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ACADEMIC PERSPECTIVES ON THE
FORREST REVIEW: CREATING PARITY
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Academic perspectives on The Forrest review: creating parity

Compiled by E. Klein

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Compilation note

This topical issue has not undergone any external academic review and presents the responses as they were submitted. Individual authors reviewed each other's papers as part of the submission process.

Introduction

The Forrest review: creating parity was released on 1 August 2014. It was commissioned by the Prime Minister, Tony Abbott, on his election in September 2013, in line with a pre-election commitment to examine Indigenous training and employment in Australia. A number of academics met at the Centre for Aboriginal Economic Policy Research (CAEPR) to discuss the recommendations made in the Forrest Review. As a result of these discussions, some of the academics made submissions as part of the next public consultation phase of the process, all critically engaging with the review from specialist disciplinary perspectives and grounded expertise. The views expressed are those of the individuals, as is clearly evident in the diversity of perspectives presented in this Topical Issue.

While the submissions presented in this issue are on the public record, CAEPR academics thought that it would be useful to consolidate these perspectives in one document to ensure their longer-term availability, as a resource for other researchers and for teaching purposes.

This CAEPR Topical Issue is a compilation of 15 submissions. Each faced the challenge of responding briefly, in a stipulated two-page maximum, to the nearly 200 recommendations in the 250-page Forrest Review. Scholars have responded in their own way, retaining intellectual autonomy, while at the same time contributing to the collective exercise.

This Topical Issue provides an overview of a range of issues, shortcomings and challenges identified by individual scholars as requiring urgent attention. A number of submissions highlight the unintended consequences and negative impacts on the lives of relatively vulnerable people that might result from blanket implementation of recommendations in the Forrest Review.

The submissions in this Topical Issue are arranged by thematic focus to best reflect the key emphasis and subject matter of each submission. Thematic areas include the overall direction of the Review, the methodology used, employment and training issues, income management, governance and community engagement, education and remote development. This does not cover all of the Review's recommendations but rather reflects the ambit that this select group of scholars chose as their collective priorities.

1 The direction of the review

*Submission by Dr Julie Lahn,
Research Fellow, CAEPR*

Anthropology teaches us to take symbols seriously. The use of symbols as fundamental vehicles of ideas, emotions and values is a deeply human activity. Symbols make visible the diverse assumptions, interpretations and normative world-views embedded in cultures.

It is impossible to peruse a copy of *The Forrest Review* without being immediately struck by the prominence of its central symbol: the wheel. It appears as a graphic motif on every page of the report. The wheel is elaborated as a model for the report's central recommendations ('the Forrest wheel', p89), a model reproduced at the beginning of every chapter.

The report explains the choice of this symbol explicitly: "The wheel is one of the greatest inventions of man [sic]" (p12). As such, it is emblematic of Forrest's desire to drive 'transformational change' (p114) in Australian approaches to Indigenous disadvantage. Among Western industrialized nations the wheel has an established presence as a symbol of progress and movement; in English 'wheel' forms a ready metaphor for processes or forces that cause particular things to happen or make progress: 'set the wheels in motion', 'keep the wheels turning', 'shoulder to the wheel'.

It's notable that anecdotes about Forrest's personal history and experiences permeate this report, often buttressing points being presented. In that spirit, it is reasonable to observe that as an industrialist and mining magnate, it is perhaps understandable Forrest would instinctively reach for this symbol – he is himself, after all, intimately involved with the 'wheels of industry', a renowned 'wheeler and dealer' and certainly a 'big wheel' in business circles (increasingly also it seems in public policy).

But is the wheel an appropriate central image in a report that seeks to map future directions for Indigenous Australians? It is well known that Aboriginal and Islander people are among numerous Indigenous populations throughout the world who did not make use of the wheel before colonization. Historically, this has formed part of pejorative characterizations of Aboriginal culture and society, where the wheel becomes a technological marker of 'civilizational' progress. Prominent Australian politicians past and present have made use of this trope, notably Tim Fischer and Philip Ruddock (Offord et. al 2014:133; Muecke 2004:156).

At best, championing the wheel as a symbolic motif to communicate one's zeal to transform the lives of Indigenous people suggests a lack of sensitivity or humility. At worst, it points to a lack of openness to alternative metaphors rooted more strongly in Indigenous cultural worldviews. In either case, *The Forrest Report* appears to be the latest in a long line of reports presenting a non-Indigenous vision to be enacted upon Indigenous groups. To mix metaphors, the 'Forrest wheel' seems more emblematic of 'pushing one's own barrow' rather than as a steering wheel with Aboriginal people in the driver's seat.

The report's fundamental shortcoming, consistent with the central position it gives to a non-Indigenous cultural symbol, is the lack of attention given to the manner in which Indigenous groups articulate their own preferred life directions particularly in the face of agendas of development and economic transformation. One Indigenous scholar refers to these as "the external imperatives – those endless sets of conflicting and competing interests – [which] continue to intersect and condition our possibilities for acting in our own best interests" (Nakata 2004:155).

There is abundant research evidence to suggest that local responses to such imperatives are deeply socio-cultural as well as strategic, and cannot be reduced simply to 'mutually exclusive alternatives defined by others' (Blaser 2004:33), such as this report's contrasting of welfare dependency versus involvement in the 'real' or 'mainstream' economy. Rather, Indigenous economic imperatives involve diverse forms of often creative and artful engagement in a manner that seeks both to express and sustain valued aspects of local identity and autonomy and to transform the power asymmetries intrinsic to the lived situation of minority Indigenous populations.

In relation to this general point, the report fails to demonstrate an appreciation of the significance of local cultural and social realities in shaping the existing forms of economic activity in which Aboriginal and Torres Strait Islander people already engage. The report states that: "The accepted social norms for families and communities all across Australia [include that] adults go to work or are meaningfully engaged" (p51). This simple assertion masks a key area of considerable social and cultural complexity. Critically, what constitutes 'meaningful engagement' is likely to vary considerably across a range of Indigenous groups and settings. But it certainly includes efforts to maintain local culture as a profoundly held value deeply implicated in visions of autonomy in defining the meaning of what constitutes a good life

(Peterson 2005:7). Values of this sort operate alongside predominantly market-related perspectives of economic development as promulgated by this report and indeed, by government. How do these shape the participation of individual Aboriginal and Islander people in diverse forms of employment?

The report is generally marred by an under-thinking of the cultural character of economic activity among Indigenous people, including more detailed accounts of motivations and aspirations, in order to identify and make sense of varied modes of Indigenous participation in economic realms.

Critical questions that need to be addressed would include: how is work defined and understood? What notions of work related life-trajectories exist among Aboriginal and Torres Strait Islander people (in urban, rural and remote settings)? What motivations drive contemporary participation in a range of economic spheres? Do specifically Indigenous economic practices exist in a range of given settings? How might these factors be influencing the local implementation of economic and development goals?

Data of this kind would allow critical topics to be addressed that are routinely overlooked in mainstream frameworks of Indigenous development and welfare such as those forming part of the *Overcoming Indigenous Disadvantage* (OID) report produced by the Productivity Commission for the Council of Australian Governments (COAG), or the National Aboriginal and Torres Strait Islander Social Survey. There is an urgent need to address the quantification bias that currently dominates these frameworks, a bias which perpetuates a deficit model of Indigenous development that is often viewed as inimical to a fuller understanding of Indigenous realities, priorities and views in relation to economic activity (Peterson 2005:13; Taylor 2008:117; ACFID 2011).

Many Indigenous people are profoundly aware of the challenge of understanding and mediating the 'complexities of the intersections of different [competing sets of] interests, different histories and traditions, knowledge systems and discourses' and recognize these as a necessary part of 'negotiating our future' (Nakata 2004: 155, 173). What is vital in moving forward is Indigenous participation and partnership rather than externally-driven prescriptions and proscriptions. The report presents little evidence beyond the anecdotal that such participation was elicited. Neither does it provide sufficient detail of community consultation processes to assess whether these were more than perfunctory. Indeed, the wholesale lack of direct quoting of Indigenous

people is shockingly deficient. In light of these major shortcomings, the represented motif of the wheel cannot be seen as a metaphor for progress but instead symbolizes the report's failure to substantially incorporate diverse Indigenous visions for positive change.

*Submission by Emeritus Professor
Jon Altman, CAEPR*

I provide this submission as an academic and practitioner who has undertaken research on Indigenous policy and development for nearly 40 years. I have chaired policy reviews for governments so realise that the task is challenging, especially in the cluttered and highly politicised policy field that is Indigenous policy today. But I was sceptical from the outset that the Forrest Review would deliver owing to a series of issues that I raised quite transparently in November 2013¹. It is disappointing indeed that this prediction has proven correct for the following twenty reasons among others:

- 1 The Forrest Review, philosophically, blends 1961 assimilation policy ideas with 21st century neoliberalism focusing on the individual and the family as if policy can be removed from the community and society and operating on the basis of economic rationalism alone.
- 2 The Review irresponsibly over-reaches its terms of reference and so rather than delivering something useful on training and employment, it seeks to reshape the Indigenous policy framework without engaging with the new Indigenous Advancement Strategy that has its own significant shortcomings (Altman 2014).
- 3 The Forrest review is homo-topic, it promulgates an imagined utopia of sameness, which for many Indigenous people is a prospect tantamount to cultural and identity elimination.
- 4 The Review is shrewd, there are no costings, there is no timeline to parity and there are few clear examples of success or sustainable practice, it is very 'problem' and 'deficit' focused.
- 5 The Review is conceptually flawed because it assumes that all Indigenous people operate like *homo economicus*, western rational economic man, influenced by dollar calculations and so amenable to reward and punishment to alter behaviours and norms. It proposes an extreme form of risky social engineering.
- 6 It has little to say about land; 33 per cent of Australia is currently under some form of Indigenous title. Only half a page out of 250 is devoted to alternative forms of making a livelihood that might be welcomed by many Indigenous people owning or living on this land base. The Forrest Review appears at loggerheads with the Joint Select Committee report *Pivot North: Inquiry into the Development of Northern Australia* that over-optimistically sees a robust development future for north Australia and Indigenous labour.
- 7 The Review makes crucial empirical errors as demonstrated by Nicholas Biddle². The underlying assumption of the Review that Indigenous people with similar levels of education as non-Indigenous people would experience similar employment and income outcomes is not supported by empirical evidence and sophisticated statistical analysis.
- 8 The Report is empirically selective and so avoids referencing Bray et al 2012 on the limited evidence of any benefits from New Income Management or recent research on the limited efficacy of SEAM (Justman and Peyton, 2014); and avoids referencing analysis by Mike Dockery (2011) that culture, language, connection to country, participation in self-provisioning actually improves wellbeing according to Indigenous people.
- 9 The Report and its promoters slip into falsehoods, for example, Alan Tudge co-reviewer with Andrew Forrest in addressing the Sydney Institute on 5 August 2014 stated that community social housing is free, to erroneously suggest that this is a disincentive to labour migration.
- 10 The narrative style of the Report is conflicted, sometimes referring to the first person 'I', at other times the second or third person. It seems to have been written by committee—consultants, staff of FMG, staff of DPMC, bankers, Minderoo and others.
- 11 The Review process is problematic; it lacks analysis of submissions except to show that few came from remote Australia. It is unclear how many addressed employment and training issues only? It references just 5 out of a reputed 349 submissions but only 270 are actually available, a number on the DPMC website [including number 1] are blank.
- 12 The Review has a great deal to say about the need for transparency recommending a new CreatingParity website but is hypocritically very opaque: What

did it cost? How were consultations framed and conducted? How were submissions used?

they are being shifted from CDEP to welfare in the name of imagined 'real' development.

