

# Chapter 3

## Nature and underlying causes of joblessness in remote communities

### Introduction

3.1 In a 2010 paper, McRae-Williams and Gerritsen explained the unique economic and employment challenges within remote communities:

There are limited employment opportunities with a significant gap between the size of the labour force and the number of jobs generated in the local economy as well as inadequate physical infrastructure for many economic development proposals. Low levels of education, limited opportunities for training, poor health, transport difficulties, and issues of alcohol and drug abuse are also factors affecting employment capacity.<sup>1</sup>

3.2 Similarly, a 2014 study by the Australian Institute of Health and Welfare found that Indigenous Australians generally experience multiple barriers to economic participation, including lower levels of education, poorer health and more difficulties with English (especially in remote areas), higher rates of incarceration, inadequate housing and accommodation and lack of access to social networks that may help to facilitate employment.<sup>2</sup>

3.3 The Australian Bureau of Statistics (ABS) has found that, after adjusting for the combined effect of age, education levels and remoteness, the gap between unemployment rates decreased by more than half, but Aboriginal and Torres Strait Islander people were still twice as likely as non-Indigenous people to be unemployed (10.8 per cent compared with 5.5 per cent).<sup>3</sup>

3.4 This chapter focuses on a number of the key factors that cause joblessness in remote communities:

- Remoteness;
- Younger age profile;
- Educational status;

---

1 E McRae-Williams, R Gerritsen, (2010). Mutual Incomprehension: The Cross Cultural Domain of Work in a Remote Australian Aboriginal Community. *The International Indigenous Policy Journal*, Vol. 1, No. 2, p. 1.

2 Tom Karmel et al, *Closing the gap clearinghouse: Improving labour market outcomes through education and training*, Australian Institute of Health and Welfare, Issues Paper no 9, February 2014, p. 42, [http://www.aihw.gov.au/uploadedFiles/ClosingTheGap/Content/Our\\_publications/2014/ctgc-ip9.pdf](http://www.aihw.gov.au/uploadedFiles/ClosingTheGap/Content/Our_publications/2014/ctgc-ip9.pdf) (accessed 14 June 2017).

3 Australian Bureau of Statistics (ABS) 4102.0—Australian Social Trends, 'Exploring the gap in labour market outcomes for Aboriginal and Torres Strait Islander peoples', <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/4102.0main+features72014> (accessed 20 September 2017).

- Lack of labour market economy (including government procurement);
- The impact of trauma;
- Cultural and family obligations; and
- Reluctance of some businesses to employ Indigenous people or employ locally.

### **Remoteness**

3.5 As noted earlier in the report, the CDP is designed specifically for remote Australia.<sup>4</sup> Remoteness is defined by the ABS as a factor of accessibility and distance from the nearest urban centre.<sup>5</sup>

3.6 The ABS's 2014 analysis of the gap in labour market outcomes for Aboriginal and Torres Strait Islander people found that:

- Aboriginal and Torres Strait Islander peoples were twelve times as likely (22.1 per cent) as non-Indigenous peoples (1.8 per cent) to live in remote or very remote areas (see Figure 3.1 below); and
- labour force participation in remote areas varies with age, so the combination of younger age and remoteness may have a greater effect on outcomes.<sup>6</sup>

3.7 In 2014–15:

- the unemployment rate for Indigenous Australians was 21 per cent, an increase of 4 percentage points from 2008 and 3.6 times then the non-Indigenous unemployment rate of 6 per cent; and
- 37 per cent of Indigenous Australians in remote areas were employed compared with 52 per cent of Indigenous Australians in non-remote areas (see Table 3.1 and Figure 3.2 below).<sup>7</sup>

---

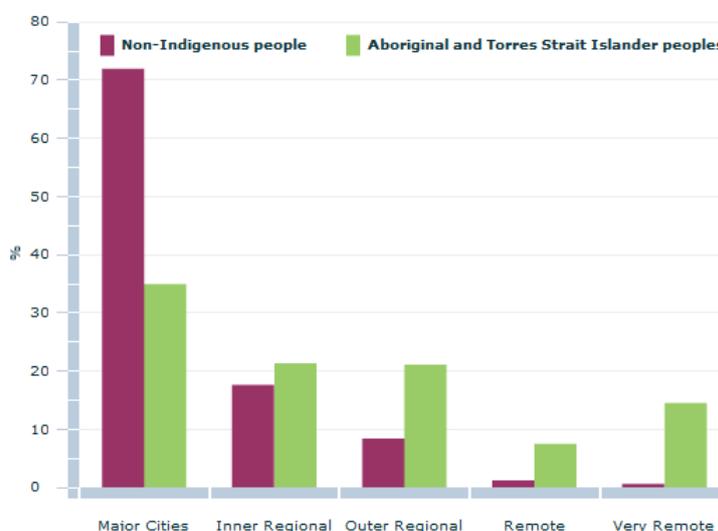
4 Department of the Prime Minister and Cabinet, *Submission 36*, p. 1.

5 ABS 1270.0.55.005, 'Australian Statistical Geography Standard (ASGS): Volume 5—Remoteness Structure', 2011, [http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/A277D01B6AF25F64CA257B03000D7EED/\\$File/1270055005\\_july%202011.pdf](http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/A277D01B6AF25F64CA257B03000D7EED/$File/1270055005_july%202011.pdf) (accessed 11 October 2017).

6 ABS 4102.0—Australian Social Trends, 'Exploring the gap in labour market outcomes for Aboriginal and Torres Strait Islander peoples, <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/4102.0main+features72014> (accessed 20 September 2017).

