

Submission to the Inquiry into the appropriateness and effectiveness of the objectives, design, implementation and evaluation of the Community Development Program (CDP)

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Dear Secretary,

I welcome the opportunity to make comments.

My submission will draw attention to

1. The adequacy of the policy process that led to the design of the CDP;
2. The nature and underlying causes of joblessness in remote communities;
3. 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;
4. The impact of the CDP on the rights of participants and their communities, including the appropriateness of the payments and penalties systems;
5. The funding of the CDP, including the use of unspent funds in the program;
6. 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;

Summary

This submission is based on my thirty year association with Indigenous communities in remote Central Australia as an educator and researcher. My comments draw on long-term observations (1997-2017) of CDEP, RJCP and CDP in the 'Ngaanyatjarra Lands' communities in south-eastern Western Australia. I also undertook a consultancy for the Shire of Ngaanyatjarraku in 2016 to assess the impact of CDP on Ngaanyatjarra participants in Warburton, the largest of the Ngaanyatjarra Lands communities (Kral 2016).

This comparative perspective leads me to argue that CDEP was a far more effective system than CDP in dealing with the large and diverse labour surplus context in remote Indigenous Australia. In this submission I will recommend that CDP be dissolved in favour of a locally-controlled, wages and grants-based system that incorporates the positive features of CDEP. This is in line with global interest in Unconditional Basic Income—in comparable situations where there is an over-supply of labour combined with marginal chances of participation in full or part-time wage labour employment that may lead to a potentially serious poverty trap (Altman 2016; Klein 2016). In such conditions of extreme labour surplus, empowering income support programs, such as the old CDEP model, is far more productive than the expensive and punitive CDP model currently implemented by the federal government.

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

Since 2005 we have witnessed an unprecedented avalanche of policy change in Indigenous affairs in remote Australia, most clearly exemplified in the transition through multiple ‘employment’ policies from 2005 to the present. The process of policy change has been top-down and paternalistic, with no proper consultation with Aboriginal people and their constituent organisations on the ground. These rapid fire changes have been predicated on the misguided notion that CDEP was welfare dependency or ‘sit down money’, and that this so-called welfare dependency led to community and family dysfunction. These changes have reinforced a false picture of Aboriginal engagement with meaningful productive activity and have relayed to the wider Australian public the misguided notion that ‘real jobs’ and Aboriginal participation in the ‘real economy’ in remote regions is a realistic aim.

Such constant change has also meant that Aboriginal people in remote communities have had limited capacity to understand what is going on and the implications of these changes. At a local level pre-existing community support organisations have been defunded, rendering them unable to provide the support required to navigate this shifting terrain. At a national level such policy changes are expensive and often ineffective and there is little indication of adequate program evaluation. This has led to disengagement, disempowerment and growing resentment of what is seen as government control and interference. Moreover, an inappropriate one size fits all approach has not taken account of particular situations like that of the Ngaanyatjarra Lands.

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

I argue that the inadequate design of CDP is based on an apparent lack of understanding by policymakers of: a) the historical contingencies that led to the introduction of CDEP that are still as relevant today as they were in 1977; b) the factors that made CDEP a success; c) the nature of the labour market in remote Australia; and d) the downstream effects of CDP on groups like the Ngaanyatjarra. Consequently this has led policymakers to focus on individual behaviours and community characteristics, rather than structural factors, as the ‘cause’ of joblessness in remote communities:

Remote communities are characterised by a weak or non-existent labour market and entrenched social dysfunction that stems from idleness and a lack of daily activity. Programme Logic Model for the reformed RJCP (effective 1 July 2015)

I will use the Ngaanyatjarra Lands case study to elucidate my argument.

On almost all indicators the Ngaanyatjarra Lands is one of the most socially and economically disadvantaged regions in Australia, with the lowest per capita income of any local government area. There is also minimal access to the services and institutions taken for granted by most Australians (with the closest banks and Centrelink offices in either Kalgoorlie or Alice Springs some 1000 kms west or east). Yet these communities have a history of working together to improve their circumstances and to ensure that they survive and thrive. Some Ngaanyatjarra started ‘working for their living’ (i.e. the exchange of labour for rations) on missions and pastoral stations from the 1930s, while others continued a nomadic hunter-gatherer existence until the 1960s. In the 1970s, unprecedented access to cash came with the introduction of Unemployment Benefits (UB) and this, coupled with the beginning of non-restrictive drinking rights in 1971, aggravated law and order problems. By the 1980s, competition for scarce resources engendered high levels of social tension, chaos, dysfunction and violence. The implementation of CDEP paved the way for a period of law and order and relative economic stability across the ‘Lands’. CDEP also created working behaviours and localised the bureaucracy. By contrast, under the current policy of CDP, everyday life for many Ngaanyatjarra people has deteriorated into misery, and CDP has undermined and unravelled pre-existing behaviours and systems built up over many decades.

