



NO JOB NO HOUSE:

**AN ECONOMICALLY
STRATEGIC APPROACH TO
REMOTE ABORIGINAL
HOUSING**

GARY JOHNS

JANUARY 2009

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CHAIRMAN'S INTRODUCTION

No Job No House: An Economically Strategic Approach to Remote Aboriginal Housing is the second paper that the Hon Dr Gary Johns, a former Minister in the Keating Government, and an expert in Aboriginal policy, has written for the Menzies Research Centre. This paper follows on from his 2006 paper *Aboriginal Education Remote Schools and the Real Economy*. Like his previous contribution this paper questions the actions of governments supporting uneconomic remote communities characterised by poor services, poor resident behaviour and little economic future. While Aborigines are choosing to leave these communities, governments continue to prop them up. There has been an attempt to fill housing shortages by constructing more houses according to need rather than assessing whether these communities are sustainable. From his original analysis of the 2006 Census statistics; his comparisons of Aboriginal behaviour in other parts of Australia; and his observations of non-Aboriginal behaviour in remote areas, Dr Johns concludes that the best policy to adopt is one that links housing to employment.

The launch of this paper is particularly timely, as the Rudd Government's National Policy Commission is considering the very issues canvassed in this paper. Dr Johns' research produces new evidence about the disconnect between remote communities and employment opportunities.

Since 1999 Indigenous policy has been one of the major focal points for the Menzies Research Centre. Dr Johns' paper continues our important work in what remains one of the major social policy challenges for Australia.

I would like to acknowledge the sponsorship of this project by The Ian Wilson Liberal Foundation Inc. The Menzies Research Centre appreciates the support that the foundation, named after the distinguished former Minister, the Hon Ian Wilson AM, has made in producing this important paper.

I would also like to acknowledge the contribution of Julian Leeser, Executive Director of the Menzies Research Centre, for his work in relation to this publication.

I am confident that this publication will make a significant contribution to the debate about Aboriginal housing in remote communities.

Tom Harley
Chairman, The Menzies Research Centre
January 2009

ABSTRACT

For generations, Aboriginal housing policy in remote communities has revolved around making up a housing deficit without regard to the viability of those communities or the effect of Government supplied housing on the future economic and social development of their residents.

Public expenditure on remote community housing programs has been generous and well targeted but despite the generosity it has produced wrecked houses and dependent communities. This is because policy makers have failed to acknowledge the link between housing and economic opportunity.

Remote communities are in transition. Aboriginal people, especially the young, are moving from these communities to find better lives and better economic opportunities elsewhere. This transition presents governments with an opportunity to reassess the housing priorities of these communities. This paper, which comes at the time the Rudd Government's National Policy Commission is inquiring into the future of Aboriginal housing in remote communities, recommends a policy of linking housing to employment.

ABOUT THE AUTHOR

The Hon Dr Gary Johns is a senior associate with ACIL Tasman, and is President of the Bennelong Society. He was the Member for Petrie in the House of Representatives (1987-1996), and served in various portfolios: Special Minister of State, Assistant Minister for Industrial Relations, Parliamentary Secretary to the Treasurer, and Parliamentary Secretary to the Deputy Prime Minister.

He was Senior Fellow at the Institute of Public Affairs, and an Associate Commissioner of the Productivity Commission. He was awarded the inaugural Fulbright Professional Award in Australian-United States Alliance Studies (Georgetown University Washington DC), and is a recipient of the Centenary Medal.

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ABORIGINAL HOUSING
HON DR GARY JOHNS**

I INTRODUCTION

In February 2008 the Rudd Government announced the establishment of a Joint Policy Commission under the chairmanship of lawyer Danny Gilbert AM, to develop remote Aboriginal housing solutions.¹ This monograph had an earlier genesis and while its observations may be of assistance to the Commission it should not be seen as a submission to the Commission. This paper's major contribution to the debate around Aboriginal housing policy is in its detailed examination of the 2006 Census figures. This is the first time since that Census that the socioeconomic structure of remote Aboriginal communities has been put under the microscope.

The analysis of those figures makes it clear that there is a misallocation of housing resources in remote communities and this has, in part, created a housing shortage. However to simply subtract the number of houses from the number of Aborigines needing accommodation in remote communities over simplifies the problems. The way in which Aborigines have held land in an uneconomic form of community tenure has been part of the reason why there is a housing shortage. Both the Howard and Rudd Governments have sought to redress this to create more economic forms of tenure. However tenure reforms alone will not provide a solution to Aboriginal housing problems.

This monograph compares the position of Aborigines with that of non-Aborigines in remote areas. It also compares the position of Aborigines in remote areas with those living in other parts of Australia and it makes three key findings. First there is a direct link between Aboriginal housing shortages in remote areas and job shortages in remote areas. Second while some jobs exist in remote areas they tend to be highly skilled jobs in the mining sector. These jobs have not gone to Aborigines. Despite training opportunities being offered to Aborigines they have not taken advantages of them. Alternatively Aborigines live in remote areas where these jobs are not available. Third the behaviour of Aborigines who live in remote communities means that they are not ready to enter the shallow employment markets that exist in remote areas. Nor are they in a position to take responsibility for renting a house or paying a mortgage like Aboriginal and non-Aboriginal people in other parts of Australia.

Many of the remote communities have failed. The communities are, in many cases, beset by major social problems: high rates of sexually transmitted disease, domestic violence and homicide combined with poor health, education, housing and child care services, low job prospects and a culture of humbugging (threatening people, usually family and friends, for cash). Aboriginal people are starting to abandon these communities in search of a better life. Younger people in particular are leaving these communities for better educational and employment opportunities. The decline of

¹ Subsequently renamed National Policy Commission, Australian Government, 'First 100 Days: Achievements of the Rudd Government' February (2008) 10.

these communities both in a social and population sense raises serious doubts about the level of government assistance that should continue to be provided to them.

The paper concludes with an examination of a recent review of the major Aboriginal housing programme: the Community Housing and Infrastructure Programme (CHIP). It notes CHIP's shortcomings and makes recommendations for the future. The key recommendation is that Governments should cease building permanent housing for Aborigines in remote communities where they do not have a job in the real economy and where they are unable to, like other Australians, pay rent or service a mortgage.

II CURRENT STATE OF ABORIGINAL HOUSING

A *Expenditure on Aboriginal Housing*

Public expenditure on Aboriginal housing has been long term, large and targeted to service States and Territories with significant Aboriginal populations. In 2005-06, the Australian and State Governments spent \$2.4 billion² in dedicated housing and accommodation support programs for Aborigines. In addition, like other Australians, Aborigines have access to a range of accommodation support services provided on a needs basis.³

The Northern Territory and Western Australian Governments have been granted extra monies from the Commonwealth Grants Commission (CGC) on the basis of their Aboriginal populations and remoteness servicing obligations. A special CGC report on indigenous funding concluded, 'the current distribution of indigenous specific funds broadly accords with relative need — a larger share of these funds is allocated to remote regions that have the greatest need.'⁴ More recently, the Northern Territory Indigenous Expenditure Review of 2006 concluded that

in 2004-05 an estimated 49.7 per cent of the Northern Territory Government's expenditure was related to its indigenous population ... an estimated 42.3 per cent of the Northern Territory Government's revenue [including tied grants and GST revenue] was related to its indigenous population over the same period ... Indigenous related expenditure exceeded a per capita share by 73 per cent and represents 2.44 times the per capita expenditure related to non-indigenous persons in the Northern Territory.⁵

The review found that 'the estimated total proportion of indigenous related expenditure in the NT Department of Local Government Housing and Sport was 69 per cent.'⁶

² Productivity Commission, *Report on Government Services 2007 - Indigenous Compendium* (2007) 228; Australian Government, Secretaries' Group on Indigenous Affairs, *Annual Report 2005-06* (2007); Office of Indigenous Policy Co-ordination, Department of Families, Community Services and Indigenous Affairs (2007) *unpublished data*.

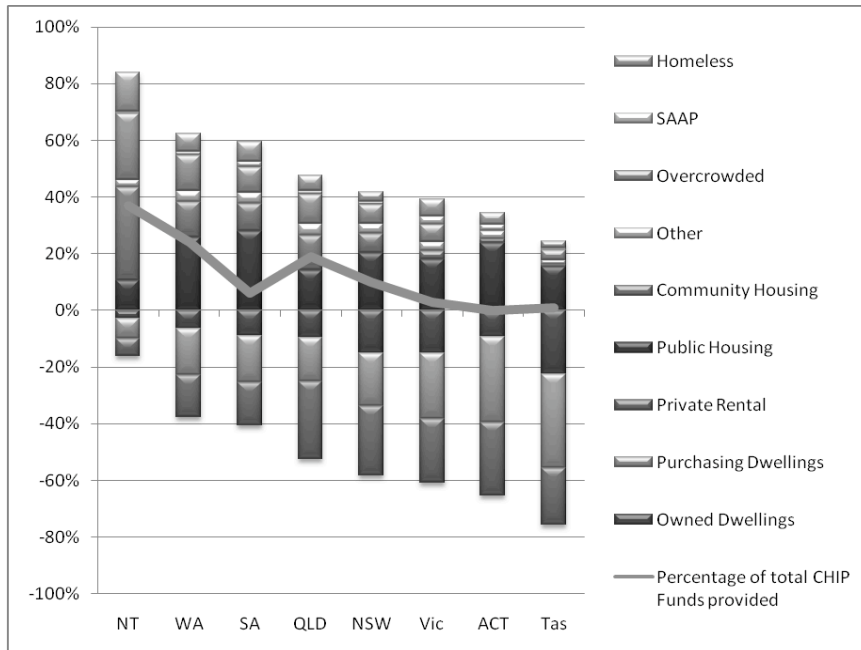
³ Department of Families, Community Services and Indigenous Affairs, *Housing Assistance Act 1996 Annual Report 2005-06* (2007) 4.

⁴ Commonwealth Grants Commission, *Report on Indigenous Funding 2001* (2001) xxi.

⁵ Northern Territory Treasury, *Indigenous Expenditure Review* (2006) 3.

⁶ *Ibid* 44.

Figure 1 **Hierarchy of Aboriginal housing needs by state**



Note: SAAP, Supported Accommodation Assistance Programme. CHIP, Community Housing and Infrastructure Programme.
 Data source: Department of Families, Community Services and Indigenous Affairs, *Indigenous Housing: Findings of the Review of the Community Housing and Infrastructure Programme 2006* (2007) 56.

Further evidence of accurate targeting of housing assistance is shown in Figure 1, which indicates both the percentage of Aborigines in each state and territory who require housing assistance (above the line), and those who are more self sufficient (below the line). The data indicates that overcrowding and homelessness are relatively bigger problems in the Northern Territory in particular but also in Western Australia, South Australia and Queensland compared to the south-eastern states. The figures probably reflect the number of Aborigines in remote discrete communities. The percentage of total Community Housing and Infrastructure Program funds provided to each state more or less reflects (with the possible exception of SA) the housing need of their population. An important element of Figure 1 is not the Aboriginal need displayed in some places, but the independence of Aborigines in the southern states.

While there is clearly an inadequate stock of houses for Aboriginal people,⁷ a housing shortage does not necessarily prove insufficient government investment. The Australian Government has invested around \$2 billion in Aboriginal housing over the past 10 years without an appreciable increase in the number of houses. In the past five years, the Aboriginal housing stock has only increased by two per cent, or an extra 471 houses bringing the total to 21,758. Despite the increased investment, in the Northern Territory there are 271 fewer houses than there were five years ago.⁸ In the recent analysis of a major indigenous housing and infrastructure policy, *Indigenous*

⁷ A fact confirmed by the Northern Territory Emergency Response Taskforce, *Final Report to Government* (2008) 18.

