Submission to The Northern Territory Emergency Response Review

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Dear Review Board

Preamble

1. I have been active in commentating on many aspects of the Northern Territory Emergency Response (NTER) Intervention over the past 14 months and I attach a list of my publications during this period at Attachment 1. Much of this material focuses on aspects of the NTER and I would be happy to provide any that are requested to assist the Review Board.

2. In this brief submission, I would like to provide some commentary at a broad level on three issues: the current nature of policy making in the Northern Territory (NT); the Aboriginal economic development problem in the NT; and some recommendations for getting the NTER policy framework right.

3. I realise in making this submission that there is a perception among some (who often have not carefully considered my views) that I am ideologically opposed to the NTER. I will leave it to the Board to make their own judgment in this regard. From my perspective, I have applied evidence-based professionalism to the issue of Aboriginal underdevelopment since I started working in this arena in 1977 and continue to do so some thirty years on.

4. My challenge here is to be succinct and constructive and to make some recommendations. In doing so my exposition is in the nature of a narrative rather than in the more nuanced and heavily referenced academic style.

5. Please note that the views expressed here and in all the attached list of publications (except where co-authored) reflect my views alone. There is a frequent misconception that because I head CAEPR there is a particular CAEPR position on Indigenous affairs which any systematic scrutiny of our publications will show is demonstrably wrong.
Barriers to developing a coherent policy framework

6. The development and announcement of the NT 'national emergency' intervention in June 2007 established a new policy framework followed by statute to address child sex abuse in remote Indigenous communities in the NT. This broad framework was a very blunt instrument for addressing this complex issue. Subsequently, the goal of the NTER was broadened to emphasise normalisation or mainstreaming, a goal that assumes the superiority of the dominant society's social norms over those of intercultural Indigenous groups in the NT.

7. The inaction and broad endorsement of this approach by the Rudd Opposition and then Government from November 2007 has seen policy 'path dependency' set in quickly; the NTER has become the overarching Indigenous affairs policy framework for the NT.

8. As an aside, an unintended consequence of the NTER and associated 'emergency response' focus on the NT has been the unfortunate diversion of policy attention from Indigenous development problems everywhere in Australia. The NT has two particularities. First, demographically over 30 per cent of the population is Indigenous and the majority of this population lives in remote and very remote regions. Second, constitutionally, territory powers allow the Commonwealth to intervene directly in NT affairs. I make this point to highlight that the focus on the NT here is not intended to suggest in any way that similar problems are not evident elsewhere in Australia. Indeed it could be argued that the NT provides a policy greenfields for policy experimentation that might be exported elsewhere.

9. A key fallacy also promulgated by the coercive intervention of 2007 is that a 'national emergency' exists in the NT. Again as I have said in other contexts, if this was an emergency then some commentators were predicting its arrival for years. And if it is an emergency then the Australian government has responded inadequately. It is notable that the lexicon of 'emergency' has changed and has been largely replaced by the term 'intervention'. I suggest that this terminology too needs to change to recognise that a comprehensive policy framework is in the process of being implemented to address deeply-entrenched Indigenous disadvantage and historical neglect in the NT. Governments should not 'intervene' to deliver needs-based citizenship entitlements.

10. While a new policy framework is needed to address the failure of the Australian state to adequately overcome the extent of under-investment in needy Indigenous Australians, such a framework will take some time to develop if it is to be effective and sustainable. In 2007, the Australian government attempted to develop such a framework in a few days and in 2008 the new Australian government is giving the NTER Review Board three months. To be frank, this seems a momentous and unfair task because a workable policy framework will need to thoroughly analyse the current needs and aspirations of each community and region in the NT. The failure of the COAG trial at Wadeye provides an inkling of how complex such a task can be for one region let alone for all parts of the NT.

