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Working for the BasicsCard in the Northern Territory

The impact of the Northern Territory Emergency Response and associated policies on employment conditions in NT Aboriginal communities.

A discussion paper

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Introduction

The “ration days” have returned to NT Aboriginal communities.

People involved in the recently reformed Community Development Employment Program (CDEP) are working up to 40 hours a week, but only being paid the equivalent of their Newstart allowance through Centrelink.

50 per cent of this payment is quarantined through the Income Management system. It is put onto a BasicsCard that can only be used to buy certain items in certain shops.

Regional Shire Councils are relying on this free pool of labour to provide a host of services including garbage collection, construction, maintenance and cleaning. CDEP participants are also employed in a diverse range of community workplaces, from art centres to schools.

In some areas, notices are being posted at the shop and shire office, listing the names of local people on Centrelink and demanding they report for CDEP work or lose their payments.

Aboriginal communities in the NT have historically been among the most neglected and impoverished areas in the country, giving rise to a range of acute social problems.

Compounding these problems, a number of Federal and NT Government policies have been operating together since 2007 to create an environment where overtly discriminatory and exploitative employment relationships have been able to thrive. Brief detail on each of these policies is provided below.

1. Reforms to the Community Development Employment Program (CDEP)

At its height in 2004, up to 40,000 Indigenous people were participating in the Community

Development Employment Program (CDEP) across Australia¹.

CDEP provided important employment opportunities for Aboriginal people marginalised from the 'mainstream' workforce. It also provided a revenue stream for more than 200 Aboriginal organisations.

CDEP did not provide adequate employment conditions. For example, many people were paid well below award wages and received no superannuation.

But instead of looking at how to improve these conditions and keep Aboriginal people in employment, in its final term in office the Howard government began to savagely attack CDEP.

One of the key reforms of the 2007 NT Intervention was the abolition of CDEP across the Territory. Official figures put the number of participants in the NT at 7,500 just before the Intervention, though the real figure could be higher².

Following election in 2007, the Rudd Labor Government put a freeze on the abolition of CDEP, saving thousands of jobs in NT CDEP providers that had not yet been closed down.

But in late 2008, the Government announced reforms to CDEP that have had a severe, detrimental impact on the working conditions of many Aboriginal people.

In July 2009 CDEP was abolished in regional areas such as Wollongong, NSW.

In remote areas, including the entirety of the NT, payment for new CDEP participants now takes place through Centrelink and is no higher than the Newstart allowance.

¹ Altman J and Jordan K, 'The Untimely Abolition of CDEP', *Centre for Aboriginal and Economic Policy Research Topical Issue* No 05 2009

² Altman J, 'Neo-Paternalism and the Destruction of CDEP', *Arena Magazine*, 90 September 2007

A stream of CDEP participants, who have an unbroken relationship with a CDEP provider since before July 2009, are still paid a form of wages through their provider. This stream is rapidly dwindling and will be phased out by June 2011.

Under the new CDEP scheme, work hours are supposed to be capped at 16 hours per week. In reality, many people are working more than this (see case studies attached below).

Unlike the pre July 2009 CDEP, there is no “banking” of overtime. Previously for example, if a work gang was out on the road and the workers did more than 30 hours they could be paid top up or they could bank hours and take some paid time when they needed ceremonial leave or holidays. This is now not allowed. No matter what hours people put on their time sheets, CDEP providers can only pay the equivalent of the Centrelink payment.

Alongside these reforms, the Rudd Government announced the creation of 2000 “properly waged jobs” across remote Australia, offering opportunities for some CDEP participants who had been working in Government funded service delivery to transition into public service jobs³.

However, these positions have proved to be a drop in the ocean. For example, in 2008 the Australian Education Union (AEU) NT branch identified more than 500 CDEP participants working in Northern Territory schools.

The AEU NT lobbied for the full voluntary conversion of all CDEP workers who had been doing the following NT Public Service work:

- Assistant Teachers
- Teacher aides, pre-school and child care workers in ECCs
- Home Liaison Officers
- Literacy workers (these included professional translators and interpreters) Bilingual classroom assistants and tutors in ESL

³ Community Development Employment Program information page, <http://www.fahcsia.gov.au/sa/indigenous/progserv/families/cdep/Pages/default.aspx>

- Cleaners
- Nutrition program staff
- Bus drivers
- Cultural teachers – art, music, dance, supervising bush trips and teaching the teachers cross cultural teaching techniques

However, only 16 full time new, school based positions were created. These were classified AO1, the lowest level in the NT Public sector. All of the positions were cut in half and at 0.5 the wage is less than \$16000 per annum. Many ex –CDEP workers have not accepted this “demotion” and are now unemployed⁴.

