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

#### *A. Introduction*

I welcome the opportunity to comment on the Federal Government's Community Development Program (CDP). I believe I have a unique perspective and experience in relation to the issue, which I outline briefly below.

This submission is based on my experience and involvement with the CPD system:

1. As a former Civil and Welfare Rights lawyer at the North Australian Aboriginal Justice Agency (**NAAJA**) specialising in welfare rights, housing, social security and associated legal problems.
2. As the founder of Magpie Goose, a social enterprising clothing line which aims to provide learning and employment opportunities for Aboriginal people in remote Australia.

This submission is made in my personal capacity. The views in this submission are mine alone and they are not to be taken as the views of my former employer NAAJA or my current business Magpie Goose.

#### *Background*

I worked at the North Australian Aboriginal Justice Agency (NAAJA) from January 2014 until March 2017: two years as a specialist 'Welfare Rights Lawyer', focussing on housing and social security rights and legal problems for Aboriginal people in remote NT, and one year as a Civil Lawyer addressing a wider range of legal problems.

During my time at NAAJA I saw the introduction of the CDP system, and the huge impact it had on Aboriginal people in remote NT.

In March 2017 I left NAAJA to start Magpie Goose – a social enterprise clothing line featuring textiles designed and hand screen-printed in remote Top End communities. I aim to grow Magpie Goose as an inclusive business, which provides meaningful opportunities - both paid employment and enterprise learning opportunities – for Aboriginal people in remote Australia.

Magpie Goose's key vision is to demonstrate to the Federal Government and wider Australian public that meaningful enterprise and employment opportunities for Aboriginal people are possible. Enterprises like Magpie Goose can offer meaningful employment, improve social wellbeing, and foster cultural pride. This all leads to increased mental and physical health, improved living standards, decreased

boredom and suicide in young people – and a huge benefit for non-Aboriginal Australia and the global public.

**I recommend and strongly encourage the Federal Government to explore investment in enterprise opportunities that have the ability to create a real difference to remote Aboriginal peoples' lives, rather than continuing a punitive system that disenfranchises, punishes, and dehumanises Aboriginal people.**

While at NAAJA I worked in both the Darwin office: travelling regularly to Galiwin'ku, Gapuwiyak, Nhulunbuy, Borroloola, Wadeye and Tiwi Islands, and the Katherine office: travelling to Lajamanu, Kalkarindji, Dagaragu, Barunga, Beswick, Bulman and Yarralin. My responses to below points are informed by conversations with Aboriginal clients from these remote NT communities, and my own research on CDP (largely informed by the research of Lisa Fowkes).

Throughout my submission I provide case studies to give an example of the lived experience of people trying to navigate CDP. Names are not their own and examples are de-identified to protect their privacy.

*B. The appropriateness and effectiveness of the objectives, design, implementation and evaluation of the Community Development Program (CDP), with specific reference to:*

***b. the nature and underlying causes of joblessness in remote communities;***

The underlying cause of joblessness in remote communities is an entrenched, historical lack of creative thinking about job creation by successive governments and major industries, and a tendency to favour and fund programs, which seek to support so-called 'traditional' jobs.

Traditional jobs do not exist or are not accessible for Aboriginal people in remote communities. The few traditional jobs that do exist - shop manager, shire manager, airport worker, teacher, doctor, and nurse – are filled by non-Indigenous Australians from the southern states.

There are a few limited opportunities for Aboriginal people to work at the shop (e.g. ALPA store), as a teacher's assistant, or as a shire worker. However without the potential of job progression to a more senior role there is little incentive to stay.<sup>1</sup>

Entrenched workplace discrimination still exists in remote communities. Frequently, Aboriginal shire or education workers are not provided a house as a part of their employment conditions, where a non-Aboriginal worker would be.

There is a damaging misconception (see e.g. The Forrest Review)<sup>2</sup> that the only ways to get Aboriginal people into jobs is to:

- build a mine on their traditional lands;
- make them move into major cities; or
- trap them in a cycle of meaningless training or activities that leads to people dropping off income-support.