11. The diversity of Indigenous circumstances in the NT, something that the NTER has been willing to completely overlook 'in the emotive name of the child' requires careful research and analysis. This is a legitimate demand by Indigenous people if there is to be a genuine partnership between the Australian state and their communities.
12. Such a thorough consultative approach is rhetorically recognised by all from the Prime Minister (in his embrace of the one-size-does-not-fit-all maxim at Yirrkala) down. But the institutions for effective consultations have been incrementally diluted since the bipartisan agreement to abolish ATSIC in 2004. More worryingly, even since June 2007 the move to replace community councils with geographically massive shires has further eroded community capacity to engage. Outstation resource agencies, incorporated service providers and CDEP organisations appear to be the remaining institutions of Indigenous Australia remaining to articulate Indigenous views. And in the absence of representation at the community level undertaking the hard policy work needed has been made that much harder.

13. The time frame for sensible partnership policy formulation is made a great deal more challenging by the diverse but inevitably intercultural circumstances in which Indigenous people live. The challenges of cross-cultural communications and the particularities of local histories and circumstances will inevitably make policy consultations slow, possibly too slow for our Westminster electoral cycle. There is a view abroad that 2008 is the reforming moment but such a view needs to be debunked. Even if the Rudd government is only a one-term government (which seems unlikely at present) it should bite the political bullet and put in place a sustainable policy framework as its legacy.

14. The current modus operandi of the Australian government in indigenous affairs is of great concern because its policy processes are opaque and reflect poor governance and accountability. In the inter-regnum between the termination of the appointed NIC and the to be elected national Indigenous representative organisation, the Australian government is perceived to be doing policy business with a small select cadre of an Indigenous elite that has a viewpoint that seems remarkably homogenous and remarkably in tune with the government of the day. And the Rudd government's constant stream of policy and funding announcements are partial, inequitable and demonstrate poor leadership and governance. Such practice resonates with political insecurity that appears unfounded according to the opinion polls.

15. I recognise that there is some divergence between the careful policy statements released by the Rudd government and media and Indigenous elite interpretations of these policies. But the perception is there that deals are being struck on the run, with the recent announcement of a 50,000 full-time and permanent jobs in the private sector within two years being a clear demonstration of this. This deal was stitched together in a few days, is not based on any evidence, is as yet uncostered and lacks any connectivity with history and statistical trends.

16. There is a justified sense of grievance among Indigenous leaders against the cost shifting or substitution funding that has been associated with CDEP scheme. But this grievance is being somewhat illogically directed at the scheme rather than the state. There is also a view that CDEP has somehow substituted for training and that intense training per se will deliver mainstream opportunity and outcomes. There is also a view that is again difficult to support given how many CDEP participants work beyond minimum hours that the scheme contributes to poverty traps. This view is extremely problematic seeking to ignore CDEP success, especially in remote situations without mainstream labour markets, and to use it as the sacrificial lamb whose abolition will magically close employment gaps.

17. In reality we know that there are insufficient proper jobs in remote communities in the NT to provide employment for 8,000 CDEP participants. And somewhat paradoxically the CDEP Transitional positions currently being offered by mainline agencies as exits from the scheme do not provide either participants or their organisations the level of remuneration that is currently available under CDEP with top up. In short, there is no incentive to exit CDEP to 'jobs' funded by a number of Australian and NT government agencies.
18. The recent attack on CDEP also fails to differentiate recurrent from capital funding shortfalls. There is a need for some honest, objective and relatively apolitical review of extent of the infrastructural shortfalls facing Indigenous communities in the NT (and elsewhere). It is my view that this shortfall has grown in the last decade owing to a mix of population growth and relative Australian government neglect linked to ambivalence about remote Indigenous Australia. If political fear limits the ability of the government of the day to transparently quantify this legacy, then an independent national arbiter like the Commonwealth Grants Commission (that undertook the rigorous Indigenous Funding Inquiry in 2000–2001) should be commissioned to undertake this task.

19. Once information is on hand, the Australian government should commit to establish a program over a decade to systematically address this shortfall. Honesty is needed about the capacity of the Australian electorate to tolerate the proper funding of this program from a mix of budget surpluses (if these continue) or from hypothecation of an equitable needs based proportion of the existing Futures Fund. The Australian public has shown a capacity to understand the need for saying ‘sorry’ to the stolen generations. It might be timely to yet again say ‘sorry’ for the relative neglect of Indigenous citizens living in remote NT communities and put in place a process to address this historical legacy.