7 *Aboriginal and Torres Strait Islander Health Performance Framework 2017 Report*, p. 110.

**Figure 3.1—Population distribution across Remoteness Areas by Indigenous status<sup>8</sup>**



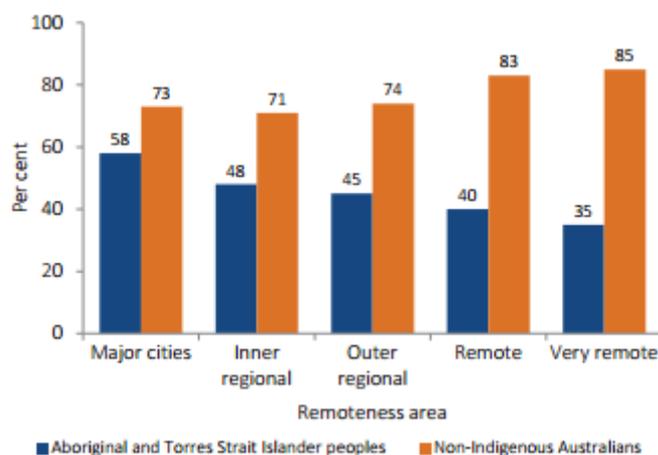
**Table 3.1—Labour force status of Indigenous Australians aged 15–64 years, by remoteness, 2014–15<sup>9</sup>**

Labour force status	Non-remote	Remote	Australia
	Per cent		
In the labour force (participation rate)	64	51	61
Total employed	52	37	48
Employed Full-time	31	22	29
Employed Part-time	21	15	19
Unemployed (% of total population)	13	14	13
Unemployment rate (% of labour force)	20	28	21
Not in the labour force	36	49	39
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

8 ABS, 'Exploring the gap in labour market outcomes for Aboriginal and Torres Strait Islander peoples', 4102.0—*Australian Social Trends, 2014*, 27 August 2014, <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/4102.0main+features72014> (accessed 10 November 2017).

9 ABS and AIHW analysis of 2014–15 NATSISS, *Aboriginal and Torres Strait Islander Health Performance Framework 2017 Report*, Table 2.07–1, p. 111.

**Figure 3.2—Employment rate by Indigenous status persons aged 15–64 years, by remoteness, 2014–15<sup>10</sup>**



3.8 The committee heard that remoteness can lead to disengagement of communities from the broader economy of Australia and 'make them much more reliant on the public purse to help them sustain what they have and to increase the possibilities for them'.<sup>11</sup> Assistant Commissioner Paul Taylor of the Queensland Police told the committee that remoteness and isolation can cause a range of 'hurdles' especially during a young person's development which can impede a person's capacity to take on a job.<sup>12</sup> Practical challenges—such as needing to travel to buy groceries and attend medical appointments as these services are either too expensive or simply not available in remote communities—are often not accommodated as part of CDP.

3.9 Ms Vanessa Thomas, Director at the Nurra Kurramunoo Aboriginal Corporation and resident of the remote community of Mulga Queen (Western Australia) described having to travel 140 kilometres to purchase affordable groceries in the nearest town of Laverton or over 500 kilometres to reach Kalgoorlie (the closest regional town) for a medical appointment and being breached by the local CDP provider.<sup>13</sup> The need to travel such distances for everyday services is not compatible with the five hours per day required of CDP participants. Ms Thomas noted the breaches that CDP participants incurred as a result of this necessary travel.<sup>14</sup>

10 AIHW and ABS analysis of 2014-15 NATSISS and 2014 SEW, *Aboriginal and Torres Strait Islander Health Performance Framework 2017 Report*, Figure 2.07–20, p. 111.

11 Councillor Liz Schmidt, President, Northern Alliance of Councils, *Proof Hansard*, Townsville, 4 October 2017, p. 22.

12 Assistant Commissioner Paul Taylor, Assistant Commissioner, Northern Region, Queensland Police Service, *Proof Hansard*, Townsville, 4 October 2017, p. 2.

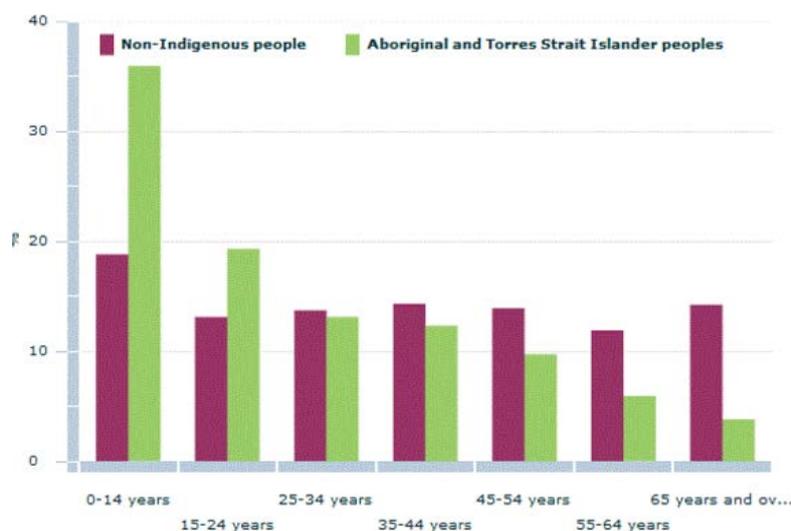
13 Ms Vanessa Thomas, Director, Nurra Kurramunoo Aboriginal Corporation, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 49.

14 Ms Vanessa Thomas, Director, Nurra Kurramunoo Aboriginal Corporation, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 52.