I now outline the historical factors that led to the inception of CDEP in 1977 and the ensuing policy changes:

- **1930s-1950s** Warburton Ranges Mission imposed a system for the receipt of rations in exchange for labour, or ‘reward for effort’. In 1959 amendments to the *Commonwealth Social Services Act* allowed ‘nomadic’ Aborigines access to welfare benefits previously denied: child endowment and the pension for aged, widowed and invalid people, giving some remote people their first access to cash.
- **1950s-1960s** A coercive Native Welfare policy in Western Australia inculcated the relationship between education, employment and citizenship. Even though the 1963 amendments to the *Native Welfare Act* removed many of the last restrictive regulations pertaining to Aboriginal people, adolescents and young adults were compelled by Native Welfare policy to participate in a hostel training and employment program until 1972. By the end of the 1960s, declining employment prospects and the proportion of structurally ‘unemployed’ men, (i.e. surplus labour), brought the question of Aboriginal eligibility for UB to a head. Linked with this was the growing realisation that the new ‘citizenship’ rights for Aboriginal people needed to equate with access to the full range of social security benefits available to all Australians, including UB. Yet, at this time, Aboriginal people in remote Western Australia were caught in a vicious cycle: lack of employment was exacerbated by the inability to qualify for UB and by the Department of Native Welfare trying to rid their offices of those still receiving government rations (Jebb 2002; Rowley 1972 [1970]; Rowse 1998).
- **After 1972** A newly elected federal Labor government declared that all Aborigines should be paid award wages when in employment, or otherwise be eligible for the full range of social security payments, including UB, and this contributed to high unemployment (Sanders 1986: 285). Significant numbers of remote Aboriginal people had been used to ‘working for their living’, then access to UB or ‘free money’ introduced a number of dire social problems, including escalating alcohol-related violence. Various short-term initiatives did not resolve the primary conundrum: Aboriginal settlements in remote Australia did not form part of the open labour market, and UB was an inappropriate institutional mechanism for a location with so few employment options.
- **1977-2005** The federal Community Development Employment Projects scheme (CDEP) was initiated to meet the unusual requirements of remote communities. The Ngaanyatjarra communities at Warburton, Wingellina, Blackstone, Giles and Jameson were included in the early ‘experimental phase’ of CDEP.
- **2005-2009** CDEP continued in its original form until 2005. From July 2009 while old CDEP participants remained on ‘wages’, new participants were shifted to Centrelink payments.
- **July 2013** The Remote Jobs and Communities Program (RJCP) was implemented as a government-funded-labour market program across remote Australia.
- **July 2015** RJCP was renamed and restructured as the Community Development Programme (CDP). This saw a move from community controlled employment to control by the Department of Prime Minister & Cabinet (PM&C), administered by CDP organisation with all payments mediated via Centrelink and the Department of Human Services (DHS). Under CDP all jobseekers who receive activity-tested income support payments would have mutual obligations—that is, activities that they agree to participate in or undertake, in return for their income support.
- **December 2015** the *Social Security Legislation Amendment (Community Development Program) Bill 2015* was introduced into Parliament. This Bill built on the July 2015 CDP Bill to establish a more direct and immediate income support payment and compliance regime, and stronger incentives to work for remote jobseekers. This Bill has lapsed.
- **2017** Minister for Indigenous Affairs Nigel Scullion announces that he will reintroduce the Bill. He plans to reform CDP so that participants will be paid by the hour rather than by the day (and be penalised by the hour), and that communications regarding payment and appeals will be handled directly by the CDP Provider rather than Centrelink.

Ultimately, despite all these policy initiatives in the employment domain in remote regions, the structural conundrum remains the same. Remoteness and distance combined with unique ecological and historical circumstances mean that there is essentially still no labour market economy in most remote communities. Coupled with this is the reality that social and cultural ties to traditional land compel many remote groups to stay living on the land of their ancestors. Therefore remote Aboriginal people are less likely to move to other locations seeking employment. Furthermore, the relationship between work, and productive and meaningful activity or livelihoods is still so tied to the norms and practices of the past in this unique cross-cultural setting.

