

**Submission to the Senate Finance and Public Administration
Committee: The appropriateness and effectiveness of the
objectives, design, implementation and evaluation of the
Community Development Program (CDP)**



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About AMSANT

AMSANT is the peak body for the Aboriginal community-controlled health service (ACCHSs) sector in the Northern Territory which has played a pivotal role in addressing the burden of ill health carried by Aboriginal people. It is from the perspective of our sector's long history of providing health services to, and under the direction of, Aboriginal communities, and working alongside government to meet those needs, that we provide the following responses to this Inquiry's Terms of Reference on the appropriateness and effectiveness of the objectives, design, implementation and evaluation of the Community Development Program (CDP).

Introduction

Providing opportunities for employment and community development whilst maintaining the welfare safety net available to all Australians, is an area of public policy which is vital to the wellbeing and interests of Aboriginal people, particularly those living on the remote communities and homelands of the Northern Territory. AMSANT would like to express its serious concerns that the current Community Development Program (CDP) is causing significant and unnecessary personal and community hardship, exacerbating poverty and wellbeing in the most disadvantaged communities in Australia.

AMSANT supports the view of the Aboriginal Peak Organisations NT (APO NT) that a new program is needed, one which is developed through a genuine process of broad consultation and engagement with Aboriginal and Torres Strait Islander people and communities. AMSANT has endorsed the alternative CDP model developed by APO NT which has been submitted to this inquiry.

There are few policies that continue to have such a major impact upon the everyday lives of Aboriginal people in remote communities. Given the change fatigue that has accompanied the successive major reforms of remote employment programs over the past decade, we urge the Australian Government to ensure that the fundamental changes necessary to the current program are based upon a process in which Aboriginal people are equal partners with government in the design, development and implementation of the changes.

Response to the Terms of Reference for this Inquiry

a. The adequacy of the policy process that led to the design of the CDP

Aboriginal community control and empowerment should be at the heart of the design and delivery of all services to Aboriginal people. This should be the case not only in respect of the rights of Indigenous Australians as First Peoples, but equally because these principles are essential to achieving program success.

The process through which CDP was designed provided little meaningful opportunity for open and transparent engagement with affected communities, organisations and other stakeholders. This was particularly the case for the Work for the Dole requirements, which were introduced in the transition from the former Remote Jobs and Communities Program (RJCP).

The introduction of the Work for the Dole requirements within the CDP is not supported by evidence. An evaluation of Work for the Dole completed in 2014-15 in non-remote areas found that only an additional 2 percentage points were gained in the probability of job seekers getting a job (Kellard et al. 2015). Given that the employment benefits of Work for the Dole are marginal at best in non-remote areas, it is likely that the benefits in remote areas, with significantly limited labour markets, will be even lower.

The Work for the Dole requirements within the CDP are also failing to achieve the proposed transitions to more permanent employment. AMSANT has heard anecdotal evidence suggesting significant negative individual and community impacts resulting from breaches of the Work for the Dole requirements, including lost income and increasing disengagement from the program. Research examining Work for the Dole schemes in Australia broadly supports this position, finding that these schemes frequently have a significantly negative effect on transitions into employment (Borland and Tseng 2004).

Additionally, the recent transition in terminology from the RJCP to the CDP has been perceived by many community members as deceptive and misleading. While the current program may borrow from the former Community Development Employment Program (CDEP) in its terminology, the principle of community development that underpinned CDEP through communities' ability to administer wages and other aspects of the program has not been reinstated within the CDP. This distinction is not lost on Aboriginal communities in the NT.

b. The nature and underlying causes of joblessness in remote communities

Lack of employment opportunities is a principal cause of joblessness, particularly in small rural and remote communities where labour markets are weak and job numbers are low. The few jobs that are available are frequently filled by people from outside of the community, often non-Indigenous, though not always more highly-skilled.