## Younger age profile

3.10 Aboriginal and Torres Strait Islander peoples have a younger age profile than non-Indigenous people, as shown in Figure 3.3 below.

**Figure 3.3—Age structure by Indigenous status<sup>15</sup>**



3.11 Unemployment rates for Aboriginal and Torres Strait Islander people were higher than those for non-Indigenous people, in all age groups. However, the difference was largest for young people aged 15–24 years (31.8 per cent for Aboriginal and Torres Strait Islander people, compared with 16.7 per cent for non-Indigenous people).<sup>16</sup>

3.12 The younger age profile of a remote community combined with the higher prevalence of unemployment in the younger age cohorts results in higher levels of unemployment in those communities compared to their non-remote counterparts.

## Educational attainment

3.13 There have been a range of studies that underscore the key reasons for lack of success in the mainstream labour market for Indigenous Australians. These highlight the critical importance of educational attainment in employment disparities.<sup>17</sup> According to the Centre for Aboriginal Economic Policy Research (CAEPR) at the Australian National University, the difference in employment outcomes in remote and

15 ABS, 'Exploring the gap in labour market outcomes for Aboriginal and Torres Strait Islander peoples', 4102.0—*Australian Social Trends*, 2014, 27 August 2014.

16 ABS, 'Labour force characteristics', 4714.0 – *National Aboriginal and Torres Strait Islander Social Survey*, 2014–15.

17 Tom Karmel et al, *Closing the gap clearinghouse: Improving labour market outcomes through education and training*, Australian Institute of Health and Welfare, Issues Paper no 9, February 2014, p. 50, [http://www.aihw.gov.au/uploadedFiles/ClosingTheGap/Content/Our\\_publications/2014/ctgc-ip9.pdf](http://www.aihw.gov.au/uploadedFiles/ClosingTheGap/Content/Our_publications/2014/ctgc-ip9.pdf) (accessed 14 June 2017).

non-remote locations is likely to involve the differential access to educational institutions for such areas.<sup>18</sup>

3.14 Research by the Australian Institute of Health and Welfare, supported by ABS analysis, found that the difference in educational attainment between Aboriginal and Torres Strait Islander and non-Indigenous people was a critical factor in the difference in employment rates:

Our findings...underscore the critical importance of educational achievement to economic participation.<sup>19</sup>

3.15 The lack of educational opportunities has long been recognised as according to the 1996 Royal Commission into Aboriginal Deaths in Custody, as many as 10 000 to 12 000 Indigenous students aged between 12 and 15 years living in remote communities did not attend education facilities because of a lack of post-primary schooling facilities within a reasonable distance of their home. In a 1996 submission, the Aboriginal and Torres Strait Islander Commission argued that a key reason preventing Indigenous students from leaving their home communities was inadequate supports in regional and metropolitan cities:

The reluctance of Indigenous students to leave their home town was due to a lack of financial and emotional support in the cities.<sup>20</sup>

3.16 Ms Victoria Baird of Save the Children noted that one of the key difficulties for CDP participants maintaining employment is that 'they lack education or skills'.<sup>21</sup> Lack of education was described as an intergenerational issue, with some witnesses noting that previous generations had very limited education, with many historically not allowed to continue their education beyond primary school.<sup>22</sup>

3.17 Ms Tina Carmody, the Working Together Co-ordinator at Kalgoorlie Boulder Chamber of Commerce and Industry noted that educational outcomes in remote

---

18 Matthew Gray, Monica Howlett and Boyd Hunter, *Indigenous Population Project: 2011 Census Papers*, CAEPR, Paper 10: Labour market outcomes, p. 10, [http://caepr.anu.edu.au/sites/default/files/cck\\_indigenous\\_outcomes/2013/06/2011CensusPaper10\\_LbrMktOutcomes.pdf](http://caepr.anu.edu.au/sites/default/files/cck_indigenous_outcomes/2013/06/2011CensusPaper10_LbrMktOutcomes.pdf) (accessed 14 June 2017).

19 Tom Karmel et al, *Closing the gap clearinghouse: Improving labour market outcomes through education and training*, Australian Institute of Health and Welfare, Issues Paper no 9, February 2014, p. 50, [http://www.aihw.gov.au/uploadedFiles/ClosingTheGap/Content/Our\\_publications/2014/ctgc-ip9.pdf](http://www.aihw.gov.au/uploadedFiles/ClosingTheGap/Content/Our_publications/2014/ctgc-ip9.pdf) (accessed 14 June 2017).

20 Aboriginal and Torres Strait Islander Commission, Submission to the Senate Inquiry into Indigenous Education, July 1996, p. 21, cited in Australian Human Rights Commission, *Rural and Remote Education Inquiry Briefing Paper*, 2001, <https://www.humanrights.gov.au/publications/rural-and-remote-education-inquiry-briefing-paper-30> (accessed 14 June 2017).

21 Ms Victoria Baird, Regional Coordinator, East Kimberley, Save the Children Australia, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 13.

