Chapter 6

Alternative approaches to CDP

Introduction

6.1 Many witnesses and submitters have acknowledged the importance of a program for remote jobseekers that provides the opportunity for job placement and community development. In evidence at the committee's Palm Island public hearing, Councillor Alf Lacey, Mayor of the Palm Island Aboriginal Shire Council outlined his council's support for the broad aims of the Community Development Program (CDP):

We endorse the purpose of the program to assist Indigenous jobseekers to gain skills and valuable experience to assist their efforts to find meaningful employment. We believe the program has merit and has the potential to make a meaningful contribution to help our people find jobs. The program goes further than that in our communities: it gives people who don't have jobs somewhere to go and perform work that contributes to their community. It can give dignity to the lives of some people, and send a good message to young people and youth who see these people working for their income and working to find employment. It is important we don't underestimate the power of hope and opportunity for our people that programs such as this give. ¹

6.2 Ms Rachel Atkinson, CEO of the Palm Island Community Company told the committee about the value for all people of having purpose and meaning:

...there is no way that people want to sit home; they would love to get out and have a meaningful life...But, when you live in a community of learned helplessness, and there is a whole history of where this community came from, it's going to take a lot more than forcing people to work 25 hours a week in meaningless tasks—cleaning the yards or doing other really meaningless tasks. I go back to where I talked about that small investment which had a huge dividend. I have people who are coordinators of good programs now who were in that same scenario—who had difficulty getting out of bed. But you've got to have confidence and faith and build the capacity and empower that community. We are always going to have the ones who will never want to work, and with them you need to take a different way, but not many.²

6.3 Earlier chapters of the report chronicle many of the negative impacts that CDP is having on individuals, communities and providers. On the basis of this evidence, the committee is convinced that the current approach of CDP is not working. This chapter will explore alternative approaches to CDP including the broad framework

Councillor Alf Lacey, Mayor, Palm Island Aboriginal Shire Council, *Proof Hansard*, Palm Island, 4 October 2017, p. 13.

² Ms Rachel Atkinson, Chief Executive Officer, Palm Island Community Company Ltd, *Proof Hansard*, Townsville, 4 October 2017, p. 26.

that should underpin any future program, the positive elements of the Community Development Employment Projects (CDEP), and a number of alternative approaches to remote area joblessness and community development.

Framework for reforming CDP

- 6.4 In May 2017, the Minister for Indigenous Affairs announced that the government was undertaking consultation in relation to a new employment and participation model for remote Australia.³
- 6.5 Many submissions welcomed the consultation process and recommended a new employment and participation model that either restored positive elements of the CDEP or reforms the existing CDP.⁴ Many witnesses and submitters have noted their disappointment that this consultation has not materialised since the announcement.⁵

Principles to guide the reform process

- 6.6 In his submission to the committee, Professor Jon Altman, a Researcher at the Australian National University's Centre for Aboriginal Economic Policy Research (CAEPR) recommended that the committee 'lay down some of the ground rules for a new policy approach and an urgent timeline for reform', and that the government should introduce an immediate moratorium on breaching CDP participants during the redesign phase in order to build some good will and allow constructive engagement. 6
- 6.7 Jobs Australia argued that significant reform is needed to reduce the unacceptably high incidence of income support penalties, and to make the program more effective and relevant to the needs of the remote communities it serves. It proposed the following principles to guide the reform process:
- requirements need to be adjusted so that most participants can meet them most of the time and to more closely align with the requirements of other income support recipients;
- administrative arrangements should be simpler for both participants and providers;
- participants/community members should have sufficient income to pay for necessities:
- communities should be empowered to make decisions about how the program operates in their community; and

Department of the Prime Minister and Cabinet, 2017–18 Budget: Community Development Programme, https://www.dpmc.gov.au/sites/default/files/files/pmc/Accountability%20and%20reporting%20section/budget-fact-sheet-cdp.pdf (accessed 2 June 2017).

⁴ See for example, Ngurratjuta/Pmara Ntjarra Aboriginal Corporation, *Submission 27*, [p. 3]; Tjuwanpa Outstation Resource Centre Aboriginal Corporation, *Submission 13*, p. 4.

⁵ See: Chapter 5, paragraphs 5.50–5.54.

⁶ Professor Jon Altman, Submission 26, p. 14.

- incentives should encourage people to engage in unsubsidised work.⁷
- 6.8 Several academic researchers from the CAEPR have identified similar considerations, including the need for:
- community support and a sense of community ownership;
- a genuine commitment to consultation input into how the program is run;
- a focus on job creation and community development;
- appropriate incentives and remuneration;
- an effective mechanism to accommodate and support individual needs; and
- effective interaction with participants about payment penalties; and
- recognition of the unique locational, cultural, social and historical circumstances of remote communities.⁸

Options for mutual obligation

- 6.9 Jordan and Fowkes have suggested the following options for reforming the mutual obligation requirements under CDP:
- A Basic Income (BI) scheme would provide all unemployed people with an unconditional payment without requiring participation in activities. It could provide support for voluntary participation in culturally appropriate and locally valued activities through additional block grants. This scheme is effectively how CDEP functioned on some small homelands and outstations where there was little or no active supervision of work activities. The BI scheme would give economic security and support a move towards self-determination.
- Similar to a BI scheme but people engaging in locally determined activities for an agreed number of hours would receive additional income up to the 'full' rate. Capacity to engage in activities would be assessed and the minimum number of work hours for full pay adjusted accordingly. This would shift the focus from punitive (failure to fulfil obligations) to positive (opportunities to earn and contribute), and shift administrative resources from monitoring compliance to facilitating economic and community development.
- Some form of penalty if people did not meet their agreed participation requirements (CDEP 'no work no pay' provisions were widely accepted and applied). The penalties and incentives would be designed in collaboration with communities and based on local knowledge.⁹

⁷ JA, What to do about CDP, November 2016, pp 1–2.

⁸ See for example, Dr Kirrily Jordan, *Submission 30*, pp 9–19. See also: Jordan and Fowkes, *Job Creation and Income Support*, pp 27–29.

