

**HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON EMPLOYMENT AND WORKPLACE RELATIONS**

**SUBMISSION FROM
GULF SAVANNAH DEVELOPMENT**

TOPIC: EMPLOYMENT: INCREASING PARTICIPATION IN PAID WORK

Please find following a submission from Gulf Savannah Development concerning issues relating to increasing participation in paid work in the remote Gulf region. These comments are based on observations and work undertaken over the past three years by GSD in endeavouring to build the capacity of the Gulf Savannah to optimise economic opportunities and to develop and support the social capital of the region.

Brief description of Gulf region:

Demographics

The Gulf population of around 8,000 people is concentrated in a number of small towns and Aboriginal communities, with Indigenous people comprising over 50% percent of the population.

As at 2003, the population was increasing in some parts of the Gulf and declining in others. The port of Karumba is a notable example of an expanding town based on the mining, fishing and tourism industries. Indigenous communities are generally increasing in size while centres such as Croydon are experiencing an aging of the population.

Socio-economic

The socio-economic condition of the Gulf has changed little over the past few years. Incomes are still relatively low. There is no secondary industry and a shortage of investment capital. There is a high unemployment level and a heavy reliance on government funding, grants and subsidies prevails. Education standards locally are below par with those of urban areas, with schooling to Grade 10 in only two centres. Locally delivered training is difficult to access.

There is a small economic base, mainly small and micro business and low levels of trade and commercial skills, although coordinated training programs are impacting positively in this area. There are a surprisingly high number of qualified people, largely itinerants working for state or local government agencies.

In 2001, GSD identified for the Gulf region the need to:

- Adopt a social entrepreneurial approach with targeted support.
- Identify the local leaders
- Identify local opportunities - business and operational plans development with 1 - 5 year projections

GSD embarked on a program of capacity building with the assistance of both state and federal funding. The expected outcomes of this process are:

- Job creation

- Creation of niche business opportunities and enhanced economic diversity
- Community development and skills enhancement

Regional Improvements

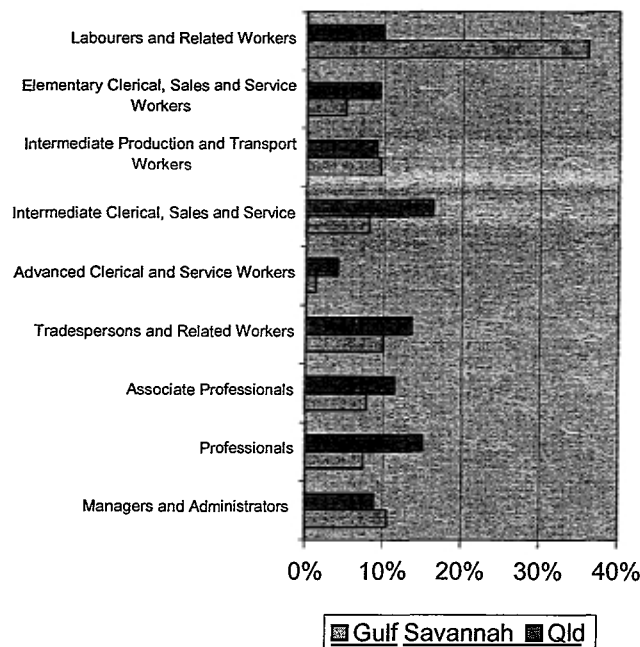
Along with the delivery of coordinated training and an urban renewal project, significant advances have been made to the telecommunications services across the region with the introduction of mobile telephony and greater access to satellite technology through the Networking the Nation program. This will greatly enhance the competitive advantage for the region and help to create economic and business opportunities through overcoming the tyranny of distance. The challenge now is to avoid the creation of a digital divide between those with the capacity to own and/or use a computer and those for whom it will always be beyond reach, unless intervention action is taken to facilitate their access to the technology. This is of relevance below when considering strategies for increased involvement in paid work.

Employment scene and job potential

Within the 3 member shires of GSD, there are an estimated 1,846 people employed in the Carpentaria Shire, 144 people employed in the Croydon Shire and 695 people employed in Etheridge Shire.

Figure 3 shows that the majority of the Gulf Savannah Region workforce is employed as Labourers and Related (36%), Managers and Administrators (11%), Tradespersons and Related (10%) and Intermediate Production and Transport Workers (10%). In comparison, for the whole of Queensland only 10% of the workforce is employed as labourers and 9% are employed as Managers and Administrators.