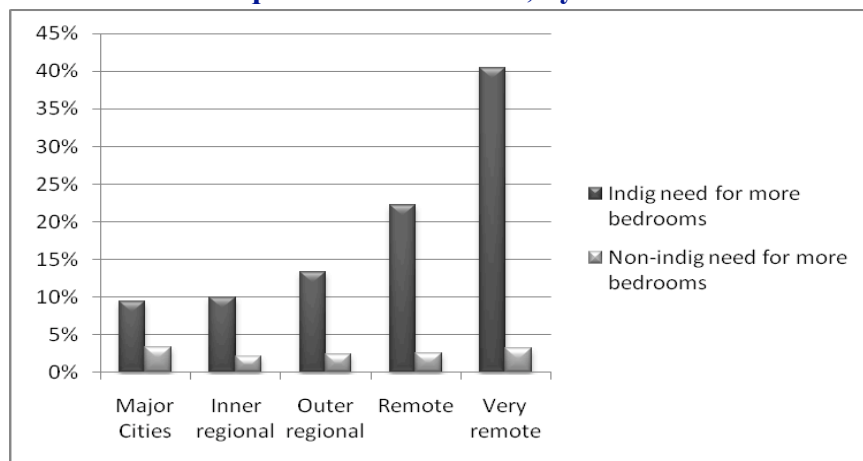
⁸ Mal Brough, 'Blueprint for Action in Indigenous Affairs' (Press release, 5 December 2006).

Housing: Findings of the Review of the Community Housing and Infrastructure Program (CHIP) the absence of material improvement in the stock of Aboriginal housing is attributed, among other things, to corruption in local housing management and appalling tenant behaviour.⁹

B Housing shortages exist especially in remote communities

Despite substantial targeted funding Aboriginal housing shortages exist in all areas, but most acutely in remote Aboriginal communities. For example, 14 per cent of indigenous¹⁰ households live in dwellings that require at least one extra bedroom,¹¹ compared with three per cent of non-indigenous households. For indigenous households (Figure 2), average household size and the proportion of households requiring an extra bedroom escalated as remoteness increased.

Figure 2 **Households require extra bedroom, by remoteness areas 2006**



Notes: 'Households' defined as occupied private dwellings. 'Require an extra bedroom' based on the Canadian National Occupancy Standard for housing appropriateness.

Data source: Australian Bureau of Statistics, *Population Characteristics 2006, Aboriginal and Torres Strait Islander Australians* (2008) 4713.0 table 9.4 143.

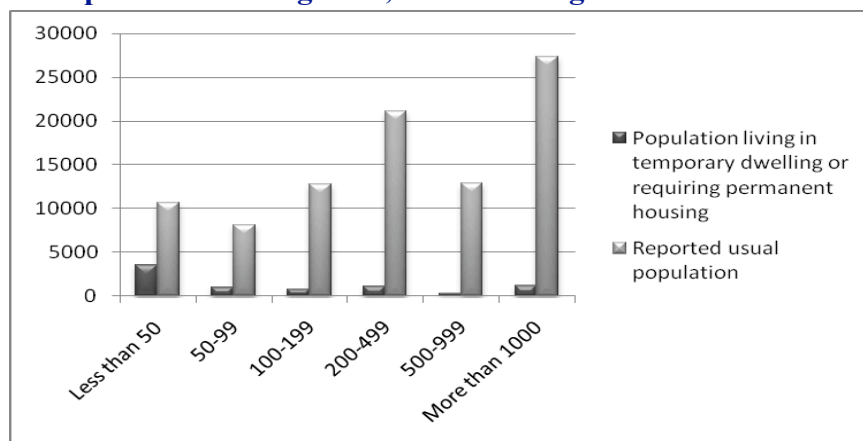
The proportion of households requiring at least one extra bedroom varies from nine per cent in major cities to 40 per cent in very remote areas. The need for at least one extra bedroom in non-indigenous households was much lower, with less than four per cent requiring an extra bedroom in any remoteness area.

⁹ Department of Families, Community Services and Indigenous Affairs, *Living in the Sunburnt Country - Indigenous Housing: Findings of the Review of the Community Housing and Infrastructure Programme* (2007) 16.

¹⁰ Indigenous measures Aboriginal and Torres Strait Islander populations.

¹¹ Based on the Canadian National Occupancy Standard for housing appropriateness. Households that require two or more additional bedrooms to meet the standard are considered to be overcrowded.

Figure 3 **Population housing need, discrete indigenous communities 2006**



Note: By reported usual population.

Data source: Australian Bureau of Statistics, *Housing and Infrastructure in Aboriginal and Torres Strait Islander Communities, Australia, 2006* (2007) 4710.0 table 3.5 26.

On close inspection, and using a different measure of housing need - those living in temporary dwellings or requiring permanent housing (Figure 3) - the shortage appears greatest in the very small discrete Aboriginal communities; the outstations and homelands¹² of very remote regions.

It is clear that while small remote Aboriginal communities experience the greatest need, non-indigenous households and individuals in the same regions were not similarly affected. For non-indigenous households, the shortage of bedrooms declines with remoteness. There are two possible explanations. Firstly, there is prejudice against Aborigines in the housing market unique to remote and very remote areas. Given that these areas are subject to Aboriginal housing control, this explanation is unlikely. Second that non-Aborigines are more likely to stay in the remote regions when they have a job and are therefore able to afford sufficient accommodation, or when they are not employed or lack accommodation they tend to leave the area (for example, mining and public sector jobs exhibit a quick turnover). To some extent the differing behavior is explained by tenure and income differences between Aborigines and non-Aborigines in remote areas.

C Housing and Land Tenure

Indigenous housing and land tenure (Figure 4) is significantly different to non-indigenous tenure (Figure 5). There are fewer ownership and mortgage options for Indigenous people in all areas although they decline alarmingly for indigenes in remote areas. The reason is the significant number of indigenous people living on communally owned or controlled land. Most housing on communally owned land is

¹² *Homeland* is defined as a common location occupied by the traditional owners or people with a direct link to the traditional owner of the land. It has less than three services and may or may not be permanently occupied.

Outstation is similarly defined to homeland and is distinguished by the fact that the residents may not be able to demonstrate traditional ownership and may only have a general association with the area (S Phillpot, 'The Future Of Remote Aboriginal Communities: A Series of Relic Settlements of People Created by the Ebb and Flow of Contact with non-Aboriginals' (2007) *Bennelong Society Conference* 3.

<<http://www.bennelong.com.au/conferences/pdf/Phillpot2007.pdf>> at 26 July 2008.

the property of community or cooperative housing organisations, which rent houses to families and individuals. Although some land in regional areas is communally owned, most communally owned land is located in remote and very remote areas. Generally, such land cannot be sold and the land itself cannot be mortgaged.¹³ This ensures its continuing ownership by Aboriginal people, but it means that developments on the land, including home ownership and private sector financing, need to be pursued through sub-leasing arrangements.

Fortunately, both the current and previous governments have been intent on establishing a more market friendly form of land tenure in discrete Aboriginal communities. Advisers to the new government have written, 'in the absence of normalized tenure and some administrative system for managing tenure on communities, it seems inevitable that those residents with aspirations for greater economic security and better services will vote with their feet.'¹⁴

The legislation associated with the Emergency Response in the NT¹⁵ was designed to enhance the likelihood of 99- year leases being made available through the Australian Government sub-leasing the land from Aboriginal owners. The idea was to give assurance to traditional owners that they could raise capital on their land and retain long-term ownership, although little headway has been made in convincing local traditional owners to engage in the arrangements.¹⁶

The desire to establish the preconditions for private ownership in remote communities¹⁷ is laudable and establishing long-term leases on collective title may attract some capital into the housing market, but it cannot do so in the absence of a labour market and the stream of income associated with work. As Figure 1 demonstrates most Aborigines across Australia have entered the housing market in the

¹³ Department of Families, Community Services and Indigenous Affairs (FACCSIA), *Living in the Sunburnt Country - Indigenous Housing: Findings of the Review of the Community Housing and Infrastructure Programme* (2007) 16.

¹⁴ M C Dillon and N D Westbury, *Beyond Humbug: Transforming Government Engagement with Indigenous Australia* (2007) 151.

¹⁵ *Aboriginal Land Rights (Northern Territory) Amendment Act 2006*. The amendments to the Act only affect the Northern Territory. Land ownership in other states and territories is determined by separate legislation in each jurisdiction. Long term leases for home ownership on Aboriginal communal land are possible under land tenure arrangements in some states and territories but are not common. As a result of these changes Indigenous Business Australia (IBA) offers a 'Home Ownership on Indigenous Land' loan for those living in communities located on indigenous land. Historically, indigenous Australians living on indigenous land have not been able to buy their homes because the system of property title applying to the land does not support the security requirements of lenders now IBA offers affordable home finance products secured by a mortgage over a long-term lease on a block of land within a community. The program, currently available in the Northern Territory, will be available in other states and territories once land tenure legislation is amended.

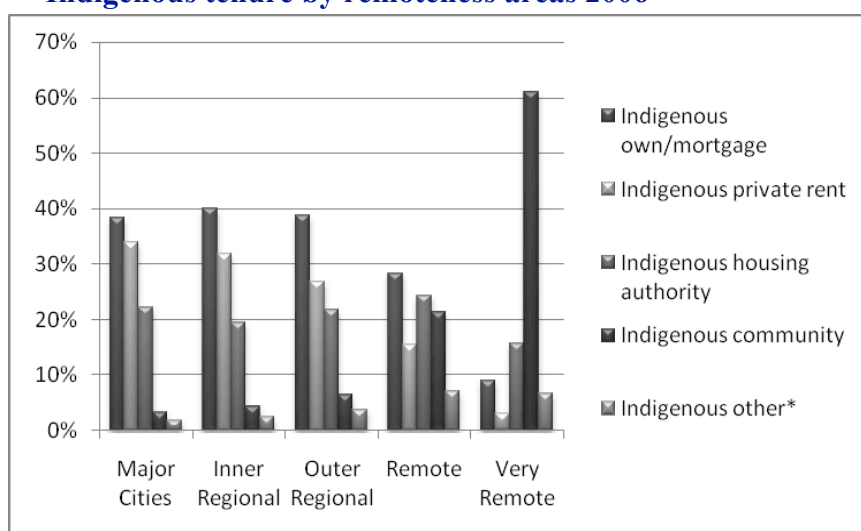
¹⁶ The Rudd Government has begun to negotiate shorter leases, for example, Groote Eylandt leaders were unwilling to sign up to a 99 year lease but agreed to a 40 year term with a 40 year option to renew over the three townships on Groote. Jenny Macklin, 'Beyond Mabo: Native Title and Closing the Gap' (2008) *Mabo Lecture - James Cook University*.
<http://www.jennymacklin.fahcsia.gov.au/Internet/jennymacklin.nsf/content/beyond_mabo_21may08.htm> at 21 October 2008.

¹⁷ N Pearson, 'Speech' *Housing in Cape York: The Role of Private Home Ownership Cape York Institute*, (2007) 1
<<http://www.cyi.org.au/feb2007.aspx>> at 26 July 2008.

same way as other Australians, either renting or purchasing a home and paying for the property through their earnings. However the data presented in Figures 4 and 5 for Aborigines and non-Aborigines on a remoteness basis makes it clear that a sub-class of Aborigines, those in remote discrete Aboriginal communities, is worse off than other indigenous Australians. The reason some Aborigines can enter the housing market is because they are participating in the labour market.

Mortgage obligations would involve a change in mind set for Aborigines in remote communities. Tenancy or mortgage contracts will apply to them, as do the normal civic and legal obligations for the receipt of social services. This means that in order to pay for housing they must find work. If work is not available locally, they will need to move to find suitable employment. Those who do not relocate will continue to be unable to afford their own house and will suffer a lower standard of living. Although this is the case at present, making good the gap in living standards *in situ* would continue to provide the incentive to never take control of the situation delaying the time when Aborigines can be free of government (including Aboriginal housing organisations) interference in their housing.

