

Aboriginal Peak Organisations Northern Territory (APO NT)

**Inquiry into Pathways and Participation Opportunities for
Indigenous Australians in Employment and Business**

Joint Submission

17 December 2020

Committee Secretary
House of Representatives Standing Committee on Indigenous Affairs
PO Box 6021
Parliament House
Canberra ACT 2600

Submission lodged via email IndigenousAffairs.reps@aph.gov.au

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Dear Committee Secretary,

RE: Aboriginal Peak Organisations Northern Territory submission to the House of Representatives Standing Committee on Indigenous Affairs' Inquiry into Pathways and Participation Opportunities for Indigenous Australians in Employment and Business

Introduction

1. Prime Minister Scott Morrison often argues that “if you have a go, you’ll get a go”.¹ Yet, there is currently a nationwide gap between the employment rates of Aboriginal and non-Aboriginal people and, in the Northern Territory (NT) in 2016, the gap was wider than in any other jurisdiction.² Aboriginal Peak Organisations Northern Territory (APO NT) does not believe that this gap exists because Aboriginal people are not “having a go”. Instead, we believe that Aboriginal people cannot “get a go” because few opportunities are available, especially in regional, remote and very remote areas.
2. Since 2010, the APO NT alliance has been working to develop policies on critical issues facing Aboriginal people in the NT, and to influence the work of the Australian and NT Governments. As peak organisations in the NT, we share the aim of protecting and advancing the wellbeing and rights of Aboriginal people and communities. Aboriginal empowerment, local ownership and community control are critical factors underpinning our work. We advocate for coordinated action to address the social determinants of health across a broad range of policy areas and work to ensure that the right conditions are in place for strong and resilient communities.
3. Our submission focuses on employment opportunities for Aboriginal people in remote communities. After describing the immense economic stress Aboriginal people in those communities currently experience, this submission identifies three main barriers to employment: a lack of available jobs, flawed government employment programs and COVID-19. It then identifies an opportunity for a new way forward: APO NT’s Remote Development and Employment Scheme. The Scheme would primarily overcome existing barriers to employment by creating jobs in remote communities and providing Aboriginal people in remote areas with a real opportunity to seek employment.

¹ Murphy, K., 2019. “The meaning of Morrison’s mantra about getting a fair go is clear. It’s conditional”, *The Guardian*. <https://www.theguardian.com/australia-news/2019/apr/17/the-meaning-of-morrison-s-mantra-about-getting-a-fair-go-is-clear-its-conditional>

² Australian Bureau of Statistics, 2018. “2016 Census of Population and Housing: Aboriginal and Torres Strait Islander People Profile”, *Australian Bureau of Statistics*. The Censuses for each State and Territory can be accessed from: <https://www.abs.gov.au/websitedbs/D3310114.nsf/Home/2016%20Census%20Community%20Profiles>

4. As a member of the Coalition of Peaks, we stress that any policy that directly impacts on Aboriginal people must be underpinned by the National Agreement on Closing the Gap, which was endorsed in July 2020. The APO NT Remote Development and Employment Scheme represents a great opportunity for the Australian Government to embody the National Agreement and work with Aboriginal people to improve employment outcomes. Implementing the Scheme would particularly highlight the Australian Government's commitment to Priority Reform 2, which deals with building the capacity of the Aboriginal Community Controlled Organisations to deliver services.³

Setting the Scene

5. Before continuing, it is worth describing what life is currently like for Aboriginal people in remote NT communities.
6. As we reflected to the Inquiry into food pricing and food security in remote Indigenous communities earlier this year,⁴ welfare payments have not increased. Over the last 15 years, the JobSeeker allowance (previously Newstart) has not increased above inflation,⁵ except for the temporary increase caused by the pandemic. Additionally, the remote area allowance for welfare recipients has not increased in the last 20 years. It remains at \$18.20 per fortnight for singles, \$15.60 per person per fortnight for couples and \$7.30 per fortnight for each dependent.⁶
7. While welfare payments have remained stagnant, the cost of essentials has increased considerably. For example, increases in the cost of healthy food in remote communities have significantly exceeded CPI.⁷ People are now spending over 50% of household income on food alone, compared to the national average of 14%.⁸ In some cases, the total cost of a basket of food for a family is over 150% of household income.⁹
8. Given these trends, Aboriginal people living in remote NT communities continue to live under immense economic stress. With healthy food now out of reach for most remote community members, many families are going without food or seeking quick, cheap and energy-dense foods and drinks. In APO NT's experience, people living in the face of these economic limitations are not asking for more or different income management. They are asking for real employment opportunities, especially for young people.