22 Mr Martin Sibosado, Chairperson, Aarnja Limited, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 62.

indigenous communities are very different to those in non-Indigenous Australia. Ms Carmody acknowledged that, in some instances, CDP has helped to provide some basic literacy and numeracy programs. Notwithstanding these minor gains, significant challenges remain:

When you go out there in country, where English is the second, third or fourth language, that level of education presents a problem for finding employment. So that is another barrier. Our level of education is totally different from white man's definition of 'level of education', and I do not believe that is considered.<sup>23</sup>

3.18 This view was supported by others who noted that there are many in remote communities who do not speak English as their first language:

Most of the people that we work with in Kununurra would be speaking Kimberley Kriol as their first language not Australian standard English. Obviously, in the further outlying communities you have people who have Aboriginal languages as their first language.<sup>24</sup>

3.19 Ms Ada Hanson of the Kalgoorlie Boulder Aboriginal Residents Group (KBARG) expressed the view that educational disadvantage is perpetuated because remote Indigenous communities 'are receiving substandard education, and it's not delivered in the language of their people'.<sup>25</sup> Ms Hanson elaborated:

It stems all the way down to the education that they're given as children. It's not within their language, so it's their understanding of what is being taught. As a child under five you can be who you are: you speak your language, whether it's English or Chinese or whatever it is. Then you go to school, and in Australia that's in English, so you are completely changing the way you have grown up. When you are growing [up] you're getting all the tools and resources necessary to be able to contribute to society. Then it stops when you get to school, because you can't understand what's happening. It starts from there, basically, and then just continues. When they get into their late teens or early adulthood they're just not ready with the tools. Then the training, of course, isn't provided within the context of their lives, I suppose.<sup>26</sup>

3.20 Mr Martin Sibosado, Chairperson of Aarnja, observed that educating and empowering a person with an education and skills to successfully enter the job market is not a short term project. Many community organisations have educated and trained

---

23 Ms Tina Carmody, Working Together Coordinator, Kalgoorlie Boulder Chamber of Commerce and Industry, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 9.

24 Ms Victoria Baird, Regional Coordinator, East Kimberley, Save the Children Australia, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 13.

25 Ms Ada Hanson, Kalgoorlie Boulder Aboriginal Residents Group, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 18.

26 Ms Ada Hanson, Kalgoorlie Boulder Aboriginal Residents Group, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 21.

local Indigenous tradespeople in remote locations, but it takes time and a co-ordinated approach:

I can tell you it took 20 years to actually establish Aboriginal plumbers, Aboriginal builders. That's how long it takes to take someone through education right through to actually getting a trade certificate and into business. It can be done, but it could be done a whole lot quicker if we had more coordination of our programs.<sup>27</sup>

### **Lack of labour market economy**

3.21 As noted earlier, educational attainment through skills and experience is an important precursor to job-readiness. Equally as important though is the existence of a functioning economy—that is, the pathways and opportunities to apply these skills and experiences. Mr Hans Bokelund, CEO of the Goldfields Land and Sea Council made the following observation:

I understand the government's position on education, trying to get our Aboriginal children through to year 12, but I think one of the issues I have is if there are no pathways afterwards, infrastructure, job market in the remote communities, we're going to have more despair, more suicides.<sup>28</sup>

3.22 The ABS has found that work opportunities in regional and remote areas of Australia differ from those in major cities because of the nature of their labour markets, with differing types and availability of work.<sup>29</sup> Mr Peter Strachan also observed in his submission that 'remote areas generally have an underdeveloped labour market where people often do not actively look for work and therefore are not classified as unemployed, even though they are not working and might indeed prefer to work if the labour market were different'.<sup>30</sup>

3.23 Dr Inge Kral of the Australian National University offered her view of the employment challenges in remote communities:

Ultimately, despite all these policy initiatives in the employment domain in remote regions, the structural conundrum remains the same. Remoteness and distance combined with unique ecological and historical circumstances mean that there is essentially still no labour market economy in most remote communities. Coupled with this is the reality that social and cultural ties to traditional land compel many remote groups to stay living on the

---

27 Mr Martin Sibosado, Chairperson, Aarnja Limited, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 57.

28 Mr Hans Bokelund, CEO, Goldfields Land and Sea Council, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 45.

29 ABS 4102.0—Australian Social Trends, *Exploring the gap in labour market outcomes for Aboriginal and Torres Strait Islander peoples*, <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/4102.0main+features72014> (accessed 20 September 2017).

30 Mr Peter Strachan, *Submission 4*, p. 3.

land of their ancestors. Therefore remote Aboriginal people are less likely to move to other locations seeking employment.<sup>31</sup>

3.24 This view was echoed by Mr Cameron Miller, CEO of the Ngurratjuta Pmara Ntjarra Aboriginal Corporation:

The labour market in the remote areas is diminishing. It's never been there, but it's getting a lot harder. You've got your core services, which have employment opportunities available, but they're never consistent. We've been able to place people into employment, but it's generally short term.

We struggle in the remote communities because we [don't] have access to facilities—that is the biggest thing—and access to industry. So to create an industry in one of our hub communities or main communities, it's a multi-million dollar task. It's not just a matter of setting up a small shop and creating competition for the other shop that's already there, struggling, it's long term. We haven't come across an industry to create, other than tourism, and that's where we're basically focusing our efforts as a whole, not specifically for CDP, but we see that there'll be merit coming out of that in the next three to five years.<sup>32</sup>

3.25 Professor Altman summarised key policy challenges in addressing joblessness in remote communities:

- the disparity between jobs and the Indigenous population in remote and very remote regions is massive (the employment to population ratio for Indigenous persons was 37 per cent and 83.4 per cent for non-Indigenous people);
- the extremely high non-Indigenous employment rate in rural and remote regions reflects non-Indigenous migration to take up employment, largely to administer government programs for Indigenous improvement; and
- Indigenous labour mobility as a policy solution fails to recognise people's attachment to country and communities, and a lack of evidence that those who do move improve their employment prospects.<sup>33</sup>

### ***Government procurement***

3.26 Many witnesses were asked about the role of government procurement in providing employment opportunities in remote locations. Some acknowledged that most government contracts are centred around the metropolitan centres reflecting where most government business is undertaken.<sup>34</sup> Notwithstanding this, the committee

---

31 Dr Inge Kral, *Submission 7*, p. 3.

32 Mr Cameron Miller, CEO, Ngurratjuta Pmara Ntjarra, *Proof Hansard*, Alice Springs, 28 August 2017, p. 2. See also: Ms Tina Carmody, Working Together Coordinator, Kalgoorlie Boulder Chamber of Commerce and Industry, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 9.

