Aboriginal Peak Organisations Northern Territory (APO NT)

Aboriginal Peak Organisations Northern Territory Submission

Updated 9 December 2022 – Supersedes version submitted 1 December 2022

Summary

APO NT's submission addresses the theme, 'Lifting participation and reducing barriers to employment'. We outline the significant issues faced by Aboriginal people in the NT and outline APONT's ongoing work as presented in the *2017 Fair Work Strong Communities: Proposal for a Remote Development and Employment Scheme*. The key features of this proposal are as follows:

- **Increase the proportion of people in communities in work**
- **Create new jobs (Remote Jobs Investment Fund)**
- **More local Aboriginal people in work that is available, focusing on youth**
- **Stimulate Aboriginal business enterprise and economic development**
- **Increase participation of those who can work and get the right help for those who cannot**
- **Increase community involvement in decision making**

APO NT Submission to the Treasury

November 2022

The Employment White Paper

We welcome the opportunity to provide feedback to the Treasury on the Employment White Paper. The eight members of Aboriginal Peak Organisations of the Northern Territory (APO NT) advocate for the rights of Aboriginal and Torres Strait Islander people in the Northern Territory of Australia.

The employment gap between Indigenous and non-Indigenous people in Australia continues to be a 'wicked policy problem'. The gap in employment is most pronounced in the NT compared to other jurisdictions, and especially so for Aboriginal people living in remote and very remote locations.[1] While recent developments, including commitments to reform the employment benefit system, are encouraging, we remain cautious. **We are concerned that APO NT remains on the periphery while significant employment policy and program decisions are being made. This is a missed opportunity given the breadth and depth of knowledge, experience, and sustained efforts that APO NT and its supporters have made for more than a decade, in advocating for fair and just employment for Aboriginal people in the NT.**

Indeed, Aboriginal people, communities and organisations of the NT have been consistently clear on their advocacy for Aboriginal people. Especially with regards to remote employment and economic participation, the prevailing sentiment is one of disappointment, so much so that in 2017 APO NT, through the sheer tenacity of its members, developed and advocated its own Remote Jobs proposal the *Fair Work Strong Communities(FWSC)*. This proposal was developed and endorsed by an alliance of Indigenous and non-Indigenous Community Development Program (CDP) providers around Australia and other supporters. The FWSC is a proposal that recognises that it is not just the form of labour market assistance that matters, **but the extent to which it can be seen as a vehicle for local decision-making, and the rebuilding of local authority**.[2] Its first key element is: governance arrangements **that embed Indigenous control at every level** – from the development of national policy to its application on the ground. This must include the ability for local communities to set goals and adapt program settings to local circumstances, and the establishment of governance arrangements that enshrine, in law, Indigenous leadership of the program at a national level.

We assert it is not for Aboriginal people to overcome barriers of political inertia that enable economic development in remote NT; instead, the obligation should be borne by the government and the wider community to ensure employment settings are inclusive and economic benefits are shared equally. The employment gap is evidence of government failure, not of failure of Aboriginal people. The Employment White Paper must not demote these failures to a fringe issue, owing to the relatively small numbers of Aboriginal people impacted (relative to other jurisdictions). Nor should remote Aboriginal employment be relegated to the 'too hard basket' due to its complexity. We know that by digging into the heart of these issues, there are solutions, benefits, and lessons for all. Aboriginal people have always had the solutions and the *Fair Work Strong Communities* proposal puts their voices and solutions front and centre.

[1] Department of Treasury and Finance, 2016, ABS Estimates of Aboriginal and Torres Strait Islander Australia, access via the Northern Territory Government, Department of Treasure and Finance, *Chart 10: Geographical share (%) of total state/territory Aboriginal population*

[2] Fowkes, L. and Li, J.,2018, *Designing A Remote Employment Program: Lessons From the Past and a Proposal for the Future,* Journal of Australian Political Economy No. 82, pp. 57-83.

Introduction

APO NT is an alliance of peak Aboriginal organisations working to promote and protect the rights of Aboriginal people living in the Northern Territory (NT). The APO NT alliance comprises the Central Land Council (CLC), Northern Land Council (NLC), Tiwi Land Council (TLC), Anindilyakwa Land Council (ALC), North Australian Aboriginal Justice Agency (NAAJA), Northern Territory Indigenous Business Network (NTIBN), Aboriginal Housing Northern Territory (AHNT) and the Aboriginal Medical Services Alliance of the NT (AMSANT). Since APO NT's establishment in 2010, our members have been working to develop constructive policies on critical issues facing Aboriginal people in the NT and strive to influence the work of the Australian and NT Governments.