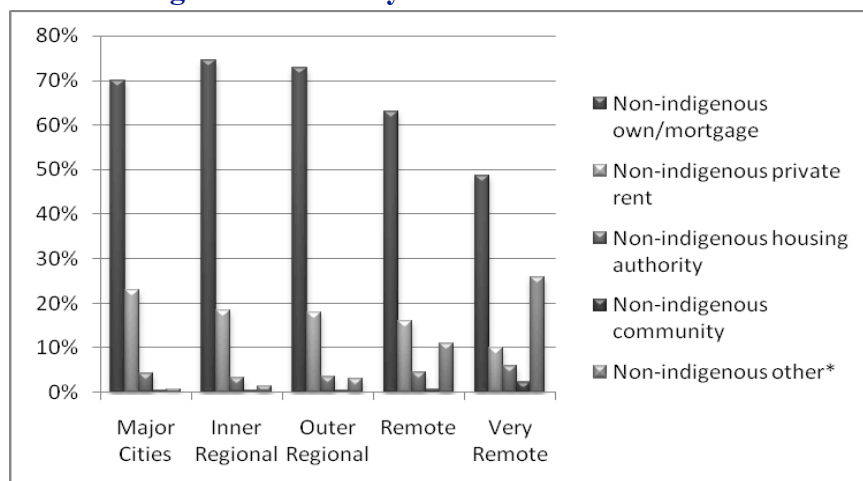
Figure 4 **Indigenous tenure by remoteness areas 2006**



Note: Other* includes caravans, cabins, houseboats, tents and other improvised dwellings.

Data source: Australian Bureau of Statistics, Population Characteristics 2006, Aboriginal and Torres Strait Islander Australians (2008) 4713.0 table 9.1 138.

Figure 5 **Non-indigenous tenure by remoteness areas 2006**



Note: Other* includes caravans, cabins, houseboats, tents and other improvised dwellings.

Data source: Australian Bureau of Statistics, *Population Characteristics 2006, Aboriginal and Torres Strait Islander Australians* (2008) 4713.0 table 9.1 138.

Before considering the link between employment, income and housing one further observation should be made about Indigenous and non-Indigenous land use in remote communities. Some reasons for the difference between indigenous and non-indigenous uses of land can be gleaned by comparing the non-indigenous with the indigenous ‘other’ category in Figure 5. It is clear that non-indigenous people take advantage of ‘other’ accommodation options in remote areas, to a much greater degree than indigenous people. This indicates the greater use of temporary accommodation by non-indigenous residents in remote areas. Non-indigenous workers make temporary arrangements, for example mobile homes and demountables, for accommodation where the market cannot supply permanent houses. Similar patterns of behaviour for Indigenous Australians could also be encouraged.

III INCOME AND HOUSING

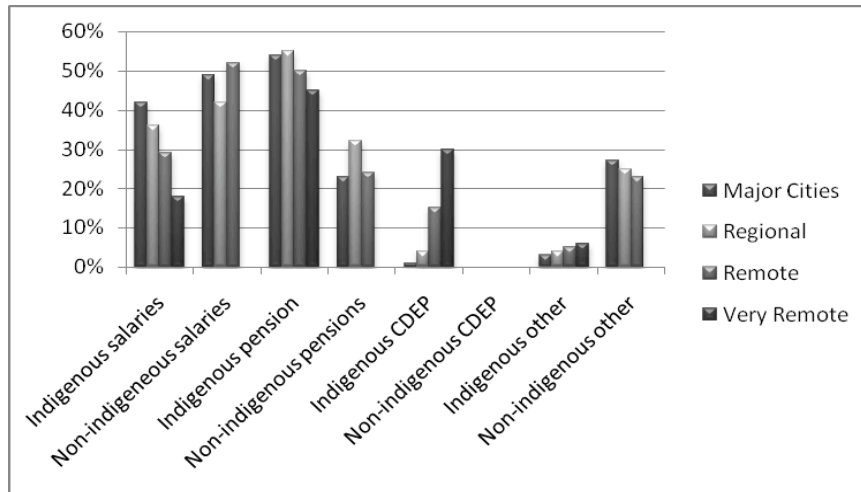
Debates about Aboriginal housing policy operate on a similar basis to debates about Aboriginal income and employment policy.¹⁸ The unstated assumption is that some Aborigines have a right to a lifetime income, based on an egalitarian dream that the government owes everyone a living, and that earnings should be guaranteed. If earnings were guaranteed there would be no need for Aborigines to seek other opportunities. The economic goal of income policy is to find the least expensive way to self-sufficiency. The same logic applies to housing. The economically strategic approach to Aboriginal housing is to consider housing and income together.

In 2004-05, 52 per cent of Aboriginal people received most of their individual income from government pensions and allowances, followed by salaries and wages (34 per cent) and CDEP (10 per cent). The proportion of Aboriginal people with salaries and wages as their main source of individual income decreased with remoteness, while the proportion with CDEP as the main source increased with remoteness. In contrast, 47 per cent of non-Aboriginal people received salaries and wages as their main source of

¹⁸ J Taylor and O Stanley, ‘The Opportunity Costs of the Status Quo in the Thamarrurr Region’ (Working Paper No. 28/2005 Centre for Aboriginal Economic Policy Research, Australian National University, 2005).

individual income, followed by government pensions and allowances (26 per cent) and other cash income (20 per cent). Non-Aboriginal people in regional areas were more likely to receive government pensions and allowances as their main source of individual income (32 per cent) and less likely to receive salaries and wages (43 per cent), compared to those in major cities (24 and 49 per cent, respectively) and remote areas (21 and 53 per cent, respectively).

Figure 6 **Main source of income, 2004-05**



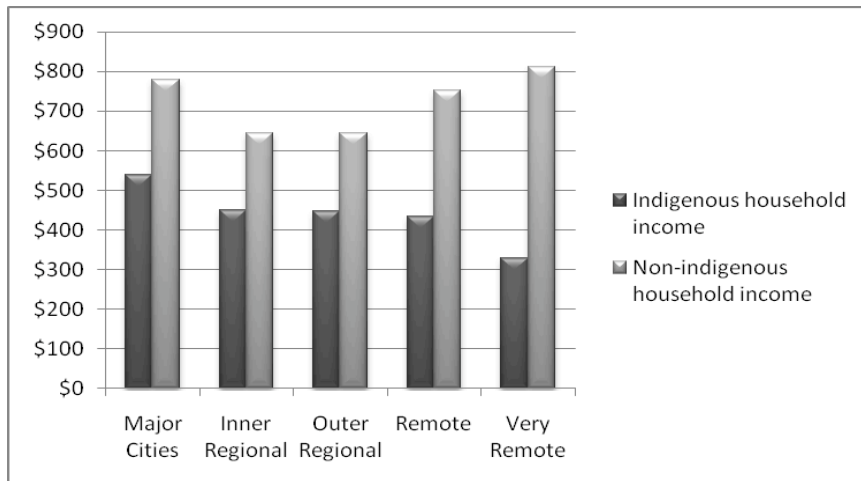
Note: Individual gross weekly income, people aged 18 years and over. 'Other' category includes 'other cash incomes' and source of income 'not stated/not known'. 'Regional' includes inner and outer regional areas. Non Aboriginal data are not available for very remote areas as they were not collected in the 2004-05 NHS. The records for the very remote areas have been attributed appropriately to national estimates.

Data source: Productivity Commission, *Overcoming Indigenous Disadvantage: Key Indicators 2007 (2007) chapter 3.*

The broad pattern displayed in Figure 6 is that non-indigenous income holds up in remote areas but indigenous income falls away, and is replaced by CDEP and 'other' sources, including trust funds. Figure 7 shows that there is clearly a gap in indigenous income compared with non-indigenous income, across all remoteness areas. Starkly, however, indigenous income falls in remote areas but non-indigenous income does not. In 2006, the mean equivalised¹⁹ gross household income for indigenous people was \$460 a week, compared with \$740 for non-indigenous people. Mean equivalised household income was lower in remote areas compared with non-remote areas for indigenous people (\$539 a week in Major Cities and \$329 a week in Very Remote areas). This pattern differed for non-indigenous people, where mean income was highest in Major Cities (\$779) and Very Remote areas (\$812), probably reflecting both the strength of the labour market for highly skilled jobs in both, particularly mining in remote areas. Overall, the mean equivalised gross household income for indigenous people is approximately 62 per cent of the corresponding figure for non-indigenous people.

¹⁹ The equivalised income estimate for a household represents the amount of income that a single person household would require to maintain the same standard of living as that household. Household income is equivalised to allow households of different size and composition to be compared.

Figure 7 **Gross household income**

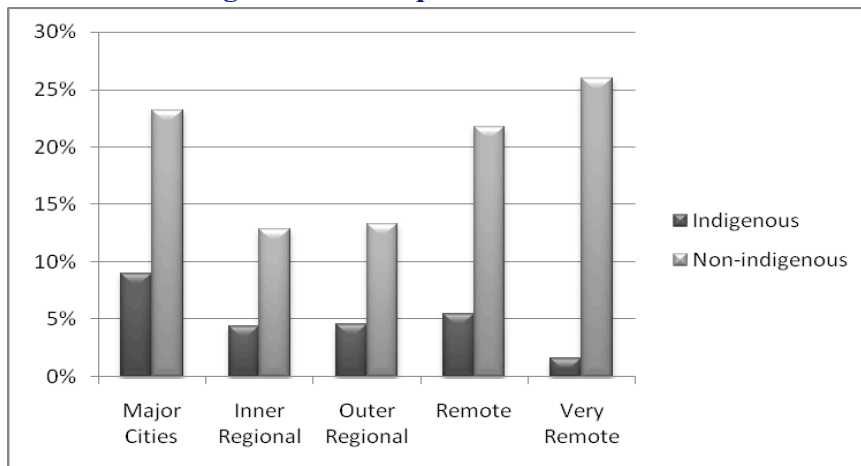


Note: Income based on mean equivalised. Residents of occupied private dwellings, which comprise persons in households in which there were no temporarily absent adults and all incomes were fully stated.

Data source: Australian Bureau of Statistics, *Population Characteristics 2006, ATSI Australians (2008) 4713.0 table 8.1 110.*

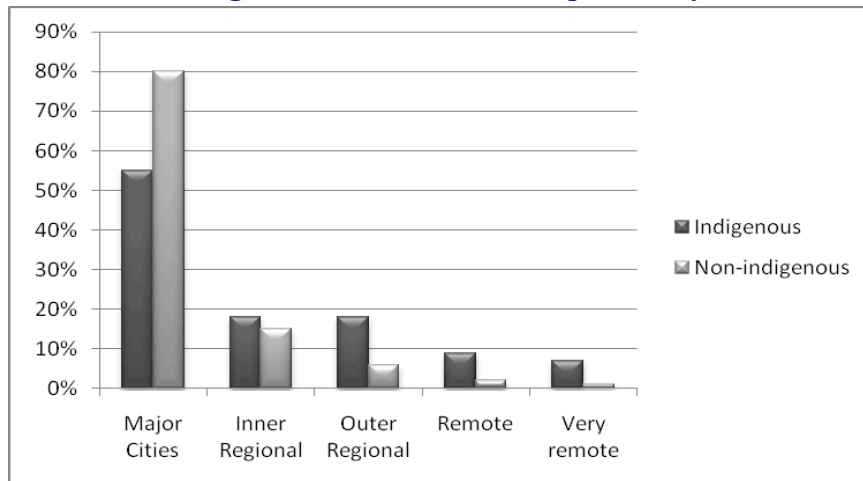
Taking a further measure of income, the proportion of people in the highest income quintile in very remote areas who are indigenous is very small (Figure 8), but the proportion of indigenous people in remote areas who are in the highest quintile is not insignificant (Figure 9). In other words, there are good incomes available in remote areas, but they are few and held by those with the right skills.

Figure 8 **Persons in highest income quintiles**



Data source: Australian Bureau of Statistics, *Population Characteristics 2006, ATSI Australians (2008) 4713.0 table 8.1 110.*

Figure 9 **Persons in highest household income quintile by remoteness areas**



Notes: Quintile based on equivalised gross household income per week.

Data source: Australian Bureau of Statistics, *Population Characteristics 2006, ATSI Australians (2008)* 4713.0 table 8.1 110.

The purchasing power and flexibility of non-indigenous people are the clues to solving the Aboriginal housing shortage. The former can only be solved through employment, the latter by changing behavior and location. Non-Aboriginal people and indeed Aboriginal people with sufficient skills are more able to gain employment in all areas, but in limited labour markets the least skilled are most likely to miss out on work, and having missed out fail to provide for their housing needs.