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<sup>1</sup> Without opportunities for an employed person's family members to also get a job, having a job can be a huge financial and mental burden for one person, as they are then required to support their extended family on their sole income. This is a huge dis-incentive to work.

<sup>2</sup> 'The Forrest Review: Creating Parity', <<https://www.pmc.gov.au/sites/default/files/publications/Forrest-Review.pdf>> (accessed at 8 June 2017).

Policies and decisions that support this misconception have led to unintended and devastating consequences for Aboriginal communities, including:

- the destruction of the natural environment and sacred sites,
- poisoning of food supply (McArthur River mine, Borroloola);
- a huge homelessness problem in cities and towns (Katherine and Darwin); and
- a dramatic increase in poverty and poverty-related issues (domestic violence, homelessness, mental health issues, malnutrition, low school attendance).

**I recommend:**

**The Federal Government reconsider the assumptions underneath its response to Aboriginal joblessness, and take into account the consequences outlined above.**

**The Federal Government invest in supporting Aboriginal people to harness traditional stories, culture, and land assets through enterprise so that Aboriginal people can creatively generate an income while staying on traditional lands.**

- 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;***

In my experience as a welfare rights lawyer, a partner of Aboriginal community enterprises and a resident of the Northern Territory for the last 4 years, I firmly believe that CDP has **no** ability to provide long-term solutions to joblessness, or achieve any social, economic or cultural outcomes that meet the needs and aspirations of Aboriginal people. I have never heard of, spoken to or seen an Aboriginal person who has transitioned from CDP into paid employment.

The CPD system is structured so that **a CDP activity provider is financially disincentivised** from transitioning someone from activities to employment. This is because providers can either:

- receive one flat payment for transitioning someone to employment – about \$1000; or
- continue to keep someone in indefinite activities, and continue to receive their weekly activity provider payment of about \$260.

The system is structured so that even the most well-meaning activity provider is financially incentivised to keep people in an endless holding pattern of ‘work-like activities’.

In my experience ‘work-like activities’ take one of three forms:

1. **Meaningless ‘busy work’** that leads to the person forced to participate feeling worthless and patronised. Activities of this nature I have seen include: including:
  - a. clock painting;
  - b. painting rocks;
  - c. volleyball training;
  - d. paper quilling (twirling bits of paper and sticking it on another bit of paper);
  - e. planting tomatoes;
  - f. sewing canvas bags;
  - g. beauty courses (painting finger nails, doing makeup); and
  - h. community beautification (e.g. picking up rubbish).

2. **Actual manual labour** that results in Aboriginal people being forced to work for less than \$10 an hour, while undercutting the labour market so that other enterprises and small businesses (e.g. a lawn mowing service) cannot operate. Activities of this nature that I have seen include:
  - a. Repairing fences and houses;
  - b. Building furniture;
  - c. Mowing grass;
  - d. Building coffins; and
  - e. Removing and clearing fallen trees after storms (this was previously offered as a paid job with the local shire, but shires councils are now able to obtain this labour for free).
  
3. **Creation of artworks and products** that ideally the creator would sell and make money from. However, the rules regarding sale of items created under CDP are unclear. This leads to activity providers not selling the items as they are unsure about whether they are allowed to, or selling the items and keeping the profit themselves. Examples of this I have seen include:
  - a. In one community, women created baskets and paintings which the activity provider kept in the office, and were never sold. The artists never saw any income from their creations, but yet under CPD were forced to continue creating.
  - b. In one community women made soaps, earrings and tea which were then sold in a local market. The money was 're-invested' into the CDP program, with the non-Indigenous activity provider only person to be paid through the process.
  - c. Furniture making is a popular activity offered to men in communities – there is a big market for this furniture (e.g. chairs made from 44 gallon drums), but huge uncertainty about where the profits can go. This is a huge untapped enterprise opportunity which could have real and significant flow-on effects for the welfare and livelihood of Aboriginal people.

