

15 April 2016

Community and Economic Development Division  
Department of the Prime Minister and Cabinet  
1 National Circuit  
Barton ACT 2600

Email: [CDPConsultation@pmc.gov.au](mailto:CDPConsultation@pmc.gov.au)

**Re: Consultation Paper: Changes to the Community Development Programme (CDP)**

I welcome the opportunity to make a submission regarding the CDP consultation paper. I make this submission as an academic with a disciplinary background in law whose research focuses on issues of public policy, social justice, human rights and Indigenous peoples.

This submission is to be read in conjunction with a 2016 submission of mine regarding CDP made to the Senate Finance and Public Administration Committee, which I attach as Appendix A.

The consultation paper asks the following questions:

1. What elements of the current national Job Seeker Compliance Framework don't work well for remote job seekers? How could these be improved?
2. Do the proposed new arrangements balance the need to provide safeguards for job seekers with the objective of having individuals attend activities and take-up work?
3. Are the proposed new arrangements simple and easy to understand for job seekers?
4. Will the proposed new arrangements create perverse incentives or lead to unintended consequences?

The penalty aspect of CDP is irredeemably flawed and should be abandoned. As is evident from the submission by Lisa Fowkes on the CDP Bill, penalties imposed on Aboriginal people under workfare regimes like CDP show no evidence of being an effective mechanism to achieve the kinds of behavioural outcomes the government

claims to want to see.<sup>1</sup> Instead they have made poor people poorer still. This punitive style of governance is also apparent in the CDP consultation paper, and is reflected in the proposed No Show Penalty, Persistent Non-Attendance Penalty and Cancellation Penalty for those who do not comply with the government's regulatory framework. A consequence of these penalties will likely be that remote living Aboriginal people are further impoverished.

Contrary to what is asserted in the CDP consultation paper, penalties do not 'promote work-like behaviours'. If the government genuinely wants to see more work-like behaviours then they need to fund properly paid culturally appropriate real jobs in remote Aboriginal communities. These are geographical locations where the market has failed and is likely to continue to fail Aboriginal peoples.<sup>2</sup> Under CDEP Aboriginal people undertaking work in their communities were paid an award wage. By abolishing CDEP the government transformed CDEP participants into welfare recipients and now unjustly criticises them for welfare dependence. Reliance on welfare income in these areas is a consequence of the government's abolition of CDEP and market failure rather than behavioural deficiencies of welfare recipients.

There is necessary work to be undertaken in remote Aboriginal communities, but by cutting CDEP and implementing coercive workfare arrangements the government has ensured that fewer finances are paid to the majority of Aboriginal people who do such work. This is because CDP workfare provides below poverty line welfare payments<sup>3</sup> instead of award wages. This makes the penalty framework particularly inappropriate. This situation is not remedied by the provision of administrative appeals mechanisms. Review processes require both knowledge of legal rights and financial resources to pay legal practitioners to exercise such rights – obviously something that those already struggling on low incomes will find difficult. This issue is elaborated upon further in Appendix A.

I note that the consultation paper says that the government is contemplating a 'Community Investment Fund' where funds from penalised job seekers can be directed towards 'local economic and community development initiatives and programmes.' This in no way redeems what is essentially still a punitive CDP scheme with intolerable controls for those subject to it. There remains a risk of

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<sup>1</sup> Lisa Fowkes, Submission No 1 to the Senate Finance and Public Administration Committee, *Social Security Legislation Amendment (Community Development Program) Bill 2015*, 20 January 2016.

<sup>2</sup> Jon Altman, Submission No 8 to the Senate Finance and Public Administration Committee, *Social Security Legislation Amendment (Community Development Program) Bill 2015*, 29 January 2016.

<sup>3</sup> In their 2014 report on poverty, the Australian Council of Social Services observed that '61% of people below the poverty line relied upon social security as their main income' and that 'many social security payments fall below the poverty line, even with Rent Assistance and other supplementary payments added to household income.' Australian Council of Social Services, *Poverty in Australia 2014* (Sydney: 2014) at 8, 10, online: <[http://www.acoss.org.au/images/uploads/ACOSS\\_Poverty\\_in\\_Australia\\_2014.pdf](http://www.acoss.org.au/images/uploads/ACOSS_Poverty_in_Australia_2014.pdf)>.

incentivising penalties, particularly where there are for profit providers responsible for delivering CDP.

If I can be of any further assistance I would be happy to oblige.

Yours sincerely,

A handwritten signature in black ink that reads "BS Bielefeld". The letters are cursive and somewhat stylized.

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## **Appendix A**

Shelley Bielefeld, Submission No 19 to the Senate Finance and Public Administration Committee, *Social Security Legislation Amendment (Community Development Program) Bill 2015*, 5 February 2016, 1-18.