

The Senate

Finance and Public Administration
References Committee

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

December 2017

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Acronyms and abbreviations

ABS	Australian Bureau of Statistics
ACOSS	Australian Council of Social Service
ACTU	Australian Council of Trade Unions
ANAO	Australian National Audit Office
APO NT	Aboriginal Peak Organisations of the Northern Territory
ASETS	Aboriginal Skills and Employment Training Strategy
ATSIC	Aboriginal and Torres Strait Islanders Commission
CAEPR	Centre for Aboriginal Economic Policy Research
CBS	Community Bridging Services
COAG	Council of Australian Governments
CDEP	Community Development and Employment Projects
CDF	Community Development Fund
CDP	Community Development Program
CLC	Central Land Council
DEEWR	Department of Education, Employment and Workplace Relations
DEWR	Department of Employment and Workplace Relations
ELC	Enterprise Learning Projects
EM	Explanatory Memorandum
FaHCSIA	Department of Families, Housing, Community Services and Indigenous Affairs
KBARG	Kalgoorlie Boulder Aboriginal Residents Group
KRCI	Kullarri Regional Communities Indigenous Corporation
IAS	Indigenous Advancement Strategy

IBA	Indigenous Business Australia
IPA	Indigenous Protected Area
IT	Information Technology
NATSISS	National Aboriginal and Torres Strait Islander Social Survey
NCVER	National Centre for Vocational Education Research
NSSRN	National Social Security Rights Network
NTER	Northern Territory Emergency Response
NPYECS	NPY Empowered Communities Secretariat
OH&S	Occupational health and safety
PIP	Performance Improvement Plan
PM&C	Department of the Prime Minister and Cabinet
PMF	Performance Management Framework
REPDF	Remote Employment Programme Delivery Framework
RETS	Regional Employment Targets
RJCP	Remote Jobs and Communities Program
SPF	Skills and Partnership Fund
VTEC	Vocational, Training and Employment Centres

List of Recommendations

Recommendation 1

7.8 The committee recommends that the Australian Government immediately replace the current CDP compliance and penalty regime with obligations that are no more onerous than those of other income support recipients. CDP participants must have the same legal rights and other responsibilities as other income support participants, taking into account special circumstances such as remote locations and cultural obligations.

Recommendation 2

7.9 The committee recommends that CDP requirements should be adjusted in order to ensure that participants are able to meet them for the majority of the time and are more closely aligned with the requirements of other income support participants. Those in work or work-like activity should have the general obligations and benefits of any worker.

7.10 The committee recommends that eight-week serious non-compliance penalties should not be applied during this transition period except under exceptional circumstances.

Recommendation 3

7.12 The committee recommends that the Department of the Prime Minister and Cabinet undertake an immediate audit of all existing Community Development Program providers. The audit should assess service delivery quality, and employment outcomes in order to inform any extension of contracts until the roll-out of a new program. In cases where underperformance is identified, the Department of the Prime Minister and Cabinet should work to ensure appropriate action is taken to ensure that providers meet expected standards.

Recommendation 4

7.14 The committee recommends an audit be conducted of interpreter services available to clients and Department of Human Services officers. The committee recommends the Department of Human Services invest in identifying, training and employing local people in remote communities and community controlled organisations who can provide Centrelink CDP-related liaison services in local Indigenous languages.

Recommendation 5

7.16 The committee recommends that Centrelink provides a dedicated telephone service for CDP participants staffed by officers familiar with the CDP program.

Recommendation 6

7.19 The committee recommends that the Department of the Prime Minister and Cabinet, led by the Minister for Indigenous Affairs, engage in genuine and comprehensive consultation with remote communities, Indigenous organisations, employment providers and other stakeholders on the reforms required to be made to the Community Development Program.

Recommendation 7

7.20 The committee recommends that the reform process for any new program should be focussed on the goal of community empowerment, and give active consideration to the proposals as outlined in the Aboriginal Peak Organisations of the Northern Territory's submission and supported by others. The establishment of an indigenous-led board and local governance committees as recommended by Aboriginal Peak Organisations of the Northern Territory should be considered.

