

## **Offer could aid people who need it**

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First question: who most needs to be encouraged, whether pushed by obligation or pulled by incentives, to take jobs when they're available?

Answer: society's most disadvantaged and needy people.

Second question: who would benefit most from taking jobs when they're available? Answer: society's most disadvantaged and needy people.

Third question: who are government leaders and policy-makers least willing to encourage into jobs?

Answer: society's most disadvantaged and needy people.

It is this senseless contradiction between the answers to the first two questions and the answer to the third that explains why indigenous Australians represent such a disproportionate number of those who languish in poverty.

It also explains why this situation will continue as long as the contradiction is not resolved.

When the issue is laid out like this, the proper policy is a no-brainer: it is the most disadvantaged and needy who most need to take available jobs.

The problem with the commonsense notion that jobs - not welfare income support - are the only way out of poverty, is it is counter-intuitive to our notions of social compassion and empathy. It is intuitive for us to excuse the most disadvantaged and needy from the need, let alone the obligation, to take jobs.

But it requires little commonsense to expose the problems with our social intuition. We just end up allowing the most disadvantaged and needy to remain in poverty - courtesy of our gracious compassion.

You want to talk about social injustice? The unemployment rate of indigenous Australians is a gross injustice, especially in a prosperous country. The welfare reforms of the Howard era were not sufficient to bring the benefits of jobs to the most disadvantaged and needy families. And I see no appetite in the Rudd Government for anything more than fiddling with the issue.

If anything, the Rudd Government's approach is to ameliorate the "harsh" aspects of the Howard-era reforms. I have seen no desire to succeed where the former government failed.

Enter Andrew Forrest. One of the country's most successful industrialists, Forrest has initiated an idea without parallel. The extraordinary feature of the Australian Employment Covenant is that Forrest and his private-sector colleagues are setting the goal of guaranteeing 50,000 jobs for indigenous Australians.

It cannot be overstated how fundamentally this opportunity changes the landscape.

Governments and other organisations have tried to support indigenous people in manifold ways into a life of training and work. Many organisations have pushed to connect Aboriginal job-seekers and employers. Some organisations have moved hundreds or thousands of indigenous people into the real economy.

But the promise of 50,000 private-sector jobs may make a strategic difference to the socio-economic status of all indigenous people, remote as well as urban.

Including dependents, this offer corresponds to a normalised life, at least in economic terms, for 200,000 people - a bit less than half the indigenous population.

If successful, the covenant would solve the most urgent problem: namely that vast regions of indigenous Australia are dominated by passivity and exclusion.

There is much more to reconciliation: land issues, symbols, culture, language, business development, fighting substance abuse, housing, health and education.

But the comprehensive transfer of working-age people into the real economy is the key to closing the gap. Without this change, other gains will not last.

In effect, the covenant offers to do most of the governments' work for them. It is therefore the duty of governments, especially the federal Government, not to squander this opportunity.

However, the opportunity will be squandered unless the Government takes stronger - and ultimately more compassionate - measures to encourage people off welfare and into the jobs that will become available.

It would be possible to proceed with the 50,000 jobs initiative without legislation, and on the basis of policy commitments alone, but I believe the initiative would not penetrate deep enough into the unemployment problem in indigenous Australia.

An Australian Employment Covenant Bill is needed to give legislative structure to this initiative. Legislation would provide a single reference point for employers, workers and potential workers, and give people confidence such an opportunity is reliable and protected.

Three sets of measures are required to ensure a broad-scale take-up of the covenant. First, we need to make a job opportunity a very attractive destination to an unemployed person or family.

A "work opportunity package" that is available to an individual who signs up to the covenant would provide support mechanisms and incentives to move into work, and a pathway to home ownership if that is what the individual chooses.

Second, we need to introduce stronger measures to push a person off welfare and into a job opportunity. Specifically the "90-minute rule" needs to be amended. This rule says a person is only obliged to take a job within a 90-minute commuting distance, which renders the rule virtually meaningless for remote residents.

The Government should legislate to exclude this rule from applying to people under 21. The effect would be the meaningful introduction of the "earn or learn" policy Kevin Rudd promised before last year's election.

Third, the Government should introduce measures that safeguard against welfare reversion. There is a real risk that an individual will take up a job opportunity only to drop out after a few weeks or months. Participant drop-out would not only be bad for the individual participant, but would cause a drop in employer confidence in taking on indigenous people in the future.

The Rudd Government is to be commended for its reconciliation policies. In two areas - symbolic reconciliation and addressing social dysfunction - the Government is showing its mettle, most recently by staying the course on the radical Northern Territory intervention program.

In the third, an opportunity has appeared that no government could have created. Will the Government do what only a government can do to allow the AEC to shift the centre of gravity of indigenous Australia from the welfare zone to the real economy? The Rudd administration will ultimately be judged on this.

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