⁹ Kirrily Jordan, Lisa Fowkes et al., *Job Creation and Income Support in Remote Indigenous Australia: Moving Forward with a Better System*, CAEPR, Topical Issue 2/2016, pp 27–29.

6.10 Assistant Commissioner Paul Taylor of Queensland Police put forward his view that building trust is a better approach than focusing on compliance and penalties:

One of the things that we see when that trust relationship is built up is that people are more likely to come to work, because they feel more responsible and they don't want to let the trust relationship down.¹⁰

Basic Income and Job Guarantee schemes

- 6.11 Several submissions suggested either the BI or the Job Guarantee schemes an as alternative to CDP, in order to address persistent unemployment and income insecurity in remote regions.¹¹
- 6.12 Dr Elise Klein, Lecturer in Developmental Studies at the University of Melbourne defined a BI scheme as one 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, and to support productive labour that falls outside of the capitalist work paradigm. ¹²

- 6.13 In his submission, Mr Peter Strachan suggested incorporating key features of CDEP that follow the BI model as follows:
- community controlled and voluntary;
- flexible work arrangements;
- real community development focus; and
- work opportunities when the labour market is small or non-existent. 13
- 6.14 Whilst the job guarantee uses a different mechanism whereby the government acts as an employer of last resort, 'providing jobs at a fixed minimum wage to all those individuals of working age who want them'. ¹⁴ In its submission, Per Capita suggested a Job Guarantee scheme that would provide access to meaningful work in remote communities with opportunities for skill acquisition. ¹⁵
- 6.15 These elements will be expanded upon in later sections of this chapter.

Assistant Commissioner Paul Taylor, Assistant Commissioner, Northern Region, Queensland Police, *Proof Hansard*, Townsville, 4 October 2017, p. 3.

Martin Watts, 'Basic income versus the Job Guarantee: A review of the issues', *Journal of Economic and Social Policy*, Vol. 7, Issue 1, Article 2, 2002, http://epubs.scu.edu.au/cgi/viewcontent.cgi?article=1041&context=jesp (accessed 22 June 2017).

¹² Dr Elise Klein, Submission 9, p. 4.

¹³ Mr Peter Strachan, Submission 4, p. 6.

Martin Watts, 'Basic income versus the Job Guarantee: A review of the issues', *Journal of Economic and Social Policy*, Vol. 7, Issue 1, Article 2, 2002, p. 2.

¹⁵ Per Capita, Submission 20, [p. 2].

Positive elements of CDEP

6.16 As noted in Chapter 2, CDEP operated as a remote jobseeker and community development program from 1977 until it was phased out and replaced by the Remote Jobs and Communities Program (RJCP) in 2012. The committee has heard from many witnesses and submitters about the benefits of the CDEP. Mr Martin Sibosado, Chairperson of Aarnja Ltd was quite explicit in his support for CDEP:

I can't highlight for most remote Aboriginal communities across the country the importance of CDEP as a program—the old CDEP...

we need to go back to why CDEP was created in the 1970s. It was for practical reasons—exactly as we heard—access to communication, proximity to town, remoteness, access to a Centrelink office. 16

- 6.17 The pilot for the CDEP was undertaken in 1976 in Ngaanyatjarra Lands in the remote desert region of Western Australia. As the Chairman of Ngaanyatjarra Council, Mr Dereck Harris explained, a lump sum equivalent to the aggregated individual Unemployment Benefit entitlements was paid to incorporated Aboriginal councils, and each council developed a work program to engage local people in projects that would benefit the whole community.¹⁷
- 6.18 In his submission to the committee, Mr Harris stated:

We have learned from our history that we can do a good job of looking after our people in communities. We feel that the government stole our self-respect when CDEP was taken away and that we will sink even lower if we are forced to go on the Healthy Welfare Card... We want the government to let us manage our own communities. We can't do this unless we get rid of CDP and go back to the CDEP. We can do a good job. ¹⁸

- 6.19 According to Mr Joe Morrison, Chief Executive of the Northern Land Council, CDEP was 'public policy created in the bush, for the bush'. 19
- 6.20 Dr Inge Kral argued that, unlike CDP, CDEP was effective in remote locations with few employment options because it operated as a form of mutual obligation by providing income support enabling adults to participate in community development, enterprise development or service delivery activities.²⁰
- 6.21 Mr Sibosado noted that CDEP allowed communities to decide their own community development needs and provided funding to pay for this development:

18 Ngaanyatjarra Council, Submission 5, cover letter.

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Mr Martin Sibosado, Chairperson, Aarnja Ltd, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 57.

¹⁷ Ngaanyatjarra Council, Submission 5, p. [6].

J Morrison, 'Why government policies continue to spectacularly fail', in Jordan and Fowkes, *Job Creation and Income Support*, pp 8–10.

²⁰ Dr Inge Kral, Submission 7, p. 3.

We had on-costs back then and sharing in terms of where the need was in the community. We actually saw that. The bucket of money would be put there at the start of the year, and someone would say, 'Our water system's not working; we need additional money.' By agreement by all the representatives, we'd say, 'Okay; we'll allocate that to allow you to fix your water.'²¹

6.22 A key question is whether a CDEP-style scheme can produce long-term employment outcomes. Dr Will Sanders observed that the CDEP's flexibility meant that employment could be directed to Indigenous community needs and aspirations to achieve social, economic and cultural outcomes but:

...over time this became seen as a weakness of CDEP, rather than a strength, with CDEP criticised for being a 'destination' for Indigenous workers rather than a 'pathway' to other employment.²²

- 6.23 However, as Dr Jordan noted, there is substantial evidence that CDEP helped to enable non-CDEP employment outcomes where these were possible in remote areas, especially through training, demonstrating commitment to regular paid work, establishing partnerships with employers, supporting the creation of enterprises, and supporting 'social determinants of employment' such as good health.²³
- 6.24 Dr Jordan also argued that the CDP's failures are the result of a poor understanding of remote communities, and the framing of the CDEP as a barrier to non-CDEP jobs, thereby entrenching 'passive welfare'. ²⁴ Dr Jordan explained her view that the 'policy process leading to the design and implementation of CDP was based on a flawed rationale, inadequate consultation and insufficient attention to the evidence at the time'. ²⁵
- 6.25 Professor Altman stated his view that CDEP has been one of the most successful Indigenous-specific programs in the last 40 years. It 'created employment and activity, commercial and social enterprise and facilitated the supplementation of the incomes of participants'. ²⁶

Community focused

6.26 Ms Rachel Atkinson, CEO of the Palm Island Community Company told the committee that 'under the CDEP it was an Indigenous organisation itself that administered the money, designed the program and was responsible in its entirety for

²¹ Mr Martin Sibosado, Chairperson, Aarnja Ltd, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 56.