Lack of employment opportunities is a consequence of the broader economic position of remote Aboriginal communities in the NT, which is heavily influenced by government employment and community services policies. Successive government policies have resulted in the defunding or diversion of program and service delivery funds away from local Aboriginal organisations to NGO and private providers, and the removal of local Aboriginal governance structures, including the former ATSIC Regional Councils and the Community Government Councils. This shift to mainstream program and service delivery and abolishing of Aboriginal governance structures in favour of top down bureaucratic and Ministerial decision-making, has resulted in the significant loss of local employment opportunities and undermined the social fabric of communities. The decision to abolish CDEP and with it tens of thousands of paid jobs—albeit mostly part-time—without the capacity or prospect of replacing those jobs with anything but Work for the Dole, has been a short-sighted and entirely predictable failure of government policy that has expanded and entrenched joblessness and disengagement in communities.

These decisions have involved both Northern Territory and Commonwealth governments and both sides of the political divide, and each must take a share of responsibility for fixing the damage that has been created.

In addition to the lack of local Aboriginal organisations and enterprises supported to provide local services which in turn provide employment, joblessness is impacted by a number of interrelated factors which effect the health and wellbeing of individuals and their capacity to access and retain jobs. If the situation of employment in remote Indigenous communities is going to improve then it is absolutely essential that investments are made across a range of critical areas. This includes improving the availability of housing and reducing overcrowding, and improving educational attainment. It means improving early childhood and family support services, as well as mental health and social and emotional wellbeing services, and reducing alcohol and other drug-related harms, including through expanded youth programs and amenities (Nous Group 2017).

Aboriginal community controlled health services delivering comprehensive primary health care is an important and proven model that provides community-led health and related services that help to address many of the underlying causes of joblessness.

It is also the case that jobless numbers are inflated by the inclusion within CDP of many individuals who are unable to work due to disability, ill health and other barriers. It is essential that such individuals are provided with the supports that they need. A key element

of the alternative model proposed by APO NT is to ensure better access to assessment processes and appropriate support for those with disabilities, health and other barriers to participation. AMSANT is deeply concerned about the impacts on the health and wellbeing of vulnerable individuals who are not being provided with the support they require and may be subject to unfair penalties within a scheme that is manifestly not appropriate for them.

On the other hand, the full extent of joblessness is also masked by the significant number of working age people, particularly younger men, who are classed as not-in-the-labour-force (NILF) or who have entirely disengaged from the welfare system. Although there is much anecdotal evidence about the latter, there does not seem to have been collection of data by the government to quantify this cohort.

High levels of disengagement highlight the significant impact of disempowerment as an underlying cause of joblessness. Government policies such as CDP have removed any semblance of individual and community agency in the program, substituted by onerous and inflexible rules and in most instances, a lack of resources and capacity to provide meaningful and relevant activities. Indeed, CDP has itself become an underlying cause of joblessness.

c. The ability of the CDP to provide long-term solutions to joblessness, and to achieve social, economic and cultural outcomes that meet the needs and aspirations of remote Indigenous people

The current CDP has failed to provide long-term solutions to joblessness, and to achieve social, economic and cultural outcomes that meet the needs and aspirations of remote Indigenous people.

The process through which the CDP has been developed has been centrally driven with no real opportunity for communities to determine the key elements of the program. Community engagement has been largely limited to consultation undertaken by providers about activities. However, providers have insufficient resources to ensure adequate or appropriate activities and consequently there is little community ‘buy-in’ to the program. In some instances, these deficiencies have been mitigated by Aboriginal CDP providers that have been able through their own resources, and by virtue of their community governance, to ensure community-driven outcomes to the maximum extent possible.

The discriminatory and onerous activity requirements and aggressive breaching regime, that includes financial incentives for providers to breach individuals, contribute to disempowerment and disengagement. AMSANT member services have reported the disregard and disempowerment felt by communities about CDP, and that individual community members are not motivated to participate in the program, with significant numbers regularly failing to attend or disengaging completely.