All these factors lead me to conclude that like UB, CDP is an inappropriate institutional mechanism for remote locations with few employment options.

By comparison, CDEP was effective in remote Australia because it operated as a realistic form of mutual obligation by providing income support to adults in locations where there were few or no employment options. Adults in those regions fulfilled the compact by participating in a range of community development, enterprise development or service delivery activities. When compared to other programs for the unemployed, CDEP improved outcomes in terms of participation in additional top-up employment activities, productive non-market livelihood projects, and cultural, family and community obligations leading to overall higher rates of individual and community well-being (Altman 2016). In addition, primary carers or those with health issues or disabilities accessed Centrelink social security support separately from those who were paid under the CDEP scheme. Yet CDEP provided an income support safety net for the whole community. People on CDEP were considered employed. Everyone received an unconditional base payment of 15 hrs per week which provided a reliable and predictable income and the capacity to attend to family and cultural obligations without being penalised with no payment. This base payment ensured that there was in-built flexibility in work modes allowing income to increase or decrease without leaving individuals financially destitute. A high number of CDEP participants worked above the 15 hrs per week requirement and received top-up that led people to earn an adequate income relative to the local economy.

CDEP generated a wide range of jobs and projects and there was a sense of community control. CDEP was funded by block grants so the obligation of participants was to the administering community organisation, not the federal government. Where CDEP was administered by well-resourced organisations with adequate institutional capacity (such as Ngaanyatjarra Council Aboriginal Corporation) these CDEP organisations had the autonomy to initiate and administer meaningful and productive activities of relevance and use to the community. In the Ngaanyatjarra Lands CDEP was the underpinning government program that enabled the Ngaanyatjarra to manage their communities and improve their standard of living. It served the Ngaanyatjarra region well and was one of the most effective CDEP programs in remote Australia. The structure and order achieved through CDEP was a key factor in building community governance through the establishment of the Ngaanyatjarra Council. CDEP enabled the growth of art centres, land management and an Indigenous media organisation, as well as a visible Aboriginal workforce in schools, stores, health clinics and local government services. Individuals developed specialisations, jobs were tied to meaningful community projects and there was pride in work and an incentive to work. Those who wanted to work full-time could do so and earn 'top-up' wages, while a base level pay was available to all those in CDEP, including those receiving a 'no work no pay' penalty. In this way people always knew they had that money and could manage to budget or do some level of future planning.

The Ngaanyatjarra CDEP was collective and CDEP funds were budgeted at the discretion of the community. The on-costs attached to CDEP funded community offices and the administration of a community-based 'income management' system. Prior to the introduction of the concept of 'income management' associated with the Northern Territory emergency intervention, the Ngaanyatjarra communities had operated their own form of 'income management' to assist their communities to sustainably and fairly manage the impact of poverty and disadvantage. Ngaanyatjarra people and communities progressed by members giving up a measure of individual benefit in favour of the common good. CDEP provided for payroll deduction to support a range of community programs, including health, youth and education initiatives, funeral costs, emergency transport funds, as well as essentials such as rent and electricity. The success of CDEP hinged on local control and local knowledge of people's circumstances. Now the top-down external control of money via the Centrelink bureaucracy is letting people fall through the cracks. Access to Newstart is no better now than UB was in the 1970s. The current arrangements are taking the Ngaanyatjarra communities back to the chaos, desperation and dysfunction of the 1970s and 80s, and with the additional obligations to DHS and PM&C it is a good deal worse.

Through CDEP, the Ngaanyatjarra people (through the Ngaanyatjarra Council and the various affiliated community organisations) had, over many years of hard work and careful strategising, built up the work habits that the government claims to be seeking. For most adults in the Ngaanyatjarra Lands CDEP was their only experience of employment, and those on CDEP saw themselves as workers. Now under CDP, people's income

support payments are linked to participation in ‘activities.’ In one Ngaanyatjarra community, for example, individuals are placed in either: ‘Arts and Crafts’ for women (painting, sewing, basket-making, photography or computer skills); or ‘Community Maintenance’ for men (wood collecting, landscaping, metalwork or woodwork). These activities are not linked to community needs and are not considered real work.