²² Dr Will Sanders, Submission 12, pp 3–4.

²³ Dr Kirrily Jordan, Submission 30, p. 3.

²⁴ Dr Kirrily Jordan, Submission 30, p. 2.

²⁵ Dr Kirrily Jordan, Submission 30, p. 2.

²⁶ Professor Jon Altman, Submission 26, p. 2.

running things'.²⁷ Part of the success of CDEP was that administration by local Indigenous organisations imparted a sense of ownership on the local community. Councillor Lacey explained:

If we go back in history and look at the [CDEP] when a local community corporation was running it, the immense pride amongst our people was certainly evident. That regime certainly provided better opportunities for participants in the community as a whole to have input in. Somewhere along the line, across the country, the government of the day, whoever it was, decided and said, 'We want you to operate like a normal job service provider that operates in a mainstream community.' So we all got thrown into this one bucket, and the community's lost its identity in terms of: how do we have meaningful input into the rollout of the program?²⁸

6.27 Mr Sibosado observed that many Indigenous organisations were formed as part of CDEP, with some being over 30 years old:

As I said, I can point to a number of organisations today in the Kimberley that got their start from CDEP...organisations like Wunan, Marra Worra Worra—30 years or longer down the track—are now huge organisations, but most importantly they are organisations created by their people. Their boards and their management come from, say, in Marra Worra Worra's case the Fitzroy Valley and Wunan was Kununurra.²⁹

6.28 Councillor Lyn McLaughlin, Mayor of the Burdekin Shire Council (appearing on behalf of the Northern Alliance of Councils in Queensland) provided an example of a local Indigenous organisation that was originally formed as a CDEP provider and has now turned into a major Indigenous employer:

In the intervening time since they haven't been eligible for [CDEP] the Gudjuda reference group have gone on to become well respected and work closely with council. They manage land and sea ranger programs. They work closely with [James Cook University] in the turtle tagging maritime research program. They interact closely with council and the community. Our council would be very supportive of our area, through Gudjuda, being included in the reference area. ³⁰

Real jobs

6.29 Ms Ada Hanson, a member of the Kalgoorlie-Boulder Aboriginal Residents Group succinctly expressed the requirement for real, meaningful employment in remote communities:

²⁷ Ms Rachel Atkinson, Chief Executive Officer, Palm Island Community Company Ltd, *Proof Hansard*, Townsville, 4 October 2017, p. 25.

Councillor Alf Lacey, Mayor, Palm Island Aboriginal Shire Council, *Proof Hansard*, Palm Island, 4 October 2017, p. 14.

²⁹ Mr Martin Sibosado, Chairperson, Aarnja Ltd, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 57.

Councillor Lyn McLaughlin, Mayor, Burdekin Shire Council, *Proof Hansard*, Townsville, 4 October 2017, p. 19.

What is needed is genuine, meaningful jobs, genuine careers and genuine opportunities for people to learn about and engage with the cash economy. CDEP and CDP programs continue the welfarisation of Aboriginal people. Any program that does not provide Aboriginal people with the opportunity to train, get a real job, manage their own money and learn about the cash economy is doing a disservice to these people. ³¹

6.30 A common assessment of CDEP is that the program resulted in participants finding real employment in their communities. Ms Atkinson noted the approach under CDEP and why this led to sustainable employment:

...we mentored and trained individuals on the island so they could then be competitive when they applied for jobs with [Palm Island Community Company]. I'm going back eight to nine years ago. Those people are still working with us. They're the people that were the same sort of clientele that the CDP are currently working with. We did it to get people skilled and ready, but, at the end of the day, we had real jobs to come into.³²

6.31 Councillor McLaughlin described the positive interactions between the local CDEP and local employers:

Our community saw benefits from that around training and ensuring that participants stayed locally and didn't have to leave. The CDEP program was well supported. Ours was really unique in the sense that it was run [in the Burdekin region] but extended from Richmond in the west to Mission Beach in the north and then south to the Bowen area, Proserpine. We saw benefits. It was a good opportunity for the people participating in that program to interact with our community and council jobs as well. ³³

6.32 Many of the jobs created under CDEP were providing essential services by community-owned businesses. Ms Atkinson described the situation on Palm Island under CDEP:

The old CDEP? That was probably the best out of the worst. It did create some long-term employment, even though most of those people were topped up by CDEP. There was a whole organisation called Coolgaree, which was the bakery, the mechanic and the builders. The whole organisation was built on that CDEP program. There were a lot of people locally employed.³⁴

6.33 Treating participants as workers meant being able to pay wages—incentivising participation rather than penalising non-attendance. Mr Damien McLean,

31 Ms Ada Hanson, Member, Kalgoorlie-Boulder Aboriginal Residents Group, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 18.

³² Ms Rachel Atkinson, Chief Executive Officer, Palm Island Community Company Ltd, *Proof Hansard*, Townsville, 4 October 2017, p. 24.

Councillor Lyn McLaughlin, Mayor, Burdekin Shire Council, *Proof Hansard*, Townsville, 4 October 2017, p. 19.

³⁴ Ms Rachel Atkinson, Chief Executive Officer, Palm Island Community Company Ltd, *Proof Hansard*, Townsville, 4 October 2017, p. 26.