Underlining our collective work is the right to self-determination, which is expressed in the United Nations Declaration of the Rights of Indigenous Peoples. The primacy of this cannot be understated. As representatives from peak organisations in the NT, we share the aim of protecting and advancing the wellbeing and rights of Aboriginal people and communities in several key areas. Local involvement, ownership and control underpins APO NT's work in advocating for practical and sustainable solutions for Aboriginal people. These are then predicated on policy conditions that support Aboriginal self-determination, including commitments to needs-based funding, building the community-controlled sector and centring Aboriginal decisions in how national strategies are implemented on the ground.

Background

Since the abolition of CDEP in 2013, labour market programs in remote Australia have been based on the 'activation' model that operates in non-remote areas. This model focusses on building 'employability' amongst job seekers through regular appointments and activities, on the assumption that jobs will be available. Declining remote Indigenous employment rates reinforce the absolute failure of this approach.

In most parts of remote Australia, even if every local Aboriginal person was employed in available jobs, there are simply not enough mainstream jobs to go around. The problem is a jobs deficit in remote Australia and the solution is not simply relocation, as the UNDRIP outlines:

Recognizing the urgent need to respect and promote the inherent rights of indigenous peoples which derive from their political, economic and social structures and from their cultures, spiritual traditions, histories and philosophies, ***especially their rights to their lands, territories and resources****.*[3]

We know that the budget allocation of over $400 million per year for the administration of CDP alone is not a good investment. NIAA's own evaluation in 2019 highlights minimal impacts on job outcomes, showing that only 7% of participants got a job that lasted more than 6 months in duration. It is also worth noting that the cost of CDP was twice as much as the previous program Remote Jobs and Communities Programme as outlined in the performance audit by the Australian National Audit Office.[4]

There is clearly a strong case to reconsider the financial investment into the current CDP programs. More importantly there is an urgent need to act to break the cycle of entrenched poverty and unemployment for the next generation of young Aboriginal people in remote Australia.

[3] UN Department of Economic and Social Affairs Indigenous Peoples, 2007, United Nations Declaration on the Rights of Indigenous Peoples, pp. 3

[4] Australian National Audit Office, 2017, Performance Audit Report: *The Design and Implementation of the Community Development Program*, section 3.9.

The current situation

We know that since the signing in 2020 of the National Agreement on Closing the Gap, employment rates have worsened and in the NT the gap is the widest. [5]

For non-Indigenous people, NT has the highest employment rate in the country (86.2% of non-Indigenous people aged 25-64 employed, based on 2021 ABS Census data[6]). In contrast, for Indigenous people, the NT has by far the lowest rate of employment in the country, seeing a continued decline over the last decade from 42.8% of Indigenous people aged 25-64 employed in 2011, to 35.4% in 2016 and 34.3% in 2021.[7] Nationally, the employment rate for Indigenous people was 55.7% in 2021.[8] The Closing the Gap target is to see 62% of Aboriginal and Torres Strait Islander people aged 25-64 employed by 2030.

This trend is highlighted in the 2018 Census CAEPR report. It states,

'That employment fell by around 15% for Indigenous men and 6% for Indigenous women between 2011 and 2016 (Fig. 5). At the same time, the Indigenous working age population increased by around 6%, leading to a significant deterioration in the employment rate.' [9]

This gap is worse in remote settings:

Indigenous employment rates in remote areas dropped substantially between 2011 and 2016: by 4 percentage points for women and 9 percentage points for men. As discussed above, this was partly due to the phasing out of the CDEP scheme. Employment performance was considerably worse for the Indigenous population than for the non-Indigenous population in remote areas, where the employment rate for the non-Indigenous population increased by 1 percentage point for men and 2 percentage points for women, resulting in a widening of the employment gap in remote areas by 10 percentage points for men and 6 percentage points for women.

Figure 1 [FIG.3] demonstrates this decreasing rate of employment for Aboriginal men and women, in remote settings compared with the other states and territories. For both Aboriginal women and men living in remote settings in the NT, there is a negative rate of employment, and it is the highest of all jurisdictions in Australia.