To sum up, CDP is undermining the skill-base and incentive to work that was built up under CDEP and the focus has changed to compliance and a punitive response.

3. 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

In my view CDP is utterly unable 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. There are two overarching flaws that underpin the assumption by government that CDP is appropriate in remote Australian communities:

- a. The first flaw is the notion that the solution to the development challenges facing remote Indigenous communities is full-time employment for all, in private and public sector jobs and in commercially-viable businesses.

What is more appropriate is a shift to considering community development and social and cultural activities as productive in and of themselves, rather than as a pathway to imagined mainstream employment outcomes. This leads me to the second flaw:

- b. The second flaw is the notion that equates school attendance and short-term adult literacy courses with the acquisition of sufficient skills for Indigenous participation in CDP and then the mainstream labour market.

Since the inception of the welfare reform agenda and mutual obligation, government policy has increasingly tied individual literacy competence to employment outcomes. CDP is predicated upon an expectation of individual responsibility and English oracy and literacy competence among remote Aboriginal people—the majority of whom lack the formal registers required for oral or written interactions with an external bureaucracy that is generally poorly informed about the complexities of remote life. Successful navigation of this new bureaucratic terrain is contingent upon individuals: i) having sufficient oral and written English, and ICT competence to comprehend and comply with the requirements; ii) having accurate evidence of their personal details; and iii) being contactable by mail or by phone in a usual place of residence.

In the Ngaanyatjarra lands under CDEP, a ‘community office’ was typically the administrative hub that took collective responsibility for a complex web of bureaucratic and financial literacies on behalf of community members. A critical element of this was the creation of an ‘information bank’ of community members’ birth dates, tax file numbers, banking records, education records and Centrelink reference numbers. With the erosion of the block funding that was available under CDEP there are no longer sufficient funds to run a community office and no localised administrative systems have been put in place to manage CDP at a local community level. Yet community offices are still expected to undertake tasks (providing support for fortnightly reporting, following up compliance issues with the Centrelink Participation team, etc.) on behalf of Centrelink and CDP without any additional funding.

Employment Services Assessment (ESAt) interviews are conducted by Centrelink on CDP jobseekers to highlight barriers to employment. Barriers typically highlight limited English literacy, (in addition to caring responsibilities; geographic isolation; transport issues; mobility restrictions; limited work goals; no or limited employment history; and no or limited work skills). English literacy courses are suggested as an intervention. These are an expensive and ultimately futile exercise. What this intervention does do however, is meet one of

the CDP Key Performance Indicators and the government can then say that they are providing English literacy and numeracy to improve workplace skills, regardless of the value of any such intervention.

I give an example. In one Ngaanyatjarra community, trainers travelled from a TAFE in NSW for three days—insufficient time to get an understanding of anything. They enrolled six CDP participants in a literacy program. Only one person in the community undertook the literacy training which involved filling in workbooks and returning them to NSW where they were marked and returned along with a new workbook. No face-to-face teaching took place, instead the untrained CDP Supervisor was expected to oversee the literacy tuition (ie completion of workbooks).

This approach assumes that literacy is a straightforward skill-acquisition process that can be delivered in a programmed way to people in a short period of time, with roughly uniform or predictable outcomes. This approach is also linked to the widely held belief among educators, researchers and policy-makers that if children are attending school every day this will open the door to tertiary education and rewarding jobs. It takes no account of the social, cultural and political factors that also contribute to literacy acquisition and use. The Ngaanyatjarra can be described as one of the “best case” scenarios for literacy acquisition and use in the remote context (Kral 2007). Yet the literacy competence of the Ngaanyatjarra adult population as a whole is not commensurate with mainstream standards. There is a profound mismatch between Western and non-Western social and cultural processes and practices, inclusive of alphabetic and digital literacies. This mismatch embraces a vast array of differing cultural processes and behaviours ranging from modes of engagement with bureaucracy and administrative literacies, to the comprehension of what ‘work’ is and a cognisance of employment requirements. Consequently very few adults have the underpinning skills to undertake training at a level that will lead to labour market employment.

In a bid to create ‘local jobs’ the CDP system has instituted host agreements with community employers such as clinics and schools (via the Remote School Attendance Strategy). Ironically the complexity of the CDP system is dissuading some employers in Warburton Community from employing CDP workers as the reporting requirements are too onerous. CDP is regarded as full-time, so missed days lead to penalties. Many workers build up skills but if they get an 8 week no payment penalty they have to leave. Hence employers are unable to build a stable workforce. These employers do not want to employ CDP workers, so fewer people are doing work that is meaningful to the community than ever before.

