

Hi

Please accept this late response to the following question on notice:

In the geographic area covered by the Central Land Council, how significant is private sector activity in the economy? Do you have any data about the aggregate private sector economic activity? (I appreciate this second question may not be able to be answered due to data limitations)

CLC response:

While we do not have specific data on the CLC region, across remote areas of the NT labour supply outstrips demand. PM&C itself noted this in its submission to the CDP Bill (p3) "A high proportion of the communities in remote Australia have very weak or non-existent labour markets (in particular for full-time employment) and private investment, limited access to broader markets and often land tenure arrangements that restrict private investment and economic development. These conditions result in very few job opportunities. Even if all jobs in remote communities were filled by job seekers there would be a significant labour over supply."

In addition to lack of overall labour demand, local Aboriginal people face significant impediments to accessing what jobs are available because of lack of relevant vocational skills and work experience. In this sense, lack of opportunity to work is self-perpetuating, because not working means lack of access to on-the-job or work related training, lack of experience with up to date equipment and work practices, and lack of ability to demonstrate work capabilities to employers.

In developing the APO NT proposal, we have been mindful of the need to avoid locking people into subsidised jobs where there is an opportunity for the creation of, or transition to, conventional labour market opportunities. Our proposal is for an initial pool of 10,500 jobs to be funded - enough to significantly lift employment rates and opportunities, but not enough to absorb all local labour. We have proposed that the number of funded positions in particular regions be adjusted in response to labour market changes. We have proposed that the objectives of the program be framed in terms of net employment/income effect over time, so that both government and program providers must develop strategies to leverage the initial government investment in subsidised jobs into ongoing increases in local employment rates.

The CDP has reduced the amount of money available to local people to spend on goods and services in their communities through abolition of CDEP and through imposition of unprecedented levels of penalties. This undermines any efforts of local people to develop and sustain micro enterprises. The Government's insistence that all Work for the Dole activity be strictly scheduled and supervised also undermines individual efforts at boosting income. Our proposal, which would see greater investment in people and much greater flexibility, is more likely in our view to create conditions for employment and income generating activity.

In relation to private sector activity specifically it is worth noting the following:

- the definition needs clarifying (ie: if a company wins a tender for government-funded service provision/activity does that make the activity a private sector activity?)
- generally there is very little private sector activity across the CLC region, with the vast majority of funds and services being funded through various levels of government.
- Mining (and related) sector activity in the CLC region is either exploration or mining, related infrastructure development and 3rd tier providers to the industry like motels, equipment suppliers etc based in large towns. Much of this investment is short term. Exploration activities are generally conducted as campaigns – short term bursts of work of 1 – 6 weeks and then results may be analysed for weeks or months depending on how much capital the explorer can access. It is rare to find full time jobs in exploration. Even with advanced exploration such as drilling it still happens in bursts with a driller and offsider, usually a contractor, moving for campaigns from project to project. Opportunity in central Australia in the mining related industry at present is low – 2 mines, 2 producing gas fields (low workforce number) and low exploration due to down turn in capital investment.

Regards

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