33 Professor Jon Altman, *Submission 26*, p. 4. Data cited from OECD, *Connecting people with jobs: Key issues for raising labour market participation in Australia*, 2017.

34 Mr Martin Sibosado, Chairperson, Aarnja Ltd, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 63.

received evidence which showed that where government contracts are being undertaken in remote locations, remote communities are missing out on the opportunity to be involved:

On the Dampier Peninsula, just north of Broome, where our communities live, the Commonwealth has provided \$53 million to the Northern Australia Roads Program and the state's provided \$12 million. The road contract is starting. No Aboriginal people have got a job. [Kullarri Regional Communities Indigenous Corporation] trained 10 people in preparation 12 months ago for that contract, and not a single person has gotten a job at this stage. They promise us, 'Next year you'll have a job.' Secondly, they say, 'Your people aren't skilled,' but we say, 'They've been through VET cert III.' That's just an example when you're talking about procurement.<sup>35</sup>

3.27 In Alice Springs, the committee heard that Indigenous employment targets are a compulsory requirement in some government procurement contracts. Mr Michael Klerck, Manager of Social Policy and Research at Tangentyere Council described how these targets are being used as part of the tendering process, but not being monitored as contracts are executed:

With respect to a lot of Northern Territory government procurement processes, generally they're weighted on the basis of different selection criteria, and local employment is one of those selection criteria, but unfortunately at times, particularly under the previous [Territory] government, we found that price seemed to take priority in terms of the way contracts were awarded. And then once awarded, there may be particular key performance indicators. For example, for remote tenancy management, there was a key performance indicator of 50 per cent Aboriginal employment, but, after significantly reviewing project performance information reports from some non-Indigenous for-profit providers, it would seem with those that 50 per cent Aboriginal employment target was not being met. We're talking about an achievement of maybe 19 per cent of the Aboriginal employment target in some cases, and less than half of that is local Aboriginal employment in the remote communities. On one level it seems to be a priority in selection criteria and key performance indicators, but in other respects it doesn't seem to actually turn out that way a lot of the time.<sup>36</sup>

3.28 This view was echoed in Queensland by Ms Katie Owens, Manager at Rainbow Gateway who noted that non-compliance against the Indigenous employment requirement is:

---

35 Mr Martin Sibosado, Chairperson, Aarnja Ltd, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 63.

36 Mr Michael Klerck, Manager, Social Policy and Research, Tangentyere Council, *Proof Hansard*, Alice Springs, 28 August 2017, pp 2–3. See also: Tangentyere Council, *Submission 34.1*.

---

...compounded by the fact that the government procurement processes—for example, the requirement to employ local people through local contractors—are often unmonitored and unreported against.<sup>37</sup>

3.29 Ms Owens elaborated:

In my experience with the procurement that has happened in the past throughout our communities, a lot of times when anything involves a contractor—say we're doing building repairs and maintenance on the houses—all of a sudden a contractor turns up into community and they have cursory conversations with us about the suitability of our participants. There needs to be an early identification and discussion amongst a lot of people in community, including the key stakeholders, as well as the participants and any government departments that are actually involved in that, so that we can start a process of having our jobseekers or participants trained to be able to go in to actually get that job...<sup>38</sup>

3.30 There appears to be an inconsistent approach to the use of Indigenous employment targets both at a state and federal level. The Department of the Prime Minister and Cabinet (PM&C) noted that the Australian Government proposes to have requirements for Indigenous employment targets for road projects in northern Australia. However, these requirements would not be universal with PM&C acknowledging that such requirements would only apply to projects in northern Australia—as part of the Government's broader policy to develop northern Australia—and would not include projects in parts of southern Australia including the Goldfields region of Western Australia.<sup>39</sup>

3.31 The use of a headcount for Indigenous targets rather than a calculation of the number of hours worked by Indigenous employees is another approach which reduces the Indigenous component of a workforce working on a specific project or contract. Mr Matthew Ellem, General Manager at Tangentyere Employment explained:

I think there is an issue that there is not a consistent reporting. In some contracts it will be the number of people out of the workforce but not necessarily the number of hours. So what we see happening with some projects is that they will employ half a dozen labourers from us as casuals, but they're getting casual hours and fewer hours than their normal workforce. It doesn't seem that government actually ends up asking what proportion of wages went to Indigenous workforce. It is just a headcount,

---

37 Ms Katie Owens, Manager, Rainbow Gateway Limited, *Proof Hansard*, Townsville, 4 October 2017, p. 7.

38 Ms Katie Owens, Manager, Rainbow Gateway Ltd, *Proof Hansard*, Townsville, 4 October 2017, p. 16.

39 Mr Paul Denny, Assistant Secretary, Community and Economic Development Division, Department of the Prime Minister and Cabinet, *Proof Hansard*, Canberra, 8 September 2017, p. 62.

with no qualitative evaluation of how much work or how much in wages the Indigenous workforce got compared to the non-Indigenous workforce.<sup>40</sup>