20. Honesty is also need to admit the shortcomings of the whole-of-government response in Indigenous affairs promulgated in 2004. This approach failed in a series of COAG trials that saw a growth rather than reduction in Red Tape. It might be timely to admit the shortcomings in western bureaucratic processes based on departmental competitiveness and consider either program amalgamation or funding devolution.

21. The overarching policy development problem is that governments are reluctant to admit to their limited ability to affect rapid change, partially demonstrated by the adoption by the Rudd Government of unrealistic closing the gap aspirational targets. Governments are also reluctant to admit that their planning frames are constrained by short electoral cycles. This will require a careful community-by-community planning approach that is not amendable to electoral cycles and that will take time. A process for doing this is outlined later.

The need for a coherent economic development framework

22. I turn my attention now to economic development in part because this is a crucial explanator of Indigenous disadvantage and social dysfunction in the NT; and in part because economic and cultural analysis is where my expertise lies. I recognise that this is but one lens that can be used to provide commentary on the NTER.

23. The causes of the Aboriginal development problem are complex but have not fundamentally changed for decades: they include a combination of historical neglect, locational disadvantage, cultural differences, and structural factors like alienation of commercially valuable resources. What has changed in recent decades is the Aboriginal land base and associated de facto property rights associated with right of consent provisions in the aboriginal land Rights Act that has expanded rapidly in the NT through the claims process and more recently, the Aboriginal coastal zone that has just been confirmed by the High Court (on 30 July 2008) as extending to the low water mark. It is likely that when the claims process is completed Aboriginal people will own 50 per cent of the NT land mass and over 80 per cent of the coastline.

24. Economic development can be defined in a myriad of ways but I see it as a social process whereby people as individuals but more commonly in remote indigenous communities in the NT as various forms of social groupings improve their well-being by enjoying diverse and robust livelihood options. This view of development is at loggerheads with the dominant view that measures economic wellbeing in terms of social indicators like employment, income or housing status according to the social norms of the dominant society.
25. The latter notion of economic development is informed by the currently dominant neo-liberal paradigm with its emphasis on the individual and the pre-eminence of the market. In much of remote Australia this construct is a myth because the state looms large in underwriting development. Part of the problem with this approach is that it assumes that there is a monolithic development solution to the Aboriginal underdevelopment problem, whereas in reality the diversity of Indigenous circumstances will require a diversity of approaches.

26. Much of the current development debate in Australia with regard to remote living Aboriginal people ascribes to an insidious discourse dominated by a false binary or dichotomy: people can either live on country or off country; participate in the mainstream economy or the Indigenous (heavily state dependent) economy; live in viable or unviable communities. At the heart of this false binary is an apparent choice between living in kin-based or market-based societies. If only it were that simple.

27. In reality, the majority of Aboriginal people live interculturally between the market economy and the customary economy with heavy state mediation. I have referred to this form of economy as the hybrid economy with heavily inter-dependent or intersecting state, market and customary sectors. This is a complex intercultural and inter-sectoral economic system with customary or non-market activity often associated with living on country on lands with ancestral connections where traditional owners enjoy exclusive legal rights today.

28. The dominant policy discourse articulated by the Australian government and influential Aboriginal public intellectuals privileges the market and mainstreaming over the lived reality of intercultural economic hybridity. Paradoxically, this privileging is associated with the notion of closing the mainstream employment gap, but at the same time risks making the problem of closing the gap insoluble. This is because as long as Indigenous people choose to live on the land they own according to kin-based social norms they will not be in a position to fully participate in the mainstream economy.

29. At a time when economic liberalism and globalisation might be under threat from climate uncertainty, energy uncertainty and a possible growth in economic nationalism, it might be timely to consider some of the advantages of economic hybridity. In particular, people living at remote communities and outstations on Aboriginal-owned land might be well positioned to assist the nation to reduce carbon emissions, maintain biodiversity and provide a suite of environmental and security services that are in the public interest. In short, there are some innovative economic development possibilities that require a fundamental rethink of the dominant economic development paradigm.