- 13 The Review is keen to destroy any remaining vestiges of the self-determination and ATSIC eras, three times it states that even though people do better on the Community Development Employment Program (CDEP) than the dole they should be on the dole (and in greater poverty) in the name of 'equality' and 'real' jobs.
- 14 The Review focuses almost entirely on remote Australia suggesting that 200 discrete communities should be targeted, even though a recent published evaluation of the National Partnership Agreement on Remote Service Delivery indicates that targeting 29 communities has made little difference.
- 15 The Report's focus on expensive surveillance of Indigenous Australians assumes all welfare beneficiaries are made up of the undeserving poor—and that disciplining parents, children, labour, the unemployed, and expenditures will magically move them towards imagined parity.
- 16 The Report assumes that the state can deliver, but ignores evidence that the last five year plan, the NTER Intervention, was an expensive mistake that did not deliver promised parity. The need for community organisations to be properly resourced to deliver services is ignored.
- 17 The Review promulgates falsehoods about costings suggesting that 'these solutions are not expensive'; and yet it provides no assessment of capital shortfall—schools, hospitals, health clinics and houses; or of human capital shortfalls—poor health, inappropriate education.
- 18 The Review avoids expert assessment that explicit instruction has to be a part of a wider educational toolkit especially if education is to empower politically-engaged citizens rather than automatons for precarious labour.
- 19 The Review avoids consideration of structural explanators of disadvantage—a history of neglect and exploitation; discrimination; and differences in norms, values, practices, every day culture.
- 20 The Review avoids any discussion of the human costs that are currently being wrought on actually existing community and household economies as

This is the most unsatisfactory review of an area of Indigenous policy I have seen. Andrew Forrest suggests that the Review should be implemented in its entirety or not at all. In my view the latter is preferable. My sole recommendation would be that the Review is subject to a parliamentary inquiry to properly gauge its conceptual foundations and conduct, acceptability to Indigenous Australians, and the likelihood that it will be of any value based on available empirical information and analysis.

2 Methodology of the review

Submission by Dr Nicholas Biddle, CAEPR

Education is important for getting a job. There is absolutely no doubt about that, with countless academic studies (Peracchi 2006), and popular anecdotes, showing that those with relatively high levels of education are more likely to be employed than those with relatively low levels. Furthermore, wages increase with education, especially at the lower end of the education distribution. This appears to be the case for Aboriginal and Torres Strait Islander (Indigenous) Australians as much as the rest of the population (Biddle and Cameron 2012).

When asked to look at potential pathways to employment equity between Indigenous and non-Indigenous Australians, Twiggy Forrest and his review team are therefore justified in identifying the clear role that education is likely to play. Indeed, right up front on page iii, it is stated that ‘Given the fact that there is no employment gap, or disparity, for first Australians who are educated at the same level as other Australians, the full force of our community leaders and governments must pack behind the achievement of parity in educational outcomes as a national priority.’

Given the prominence of this quote, it is worth considering what support there is in the data for this assertion. The most robust way to test for the effect of a particular program or action on individual outcomes is to randomly assign the intervention to one group but not another. This is rarely feasible in the context of education. In the absence of such experimental data, perhaps the best way to look at this question is through

an econometric-style regression analysis. Through this technique, we are able to compare the employment outcomes of an Indigenous person with that of a non-Indigenous person with the same level of observable characteristics. That is, if you have two people of the same sex and age, with the same level of education and English language ability, but one Indigenous and one non-Indigenous, are they as likely to be employed as one another?

The short answer to that question is no, unfortunately they are not.

Fig. 1 gives a useful summary with full details available for download⁹. For males and females separately, the first bar (in grey) is the difference between Indigenous and non-Indigenous Australians aged 15 to 64 in the probability of being employed without controlling for any observable characteristics. The second bar (in black) is the difference once age, education attainment (school and post-school) and self-reported English language ability is held constant – that is, comparing like with like. These are known in the literature as marginal effects, and are a standard way to look at differences between two populations. The smaller the bar, the smaller the gap in employment outcomes.

Education and other demographics clearly matter, that is why the black bars are smaller than the grey bars. But, what the census shows is that when you control for education, age, and self reported English language ability and focus on those who were not studying full time, there is a large and statistically significant gap between Indigenous and non-Indigenous Australians in the probability of employment. It is true that the gap reduces,

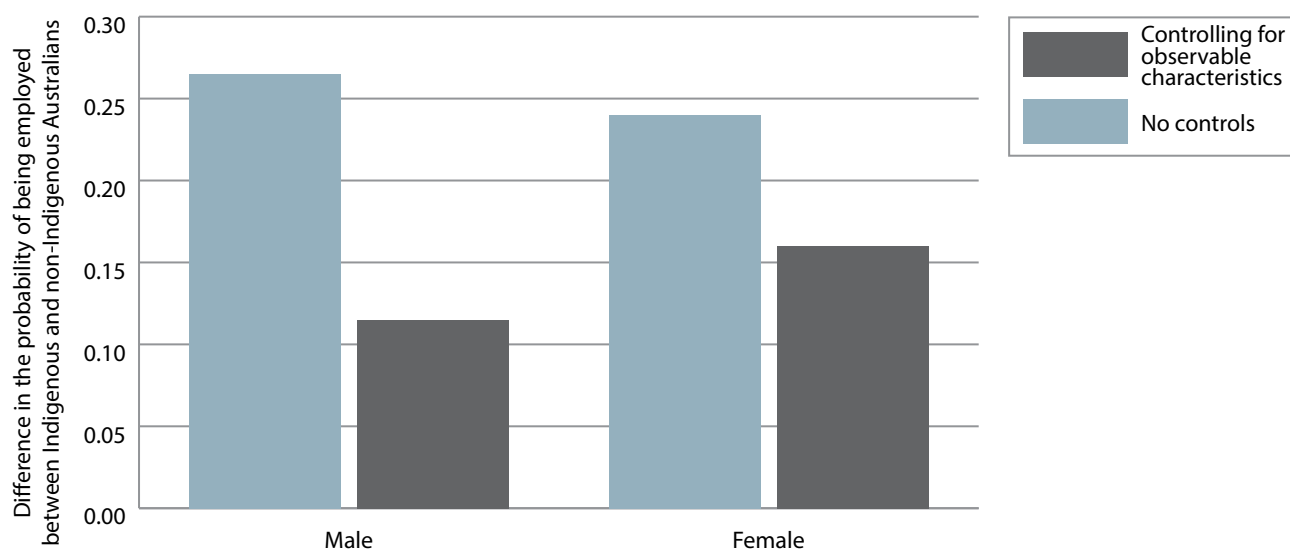


FIGURE 1 Differences in employment by education

but there is an employment gap for first Australians who are educated at the same level as other Australians.

These differences matter. While there is certainly scope for debate about the recommendations regarding education (and an urgent need to properly evaluate any that are implemented), no one is seriously arguing that education disparities between Indigenous and non-Indigenous Australians aren't a key determinant of employment disparities. But they are not the only determinant, and this is where full use of the evidence matters.

Getting the evidence wrong leads to less than robust policy recommendations. Saying that there is no disparity in outcomes once education is taken into account puts too much of a burden on the education system and lets other aspects of Australian society off the hook. If education completion is all there is, then we don't need to worry about labour market discrimination (Biddle et al 2013), or the burden of caring responsibilities (Yap and Biddle, 2012) and disability (Biddle, Yap and Gray, 2013). We don't need to look at the criminal justice system and the over-representation of Aboriginal and Torres Strait Islanders in our prisons. It also ignores the very different labour markets that Indigenous Australians have access to, especially those living in remote and very remote regions.

Assuming erroneously that education explains all the gap also leads us to a very instrumental view of what education is about. Getting a job is important, but it is not the only reason why a person goes to school, undertakes a degree or seeks out an apprenticeship or traineeship. Those motivations may be quite different between Indigenous and non-Indigenous Australians and even more importantly within the Indigenous population made up of individuals and groups with diverse aspirations. Ignoring these important intrinsic motivations will make it much more difficult to achieve the levels of education parity that the Forrest Review is calling for.

It is clear that those involved in producing the Forrest Review have a genuine desire to improve the circumstances of Aboriginal and Torres Strait Islander Australians and make sure 'our First Australians' have the same opportunities and advantages as the rest of the population. But, this is much more likely to be achieved if we rely on the best available evidence and use that evidence carefully, cautiously and with the appropriate qualifications.

*Submission by Ms Annick Thomassin,
PhD candidate, Department of
Anthropology, McGill University, Canada;
Graduate Research Officer, CAEPR*

It is striking, when reading the Forrest Review, to see how far it departs from its initial Terms of Reference. To write this response, I have briefly examined 120 of the 270 submissions to the Review publicly available to gauge their possible influence on this departure from the initial brief.⁴ This response reflects my personal views.

Many of the submissions examined here went beyond the proposed terms of the Review, many of which did so by promoting holistic and flexible approaches to what are viewed as complex and enduring societal issues. Among other things, questions of wellbeing, housing, school attendance, self-determination as well as cross-cultural training for Indigenous jobseekers or unemployed, employers and employment/training services have been raised. Yet, contrary to the Review which adopts a one-size-fits-all and 'acultural' approach to 'creating parity' and to 'end the disparity between our first Australians and other Australians', the breadth of barriers and suggestions discussed in the various submissions points towards the need to find solutions driven by the diverse socio-cultural, economic, geographic and environmental circumstances of communities based on local initiatives and strength.

While many of the Review's recommendations appear to suggest that culture, while good to preserve, should be confined to outside of work and school hours, weekends and holidays (see for instance recommendation 4.2), a large number of the submissions highlight the need to negotiate ways to accommodate cultural differences within schools and workplaces. It has been noted on many occasions that not only the job-seekers should be given training on work culture and workplace ethics, but that employers and service providers should also be provided with cross-cultural awareness training (2, 120, 121, 126, 140, 205, 331). In addition, many recommendations suggest that workplace should be flexible and employers should develop an awareness of, and work with, the cultural context. As submission 205 stresses, 'workplace must have sufficient understanding of the cultural needs of Indigenous employees'. As many highlight, non-Indigenous employers and service providers may have no or only little cultural knowledge and knowledge of what constitute an appropriate behaviour or way to communicate (294). Awareness of Indigenous employees' and communities' realities is essential to create adaptable workplace settings. This last point, which is linked to sustainable employment and

which was emphasised in numerous submissions, was only mentioned once in the Review (p.180) and, while this also represents an impediment to long-term employment/employees' retention, it was not deemed necessary to address this in the recommendations.