AMSANT has heard a number of concerns from member services, subsequently discussed at our members’ general meetings, regarding impacts caused by CDP. For example, increased food insecurity, with reports of young pregnant women going without meals for days at a time; an increase in parents accessing school breakfast programs; and reports of reduced food sales at community stores. As mentioned above, there are also reports that some participants—particularly young men—have disengaged completely due to the onerous nature of the program, and are relying on their families to support them. This adds to an already existing problem of significant numbers who have disengaged from welfare,

and very high rates of NILF, the combined effect of which has been to place further strain on already over-stretched and inadequate household incomes.

The lack of data collected or available from government on the circumstances of CDP participants and the extent of disengagement is of concern. What we do know is that the government is prepared to expend a huge amount of money and resources just so it can track on a daily basis the attendance of every individual on CDP but not, apparently, their circumstances. The picture that emerges is one of misplaced priorities that have slipped from one of the primary objectives of the welfare safety net—the wellbeing of unemployed individuals and their families.

It should also be noted that while these accounts are anecdotal they are nonetheless persuasive. They have been reported by services located in remote communities that are providing health and wellbeing services to the members of those communities and receiving first-hand accounts of impacts being felt. Food insecurity concerns are supported by store turnover data. Moreover, given the stark acceleration of breaching in communities since CDP started and the absence of other major policy changes over that period, it is not an unreasonable conclusion to draw that the CDP has been a significant contributing factor.

The work that is offered through the CDP program often lacks meaning for participants at a personal and community level and the definition of what qualifies as work under the program provides reduced scope for recognition of culturally-based activities. People are much more likely to see value in the work that they are doing when the activities are aligned with personal or community objectives and aspirations. Disengagement will occur where this is not the case.

The current CDP fails to acknowledge the wide range of different circumstances in remote communities and provide sufficient flexibility within the program to accommodate this. Under the program, the requirements for activities are set out in the contract and guidelines with strict, mainstream definitions for what qualifies as work, and inflexible working hours. Work in the customary economy is only allowed in the program if it is valued by the market economy and if it fits within the program's requirements for supervision and for maintenance of time sheets.

CDP participants are very aware of the difference between working for wages and Work for the Dole and the latter is strongly associated with control by the government, rather than local organisations or authorities as has been the case in the past. AMSANT's member services have highlighted the stigma and negative impact to social and emotional wellbeing that participants associate with being on CDP and Work for the Dole. This is further exacerbated by the fact that Work for the Dole under CDP appears to be becoming an end in itself, with little or no prospect of earning additional income or coming off income support.

A Closing the Gap Clearinghouse report examining possible pathways for Indigenous school leavers highlights that wage subsidy programs are consistently identified as having the best outcomes for Indigenous jobseekers, and that evidence on outcomes highlight the benefits of Indigenous participation in the design of these programs (Hunter 2010).

Reform of the CDP is urgently required to enable greater participation of community organisations with a greater focus on job creation through social enterprise development and locally relevant economic development. This should include stronger pathways and links with existing successful initiatives, such as Ranger programs, and significant areas of

ongoing government investment in community infrastructure and services, such as housing and health.

d. The impact of the CDP on the rights of participants and their communities, including the appropriateness of the payments and penalties systems

Work for the Dole requirements under the CDP are significantly more onerous than what is required of participants in non-remote areas. Under the jobactive program, for example, Work for the Dole only commences after six months on the program and requirements are around half the hours and period of the year worked than for participants under the CDP.

Given that the vast majority of CDP participants are Indigenous, AMSANT supports the assertion by Jobs Australia (2016) that the Work for the Dole requirements for remote participants under CDP are potentially discriminatory. By establishing a system in which the requirements of remote Indigenous jobseekers are far higher and more onerous, CDP participants are being stigmatised and, in a practical sense, set up to fail.

High rates of financial penalties have significant negative impacts for individuals, their children and families, and for their communities more broadly. Serious penalties, which involve up to 8 weeks without income support, can be particularly harmful and have serious flow-on effects. These include an inability to pay rent and fines, further impoverishment and a reduced capacity to engage in services, with increased risk of mental health and social and emotional wellbeing impacts and long-term disengagement.