30. All this is not to suggest that Aboriginal people in the NT might not choose to engage in the mainstream economy, in the mining industry or in tourism or in the provision of services. Rather it is to suggest that alongside the market and state sectors there is also the customary sector and that recognition of the unconventional hybrid economy increases the range of options that might be available to address the diversity of both Indigenous circumstances and aspirations especially in remote communities.

31. For too long now governance in remote Aboriginal communities in the NT has been for dependency and underdevelopment rather than for development (in accord with the life world view of development as a process). Paradoxically, the enhanced state intervention in remote Aboriginal communities associated with the NTER is creating an even greater dependence on the state.
32. Instead what is needed is a new governance for development framework that recognises the
diverse nature of Indigenous community economies and that recognises, respects and rewards
customary activity especially in ‘caring for land and sea country’ that is productive, sustainable
and in the national interest. The economic challenge that needs to be acknowledged is that all
sectors of hybrid Indigenous economies need to grow so as to reduce the overall excessive
dependence on the state sector. Such an approach might provide a means to address false binary
policy thinking and to address the lived reality that most Indigenous people in remote
communities in the NT live in a myriad of intercultural spaces between market-focused and kin-
based economic systems.

33. The Aboriginal development problem in the NT has resulted in large measure from a national and
Territory inability to recognise the legitimacy of Indigenous difference and diversity. A major part
of the solution to this problem will require recognition and respect for difference and rights to
be different; and equitable provision of services on a needs basis to Indigenous citizens and
equitable reward of Indigenous provision of services (including environmental services) in the
public interest.

It is time to get the policy framework in the NT (and elsewhere) right

34. I want to shift gear now and move from what is arguably conceptual and abstract to making
some practical summary observations and recommendations for consideration by the Review
Board. In doing so I limit myself to a handful of recommendations in an attempt to be disciplined
and constructive. It should be noted that while most recommendations are NT-specific, some may
have applicability beyond the NT.

35. I am deeply concerned about the current ad hocery and constant stream of funding initiatives in
the NT apparent in Additional Estimates, the 2008–09 Budget and a subsequent steady stream of
policy announcements. While I concur with Rudd government commitments to reinstate the
CDEP scheme (that was to be abolished from July 2007 for spurious income management
reasons) and the permits system, the fundamentals of the NT policy framework remain imposed
and top down. This was very apparent in the Prime Minister’s pre-empted response (Closing the
Gap) to the wide range of concerns articulated by Arnhem Land leaders at Yirrkala on 23 July
2008.

36. I am also concerned that having systematically either abolished or severely diluted the political
power of the institutions of Indigenous Australia since 1996, the Australian state is now unfairly
burdening the disempowered remnants in the NT with a plethora of policy reviews including on
the future of the CDEP scheme, a national representative organisation, outstations policy,
Indigenous enterprises, the NTER and other matters. Indigenous organisations do not have
specialist and resourced capacity to respond to these reviews. Consequently, they are diverting
scarce human resources from pressing practical service priorities. The uncertainties generated by
such reviews and limited forward commitments (e.g. beyond 12 months for CDEP organisations)
is hampering business planning for what are at times multi-million dollar organisations.

37. It is time for mechanisms to be put into place to properly engage with Indigenous communities
throughout the Northern Territory, a process that the NTER Review Board has begun with its
wide ranging consultations. Relationship building between the Australian (and NT) government
and remote Indigenous communities needs fixing before it deteriorates further. There is need to
consider the proper resourcing of communities to allow them to employ staff that have incentive
to both advocate and plan for them.
38. NT Indigenous communities face a hierarchy of concerns and while I am broadly recommending a highly consultative commitment to a comprehensive development framework, there are clearly priority issues that must be immediately addressed. These include bricks and mortar issues like meeting acute infrastructure and service backlogs; and the need to ensure that organisations that are high achievers are suitably rewarded with certainty. At the same time, under-performing organisations should be assisted to improve their capacity.