While the Review emphasises the 'dignity of work and meaningful participation' (p.7), a large number of submissions talk about the importance of 'meaningful work' (where the meaning of 'meaningful' is highly variable). Along those lines, a few submissions highlight the need to stop the tokenistic employment of Indigenous people. These submissions notably emphasise the need for employers to offer positions and/or training leading to mid- and senior-management levels not merely entry-level jobs (e.g. 112, 331).

The question of recognition of informal training and experiences (54) was also been raised in a few submissions, emphasising that not all Indigenous people need extra training to be employable. To my knowledge, this is not taken into account in the review.

Some submissions recommend that a scheme similar to CDEP (if not exactly CDEP) be re-visited and reinstated (e.g. 184). While CDEP is also mentioned as part of the problem, it appears that the relevance/importance of the program should be assessed on a case-by-case basis. Schemes such as CDEP can offer important income support for self-employed fishers, for example, and provide wage subsidy support to emerging Indigenous businesses while generating benefits for the community as a whole.

In relation to recommendations 1 and 2 on early childhood and primary school children, the Review does not appear to have taken into consideration the advice in submissions regarding the failure of the education system (e.g. 10). Hence, some submitters emphasise that the gap in school achievement between Indigenous and non-Indigenous students living in remote area is linked to the cross-cultural challenge that the mainstream school environment represents for the Indigenous students who, at a young age, are suddenly asked to thrive in a foreign setting, in a foreign language and do as well as children who do not face these cross-cultural and linguistic challenges. As submission 10 suggests, the focus on truancy won't solve the problem if the education system, which puts much of its effort into NAPLAN, does not change (see also 131). Further, and to paraphrase submission 33, there is plenty of research showing that instruction in one's first language does not hinder a child's development of a second language and plenty of evidence that 'a person who thinks conceptually in one

language is perfectly capable of doing so in another'. Perhaps lessons should be learned from successful bilingual/multicultural education programs. There were suggestions in the submissions that children should learn in an environment that promotes both ways and where parents and Elders have a role to play in schools (e.g. 42).

I am baffled by the Review's strong focus on Indigenous home ownership which is presented as somewhat of a panacea to increase Indigenous people's engagement with the education, training and employment sectors, as a remedy to overcrowding (p.175), and is even described as a form of 'empowerment' (p.52). This focus on home ownership is at odds with most of the submissions that address the issue (e.g. 343, 92, 73) and stress the need for more culturally-appropriate sustainable (318) social and affordable housing to tackle homelessness and overcrowding issues which are linked with low education engagement. While the Review suggests relaxing regulations that threaten people who take on jobs or move to take up employment of losing their public housing as recommended notably in submissions 214 and 350, the Review also suggests 'giving priority in the allocation of social housing to families in employment and meeting social obligations' (Recommendation 17.2.3). One might wonder, given the recognition in the Review that overcrowding or housing problems impede on individual participation in education and employment, how further limiting access to social housing for the unemployed will be of any help.

Home ownership may not solve overcrowding problems as stated in the Review ('In reality, the only home not at risk of overcrowding is a home that is owned' (p.175)), and is based on a family structure that may well not correspond to the multi-family reality of the ground. Submission 92 also points out that 'Policy should not be based on unsubstantiated assumptions about aspirations for home ownership, nor without exploration of a range of practical models that could be made available to meet different needs'.

While the home ownership gap was not a major focus of the submissions, the notion of 'ownership' was nevertheless used widely to signal the importance for Indigenous individuals, communities or organisations of ownership, through their participation in the creation or design, of the programs, solutions, or projects that aim to address training and employment issues. Indigenous individuals' and organisations' participation in the solution has been mentioned through 'Creating Parity'. Yet, this participation is narrowly framed with Indigenous leaders called to use their 'cultural authority' to implement the recommendations of this Review.

In conclusion, it is disappointing that the reviewer has adopted such a mainstream-centric uni-directional strategy to address such complex issues arising from very heterogeneous realities. Very little attention has been paid to recommendations that were not in line with the ideological position of the Review; leaving little space for creative and community-based strategies to emerge, and for Indigenous agency, self-determination, aspirations or alternative development propositions to flourish. As submission 206 emphasises, hand-in-hand with cultural competence is the need to understand the strengths and the potential that Indigenous Australians bring to the workforce.

Submission by Dr Melissa Lovell, Research Officer, National Centre for Indigenous Studies

This submission draws on the expertise that I developed during my doctoral research on Indigenous Affairs policy and the Northern Territory Intervention, as well as on my experience as a research officer at NCIS and as a lecturer in political science at the School of Politics and International Relations at the Australian National University.

The Forrest Review reaches well beyond the scope of the original terms of reference for a review of Indigenous jobs and training. The review has been described by PM Tony Abbott as a “visionary” and “watershed” report (Karvelas 2014), and by MP Alan Tudge as a “five year blue print” for the advancement of Aboriginal people (Tudge 2014:10). The review is likely to underpin a substantial restructure of the Indigenous Affairs policy field in areas as diverse as housing, school education, justice and incarceration, job services, vocational training, social security, land tenure and use, public service staffing and funding structures for service provision.

It is of the utmost importance, given the wide-ranging impact of the Forrest Review recommendations, that each of those recommendations is subject to further review and consideration. Andrew Forrest may expect that his measures would be rolled out in their entirety as an inviolable package of reforms (Forrest 2014; 30). However, it is neither appropriate nor prudent for any Government to enter into a wholesale restructure of Indigenous Affairs governance and service delivery without an in-depth evaluation of the likely impact and cost of each of the measures included in the Forrest Review.

The Forrest Review demonstrates that there is a high level of motivation—from the Prime Minister, other members of the Australian Government, and Mr. Forrest—for

improving the lives of Australia’s Indigenous peoples. However, the Government would do well to remember that there are no quick-fixes when it comes to Indigenous Affairs policy. Australia’s history abounds with examples of policy made on-the-run. Indigenous governance (perhaps more than any other policy field) has a tendency to regularly lurch from public obscurity to national crisis, and our rear-view mirror is littered with the debris of policy measures tried and then rapidly dismissed.

Australian governments tend to build new structures in Indigenous Affairs without taking the time, speaking metaphorically of course, to build solid foundations or to consult with either structural engineers or those people who will need to live in these shaky edifices. In this context, we should not be surprised when these ambitious, expensive structures often crumble, and are abandoned before their construction is complete.

The *real work* of policy—in Indigenous Affairs and any other policy field—is less grand, more time-consuming and more exacting than the approach we have typically taken. The process involves a good deal of specialist knowledge, the acknowledgement that different circumstances call for different policy approaches, and the recognition that policy rarely succeeds unless it properly takes into account the views, ambitions and circumstances of those people most affected.

The Forrest Review includes a number of very interesting recommendations, some of which will likely receive wider support from the Australian community—both Indigenous and non-Indigenous. Among the better recommendations are those measures that relate to prioritising early childhood education, developing higher public sector Indigenous employment targets, improving education and training opportunities for people in prison (though options beyond explicit instruction should be explored), and cooperating with the private sector to guarantee jobs and training for Indigenous individuals.

The Government should expect that it will take considerable time and money to comprehensively respond to the more than 200 recommendations of the Forrest review. PM Abbott has already started this process by setting up a Taskforce to help the Government decide which of the package of recommendations should be accepted in the short term and which in the medium term. My recommendations to Mr. Abbott, the Government and that Taskforce are summarised below.

Recommendations

- 1 That the Taskforce evaluate the merit of each recommendation outlined in the Forrest Review, and recommend against Government implementing the Review as a single package.
- 2 That Government adopt a sober, realistic, and Indigenous consensus-based approach to Indigenous policy reform, and recognise that the complexity of contemporary societies requires the adoption of nuanced and sophisticated approaches to public policy.
- 3 That the aims and objectives of any new policy that emerges from this review process be clearly defined. Furthermore, that evaluation measures are built into policy at the design phase and that policies include mechanisms to receive feedback from stakeholders (especially those people directly affected by government programs).
- 4 That any “blueprint” for policy reform identifies, and then builds upon, former successes in service delivery. That evaluation should be used as a tool to drive incremental and adaptive improvement and to foster social innovation, rather than as a tool to decide which programs get funded.
- 5 That a wide range of Indigenous voices be provided with the opportunity to contribute to policy development, and not just the voices of unelected political actors. Policy needs to be based on input from a broad range of Indigenous people to ensure that policy is sensible, and has a high probability of success.
- 6 Following on from the above recommendation; that Government involve the National Congress of Australia’s First Peoples in the development of long-term strategic initiatives (such as the “five year blueprint” expected to emerge from the Forrest Review). Also, that Government funds the Congress to a level that would allow their involvement in this process to be substantive.

3 Employment and training

Submission by Lisa Fowkes

This submission focusses on the Forrest Review’s recommendations in relation to remote employment services. It draws on my experience, over a decade, of working in employment services, and my current research work on the Remote Jobs and Communities Program (“RJCP”).

Is RJCP a ‘failure’ (Forrest Report, p51)?

RJCP started on 1 July 2013. Despite a promised 5 months lead time, the first provider was notified in late April 2013, and the last in June for a July start. Many providers found themselves, on day one of the new contract, without key staff and without essential assets and equipment. Some participants who had been on CDEP turned up to find that there was no work for them to do. In some places (not all) years of building up a program and a work pattern were destroyed as newly contracted providers scrambled.

Experience across employment services transitions is that they lead to a short term decline in performance. In remote areas, transition issues are exacerbated by limited housing and equipment, recruitment challenges, limited capacity to contact people by letter and/or phone. Over 35,000 people had to be moved to the new service from July with little time to explain its new rules. The Forrest Review took submissions in the first six months of a program which was (and is) suffering the consequences of hasty implementation.

It is important, in judging RJCP, not to mistake the problems of implementation for problems of design. While it is frustrating for policy makers to wait for changes to be made, the cost of rapid implementation, particularly in remote Australia, is very high. Many RJCP providers are still struggling to regain the momentum and community support that was lost through an overly hasty transition. Government should be wary of compounding these problems with further, dramatic and centrally driven change. If change is to be made it should be done with community involvement and with providers - and in a staged way so that local conditions and circumstances can be considered.

Are there problems in the way that RJCP is structured?

The report is highly critical of providers, accusing them of being focussed on processes and on pushing people

through meaningless training, rather than focussing on employers. It is, I think, true to say that not enough time is spent in these organisations focussing on employment. From my interviews with, and observations of, RJCP providers, providers spend most of their time and effort on two things (1) administering participation requirements under the Social Security Act and (2) responding to, and inputting data into the Government's IT system.

While these things are contractually required of providers and they continue to take up so much time, there is no point changing the incentives in the system to focus on employment. It is not pursuit of lazy profit that is driving behaviour, it is the need to administer increasingly onerous requirements and Government's desire for complete real time visibility of every transaction on the frontline. In addition to crowding out effort to improve employment outcomes, this work makes it extremely difficult to attract and maintain local Indigenous staff. While over 50% of staff in this program are local Indigenous people, providers report that there could be more if the heavy administrative and IT burden was less, and if the application of penalties to participants was not so central to most roles. People who have exceptional skills and influence are often excluded because they cannot (or will not) spend their days struggling with administrative complexity and cumbersome IT.