3.32 Another witness noted that in other cases contractors who do not meet Indigenous employment targets often forego a bonus; however, the bonus is insufficient to incentivise meeting the employment targets.<sup>41</sup> A lack of coordination on government contracting work was also flagged as a reason why locals were missing out when governments were spending money, in particular on roads and housing in remote locations. Quick delivery of projects is often undertaken at the expense of using local labour.<sup>42</sup>

3.33 This lack of coordination extends not only to mainstream companies, but also to Indigenous-owned enterprises. Mr Sibosado noted that there is room for improvement:

There was another thing that struck me when I was talking to some of the successful and award-winning Indigenous businesses. I got to saying, 'How far do you go?' They said, 'We've actually got contracts in your country.' I said: 'How's that? How come you're not talking to local people, CDPs, around creating employment?' They said, 'We don't know who to talk to.' Obviously they are Koori people from Sydney. So I said: 'Here's a card. Give us a ring and we'll connect you up with everybody.' There may be a few jobs to grab.<sup>43</sup>

3.34 The committee were also told that it is difficult for remote community organisations to compete for contracts against more experienced businesses and organisations who are better able to demonstrate their capacity to complete a contract. Mr Mark Jackman, General Manager of the Regional Anangu Services Aboriginal Corporation, described the need for local groups to be given a chance to win some work, employ some locals and demonstrate their capabilities:

For us, it is about procurement and creating the opportunities. If we don't get opportunities we can't engage. There are major roadworks on the APY Lands and we're largely shut out of that cycle. It's just about creating those opportunities. When housing contracts come along, we put in a big tender and we might just miss the post. My conversations with governments are: 'You don't have to give us a big contract but give us maybe two houses so that we can prove our worth.' You need to start somewhere, but it is about our organisation getting that start. There are lots of other organisations; I

---

40 Mr Matthew Ellem, General Manager, Tangentyere Employment, *Proof Hansard*, Alice Springs, 28 August 2017, p. 5.

41 Mr Cameron Miller, CEO, Ngurratjuta Pmara Ntjarra, *Proof Hansard*, Alice Springs, 28 August 2017, p. 3.

42 See, for example: Mr Matthew Ellem, General Manager, Tangentyere Employment Services, *Proof Hansard*, Alice Springs, 28 August 2017, p. 4.

43 Mr Martin Sibosado, Chairperson, Aarnja Ltd, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 63.

---

will only speak for ours. For us, we can create many opportunities but we need to be given that chance.<sup>44</sup>

3.35 Perhaps the most serious challenge of all is the perception of gaming of government contracts rather than companies seriously engaging with how to genuinely satisfy local Aboriginal employment requirements. Mr David Ross, Director of the Central Land Council, recounted a story his son told him about a contractor who proposed forming a 'part-Aboriginal-owned company' to improve access to work in Aboriginal communities. However, the proposal to form the company would not have resulted in any real employment opportunities for local Aboriginal people.<sup>45</sup>

3.36 The government has acknowledged that the money it spends in providing services to remote communities has the potential to drive employment outcomes for members of those communities. This potential can only be realised if the spend is well deployed—by many accounts it is not. The common thread across the testimony received by the committee was the lack of a structured connection between government expenditure, and the aims and processes of CDP.

## Trauma

3.37 Many witnesses expressed concern about the impact of trauma on an individual's capacity to be job-ready. Ms Baird described the role that trauma plays in disempowering individuals and communities from seeking and maintaining ongoing employment:

The[re] are many underlying causes of joblessness in Kununurra and the outlying communities. The significance of trauma and family issues and relational problems cannot be underestimated. For many people, it's difficult to maintain employment not just because they lack education or skills but also because they find it difficult to regulate their emotions and behaviour. Minor issues can often escalate to periods of exclusive behaviour which limits their employability. The abuse of alcohol and other drugs to help individuals cope with strong emotions also clearly impacts on their ability to maintain employment. Greater emphasis needs to be placed on healing underlying trauma not just on education and training.<sup>46</sup>

3.38 The committee heard about the powerful nature of not just past experiences of trauma, but the lived experience of people dealing with ongoing traumatic experiences:

Even just getting out of the door in the morning if you have experienced family violence the night before can be a huge challenge. There are so

---

44 Mr Mark Jackman, General Manager, Regional Anangu Services Aboriginal Corporation, *Proof Hansard*, Alice Springs, 28 August 2017, p. 28.

45 Mr David Ross, Director, Central Land Council, *Proof Hansard*, Canberra, 8 September 2017, p. 39.

46 Ms Victoria Baird, Regional Coordinator, East Kimberley, Save the Children Australia, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 13.

many issues that affect them even getting there in the first place and then they have to deal with any triggers that might come up during the day.<sup>47</sup>

3.39 The long term effects of trauma are felt by the whole community with children often experiencing it as a consequence of the trauma experienced by their own parents:

The trauma that I see is like the kids getting sworn at by their parents, not being fed and parents having no money to feed them. I get phone calls from some of my clients asking me to lend them some money because they've spent all their money on other things. They ring me and ask, 'Can you lend me \$20 till pay day so I can go and buy some sausages and bread and whatever.' Kids are starving, so that's part of the trauma. They don't go to school because they don't have clean clothes, they don't have uniforms and they don't have what it takes to fit in to the schools. It can also affect them psychologically too; they too can become victims. At our mental health service we also have a unit there called the children and adolescent unit. We also work alongside kids affected by trauma and that sort of stuff. It's very traumatic for most of them.<sup>48</sup>

3.40 Trauma is compounded in remote communities due to the lack of mental health services. For a while, outreach of mental health services were provided, but according to Ms Vanessa Thomas of the Mulga Queen community, this has now been discontinued:

At first we did, but now they don't come anymore. I don't know why. They tell us that we have to go into Laverton, but, like I said, the transport. Because AMS [Aboriginal Medical Service]—Bega Garnbirringu—used to come out there and do stuff but they don't do it any more. They have a mobile clinic, but they only go as far as Laverton. They said that we have to go into Laverton but we've got no transport.<sup>49</sup>

3.41 Furthermore, Mr Matthew Ellem, General Manager of Tangentyere Employment, noted that for many people currently participating in the CDP, the provision of basic health and other social services is far more pressing than the need for an employment service.<sup>50</sup>

### **Cultural and family obligations**

3.42 Many witnesses highlighted the fundamental importance of culture and family responsibilities to Indigenous culture. Ms Ada Hanson of the KBARG summarised this view:

---

47 Ms Victoria Baird, Regional Coordinator, East Kimberley, Save the Children Australia, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 16.

48 Mrs Raylene Cooper, Senior Aboriginal Mental Health Worker, Community Mental Health Services, Kalgoorlie, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 33.

49 Ms Vanessa Thomas, Director, Nurra Kurramunoo Aboriginal Corporation, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 54.

50 Mr Matthew Ellem, General Manager, Tangentyere Employment, *Proof Hansard*, Alice Springs, 28 August 2017, p. 6.

We want our values, beliefs, culture, language, knowledge and systems to continue, as these provide meaning for us. They are our identity, but we want to successfully participate in the cultural interface with regard to employment opportunities and engagements.<sup>51</sup>

3.43 A struggle exists between the cultural and family responsibilities of Indigenous people and their obligations under the CDP. One participant described the 'two different laws' that need to be considered and that both laws are not always able to be accommodated:

We are living in two worlds. Two different laws. There are too many rules, we can't keep up. The two different laws, they conflict.

We have other responsibilities at home. We can't do them because we have to do activities.<sup>52</sup>

3.44 Ms Thomas suggested that the CDP is not as accommodating as the former CDEP was:

CDEP was good! They worked with us about culture. But this other one, the CDP, does not work! It penalises the people and there is poverty.<sup>53</sup>

3.45 Mr Sibosado also stated his view that CDP is not dynamic enough to take account of people's cultural obligations:

That's the disconnect in all of this program delivery. We hear about people being breached if they have to attend a funeral. I've been in that situation, where I've told the employer, 'Well, it's not negotiable. I'm sorry if you have to sack me, sack me, but I have a cultural obligation to attend that funeral. If you don't understand that, that's your problem.'<sup>54</sup>

3.46 According to Mr Klerck, the Forrest Review advocated that 'certain cultural activities happen outside of business hours or during holiday periods under a section that talks about distractions'.<sup>55</sup>

3.47 In her submission, Dr Kirrily Jordan noted that cultural obligations and caring responsibilities 'mean that full-time work is not a realistic option' for many people in remote communities.<sup>56</sup> Furthermore, even when absences from CDP are approved for cultural reasons, many people feel that the CDP provider is imposing a personal value judgement on these cultural activities. This personal judgement is one of the reasons

---

51 Ms Ada Hanson, Member, KBARG, *Proof Hansard*, Kalgoorlie, 23 August 2017, pp 18–19.

52 NAAJA, *Submission 40*, p. 24. See also: Mr Chansey Paech MLA, *Submission 18*, p. 2.

53 Ms Vanessa Thomas, Director, Nurra Kurramunoo Aboriginal Corporation, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 51.

54 Mr Martin Sibosado, Chairperson, Aarnja Ltd, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 56.

55 Mr Michael Klerck, Social Policy and Research, Manager, Tangentyere Council, *Proof Hansard*, Alice Springs, 28 August 2017, p. 7.

56 Dr Kirrily Jordan, *Submission 30*, p. 16.

why some people have disengaged from CDP and become subject to penalties as a consequence.<sup>57</sup>

3.48 Research from both Canada and Australia has suggested that flexible employment arrangements that enable Indigenous workers to be involved in traditional and cultural activities (including seasonal fishing and hunting, funerals and other cultural obligations) can help improve the engagement and retention of Indigenous workers, especially in regional and remote locations.<sup>58</sup>

3.49 Ms Carmody spoke about the need to recognise differences between Indigenous and non-Indigenous cultural expectations:

We have cultural obligations we need to attend to and we have family obligations. All our obligations are different and they don't sit in the stereotypes of white people. So we have white people making these policies that don't take into consideration our obligations in the community. When they fulfil these obligations, they get penalised, and they get penalised for eight weeks.<sup>59</sup>

3.50 A 2009 evaluation of CDEP by the Department of Finance also noted the presence of 'family obligations that flow from collectivist culture' and family pressures in the communities in which CDEP operates. This cultural pressure to share income may prevent work benefits accruing to the individual and weaken the incentives to work.<sup>60</sup> The evaluation concluded that CDEP was not as well suited to address community development or economic development issues as these were not the same as labour market preparation and should be pursued separately.<sup>61</sup>

### **Reluctance of some businesses to employ Indigenous people or employ locally**

3.51 The committee heard that one of the key barriers to employment is the attitude of some businesses to employing Indigenous people. Ms Carmody noted that there is usually some type of barrier and that it is usually 'from the business side of things'. Ms Carmody explained further:

There are simple barriers such as businesses not having the money for insurance to take on a new employee. Some other feedback that I have been given—I will not name any businesses; otherwise, I will get into trouble—is that they do not take underqualified people in their businesses. We have a great program here—and this is specifically for Kalgoorlie-Boulder—but

---

57 Ngurratjuta Pmara Ntjarra Aboriginal Corporation, *Submission 27*, p. 2.

58 Tom Karmel et al, *Closing the gap clearinghouse*, p. 51.

59 Ms Tina Carmody, Working Together Coordinator, Kalgoorlie Boulder Chamber of Commerce and Industry, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 10.