There is also evidence that some people are actively rejecting or resisting the rules imposed on them by CDP (Fowkes and Sanders 2016), including leaving regions to avoid CDP obligations or having no income support at all. Many Ngaanyatjarra no longer want to work, and are saying “What’s the point?” Some are choosing to leave the community, often signing up with Centrelink in urban centres such as Kalgoorlie where there are less onerous requirements and fewer penalties. Senior WA police have expressed concern that the Federal Government’s work-for-the-dole program is devastating remote Aboriginal communities. Deputy Commissioner Stephen Brown told Goldfields Regional ABC Radio (March 9 2017) that Aboriginal families have fled south to live on the streets of Kalgoorlie-Boulder, and as a result, the number of children in State care in this regional centre has risen from about 100 to 150 in the past year.

It can thus be concluded that repeated policy change has not led to an increase in employment in this remote region, but rather has led to a decline in participation in productive community activities.

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

It is by now well-understood that the introduction of CDP has led to soaring rates of breaching in remote communities, often at 12 times the national average for unemployed adults receiving conditional income support. This calls into question the appropriateness of the CDP payments and penalties systems.

Lisa Fowkes and Will Sanders (2016: 5) claim that during the two year period July 2013-June 2015 ‘the pattern and rate of penalties applied to jobseekers under RJCP differed substantially from those applied under JSA,

even though the same social security rules—the Job Seeker Compliance Framework—applied to both’. They suggest that there are three contributing factors that account for this variance: i) more onerous requirements for RJCP; ii) the ineffectiveness of protections for remote jobseekers; and, iii) different individual and local responses to program requirements and penalties.

The Job Seeker Compliance Framework sets out a series of penalties that may be applied to jobseekers when they fail to comply with participation requirements (Fowkes and Sanders 2016: 1). The application of the Compliance Framework to Indigenous job seekers assumes that DHS has accurate information about a person’s circumstances, barriers to employment, illness and injuries, homelessness and so forth. Without that information, it is impossible to fairly and accurately determine if a person has a genuine and good reason for failing to attend an activity, or might be exempt from the activity test. ESAts are designed to be conducted face to face by a health or allied health professional. Fowkes and Sanders (2016) found that in the period 1 July 2015 to 31 October 2015 only 35% of ESAts involving RJCP (now CDP) clients were conducted face to face or via videoconference.

In the Ngaanyatjarra Lands face-to-face interviews are a rarity, so over the phone interviews are the means by which Centrelink and the DHS is gathering information about participants in order to determine their obligations and barriers to employment. Some of this data is erroneous. An example lies in the information on secondary schooling and completion rates in the Ngaanyatjarra Lands. In this region only two young women have Year 12 completion certificates. Yet from ESAt interviews (28/4/16) with 177 jobseekers at Warburton 32 adults are listed as having completed Year 12/13 and 71 are listed as having secondary education up to Year 10/11. It is more than apparent that profound levels of miscommunication must be occurring in the interviews.

The ESAt interview is important as it determines the obligations of an individual. In the Lands the ESAt interview should determine whether an individual is obligated to work 15 hrs p.w. or 25 hrs p.w. depending in their capacity: their health; educational background, work experience and so forth. Yet the ESAt assessments perpetuate the fiction that if these barriers are eliminated the individual will be able to find employment. Suggested interventions are usually unrealistic or inappropriate. The Centrelink/CDP system is incapable of addressing the barriers or providing the interventions. In theory the number of hours of mutual obligation activity an individual is required to do will vary depending on their assessed capacity to work following an ESAt (Consultation Paper ‘Changes to the Community Development Programme’, pg 12). However, under CDP most Aboriginal people are placed in the same category where they are expected to participate in 25 hours of Work for the Dole activities, spread over five days per week, 12 months per year, irrespective of personal circumstances.

Compliance failures are incurred for non-participation in ‘activities’ and for missed appointments (fortnightly with Centrelink and monthly with the local CDP Provider). Absences from Work for the Dole Activities are common. The requirement to work 5 hours a day, 5 days a week is difficult for most people to comply with. There are myriad reasons why people don’t turn up to work, including most commonly sickness, funerals, overriding family commitments in their own community or other communities, as well as an inability to organise oneself in an essentially chaotic environment. Providing a valid reason for an absence may be beyond people’s control. So compliance failures are a regular occurrence.