Rebalancing towards focus on long term employment and participation will only be achieved through redesign of processes around participant and community needs – this entails less emphasis on monitoring and compliance.

Demand for labour

The Forrest Report has valuable recommendations in relation to encouraging large employers to employ Indigenous people. Mobility packages for those who are willing and able to move are also important – provided that frontline workers in RJCP can be freed up from their compliance work to support participants (and families) who want to do this. But the Report neglects the development of locally based jobs that might enable people to stay in, and contribute to their communities. There is no mention, for example, of the health and community services sector, despite its growth and opportunities that are likely to emerge through the availability, often for the first time, of funding for disability care in remote areas through the National Disability Insurance Scheme. The development of local co-operative or non profit vehicles for Indigenous involvement in this work would make a significant contribution, not only to local employment, but to quality of care in these communities.

In launching the RJCP, Government emphasised the importance of job creation and community investment that would be enabled through the Community Development Fund. RJCP providers worked with local people to identify projects. But this process has been parked and some of those CDF funds reallocated. Many people in communities feel let down by promises broken. Local job creation must be part of any effort to improve employment outcomes in remote communities and to enable people in these communities to build capacity, if they wish, to pursue work elsewhere. CDF remains critical. RJCP providers need to be allowed time to do this work, and provided flexibility in application of resources (eg through altering 'related entity' rules) to develop enterprises that offer paid work opportunities to locals.

Young people

In every place I have visited the need for young people to be able to work has been emphasised, yet teen unemployment is at record levels. Removing income support for young people will only increase pressure on remote communities and families. In remote areas training options are often limited, particularly for those who have struggled to achieve in school classrooms. Every young person should be guaranteed a paid job in the first 1-2 years after school. This might be through a VTEC, through Green Army, or through a new job scheme. But it must be a job – with pay, with responsibilities, with a boss and an outcome. The reinstatement of some form of school-work transition support will be important to ensuring that any measure in this area can succeed.

Income support system and application of penalties

Many providers and participants lack confidence in the system of application of penalties because they believe (rightly or wrongly) that penalties are inconsistently applied by people who know little of what is happening on the ground. But the current push to make providers responsible for these decisions may create bigger problems. Centrelink has developed strategies over many years to manage decisions that can have a profound effect on individuals and families. These include removing breaching decisions from local offices, equipping offices with cameras and duress alarms, and having social workers and psychologists available to assess individual circumstances. These are rarely available in RJCP offices, nor is funding available for this assistance which is – after all – not really about getting people into work. The consequences of poor decisions in this area can be profound. Examples provided to me by workers in the system include families without food, evictions,

violence and humbugging, underage prostitution and suicide. Many workers express concern about their ability to build strong and trusting working relationships with participants if they are required to stop their benefits. Better, surely, to build this as a network focussed on jobs than as a poorly equipped Centrelink.

Training for training's sake

Current policy settings require RJCP participants on activity tested benefits to do 15-20 hours activity from day one. Adoption of the Forrest Review's recommendation that training must be directly linked to employment would limit the availability to participants of training as an option, either as part of or instead of this activity. Many young people find that the training that they do in these hands on settings is their first experience of success. They are learning to learn. While Language, Literacy and Numeracy training is often unpopular, it can be successfully integrated into wider training – like music, building, pastoral training. Narrow rules around access to training limits choices and suggests a linear career path which has little to do with that that most young people today will experience.

Moving away from a deficit model

The current system has harsh penalties for failure to participate, but few rewards for those who do, particularly in places with very limited labour markets. Where penalties are applied it often falls on extended family to feed and house the participant, exacerbating poverty and stress on people who may already be struggling. Government should consider reducing penalties so that they more closely resemble the 'small, timely hit to the wallet' that the Forrest Review contemplates. In addition it should add incentives for people who keep showing up to work on community projects, who continue to improve their skills and contribute to community. This might be in the form of an additional weekly payment (eg \$100 pw), plus bonuses for completion of LLN or similar skills training.

Submission by Dr Kirrily Jordan, Research Fellow, CAEPR

I make this submission in my capacity as an academic researcher with a particular interest in Indigenous Australian employment and experience examining the design and delivery of employment services.

While I applaud some very specific recommendations of the Review (such as the availability of 'locked licences' for those excluded from employment due to unpaid fines

or traffic infringements; and strengthening government procurement targets to support Indigenous businesses) I have significant concerns about much of the Review which I summarise below.

Review quality and impartiality

The Review is critical of what it represents as a vested interest among employment and welfare service providers in maintaining the status quo in service delivery (p.9). But there is no recognition of the potential conflict of interest in the Review being led by the Chairman of a major corporation who has publicly lobbied for a very particular kind of employment and training service (the 'VTEC' model) for several years prior to the Review being undertaken. While I make no suggestion of impropriety, it is concerning to me in these circumstances that the Review presents the VTEC model as the only model worthy of consideration. For this argument to be convincing it would need to be supported by a careful analysis of existing evidence on the outcomes of various employment programs, as well as a considered reflection on the potential implications of replacing other employment and training services with the VTEC model nationwide. While there are some statistics presented in the Review these make an inappropriate comparison between JSAs and the newly constituted VTECs (which actually provide quite different services), ignore evidence about what works in existing services, and do not constitute the careful and considered analysis required.

As well as relying on an insufficient use of evidence many of the Review's recommendations are confusing and vague. For example, recommendation 12.1 suggests tax-free status for eligible "first Australian commercial enterprises" (p.39). However, the discussion later refers to "tax incentives ... for first Australian *and other business investors*" (p.141, emphasis added) and suggests that "a large company wishing to participate can invest in a company that meets the tight eligibility criteria" (p.149). The Review never further explains what this means, or whether that large company would therefore be eligible for tax incentives. There are several other instances in which recommendations are vague and their implications unclear.

Assumptions underpinning the review

The Review suggests that economic disadvantage among Indigenous Australians is principally reducible to behavioural problems. According to this view, there are only two alternatives. The first is to enforce behavioural change through sanctions and control of welfare payments, which will force people to move into

employment, thereby 'taking control of their lives' and keeping Indigenous cultures strong. The second is to embrace continued passive welfare and the certain destruction of Indigenous cultures.

Setting up the debate in this way is fundamentally flawed. It fails to acknowledge the complex structural factors that are also implicated in the economic disadvantage of many Indigenous Australians, and is grossly inappropriate in implying that all people on income support payments have 'behavioural problems' that need redress. It casts culturally-informed priorities that are different from the mainstream (such as living on remote Indigenous lands) as problematic and dysfunctional. And it casts those who criticise punitive behavioural approaches as opting for passive welfare.

This is not an accurate reflection of the debate. It is well established that there are significant problems of drug and alcohol abuse in some remote Indigenous communities and that, wherever it occurs, such abuse can severely curtail employment prospects. However, even if one accepts (as I do) that the provision of income support payments without any requirement for active work on the part of recipients can contribute to these social problems, it does not follow that economic disadvantage can be overcome through a principally punitive approach, or that the measures recommended in this Review are the best ways of supporting behavioural change.

Consideration of 'incentives' and 'sanctions' should occur, but critically this ought to be done in genuine consultation with a wide range of Indigenous people and communities (especially those that will be most affected by the measures) and it ought to form part of much broader development strategies that are specific to needs in remote, urban and regional locations. For remote areas, it is crucial that these include strategies for job-creation such as support for small businesses and locally-directed community development projects (not just forecast jobs elsewhere, even if some can be 'guaranteed'). They must also include adequate resourcing for more intensive, tailored and long-term mentoring than is currently available for many people.

The proposed VTEC model

Due to the request for brevity I limit my more detailed comments to the recommendations most relevant to my research area. While there is certainly evidence that training programs providing guaranteed jobs on successful completion can produce good employment outcomes, I have significant concerns about the Review's

recommendation to replace existing employment services with VTECs (or remote Job Centres constituted along similar lines). The Review suggests that the proposed funding model (based principally on outcome payments for employment retention to 26 weeks) will adequately resource and appropriately incentivise service providers to produce contracted employment results. In support of this, the Review states that when the Federal Government released contracts for the 21 existing VTECs "some 50 interested providers applied and were prepared to take the business risk of having their sole remuneration rely on them achieving a 26-week employment outcome" (p.38).

This in no way suggests that a model replacing JSA and RJCP services with VTECs is practical, desirable or appropriate. It is important to note that the current incarnation of VTECs operate in conjunction with JSA services, rather than replacing them. In addition, they are all located in areas where they can service jobs already guaranteed (presumably under the AEC).

Moving to a model that replaces JSA and RJCP services with VTECs would be fundamentally different to this current (and still experimental) approach, and would be particularly problematic for regions in which there were few prospects for guaranteed jobs and where significant numbers of 26 week employment outcomes were most difficult. The proposal seems divorced from practical realities and raises a number of important questions that are not examined in the Review. For example, what would happen if a VTEC consistently failed to secure guaranteed jobs in their location, or failed to regularly get their clients into 26 week employment outcomes (as is likely in many remote areas)? Would they be prevented from providing training because there are no guaranteed jobs? Would they be defunded because they did not achieve outcomes to 26 weeks? If a new employer emerged who could guarantee jobs for local people, would the VTEC have to be reconstituted and its staff re-employed? If the VTEC was defunded what would happen to its clients, or the other services it is envisaged to provide (including the provision of participation activities and administering compliance for income support recipients)?

In these, and many other respects, the proposed VTEC model seems vague, ill-considered and counter-productive for long-term development strategies based on local engagement. It directly contradicts the Review's own reflection that providers "need flexibility in funding" (p.197) to provide innovative and locally-responsive employment and training services. Further, it ignores the reality that providers of other publicly-funded employment and training services already seek partnerships with businesses to guarantee jobs.

Summary and recommendation

While some specific recommendations of the Review (particularly in relation to drivers' licences and government procurement targets) should be considered, the Review does not provide sufficient evidence for the bulk of its recommendations. In particular, it is my recommendation that the VTEC model, as proposed in the Review, not be supported.

Submission by Dr Boyd Hunter, Senior Fellow, CAEPR

The Forrest Review (2014) recognises the importance of Indigenous business for closing the employment gap (or 'creating parity') with recommendations to provide tax-free status for new and innovative first Australian commercial enterprises (recommendation 12) and the Commonwealth Government purchasing at least 4% of its goods and services within four years from first Australian businesses with a minimum of 25% Indigenous ownership (and board membership) and significant employment outcomes for first Australians (recommendation 18). I would like to commend the sentiment and ideas behind the focus on creating Indigenous jobs through supporting Indigenous businesses, but I want to highlight a few issues for these proposals in this response.

On the face of it the review is recommending a very low ownership threshold for Indigenous businesses. Historically, Supply Nation has advocated that majority equity be held Indigenous stakeholders for businesses to be eligible for recognition and support as 'Indigenous businesses'. The Review cites some of my research which illustrates the importance of supporting a broader range of 'Indigenous' businesses which provide enhanced employment outcomes for Indigenous Australians (Hunter 2014). A strong case can be made for expanding the definition to recognise businesses with 50% Indigenous equity as such businesses are likely to deliver exceptionally good employment outcomes for Indigenous workers (at a rate about 100 times greater than non-Indigenous businesses). It is important to reflect on the implications of reducing the threshold to 25% equity.