A Future Population Distribution and Characteristics and Future Jobs Growth

Except in high-end employment among graduates and the public sector Aboriginal employment has been stagnant for decades.²⁰ Masking this appalling outcome in public policy is the Aboriginal ‘workfare’ scheme the Community Development Employment Program (CDEP). The Australian Bureau of Statistics classifies CDEP participation as a form of employment. As it may be considered a training program to assist people to gain non-CDEP employment,²¹ it is useful to disaggregate those on CDEP from the employment figures to reveal the real level of unemployment among indigenous people.²² By doing so, Figure 10 reveals extraordinary high levels of unemployment among Aborigines in remote Australia. This observation is not to underestimate the dangers of discounting or abolishing CDEP. As Bob Gregory observes,

If there is a significant long run rejection rate of mainstream jobs because of CDEP this must be against the long run economic interests of the Indigenous

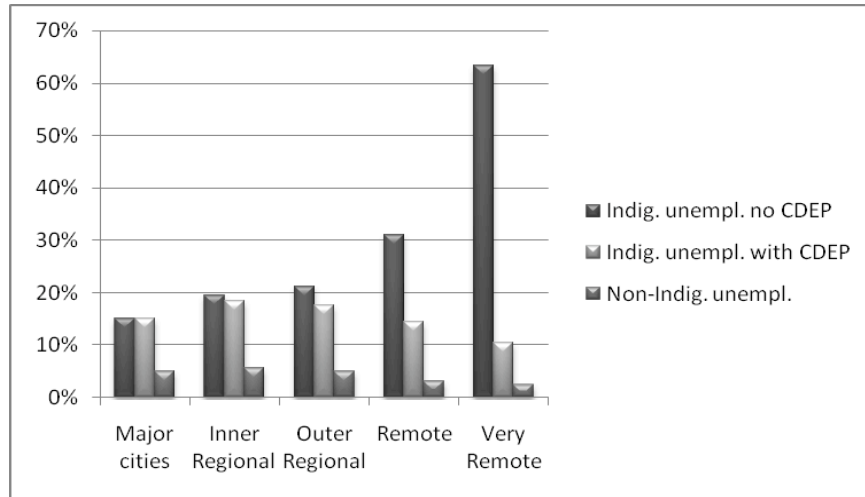
²⁰ Bob Gregory, ‘Asking the Right Questions?’ in Diane Austin-Broos and Gaynor Macdonald (eds) *Aborigines, Culture and Economy*, (2004) 4.

²¹ Department of Families, Housing, Community Services and Indigenous Affairs, ‘Changes to the CDEP programme 2007’, announcement 9 May 2008
<http://www.facsia.gov.au/internet/facsinternet.nsf/indigenous/programs-cdep_intro.htm> at 14 August 2008.

²² Care should be exercised when using CDEP participation as its collection was limited to people enumerated on the Indigenous Household Form and who answered ‘Yes’ to the question on whether ‘they had a job last week’. The limited collection in the 2006 Census of this variable means it cannot be used as a count of people who are participating in the CDEP program but it does provide the best estimate in a form comparable to Census data.

community ... On the other hand, if CDEP is a scheme where community life is made better for people who really have **no** employment alternatives then we should be less willing to restrict its further growth.²³

Figure 10 **Unemployment rates by remoteness area, 15-64 year olds**



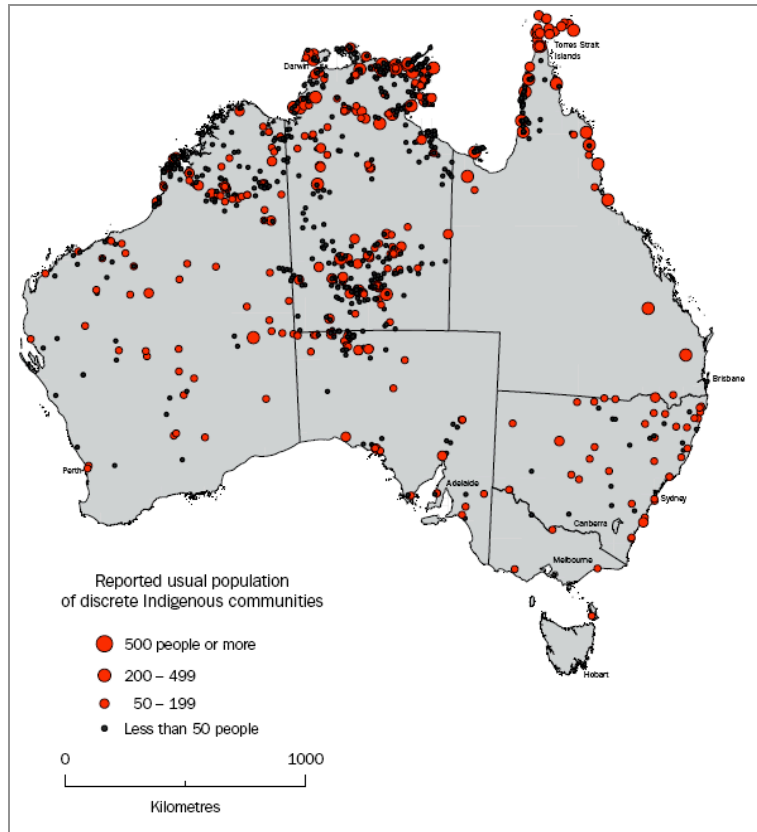
Note: Where CDEP participants are regarded as unemployed.

Data source: Australian Bureau of Statistics, *Population Characteristics 2006, Aboriginal and Torres Strait Islander Australians* (2008) 4713.0 table 7.1 91, table 7.7 98.

By comparing the distribution of discrete indigenous communities (and their high need for housing) with projected employment growth, it is apparent that in a number of regions of Australia there are unlikely to be many jobs for Aborigines. The map of discrete indigenous communities (Figure 11) indicates the large number of communities in northern and central Australia, particularly in Cape York, Top End and Central Desert Northern Territory and the Kimberley region in Western Australia.

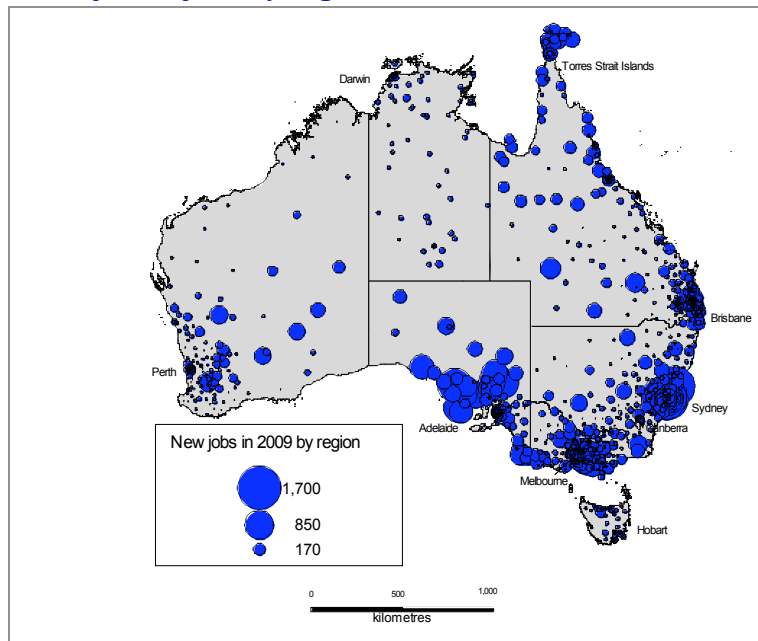
²³ Gregory, above n 20, 10.

Figure 11 **Discrete indigenous communities by usual population, 2006**



Data source: Australian Bureau of Statistics, *Housing and Infrastructure in Aboriginal and Torres Strait Islander Communities, Australia, 2006 (2007) 4710.0 map 2 121.*

Figure 12 **Projected jobs by region, Australia 2009**



Notes: The employment growth rate is based on the Centre of Policy Studies' national forecast of employed persons by 2 digit ANZSIC industry. The forecasts for 2008 and 2011 are distributed across Statistical Local Areas (SLAs) using the Bureau of Transport and Regional Economics' Industry Structure Database ISD). However, the industry employment shares by SLA in the ISD needed to be altered so that the sum of the shares added to one across industries for each SLA rather than across SLAs. The recalculated employment shares were then multiplied by the forecast national total employed persons by industry. This resulted

in the number of employed persons by industry by SLA for the years 2008 and 2009. The total number of employed persons by SLA was calculated by summing across industries for each SLA. The change in jobs by SLA was then calculated by deducting the estimated number of jobs in 2008 from the estimated number of jobs in 2009.

Data source: ACIL Tasman.

The projected jobs growth to 2009 (Figure 12) indicates the bulk of new opportunities will emerge around the cities and at discrete locations in remote Australia, particularly in mining areas. Cape York has employment growth in the region,²⁴ and given the Herculean task of readying people for these jobs, a housing market may be feasible. By contrast, the Kimberley and Northern Territory communities are bereft of future employment growth. There are few jobs in remote locations²⁵ and if Aborigines are to engage in the workforce they will have to move to those areas where employment opportunities exist for their level of skill. By and large, this means a shift to town. Encouraging people to stay on their land and outside the labour market means Aborigines will continue to face socio-economic disadvantages. Indeed, having people come to town will require substantial support for Aborigines who make that choice. So long as provision is made to help people to adapt, the long-held fear of problems caused by Aborigines 'coming to town'²⁶ can be allayed.

The ultimate solution to Aboriginal housing in remote areas is jobs. But an honest assessment of employment prospects in remote areas is that they are bleak. One of the leading proponents of remote Aboriginal communities has suggested that even if Aborigines held all of the government funded jobs on their land currently held by non-Aborigines 'probably 80 per cent would [remain] ... in Work for the Dole or training ... unemployed or not in the labour force.'²⁷ The Commonwealth Government acknowledged this paucity of jobs by referring to regions in remote Australia, 'where the development of a fully-fledged labour market ... may not be realistic.'²⁸

B Consequences of Not Linking Housing and Jobs

Aborigines in remote communities face severe constraints in finding employment. These constraints operate on the demand side (insufficient jobs on offer) and the

²⁴ Industries identified as providing employment in the Torres Strait Island area are: Agriculture, Commercial Fishing, Mining, Food, Beverage and Tobacco Manufacturing, Electricity and Gas Supply, General Construction, Construction Trade Services, Food Retailing, Personal and Household Good Retailing, Education, Health Services, Community Services, Water Supply, Sewerage and Drainage Services.

²⁵ Studies have identified some jobs but these are held by non-Aborigines and are not readily available to poorly trained Aborigines. See Department of Employment and Workplace Relations (DEWR), *Audit of Employment Opportunities in Remote Communities in the Northern Territory* (2006).

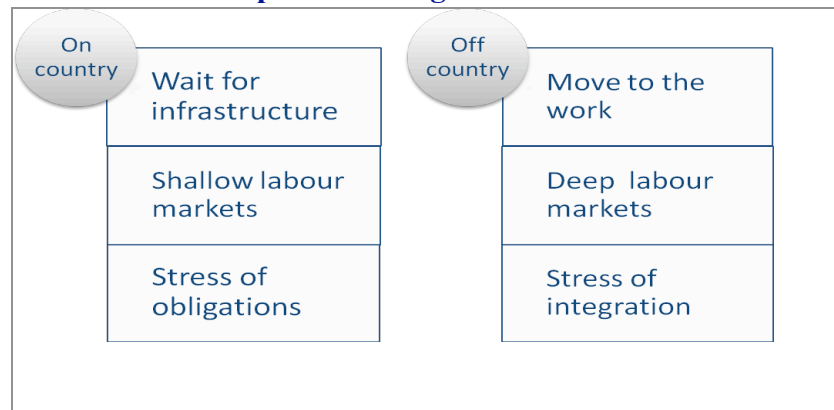
²⁶ S Etherington, 'Coming, Ready or Not: Aborigines are Heading for Town' *Occasional Papers Bennelong Society* (2007) <<http://www.bennelong.com.au/occasional/etherington2007.pdf>> at 26 July 2008.