[5] Australian Government, Productivity Commission, 2018-19, *Performance Reporting Dashboard: Employment*, accessed via [https://performancedashboard.d61.io/indigenous/indigenous_indig_employment]
[6] Analysis of 2021 ABS Census data by the Centre for Aboriginal Economic Policy Research (unpublished)
[7] Ibid.
[8] Ibid.
[9] Venn.D, Biddel.N, 2016, *EMPLOYMENT OUTCOME: 2016 Census Papers*, Centre for Aboriginal Economic Policy Research ANU College of Arts & Social Sciences, pp.6

Northern Australia Workforce Development
Submission 56 - Attachment 1

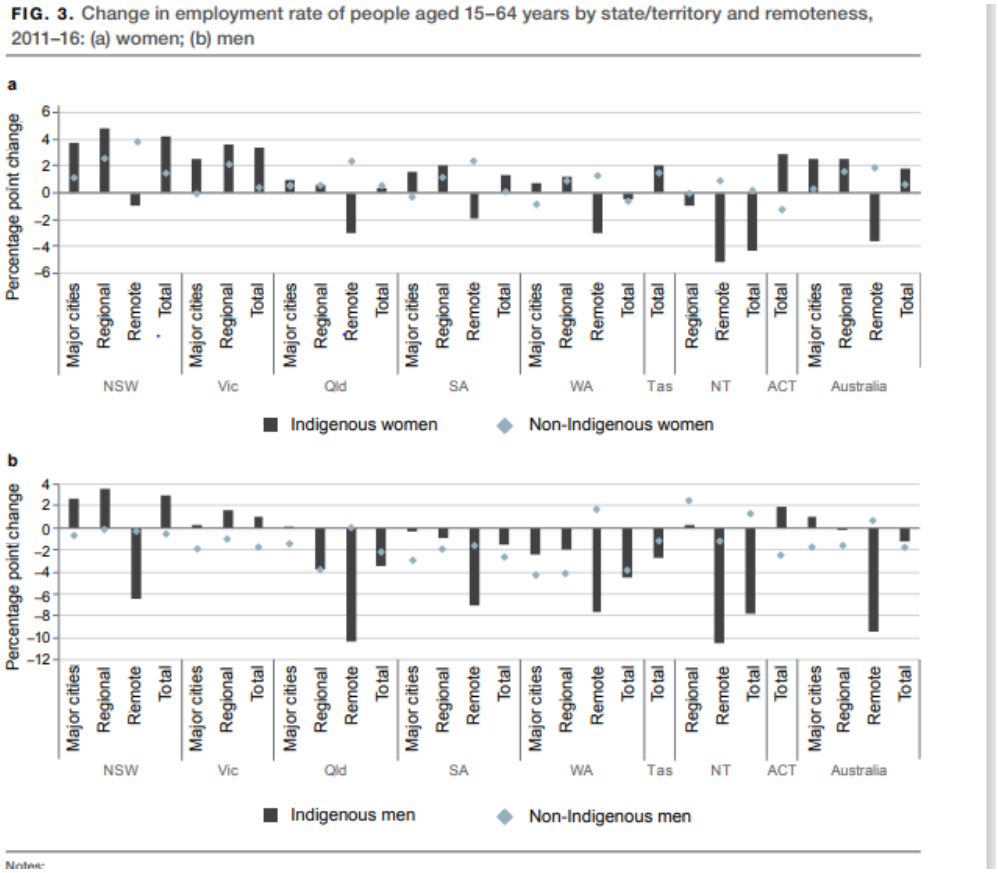

Figure 1[10]

Reports by the Productivity Commission on Closing the Gap indicate the employment gap between Indigenous Australians and non-Indigenous Australians is growing.[11]

This is not news for generations of Aboriginal people living under significant financial stress and it is certainly not news for APO NT and its members. Employment has been a long-term policy priority for APO NT, as voiced by Aboriginal people in the NT.

Recommendation 1: Commonwealth Treasury incorporate recommendations and insights from previous APO NT submissions (as listed below)

Key APO NT Submissions

2012

CDEP waged employment program benefits remote Aboriginal communities

Demonstrates the value of the waged component of CDEP, using the success of the Bawinanga Aboriginal Corporation based in Maningrida, as a case study.

APO NT Response to RCJP

[10] Ibid, pp. 5
[11] Australian Government: Productivity Commission, 2021, Closing the Gap: Information Repository, *Socioeconomic outcome area 8: Strong participation and development of Aboriginal and Torres Strait Islander people and communities*.

APO NT's response identified a lack of clarity around the new program, lack of flexibility in approach, inadequate support for development of local economies and failed to include the provision of waged employment.

