

Remote employment:

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Two events occurred simultaneously on 2 December 2015.

First, an important new report by the Productivity Commission states in the politest possible way that the framing of the National Indigenous Reform Agreement around the goals of Closing the Gap is delusional and failing.

This is especially the case with the goal to half-close the employment gap that is not just widening but remains 'an unlikely prospect', especially in remote and very remote Australia where the employment/population ratio disparity is greatest at 38 per cent.

Simultaneously, the Minister for Indigenous Affairs Nigel Scullion tabled the Social Security Legislation Amendment (Community Development Program) Bill 2015.

This Bill reflecting left-over business from the days of Tony Abbott, the failed Prime Minister for Indigenous Policy, demonstrates the extent not just of the delusion, but also the fragmentation and inadequacy of Indigenous policy making today and the disconnect of policy from the lived reality of Indigenous people.

The new Bill reflects Scullion's rhetorical attempt to paste over an enormous crack in policy logic that has resulted from the gradual abolition of the Community Development Employment Projects scheme (CDEP) that began in 2005 and was completed a decade later on 1 July 2015.

Even as the last nail was being hammered into the CDEP coffin, Scullion instructed government officials to extract just a few nails and partially reinstate elements of the scheme.

And so in December 2014 he launched his cleverly-branded CDP scheme with its discursive focus on 'community development' rather than 'remote jobs'.

Sadly, the new proposal currently being examined by a Senate Inquiry is at best cosmetically linked to the defunct CDEP scheme; at worst, it will be as destructive of jobs and enhancing of deep poverty as the Remote Jobs and Communities Program (RJCP) it critiqued and set out to replace.

The rapid churn in experimental approaches in the last decade has left those Indigenous people participating in employment programs, the so-called 'providers' administering programs, and analysts looking to evaluate their effectiveness — including the well-resourced and powerful Productivity Commission — somewhat confused.

The Productivity Commission frames its assessment using statistical analyses by some economists to argue that having a job can substantially improve a person's economic and social wellbeing assuming that social, cultural and political processes are just 'noise'.

But other economists, like Mike Dockery, have similarly used statistical techniques and official information to demonstrate that living on one's country and retaining culture and tradition can similarly improve economic and social wellbeing.

This latter more problematic research is ignored because it does less ideologically useful work for the Productivity Commission's assessment.

Such important values contestation aside, the Productivity Commission, using available official information, shows unequivocally that however measured, the employment disparity between Indigenous and



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changes in the very nature of labour demand that requires more highly skilled workers and an overall cyclical softening of the Australian labour market reflecting global circumstances and the end of the long resources boom.

And geographic influences, the propensity of Indigenous people to live remotely, often on the land that they own under land rights and native title laws where there are few or no mainstream jobs, are also highlighted. No mention is made, however, of the historical legacy of colonisation and neglect of Indigenous wellbeing.

The Productivity Commission states boldly and belatedly that the Council of Australian Governments' target to halve the employment gap by 2018 is unachievable, especially in very remote Australia.

This is an observation, seven years on, that echoes one that my colleagues and I first made when the goal was first unilaterally mooted by the Rudd Government as an element of the National Apology in 2008.

The 200-page report makes two recommendations for change of approach, perhaps sensing presciently that the new Prime Minister might want to see some 'innovation'.

First, it argues that there is a strong case for reduc-



THE END: Centrelink flags the demise of CDEP at Wadeye, soon after the Howard Government's Intervention in 2007.

other Australians is growing not declining.

Three measures — the employment/population ratio, the labour force participation rate and the unemployment rate — are used and all have deteriorated at the national and subnational (state and territory) levels; no jurisdiction within the nation is on track to even partially eliminate the employment disparity and associated poverty.

Importantly, this is the first official report that debunks the myth that it has been the abolition of the CDEP scheme that has widened the employment gap.

Even compensating for CDEP job losses, the disparity between Indigenous and non-Indigenous employment worsened rather than improved; abolishing the CDEP scheme and moving participants from work to welfare just exacerbated this situation.

The Productivity Commission focuses on what economists call 'demand-side' explanations for employment decline and suggests that it is due to

ing the wide array of information collected on the extent of Indigenous disadvantage that is now very well documented.

Perhaps a little unreflexively, no mention is made of the role that the Productivity Commission has played in this information-gathering industry as it regularly produced costly massive tomes of questionable value like *Overcoming Indigenous Disadvantage* and the *Indigenous Expenditure Review*.

Second, and more importantly, it calls for a greater focus on policy evaluation, rigorous assessment of which policies and programs work better than others and why.

The Commission is calling for more discipline in what have been haphazard and ideologically-inspired policy-making processes for Indigenous Australians, many of which have failed.

This report was made public on 2 December 2015, exactly a month after it was confidentially presented

technical tinkering

to Prime Minister Malcolm Turnbull. Intentionally or unintentionally — or maybe just to divert media and public attention from the Commission's scathing performance assessment — a depressingly inadequate policy proposal for remote Australia was tabled in Parliament on the very same day.