2. NT Local Government Reforms

Before NT Government Local government Reforms introduced in 2007, municipal services in remote Aboriginal communities were mostly administered by locally based Community Government Councils.

Over 2008, these councils were abolished and all assets amalgamated into nine shire councils now operating in the NT.

Coming alongside the Intervention, these reforms have been felt as a massive blow to Aboriginal self-determination and choked local initiative. Equipment that used to be easily accessible for community based projects - from backhoes to buses - is now locked up out of reach.

The reforms have also had a very detrimental impact on Aboriginal employment. Many people who previously worked for the local councils, either as fully paid staff or on CDEP wages, are now out of work.

Following the reforms to CDEP, all of the NT shire councils became recognised CDEP

⁴ Interview with Nadine Williams, former President AEU (NT)

providers⁵.

The shires rely on the free labour pool provided by CDEP to deliver a host of municipal services. They also put this labour to work in other local organisations. Initial research has uncovered examples of people working as bus drivers, in art centres and for local schools.

This institutionalised reliance on people working for the BasicsCard is set to continue. The 'CDEP Community Action Plan' prepared by the Barkly Shire Council for Ampilatwatja for example says:

“CDEP works well as a labour component to other services that are being provided under programs established by other agencies, especially where these include specialist full-time positions. This enables supervision and direction of the workers and often the infrastructure to deliver these programs. eg aged care, school nutrition programs, school programs - including groundspeople, education workers, health services, sport and recreation, youth programs and ranger and natural and cultural resource management programs.”⁶

3. Working Futures - the Push for Territory 'Hub Towns'

In May 2009, the NT Government announced a new policy approach to resource and service delivery for remote Aboriginal communities and homelands, called 'Working Futures'⁷.

This policy plans to concentrate resources in 20 of the larger Aboriginal communities in the NT, transforming them into 'hub towns'.

⁵ CDEP Providers from 1 July 2009 at http://www.fahcsia.gov.au/sa/indigenous/progserv/families/cdep/Pages/cdep_providers.aspx

⁶ Barkly Shire Council, *CDEP Community Action Plan*, January 2009

⁷ NT Government Media release, 'A Working Future' at <http://newsroom.nt.gov.au/index.cfm?fuseaction=viewRelease&id=5584&d=5>

Under the controversial Strategic Indigenous Housing and Infrastructure Program (SIHIP), traditional owners of the 'hub town' areas are being required to sign 40-year leases over their land in order to access funds for new housing.

There are more than 60 Aboriginal communities with populations greater than 100 people which have not been earmarked 'hub towns'. Many of them have populations in excess of 400 people.

Resource levels in these communities will be frozen and, despite desperate levels of overcrowding across the NT, no new housing will be built outside of the 'hub towns'.

There are also more than 500 homelands, or 'outstations', home to smaller family groups, which will also receive no new resources through this plan.

In the southern region of the NT surrounding Alice Springs, less than 20% of the Aboriginal population lives within accessible distance of a 'hub town'⁸.

Dave Cooper, National spokesperson of Australians for Native Title and Reconciliation (ANTaR) argues that the 'Working Futures' policy "formalises the status quo of chronic under-resourcing of services to homelands, envisaging the slow death by neglect of these unique and under-valued communities. Families should not be forced to move away from established communities on their traditional lands in order to access basic services."⁹

Yananyumul Mununggurr, CEO of the Laynhapuy Homelands Association says, "our culture will die, our identity will die, our language will be gone, they're the kinds of things that's going to happen."¹⁰

⁸ Sanders W, 'Working Future: A critique of policy by numbers', *CAEPR Seminar Series 2009* at http://www.anu.edu.au/caepr/Seminars/09/2009/09_9_Seminar.php

⁹ ANTaR media release June 2009 at http://www.antar.org.au/remote_homelands_rethink_urgently_needed_in_the_northern_territory

¹⁰ 'Homeland Security', *ABC Radio National*, 12 June 2009 at <http://www.abc.net.au/rn/nationalinterest/stories/2009/2596768.htm>

Richard Downs, spokesperson for the Alyawarr walk-off camp established outside Ampilatwatja, says that the effects of the policy are already being felt, as resource allocation and employment opportunities are systematically denied to his community, "We are being left to rot".