Community Development Advisor in the Warburton Community for Ngaanyatjarra Council explained the benefits of paying wages:

CDEP meant that we could pay people accordingly, we could promote those activities [tourism and art] as key and we didn't spend our whole time defending ourselves against the possibility that somebody would appeal against a breach or a sanction. It was as simple as doing it on a timesheet on a weekly basis. So any problems to do with the CDEP could be resolved at the community counter. There were no months of delay before penalties were enacted, and then appeals and all sorts of other processes entered into, or potential appeals entered into. So the resources and supports went into the activities, not into the idea that was driving the activity—the mutual obligation: 'We need to teach these people work-like habits; we need to enforce.'

6.34 Dr Kral argued that people on Ngaanyatjarra Lands, one of the most socially and economically disadvantaged regions in Australia with minimal access to services and institutions, built up work habits over many years as part of CDEP. For most adults in these remote communities, CDEP was their only experience of employment, and those on CDEP saw themselves as workers. Dr Kral submitted that the CDP's focus on compliance and punitive response is undermining the skill-base and incentive to work which was built up under CDEP. ³⁶

Culturally appropriate and flexible

- 6.35 As noted in Chapter 4, CDP has been criticised for its lack of flexibility especially in relation to cultural activities. In comparison, many witnesses noted the increased flexibility and recognition of culture in CDEP.
- 6.36 Ms Vanessa Thomas, a Director at the Nurra Kurramunoo Aboriginal Corporation in the Goldfield's region of Western Australia observed that:

CDEP was good! They worked with us about culture. But this other one, the CDP, does not work!³⁷

- 6.37 At the same hearing in Kalgoorlie, Mr Sibosado offered the same assessment: The old CDEP days also allowed us to engage with our cultural frameworks.³⁸
- 6.38 Ms Hanson explained how sustainable jobs can be created and sustained by respecting both Indigenous and western cultures:

³⁵ Mr Damian McLean, Community Development Advisor, Warburton Community, Ngaanyatjarra Council, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 41.

³⁶ Dr Inge Kral, Submission 7, p. 4.

³⁷ Ms Vanessa Thomas, Director, Nurra Kurramunoo Aboriginal Corporation, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 51.

³⁸ Mr Martin Sibosado, Chairperson, Aarnja Ltd, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 56.

Real jobs that are meaningful to Aboriginal people are ones that arise within the cultural interface between Aboriginal and Western cultures—I'm not too sure if you know about that interface, but I can go into if you'd like—and where there is a real job from an Aboriginal cultural perspective and a real engagement with the cash economy from the Western perspective. These types of jobs are found in ranger programs, the Aboriginal arts and crafts field, the Aboriginal cultural tourism field, Aboriginal health workers, education, Aboriginal language programs, liaison officers and so on. These jobs are meaningful for Aboriginal people to engage with the wider society.³⁹

6.39 Councillor Lacey put forward his view that remote communities are not all the same and need specially tailored programs to reflect each community's unique circumstances:

So the shift from the old CDEP program to the RJCP and now back to CDP has, I think, just created—from the old program, CDEP, which ran well. As soon as there was a swap over and a policy shift to RJCP, that's where I think the community lost out and got a sense of confusion. They wanted our mob to operate like a normal...or mainstream job service provider when the Commonwealth, under its job program database, knew quite well how smaller Indigenous communities and even smaller white rural communities like Richmond, Georgetown, Normanton and those places, who we have a good relationship with, don't have big job markets. So why develop a big city arrangement for smaller communities? We're not asking for preferential treatment. What we're saying is that delivering employment programs in our community has to be done differently to the current state of play.

6.40 Earlier in the report, the committee discussed the role of trauma as a factor in joblessness in remote communities. The committee heard from a Senior Aboriginal Mental Health Worker, Mrs Raylene Cooper, in Kalgoorlie, about the need for community development programs to be flexible in their approach to participants in remote locations who may have undisclosed personal issues such as historical and ongoing trauma:

As I mentioned before, I used to manage the facility here and we used to have people that came from traumatised backgrounds and all that sort of stuff and we tried to help them with work programs and all that sort of stuff. That's what I'd say about the CDEP. It was, back in the day, there to help people try and better their lives with meaningful programs—not demeaning ones but meaningful ones—to try and get them trained up and to try and break the cycle.⁴¹

Councillor Alf Lacey, Mayor, Palm Island Aboriginal Shire Council, *Proof Hansard*, Palm Island, 4 October 2017, p. 15.

³⁹ Ms Ada Hanson, Member, Kalgoorlie-Boulder Aboriginal Community Residents Group, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 18.

⁴¹ Mrs Raylene Cooper, Senior Aboriginal Mental Health Worker, Community Mental Health Services, Kalgoorlie, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 33.

Better value than CDP

6.41 Much of this report has appropriately dealt with the human implications of the CDP; however some witnesses raised the issue of the cost-effectiveness of the CDP. At the committee's Kalgoorlie hearing, Mr Hans Bokelund, CEO of the Goldfields Land and Sea Council reflected on the cost-benefit of the CDP:

The CDP, with some 32,000 participants across 61 regions, costs \$450 million in welfare payments, plus some \$270 million in provider payments, a total of some [\$720] million plus annually. The cost of administering CDP at the front line, not counting Department of Human Services or [Department of the Prime Minister and Cabinet], thus represents some 60 per cent of the benefit payments made to participants. In other words, the punitive compliance framework applied under CDP is costing an arm and leg, to put it frankly, for negligible return in terms of job outcomes and in particular considerable damage to wellbeing in remote communities. ⁴²

6.42 Mr Bokelund compared the higher cost of the CDP to the cheaper and, in his view, more effective CDEP:

By way of comparison, the former, and preferred, Community Development Employment Project's funding framework involved a supplement of some 20 per cent on the wages element for cost and administration. Without the complex CDP compliance framework, community organisations were able to direct their energy to managing payments and working in line with community needs and aspirations. There is considerable scope here to enhance the former CDEP framework of capital injections for local services and infrastructure to complement community work projects, and still well within the cost of the current highly criticised CDP arrangement. CDEP was cheaper to run, had better employment outcomes in remote communities, and facilitated stronger, more cohesive social environments. It seems to me that if the government is sincere in its professed aspirations to improve the life of Aboriginals in remote Australia then the choice is clear. 43

Alternative approaches to joblessness and community development

6.43 Many of the submissions called for a new system of job creation and income support in remote Indigenous Australia, focusing on the positive aspects of the former CDEP and the need for an alternative scheme that better reflects the needs and aspirations of remote communities.⁴⁴

⁴² Mr Hans Bokelund, CEO, Goldfields Land and Sea Council, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 44.