Requirements must be adjusted to be no greater than the requirements of other income support recipients, and in such a way that most participants can meet them most of the time. It is absolutely essential that participants and their communities have sufficient income to pay for basic life necessities, and that the welfare safety net operates to achieve its primary aim of ensuring the welfare of the individuals and their families that are forced to seek support under it.

e. The funding of the CDP, including the use of unspent funds in the program

The funding model has proven to be extremely complex and administratively burdensome for providers, with most employing dedicated data entry staff to manage the extremely heavy reporting workload. While many providers try to provide genuine individualised assistance, they are limited by the amount of administration that is required under the contract, high caseloads, the skills and high turnover of staff and limited local opportunities.

Relaxation of compliance around a reformed scheme will free up resources for Remote Jobs Centres to direct towards supporting participants and activities. It is also recommended that the current Indigenous Enterprise Fund be re-focused on social enterprise development to support local social enterprise organisations that are critical to the development of community economies.

The current CDP contract requires providers, through the national job seeker compliance framework, to recommend financial penalties in order to receive certain payments. This removes provider discretion and places them in a situation where in order to continue providing the program they must recommend penalties that they know may detrimentally impact the lives of their participants. This is a failure of the social security system for some of the most vulnerable members of our community. Funding of a reformed scheme must

ensure that the welfare and wellbeing of participants are not undermined by compliance measures.

f. The extent of consultation and engagement with Aboriginal and Torres Strait Islander communities in the design and implementation of the CDP, and the role for local decision making within the program

Under the current CDP, we have seen a decline in community control and local authority. A lack of transparent and formalised consultations with communities and providers has been an ongoing issue throughout the development of CDP and proposals for its further reform.

A review of the CDP program by Jobs Australia (2016) found that there has generally been little real community control or engagement in decision-making within the development and implementation of CDP and consequently little community 'buy-in' to the program.

An alternative program built around meaningful partnerships and the devolving of authority to local people, rather than a top-down compliance driven approach, would allow communities to determine their own objectives and targets for development. This kind of community development approach increases the motivation and incentive for community members to comply with program requirements, and allows local organisations to develop capacity to deliver the program over the long-term.

Local Aboriginal organisations with a commitment to remote NT communities are essential to any successful employment model. These organisations have long-standing relationships with their local communities and are best-placed to understand and communicate local needs and aspirations in terms of community participation and development.

Under the current CDP program the strengths and community knowledge that these organisations bring with them are not being effectively utilised or developed due to the lack of a role for communities to determine what kinds of work would be of greatest benefit to their community.

g. Alternative approaches to addressing joblessness and community development in remote Indigenous communities

AMSANT endorses the APO NT's proposed Remote Development and Employment Scheme and recommends the adoption of this model as an alternative to the current CDP. This proposal has been developed by APO NT following significant consultation with Aboriginal CDP service providers, Indigenous organisations, employment experts and others, including through a forum convened in December 2016 attended by over 20 organisations.

This model is community-driven and recognises the need to have a long-term plan to support people to develop relevant skills and to engage local Aboriginal organisations in order to increase economic opportunity in remote areas. It aims to increase the number of jobs in communities, foster greater participation and development, and to minimise the presence of the welfare system in people's lives. The scheme includes paid employment at award wages for around 10,500 people, and a youth engagement component based around paid work experience. Importantly, the scheme is broad enough in its terms so that it can be adapted and suited to the particular situation, needs and aspirations of individual communities.

Under this scheme individual CDP providers would be replaced with Remote Job Centres whose primary focus would be supporting individual case management rather than administration and compliance. Oversight of the program would occur through an independent body with an Indigenous-led board.

APO NT is proposing a gradual roll-out of the new arrangements, with further negotiation and ongoing consultation with communities, organisations and their peak bodies. In the meantime, immediate program changes should be made to reduce the level of harm being done by existing Work for the Dole requirements and penalties.

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