

The appropriateness and effectiveness of the objectives, design, implementation and evaluation of the Community Development Program (CDP)

Senate Inquiry

Finance and Public Administration References Committee

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Introduction

1. I make this submission drawing on over fifteen years experience working on development issues in Australia and internationally. I have worked with various Indigenous organisations in North West Victoria and in the East Kimberley and a community development organisation in Mali for over 10 years. I received a Dphil in Development Studies at the University of Oxford and held a Post-Doctoral Fellowship at the Centre for Aboriginal Economic Policy Research at the ANU. At the University of Melbourne, I currently lead a research project into the Cashless Debit Card based on 14 months of field-based research in the East Kimberley region.

Issues concerning the Community Development Program (CDP)

2. *CDP is an ill-conceived policy, causing already vulnerable, largely Indigenous populations, to fall further into poverty.* Despite the rhetoric that welfare poverty is a choice not to seek employment, research has shown that a key factor of unemployment is the absence of formal jobs. For example, the Productivity Commission in its 2015 *National Indigenous Reform Agreement: Performance Assessment Report*, acknowledged that many Indigenous people living remotely do not have access to mainstream labour markets (Productivity Commission 2015). Further, the Kimberley Development Commission has shown the key factor of unemployment in the East Kimberley is the absence of formal jobs – which has gotten worse since the abolishment of CDEP.

CDP has a poor record of delivering formal employment; where out of 33,000 people on CDP, only 4,400-5000 people have had formal employment outcomes for 6 months. That only around 13% of people had formal employment outcomes show the ill-conceived nature of CDP, where formal employment outcomes are rare. Moreover, such numbers bring to light how the remaining 83% of people missing out on formal work places continue to be subjected to the punitive experience of CDP.

3. *The concept of work is far too limited.* The narrow framing of what constitutes ‘work’ in CDP and broader Australian employment policy to include only involvement in the formal labour market, is extremely limiting and discriminatory. Many Indigenous people engage in productive work ‘on country’ undertaking customary (non-market) work for livelihoods (Altman, Biddle and Buchanan 2012; Altman, Buchanan and Biddle 2006; Altman 1987).

Moreover, many women engage in both reproductive labour and on country labour, and so are disadvantaged twice - both sets of labour sit outside the narrowly defined Australian employment policy. Yet when supported and valued adequately, these sets of productive labour can flourish – notable examples can include the Ranger Program and Care work.

4. *CDP largely fails to engage with the aspirations of its participants and help them build lives they value.* Whilst proponents of CDP claim that training is given to CDP participants, most of the training is superfluous to not only the limited number of labour market opportunities that may emerge, but also to the aspirations and interests of the participants. Specifically, work that is culturally appropriate, dignified and relates to the aspirations of people subjected to it is extremely important for people to flourish (Sen 1999; see also Dockery 2011 on how the freedom to meaningfully express culture relates to Indigenous wellbeing). Redefining the definition of what constitutes ‘work’ should be responsive to indigenous aspirations. Further, people’s connection to country and land is central, where people should not be expected to move for ‘formal employment’.
5. *CDP is unnecessarily punitive.* Despite unemployment being caused mainly by limited employment outcomes and a poor conception of what constitutes work, CDP participants are subjected to extreme punitive No work No pay measures. These measures have led to high breaching rates where people get their pay docked, which can lead to people being suspended from their payments for up to 8 weeks (Fowkes 2016).

The No work No pay measures have been applied to CDP participants at extraordinary rates, seeing breaching rates at a comparative ratio of 33:1 between CDP and the non-remote work for the dole program Job Active (Fowkes 2016). Specifically, since CDP was introduced, over 250,000 penalties have been applied for a program of only 33,000 people. Further, data from the 2015/16 financial year show that Indigenous CDP participants are subjected to 90% of the penalties handed out.

However, to avoid a race to the bottom, it is not enough to push for parity in breaching rates between remote and non-remote programs. This is because instead of changing the punitive approach of CDP, government may just opt for such an approach within the Job Active program. Indeed, we are already starting to see signs of this - in the latest Federal budget, the Liberal government has proposed increasing the punitive nature of non-remote work for the dole programs to bring it on par to CDP.