Intuitively, one would expect that there are few businesses with a minimum of 25% Indigenous equity (& not covered by the above definitions), but there is no way to estimate how many businesses would qualify for recognition as Indigenous businesses under the revised criteria. One thing for certain is that very few non-Indigenous businesses (ie, businesses those with less than 50% Indigenous equity) that deliver significant employment outcomes for Indigenous workers. Less

than 0.5% of non-Indigenous businesses have over one third of their workforce identified as Indigenous employees. Therefore on current information reducing the equity threshold to 25% will not necessarily lead to a large increase in the number of businesses identified as Indigenous. Furthermore the increase in demand for Indigenous businesses implied by the implementation of these recommendations means that businesses that are currently recognised as Indigenous should not lose too much business to these new 'Indigenous' businesses.

The inclusion of board membership in the definition of an Indigenous business is more concerning as it greatly enhances the scope for strategic behaviour of what are ostensibly non-Indigenous businesses seeking preferential treatment. The idea of creating preference for Indigenous businesses can be a potentially fraught area of policy as it may create an incentive for 'shadow listings' or false claims, as firms chase work under the guise of identified organisations. Some companies may be tempted to install Indigenous people on their Board, in a nominal rather than a substantive capacity, to secure the proposed benefits of tax free status and government contracts. If a substantial number of 'faux' Indigenous businesses were created, this may displace legitimate Indigenous businesses that can demonstrate substantial equity and control from Indigenous stakeholders.

Another issue is that implementing these recommendations may create an incentive for businesses not to use the merit principle when employing Indigenous workers. Economic policy will be optimal and sustainable if the most productive workers are employed. Of course there are many productive Indigenous workers, but policy needs to ensure that Indigenous workers are sufficiently productive that employers want to employ them as the best person for the job. From an economics perspective the policy may lead to a dynamic inefficiency in the national economy from the misallocation of labour resources. While a good case can be made that this inefficiency should be accepted at a national level as the price to partially redress past injustices, the recommendations may lead to inefficient practices for individual businesses if they lose their competitive edge with respect to other businesses. One of the desirable consequences of market discipline is that it forces businesses to adopt cost efficient practices. Over time, businesses with some 'monopoly power' (including tax advantages conferred by the state) may not discipline their costs, which undermines, or even outweighs, the initial advantages. In a sense, such businesses could be construed as experiencing a form of 'welfare' or government 'dependency'.

While many commentators will not be concerned by such dynamic inefficiencies, market discipline is an important part of the capitalist system. While the tax incentives appear to be aimed at new businesses, it is not clear how long the advantage is to be conferred. Time limiting any tax incentive is desirable lest the incentive encourage inefficiency in the dynamic workings of the business. The tax incentive is best aimed at Indigenous business start-ups to recognise the likely historical disadvantages faced by Indigenous entrepreneurs.

While I wholeheartedly agree with the need to encourage Indigenous business as a practical strategy for 'creating parity' in employment, this submission attempts to highlight some issues for implementation. If the recommendations achieved what they seek to do, there would be a dramatic increase in the number of Indigenous businesses servicing government contracts. Unfortunately, there is likely to be a capacity constraint as there is only a limited supply of Indigenous people with the skills to run an Indigenous business. Recent studies have emphasised financial literacy skills and other skills related to operating and managing a business within various market contexts as key success factors for Indigenous businesses (Morley 2014).

Given the under-representation of Indigenous students in management and commerce departments, I suggest that there is also a need to increase the number of Indigenous students completing business-related course at a tertiary level. On a positive note, there is evidence of substantial recent increases in Indigenous accountancy and other business-related graduates in university data, an increase partly driven by industry initiatives and active professional associations. Notwithstanding, there is likely to be limits to the number of Indigenous people qualified to run a business unless the higher education institutions can facilitate enrolment and completion of Indigenous students in Management and Commerce courses. The relevant point is that building the capacity of potential Indigenous entrepreneurs is important if the implicit goals of increasing the number of genuine Indigenous businesses and garnering Indigenous employment spinoffs are to be achieved.

4 Income management

*Submission by Dr Shelley Bielefeld,
University of Western Sydney*

I make this submission as an academic with a disciplinary background in law whose research focuses on issues of public policy, social justice, human rights and Indigenous peoples. Whilst the Forrest Review has numerous inadequacies, due to the prescribed two page limit, this submission will deal with income management and Recommendation 5 for a 'Healthy Welfare Card'. The Forrest Review is deficient in this respect, for the following reasons:

- 1 Several comments about income management in the Forrest Review show no engagement with pertinent reports in this field. Its claim that the BasicsCard has 'demonstrated ... benefits to welfare recipients', runs counter to several significant reports in this area which have pointed to limited evidence of benefit and some significant shortcomings of income management, none of which are referred to in the Forrest Review (Bray et al, 2012; Equality Rights Alliance, 2011; Australian Indigenous Doctors' Association and Centre for Health Equity Training, Research and Evaluation, 2010; Australian Law Reform Commission, 2011; Parliamentary Joint Committee on Human Rights, 2013). For example, the government commissioned report undertaken by Bray and others in 2012 found 'there is little indication that income management is itself effective in changing parenting behaviour, reducing addiction or improving capacity to manage finances.' The Forrest Review also ignores the human rights compatibility concerns raised about income management in the 2013 Parliamentary Joint Committee on Human Rights Report, namely, the government has provided no evidence that income management is 'a reasonable and proportionate measure' or that it provides 'a justifiable limitation on the rights to social security and the right to privacy and family'.
- 2 Despite the claim in the Forrest Review that the time for paternalism is over, ongoing paternalism in the form of a 'Healthy Welfare Card' is the substance of Recommendation 5, which could affect 2.5 million welfare recipients. This would lead to a cashless system for the vast majority of welfare recipients. However, the 'Healthy Welfare Card' has the same 'deficiency based' philosophical foundation as the income management system it proposes to replace. According to this framework, the cause of socio-

economic vulnerability experienced by welfare recipients is due to their irresponsible spending patterns. This is a misrepresentation of the budgetary capacity of many welfare recipients and engages in simplistic and destructive negative stereotyping. Significantly, it ignores structural causes of poverty and the reality of limited employment opportunities.

- 3 As concerns Indigenous welfare recipients, the 'Healthy Welfare Card' would have negative implications for Indigenous forms of resource distribution based on kinship networks, and therefore impact upon Indigenous cultural values. To the extent to which the scheme would have this effect it could be regarded as assimilatory, and contrary to Australia's international human rights obligations concerning the maintenance of Indigenous peoples' rights to culture (Bielefeld, 2013).
- 4 Indigenous peoples are overrepresented in the welfare system, which means that they would continue to be disproportionately affected by the 'Healthy Welfare Card', just as they are currently overrepresented under income management (Senate Estimates, 2014:1). The history of colonisation, which has involved micromanaging the finances of Indigenous peoples, means that these intrusive forms of governance can trigger trauma for Indigenous peoples (Gibson, 2009), who, unlike other Australian welfare recipients have a history of being given rations instead of cash and having their incomes controlled (at times fraudulently) by third parties.
- 5 The evidence about compulsory income management to date suggests that numerous welfare recipients find this system embarrassing, stigmatising and depressing. It is illogical to suppose that this system, or any retitled equivalent such as the 'Healthy Welfare Card', is going to be conducive to producing autonomous job ready citizens. In fact, income management may produce greater passivity and dependence for some welfare recipients.
- 6 The 'Healthy Welfare Card' is likely to lead to the same problems of stigmatisation of welfare recipients and reduction of their autonomy as the current income management system. Cashless welfare transfers lead to increased social stratification, and can have a significant impact on the social interactions of welfare recipients in society. As Zoe Williams (2013) states, '[w]hen you relegate people to a world without money, you create a true underclass: a group whose privacy and autonomy are worth less than everyone else's, who are stateless in a world made of shops' (cited in Standing, 2014:378).
- 7 Some of the implications of welfare recipients not having cash to pay for goods and services are as follows:
 - a They would be unable to purchase many second-hand goods, which would unjustly force those with the lowest income to purchase new goods at higher prices. For example, purchase of second-hand clothing at markets for cash, purchase of second-hand motor vehicles from private sellers for cash, and purchase of second-hand textbooks for students for cash from private sellers would all be excluded.
 - b Online purchases, which often allow goods to be purchased at more competitive prices, would be curtailed and in some instances prohibited altogether – which would arguably foster unlawful anti-competitive conduct (*Competition and Consumer Act 2010* (Cth) s 45). Restrictions on online purchases could also preclude welfare recipients from obtaining necessary medicinal treatment, for example, Endovan for treating endometriosis, which can only be purchased from the United States.
 - c Some service providers, such as gardening services for example, are often paid in cash, and welfare recipients (especially those with physical disability issues) could be affected by more limited service provision in this area if there was a cashless welfare system.
 - d It would negatively impact upon welfare recipients who live in share house accommodation – as current arrangements frequently involve subtenants paying a proportion of the rent in cash to the head tenant who then has responsibility for paying rent to the landlord/real estate agent. Share house accommodation is necessary in Australia due to the lack of affordable housing for those on low incomes, and if such arrangements were impeded by the 'Healthy Welfare Card' one unintended consequence could be a significant increase in homelessness.
 - e Welfare recipients who are parents could not pay a babysitter in cash to have a few hours respite on occasion, which is arguably something that all parents need.

8 Like compulsory income management, the ‘Healthy Welfare Card’ is likely to incur significant costs in terms of the bureaucratic infrastructure required to administer it. No figures regarding this were produced in the Forrest Review, which is another deficiency in the Report. However, given the paucity of compelling evidence to date as to the efficacy of income management, it would be financially irresponsible for the government to commit further scarce resources to these sorts of schemes. Instead, the government would do better to invest in evidence based policy.

I make one recommendation, that there be a Parliamentary Inquiry into the Forrest Review, to engage in the robust and transparent analysis warranted by the seriousness of the Healthy Welfare Card proposal.

*Submission by J Rob Bray,
Research Fellow, CAEPR*

Preface: In making these comments I would note that I am one of the researchers undertaking the evaluation of “New Income Management” in the Northern Territory. At the time of writing this submission, while we have delivered a draft final report to the Department of Social Services, we have not yet lodged a final report (but expect to do so in the last week of September 2014) and this submission is being made without reference to material which will be in that report. I would strongly recommend that the initial report of the evaluation (July 2012) and the final report be taken account of in any considerations.

Key focus: Given the two page limit for comments, my focus will be on Recommendation 5 “Healthy Welfare Card”. The report appears to have both instrumental and aspirational goals for this measure. The main instrumental goal is to prevent the spending of any welfare payments on alcohol, gambling and illicit drugs. This objective is then supplemented by a range of aspirational goals, including “confine welfare ... spending to essential goods and services” (p104), it would be a “card [that] directs spending to purchases that sustain and support a healthy lifestyle” (p107) and enable people to “concentrate on what they need to do to get a job”(p13). This proposal raises several questions – some of which I seek to discuss below.