³ More information on the National Closing the Gap Agreement Priority Reform Areas can be found [here](#).

⁴ APO NT, 2020. "Joint Submission: Inquiry into food pricing and food security in remote Indigenous communities", APO NT. <http://www.amsant.org.au/apont/wp-content/uploads/2020/07/20200709-APO-NT-submission-Inquiry-into-food-pricing-and-food-security-in-remote-Indigenous-communities.pdf>

⁵ ACOSS, 2018. "Raise the Rate: Increase Newstart and related payments", ACOSS. <https://www.acoss.org.au/wp-content/uploads/2018/03/Raise-the-Rate-Explainer-1.pdf>

⁶ Productivity Commission, 2020. "Remote Area Tax Concessions and Payments", Australian Government. <https://www.pc.gov.au/inquiries/completed/remote-tax/report/remote-tax.pdf>

⁷ Department of Health NT, 2020. "Northern Territory Market Basket Survey 2019", Northern Territory Government. <https://data.nt.gov.au/dataset/nt-market-basket-survey-2019>

⁸ NT Council of Social Services (NTCOSS), 2019. "Cost of Living Report: Utilities Costs in the Northern Territory", NTCOSS. <https://mkOntcossoq2ubakxf8.kinstacdn.com/wp-content/uploads/2019/12/NTCOSS-Cost-of-Living-Report-Utilities-No.-26-Dec-2019-amended.pdf>

⁹ Department of Health NT, 2020. "Northern Territory Market Basket Survey 2019", Northern Territory Government. <https://data.nt.gov.au/dataset/nt-market-basket-survey-2019>; Markham, F. & Biddle, N., 2018. "Income, Poverty and Inequality: 2016 Census Paper No. 2", Centre for Aboriginal Economic Policy Research, The Australian National University. https://caep.cass.anu.edu.au/sites/default/files/docs/CAEPR_Census_Paper_2.pdf

Barriers to Employment

9. While Aboriginal people ask for real economic opportunities, there continue to be a range of barriers that impede their employment prospects in remote NT communities.¹⁰ Instead of reviewing each and every one of those barriers, this submission focuses on three.
10. In APO NT's view, the primary barrier to employment in these communities is a lack of available jobs. For example, we have heard that there are approximately 2,500 people living on the Tiwi Islands but only 510 available jobs. Importantly, APO NT is not the only organisation that has heard about the disparity between population and available jobs. The Government is also aware of the disparity. As the Department of Prime Minister and Cabinet advised the Senate in 2016:

*"In the larger remote communities in the Northern Territory, if every job was taken up by the job seekers in that community the employment rate would still be only half of the national average. In Wadeye and Galiwinku, even if every current local job went to local Indigenous job seekers the employment rate would still be under 35%."*¹¹
11. The lack of employment opportunities specifically targeted towards young people is of particular concern to APO NT. Between 2011 and 2016, education participation among remote Aboriginal youth increased, but employment rates declined. Additionally, the proportion of young Aboriginal people in remote areas not in employment, education or training increased between 2011 and 2016.¹² Both these trends suggest that Aboriginal youth in remote areas are finding it harder to access the labour market. If the Government truly believes that "the best form of welfare is a job",¹³ then these trends require immediate attention and drastic action.
12. Separately, flawed government employment programs also impede employment outcomes. The Government's Community Development Program (CDP) purports to support job seekers in remote communities.¹⁴ However, the CDP is poorly equipped to address the experiences of people in those communities.¹⁵ For example, CDP participants may be required to work in jobs that would normally be done by paid workers, thus reducing employer demand for paid employees.