²⁷ J Altman 'In the Name of the Market?' In J Altman and M Hinkson *Coercive Reconciliation: Stabilise, Normalise, Exit Aboriginal Australia* 2007, 314. This is not to argue that no jobs exist, rather the prospects are weakest in remote areas. For another view see Helen Hughes and Mark Hughes, 'Location and Jobs: The Real Story' Bennelong Society Conference (2008). <<http://www.bennelong.com.au/conferences/pdf/HandMHughes2008.pdf>> at 26 July 2008.

²⁸ Australian Government, *Increasing Indigenous Opportunity: Proposed Reforms to the CDEP and Indigenous Employment Programs* (2008), 29.

supply side (location and job readiness). The types of constraints include generally poor returns in labour market programs,²⁹ especially among the long-term unemployed where incentives are in place to remain on welfare and where the price of labour is too high to justify employing people with limited skills,³⁰ and with the added difficulty of placing people in shallow labour markets where choice and opportunity are limited and there are intergenerational expectations of not having to work.

Figure 13 **Economic development strategies: risks and rewards**



Data source: author.

The employment options beyond CDEP may revolve around substituting Aboriginal for non-Aboriginal labour, but these will harvest few jobs in remote regions.³¹ Some mining industry jobs are located in remote areas and the industry has expended considerable effort on recruiting and training Aboriginal workers.³² But drugs,³³ CDEP and other royalties available to remote Aborigines fuels a disincentive to work,³⁴ contributing to a lack of job readiness among Aboriginal recruits and making them unreliable employees.

Economic development on country is poor. Shallow labour markets with few opportunities will be insufficient to employ Aborigines in other than dead-end jobs if at all. The stress of family obligations can ruin the prospects for Aboriginal on-country employment. Off-country employment is much more viable. It has the substantial advantage of deeper labour markets, especially for entry level jobs, but

²⁹ J Heckman, 'Human Capital Policy' (Working Paper No. 9495, National Bureau of Economic Research, 2003)1.

³⁰ 'The 'iron law' of income support policy indicates that high guaranteed incomes and strong work incentives are incompatible objectives.' R Haveman 'Reducing Poverty While Increasing Employment: a Primer on Alternative Strategies and a Blueprint' (1996) 26 *OECD Economic Studies* 35.

³¹ DEWR, above n 25.

³² Centre for Social Responsibility in Mining, *Indigenous Employment in the Australian Minerals Industry* (2007).

³³ Personal communication with Woodside officials in the Pilbara, April 2005 and *Indigenous Land Corporation* officials August 2008.

³⁴ The Indigenous Land Corporation welcomed the previous Australian Government's proposal to move from CDEP to enhanced Structured Training and Employment Projects in strong labour markets. Australian Government, *Indigenous Land Corporation Annual Report 2006-07* (2007) 22.

there are also considerable stresses of adjustment to new circumstances to be overcome.

Given the level of skill and the work ethic required to undertake work in the few jobs available in remote communities, Aborigines will find it difficult to sustain permanent housing in remote areas. Without employment Aborigines will not be able to pay rent or service a mortgage. Their only housing options will be government provided housing with the welfare dependency culture that government provided housing has created. It is only by taking advantage of sustainable employment opportunities that Aborigines will be able to enter the housing market and create some economic security for themselves and their families.

IV HOUSING EMPLOYMENT AND BEHAVIOUR

The dearth of employment opportunities in remote areas is not the only factor leading to an Aboriginal housing shortage. Houses have been built but these are often misallocated or destroyed due to corruption and appalling tenant behaviour.³⁵ Aboriginal housing is even misallocated due to domestic violence

Men who perpetrate domestic violence or sexual abuse stay in the houses, forcing the women and children to leave to seek somewhere safe to live: there are men around here living in five bedroom homes by themselves. The women move and the blokes stay in the house.³⁶

Aboriginal housing stock has been appallingly maintained. Aboriginal controlled or inhabited housing lasts about ten years while other government housing lasts about 40 years.³⁷ In the past five years, the proportion of the housing stock needing major repairs increased from 19 per cent to 23 per cent.³⁸

In most cases, the housing stock in remote areas was managed by indigenous community housing organisations, but they alone are not to blame for shortages and damage. Many government houses are in poor condition because there is no one to supervise tenants or maintain accommodation.³⁹ There is a real danger that new houses, including those built under the supervision of housing authorities to replace those wrecked by tenants, will suffer the same fate. Replacement under the same rules creates a moral hazard by rewarding poor behaviour. More importantly, if replacement houses are located in areas with few employment prospects, the new accommodation will act as a disincentive to move to where the opportunities for work are greater. Proper planning of Aboriginal housing policy requires addressing tenant behavior as well as land supply.

³⁵ FaCSIA, above n 13, 16.

³⁶ L Cooper and M Morris, 'How to Help Indigenous Families into Stable Housing and Sustainable Tenancy' (2005) 56 *Research and Policy Bulletin Australian Housing and Urban Research Institute* 3.

³⁷ Mal Brough, 'Government tackles overcrowding in remote Indigenous communities' 08/05/2007 <http://www.facsia.gov.au/internet/Minister3.nsf/content/budget07_remote_indigenous_communities.htm> at 13 August 2008.

³⁸ Australian Bureau of Statistics, *Housing and Infrastructure in Aboriginal and Torres Strait Islander Communities Australia 2006 (Reissue)* (2007) 4710.0 14.

³⁹ FaCSIA, above n 13, 16.

Aboriginal housing policy is blighted by decades of poor behaviour inducing policies. There have been four major schools of thought surrounding Aboriginal housing policy: welfare, national interest transfer, self-sufficiency substitution, and population relocation. Each policy has an effect on Aboriginal behaviour. These effects are not always positive nor do they have the originally intended consequences.

Policies which have unfortunately created welfare dependency were supposed to be temporary but became permanent when Aborigines were exempted from the obligation to seek employment. Aborigines pursued land claims that left them stranded on uneconomic land seeking rent from mining companies, and practicing self-determination. This left them at the mercy of those who controlled the purse strings within their own communities and a range of ‘helpers’. A related policy idea was that Aborigines in remote communities and in some regional and city communities be gifted housing.⁴⁰ Gifting a house does not solve the housing challenge, in fact it can exacerbate the problem. If the person gifted a house has little appreciation of its upkeep, gifting is a waste of resources. Gifting a house in a community where there are few prospects for work creates an incentive to remain outside the workforce. The gift approach to the housing problem is naïve and unsustainable because it suffers from a belief that Aborigines should be provided houses without the firm conditions of tenure, behaviour and rental pay as apply elsewhere. As a result, Aboriginal housing has suffered from ‘poor tenancy management and rent collections.’⁴¹

The second policy idea is a ‘national interest transfer’ model where representatives of a community or individuals contract to carry out activities of regional or national interest such as land conservation and management programs. This seems to be preferred by the Rudd Government, with its announcement in the 2008-09 Budget of various programs such as Land and Sea Country Indigenous Partnerships, Indigenous Protected Areas, Indigenous Emissions Trading, and Working on Country.⁴² Programs that are really in the national interest (as opposed to being in the interest of those who want to have Aborigines shepherded into a designated band of employment options) should be available to all Australians not just Aborigines. These national interest transfer policies continue policies from the self determination era whose ethos has been that Aborigines should not be prepared for ‘employment’ except perhaps as elders, artists, and representatives. That Aborigines may have to undertake unglamorous work makes them no different to any uneducated and poorly assimilated group, for example refugees. The idea that Aborigines should only work in some culturally appropriate tasks, thereby preserving their culture, is debilitating. Policymakers may have to make a bold assumption, that a modest start in the real economy is better than being held in a designated underclass on a permanent basis. While employment in the mining or tourism industries is in the national interest

⁴⁰ Gifted in the sense that they have very low obligations to pay rent or care for the property, an observation from the CHIP review see FaCSIA, above n 13.

⁴¹ Dillon, above n 14, 161.

⁴² 2008-09 Indigenous Budget at a Glance
<http://www.fahcsia.gov.au/internet/facsinternet.nsf/aboutfacs/budget/budget2008-08_indigenous_at_a_glance.htm> at 26 July 2008.

Aborigines are not employed in large numbers in these industries because CDEP provides disincentives to work, or the Aborigines are not job ready.

A 'self sufficiency substitution' model is sometimes floated as the answer to Aboriginal unemployment, where labour is substituted for capital through "sweat equity".⁴³ Part of this model was a feature of missions and government settlements and elements of this approach underpin such programs as the CDEP. This option is really an 'import substitution' model and it suffers from the same fate as the welfare model, it becomes a permanent substitute for engaging in real economy. Despite the widespread nature and longevity of these programs the level of labour force participation by Aborigines in remote Australia has not lifted in decades.⁴⁴

Finally, there is the 'population relocation' model where continued location in remote areas is made so prohibitive that people in these communities have no option but to shift to regional localities where there are services and employment. As outlined below it is clear that in addition to the prohibitive social and economic cost of preserving non-viable communities, people are already moving away to seek opportunities. While this is the preferred option, the risk, for policy makers, is that people will move to such centres without the skills, knowledge or social capacity to operate independently and as a consequence will create underclass refugee communities whose various needs and behaviour are beyond the resources of the regional centre.

A Mobility

Aboriginal relocation to towns is not the only relocation issue which should occupy policy makers. Aboriginal mobility has a significant effect on housing policy. Aboriginal mobility and the recreational lifestyle of people living in remote communities puts stress on housing stock. Remote Aboriginal populations move a great deal due to ceremonial, social and sporting events. The social and recreational mobility of Aborigines in remote areas and the size and duration of short-term population growth in discrete communities can create stress on local infrastructure. In 2006, one in five discrete indigenous communities reported a population increase for two weeks or more during the previous 12 months. Of the 248 communities that experienced a population growth, just over one third reported expansions of a size similar to, or greater than, their usual population. Cultural reasons accounted for most of the increases (53 per cent), followed by visitors over holiday periods (25 per cent), and changes in the wet/dry season (nine per cent).⁴⁵

At present while Aborigines are very mobile and therefore likely candidates for migration, they do not shift location for employment reasons. Until very recently,

⁴³ There are good examples of 'sweat equity' for example, *Habitat for Humanity* builds houses with people who would otherwise be unable to obtain finance. The secret to Habitat is that, in addition to 300 hours of sweat equity, the owner has to pay the mortgage, i.e. carry the risk.

⁴⁴ Gregory, above n 20, 4.

⁴⁵ ABS, above n 38, 19.

there was no requirement to migrate for work.⁴⁶ Kinship based on blood ties and marriage was the driving force of mobility.

Much mobility can be defined as a social process geared simultaneously towards the enjoyment of social interaction, the maintenance of social relationships and the maintenance of social identity ... other drivers of spatial mobility ... include sporting events and recreation, hunting and collecting bush resources, and shopping ... mobility patterns are also influenced by the timing of work, school and holidays.⁴⁷

Such mobility and the consequent overcrowding, not to mention damage to housing associated with gatherings which include football carnivals, has led some analysts to suggest that the taxpayer should assist Aborigines wherever they travel, providing a house in a remote community and a house in a regional centre. It has also been argued that to facilitate visits by kin, the design of new houses in remote centres would

benefit from well-sized, positioned and perhaps screened verandah spaces, adequately sized living spaces that can be used to accommodate temporary campers, detached shade structures that can accommodate visitors, well designed wet areas, additional showers and toilets... Due to reliance on some Aboriginal households to provide a base for relatives from outlying communities, new house designs and renovations in the regional centres should be created to accommodate such semi-permanent migration of relatives.⁴⁸

The policy suggestions arising from these observations include proposals that Aborigines should have built for them houses sufficient for all of their guests at both ends of their journey, in remote areas and in the regional centres as they circulate between the two. These ideas represent unsound public policy. Aborigines are not owed a house or even two houses. Gifting houses and supporting a recreational lifestyle will not cause an improvement in the social and economic welfare of Aboriginal people.