Will it effectively limit spending on proscribed items? The extent to which people can circumvent the BasicsCard is discussed in the Final Report of the evaluation and this should be consulted on this. A further issue, in particular in Indigenous communities, is the

extent to which much spending is communal and the existence of demand sharing. Reducing one group’s access to cash and certain products can be expected to result in much greater pressure being placed on the available cash of others in the community and their ability to purchase these items.

Can income support recipients live in a cashless world? The report suggests “we are becoming a cashless society and this is the way we should manage welfare”(p104) The question is whether this vision is a reasonable representation of the actual lives people live. Some examples serve to illustrate this:

- Rent often needs to be paid in cash. This arises from a number of circumstances. The first is simply where the landlord requires cash rent (and is certainly not an EFTPOS merchant), secondly where an individual does not wish their landlord to know they are on income support (as some are unwilling to rent properties to this group) and hence any direct transfer such as Centrepay or a specialist app is not a substitute for cash. Finally there are group households where individuals make a contribution in cash to the total cost of the rent. It is unclear how either the welfare card or for rent deductions can adequately replace cash in the above situations.
- Many people make second hand purchases from other people for cash, as well as paying for minor services – such as work on a car informally in cash. This is important for those on low incomes.
- Many less formal shopping arrangements – for example farmers’ markets, largely operate on cash. Internet purchases either use PayPal or in some cases EFTPOS cards, extending of the card to internet purchases would raise many difficulties in enforcement (and limiting people to Australian sites raises a further set of issues), yet excluding these purchases will become increasingly problematic.
- Banning any access to cash seems to be particularly problematic for families with children. Does it mean in these families that children will be unable to purchase anything from the school canteen, unable to participate in sausage sizzles and similar other school based activities, and of course their parents excluded from buying the inevitable chocolate frogs and other fund raising ventures that schools engage in. In addition for many families the payment of cash pocket money is an essential part of the socialising of children, teaching them about rewards, about saving and about decision making in spending.

Is it likely to be a 'healthy welfare card'? One of the aspirational goals is that it will lead to healthier lifestyles and consumptions. There is no argument in the report as to why this would occur, and little evidence in the real world to suggest that it would. Again this is an issue which will in part be addressed in the forthcoming evaluation report on Income Management. The only reason for considering that the card would change the composition of welfare spending is the degree to which it operates as a binding constraint – and effectively this is only with regard to alcohol drugs and gambling – it leaves all other expenditure, whether healthy or otherwise (sugar based soft drinks, junk food, etc) unconstrained, so why would any change in consumption be anticipated? (Or indeed is the intention to actually have a much wider range of items excluded as hinted in the language of “confine ... spending to essential goods and services”(p104) and “exclusion of particular products which do not add to the health of communities”(p106). Imposing any such additional limitations introduces further complexity and inflexibility.) Consistent with the argument of honesty in the branding of policies inherent in the proposal to rename NewStart to Unemployment Support, there are few grounds to name any cashless welfare system as 'healthy' nor to expect any major change in consumption for most people on the basis that they are being paid via a card rather than in cash.

Is the card likely to be as costless as suggested?

Despite many references to discussions with banking and other players there is no costing of the proposal. There are several grounds for considering that it is likely to be considerably more costly from both the perspective of the individual in receipt of income support, and in its overall implementation.

Firstly it would appear that in most cases people will require multiple bank accounts as there is no obvious way that the welfare funds can be quarantined from private funds in a single account in terms. This quarantining would be needed to separate the spending which is made on the 'welfare card' and the person's spending on a private debit card, or cash withdrawals. (Alternatively if the card was somehow a stored value rather than debit card in a single account, this seems technically difficult and it how would people operating on a single account know what their welfare account balance is versus their private balance? The use of multiple separate accounts is intimated in the report in discussion on the cards being linked to a “locked savings account” (p107). There is no discussion of the question of fees for these multiple accounts and who is going to meet the cost of maintaining the accounts. Someone will also need to pay for the cost of account queries from ATM machines.

Secondly the use of a debit card may make some purchases more costly for people. Typically merchants are permitted to impose minimum purchase limits and impose surcharges for EFTPOS transactions relative to cash. Is it proposed to ban these as there seem to be no grounds to mandate that people on income support have no choice but to pay these costs where others have the option to pay in cash.

Thirdly the restriction of all spending to a single card requires infrastructure which can rapidly and costlessly (for the individual) replace cards in the event of theft or loss. The speed of replacement is high priority given that people will not have any alternative means of purchase available to them (nor can they borrow from others since they will not have cash access to repay the debt. The provision of this service, especially in remote areas, or to groups such as the homeless is likely to be costly.

Is it a proportionate response to problems? At the broadest level this question is whether the extent of current abuse is such as to warrant placing some 2.5 million Australians on this initiative with its associated imposition of costs and inflexibility, limitations on individual choice and constraints on normal family and other behaviours. There seems to be very little argument for this, and certainly no case presented in the report. While the report argues the costs of current income management arrangements make it 'unsuitable for broader application' perhaps the challenge is to think differently and consider ,not a broader application, but rather a narrower application targeted to those who have a need for such a policy intervention. Secondly the only legal product proposed to be excluded is alcohol, the question of proportionality here is whether the incidence of abuse of alcohol by some people on income support payments warrants banning all people who are reliant upon these payments from consuming alcohol. Certainly the available data suggests that most people who consume alcohol do so responsibly.

Conclusion: It is unclear just how effective this policy would be in terms of its instrumental goal, while the policy lacks the means to achieve its aspirational goals. It is a policy which will impose significant limitations and costs on a large proportion of the Australian population and hence not only does its effectiveness and cost need to be queried but also its proportionality.

The review opines that what we currently have is “an irresponsible social experiment”(p104). It can alternatively be suggested that the payment of transfers as cash to individuals is a policy which is based upon a belief in individual autonomy and self-determination and that a

person and not a state, company or charity is best placed to make decisions about their welfare. It is a policy which addresses the failure of past experiments, in Indigenous policies with regard to mission and station rations, and more broadly soup kitchens, workhouses and church and other charity vouchers.

5 Governance and community development

*Submission by Dr Janet Hunt,
Deputy Director, CAEPR*

- 1 Overall, the Review regrettably takes a deficit approach to the situation rather than a strengths-based one. The latter would have explored where ATSI people are currently employed; would have systematically explored some successful sectors or organizations & what strategies they used to recruit, train & retain ATSI staff, and it would have explored why some regions have much higher levels of ATSI employment than others to understand why rather stark differences exist. Instead it made one-size-fits-all assumptions about incentives and disincentives to apply across the very diverse circumstances of urban, regional and remote Australia.
- 2 The Review focuses almost entirely on the private sector to the neglect of the public sector (where 23% of Indigenous people are currently employed) and the not for profit (NFP) sector, as employers. Whilst the private sector is certainly the largest employer overall, the NFP sector provides at least 8.5 per cent of Australia's employment, especially in industries such as health, education, disability and aged services, all areas important to Indigenous people, especially women, and in which they are already represented, making increasing their presence easier, particularly in regional and remote regions as well as urban areas. This is not to mention the Aboriginal controlled sectors, such as health that alone employs over 3,200 Indigenous people, and indicates a national Indigenous health workforce shortage of 6,887 Indigenous people by 2015 to meet Health Ministers' targets (Alford, 2014). Furthermore, the Review totally neglects to discuss which private industry sectors are growing and might provide significant new employment opportunities in the next 5-25 years. These omissions seem to be major gaps in the Review, reducing its strategic value.
- 3 The Review takes a perspective that blames individual Aboriginal people for their unemployed status, rather than adopting a more structural analysis of the problem. It oversimplifies a complex situation. For example it ignores how economic restructuring has impacted on Aboriginal men previously employed in rural industries and manufacturing, both of which are declining. Specific strategies are needed to deal with these phenomena. The Review also fails to identify issues

such as poor health and disability and in the case of women, high fertility and younger age of birthing, compared to non-Indigenous women. Their unpaid care work starts much earlier in the life course and is considerably greater than that of their non-Indigenous counterparts (Yap & Biddle 2012). To engage more Aboriginal women into the labour force will require a mix of relevant social policies, such as more affordable, accessible and culturally acceptable child care, aged and disability care etc, nothing of which is mentioned in the Review.

Governance, empowerment and generation of economic activity

Two pages is totally insufficient to respond to a 245 page report with 27 major recommendation areas and many more specific recommendations, so I have decided to focus particularly on the section in Chapter 8 on Governance and the Empowered Communities group model. I strongly support the concept of building strong local governance and leadership which is at the heart of this chapter as research indicates that strengthening local and regional governance in Indigenous communities is central to driving change. But a model is once again being proposed to apply across all communities. My research indicates that governance structures can be developed or strengthened best when they serve the aspirations of Indigenous people themselves, and when they are designed by them to meet the particular circumstances of their region. The governance model needs to work towards goals agreed by Aboriginal people, not imposed on them by others. The model proposed by the Review suggests that only by accepting externally imposed conditions and norms, will such governance structures gain support from government. This model is designed to effectively shift responsibility for implementing the government's proposed welfare reform model onto Aboriginal leaders in their own communities. Such a model is most unlikely to work. This is not because Indigenous leaders don't want to see change in their own communities, but because they will have their own positive approaches to making changes, and it is these that ought to be supported by governments.

The group of 8 Empowered Communities is referenced as the model to follow. Whilst they are strong organizations with very good leadership, they began in each case by working positively with their own communities and building up the governance they needed. They have not generally taken a punitive approach to change; rather they have supported their people by developing opportunities for them, and then providing training

and employment, to enable them to grasp those opportunities. Their models are in fact quite diverse, but what is common is that they have each responded in an appropriate way to the challenges in their own regions. In most cases they have also developed their organization and their leadership over many years. Thus while the Review is correct that investment in local governance and leadership is an essential condition for positive change in communities, it will fail if it simply tries to set up local Elders / Local Responsibilities Boards to effectively start policing communities immediately.

Whilst the idea of Aboriginal people having strategic oversight of local service delivery is also laudable, the NSW Government attempted something similar with its 40 Partnership Communities until 2011. This had some success, but there were also problems largely to do with attempting to impose a governance model that was predetermined. It was also difficult to get government departments to coordinate through the Partnership Community Governance structures. Lessons learned from this experience are extremely relevant, and should be obtained from the NSW Government. The second area of responsibility suggested is to set & enforce rules and consequences for matters such as work, schooling & other social norms. The Review suggests the application of national rules and sanctions that they would simply have to enforce. This is most unlikely to work.

We know that *what does work* is to support leaders to generate economic opportunities in their localities that would change the situation for the long-term. This is what a few positive examples mentioned in the Report are doing (eg Myuma, Darkinjung, Shepparton/Gambina). Funds spent on expensive, punitive approaches (such as compulsory income management or something similar) that have little evidence of success (Bray et al 2012) would be better spent developing real livelihood and employment options for people to give them an incentive to develop skills and become economically active. Empowering Indigenous leaders to generate change is right, but they must have legitimacy in their communities and telling them exactly how to create the changes in their locality is a major error. They have their own goals and approaches which we need to support and partner with in a spirit of respect and collaboration, and through enabling them to access good advice.