7.21 Communities must be given a greater say in how a community development program is delivered in their area including the prioritisation of projects and the nature of approved work activities. Greater community control should harness the skills, experiences and knowledge of local community and Indigenous organisations.

Recommendation 8

7.24 The committee recommends that the Department of the Prime Minister and Cabinet provide practical support to local remote and Indigenous organisations to build governance and service delivery capacity in areas that enables these organisations to successfully tender for the new community development program.

Recommendation 9

7.28 The committee recommends that the Australian Government implement a payment scheme for remote jobseekers with income based on participation in agreed work-like activities, and incentives for additional activities in community development programs. The committee recommends that participation in community development program work activities should be compensated at an hourly rate commensurate with the national minimum wage.

Recommendation 10

7.30 The committee recommends that the Department of the Prime Minister and Cabinet carefully consider and, where appropriate, minimise the administrative processes required of providers engaged in the new community development program.

Recommendation 11

7.33 The committee recommends that funding agreements between the Australian Government and providers delivering services in future community development programs include a requirement that information on the quantum

of funding, the allocation of funding and the investment in training and basic vocational skills be collected and made publicly available. The publicly available financial information should include the dollar value of Centrelink payments that are foregone by participants due to CDP breaches.

Recommendation 12

7.36 The committee recommends that the Department of the Prime Minister and Cabinet work closely with Indigenous Business Australia (IBA) to ensure that remote communities are aware of the lending products that IBA can provide and assist individuals to lodge applications.

Recommendation 13

7.40 The committee recommends that the penalty funds (breaches) currently diverted from the community as a result of non-compliance and any ancillary payments allocated for providers should be applied to support local community development program activities identified by the community, or to top-up specific wages where appropriate.

7.41 The committee recommends that the Australian Government provide additional funding for community development activities, similar to the Community Development Funding previously available under the Remote Jobs and Communities Programs.

Recommendation 14

7.46 The committee recommends that the Australian Government work closely with all relevant state and territory and local governments to develop a five-year strategic plan for infrastructure and service delivery in remote communities. The strategic plan should be updated annually.

Recommendation 15

7.50 The committee recommends that the Department of the Prime Minister and Cabinet mandate that all service providers delivering the new community development program, in consultation with the local community and potential employers, develop a local jobs plan taking into consideration the job-readiness of the community. The local jobs plan would seek to transition service delivery staffed by non-local personnel, apart from highly specialised professionals, to local employment in a staged manner. In addition, the local jobs plan should ensure that paid work experience and training positions are created to enable young people to gain employment experience on leaving school.

Recommendation 16

7.51 The committee recommends that the definition of work activities under the revised CDP program should be expanded to include cultural transmission activities that are prioritised by the local community in their local jobs plans.

Recommendation 17

7.55 The committee recommends that the Australian National Audit Office conduct an audit of Australian Government contracts that relate to service delivery in remote locations. This audit should have a specific focus on the use of, and compliance with, Indigenous Employment Targets.

7.56 As part of this audit, the committee recommends that the Australian National Audit Office include state and territory government contracts where the Australian Government has made a funding contribution for a particular purpose. The audit should also report on how these contracts impact on Closing the Gap employment targets.

Recommendation 18

7.57 The committee recommends that the Australian Government review the guidelines for Indigenous employment and work closely with the Council of Australian Governments in order to establish a uniform approach to the application of Indigenous Employment Targets to state, territory and Commonwealth contracts in remote locations. Such an approach should include a mandatory target that forms the basis of a key performance indicator which is then used to assess the performance of a contractor for a current contract and used to assess suitability for subsequent tenders.

Recommendation 19

7.59 The committee recommends that the Department of the Prime Minister and Cabinet undertake an organisational review of its regional network to ensure that it has the capabilities necessary to properly administer a program featuring decentralised and local decision making focussed on the needs of remote communities.

Recommendation 20

7.62 The committee recommends that the Australian Government formally cost the Aboriginal Peak Organisations of the Northern Territory submission. This costing should include a comparison to the complete costs of the previous Community Development Employment Projects (CDEP) and the current CDP, including costs such as the portion of the Department of Social Services' budget (including outsourced funding arrangements) spent on administering the CDP.

