

SUBMISSION TO THE INQUIRY INTO THE COMMUNITY DEVELOPMENT PROGRAMME (CDP)

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Aim:

To outline recommended changes to the proposed Community Development Programme Bill for the inquiry by the Senate Finance and Public Administration Legislation Committee.

Background

1. The Australian Federal Government is planning changes to the remote jobs and communities programme under the proposed 'Community Development Programme Bill'.
2. These proposed changes come with the understanding that there are severe shortcomings under the current Remote Jobs and Communities Programme (RJCP). Specifically:
 - a. Communities are disengaged where RJCP is punitive and disconnected from local and global economic realities. The Productivity Commission's latest report 'National Indigenous Reform Agreement: Performance Assessment 2013-14' even acknowledges poverty traps and recognition that jobs are not available locally for all in remote Australia.
 - b. Problems with the funding arrangements where job providers are not accountable for the quality and experience of clients work participation – only signing them up and penalising clients for breaching the work contract.
 - c. Insufficient focus on community activities and local enterprise
 - d. Job market in remote parts of Australia is precarious and labour insecurity is endemic to such markets.
3. The changes proposed through the Community Development Programme Bill contain some improvements, such as raising the threshold so people don't have their support payments docked so heavily for taking outside paid work. Also CDP simplifies the *No Show, No Pay* measure, decreasing the impact of enforced penury. Still, the proposed CDP still relies on conditionality and strives for behavioural changes. It also seems confused as to how to deal with the changes in the global economy and the relational poverty and precariousness stemming from this. Therefore additional amendments are recommended and outlined below.

Community Development Programme Bill

¹ I would like to thank Professor Jon Altman for his helpful comments in preparing this submission.

4. Changes brought in by the Bill need further working through:
 - a. A broader conception of what constitutes 'work' – including community development initiatives such as, land and water management and housing maintenance. Still, the definition of work should be broadened to include other productive work such as hunting and fishing and food preparation.
 - b. Payments deducted through 'no-shows' are channelled back into community development through the Federal Government's Indigenous Advancement Strategy. Yet this is risky as the IAS is controversial, and in many cases has not funded local community development organisations, meaning that capital is removed from local communities.
 - c. The threshold has been increased to AU\$650/week before welfare entitlements are effected. However this top up is only paid after a compulsory 25 hours on the current work for the dole scheme, which may incentivise people into casualised work.
 - d. Provision for leave and cultural business arrangements, however what constitutes 'cultural business' seems highly regulated and not self-determining.
 - e. Support for local enterprises includes building skills. Yet who defines what skills are necessary and will receive funded is not articulated.
 - f. Tries to strengthen the relationship between job providers and job seekers. For example, moving towards the provider making regular weekly payments and incentivising the provider for finding sustainable employment.
5. The Bill is still focused on changing behaviour of job seekers, signalling a continued government discourse of 'welfare dependency' (See page 3; 4).
6. It is not clear how the Bill relates to the planned roll out of the *Healthy Welfare Card* and the quarantining of welfare payments. Will state payments be made through the card and therefore be subject to this quarantining?
7. Behavioural conditionality is at odds with the reality of the job market in remote communities where much of the employment is seasonal and sporadic which can lead to precariousness and undignified circumstances. The axiom "give a (wo)man a fish and you feed her for a day; teach a (wo)man how to fish and you feed her for a lifetime" needs revising to include; "but when water ways have no fish, then they need to be properly stocked to provide actual food security.
8. Further, the welfare dependency discourse overlooks the non-market or customary economy in remote communities. The very existence of productive economies in remote communities can reduce overall dependence on welfare because it supplements overall income with non-market forms of income; increasing the cash and imputed incomes of people (Altman and Taylor 1989). More importantly, non-market economies also enhance people's sense of wellbeing and sense of autonomy (Dockery 2011).

Basic Income Grants

9. Basic Income Grants (BIG) or Universal Basic Income (UBI) is a policy that focuses on unconditional cash income security for all. BIG acknowledges the growing insecurity and precariousness within the global economy. BIG sees the absence of available options for production (lack of land and/or capital) and inadequate forms of distribution from rich to poor as a major cause of poverty. BIG proposes that the state provides economic rights and a degree of security to all its citizens. Consequently, BIG rejects the welfare dependency paradigm and associated behavioural deficit discourse.
10. BIG and UBI Trials are underway in communities across the world. For example, the city of Utrecht in the Netherlands will begin trialling UBI for those unemployed. Finland is planning to give an unconditional grant of €800 a month to everyone in the trial. UNICEF the Self Employed Women's Association (SEWA) has trialled UBI in Madhya Pradesh India, with positive results regarding housing, health and nutrition of participants, schooling and productive work.
11. CDEP has historically acted like a Basic Income Grant in some remote Australian communities where Indigenous organisations administering CDEP provided income support unconditionally to individuals especially when living at remote homelands with no mainstream labour market and few cash earning opportunities. Through unconditionally providing economic security for all people in the community, communities using CDEP in this way supported people to undertake productive work that people aspired to do. CDEP was used to pay people to hunt and gather or to produce artefacts for sales. It operated not as a cash supplement but as a wage for productive work (Altman 2016).

Recommendations

12. The cessation of behavioural conditionalities on state payments and encourage the move towards BIG community grants where communities have control over:
 - a. The distributive mechanisms for allocating payments to individuals for forms of work that are locally defined
 - b. Type of 'work' that is deemed suitable (moving away from the notion of 'employment', and towards the notion 'work' for livelihood and wellbeing).
 - c. Indigenous organisations representing communities should be encouraged to be preferred 'job providers'. In the case where capacity may be needed, Indigenous organisations should be supported to develop such capacity.
 - d. Withheld funds should be channelled back through the community and not through the IAS.
13. Payments could be paid to groups on an individual basis (UBI) or on a community-wide block grant (BIG). The trials should be reconfigured to include;

- a. Reinstating in four regions the CDEP institution that was very popular and that worked far better than welfare for nearly forty years.
- b. Introduce in another four regions a community-managed basic income grant scheme that unconditionally provides income support to people living in communities.
- c. Trials should be undertaken with extensive community consultation (especially with those whose lives are directly affected). Trials should be also planned in urban and regional centres and not restricted to just remote areas.

References cited

- Altman, Jon. 2016. "Basic income for remote Indigenous Australia: prospects for a livelihoods approach in neoliberal times." In *Basic Income in Australia and New Zealand: Perspectives from Neoliberal Frontiers*, edited by Jennifer Mays, Gregory Marston and John Tomlinson, [forthcoming March 2016]. UK: Palgrave Macmillan, Basingstoke.
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