We need an Aboriginal Development organization with skilled people & good resourcing that can facilitate this across the country. We must get away from the punitive approach, and shift to a strengths-based approach, which can help build Indigenous confidence and self-esteem, develop skills and opportunities and this means

undertaking social and economic development initiatives. Investing in this now will bring significant returns in the long term.

A few final notes:

On incarceration: a shift to a Justice Reinvestment policy approach could make a great difference to the numbers of Aboriginal people in jail, and again would provide positive alternatives to crime and jail for them.

On driver licences: the absence of these is a major barrier to regional employment opportunities, and measures to enable people to gain/regain driver licences for employment (not just off-road) would be helpful.

In remote regions: the concept of a diverse livelihood rather than standard employment might provide a better policy framework as some Indigenous people may have no desire to enter the global market economy.

Submission by Dr Elise Klein, CAEPR

Purpose

1 This two page document outlines some of my concerns regarding Andrew Forrest's Review of Indigenous Training and Employment Programmes. As the length of submissions can only be two pages, I will limit my concerns to the domain of Indigenous empowerment and inclusive policy development.

Background

2 I write this report drawing on over ten years experience working on development issues in Australia and internationally. I have a doctorate of Philosophy for the Department of International Development at the University of Oxford, and now I am a post-doctoral research fellow at the Centre for Aboriginal Economic Policy Research at the Australian National University. I have worked in various Indigenous organisations in North West Victoria and in the East Kimberley and a community development organisation in Mali for over 10 years.

Key concerns of the Forrest review

3 To begin, the diverse and multidimensional nature of Indigenous agency is overlooked and misplaced by an assumption that Indigenous agency is negative, dysfunctional and needing intervention. The most notable locations of such rhetoric can be found in the Review's arguments justifying the Healthy

Welfare Card, the descriptions of dysfunction in communities and the proposition of what success for Indigenous people should look like. The starting point of 'deficient aboriginal agency' sets the report up to justify two major oversights. Firstly, the *largely paternalistic recommendations*, for example, income management, engineering of social norms, and the shaming of those that fall short of the reform agenda through the monitoring of 'success' on the world wide web. Secondly, the Review *avoids grappling with and integrating the diverse range of views held by Indigenous people* that should have been characteristic of rigorous methodology and inclusive consultation. It is of particular interest that the Review only quotes 5 of the reported 349 written submissions. The 5 submissions quoted compliment the ideological views throughout the Review, yet many of those not engaged with stand in stark opposition, illustrating the select nature of the process. Further still, it isn't clear how extensive or participatory the consultation was with people who are illiterate and unable to present written submissions, and who will be most vulnerable to the targeted recommendations.

4 As a result, the methodology which was employed in the consultation and development phase of the Review excludes most Indigenous people in the decision making process regarding policies that will directly affect their lives. This is a failure of the Review as the policy making process has intrinsic and instrumental significance for people's ability to control their own self-determination. As self-determination is at the heart of Indigenous justice in Australia, it should be paramount in the creation of Indigenous policy.

5 Further still, the exclusion of Indigenous agency goes against best development practice and scholarship. (For example see Linda Tuhiwai Smith (1999), Amartya Sen (1999), Robert Chambers (1997), Sabina Alkire & Severine Deneulin (2009), also project manuals within the United Nations Development Program, the OECD and the World Bank). Central to this body of research, is the notion that policy development is a process, not a destination. Agency and deliberation must be central. In the words of Sen (1999) "The people have to be seen... as being actively involved – given the opportunity – in shaping their own destiny, and not just as passive recipients of the fruits of cunning development programs" (53). Unfortunately, through the overlooking and of Indigenous agency, the Review has completely disempowered Indigenous people in forming these

policy recommendations. It is thus questionable that the implementation of the recommendations proposed in the Forrest Review will be valued by much of the Indigenous population, possibly creating resistance and further distain.

- 6 The problems just outlined above stem from the imagining of 'Indigenous people' as a homogenous group. Engaging with a selected few Indigenous individuals and organisations with the assumption they speak on behalf of or know better than the wider population, is problematic. The Review's discussion and recommendations do not distinguish between remote, regional and urban Indigenous people let alone intricate elements of Indigenous diversity. It is also evident that the few organisations and individuals whose views did inform the report, do not necessarily engage with the wider concerns of Indigenous people. For example, the 5 key requirements and related sanctions of the 'Empowered Communities' model, (getting kids in school, being in a job or training, not engaging in crime, respecting housing and looking after the elderly), are all highly contentious to the wider Indigenous population. Yet the Empowered Communities model is suggested by the Review as 'leading the way for Indigenous people to end disparity themselves'. Counter to popular opinion, there is very limited deliberation and participation of Indigenous people in the Empowered Communities model. According to Phillip Martin (2008), an employee of the Cape York Partnerships, the community engagement phase undertaken before the Cape York Welfare Reform Trial proposed to the Queensland Government in 2007, was a process more to convince local people of the merit of pre-conceived policies and principles rather than to inform the policies themselves and allow deliberation and agency within such discussions. Moreover, in the 2012 scoping study report for Living Change, a program put forward by the Wunan Foundation in the Kimberley as part of Empowered Communities, the 5 community requirements were discussed with only 2.35% of the Halls Creek Indigenous community members. Such a low engagement rate makes it hard to justify the claims of 'community support and participation' made in the scoping study. Further still, of this 2.35%, 29.4% of participants disagreed with the full model to impose the 5 key requirements and related sanctions (39). This limited consultation has significant implications regarding the claims of Indigenous led development; as limited testing of their relevance, alignment to people's aspirations and values, and fairness of the 5 requirements within the communities, is mainly overlooked.

- 7 There is also reluctance in the Forrest Review to engage with the plethora of peer reviewed research on Indigenous training and employment programmes. Not only did the Review misquote various pieces of research (for example the references to Biddle's research), it also overlooks the corpus of long standing, peer reviewed scholarship. Instead, the Review privileges the unscrutinised application of personal experience as the foremost evidence. One clear example of the poor research applied is the recommendation of the 'Healthy Welfare Card,' a form of income management with specific conditionalities on what people can spend their entitlements on. This recommendation and underlying assumptions overlook credible research such as Bray et al. (2012) *Evaluating New Income Management in the Northern Territory: First Evaluation Report* commissioned by the Australian Government, which has shown that income management enforced on Indigenous people in the Northern Territory has had little positive impact.

Recommendations

- 8 Public deliberation and broad Indigenous agency needs to be central in the creation of Indigenous policy. A concerted effort should engage directly and meaningfully with the broad range of Indigenous actors, not just an unrepresentative and unelected few. Through such public deliberation on employment and training, a new vision will emerge, one fully born from views of a larger cross section of people. Policy actors have to be courageous in this, it means fully honouring and trusting in people's agency and ability to develop a self-determining pathway, and not one transposed from elite and disconnected actors. The role of the Review Committee must be a facilitator in this, not an imposed director.
- 9 Inclusive and meaningful engagement in the policy making process of is not a misnomer. It is indeed very possible and I would encourage the critical examination of *Participatory Budget* formation used in Brazil and the participatory processes underpinning the rewriting of the Bolivian constitution to include *Buen Vivir*.
- 10 Given the above assessment, I recommend the Forrest Review is rejected as a legitimate review of indigenous employment and training and suggest a federal enquiry to review. I am happy to discuss further any of the points raised in this all too brief submission.

6 Remote development

Submission by Dr Bill Arthur, CAEPR

The following submission is informed by my experience in Indigenous matters since the 1980s: in the field in the Kimberley and Torres Strait, from policy research at CAEPR and AIATSIS, as a senior bureaucrat with the Department of Employment and Training in Western Australia and as a consultant to the Australian Government.

This submission focuses on remote Indigenous communities (as distinct from outstations). I support the general notion that the lives of Indigenous people in remote communities would benefit from higher rates of employment and levels of education, as officially measured. However, I feel that the Review understates the difficulties in achieving this situation in remote communities whose unique characteristics include (though are not limited to) the following:

- They are principally constructs of government administration not on the dictates of the capitalist labour market
- They are far from centres of industrial activity and are likely to always be so
- They have operated under a modified welfare system for at least two generations, where the mainstream rules for eligibility are reduced or absent
- They have never experienced sanctions associated with those normally applied to make parents send their children to school
- Their official socio-economic statistics have remained obstinately low, and seem unlikely to improve through human capital and job-matching strategies, and caring for country programs
- They are mostly found in regions where land rights and native title legislation have been most successful. Implicit in these pieces of legislation is the government's acceptance that people will stay in these regions and not relocate to find work. This situation seems to contradict the normal dictates of the capitalist system as it applies more generally. (That is to say, for administrative purposes the government has located people in communities far from labour markets, and has also enacted legislation that encourages them to stay there.)

The characteristics of such locations demand a greater emphasis on the strategy of 'economic development' than is suggested by the Review. There never has been a

comprehensive strategy for the economic development of remote Indigenous communities, which has undoubtedly contributed to their obstinately low socio-economic status. A remote economic development policy would give attention to the process of 'capacity development' in addition to more mainstream types of training.

This strategy should have the long-term aim of 'industrialising' communities by initiating relevant community-owned businesses. Key features of community businesses are that they can more easily accommodate cultural requirements, and allow workers to stay on or near their country. One possible example would be a type of community-owned business that would interact with nearby (e.g. mining) and distant industries to produce bit-parts for these industries. Capacity development, education and training would articulate with these businesses. The strategy would not displace any other types of sustainable employment, such as in community governance; NGOs; and land-care. This strategy is akin to establishing a cottage industry and, given the unique characteristics of remote communities, would require long-term subsidies.

The process for this change could include the following stages:

- Construct a typology of remote communities
- Select a number (4 to 6) of pilot communities and conduct an audit of the realistic job potential in the sectors of each community and within its surrounding labour-catchment, including in any mining or manufacturing industries, land-care type work, military installations, community governance etc. The audit would estimate, in employment terms, the likely possible contribution of each sector within the community and its catchment area. This would indicate the required contribution by community-businesses.
- Carry out socio-economic research to determine the type of community-owned businesses necessary to employ a workforce; the cost of establishing these and the long-term subsidy to support them into the future.
- Develop a capacity-building system to allow people to manage community-businesses.

The welfare support system

Hand in hand with the above strategy it would be necessary to identify, and then remove or modify, any disincentives to taking up employment which might exist in present the modified welfare system. This would aim to

gradually bring the welfare system more into line with that which exists in non-remote places. This would *not* include imposing sanctions on people in addition to those that apply in non-remote areas. As noted above, the normal sanctions have never been applied. Gradually moving closer to the welfare system operating for non-Indigenous citizens is less onerous and more likely to succeed than is imposing additional and ethnically-based sanctions.

The military

The interaction between the military and Indigenous people is not mentioned in the Review and receives little attention in the Develop the North report. The military structure is well adapted to provide training and employment in the remote environment. Some attention should be given to expanding the present interaction between Indigenous people and the military.

Submission by Dr Seán Kerins, Research Fellow, CAEPR

A disingenuous consultation process

It is hard to make sense of Mr Andrew Forrest's review of Indigenous Training and Employment Programs. On the one hand the Government is calling for submissions on The Review, while on the other, Mr Forrest told us at the launch of his review that: "There will be a temptation to pull a spark plug out, maybe pull a flyer wheel off, or even a cylinder, but of course the engine then won't work". In other words his review must be taken in its entirety.