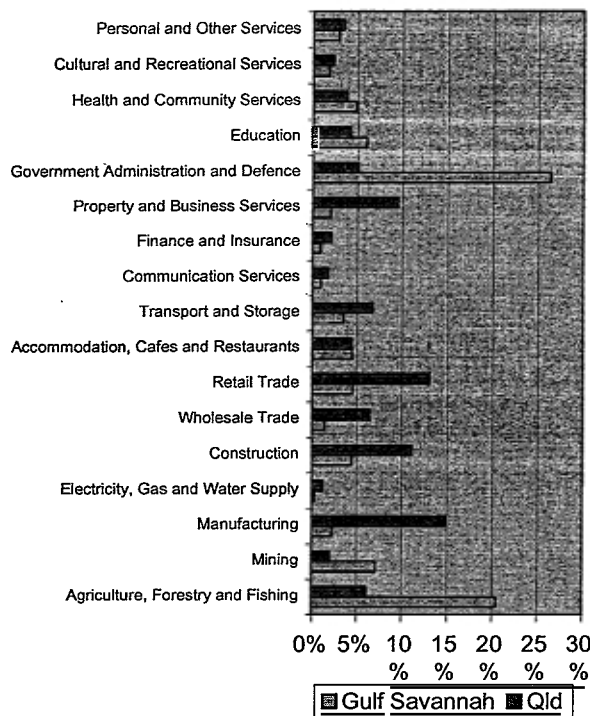
Figure 3: Number Employed by Classification, Gulf Savannah Region and Queensland.¹



¹ Australian Bureau of Statistics, 2001 Census of Population and Housing: Queensland.

Figure 4 shows that employment in the Gulf Savannah region is centred on the industries of Government Administration and Defence (26%), and Agriculture and Fishing (21%). In comparison, for the whole of Queensland employment is at 5% for Government Administration and Defence and at 6% for Agriculture and Fishing. It is highly likely that a significant number of people in the Gulf region on CDEP indicated they were employed in government. There are also relatively more people employed in the Mining sector in the Gulf Savannah region (7%) than for the rest of Queensland (2%). The remainder of the Gulf Savannah workforce is employed across a wide range of industry sectors.

Figure 4: Number Employed by Industry, Gulf Savannah and Queensland.²



Unemployment

The number of unemployed across the region is high with 15.7% in Carpentaria, 6.3% in Croydon and 7% in Etheridge³. It is also highly likely that the real unemployed figures are obscured, being hidden within the government sector as many of those in the CDEP list themselves under that category.

While the unemployed group provides a source of unskilled labour two factors militate against increased involvement in paid work. Firstly there is limited increase in new and sustainable jobs that would accommodate those currently unemployed. It is relatively easy to fill unskilled positions, however skilled trade positions are difficult to fill. Businesses also face difficulties sourcing people who want to work. The other issue is that there is little incentive to give up unemployment benefits when the pay expected from a job is on a par with that received for doing virtually nothing.

² Australian Bureau of Statistics, 2001 *Census of Population and Housing: Queensland*.

³ Dept of Employment & Workplace Relations: Dec 02 qtr.

Increasing paid employment

The material means: Increasing Opportunities

Diversification of business opportunities

To state the obvious, in a remote area such as the Gulf, increased participation in paid work will necessarily involve creating increased and sustainable job opportunities and development of niche business outlets. Private sector and small business expansion will be the drivers for increased paid employment. Hand in hand with that would need to be the means to encourage people on the dole to take up regular work, an obvious incentive being a pay packet significantly higher than the dole packet.

Infrastructure

Without adequate infrastructure there will not be the development of an economic base and nor regional growth. All levels of government have a responsibility to develop the infrastructure necessary to provide an environment in which development and economic diversification can prosper. In remote areas the lack of infrastructure can be a hindrance to development and GSD has commented on this issue in the past⁴.

Some regions have found that availability of rental housing is a hindrance to expansion of paid employment in small towns and the Gulf is no exception. Another related factor is to get those people wanting work to where the demand for labour exists or where the work can be created. Again a major hindrance can be the availability of infrastructure and suitable housing.

The non-material means: social and philosophical

Other changes are necessary however in increasing numbers in paid employment than only increasing opportunities for people to work.

Social entrepreneurship

A social entrepreneurial approach is needed, rather than a reliance on the welfare system, which for the most part has turned out to be a demoralising and disempowering influence.

Vern Hughes of the Social Entrepreneurs Network said in On Line Opinion, July 24, 2003⁵ that "progressivism, the rights-based, service delivery approach to social policy" has as its outcome "communities ravaged by welfare dependence, substance abuse, family violence and dysfunctionality...". Hughes made this statement in relation to Cape York indigenous communities but the same outcome can be applied to many trapped in the welfare system. The Cape York process with its emphasis on "wealth creation, enterprise and entrepreneurship"⁶ is a valuable model with, one would imagine, broad applicability to other regions and communities.

⁴ We've Got the Plan - Where to from here? SEGRA, 2001

⁵ Progressivism vs. the new Indigenous politics being born in Cape York, Hughes, V. July 24, 2003 at www.onlineopinion.com.au

⁶ *ibid*

Along with this approach will need to go responsibility for one's own actions and abandonment of the paternalism associated with delivery of services. Development of partnerships of community, government and commercial/philanthropic private sector influences would broaden the range of opportunities and ideas. This requires agreement on and commitment to the philosophical thrust inherent in a social entrepreneurial approach.