Recommendation 21

7.63 The committee recommends that the Australian Government, in designing the new program, ensures that a rigorous, transparent and impartial evaluation process be developed to guide implementation and delivery. This evaluation function may be considered as part of the role for the planned Indigenous Commissioner in the Productivity Commission.

Recommendation 22

7.65 The committee recommends that during consultations on the new program that the Department of the Prime Minister and Cabinet and Centrelink actively explore the reasons for disengagement and seek to develop strategies to address this issue.

7.66 The committee also recommends that Centrelink take immediate proactive steps to engage with participants who have disengaged from income support and employment programs and assist them to reconnect.

Chapter 1

Introduction

1.1 On 22 March 2017, the following matter was referred to the Senate Finance and Public Administration References Committee (committee) for inquiry and report by 14 September 2017:

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

- a. the adequacy of the policy process that led to the design of the CDP;
- b. the nature and underlying causes of joblessness in remote communities;
- 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;
- d. the impact of the CDP on the rights of participants and their communities, including the appropriateness of the payments and penalties systems;
- e. the funding of the CDP, including the use of unspent funds in the program;
- f. the extent of consultation and engagement with Aboriginal and Torres Strait Islander communities in the design and implementation of the CDP, and the role for local decision making within the program;
- g. alternative approaches to addressing joblessness and community development in remote Indigenous communities; and
- h. any other related matters.¹

1.2 The Senate granted an extension of time for reporting until 14 December 2017.²

Conduct of the inquiry

1.3 The inquiry was advertised on the committee website. The committee invited submissions from individuals and organisations by 9 June 2017. The committee received 47 submissions. Submissions received by the committee are listed at Appendix 1.

1.4 The committee held public hearings in Kalgoorlie on 23 August 2017; Alice Springs on 28 August 2017; Canberra on 8 September 2017; Palm Island on

1 *Journals of the Senate* No. 33—22 March 2017, p. 1131.

2 *Journals of the Senate* No. 60—11 September 2017, p. 1932. See also: *Journals of the Senate*, No. 68—13 November 2017, p. 2190; *Journals of the Senate*, No. 76—4 December 2017, p. 2428.

4 October 2017; and Townsville on 4 October 2017. A list of the witnesses who gave evidence at the public hearings is available at Appendix 2.

1.5 The committee also conducted site visits in Alice Springs on 28 August 2017, Papunya on 29 August 2017, and Palm Island on 4 October 2017. Summaries of the site visits can be found in Appendix 3.

1.6 Submissions, additional information and the Hansard transcript of evidence may be accessed through the committee website at: www.aph.gov.au/senate_fpa.

1.7 The committee thanks those who made submissions to the inquiry and appeared as witnesses at hearings. The committee thanks Tangentyere Council, Tangentyere Employment and Tangentyere Constructions for hosting site visits to its facilities in Alice Springs. The committee also thanks the community of Papunya and the Ngurratjuta/Pmara Ntjarra Aboriginal Corporation for hosting the committee's visit to the Papunya community. The committee thanks the community of Palm Island and Campbell Page for hosting a site visit on Palm Island. Finally, the committee extends its sincere gratitude to participants and residents in these communities who warmly invited the committee into their workplaces and communities, and shared their stories.

Related inquiry

1.8 During the 44th Parliament, the Senate Finance and Public Administration Legislation Committee undertook an inquiry into the Social Security Legislation Amendment (Community Development Program) Bill 2015. The committee reported on 2 March 2016. The bill lapsed at the dissolution of the Parliament on 9 May 2016.³

Structure of the report

1.9 Chapter 1 is an introductory chapter which outlines the context and administrative details of the inquiry. The remainder of the report is structured as follows:

- Chapter 2 provides the context and background for the Australian Government's CDP.
- Chapter 3 focuses on the nature and underlying causes of joblessness in remote communities.
- Chapter 4 looks at the impacts of the CDP on individuals and their communities.
- Chapter 5 examines the impacts of the CDP on providers contracted to provide CDP.
- Chapter 6 explores alternative approaches for a future remote jobseeker employment program.