60 FaHCSIA, *Directory of Commonwealth Government evaluations*, pp 29 & 36.

61 FaHCSIA, *Directory of Commonwealth Government evaluations*, pp 29 & 37.

the barrier is with the businesses and finding employment at the end of it. That is what I believe needs to be addressed.<sup>62</sup>

3.52 Ms Carmody also described the 'stigma' that is attached to CDP participants:

You know what—there is a stigma to CDP. I've seen it happen. I've had it happen to me before as well. I have not been on CDP before. However, the reality is that, in a business, say you have two people—a black person and a white person—and they have exactly the same qualifications and they have gone through Work for the Dole, which is similar, and then the Wangai person has gone through CDP. They have done exactly the same programs in exactly the same amount of time, and training et cetera. I can guarantee you that that business will employ the white person first. I've seen it. I've had years of experience in HR and I've seen it.<sup>63</sup>

3.53 Some witnesses told the committee that some of the CDP providers are not based in communities and will instead send non-local staff to visit remote communities. Experienced local elders who have previously worked for employment providers as part of CDEP and RJCP have not been engaged by new providers under CDP. Ms Thomas commented on the experience in her community:

I used to be a placement consultant for [the provider]. I used to do three days. They've taken that position away, so they have people who travel out there. But these are people who we don't understand. They are Pommy people, or Irish people or whatever. It's hard for them to work with the Aboriginal people, to understand...the culture.<sup>64</sup>

3.54 A number of witnesses also emphasised the extent to which racism still permeates many of the institutions and services that provide services to Indigenous Australians.<sup>65</sup> For example, the committee were told that many companies in the Kalgoorlie region do not have Reconciliation Action Plans or cultural awareness training.<sup>66</sup> The committee also heard that the most recent welcome to country at the annual Diggers and Dealers conference was apparently met with contempt by some

---

62 Ms Tina Carmody, Working Together Coordinator, Kalgoorlie Boulder Chamber of Commerce and Industry, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 9.

63 Ms Tina Carmody, Working Together Coordinator, Kalgoorlie Boulder Chamber of Commerce and Industry, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 10.

64 Ms Vanessa Thomas, Director, Nurra Kurramunoo Aboriginal Corporation, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 51.

65 See, for example: Ms Ada Hanson, answers to questions taken on notice from a public hearing in Kalgoorlie on 23 August 2017, received 15 September 2017; Ms Raylene Cooper, answers to questions taken on notice from a public hearing in Kalgoorlie on 23 August 2017, received 15 September 2017.

66 Mr Hans Bokelund, CEO, Goldfields Land and Sea Council, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 46. See, for example: Ms Ada Hanson, answers to questions taken on notice from a public hearing in Kalgoorlie on 23 August 2017, received 15 September 2017; Ms Raylene Cooper, answers to questions taken on notice from a public hearing in Kalgoorlie on 23 August 2017, received 15 September 2017.

delegates.<sup>67</sup> Mr Bokelund expressed his view that this attitude to Indigenous customs is symbolic of a broader racism in the community when describing the welcome to country:

Yes, and where they're making their wealth from is Aboriginal land. Yet the opportunity for someone—and I think just the dignity of [the individual], who did the welcome: he could have gone on and said, 'I didn't do it for half an hour.' Everyone says he does it for half an hour, but he's never done it for half an hour—again, the furphies that were coming out of it. But again, it's just symbolic of something that is a problem in our society. I thought, it's the 21st century, and we have racism—the marginalisation of First Australians. We're still dealing with these issues, today?<sup>68</sup>

3.55 The committee also heard that it is difficult for Indigenous people to start new businesses as they do not have ready access to capital themselves or through family or friends. Mrs Christine Boase, Treasurer of the Laverton Leonora Cross Cultural Association Inc. observed:

One of the issues that I think is a problem is that most Aboriginal families don't come from a situation where their family has an asset base. They don't own a house, they don't have money in the bank and most people don't have superannuation, so they don't have a situation to be able to set up a business. They don't have the funds, and getting a loan is really difficult.<sup>69</sup>

### Committee view

3.56 This chapter has provided a discussion of the more significant barriers that establish and perpetuate joblessness in remote communities. Many of these barriers are long standing and have challenged governments of all political persuasions for many decades. They include no proper links to accredited training, no link to government investment and procurement, and inadequate links to other services—in particular health and education. The committee recognises that CDP has not created these barriers; however, CDP has not assisted in breaking them down. It is the committee view that any reforms to CDP must take into consideration all of these factors if future programs are to succeed. Chapter 6 and 7 of the report will explore in more detail how the factors that contribute to joblessness in remote communities could be better considered and integrated as part of a new remote employment program.

---

67 Mr Hans Bokelund, CEO, Goldfields Land and Sea Council, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 46. Diggers and Dealers is an annual conference held in Kalgoorlie attended by mining, exploration and services companies, brokers, bankers, and financiers. See: <http://diggersnddealers.com.au/> (accessed 16 October 2017).

68 Mr Hans Bokelund, CEO, Goldfields Land and Sea Council, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 46.

69 Mrs Christine Boase, Treasurer, Laverton Leonora Cross Cultural Association Inc., *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 34.