2016

APO NT convened a Forum in Darwin on 12-13 December 2016 to discuss grave concerns with how CDP was affecting its participants, their families and communities. They agreed to the following principles as a better way forward:

- Aboriginal leadership
- Decision-making by community
- Create waged employment in jobs that matter for the community
- Promote communities' long-term economic, social and cultural development
- Focus on impact for individuals and community, not bureaucratic processes.

2017

Developing Strong and Resilient Remote Communities: Proposal for establishment of a remote development and employment scheme

In response to discussion from the Forum in 2016:

APO NT proposes that the Australian Government's Community Development Program (CDP) be replaced by a scheme that is place based, community driven, and establishes a framework for long term collaborative effort across governments, employers and Indigenous organisations to increase economic opportunities in remote communities

2017 APO NT Submission to the Senate Inquiry on the appropriateness and effectiveness of the objectives, design, implementation and evaluation of the Community Development Program (CDP)

This submission proposes APO NT's alternative scheme and highlights the following:

Importantly, the proposed new Remote Development and Employment Scheme also seeks to increase the number of jobs in communities, drive community participation and development, and reduce the intrusion of the welfare system into people's lives.

2018

Fair Work and Strong Communities: Proposal for a Remote Development and Employment Scheme

The FWSC Alliance is established.

Cost Estimates of the Fair Work and Strong Communities Job Proposal

The alliance commissions an analysis of the cost of providing 12,000 new part time jobs to unemployed people across remote areas. The research, conducted by NATSEM at Canberra University, found that the net cost of the jobs package, including costs like superannuation, would be approximately $196m. NATSEM found that the immediate effect of creating these jobs would include a reduction in measured poverty rates from 22.7% to 20.1% across included areas, and an increase in the employment rate in these areas from 48.2% to 57.8%, reducing the employment gap by one third.

2019

A formal Partnership Agreement on Closing the Gap between the Coalition of Peaks and COAG. As a member of the Coalition of Peaks, APO NT works in partnership on the implementation of the National Agreement both at the national and NT level.

Jobs and employment outcomes are an integral part of the reform agenda under the National Agreement, which seeks to increase the proportion of Aboriginal and Torres Strait Islander people aged 25-64 who are employed (Target 8 of the National Agreement on Closing the Gap).

To fulfil the Australian Government's commitment to Closing the Gap, this will require the employment structures and settings to provide meaningful cultural safety, full and transparent engagement with Aboriginal and Torres Strait Islander people that **prioritises the voices of Aboriginal and Torres Strait Islander peopl**e and leadership, and access to opportunities for Aboriginal and Torres Strait Islander people **no matter where they live**. This must involve a 'whole system' consideration of employment readiness and support in the Northern Territory.

2020

Joint Submission into the Inquiry into Pathways and Participation Opportunities for Indigenous Australians in Employment and Business

This submission again highlights the FWSC proposal with the additional benefits to achieve Closing the Gap:

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.

2021

Submission to Senate Finance and Public Administration Committee in relation to the Social Security Legislation Amendment (Remote Engagement Program) Bill 2021

APO NT strongly opposed this bill, citing that people would be working jobs that would normally be paid instead of income support which was under the minimum wage, without benefits or training.

2022

The CLC appeared at the Remote Jobs Round Table with other CDP service providers including regional councils. APO NT, as represented by AMSANT, also attended the ACTU First Nations Worker Alliance Symposium to present the FWSC proposal.

APO NT undertakes work to reconvene the FWSC alliance. A workshop occurred with key stakeholders to contribute to refreshing the FWSC framework.

Conclusion

The lack of employment opportunities for Aboriginal people living in the NT has been identified since the 1960s, and predates a long history of exploitation of Aboriginal people in the NT, striking and campaigning for their work rights. In 1977 the creation of the Community Development Employment Projects was the first formal attempt to address this issue, and since then, the scheme has been subjected to several redesigns, amendments, trials, studies and proposals. Even with this history, and even though we know the obvious benefits of meaningful employment, we have failed successive generations. This cannot continue.

We stress that the time is now for the Australian Government to rethink its approach to employment to make real impacts for Aboriginal people living out bush. Tinkering with CDP will not change the outcomes we are seeing today: we need a bold Employment White Paper that puts Aboriginal people's voices at the forefront. We need a critical reversal of fortunes to transform the lives of Aboriginal people living out bush - **jobs creation, with a focus on youth, and employment programs designed and led by Aboriginal people**.

We implore the Commonwealth Treasury to meet with us to discuss in detail our refreshed Fair Work, Strong Communities proposal and how best it can be incorporated in the Employment White Paper.