⁴³ Mr Hans Bokelund, CEO, Goldfields Land and Sea Council, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 44.

See for example: Tjuwanpa Outstation Resource Centre Aboriginal Corporation, *Submission* 13, p. 4; Jobs Australia, *Submission* 19, pp 16–17.

APO NT Remote Employment and Community Development Scheme

- 6.44 Aboriginal Peak Organisations Northern Territory (APO NT) has developed the Remote Employment and Community Development Scheme as an alternative scheme to CDP. It has been developed in consultation with Aboriginal organisations, national peak bodies and CDP providers and endorsed by Jobs Australia. 45
- 6.45 APO NT provided a summary of each of the key elements, together with proposed governance and delivery arrangements. 46 The proposed scheme includes:
- paid employment at award wages for around 10 500 people;
- the replacement of CDP providers with Remote Job Centres that have a focus on case management and support rather than administration and compliance;
- an emphasis on local control, including local governance arrangements, and community plans;
- supporting community enterprise development and stimulating new jobs;
- ensuring those who remain on income-support (within the DHS system) are treated fairly, and ensuring greater community control over participant obligations and compliance;
- better access to assessment processes and appropriate support for those with health and other personal issues;
- increased youth engagement strategies, including the creation of a national pool of around 1 500 paid work experience and training positions, similar to the former Green Corps; and
- an independent national indigenous-led body to manage the new program, and to ensure that it meets long term employment and community objectives. 47

6.46 According to Jobs Australia:

[APO NT's proposal] builds on the strengths of the former CDEP program, but it also addresses perceived concerns about CDEP being a destination by limiting the holding of jobs for a period of up to five years. There is less emphasis on administration, and more on empowering and strengthening communities to create meaningful opportunities for participation, based on people's individual capacity and needs. 48

47 APO NT, Submission 37, pp 3–4; APO NT, Developing Strong and Resilient Remote Communities: Proposal for Establishment of a Remote Development and Employment Scheme, May 2017, APO NT, Submission 37.1.

⁴⁵ APO NT, *Submission 37*, pp 3–5. See APO NT, *Submission 37.7* for a list of organisations that have endorsed the proposal.

⁴⁶ APO NT, Submission 37.2.

Jobs Australia, 'APO NT alternative to CDP', 8 June 2017, https://www.ja.com.au/news/apont-alternative-cdp (accessed 13 June 2017).

6.47 Dr Fowkes, who has been assisting APO NT to develop the alternative model, summarised its benefits:

The proposal would mean establishment of employment opportunities for many, while retaining an income support safety net for those who need it. It would enable organisations involved in delivery to focus on long term improvements in opportunities. ⁴⁹

6.48 APO NT's proposal was widely supported by submitters and witnesses to the inquiry. 50

Central Land Council community development approach

- 6.49 Another example of a community development approach is the Central Land Council's (CLC) work with over 30 communities across Central Australia using rent and royalty payments. Over more than a decade, this work has created numerous jobs in the remote desert communities, and at the same time has supported infrastructure and programs. In one small community alone it created 24 new jobs representing around 20 to 30 per cent of the community's full and part-time workforce. ⁵¹
- 6.50 The CLC noted the extent to which Aboriginal people in central Australia are choosing to use their own assets to drive social, cultural and economic development. The CLC's community development program, for example, has been operating for the past ten years and directed \$62 million to community benefit projects, including critical community infrastructure, supporting homelands and outstations, supporting young people who are at risk of offending, and providing education and local employment opportunities:

Policies applying to remote communities from both levels of government have generally failed to reflect the realities and priorities of local communities, have been short-term, inconsistent, ideologically driven and based on the priorities of the government in power, and, tragically, often failed to support community-led efforts to drive their own solutions to issues affecting the community. ⁵²

Enterprise development approach

- 6.51 Enterprise Learning Projects (ELP) argued that enterprise development offers an alternative approach to the CDP based on:
- capacity-building opportunities to enable people to build skills, knowledge and confidence to engage in the economy through enterprise;

⁴⁹ Dr Lisa Fowkes, Submission 8, p. 13.

⁵⁰ See, for example: North Australian Aboriginal Justice Agency, *Submission 40*, p. 6; Mr Michael Klerck, Social Policy and Research, Manager, Tangentyere Council, *Proof Hansard*, Alice Springs, 28 August 2017, p. 1.

⁵¹ Dr Janet Hunt, Submission 10, p. 2.

⁵² Central Land Council, *Submission 35*, p. 7.

- a supportive entrepreneurial ecosystem to enable emerging entrepreneurs access to appropriate business support infrastructure; and
- a commitment to a long-term process of business development.⁵³
- 6.52 Ms Maggie McGowan, who co-founded the fashion label 'Magpie Goose', argued that such social enterprises have the potential to create significant employment and enterprise learning opportunities for Aboriginal people in remote communities:
 - ...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.⁵⁴
- 6.53 The Department of the Prime Minister and Cabinet (PM&C) noted the government's 2015 commitment to providing opportunities for Indigenous businesses to access support, including the 2016 Indigenous Entrepreneurs Package designed to unlock private sector finance for Indigenous businesses. It is supported by a \$90 million fund targeting Indigenous businesses in regional and remote Australia.⁵⁵

Children's Ground proposal

6.54 Children's Ground proposed a five-year trial of a community-led employment and workforce development strategy that would significantly reduce the cost of NewStart:

...First Nations communities currently depend on a transient non-Indigenous workforce while local people remain chronically under employed. This strategy is to shift the status-quo from an external non-Indigenous workforce in First Nations communities, to a local skilled workforce over 25 years that provides the economic wellbeing for the community.⁵⁶

- 6.55 Elements of the Children's Ground model were described as follows:
- An organisation or community is allocated a number of 'positions', for example, the equivalent to 50 NewStart allowance payments a year for a period of five years, which becomes a wage subsidy for employing 50+ individuals. They will no longer receive welfare.
- NewStart provides the first 10 hours of work per week. The organisation/community commits to fund additional hours worked and create work opportunities of minimum 20 hours/week.