¹⁰ Gray, M., Hunter, B. & Lohar, S., 2012. "Increasing Indigenous employment rates", *Australian Institute of Health and Welfare*. <https://www.aihw.gov.au/getmedia/71bb346a-1b83-4038-a2f7-647e65a21445/ctg-ip03.pdf.aspx?inline=true>

¹¹ Department of Prime Minister and Cabinet, 2016. "Submission to the Senate Finance and Public Administration Committee Inquiry into the Social Security Legislation Amendment (Community Development Program) Bill 2015", *Parliament of Australia*. https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Finance_and_Public_Administration/Social_Security/Submissions

¹² Venn, D., 2018. "Indigenous youth employment and the school-to-work transition: 2016 Census Paper No. 6", *Centre for Aboriginal Economic Policy Research, The Australian National University*. https://caep.r.cass.anu.edu.au/sites/default/files/docs/2018/6/CAEPR_Census_Paper_6_2018_0.pdf

¹³ Glasson, M., 2019. "If the best form of welfare is a job: disrupting disadvantage through employment", *Committee for Economic Development of Australia*. <https://www.ceda.com.au/Digital-hub/Blogs/CEDA-Blog/November-2019/If-the-best-form-of-welfare-is-a-job-disrupting-disadvantage-through-employment>

¹⁴ Department of Prime Minister and Cabinet, 2016. "Submission to the Senate Finance and Public Administration Committee Inquiry into the Social Security Legislation Amendment (Community Development Program) Bill 2015", *Parliament of Australia*. https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Finance_and_Public_Administration/Social_Security/Submissions

¹⁵ Fowkes, L. & Li, J., 2019. "Designing a Remote Employment Program: Lessons from the past and a proposal for the future", *Journal of Australian Political Economy*, 82: 57 – 83.

13. Further, the program discourages provision of long term skills training, and does nothing to address the financial viability of this training. This limits the opportunity for CDP participants to undertake extended training or study that might equip them to take up local skilled work opportunities. While the CDEP, which CDP replaced, was not perfect, it did offer local people the opportunity to work for wages. CDP does not offer a way, instead condemning people to long term reliance on income support and 'work for the dole'. People who are directed to work for up to 20 hours per week, year round, do so without standard employment rights or conditions, and do not receive superannuation payments.¹⁶
14. In 2018, the Government announced partial wage subsidies in an attempt to create new jobs for CDP participants. The initial promise was for 6,000 subsidies, later reduced to 1,000. As at 31 March 2020, only 101 new jobs had been created for CDP participants, of which only 17 had been created for participants in the NT.¹⁷ The greatest failing of the 1,000 jobs reform was that it was outside the reach of many smaller ACCO's in remote communities, for example art centres, who could not afford the gap between the subsidy and the required wage.
15. Finally, COVID-19 is likely to have exacerbated existing economic barriers and vulnerabilities. While present data on the employment effects of COVID-19 on Indigenous communities is limited, we do know that:
- Important sectors to Indigenous communities, like the arts and tourism sector, have been hit hard, reducing income and job opportunities.¹⁸
 - Indigenous workers are more likely to be casual employees, making them more vulnerable to job losses, both now and when JobKeeper payments cease.¹⁹
 - The youth labour market was poor prior to COVID-19 and is expected to be significantly worse, even after restrictions are lifted. This is particularly the case for young people without Bachelor's degrees or any formal qualifications who make up the majority of young people in remote Indigenous communities.²⁰
 - The delivery of key services like youth support, disability services, health care and education have all been impacted by community lockdowns. This occurred even though, with appropriate training and funding support, many local people could do much of this work.
 - Continuing policy uncertainty has made it difficult for employment program providers and participants to plan for now and into the future.

Shared Decision Making

16. While it has exacerbated existing vulnerabilities, COVID-19 has also highlighted the capacity of Indigenous communities to lead policy responses on issues that affect them – and the rarity

¹⁶ APO NT, 2018. "Fair Work and Strong Communities: Proposal for a Remote Development and Employment Scheme", APO NT. <http://www.amsant.org.au/apont/wp-content/uploads/2020/10/Fair-Work-and-Strong-Communities-Model-2018.pdf>

¹⁷ National Indigenous Australians Agency, 2020. "Answer to Question on Notice No. 0092, Additional Budget Estimates 2019-2020", *Senate Finance and Public Administration Legislation Committee, Parliament of Australia*.