Chronic plumbing issues mean that sewage routinely spills over onto the floor of houses at Ampilatwatja and a proper rubbish truck has only visited the community once in the past two months.

All of the meager sixteen full time positions created in NT schools alongside reforms to CDEP were allocated to 'hub towns'.

The devastating impact of this policy on Aboriginal youth is proving to be particularly acute. Since December 1 2009 all Indigenous young people 16 -21 who are on benefits have to be in employment or enrolled in an education program in school, VET or an approved Registered Training Organisation (RTO) course at Certificate 2 or above.

But the availability of employment for young people in Homelands is even less than elsewhere and RTOs and Shires are not taking on people from these areas. This is leading to large-scale breaching by Centrelink.

AEU NT estimated over 3,000 young people would come into these circumstances in 2010 - without hope of gaining employment, and often without any Centrelink income to even be managed.

4. The Northern Territory Emergency Response (NTER) and Income Management

Introduced through the NTER, the Income Management (IM) system quarantines 50% of all the Centrelink entitlements received by residents in prescribed Aboriginal communities. Imposition of this policy has required the suspension of the Racial Discrimination Act (RDA).

CDEP wages, formally paid through a CDEP provider, could not be quarantined under IM.

But workers under the new CDEP system, in which remuneration takes place through Centrelink, are having their income quarantined. Given the extreme restrictions based on options for spending Income Managed funds, many people say they are "working for rations" again, like Aboriginal stock workers before the equal wages struggles of the 1960s and 70s.

Legislation is currently before the parliament promising major reform of Income Management and the NTER. Minister Macklin claims that the IM new system will be non-discriminatory, giving Government the power to apply compulsory Income Management to other 'mainstream' residential areas outside of Aboriginal communities. This is planned to take place first in the NT and then, following review in 2012, potentially spread to other areas around Australia.

These plans have been stridently criticised by the Australian Council of Social Services (ACOSS) and the CPSU.

The reforms will have no impact on the situation facing Aboriginal workers who are being paid through Income Management. CDEP payments will still be quarantined under the new legislation¹¹.

Expert legal opinion also argues that the new system, particularly as it will be applied in the NT, will still be in breach of the RDA, as its substantial impact will still fall on Aboriginal people¹².

For example, long term unemployed and 'disengaged youth' are two categories of people who will be compulsorily Income Managed. In the Employment Services Area of Alice Springs (which encompasses many surrounding remote communities), the overall

¹¹ New Income Management information page at http://www.fahcsia.gov.au/sa/families/progserv/welfarereform/Pages/new_income_mngnt.aspx

¹² See many of the legal submissions to a current Senate inquiry into the laws at http://www.aph.gov.au/senate/committee/clac_ctte/soc_sec_welfare_reform_racial_discrim_09/submissions/sublist.htm

unemployment rate is 5.9%, whereas the Aboriginal unemployment rate is 68.3%¹³. In the Alice Springs Aboriginal town camps, unemployment is 85%, or 90% if CDEP participants are included¹⁴.

The NT Intervention promised “real jobs” for Aboriginal people. Instead, the fruits of its \$1.5 billion spending program have gone largely to new layers of controlling bureaucracy and outside contractors.

Income Management has seen an average of more than \$7,000 per IM recipient per year spent on Centrelink administration.

Continuing this trend, the new legislation would see more than \$350 million spent on Income Management administration costs over the next four years¹⁵.

Government Business Managers installed by the NTER enjoy salary packages of up to \$200,000.

But expensive projects they have overseen in communities have rarely benefited local people or resulted in local employment.

For example, \$20,000 was spent in Ampilatwatja out of NTER funding in 2009, building a BMX track. This consists of five mounds of dirt, which now have sheet metal and poles protruding from them. Contractors were flown in from Queensland to complete the project. Elders at Ampilatwatja had requested the money be spent greening their desert football oval but were ignored.