54

Ms Maggie McGowan, Submission 15, p. 7. See, for example, 'The new agenda: Celebrating Indigenous success', The Deal (The Australian), May 2017, http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22media%2Fpre ssclp%2F5292918%22 (accessed 27 June 2017).

⁵³ Enterprise Learning Projects, Submission 14, [p. 3].

PM&C, Submission 36, p. 7. See PM&C, Indigenous Procurement Policy, 55 https://www.pmc.gov.au/indigenous-affairs/economic-development/indigenous-procurementpolicy-ipp (accessed 26 June 2017).

Children's Ground, Submission 22, p. 7. 56

- This model provides the ability to move from casual to permanent part time work.
- Participants would be placed on an employment contract with entitlements, providing flexibility in conditions and a safety income net to reduce disengagement.
- The organisation/community would provide a single payment annually consistent with for-profit employment provider payments, to support job seekers and as incentive and provide a dedicated workforce Support Officer. The organisation/community would also provide an employment report against payments to government annually.

Indigenous Ranger Programs

- 6.56 As discussed earlier, under CDEP, innovative projects such as Indigenous rangers and night patrols addressed community priorities while providing employment for hundreds of people.
- 6.57 The National Indigenous Ranger Program is now recognised as one of Australia's most successful Indigenous programs. PM&C's evaluation of the social return on investment found that:

The Indigenous Protected Area (IPA) and associated Indigenous ranger programmes have demonstrated success across a broad range of outcome areas, effectively overcoming barriers to addressing Indigenous disadvantage and engaging Indigenous Australians on country in meaningful employment to achieve large scale conservation outcomes, thus aligning the interests of Indigenous Australians and the broader community. ⁵⁷

6.58 Importantly, jobs such as Indigenous Ranger Programs can be seen as fulfilling both cultural—caring for country—and western values—natural resource management.

Canadian model

- 6.59 The Government of Canada has two key labour market programs that support Indigenous training and employment:
- the Aboriginal Skills and Employment Training Strategy (ASETS) which links training needs to labour market demands; and
- the Skills and Partnership Fund (SPF), a demand-driven, partnership-based program that funds strategic projects contributing to skills development and training of Indigenous workers for long-term, meaningful employment.⁵⁸

⁵⁷ See: CLC, *Submission 35*, p. 13. PM&C funding is guaranteed until 2020 for existing ranger groups. There is a significant unmet demand for more groups but no new funding available.

⁵⁸ Government of Canada, Indigenous labour market programs, https://www.canada.ca/en/employment-social-development/services/indigenous.html (accessed 19 June 2017).

- 6.60 To date these programs have served over 323 000 Indigenous clients, with over 106 000 clients returning to work and almost 50 000 returning to school.
- 6.61 In February 2017, the Government of Canada launched an Indigenous youth employment program to offer better representation and meaningful work experience in Canada's public service. 59
- 6.62 The *Forrest Review* also noted the growth of Aboriginal businesses in Canada as a result of changes in government procurement policies.⁶⁰

Targeting government spending and service delivery in remote areas

- 6.63 Previously in the report, the committee has discussed how government procurement and spending policy is currently not directed to optimise the economic and employment opportunities for remote communities.
- 6.64 More importantly though is the opportunity to use government procurement—money that will be spent anyway—to build resilient local economies in remote locations:

If you want to encourage and empower your communities you need to be able to build an economy that is actually going to support them and give them meaningful skills and opportunities.⁶¹

6.65 Some witnesses have discussed the need for greater co-ordination to ensure that more local jobs are derived from government contracting:

We would like to see a coordinated approach to activities, procurement and external tender opportunities as well as funding that should be inclusive of the participants, community, elders groups, land councils, [Prescribed Body Corporates], local providers and government departments, including local, state and federal. We would like to see a coordinated, accountable and monitored delivery model of external service providers to all communities, and that includes our health services. An early declaration of identified

^{&#}x27;Government of Canada launches Indigenous youth employment program', 10 February 2017, https://www.canada.ca/en/treasury-board-secretariat/news/2017/02/government_of_canadalaunchesindigenousyouthemploymentprogram_html (accessed 19 June 2017).

See: 'Commonwealth taking steps to increase Indigenous jobs',

http://www.indigenous.gov.au/news-and-media/announcements/minister-scullion-commonwealth-taking-steps-increase-indigenous-jobs-0 (accessed 15 June 2017). See also Philip Hamilton, 'Procurement strategy for Indigenous business: the Canadian experience, and lessons for Australia', *FlagPost*, 27 March 2015,

http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/FlagPost/2015/March/Canada_Procurement_Strategy_for_Aboriginal_Business (accessed 15 June 2017).

Ms Katie Owens, Manager, Rainbow Gateway Ltd, *Proof Hansard*, Townsville, 4 October 2017, p. 10.

projects in community—for example, the local infrastructure—should be coordinated with plenary sessions, work plan scopes and budgets. ⁶²

6.66 The committee has also earlier discussed evidence that suggested that people were being trained for jobs that did not exist in communities. The committee heard that investment in economic activity such as infrastructure can provide the much-needed link between training and employment:

To have the training and not have an opportunity to invest in infrastructure adds little value because they still have another step to find employment. They go hand in hand. That's been demonstrated with the projects that have been undertaken by Gudjuda. They've just expanded that. They work closely with council on major events. They're doing some training around assisting with growing cane and things like that for that major event. There needs to be a tie-up. They need official training, but they also need to be able to deliver something so people have some ownership and it adds value to the community and our tourism. Council has a great focus on tourism and there would be lots of opportunities to add infrastructure around that. ⁶³