6. *CDP is just one of the many government policies (both Federal and State), that are affecting the lives of people negatively.* Any one person on CDP may also be subject to a number of other punitive government programs, further exacerbating their vulnerability. For example, CDP participants may be also be exposed to income management through the Basics Card or the Cashless Debit Card – meaning then they are not only subjected to enduring work for the dole with extreme punitive No work No pay measures, but also the quarantining of their welfare payments. For example, people in the East Kimberley resisted this double dose of being subjected to both the Cashless Debit Card and CDP. Workers at the CDP facility in Kununurra went on strike citing their frustration at being penalised twice. Income management has created hardship for poor families through limiting the cash

they have to pay for informal renting arrangements, second hand goods and school money for children. Moreover, whilst proponents of income management claim that it helps people manage their money, research has shown that income management has made the management of money difficult for people already dealing with precarious livelihoods (Bray et al. 2014; Klein 2017).

The links between CDP and other policies that participants are subjected to should also be examined including not just income management but also housing policies (for example Transitional Housing in WA), education policies (for example SEAM in the NT) and the Indigenous Advancement Strategy (how the reduction of funding to the Indigenous Sector has impacted organisations to support their communities).

7. *The formal labour market is increasingly precarious raising questions as to why government policy is desperate to subject remote populations to it.* The future of the mainstream labour market is increasingly uncertain. An increase in underemployment, causality and automation reveals an insecure trend for the future of work as we know it (Atkinson 2014; Committee for Economic Development Australia 2015). Still the Federal government continues to attempt to assimilate people living remotely into this uncertain future, whilst at the same time failing to listen to a range of Indigenous communities and diversifying possible alternatives.

Moving forward and leaving CDP behind

8. Whilst CDP is a failed policy alternative ways to rethink work and economic security are known.
9. *The Community Development Employment Projects (CDEP) Scheme was an alternative approach to address the challenges posed by Indigenous labour surplus in places with few employment or commercial opportunities.* Whilst the program was not perfect, there are four key features of CDEP that are worth highlighting for future policy development (See also Altman and Klein 2017).
 - a. CDEP was community-controlled and voluntary. In essence an Indigenous community council or organisation opting into CDEP was allocated a lump sum wages grant calculated on a per participant rate approximating welfare entitlements. On top of this, CDEP organisations were paid an amount to administer the scheme and related projects and an allocation to purchase capital equipment. This allowed organisations close to community to develop innovative and needs based work.
 - b. CDEP was a mechanism to allow flexible work arrangements for those not wanting to work full-time or in the formal labour market, and for those not able to do so. This flexibility was important as many Indigenous peoples are already fully engaged in productive work (such as care of country, reproductive and care work). This contradicts much popular discourse about Aboriginal passivity, dysfunction and non-participation in work. CDEP also allowed for extra 'top up' pay over and above base wages, so that people who were able to do additional work in CDEP or the formal labour market were encouraged to do so.

- c. CDEP had a community development focus as it not only created part-time work for Indigenous people in very remote situations, but also facilitated a degree of community self-management in social, cultural and economic development (Jordan and Altman 2016). Specifically CDEP provided freedom for Indigenous organisations to pursue 'development' largely in line with local aspirations and priorities (Jordan and Altman 2016; Altman 2016b). For example, some communities were able to use the block grant to develop social enterprises and community development projects.
 - d. CDEP provided work opportunity when the formal labour market was small or non-existent. The impacts of missing markets meant that CDEP participation was often the main source of employment income for Aboriginal and Torres Strait Islander people in regional and remote Australia. CDEP participation became a crucial institution for ensuring that people did not fall too far below the poverty line.
10. *Basic Income (BI) is another option providing economic security and support to broaden the definition of work.* The Basic Income is a simple idea which provides every resident (children and adults) of a particular geographic location a regular subsistence wage unconditionally. Basic Income is sufficient to provide an income floor through times of job and wage insecurity (Standing 2014), and to support productive labour that falls outside of the capitalist work paradigm (Weeks 2011; Altman 2016a). Different models of BI are currently being explored globally, but research by Altman (2016a) shows how such a program has worked in remote regions of Australia. Considering Basic Income within remote employment policy is important because the fundamental principles underpinning Basic Income would:
- a. Improve material poverty for people living remotely on traditional lands and currently engaging in productive yet largely non-market activity.
 - b. Support dignified, flexible and culturally appropriate work without the shame and stigma associated with the punitive current and past work for the dole programs.
 - c. Provide economic security which is important given fluctuations in the global economy and shifts in domestic labour markets.
 - d. Support individual and community agency and aspirations, as shown time again within international community development research (Sen 1999; 2009). Such support can be channelled towards community development initiatives such as social enterprise. One option to do this is to make unconditional stakeholder grants (Wright 2006) available to Indigenous organisations alongside an individual basic income.

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