Not only does the review go way beyond its terms of reference (from employment and training to land reform), it gives Indigenous people little time to consider and respond to the review. It is hard to see how Indigenous peoples living in remote regions of Australia will be able to digest a dense 250 page report, with no abridged plain English version or community facilitated (with experienced translators) Q&A sessions, in such a short timeframe.

These deficits, along with the 'take it or leave it' consultation approach, amount to a disingenuous consultation process. Such unsound consultation practice flies in the face of international common law principles concerning consultation, especially consultation with Indigenous peoples (see *Land Air Water Association v Waikato Regional Council (A110/2001)*, and *Wellington International Airport v Air NZ [1991] 1 NZLR 671 (CA)*).

The consultation process is also highly inconsistent with the implementation, in a spirit of partnership and mutual respect, of the United Nations Declaration on the Rights of Indigenous Peoples.

Empowering people in remote communities

Despite Indigenous Australians owning roughly 30 per cent of the continent, under a variety of land tenure regimes, and there being about 1200 small discrete Indigenous communities with a total population of about 100,000 people, or about 20 per cent of the total estimated Indigenous population scattered across these lands throughout the remote regions of Australia, Mr Forrest devotes little more than half a page of his review to their circumstances and aspirations.

This is of concern, considering that for the past 20 years many of Australia's Indigenous peoples in remote regions have been playing an essential role working to halt, or mitigate, drastic environmental change. Many have been protecting biodiversity, battling species decline, the invasion of exotic species (feral animals and weeds), changed fire regimes, along with the negative environmental impacts caused by mining and energy resource extraction through a variety of community-based natural resource management enterprises. These enterprises have created meaningful long-term employment in some very remote and challenging regions, while also strengthening social capital by supporting people who have been inactive back into the wider activities of the community. Importantly, many have also been developing cultural/eco-tourism enterprises, building governance organisations, as well as trialling innovative collaborations with the private sector and the market.

One community-based enterprise at the forefront of this work is Warddeken Land Management Limited. Warddeken is based on the dissected sandstone country of the west Arnhem Land Plateau managing the Warddeken Indigenous Protected Area, a region of international biodiversity and cultural significance encompassing over 13,000 square kilometres of land. Warddeken, along with their Indigenous and non-Indigenous partners were instrumental in developing the West Arnhem Land Fire Abatement project. This intercultural project is contracted for 17 years to abate at least 100,000 tonnes of carbon equivalent greenhouse gases per year to off-set emissions from a liquefied natural gas plant based on the outskirts of Darwin operated by the energy giant ConocoPhillips. From 2006 ConocoPhillips have contributed annual funding into the project of about \$1.2 million per year to off-set

green-house gas emissions from their gas plant. This project has exceeded the initial target of abating 100,000 tonnes of carbon equivalent greenhouse gases per year. Since 2006 the project has abated an average of 140,000 tonnes.

With the right policy framework and investment from both the public and private sector many more Indigenous community-based enterprises, which link Indigenous property, skills and knowledge with both private and government sectors, could develop, especially across the remote regions of Australia. Despite this enormous potential, the Forrest Review ignores such initiatives and focuses instead on orbiting Indigenous people out of their communities and away from their lands. Further, Forrest seeks to dismantle Indigenous owned land tenure by individualising title in the false hope that individual title will bring economic wealth to Indigenous people in remote regions.

Create more fee-for-service opportunities

Many Indigenous people in remote regions have undertaken further education and vocational training through various accredited training institutions to obtain Certificates IV in a variety of conservation and natural resource management courses. Many have pursued training in this area, not for 'trainings sake', but to be in a better position to effectively participate in community-based enterprises and fee-for-service work that occurs in the regions where they live.

Indigenous people have clearly demonstrated that they have been able to draw on their knowledge of country and training to participate in fee-for-service work, such as working Australian Quarantine and Inspection Service through its Northern Australia Quarantine Strategy to actively manage biosecurity.

The recent *'Pivot North, Inquiry into the Development of Northern Australia: Final Report'* by the Joint Select Committee on Northern Australia recommends that the number of Australian Quarantine and Inspection Service officers be significantly increased in Northern Australia (Recommendation 24). This provides a significant opportunity for government to build on the successful program operated by AQIS and employ a greater number of Indigenous people to manage biosecurity.

Other government departments need to follow AQIS's lead and introduce more fee-for-service work opportunities for Indigenous Australians living in remote regions to participate in other sectors, for example, customs, fisheries compliance, search and rescue, and environmental monitoring.

7 Education

*Submission by Dr Inge Kral,
Research Fellow, CAEPR*

This submission draws on my extensive on-the-ground experience as an educator in remote Indigenous schools and adult education institutions for nearly two decades and my expertise as an academic researcher in the fields of Indigenous education, literacy and youth learning.

While it is indisputable that the quality of life for many Indigenous Australians needs to be improved in my opinion the Forrest Review contributes little to providing a blueprint for further action. I say this for the following reasons:

- 1 It is not evidence-based.** There is minimal evidence that the writers have made use of the extensive literature and research available in the area of Indigenous education and training, and more specifically in the field of language, literacy and learning.
- 2 Conclusions are drawn that reveal ideological bias rather than critical research.** The lack of rigour in the evidence base reveals that the authors sought to emphasise a pre-determined position. The authors have not engaged with the findings from wide-ranging research in the field, as a result the recommendations in the Forrest Review have little salience and are not credible.
- 3 What success looks like.** The Report situates a pre-determined position on 'success' according to mainstream norms which places Indigenous people in a deficit position. In the use of simple, over-arching negative generalisations in relation to parenting practices, individual goals and aspirations, and how time is used in communities and the quality of teaching in schools, the authors deny the nuanced complexity that exists across individuals, families and communities in urban, regional and remote Australia.

Specifically I address my concerns as follows:

Improving educational outcomes

Literacy and learning. By focusing only on 'explicit instruction' as the preferred methodology in remote schools the Review is not giving credit to the fact that most teachers have always incorporated aspects of 'explicit instruction' methodology into their teaching

practice – ‘explicit instruction’ is merely common sense good teaching. This factor notwithstanding, the Review does not draw attention to other literature providing a *critical* assessment of the explicit instruction approach. The fundamental issue *not* addressed in the Review is that being literate and being able to engage with literacy beyond school involves more than having individual technical literacy skills. As many scholars have argued schools can never provide all that is required for life. Even under the best of circumstances school age children and adolescents—even those who attend school regularly—may only spend about 18.5% of their waking hours in formal education. In line with much innovative education research around the globe what we need to be doing in Indigenous education in Australia is considering how to implement a wide range of learning experiences *in addition to* classroom-based instruction. For instance, supporting: i) family literacy programs; ii) public libraries in remote communities; iii) after-school homework programs; iv) youth centres and computer rooms that support digital literacy training and activities; and v) other sites for lifelong learning. Moreover, and importantly, even in mainstream Anglo-Australian contexts where children speak English as a first language, have attended school regularly, come from literate families and have participated in all the middle class extras of out-of-school learning, *we still have not achieved universal adult literacy*. So why do we have unrealisable expectations of full parity in NAPLAN?

NAPLAN. Achieving parity in NAPLAN will involve much more than simply focusing only on schools and enforceable plans requiring that schools use the explicit instruction method or take punitive action if children do not attend school. The Review is severely remiss in its omission of any informed discussion re. the literacy learning requirements for those students who commence school *not speaking* English as their mother tongue. As research notes (Wigglesworth, Simpson and Loakes 2011) the NAPLAN test, while being suitable for most groups of SAE (Standard Australian English) speakers, is linguistically and culturally unsuitable for Indigenous children, especially for those living in remote communities. NAPLAN is an inappropriate instrument for testing literacy competence in the remote Indigenous context. What is needed in these schools is a deeper understanding of the complexity of language and literacy instruction in this setting and more professional development. While most teachers have native speaker proficiency they are not being trained to teach Standard Australian English. These teachers need specialist linguistic knowledge and they are not getting the support required to teach their non-English speaking students. All too often language is misconstrued as literacy, that

is, students are expected to launch into literacy learning in English without first getting the foundational teaching in English as a second language. Furthermore, and worryingly, anecdotal evidence from remote community schools indicates that teachers ‘teach to the test’ rather than teaching the broad range of skills and knowledge required to learn English language and literacy.

Indigenous employment. In the early school years having Aboriginal teachers who are language speakers and have some linguistic knowledge would be an invaluable investment in ensuring that a greater number of students achieve in the NAPLAN assessments. Yet in the Forrest Review there is an unstated assumption that the high-performing teachers will be non-Indigenous. The Review does not recommend a training pathway for *Indigenous* assistant teachers, teachers and principals, despite the fact that education is an obvious employment area in remote communities. As an aside, it is a well-known fact that school attendance in remote communities was higher during the bilingual education era when children accompanied their parents and grandparents who were employed in the bilingual education program and in the literature production centres based at schools.

Stopping distractions to education. All Aboriginal parents want the best life for their children. Ensuring that children come of age with a strong cultural identity is also a necessity in guaranteeing that Aboriginal children will have a successful life. A recent study has looked at the top 10-25% of Indigenous NAPLAN Year 5 tests and found that those who do well have a strong sense of their cultural identity. The learning taking place in ceremonial business is of critical importance in ensuring the formation of a strong cultural identity and holds together the social organisation and governance structures that underpin remote societies.

Training. Lastly the Review seems to display little insight into the reality of the school to work transition for youth in remote Indigenous communities. Most institutional adult education initiatives in the remote sector have failed to achieve projected outcomes for a variety of reasons. Yet the Review did not assess the range of training options available and the pros and cons of a variety of initiatives. While the VTEC model may work in some regions there is no guarantee that it will achieve success in other locations. A multi-pronged approach is needed to meeting the learning needs of youth, especially because many come to adult education with low levels of English language, literacy and numeracy competence. For many young adults the attainment of a Certificate I or II qualification is a major achievement which may not translate into mainstream employability,

but it is the reality. Furthermore to only fund training (Recommendation 13.1) when it is fully recognised by employers and linked to a guaranteed job runs counter to common sense in a setting where there are insufficient jobs. Learning and education is about more than training for employment, it is also about contributing to the development of a community of active parents and citizens, and creating the foundation for good governance structures for the future.

Notes

1. <http://www.crikey.com.au/2013/11/12/abbotts-review-into-indigenous-employment-lacks-legitimacy/>.
2. <http://thenumbercruncher.org/2014/08/20/employment-and-education-a-query-for-the-forrest-review/>.
3. See note 2.
4. The review received 349 submissions in total. 79 of these were submitted in confidence. When referring to specific submissions, I have used the numbers attributed to them on the Review's web page: <https://indigenousjobsandtrainingreview.dpmc.gov.au/get-involved/public-submissions>.
5. <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/4102.0Main+Features20Nov+2013#INTRODUCTION>.
6. Voluntary income management is a different matter, but overall there is a crying need for financial literacy and access to financial services.
7. The Scoping study shows the sampling size of the study as 134 people (pg. 33) of a wider Indigenous population of 5700 (pg. 1).

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