Despite official claims that their new legislation ‘reinstates’ the RDA, changes will still not allow core NTER measures, designated “special measures” by the new legislation, to be

¹³ Employment Service Area Data at <http://www.workplace.gov.au/lmip/EmploymentData/NT/AliceSprings/>

¹⁴ Tangentyere Council, *CDEP Community Action Plan*, December 2009

¹⁵ NTCOSS News Sheet, January 2010 at <http://www.ntcoss.org.au/news/2010/02/ntcoss-news-sheet-january-2010>

challenged using the RDA.

For example, as the Human Rights Commission argues, compulsory 5-year leases taken out over Aboriginal land by the NTER will not be able to be challenged under the RDA, because of the Government's refusal to include a clause explicitly stipulating that the provisions of the RDA prevail over NTER legislation¹⁶. It is these leases that have robbed community leaders over any say in local projects.

Conclusion – supportive investment, not punitive Intervention

Since the outset, NT Aboriginal communities have resisted the imposition of the discriminatory NTER.

Aboriginal people have never said that the huge commitment of resources through the NTER was not needed. They are desperately needed at the grass-roots level to create employment and meet the urgent needs in health, housing, education and other basic services.

The current situation is critical. Without employment, large numbers of people are leaving their communities for the urban centres. This is placing an enormous burden on already overcrowded town camps and under-resourced Aboriginal organisations.

There is increasingly nothing left for people on their land – but also there is no hope or opportunity in town. Social conditions are deteriorating, with a government report released last year citing incidents of domestic violence are up 61%, substance abuse up 77% and 13% more infants are being hospitalised for malnutrition since the start of the NTER¹⁷.

¹⁶ Australian Human Rights Commission Submission to the Senate Community Affairs Committee, 10 February 2010 at http://www.aph.gov.au/senate/committee/clac_ctte/soc_sec_welfare_reform_racial_discrim_09/submissions/sublist.htm

¹⁷ Department of Families, Housing, Community Services and Indigenous Affairs, *Closing the Gap in the Northern Territory: Monitoring Report*, October 2009 at http://www.fahcsia.gov.au/sa/indigenous/pubs/nter_reports/Pages/closing_the_gap_nter.a_spx

Anti-Aboriginal racism in places like Alice Springs is boiling over in increasingly violent ways. If the new wave of dispossession is not halted, this situation is set to become far worse over the coming years.

An important first step is immediate action to eradicate the extreme exploitation and discrimination faced by Aboriginal workers trying to provide the basic services their communities deserve.

The federal government has \$352 million currently earmarked for the continued operation and expansion of Income Management across the Northern Territory.

This money should be invested instead to put all people currently working on CDEP into waged jobs.

The demand for supportive investment, rather than punitive intervention, is winning growing support from a coalition of Aboriginal organisations, trade unions and human rights groups.

An inspiring example, showing the possibilities for change, has come from the Alyawarr people at Ampilatwatja. They walked off their community in July 2009 in protest at the extreme neglect and discriminatory controls of the NTER. Together with trade unionists from around the country, they built a 'protest house' over two weeks in February 2010.

Liam O'Hearn, a CFMEU Victoria apprenticeships officer, traveled to Ampilatwatja to help build the house. He said, "These people are human beings, they just shouldn't be treated like this. The young fellas were so inspiring. We need more programs like this to educate the young people and skill them up—and there should be jobs to follow".

Working for the BasicsCard - Case studies

For the purposes of this initial briefing, workers' names have been changed for purposes of anonymity.

Case Study 1: Garbage Collector at Ampilatwatja

Alfred works in a remote Aboriginal community collecting garbage on the new CDEP scheme.

While the scheme is supposed to limit work hours to 16 hours over four days (Monday - Thursday), he says "I often work more than four hours a day and work Fridays too".

He began his employment relationship after his name was posted, along with about 30 others, on a notice at the local store.

It said, "Centrelink paid workers must report for work. You must work through your Centrelink payments or you will be penalised. You need to start work now!" It gave instructions to see the local shire manager.

Every morning Alfred reports to the Shire manager and is given instructions on the day's work.

This has involved some work painting local buildings. But mostly, Alfred has worked on rubbish collection.

Alfred has never been issued with any clothing or safety equipment or given formal training, though he has been shown "a good way" to manually lift garbage bins.

When collecting rubbish, Alfred works unsupervised. He drives the flatbed truck owned by the shire, even though he has no driver's license.

He works with a partner, also a young man on the new CDEP scheme, to manually pull garbage bins up onto the flatbed truck.

In response to letters of complaint, Minister Jenny Macklin promised the local community a proper rubbish truck more than seven months ago but nothing has arrived.