¹⁸ OECD, 2020. "Culture shock: COVID-19 and the cultural and creative sectors", *OECD*. <https://www.oecd.org/coronavirus/policy-responses/culture-shock-covid-19-and-the-cultural-and-creative-sectors-08da9e0e/>

¹⁹ Dinku, Y., 2020. "The COVID-19 crisis, recession and Indigenous jobs", in *Indigenous Australians and the COVID-19 Crisis: Perspectives on Public Policy* (eds. F. Markham, D. Smith and F. Morphy), Centre for Aboriginal Economic Policy Research, The Australian National University. <https://caep.r.cass.anu.edu.au/research/publications/indigenous-australians-and-covid-19-crisis-perspectives-public-policy>

²⁰ Borland, J., 2020. "The next employment challenge from coronavirus: how to help the young", *The Conversation*. <https://theconversation.com/the-next-employment-challenge-from-coronavirus-how-to-help-the-young-135676>

of opportunities for them to do so. Across the pandemic, APO NT has observed the enormous capacity of the Aboriginal Community Controlled sector to lead policy and practical responses to local issues. For example, Aboriginal leaders were quick to respond to evidence of a pandemic and advocated strongly for government action to close access and set up borders with strict conditions of entry. This rapid action prevented what might have been catastrophic infection and death rates in highly vulnerable communities. There is now an opportunity to build on this success.

17. Specifically, there is now an opportunity for a positive jobs package to harness the strengths of Aboriginal Community Controlled Organisations, to build the resilience of remote communities, and to provide positive employment and earning opportunities for many, rather than a return to poverty and Work for the Dole. With this in mind, APO NT has developed a job creation proposal which we believe can improve the lives and livelihoods of Aboriginal people, especially for those living in remote communities: the Remote Development and Employment Scheme.

Proposal for a positive alternative: Remote Development and Employment Scheme

Introduction

18. The Remote Development and Employment Scheme (**the Scheme**) has three broad objectives:

- to increase employment rates and reduce poverty among Aboriginal people living in remote communities in Australia through the creation of new jobs;
- to improve opportunities for local Aboriginal residents of remote communities to acquire the skills and work experience needed to take up existing and emerging local job opportunities, particularly those designed to promote community resilience; and
- to increase access to employment for those who are particularly vulnerable to long term unemployment, like young people and people with disabilities.

19. The Scheme achieves these objectives through three initiatives: a Remote Jobs Investment Fund funding 10,500 part time jobs in Indigenous organisations, a youth project scheme funding paid work experience, and a redesigned enterprise fund supporting investment in business projects. Importantly, each of these initiatives would enable local Aboriginal Community Controlled organisations to employ additional people from their communities and invest in enterprise opportunities that address community aims.

Employment Opportunities

20. In order to make a significant impact on employment and poverty rates across remote Australia and to create a real chance for Aboriginal people in remote communities to get work, APO NT knows that the Scheme must create a substantial number of jobs. That is why the Scheme contains the Remote Jobs Investment Fund, an initiative that would enable Aboriginal organisations to employ local workers part-time. The fund would have a standard 20 hour week with scope for alternative arrangements, and workers would be paid at the relevant award rate and enjoy standard employment conditions. An additional loading would be paid to employers to cover other costs of employment including training, superannuation etc.
21. APO NT also knows that youth employment requires specific and targeted attention. That is why the Remote Development and Employment Scheme would provide funding for paid work experience and training for 1,500 youth each year. These placements would not only provide youth in remote areas with much needed job opportunities, they would also provide youth with the skills to transition from school to work.

22. In 2018, APO NT asked the National Centre for Social and Economic Modelling (**NATSEM**) to model the impact of these jobs creation proposals. NATSEM reported that if these initiatives were implemented:

- the employment rate across these regions would increase from 48.2% to 57.8%; and
- the poverty rate would fall by 2.6 percentage points (or 11.4%) from 22.7% to 20.1%, and halve for those directly employed in the Scheme; and
- the expenditure would be partially offset by substantial savings from income support payments, as well as potential increases in tax receipts.