In January 2015 in Land Rights News (Northern Edition) I outlined Nigel Scullion's proposal to replace the Remote Jobs and Communities Program (RJCP) with the Community Development Program (CDP). I labelled these proposals as incoherent and inadequate and symptomatic of a government that, despite fine intentions focused on remote Australia, had lost its way.

Depressingly, after 12 months of additional policy development work by the Department of Prime Minister and Cabinet, what is now being proposed as new law is even more incoherent.

Indeed the Explanatory Memorandum (EM) developed by government officials to explain the need for this new law is an exemplar of the deeply-entrenched problem identified by the Productivity Commission — an inability to comprehend what did not work with RJCP and an inability to comprehend that CDEP worked better and why.

Perhaps worst of all, it demonstrates an inability to recognise the contradictions and limitations in the CDP proposals that represent little more than technical tinkering to deeply embedded and complex development challenges.

At face value the Bill aims to do two worthwhile things.

The first is to provide better incentives for participants to take up any available paid work so as to earn more without their income support payments declining.

Second, it aims to simplify No Show No Pay compliance arrangements so that the extraordinarily high rate of financial penalty experienced by those on CDP (12 times the national rate) is reduced so as to counter a dramatic impoverishment process that is under way.

But the ideological and unrealistic underpinning of the proposed changes is clearly evident in the Memorandum.

The ultimate populist aim is to move people off the income support system.

It is asserted in the EM that this will be achieved by using incentives to drive behavioural change needed to get people active, off welfare and into work. The ultimate goal is to transition people to full-time paid employment even though jobs are not available and even though more than 30 per cent of Australia's employed work part-time.

At times the Memorandum deploys almost hysterical and spurious causality to justify the government's proposals.

For example, recognising that financial penalties associated with the current compliance framework are causing hardship, it is asserted that this leads to disputes and violence and hospitalisation rates from assault in remote Australia at rates apparently 15 times higher than in major cities.

Such simplistic non-sequiturs are hardly the basis for sound policy making and shamefully demean remote living Indigenous people, irrespective of their employment status.

The perceived employment problems of remote Indigenous Australia are all down to the poor behaviour of individuals, not to poor institutional design often by the same bureaucrats now proposing new experimental solutions; nor to the structural factors soberly outlined by the Productivity Commission.

So now a full year after the initial proposals a new

devolution works.

And while the aim is to make the links between work and rewards far clearer, the mechanisms proposed remain punitive: extra hours worked and extra income will be offset by any of the 25 base hours not worked.

And surveillance to be undertaken by community-based providers will be enhanced, down to the hour worked, while reporting to the Department of Human Services of work undertaken for the dole, as well as extra work if available, will escalate.

The new proposal overlooks key features of CDEP success perhaps because policy-making officials lack corporate memory or do not comprehend them or are prisoners to their own ideology.

So let me remind them.

First, it was community organisations who decided what constitutes work and how myriad versions of the 'no work, no pay' rule would be applied. Indeed in some situations like at outstations CDEP was paid as a guaranteed basic income on the assumption that people undertook 'real' work for at least 15 hours a week even if outside non-existent labour markets.

Second, all work under CDEP was at award rates. This eliminated the opprobrium and indignity of employing people at discriminatory and impoverishing below-award rates.

Third, community-control and the linking of administrative and capital resourcing on a formula based on participant numbers gave CDEP organisations a degree of political power, autonomy, flexibility, and enhanced capacity.

In short, participants in the CDEP scheme were better off if they worked at award rates or if they did not work formally but were covered by a community-administered safety net.

Just as RJCP failed when compared with CDEP, so will CDP. Eventually governments will fathom that heavy handed paternalistic conditionality and behavioural assumptions based on western norms will not deliver livelihood and wellbeing outcomes in difficult remote circumstances.

The new bill should be quickly withdrawn before millions of taxpayer dollars are wasted on poorly devised reform that is destined to fail.

Instead, a revamped CDEP institution that was very popular and that worked far better than welfare for nearly 40 years should be reintroduced.

If the new Prime Minister for Innovation wants to seriously consider innovation, especially in an election year, then a community-managed basic income grant scheme could also be introduced that unconditionally provides income support to individuals without excessive surveillance or ministerial interference.

Such innovation is currently happening in other countries in the global North and South.

And then in accord with the recommendation of the Productivity Commission relative benefits and costs of different approaches could be rigorously evaluated and what works best supported.

The new proposal overlooks key features ... because policy-making officials are prisoners of their own ideology

'experiment' is being proposed for four of 60 regions in remote Australia.

The new experiment is supposed to empower communities by reducing poverty traps — in other words, allowing people who have worked 25 hours for their dole equivalents at below award rates to work extra hours and earn more.

And it is supposed to empower the four selected communities by letting them administer the scheme taking control of the development projects in which the formal unemployed will participate and taking control of the difficult task of encouraging participants to work or train 25 hours or more with the incentive that if work is available or can be created then people could earn more. But these potentially positive features of the new experiment are quickly cancelled out by lazy thinking and a program structure that seems almost designed to fail.

While it is unclear how the experimental regions will be selected even if criteria are outlined, it is very clear that the Minister for Indigenous Affairs intends to retain total control over what constitutes work and what are the broad parameters for judging success.

This is not how community empowerment through