#### **Case study 1. James from Katherine**

James is a mid-30s male with 7 children and a wife who is unable to work due to childcare responsibilities. He is required to do 5 hours of 'work like activities' every day, including repairing public housing houses around the community, and mowing lawns. He describes the CDP system as 'like the old days, when Aboriginal people had to work for rations'. He expressed his exasperation to me – 'how am I supposed to work to save enough money to support my family – when I'm only getting my Newstart Allowance plus \$20? How are Aboriginal people ever going to get ahead? This is unfair.' James earns his \$470 a fortnight for Newstart, and the extra \$20 CDP payment, which averages out to be less than \$10 an hour- half the Australian minimum wage.

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

The high rates of penalties and suspensions under the CPD have the following effect on participants and their communities:

1. **Compounded poverty:** CDP is making remote Aboriginal people:

- poorer (leading to poor health, families going hungry,<sup>3</sup> missed work opportunities, inability to keep kids in school);
- more stressed (leading to mental health problems and increased incidence of domestic violence), and
- homeless (leading to health problems, suicide etc.).

If someone misses one day of CDP activities they are penalised \$70. If they miss three days, they are cut off from any income support payment for three months. This disproportionate penalty can have a disastrous impact on school attendance, mental and physical health, domestic violence, crime rates, housing overcrowding etc, which is well documented by previous NAAJA submissions on this topic<sup>4</sup>, National Welfare Rights Network submissions,<sup>5</sup> and Lisa Fowkes' research.<sup>6</sup>

As demonstrated in the examples of work-like activities above, many of the activities provided under CDP are either farcical or do not adequately compensate people for their work. The requirement to attend 5 hours per day, 5 days a week of this mindless 'busy work' has led to a large (so far undocumented) number of people dropping out of the Centrelink system. There is evidence that many Aboriginal men are not on Centrelink payments - one woman is often supporting 3 or 4 others who are not receiving any income.<sup>7</sup> The number of men not in receipt of any income has likely greatly increased throughout the lifetime of CDP due to the dehumanising nature of the 'work like activities'.

Dropping out of the Centrelink welfare system and having no source of income and depending entirely on others is an extremely dire and dangerous event for the livelihoods of these people. This leads to greater downstream costs to the Federal Government, including costs related to health, court and prison system, child protection, domestic violence etc).

- 2. Disincentive to employment:** The regulations around how paid employment interplays with CDP activity requirements have led to people being disincentivised from employment. This is the exact opposite of what CDP aims to achieve.

#### **Case study 2**

A woman I met in a remote community struggled to balance her CDP activities (filing papers in the shire office) with her part time job as a teacher's assistant. Because of the way the payment system is structured, she was actually learning less with her job and Newstart, than if she were just receiving Newstart/ doing CDP activities. She regularly missed her paid employment because her CDP activities ran into her work time; and if she missed CDP activities to work, she was penalised financially. She said to me, 'what's the point of even trying to work – I'm doing everything they want me to, and I still cant get by'.

- 3. Inability to access exemptions/exceptions:** Due to the recent changes to the Disability Support Pension (DSP) there are more people on Newstart Allowance,

<sup>3</sup> Anecdotal evidence from major remote stores shows that since the introduction of the harsher CDP penalty system, sales of food dropped by a third, and sales of cheap bulk foods like spam dramatically increased.

<sup>4</sup> see eg. NAAJA, 'Key Income Support Issues for Aboriginal Australians in the Northern Territory', Social Security Legislation Amendment (Debit Card Trial) Bill 2015, Submission 29- Attachment 3. (April 2014).