6.67 The Manager of CDP provider, Rainbow Gateway, Ms Katie Owens put forward a similar view:

At job level creation, serious steps are required, including the investment in community by government; roadworks; building; infrastructure; education, aged care and childcare facilities; the inclusion of CDP providers; the design and conduct of tender processes to ensure community engagement and sufficient lead time to select community participation for nominations of employment in the community works themselves; stronger monitoring and reporting of community based contractors who are performing works in communities, in terms of their compliance with their Indigenous participation plans, coupled with meaningful penalties that will be imposed for non-compliance; and a coordination point for accountability of the other outcomes.⁶⁴

6.68 An example of this approach can be found on Palm Island where the local council is currently utilising its infrastructure program to provide jobs for local community members:

Palm Island recently secured a lot of funding to better Palm Island with regard to creating a better retail precinct, working on the health precinct and working on the wharf, so there are a lot more opportunities on the horizon in the next 12 to 18 months. ⁶⁵

63 Councillor Lyn McLaughlin, Mayor, Burdekin Shire Council, *Proof Hansard*, Townsville, 4 October 2017, p. 20.

Ms Katie Owens, Manager, Rainbow Gateway Ltd, *Proof Hansard*, Townsville, 4 October 2017, p. 7.

Ms Katie Owens, Manager, Rainbow Gateway Ltd, *Proof Hansard*, Townsville, 4 October 2017, p. 7.

⁶⁵ Mr Sotir Kondov, Interim Chief Executive Officer, Campbell Page, *Proof Hansard*, Palm Island, 4 October 2017, p. 4.

6.69 An additional example of a local Indigenous organisation successfully employing locals can be seen in Box 6.1.

Box 6.1: Gudjeda—a local Indigenous organisation based in the Burkekin⁶⁶

They've achieved lots and have great goals. They use the former Home Hill Showgrounds and they raise some of their funding through camping with self-contained camping vans that council have approved. We've done that. Council have invested in some new road infrastructure—bitumen. Water has been upgraded. They also work closely with a small farming group that grows cane for our Australian hand cane-cutting championships. They work around the turtle and education and they liaise with [James Cook University]. They've constructed four or five buildings and are now looking at putting some residential buildings there to allow people to come and train. They'll have some residential facilities there.

I think the success comes around actually delivering. There is employment for people. They have office staff who are working there. They have groundspeople who work there. The land and sea ranger program is really successful, and our region is looking at an underwater art museum along the coast, and they're looking for land and sea rangers to maintain that environmentally. To have them ready trained and to assist other areas to do it—they're great achievements. They have their own turtle-tagging boat now. They're well respected in the community. They contribute to community events, and we have some community events where they always take part, with a stall or something. And they're expanding. They grow vegetables, which they sell. So I think it's about actually succeeding and about people having jobs while they're having training. ⁶⁷

More local service delivery jobs

6.70 At the committee's Kalgoorlie hearing, Ms Thomas made the observation that maintenance crews are often sent to remote communities to conduct regular maintenance such as basic plumbing. Ms Thomas told the committee that the CDP should be teaching these skills to local CDP participants:

...we're having problems with our septics. Four times they came to the house, but the house's kitchen sink is still blocked. I said, 'If the CDP taught someone to do this in the community, it'd be less expense, with people driving from wherever, and less waiting three weeks for someone to come and do something.' 68

6.71 Ms Thomas also provided an apt example of the lack of co-ordination and wasted public funds when maintenance people are dispatched 'to come out to fix up the flywire door when our house is in the process of being refurbished'.⁶⁹

67 Councillor Lyn McLaughlin, Mayor, Burdekin Shire Council, *Proof Hansard*, Townsville, 4 October 2017, p. 20.

⁶⁶ Councillor Lyn McLaughlin, Mayor, Burdekin Shire Council, *Proof Hansard*, Townsville, 4 October 2017, p. 20.

⁶⁸ Ms Vanessa Thomas, Director, Nurra Kurramunoo Aboriginal Corporation, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 51.

⁶⁹ Ms Vanessa Thomas, Director, Nurra Kurramunoo Aboriginal Corporation, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 51.

6.72 Councillor Lacey described the fly-in fly-out culture which dominates service delivery in remote communities:

You can only watch the planes every Monday, Tuesday, Wednesday and Thursday. By Friday, there are all empty. Everyone from the mainland comes to deliver the service because 'we have to deliver the service to you because you can't do it'.

We are saying we don't want that approach. This community in particular does not want that approach under this leadership in terms of shifting the thinking differently and saying to all sides of government can we have a rethink.⁷⁰

6.73 Councillor Lacey explained the opportunity that this presents:

I think there is greater opportunity particularly in the public sector in our community. Rather than flying everyone in and out, other than specialists and people who are highly skilled, to deliver our health services and things like, when you have jobs here that workers can do—we're never going to fill the full employment status of this community, but at least it will go halfway in terms of providing people with full-time employment.⁷¹

Making linkages between private sector projects and jobs

6.74 The committee also heard about substantial private sector investments that are proposed in the catchments of some regional and remote communities. Providing linkages between jobseekers and these private companies can offer serious employment prospects:

...where we know there isn't a greater job market, it is: how do we better the investment that you give us and invest it properly in our communities so our people can go on to meaningful employment? A classic example for us now: Adani is hitting the airwaves in this region. There's a lot of opportunity. We were at a function in Townsville—myself and the deputy mayor. They've earmarked 700 jobs for Indigenous people. How do we tap into that market? The government co-investment, or the Singapore deal, for Hervey Range military base just across the water from us, an hour and a half by boat or 15 minutes by plane: how do we give our people the opportunity? How do we not only make sure they don't have their blinkers on in terms of our community but buy into what's happening in our region and share in some of the wealth in our region? How do we gear up a program like CDP—or whatever the new language is going to be; there's probably going to be a new language for it—to give us a sense of redirecting our mob into what's happening in the region?

Councillor Alf Lacey, Mayor, Palm Island Aboriginal Shire Council, *Proof Hansard*, Palm Island, 4 October 2017, p. 17.

Councillor Alf Lacey, Mayor, Palm Island Aboriginal Shire Council, *Proof Hansard*, Palm Island, 4 October 2017, pp 15–16.