Social capital and social cohesion

Building social capital is a slow process and not one that is clearly understood. Most agree it is not something that can be engendered by a top down, governmental process. However, governments can facilitate its development/survival through endeavouring to ensure that policies do not adversely impact on the capacity of people to work together in looking after their best interests and those of their community.

The importance of social capital to community and economic wellbeing was referred to by the federal Treasurer in an address to the Sydney Institute⁷ in discussing the role of government in developing social capital and the impact on policy.

Research indicates that a strong correlation exists between high levels of social capital and more positive outcomes in the general community in a wide range of community based policy areas such as health, employment, education, crime and community safety, transport, housing and urban design.

The Productivity Commission released a paper on 23rd July ⁸, which explores the role of social capital in creating healthy and vibrant communities that are less reliant on government welfare.

What does investing in social capital mean for our remote area communities? It means increased opportunities for paid employment as economic benefits can flow from social capital. Where there are communities with high social capital i.e. where the networks are good and strong and there are high levels of cooperative behaviour, information is shared more quickly and innovation and benefit is developed within the community. Linking and bridging social capital can open doors for employment and business creation.

The ABS is also now looking at identifiers and markers to attempt to measure social capital, recognising that there needs to be a partnership between the community and government in order to create healthy vibrant societies that do not require ongoing buttressing against bad times.

Social cohesion, another measure of the health of a community, is linked to social capital and is concerned with the capacity of a community to share common values, mores and objectives. Threats to social cohesion include unemployment, social exclusion and the digital divide. For example, ensuring the unemployed have the capacity to cope with current and emerging technology is a significant factor in ensuring that people are capable of taking paid work and are relatively 'job ready'.

⁷ Address to the Sydney Institute, 16th July 2003

⁸ Social Capital: Reviewing the Concept and its Policy Implications

Unemployment benefits are regarded as a modern day right within our western democratic community. However too great an emphasis on communal rights tends to over-shadow the individual responsibility required for living and sharing together and functioning effectively in the networks that make up our society. Receiving money for not working deprives the recipient of the valuable experience of socialising in the workplace.

Responses to issues from the Gulf Savannah perspective:

1 *Measures that can be implemented to increase the level of participation in paid work*

Break the welfare circuit:

- Look at the Cape York Partnerships process as a blueprint. While the process is under trial, at Aurukun there have been successes in linking training with created employment niches.
- Address issues of drug and alcohol dependence. This could also be a chicken and egg situation where lack of meaningful employment and loss of self-esteem creates a fertile environment for anti-social behaviour.
- Emphasise social capital issues and citizenship at school age, i.e. that being on the dole or CDEP is not an alternative source of employment.
- Develop an entrepreneurial attitude at school age and in the community through community renewal programs.
- Adopt a strategic approach to funding programs so that funding is not piecemeal but is linked to employment outcomes. Traineeships should be an end result not used as an alternative to the dole. In many cases there seems to be a perception that training does not need work related outcomes.

Incentives to get paid work:

- Realistically, unemployment benefits will need to be less than the basic wage, however unpalatable that may be politically.
- Training incentives developed and linked to employment creation projects
- Mentors and role figures supported to change attitudes.
- Look at the migration patterns and encourage new settlers to move out of metropolitan areas. This would require an increase in migration support services.

Targeted training with employment and job outcomes linked to regional development planning and commercial and industry projections:

- Incorporation of training geared to future needs rather than ad hoc training to get people off the streets. Link training to project development and productivity.
- In remote regional areas link niche business creation with regional plans so that infrastructure and economic development can be coordinated with capacity building and social capital enhancement. Adopt a holistic approach to regional development where social issues are not marginalised as being too soft and undefined and relegated to a community hard basket. Vibrant communities that grow are a large part of the response we need to increase paid employment.
- Development of social entrepreneurial networks and clusters
- Ensure that unemployed persons have an opportunity to be up to speed with existing and emerging technology

Alternative work conditions:

- o Job sharing
- o Workplace conditions - more family friendly to enable single parents to participate
- o An unpopular suggestion would be that there should be an obligation on the part of fit, healthy people to work for unemployment payments.

2 How a balance of assistance, incentives and obligations can increase participation for income support recipients

Incentives:

- o Identify career opportunities and develop work (for the dole) projects that are programmed to have a job outcome. This is difficult in remote areas, particularly if it is easier to live on unemployment than struggle for a job. There needs to be a planned strategic approach adopted. Partnerships between regional development organisations, private sector, community groups, local government and the federal and state agencies could develop regional employment options and at the same time greatly enhance the economic prospects for a region with diversification of business.

Rewards:

- o Consider a small bonus for getting paid work; tax incentives for the first 12 months
- o Public recognition (although in some areas that could be counter productive)

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