To avoid compliance failures individuals have to undertake ‘due process’. Due process entails:

- i. A phone call to Centrelink Compliance Team. IE a phone call to anywhere in Australia where there may be up to 300 individuals waiting on hold.
- ii. Comprehensive Compliance Assessment, where an individual may be interviewed.
- iii. Can lead to Compliance Activity to address the failure OR an interview with a social worker.

With fortnightly reporting people are meant to state their changed circumstances but most people don’t understand what this means nor the repercussions. People find all this reporting confusing. They are not sure what they have to do when because the systems have changed so often and so quickly. Those who do speak to a Centrelink representative are often not understanding what is being said to them. They try to guess the right answers and get themselves into trouble by saying yes to obligations that they can’t really meet. This humiliating process puts strain on individuals who are only just coping on an already inadequate income.

As I discussed earlier, Indigenous people across Australia have experienced wave after wave of government policy change. Their comprehension of how this new Centrelink system works is limited and most do not understand the concept of 'mutual obligation failure'. In the Ngaanyatjarra Lands, individuals generally don't understand the participation requirements, so they can't help but fail their mutual obligation requirements. They are set up to fail at every turn and the onus to comply is always on the client not the system.

The downstream effects of CDP are further entrenching poverty for Aboriginal people just on already inadequate income support payments. I turn now to the three most visible downstream effects of irregular or reduced incomes in Warburton the largest of the Ngaanyatjarra communities, namely food security, housing and fines enforcement (Kral 2016).

1. *Food security*

Since the inception of CDP, the stores and roadhouses in the Ngaanyatjarra communities have noticed that less money is spent on food and they are unable to assist. In the past CDEP salaries were provided weekly, by cheque. This provided a critical budgeting tool for people on low incomes and safeguarded food security. Stores had a book-up system that articulated with the predictable CDEP payment cycle so purchases could be made against future income and the next CDEP pay could be debited. Now when they run out of money people go without food. With Centrelink people are paid fortnightly, on different days, and in varying amounts depending on penalties. Such fluctuations have made it harder for stores to plan and manage stock, especially perishable items.

People on an 8 week No Payment Policy (NPP) have to rely on family and those with money, especially old age pensioners, are pestered for assistance. As people become more desperate this leads to frustration, anger and sometimes fights over food. The flow-on effect is that children are going hungry. Teachers try to feed children during school hours. In school holidays youth workers implement a 'lunch club' providing food so that children do not starve. Most families shop on a daily basis so it is not uncommon that by the next morning there is no food in the house. The requirement to be at CDP activities by 8.30am, that is before the store opens, often means turning up hungry. The CDP program in Warburton provides food on a regular basis and supervisors note that food is the incentive for coming to work for many clients.

2. *Housing*

From July 2010 the Ngaanyatjarra communities entered into a public housing tenancy arrangement with the WA Government. Community Housing is run by the Ngaanyatjarra Council Regional Housing Program (NCRHP) on behalf of the government. At July 2016, \$100 per fortnight was deducted from most people's Centrelink payments, that is, a quarter of the average payment for rent alone. If a renter receives an 8 week NPP they inevitably fall into rental arrears. With no resources or savings to turn to, arrears deductions have to be set up once payments recommence. Providing a safety net for this invisible poverty is virtually impossible and rental debt is now so vast that individuals, and the communities, will be permanently locked into this debt. Since July 2015 rental debt has grown to \$350,324 for the Lands as a whole, and \$88,224 in Warburton alone (Aboriginal Housing Quick Stats, Ngaanyatjarra, September 2016).

Another aspect of household poverty is the inability to pay for electricity. When people incur an 8 week NPP the Energy Supplement of less than \$10 per fortnight also ceases. When there is no money in a household people cannot buy power cards, so families sit in the dark inside the house with no lights, and in the freezing desert winters, no heating. Moreover, there is no capacity to save and no expendable cash for basic household goods such as fridges. Individuals are thus attracted to the Centrelink loans. A loan gives people \$1000, but it also places them in debt. These loans have to be paid off within 12 months and an individual cannot receive more than one loan per year. A typical Centrepay debt repayment is \$46.00 per fortnight. Loans are negotiated directly between the individual and Centrelink call centre staff with no independent or local office support.