39. The diversity in community economies is also evident in diversity in the performance of community organisations and diversity in the social issues in alcohol management, educational participation, and income management evident in communities. Just as any monolithic and imposed economic development approach is unlikely to be either productive or sustainable, any blanket non-discretionary measure should be abolished.

Recommendations

40. **Recommendation 1**: A rapid statutory reform process should be instigated to replace any blanket measures, especially those that might contravene the Racial Discrimination Act, on a voluntary basis. Such measures include compulsory income quarantining (now referred to more often as income, management) and compulsory leasing of townships. Such a discretionary approach might assist the Australian government in its commitment to support the UN Declaration on the Rights of Indigenous Peoples without fear of international opprobrium.

41. **Recommendation 2**: The Australian government must recognise that governance processes are intercultural and not just ‘western’; that is that there is a ongoing tension between western and Indigenous forms of governance and accountability that need to be carefully negotiated if community and economic development is to be sustainable and productive. A key lesson from research auspiced by the Indigenous Community Governance Project undertaken in a partnership between the Australian national University and Reconciliation Australia is the need for intercultural processes and cultural match.

42. **Recommendation 3**: An immediate moratorium should be placed on top down reform pressures. Such pressure is unfair and inefficient and is diverting scarce human resources from urgent organisational business. There is a need to relieve the pressure on organisations and their ‘thin’ leadership ranks and the counter-productive insecurity generated by constant review.

43. **Recommendation 4**: There is a need to slow down ill-conceived policy ad hocery and to adhere to the Rudd government’s commitment to evidence based policy making. Recent initiatives like the proposal to create 50,000 full-time jobs in the private sector in two years contingent on government provision of training is symptomatic of such an approach.

44. **Recommendation 5**: There is an urgent need for current policy making to learn from the body of evidence publicly available in the Indigenous affairs and development literature. Some key examples include the Miller Report on the review of Aboriginal Employment and Training programs (1985) and E.K. Fisk’s book *The Aboriginal Economy in Town and Country* (1985). The former highlighted the need to build an economic base for development in remote Australia; the latter warned that Aboriginal people are likely to be the last hired and the first fired in mainstream labour markets. Development theory indicates that sustained development required a participatory approach, community control and real partnership.

45. **Recommendation 6**: There is a need to consider the benefits of the hybrid economy model over more conventional economic models for remote Indigenous communities. This framework not only incorporates the lived reality of the customary sector and kin-based relations of production but also has the potential to reduce risk for Indigenous economic actors during a time of increased economic uncertainty. The hybrid economy reflects the life world reality of the majority of Indigenous people in the NT.
46. **Recommendation 7:** There is a need to shift the broad framework of policy from ‘governance for dependency’ to ‘governance for development’.

47. **Recommendation 8:** There is a need to rigorously and independently assess the extent of the capital shortfall in remote Indigenous communities in the NT and to then commit to a multi-year capital plan, possibly funded from hypothecated share of Futures Fund, to systematically address this shortfall.

48. **Recommendation 9:** There is an urgent need to resource Indigenous communities throughout the NT to externally engage. Urgent consideration should be given to redirecting funds currently committed to Government business Managers accountable to the Australian government to the employment of community development brokers by communities.

I would be very happy to discuss these broad issues with you further at a mutually convenient time.

Yours sincerely

[Signature]

Professor Jon Altman  
ARC Australian Professorial Fellow  
15 August 2008

Attachment 1:
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MAY 2007


JUNE 2007


JULY 2007


AUGUST 2007


SEPTEMBER 2007


OCTOBER 2007


NOVEMBER 2007

DECEMBER 2007


JANUARY 2008


MARCH 2008


43. 'Northern Territory intervention—what should it deliver?', Politics in the Pub presentation, Sydney, 14 March 2008.

APRIL 2008


MAY 2008


JUNE 2008


JULY 2008


58. ‘Reviewing the Northern Territory intervention one year on: Some observations about economic and environmental issues, Public Lecture, Charles Darwin University, Darwin, 8 July 2008. Recording available from CDU.

AUGUST 2008