After collecting a number of bins from the community, they drive to the local rubbish dump, manually take the bins off the tray and upended the rubbish into a deep ditch.

Alfred did not sign a contract until the Shire CDEP manager visited, more than a month after he had started work.

At the time of interview, Alfred had never filled in a timesheet. He had never been given a pay slip.

The only way he knew he had been paid was by calling the bank and the Income Management hotline.

He had lost his BasicsCard and so had no way of accessing the money accruing in his Income Management account.

He also had no key card and so had no way to access his bank account until the next trip into Alice Springs, more than 300 kms away.

Information for the following case studies has been provided by Nadine Williams, former President of the AEU (NT).

Case Study 2: School Bus Drivers Atitjere

Lena is 36 years old and lives at an outstation community near Harts Range (Atitjere). She lives with her husband, three children and extended family.

Lena is an artist and recently began working as the school bus driver for outstation children, so they can regularly attend Harts Range School from two small communities near Atitjere.

Lena was offered this job as she had a license. She had been asking at the Shire office to be employed, wanting to earn more than her Centrelink entitlements. When she was asked to take the job by the Shire Services Manager she thought she would get paid wages.

The hours Lena works are “split shift”. She is required to keep the bus at her home overnight and leave at 7am, picking up 10 school aged children at her community and drive 25 km to the larger outstation Irrerlirre to pick up 15 children to travel a further 30 km to Atitjere; then return at 3pm to drop children home in the evening, finishing work about 5pm Monday to Friday.

Lena’s husband Kenneth also works on CDEP, sharing the driving job. This was agreed although he did not have a current license.

The school is very happy about this arrangement, but has no direct say in the employment of Lena and Kenneth as the Shire office is responsible for all CDEP positions.

Having worked for 7 weeks of the last term of 2009, Lena realised she was only receiving her usual payments from Centrelink and her Basics Card income. Over this time, Kenneth gained an MR license to drive the Shire coaster bus, but has also only received Centrelink.

Time sheets have to be filled in and “pay” is docked if either or both do not get to Atitjere on time for school.

The bus is not roadworthy and remains unregistered. Kenneth has done maintenance on the engine, but cannot fix the main problems as the Shire has allegedly no money for the bus.

No training or support is available for CDEP workers at this community, except a short term literacy and numeracy course which Lena voluntarily attended in November 2009.

No clothing, cleaning equipment or OH&S have been made available.

Written submissions about this case have been written to the Shire and the NT Education Department. But the bus is still driven by two responsible adults who are not paid a wage, have no holiday pay, no superannuation, no security and no support.

Case Study 3: Arts Centre Coordinator at Atitjere

Rosie is a 45 year old single parent who has been the coordinator of a successful Arts Centre for over 3 years at Atitjere.

Rosie has six children and is a foster parent to four other children. She lives in a tin shed with no amenities and goes to work for only her Centrelink benefits, which are 50% Income Managed.

Rosie has been painting for over 10 years and is selling her work from the Art Centre, where she works for 40 hours per week.

Before the Shires were established in 2008, she had access to the Women's Bus for trips to Alice Springs, to get paints and supplies and to go to exhibitions. This was funded by the Community Government Council.

The Art Centre was in the process of completing a business plan, to get proper funding for her role as Coordinator and for several positions for part time workers to be trained in IT and management systems. Despite the Business Plan being completed with assistance from an Alice Springs company, and a member of the Shire Manager's family, no positions have been created.

Exhibitions of Rosie's and other women's work were set up without permission at a major art festival in Alice Springs in 2009. No transport was available for them to even attend the opening and there was no consultation about pricing.

Rosie continues to work – signing her time sheet for 40 hours - that goes to the Shire CDEP Supervisor every week.

After repeated requests she eventually saw her pay slip in December 2009, which does not describe her position as Coordinator – it just says CDEP.

Rosie is responsible for incoming stock management, computer records and portfolios for all 40 artists registered in the area, supplying outstation artists with canvas and materials, display and sales, and record keeping, cleaning and upkeep of the building and garden area. She has learned with help from friends how to use the computer and scanner to keep digital records and email.

Rosie expresses deep sadness about the loss of the bus to travel to Alice Springs and the loss of control over the Art Centre which she loves. She is also upset that she and other women who work very hard see no change to their income or prospects for earning real wages.

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