3. *Fines enforcement*

One of the most severe downstream effects of incurring an 8 week NPP is the increased risk of imprisonment. For individuals charged with driving offences the penalty may be a Work Order, but if they are on CDP, their Work Order cannot be undertaken simultaneously. This means that court fines are deducted from fortnightly

Centrelink payments instead. Once an individual has these fines their driver's licence is cancelled and mandatory bans on driving ensue. Driving bans means that *if* they drive (which they most likely will because they live in a remote community) and they are not licensed, it can go horribly wrong very quickly. In a small community where the police know everyone, the chances of being picked up for unlicensed driving are multiplied. Other orders for driving under suspension accumulate, and the vicious cycle becomes more deeply entrenched. Should they get an 8 week NPP and be unable to pay the fines, the Fines Enforcement Registry may imprison them for non-payment of fines, in effect criminalising poverty.

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

CDP is administratively complex, time-wasting and expensive. The CDP Provider oversees the compliance regime and monthly IPP reporting, while an additional level of complexity is evident in the requirement to report fortnightly to Centrelink, i.e. to report earnings, partner earnings, change of circumstances, etc. via the My Gov website, ringing on the Helpline, or filling in a form which is faxed to Centrelink. Centrelink is also the mechanism that deals with participation failures and compliance, usually by phone with call centre staff who have limited knowledge of the context.

I turn here to the complete failure of the Centrelink system as the mechanism to mediate participation failures and compliance. The Centrelink participation lines and call centres are utterly unable to deal with the volume of phone calls from remote regions or to communicate with this remote populous (that is, to understand the context and deal with second language issues).

Long hold times on the Centrelink call centre phone lines and Indigenous Hotline are the norm. It can sometimes take days of waiting and repeated phone calls before an individual can talk to the right person. When contact is finally made it can be with a call centre operator who does not understand the context. The lack of understanding of the context takes many forms. Centrelink officers often don't understand where Aboriginal participants are calling from in Australia and the time zone differences. They don't understand the difficulty of internet access and the fact that most people are not computer literate. They assume that people are able to take individual responsibility for literacy and personal administration. Typically non-Indigenous office workers who are called on to assist prefer to hang up and redial rather than try and explain the Indigenous query to someone who doesn't understand. Sometimes non-Indigenous helpers are told that they cannot assist as it is breaching the privacy of the individual. People who are assisted in community offices are the lucky ones. Others who individually seek to make contact with Centrelink by phone do not understand why they cannot get through, do not have the patience to stay on the phone for long periods, or if they are using their own mobile phone it is not uncommon for the phone battery to go flat while they wait on hold.

Ultimately, the onus is on the individual to manage the interactions with Centrelink. This is leading to individuals giving up on the system or being further penalised for not doing the right thing through no fault of their own, i.e. for not reporting when in fact they have been trying to. But it is the Centrelink call centre system that is unable to meet the demand.

Lastly, CDP activities do not dovetail with community needs. There is no co-ordination or future planning or articulation with well-established community systems. For all the money spent on CDP, the community sees no positive outcomes. Moreover, the community has lost the on-costs that supported the community-based income management system. With the loss of these regular deposits into community funds, community savings are diminishing and the community as a whole is poorer.

6. 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

In July 2009, the process of progressively phasing out CDEP in the Ngaanyatjarra Lands commenced despite protestations by the Ngaanyatjarra Council and its member communities. By July 2015 it had been replaced by CDP. In remote communities CDP is driven by PM&C. In effect, PM&C now controls the Ngaanyatjarra communities. With the onerous CDP reporting requirements and punitive financial penalties, all sense of individual control, autonomy and long-term planning is being eroded as the focus turns to day to day compliance and the fear of loss of entitlements. Lastly, and ironically, the very authority that the government is seeking remote communities to exert over their membership to improve mainstream outcomes is being relentlessly undermined by the Commonwealth simultaneously removing resources and a sense of control, and consigning community governance to mute irrelevance. In the Ngaanyatjarra communities a pessimism is spreading as people witness the dissipation of localised control and capacity building carefully built up over the past forty years.

In conclusion, I recommend that CDP be dissolved in favour of a locally-controlled, wages and grants-based system that incorporates the positive features of CDEP. And that this new system be developed in concert with Indigenous people and communities and be designed for a designated number of remote regions, inclusive of the Ngaanyatjarra Lands.

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