<sup>5</sup> National Welfare Rights Network, Submission on Proposed Changes to the Community Development Program (CDP)

<https://www.pmc.gov.au/sites/default/files/cdp-submissions/national-welfare-rights-network-submission.pdf>

<sup>6</sup> Lisa Fowkes, Submission in relation to changes to the Community Development Programme

<https://www.pmc.gov.au/sites/default/files/cdp-submissions/lisa-fowkes-submission.pdf>

<sup>7</sup> Kate Wild, 'Cultural wall sees Indigenous men miss welfare pay', ABC, 13 June 2013,

<http://www.abc.net.au/news/2013-06-12/culture-gap-leads-to-young-indigenous-missing-out-on-centrelink/4750008>

who then must participate in CPD, who previously qualified for DSP and were exempt from participation. In my experience, these people are falling through the gaps – unable to get a medical exemption from activities due to language difficulties or misunderstanding, unable to attend activities due to their physical or mental illness, resulting in having payments cut and being forced into poverty.

There are high rates of payment suspension even where the customer has a reasonable excuse. The structure of the reasonable excuse exception – that a reasonable excuse may only be applied if it was reasonable for the person to call Centrelink and explain their reasonable excuse – is confusing and ridiculous (see case study below).

In addition to the confusion around exemptions and exceptions, there are compounding issues with the 're-engagement interviews' that take place after someone has missed three days of activities, including:

- failure by Centrelink to use Aboriginal interpreters,
- a failure to understand gratuitous concurrence, and
- a failure to use plain English.

#### **Case study 2. Norma from remote community near Katherine**

Norma worked part time and also had CDP activities to attend in her community. She missed several days of her activities during school holidays as her kids were home from school and she had to look after them. She had family problems, including domestic violence. Her car broke down and she had to take it to Katherine to be repaired. She missed more days of activities. She had a bundle of reasonable excuses that meant she missed her CDP activities, but when she spoke to someone at Centrelink they said it was reasonable for her to advise Centrelink of her reasonable excuse for not attending activities. She was suspended from payment for three months.

Because of the stress of caring for her children, suffering from domestic violence (which forced her to flee her community) and having car problems it was not 'reasonable' for her to tell her CDP provider that she might miss some activities.

She was homeless with her children in Darwin for several months as she had no income, and had no way to get back to her community.

#### **Case study 3. Doreen from remote community near Katherine**

Doreen is elderly and has a mental illness. Her CDP activity was pottery classes: five hours a day every day of the week. She got sick of going to pottery classes so stopped going. Her payment was suspended, which she had no income, and no rent was paid to Territory Housing for her house. She faced eviction proceedings and was at risk of losing her house because of CDP penalties.

#### ***e. alternative approaches to addressing joblessness and community development in remote Indigenous communities; and***

Investing in existing, and supporting the creation of new, social enterprises in partnership with remote Aboriginal communities presents a far more humane and impactful option for the Federal Government to pursue to address joblessness in remote communities.

Magpie Goose, the fashion label I co-founded, presents a case study of a social enterprise that has the potential to create significant employment and enterprise learning opportunities for Aboriginal people in remote communities.

As Magpie Goose grows, it will open up employment opportunities for Aboriginal people in a range of fields - in retail and sales, modelling, media & communications, textile design, textile printing, storytelling, brand development and the development of cultural tourism experiences. There is huge market demand for these textiles that are hand screen-printed in remote communities – that tell the stories of Aboriginal people, culture and places. Magpie Goose is connecting the market with Indigenous textiles – rich cultural assets which previously were previously inaccessible unless you visited the remote community and bought directly from the art centre.

*f. any other related matters.*

It is my understanding that the Federal Government does not require CDP providers to comply with Work Health and Safety legislation. This is a huge issue. I saw many clients who had been injured at work (e.g. chain sawing trees), or who were working in extremely dangerous, uncomfortable and unsafe conditions – e.g. women having to sit and paint and weave in the full sun in the build-up (temperatures up to 42 degrees and 90% humidity) with no shade protection. The lack of workplace protection for Aboriginal people participating in CPD is damning and must be addressed immediately.

*C. Conclusion*

There is huge untapped potential in remote Australia, and there is a huge appetite from non-Aboriginal Australia (and the world!) to learn from and value Aboriginal culture and stories.

**I recommend that the Federal Government reject the CDP model and invest in exploring enterprise as a model of job-creation and economic empowerment.**