23. The temporary COVID supplement has made a significant difference to poverty rates in remote communities. However, the Government has made it clear that its intention is to wind these payments back. Without substantial investment in job creation, many in remote NT communities face a return to grinding poverty without realistic prospects of moving into quality paid work.

Enterprise Opportunities

24. APO NT knows that employment and enterprise opportunities go hand in hand. That is why the Remote Development and Employment Scheme would also support enterprise through a social enterprise fund. Social enterprises are organisations that serve the interests of a group of disadvantaged people by reinvesting in community outcomes, like employment, business development and health. The fund would support these enterprises through capital grants, rather than a series of loans.

25. Importantly, and unlike the former Indigenous Enterprise Fund, the social enterprise fund would not use commercial viability as a single test. Instead, the fund would support enterprises that are likely to create social and economic returns in the short-term and are likely to reduce their reliance on government support over time. In addition, increased income from employment through jobs created will stimulate local economies, increasing the viability of new enterprises.

Decision Making Process

26. Decisions made under the Scheme would be made under a shared decision making arrangement. An independent national organisation, with majority Indigenous leadership, would oversee the Scheme and its implementation. Accountability for the Scheme and its objectives would be shared between government and community organisations. And, on a more local level, participant and community input would be central to the priorities and performance of the Scheme.

27. These decision making processes would also allow the Government to build on their commitments under the National Agreement on Closing the Gap. As part of the Agreement, the Government committed to establishing formal partnerships with Aboriginal people as a priority area of reform. In line with our previous recommendations to ground any and all policy reform in the priority areas for reform, APO NT believes that the fund's decision making structure provides an opportunity for the Government to confirm their interest in shared decision making.

Addressing Barriers to Employment

28. This submission earlier identified three main barriers to employment. In APO NT's view, the Scheme addresses each of the identified barriers by creating employment and enterprise options for Aboriginal people living in remote communities.
29. The Scheme addresses the barrier created by a lack of available jobs by directly investing in sustainable job creation. To achieve sustainability, jobs must become part of the fabric of communities. Unlike the CDP, the fund achieves this by encouraging the growth and development of viable local organisations and enterprises.²¹ The fund also supports people access training and development, thus making them more employable upon leaving the fund.
30. The CDP scheme is widely regarded as a Canberra driven scheme, imposed on Aboriginal communities. The proposed Scheme would empower local communities by (i) including them in objective setting and resourcing (ii) providing direct resources through supporting employment costs (iii) allowing substantial local control over the way services are delivered locally.
31. Finally, the Scheme addresses COVID-19's exacerbation of pre-existing economic vulnerabilities. Long term underinvestment in remote communities and remote community residents have left them with poor social, economic and skills infrastructure. Direct investment in jobs would enable local Aboriginal Community Controlled organisations to start to address some of these deficits and to plan for future workforce needs. For example, APO NT believes that the disability services sector is a key growth sector in remote areas. The fund could be used to create a pool of trainee disability workers. An investment of this nature would provide the double benefit of (a) improving employment outcomes and (b) improving service provision on country so people with disabilities can access sustainable support in their communities, as opposed to in regional centres.
32. It is for these reasons that APO NT recommends the Government adopts the Remote Development and Employment Scheme as policy. A full description of APO NT's employment proposals and other arguments in support of the Remote Development and Employment Scheme can be found in **Attachment A** and [here](#).
33. To discuss the details of this submission or the fund further, please contact the APO NT Network Coordinator, Theresa Roe, on (08) 8944 6624 or via email at theresa.roe@amsant.org.au.

Yours sincerely,



John Paterson

On behalf of the APO NT Governing Group

²¹ APO NT, 2018. "Fair Work and Strong Communities: Proposal for a Remote Development and Employment Scheme", APO NT. <http://www.amsant.org.au/apont/wp-content/uploads/2020/10/Fair-Work-and-Strong-Communities-Model-2018.pdf>