented as a decisive step toward reducing chronic overcrowding. Yet the NT continues to record the highest overcrowding rates in the country, with many homes accommodating 10 to 15 people.

In places such as Binjari, where Albanese made the announcement during a highly publicised visit, residents reported more than a year later that no new houses had been built.

The 2026 report underscores a pattern seen since “Closing the Gap” was launched in 2008. The promise that it would address the legacy of the “stolen generations” of children removed from their families, and end the appalling conditions confronting most Aboriginal people, has been exposed as a fraud.

The crisis facing Aboriginal people is inseparable from the wider assault by the Albanese government on the living standards of the working class as a whole. Rising inequality, precarious employment, housing shortages and cuts to public services affect Indigenous people most severely, but they are products of the same profit-driven system that impacts workers across Australia and internationally.

The growing gulf between a wealthy Indigenous corporate and political elite—benefiting from procurement contracts, administrative roles and land settlements—and the vast majority living in poverty mirrors class divisions throughout society. The experience of “Closing the Gap” demonstrates that social inequality cannot be resolved within the existing capitalist order.

Addressing the social crisis requires a unified struggle of Aboriginal and non-Aboriginal working people against this system and its political servants. Genuine equality requires a fundamental reorganisation of society to place human need above private profit, entailing the overthrow of capitalism and the establishment of a socialist society.



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