B *Integration*

There are other behavioural barriers to Aboriginal economic integration. These include the behaviour of family and neighbours and the links Aborigines have with those who are already used to living and working in a real market economy. Aboriginal economies in remote areas operate 'against a backdrop of violent threats by humbugging for cash rather than by individual accumulation of physical or financial capital.'⁴⁹ The inconsistencies between personal obligations in more traditional Aboriginal culture and contractual and work obligations in a commercial

⁴⁶ Mutual obligation provisions for social security recipients were suspended until 2006 and are being progressively lifted in remote areas.

⁴⁷ P Memmott et al, 'Mobility of Aboriginal People in Rural and Remote Australia' (2006) 69 *Research and Policy Bulletin Australian Housing and Urban Research Institute*, 3.

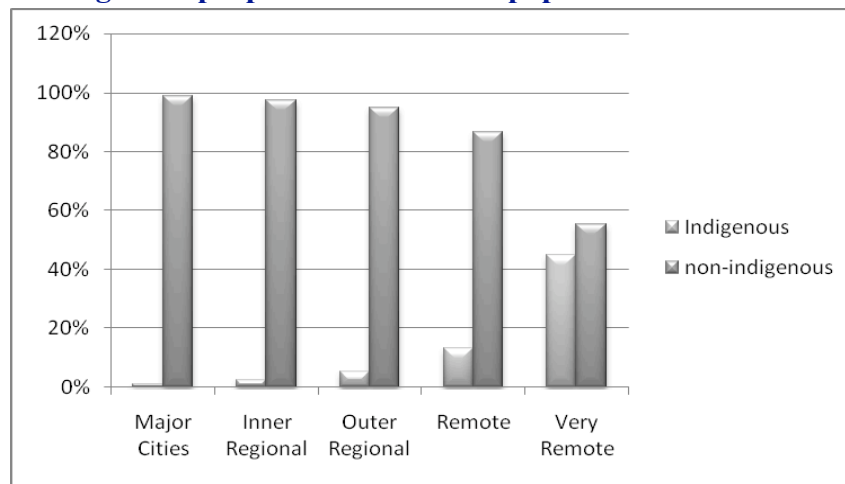
⁴⁸ *Ibid* 4-5.

⁴⁹ D Martin, 'Money, Business and Culture: Issues for Aboriginal Economic Policy' (1995) 101 *Discussion Paper Centre for Aboriginal Economic Policy Research Australian National University* 19.

society are at times profound⁵⁰ but there is no push to adapt Aboriginal culture to the modern economic realities in order to improve their socio-economic conditions.⁵¹ A family that can escape the constant call of its kin to share and integrate into the real economy may stand a chance to work and accumulate capital.

The majority of Aborigines live in major cities and regional centres, and these are the least likely to experience housing and other problems.⁵² By contrast, the minority of Aborigines constitute a very substantial part (48 per cent) of the population of Very Remote areas (Figure 14). In terms of local environment, remote communities are the least likely location in which to change behaviour.

Figure 14 **Indigenous proportion of resident population 2006**



Data source: Australian Bureau of Statistics, *Population Characteristics 2006, Aboriginal and Torres Strait Islander Australians* (2008) 4713.0 table 2.5 19.

Aborigines in remote communities are far less likely to speak English, which makes them less able to work or to handle a major purchase such as a house.⁵³ The location of indigenous language speakers (Figure 15) mirrors closely the location of discrete remote communities. Of those Aboriginal people who speak an indigenous language at home, almost three-quarters (74 per cent) live in Very Remote Australia, with 14 per cent living in Remote Australia. Over half (56 per cent) of all indigenous language speakers live in the Northern Territory where 59 per cent of the indigenous population speak an Australian indigenous language (Figure 16).

Of the 431,269 indigenous people who were counted in the 2006 Census, 372,010 spoke English only. Some 40,847 spoke an indigenous language, as well as English well or very well. Only 11,148 speak an indigenous language and do not speak

⁵⁰ R Folds, *Crossed Purposes: the Pintupi and Australia's Indigenous Policy* (2001) 51.

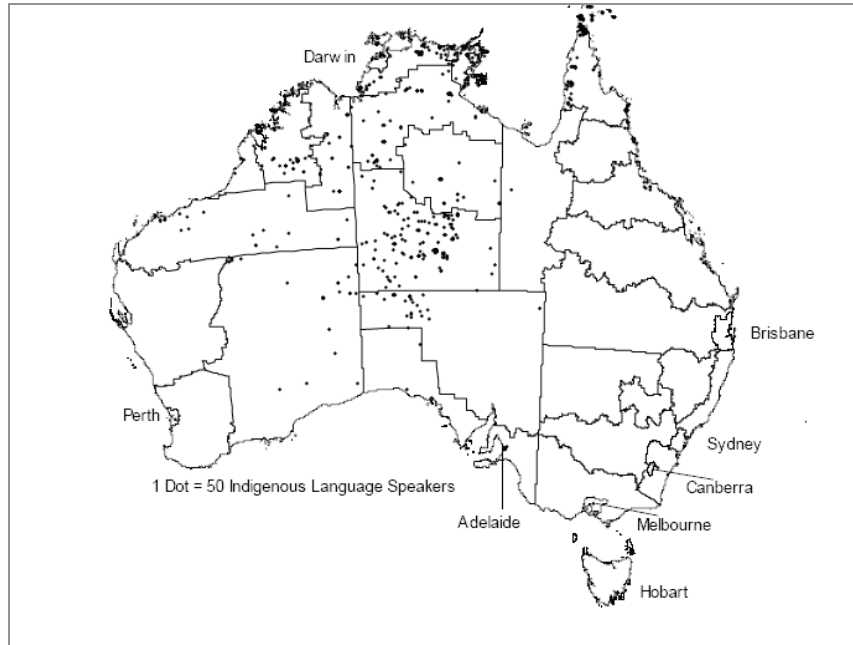
⁵¹ Although Folds at least explicitly acknowledges choosing 'culture' is choosing poverty.

⁵² A recent survey of clients of Indigenous Business Australia found that they were mostly urban and regional based. Anna Szava and Mark Moran, 'Perceptions of Home Ownership among IBA Home Loan Clients' Indigenous Business Australia (2008) v. <<http://www.iba.gov.au/files/Booklet%20version%20for%20printers.pdf>> at 27 July 2008.

⁵³ A basic provision of all work readiness is language training.

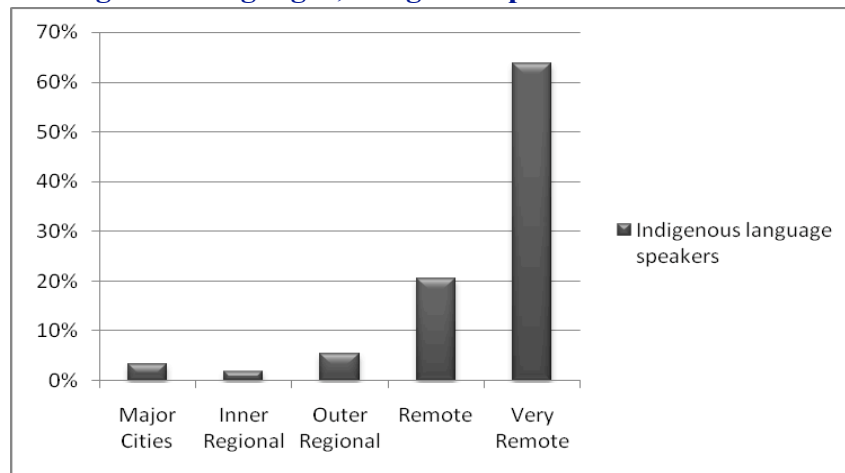
English well or at all or not stated. In other words, the number who cannot communicate in English is very small, however, as Figure 16 shows, they almost all live in very remote and remote areas.⁵⁴

Figure 15 **Indigenous language speakers, indigenous persons**



Data source: Australian Bureau of Statistics, *Population Characteristics 2006, ATSI Australians (2008) 4713.0 36.*

Figure 16 **Indigenous language*, indigenous persons**



Note: *Speaks an Australian Indigenous language at home and does not speak English well or at all. Also includes English proficiency not stated and speaks other language (includes persons whose language spoken at home was inadequately described).

Data source: Australian Bureau of Statistics, *Population Characteristics 2006, ATSI Australians (2008) 4713.0 table 5.5 45.*

IV REMOTE COMMUNITIES ARE FAILING

Behaviour, mobility, poor skills and levels of integration are factors which keep Aborigines out of the housing and employment sectors. In remote communities younger Aborigines are recognizing this and are doing something about it. This is

⁵⁴ Australian Bureau of Statistics, *Population Characteristics 2006, ATSI Australians (2008) 4713.0 43.*

why the Government needs to assess the economic viability of remote communities before spending more money constructing houses in the communities. There is evidence to suggest that government policy is creating a consolidation of remote communities and that particularly younger Aborigines are leaving these communities for better lives and opportunities elsewhere. In addition remote communities have a number of social problems that makes them undesirable places in which to live. Remote areas may be areas of great significance to Aborigines but people will not live there comfortably, in good health on a permanent basis. Instead, Aborigines (like non-Aborigines) should make greater use of temporary accommodation as they look for work or when they visit remote communities from their place of work.

Aboriginal housing policy should no longer be based on the idea that people living in remote communities can or will have the same lifestyle as other Australians.

No Government can justify keeping on building houses in the middle of nowhere where there is no school, no healthcare, no law and order, unreliable power and water, no jobs ... and no hope for another generation of our young people.⁵⁵

As a member of the Australian Government's National Emergency Response Taskforce in the Northern Territory concluded,

those people living on remote communities, including those people who have moved there from remote outstations, who are capable of working or training for work and who cannot find a job or job training there, may well have to move closer to the nearest available jobs or job training facilities i.e. the nearest regional towns.⁵⁶

In making assessments about future spending on remote housing governments will need to distinguish between long-term goals and transitional arrangements. For example, a distinction should be made between women and children's immediate needs for safety and shelter and the longer term requirements of families. Satisfying immediate needs, however, should not create a barrier for Aborigines to move to places where employment prospects are greatest.

A Aborigines are Leaving Remote Communities

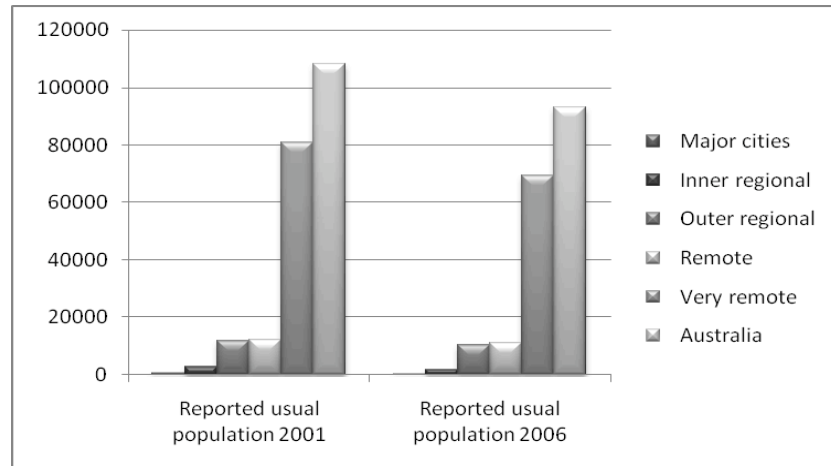
There are a number of indicators that suggest physical consolidation of Aboriginal communities is being encouraged. In Queensland, regional high schools are being built to accommodate indigenous students from Cape York, and Aboriginal local councils now operate under rules that apply to all councils. In the Northern Territory, nearly all local authorities have been consolidated into 11 shires in anticipation of a smaller number of larger Aboriginal communities carrying the full responsibilities of local government. The Commonwealth Government has announced the establishment of 20 Innovative Child Care Service Hubs, which assumes some will receive centres and others will not. The Emergency Response in the Northern Territory and other housing policy initiatives of the Howard Government seemed to suggest a policy of physical consolidation of Aboriginal communities. The 73 'intervention' communities

⁵⁵ FaCSIA, above n 13, 2.