Councillor Alf Lacey, Mayor, Palm Island Aboriginal Shire Council, *Proof Hansard*, Palm Island, 4 October 2017, pp 15–16.

Improving linkages between the police and community

6.75 Assistant Commissioner Taylor told the committee about some of the work that Queensland Police has been involved in mentoring and then employing local Indigenous people in remote Queensland communities—providing the dual benefit of delivering employment to locals, and helping to improve trust and rapport between police and local people:

Aurukun has been a particular focus from my perspective because of a range of challenges over the years. Most recently, we employed our first police liaison officer in the Queensland Police Service who has lived and worked in Aurukun and was born there. He was a product of the program previously. It provided an opportunity for him to be mentored through interactions with police and the council. He was able to develop a range of skills. He took on the duties that he was given and demonstrated a level of accountability to such a degree that he was capably employed and transitioned from that program through council to the Queensland Police Service. Normally that wouldn't have occurred. Previously, when we've tried to recruit, we've had great difficulty in attracting local members of the community into the service. There's been somewhat of a fractured relationship between police and some members of the community, which is quite historic in nature. Police are working quite strongly to try to build up a better rapport.

Indigenous organisations to take more control

6.76 The committee heard that 'every community is so different that one size does not fit all'. Inspector Glen Willers, Assistant District Officer for the Goldfields-Esperance District for Western Australia Police told the committee:

Personally I like the idea of community committees deciding what's best for their community in a structured way. Trying to put a blanket over all these communities which are remarkably remote and saying, 'This is how you'll deal with your money,' whether it be any sort of card or CDP work, is not the way to go. I would like to see greater consultation in the community and greater input from some terrific leaders that we have seen out there and who know what's best for their community. It's so individualised out there with different families needing different things. I think that, when we try to put a blanket over a CDP or any other card, it's probably counterproductive. Personally I've met some greater leaders and terrific people out there. We really should be getting some advice from them. ⁷⁵

6.77 Councillor Lacey raised his concerns about the low proportion of program funding that is actually injected into local economies, and that this approach needed to

Assistant Commissioner Paul Taylor, Assistant Commissioner, Northern Region, Queensland Police, *Proof Hansard*, Townsville, 4 October 2017, pp 1–2.

Inspector Glen Willers, Assistant District Officer, Goldfields-Esperance District, Western Australia Police, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 4.

Inspector Glen Willers, Assistant District Officer, Goldfields-Esperance District, Western Australia Police, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 4.

change, with local councils playing a greater role in administering programs such as CDP:

'Out of that \$1 investment the government's putting on the table, is it 1c[ent], 10c or 50c hitting the ground or is it the whole dollar hitting the ground?' I'll tell you this: the dollar's not hitting the ground because, if it were, we wouldn't be in the mess that we're in. I think that that's really important, and that's why we're suggesting it to this committee. You'll hear from the other Indigenous council, if they get an opportunity to speak with you, about whether there's a better way of doing it that's not a short-term investment. Let's take the government at its face value and say, 'We want you to invest in an employment program in our community, but don't invest on a three or four yearly cycle. Invest in a 10-year cycle so that we can see if we can get some really better results and put our mob in a better position than what they are currently in at the moment.' With the short-term investment, one provider had it four years ago; another provider then gets awarded it for the following four years. The community has to re-educate the new providers every time there is a new provider. That's why we're offering for councils to be a major player, particularly for us in Oueensland.⁷⁶

6.78 Other local community groups such as the Palm Island Community Council also put forward a view that their organisations would be more effective than the current employment providers at delivering sustainable employment in remote communities. Ms Atkinson explained what her company's approach would be:

An example could be that the Palm Island Community Company takes 20 participants and we have a certain period of time; we could work with those participants within our existing resources, with some other support, and work towards saying, 'In six months time, three people or five people out of that 20 may have a permanent job somewhere.' But those jobs have to be jobs where they are going to be employable not just in a remote community but elsewhere as well. So they are going to be real, meaningful jobs.⁷⁷

6.79 Ms Atkinson also noted that local companies like the Palm Island Community Company were not-for-profit and invested all of their funding in local people and infrastructure:

Give me the millions, and I'll bet I get a better outcome than what is currently happening now. We started off with this company, with no money in the bank. It's still a not-for-profit and it has no money, but we built a small capacity of individuals on the island before we could start building the company. And the best investment was investing the little money we had to get people and consultants and local Aboriginal people, to build

Ms Rachel Atkinson, CEO, Palm Island Community Company, *Proof Hansard*, Townsville, 4 October 2017, p. 25.

Councillor Alf Lacey, Mayor, Palm Island Aboriginal Shire Council, *Proof Hansard*, Palm Island, 4 October 2017, pp 14–15.

capacity with the individuals to then compete and apply for jobs. That was a simple one, but, as I said, they are still there.⁷⁸

Committee view

- 6.80 The committee is broadly supportive of an effective program for remote jobseekers that provides the opportunity for job placement and community development. However, it is clear that there needs to be significant changes to the current CDP.
- 6.81 This chapter explored the characteristics that any new program should have. The committee considers that there should be a move away from the compliance and penalty model towards the provision of a basic income with a wage-like structure to incentivise participation. Furthermore, the program should be driven and owned by the local community ensuring appropriate community development consistent with the unique requirements of each community, whilst remaining culturally appropriate and flexible. The committee has earlier made clear its view that community consultation must be a paramount feature of the program.
- 6.82 It is the committee view that a jobseeker program must create and sustain real local jobs. The committee acknowledges that it is not possible to reach full-employment in many remote communities. Notwithstanding this, there is ample scope for remote job creation through a targeted pipeline of infrastructure funding and mandated local Indigenous employment targets; transferring fly-in fly-out service delivery to one of local delivery; expansion of successful cultural interface employment initiatives such as Indigenous Ranger programs; and ensuring that more funding from programs "hit the ground" in communities to drive local economies and job creation.

Ms Rachel Atkinson, CEO, Palm Island Community Company, *Proof Hansard*, Townsville, 4 October 2017, p. 26.