⁵⁶ John Reeves, 'A Personal Report from the Field: A Member of the Prime Minister's NT National Emergency Response Taskforce' (2007) *Bennelong Society Conference*, 8 <<http://www.bennelong.com.au/>> at 26 July 2008.

were chosen on the basis of size - any community over 100 – with an inference that the Commonwealth might no longer service smaller communities. Indeed, the Rudd Government has confirmed the direction by handing over to the NT Government responsibility for outstations, and more recently announced that 750 new houses will be built in only 15 of the 73 ‘intervention’ NT Aboriginal communities.⁵⁷

Figure 17 **Population 2001 and 2006, discrete indigenous communities**



Note: Reported usual population.

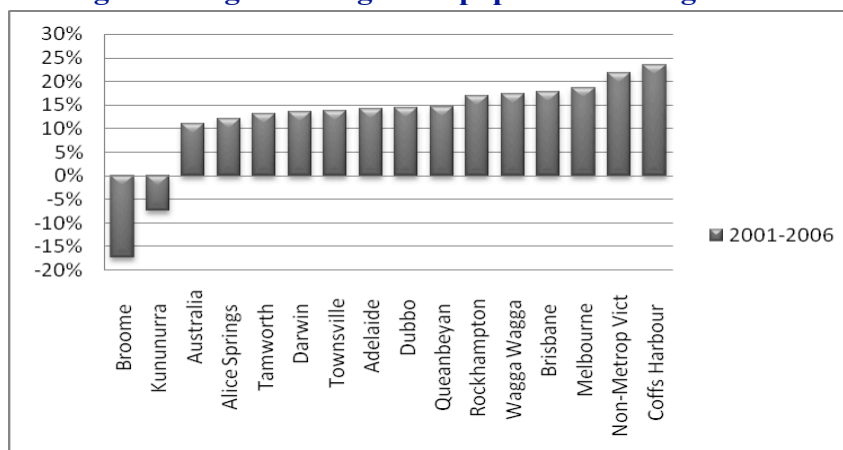
Data source: Australian Bureau of Statistics, *Housing and Infrastructure in Aboriginal and Torres Strait Islander Communities, Australia* (2006) 4710.0 table 3.1 17.

Other statistics confirm that Aborigines are leaving discrete communities. There was a 14 per cent (15,125) fall in the population of discrete indigenous communities between 2001 and 2006 and reductions occurred in all remoteness areas, but the decline in the very remote areas constituted 75 per cent of the population losses (Figure 17).⁵⁸ This contraction is significant given the high birthrate and population increases in Aboriginal Australia across all areas.

⁵⁷ Personal briefing by Major General Dave Chalmers head of the Emergency Response Task Force, 4 December 2008.

⁵⁸ According to the Australian Bureau of Statistics, population counts from the 2001 CHINS were higher than recorded in the 2001 Census of Population and Housing and were believed to be overstated. The ABS provides no reason and does not account for the drop across all remoteness regions.

Figure 18 **Indigenous regions indigenous population change 2001-2006**



Note: Place of enumeration.

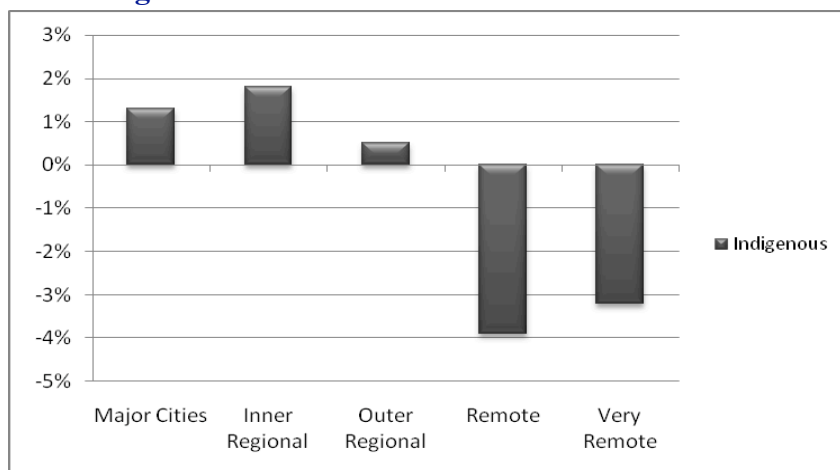
Data source: Australian Bureau of Statistics, *Population Distribution Aboriginal and Torres Strait Islander Australians* (2007) 4705.0 table 5 22.

Data from the Census for indigenous regions reinforces the data on losses from discrete communities. Figure 18 shows locations in indigenous regions with the highest population change. The data indicates that the indigenous population is growing fastest in the cities and regional towns and that remote places such as Broome and Kununurra, for example, are losing population (although the Census advises some caution in the results).⁵⁹ Major Cities, Inner Regional areas and Outer Regional areas all attracted similar numbers of indigenous people (between 10,500 and 11,300); and were also the greatest sources of migrants to other areas (approximately 10,000). An overall pattern of migration from more remote areas to less remote areas was observed between 2001 and 2006 (Figure 19), with Very Remote areas having the greatest net loss of indigenous people (-1700) and Major Cities afforded the greatest net gain (1300). This resulted in a net increase for the indigenous population in Major Cities of one per cent, and a net decrease of three per cent in Very Remote areas.

In terms of assessing viability, knowing the age of migrants is important. There were various rates and patterns of mobility observed for different age groups. Between 2001 and 2006, 12 per cent of indigenous people aged five years and over in 2006 moved between Remoteness Areas. Indigenous people aged 5–19 years accounted for 43 per cent of net movement between Remoteness Areas, and were most likely to leave Remote and Very Remote areas, accounting for 45 per cent and 57 per cent of the movement out of these areas. Indigenous people aged 40 years and over were least likely to change address, with 70 per cent of this age group living at the same address as 2001.

⁵⁹ The Post Enumeration Survey (PES), conducted about one month after Census Night, is used to measure net undercount. The ABS expanded the scope of the PES in 2006 to include both remote areas of Australia and discrete indigenous communities. Furthermore, in 2006, the Northern Territory had the highest rate of unknown indigenous status (nine per cent) followed by Western Australia (seven per cent) and New South Wales (six per cent). Among indigenous regions, South Hedland (16 per cent) and Broome (14 per cent) in Western Australia had the highest incidence of unknown indigenous status. For further discussion of the problems of enumeration see J Taylor and N Biddle, 'Locations of Indigenous Population Change: What Can We Say?' (Working Paper No 43 Centre for Aboriginal Economic Policy Research Australian National University 2008).

Figure 19 **Indigenous net movement in remoteness areas 2001-2006**



Notes: Remoteness areas based on place of usual residence. 2001 Remoteness Area determined using population based concordance of SLA of usual residence 5 years ago to 2006 Remoteness Areas. Persons aged five years and over in 2006 with a place of usual residence in both 2001 and 2006.

Data sources: Australian Bureau of Statistics, *Population Characteristics 2006, Aboriginal and Torres Strait Islander Australians*. (2008) 4713.0 table 3.3 25.

Indigenous people aged 5–19 years were most likely to move to Inner Regional areas. One of the contributors for younger people moving away from Remote and Very Remote areas is to attend school. Of indigenous people aged 5–19 years who moved away from Remote and Very Remote areas to Inner Regional areas for example, eight per cent were attending a boarding school or residential college/halls of residence. Indigenous people aged 20–39 years were most likely to move to Major Cities. Unlike the younger age groups, indigenous people aged 40 years and over had a net migration away from Major Cities, as well as Remote and Very Remote areas, into Inner Regional and Outer Regional areas.

Three points emerge from studying Aboriginal migration: strong growth in the indigenous population, particularly in larger centres; migration from remote areas; and population reductions in many discrete indigenous communities. The population shrinkage must test the resolve of those communities and their supporters.

B *Social Problems*

There are many reasons why people would not want to continue to live in such communities. Remote communities are often beset by social problems. For example, the probability of being unemployed (Figure 10), suffering lower incomes (Figures 8 and 9), being more dependent on government housing, being less well educated⁶⁰ and suffering poorer health outcomes is lower in the cities and regions than in remote communities.

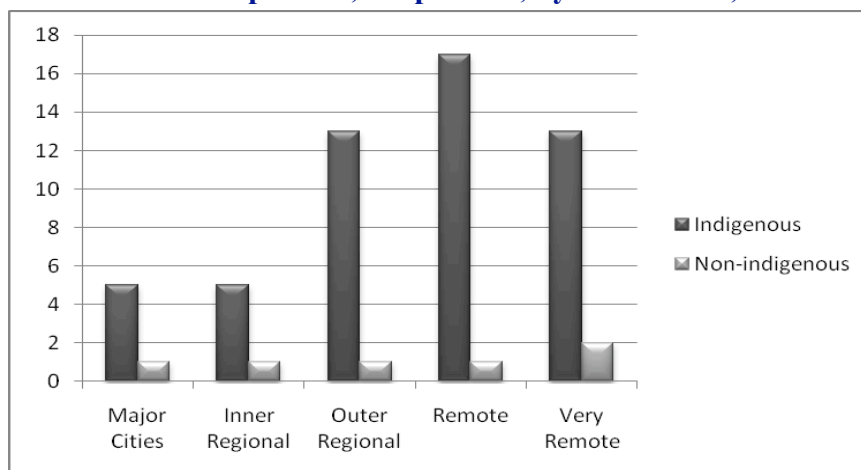
One particularly disturbing indicator is that the number of Aboriginal children diagnosed with a sexually transmitted infection is higher than the number of non-Aboriginal children (except for children aged less than four years for diagnoses of Chlamydia and syphilis), but STI notification rates for Aboriginal children in remote and regional areas were far higher than those in major cities and inner regional areas

⁶⁰ See G Johns, *Aboriginal Education: Remote Schools and the Real Economy* Menzies Research Centre (2006) 9.

(10.8 per 1000 compared with 1.5 per 1000).⁶¹ In 2003 and 2004, in Queensland, STI notification rates for Aboriginal people aged 15–24 years old were 56.7 per 1000. For non-Aboriginal people the rate was 9.0 per 1000. STI notification rates for Aboriginal people aged 15–24 years old increased with remoteness, ranging from 18.0 per 1000 in major city areas to 115.5 in remote areas.⁶²

The alarmingly high homicide rate is another indicator of the poor social conditions in remote communities. The homicide rate is highest in remote areas, similar in very remote and outer regional areas, and lowest in inner regional and major cities (Figure 20). In the Northern Territory in 2005, Aboriginal people were 26 times more likely than non-Aboriginal people to be a victim of murder, and 14 times as likely to be a victim of domestic violence related assault. Aboriginal females were eight times as likely as non-Aboriginal females to be a victim of assault and the rate of domestic violence for Aboriginal females was nearly 17 times as high as the rate for non-Aboriginal females.⁶³

Figure 20 **Homicide rate per 100,000 persons, by remoteness, 2000 to 2005**



Note: Aboriginal homicides are where both victims and offenders of homicide are either Aboriginal and/or Torres Strait Islanders. Non-Aboriginal homicides are where neither the victim nor the offender is Aboriginal.

Data source: Productivity Commission, *Overcoming Indigenous Disadvantage: Key Indicators 2007* (2007) Chapter 3.

C Poor Service Provision

Social problems are only part of the picture. For both Aborigines and non-Aborigines alike there are fewer services in remote areas than in regional areas or cities. There are 1,079 small remote communities that do not meet the following modest criteria:

- 306 small remote communities are at least 50 kilometres from the nearest primary school (497 small remote communities are at least 25 kilometres from the nearest primary school).
- 470 small remote communities are at least 50 kilometres from the nearest Aboriginal Primary Health Care Centre delivering GP level services.

⁶¹ Department of Communities, *Queensland Health Notifiable Disease Register 2005*. (2006) (unpublished).

⁶² Ibid.

⁶³ Productivity Commission, *Overcoming Indigenous Disadvantage: Key Indicators 2007* (2007) Chapter 3.

- 527 small remote communities are at least 50 kilometres from the nearest state-funded health care centre delivering GP level services.⁶⁴

This means that approximately 50,000 people live in non-viable communities. Under a regime of neutral incentives that do not unduly tie people to land many may, and indeed are leaving.

In 2006, 10 of the 1,187 discrete Indigenous communities (Figure 21) reported that they had a hospital located within the community, one more than the nine reported in 2001. In 2006, a total of 107 communities reported an Aboriginal Primary Health Care Centre located within the community, of which 76 were located in very remote communities, 21 in non-remote communities and 10 in remote communities. A total of 104 indigenous communities reported that an 'Other community health centre' (government funded) was located in the community. Of these, 89 were located in very remote communities, nine in non-remote communities and six in remote communities.⁶⁵

A total of 755 (64 per cent) discrete indigenous communities were located 100 kilometres or more from the nearest hospital, compared to 841 reported in 2001. On a population basis, 25 per cent of Aboriginal and Torres Strait Islander people living in communities were 100 kilometres or more from the nearest hospital. Almost two-thirds of the communities located more than 100 kilometres from the nearest hospital were found in the Northern Territory. The NT accounted for 470 communities (62 per cent), followed by Western Australia 169 (22 per cent) and Queensland 64 (eight per cent).⁶⁶

⁶⁴ ABS, above n 38, table 2.

⁶⁵ Ibid, 21.

⁶⁶ Ibid, 42.

Figure 21 **Remoteness areas discrete indigenous communities, 2001 and 2006**

	Communities with a population of						All communities	usual population
	Less than 50 no.	50-99 no.	100-199 no.	200-499 no.	500-999 no.	1,000 or more no.		
2001								
Remoteness Area								
Major cities	0	1	3	1	0	0	5	645
Inner regional	1	7	5	6	0	0	19	2776
Outer regional	14	13	12	11	0	3	53	11838
Remote	69	17	9	11	1	2	109	12146
Very remote	805	64	51	77	17	16	1030	80680
Australia	889	102	80	106	18	21	1216	108085
2006								
Remoteness Area								
Major cities	2	0	2	0	0	0	4	346
Inner regional	5	5	8	1	0	0	19	1870
Outer regional	20	9	16	4	0	3	52	10254
Remote	71	14	8	7	2	2	104	11237
Very remote	767	95	58	59	17	12	1008	69253
Australia	865	123	92	71	19	17	1187	92960

Note: Reported usual population.

Data source: Australian Bureau of Statistics, *Housing and Infrastructure in Aboriginal and Torres Strait Islander Communities, Australia* (2006) 4710.0, table 1.

Communities without schools and medical care are highly likely to be unsustainable. Governments are unlikely to build further facilities in the hundreds of communities without schools and medical care. The recently announced Innovative Child Care Service Hubs which are to be rolled out in Aboriginal communities will not be located in every discrete Aboriginal community. In choosing which will receive a centre and which will not the Government is in effect deciding which communities are viable and which are not. The roll out, however, is taking place in a manner which implies that all centres will receive one eventually.⁶⁷ This promise has not been delivered for schools or medical services, and it is not likely to be delivered for child care.

V ANALYSIS OF HOUSING PROGRAMS

Given the state of remote communities and the poor record of previous indigenous housing policies in these communities, some analysis of the current and likely future policy settings is warranted. The major indigenous housing program: the Community Housing and Infrastructure Program (CHIP) was subjected to a review in 2007. The Review recommended its abolition because ‘the housing needs of indigenous Australians in remote areas have not been well served and the interests and expectations of taxpayers have not been met.’⁶⁸ CHIP funding has been used as a substitute for mainstream public housing in urban and regional areas. It has encouraged poor construction and maintenance of housing stock. CHIP has been administered by a fragmented and inconsistent Indigenous Community Housing Organisation (ICHO) sector and constrained by community title over land and housing. There is no single, accurate set of expenditure and outcome information available for CHIP. There is no complete national record currently available that details the location and condition of housing and related infrastructure delivered

⁶⁷ See for example <http://www.facsia.gov.au/internet/facsinternet.nsf/aboutfacs/budget/budget2007-07_indigenous_21.htm> at 18 December 2008.

⁶⁸ FaCSIA, above n 13, 16.

through CHIP funding. Similarly, there remains no accurate advice of the legal status of ownership of CHIP-funded housing or other assets.⁶⁹

CHIP focuses on capital expenditure at the expense of recurrent funding for asset maintenance resulting in a 'running down' of existing infrastructure. It has created many small, fragmented ICHOs as grant recipients that do not always collect adequate rent to fund their operations or ensure proper accountability. Significant funds have been wasted through administrative costs, overheads, bureaucratic red tape, poor governance and expensive, poorly designed houses unsuited to the needs of their occupants. The Review heard evidence of quotations of more than \$800,000 to build new housing in some remote communities. Similarly, quotes to buy housing in some capital cities were more than \$600,000.⁷⁰ Over 80 per cent of ICHOs manage 50 dwellings or less, the average rent collected is \$40 per week. Small ICHOs cannot operate viably on this basis to properly manage tenants and assets. The program does not comply with its objectives to foster the economic independence and wealth creation that housing can provide as an asset.⁷¹ Around 21, 000 houses have been gifted to 616 ICHOs located across Australia. Approximately one in four of these houses requires some type of repair or replacement due to lack of maintenance, faulty construction, age, use of asbestos or the houses are no longer being occupied because they are uninhabitable.⁷² Despite the problems identified and the Review's findings the Government has persisted with the basic direction of CHIP.⁷³

In February 2008 the Rudd Government announced the establishment of a Joint Policy Commission to develop remote Aboriginal housing solutions and in conjunction with the Northern Territory Government they have committed to a jointly funded major program for indigenous housing in NT communities. The anticipated total value for this program is \$647 million. This initiative builds on the Howard Government's Australian Remote Indigenous Accommodation (ARIA) Program⁷⁴ to construct new houses and repair and upgrade existing houses in remote locations

⁶⁹ Ibid 21.

⁷⁰ Ibid 17.

⁷¹ Ibid 17.

⁷² Ibid 19.

⁷³ Jenny Macklin, '\$64.6 million committed to Northern Territory for Indigenous housing', (Press Release 16 January 2008)
<http://www.jennymacklin.fahcsia.gov.au/Internet/jennymacklin.nsf/content/nt_housing_16jan08.htm at 18 December 2008>.

⁷⁴ Brough, above n 37.

across the country.⁷⁵ The new program will begin to satisfy the NT's requests for additional funding which have been commonplace for some years.⁷⁶

In assessing the new Government's plans it is hoped that they do not repeat the mistakes made by CHIP and other programs. There are ways in which they can avoid the same pitfalls. In developing future policy for remote communities the Government will need to distinguish between: emergency accommodation such as hostels⁷⁷ for men and shelters for women and children, where the need is proven; transitional accommodation like caravans and demountables for Aborigines visiting remote areas and more permanent accommodation such as private housing or housing commission-style dwellings in permanent communities only where there is a reasonable prospect of a proper maintenance program. The permanent accommodation option should involve the collection of rent and be available only to those who comply with the standard responsibilities attached to tenancy agreements and social security benefits, in particular the obligation to search for work.

In developing their policy the Government should distinguish four types of location –

- Outstations and homelands – with no permanent accommodation unless a case for economic viability is proven.
- Larger indigenous settlements – where land title changes are essential before there is any public and private investment. These settlements are not likely to be economically viable but regional stability dictates some public investment.
- Country towns – which will experience stress due to influx of Aboriginal settlers should be better provided with services, including 'refugee' resources and facilities.
- Major cities and regional centres – where any shortfalls should be handled by mainstream services, including 'refugee' resources and facilities.

The Government should explore the location and eligibility for each form of accommodation. Such exploration should be undertaken on the basis that Aborigines when informed of their options may consider them and make decisions about where to live. The aim should be to house people in a sustainable fashion. The only way to do this is to encourage people to pursue opportunities and be rewarded. Those who won't or can't seize the opportunity should not be housed in the same manner as those who do.

Another issue in remote locations is the difficulty of protecting those who want to escape bad behaviour. The Government should encourage secure housing in large

⁷⁵ ARIA funds replace Community Housing and Infrastructure Program and will be spent on new houses or upgrades only where ownership of the houses could be transferred to state/territory housing authorities made available for purchase by individuals. ARIA will also provide assistance for Aboriginal people to directly purchase new homes or to lease-purchase a home.

⁷⁶ Northern Territory Government, *National Issues in Indigenous Housing 2004-05 and Beyond* (2004) 5. The NT Government reported a \$2 billion shortfall in indigenous housing and the need for \$100 million annually over a 20-year timeframe to make up the deficit.

⁷⁷ A model for this type of accommodation exists with Aboriginal Hostels Limited, which is a company that provides temporary accommodation to Aboriginal and Torres Strait Islander people.

Aboriginal communities, country towns and regional centres to allow Aboriginal inhabitants to escape humbugging.⁷⁸

Accommodation solutions will require a suite of other policies to reinforce the responsibilities attached to the housing market. These will range from welfare obligations, specifically income management as with the Emergency Response initiatives, land title changes, 'refugee' services to assist resettlement, and financial schemes such as 'sweat equity',⁷⁹ 'financial literacy'⁸⁰ and government special assistance⁸¹ to encourage home ownership.

Finally, infrastructure expenditure should be approached with caution and incorporate discussion about future viability. In this regard, structural adjustment will be essential as many communities face change in their livelihood and location. Structural adjustment requires that governments assist people to move and establish themselves where prospects are better, or if not, be made aware of the consequences of remaining.

⁷⁸ Etherington, above n 26.

⁷⁹ Habitat for Humanity model involves building a house using volunteer labour, donated material, 300 hours of owners' time and a mortgage.

⁸⁰ Australian Bankers' Association Inc. <<http://www.bankers.asn.au/default.aspx?ArticleID=984>> at 26 July 2008.

⁸¹ West Australia Government's *Keystart* program is exemplar of many state programs, and *Indigenous Business Australia* has a range of loan products.

VI CONCLUSION

There are major barriers to the adjustment of remote area Aborigines to the requirements of the modern economy. Governments can either ignore these barriers or continue to regard an absence of preparedness to engage in the modern economy as a deficit to be filled with the gift of make-work schemes and government housing.

The weight of evidence is that non-Aboriginal people can succeed in remote areas provided they live there only so long as they are employed. Aboriginal people in these areas have few job prospects because of language and skills difficulties. As Noel Pearson has argued welfare programs that seek to save communities and ignore the needs of individuals are headed for a fall.⁸² Future housing programs should be based on employment and income prospects, and need to anticipate change, not fill old gaps. Anything less than a 'no job, no house' mindset will harm Aborigines.

Many remote communities are not economically viable. As some elements of support start to be withdrawn, the viability issue will become more acute, outmigration will intensify, and the indigeneity of regional centres will rise. Housing will need to be built where people congregate and where there is economic opportunity. Policymakers are not ready for the changes because so much intellectual investment has been devoted to the remote communities and land rights solutions to Aboriginal identity politics.

Unfortunately policy makers have created a dependent people with a recreational lifestyle. And the gap in living conditions, longevity and general well-being is stark and deteriorates with remoteness. The supposed beneficiaries of the progressive stance of indigenous policy of the past 40 years are the ones who suffer, while those who have escaped the land are best placed to survive.

The response to Aboriginal housing problems must be based on an honest policy appraisal. A target to roll out houses or play catch up with a housing deficit will not address the underlying problem. Policy makers have three alternatives. Firstly, if the policy goal is to house Aborigines to a standard equal to other Australians, Aborigines will have to live like other Australians. Second, if the goal is to house Aborigines in a 'culturally' appropriate way, the result will be inadequate housing and continuing poor behaviour. Third, policy makers may choose a neutral policy stance and allow Aborigines to choose their future in the full knowledge of the consequences of their choices. The housing policy that is most appropriate is one that allows people to choose where to live in the honest appraisal that if they remain in places where there is no economy, they will continue to suffer socioeconomic disadvantage.

⁸² N Pearson, 'What is Welfare?' <<http://www.cyi.org.au/welfarereform.aspx>> at 22 October 2008.