3 Senate Finance and Public Administration Legislation Committee, *Inquiry into the Social Security Legislation Amendment (Community Development Program) Bill 2015*, March 2016, http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Finance_and_Public_Administration/Social_Security (accessed 10 July 2017).

- Chapter 7 draws together the committee's conclusions and recommendations.

Chapter 2

Consultation and the policy development process

Introduction

2.1 This chapter provides the context and background for the Australian Government's Community Development Program (CDP) with a particular focus on:

- A description of the CDP;
- The background to the CDP;
- The policy process leading to the design of the CDP and its predecessor programs (including consultation and engagement with stakeholders);
- The government's announcement of changes to the current CDP and stakeholder perceptions of the announced changes (and consultation on these changes); and
- Funding arrangements for the CDP.

What is the CDP?

2.2 CDP is a remote-area Work for the Dole scheme with around 35 000 participants, about 84 per cent of whom are Aboriginal or Torres Strait Islander people, often living in discrete remote Indigenous communities or small outstations.¹ There are currently 53 100 Aboriginal and Torres Strait Islander people in total (remote and non-remote) seeking work.² As a result, this program is of particular significance to Aboriginal and Torres Strait Islander people.

2.3 CDP was introduced on 1 July 2015. It replaced the Remote Jobs and Communities Program (RJCP) which, in turn replaced the longstanding Community Development and Employment Projects (CDEP) and the universal employment services program, Job Services Australia.

2.4 CDP requires job seekers aged 18–49 years to participate in work-like activities for five hours every weekday, for a total of 25 hours every week, for 46 weeks each year.³

2.5 To be eligible, participants must live in a remote area, receive a Newstart Allowance, Parenting Payment or Youth Allowance, and meet mutual obligation

1 Department of the Prime Minister and Cabinet (PM&C), *The Community Development Program Regions*, 18 April 2017, <https://www.pmc.gov.au/resource-centre/indigenous-affairs/community-development-program-regions> (accessed 21 June 2017).

2 Australian Bureau of Statistics (ABS), *4714.0—2014–15 NATSISS: Summary Results for States and Territories*, March 2017, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/4714.02014-15?OpenDocument> (accessed 9 December 2017).

3 PM&C, *The Community Development Program*. See also: PM&C, *Submission 36*, p. 3.

requirements. In return, the jobseekers are to receive personalised support including access to skills development and training assisted by a program provider in their region.⁴ The CDP is delivered in 60 regions and more than 1 000 communities across Australia.⁵ The current CDP regions are shown in Figure 2.1.

2.6 Participants receive personalised assistance from providers who are contracted to assist participants with training opportunities, seeking work, and participating in activities that benefit their community while looking for work.

2.7 CDP is designed to support job seekers in remote Australia to build skills, address barriers to employment and contribute to their communities through a range of activities, and to address the 'unique social and labour market conditions found in remote Australia'.⁶

Employer incentive funding

2.8 Under CDP, employer incentive funding up to \$7 500 (plus GST) for full-time employees or up to \$3 750 (plus GST) for part-time employees is available to help Australian businesses manage the costs of employing remote job seekers.⁷

2.9 The funding can be used in any way the employer chooses, such as providing additional training and supervision or as a wage subsidy. It is payable once the remote job seeker has been employed full time for 26 weeks, and provides for the job seeker to take cultural leave, manage short seasonal gaps, or down time between work projects for up to four weeks in each 13-week period.⁸ It is expected that CDP participants are paid consistent with industrial relations conditions.

2.10 Employers can also take on job seekers from remote areas for up to 26 weeks in a workplace hosted placement, a long term work experience opportunity during which job seekers remain on income support and have mutual obligations under CDP.⁹ CDP participants receive no additional payment for this work.

4 Department of Human Services, *Community Development Program*, <https://www.humanservices.gov.au/customer/services/centrelink/community-development-program> (accessed 9 June 2017).

5 Australian Government, *Community Development Program Regions*, updated 22 November 2016, <https://www.pmc.gov.au/sites/default/files/publications/CDP-regions-factsheet-nov-2016.pdf> (accessed 1 June 2017).

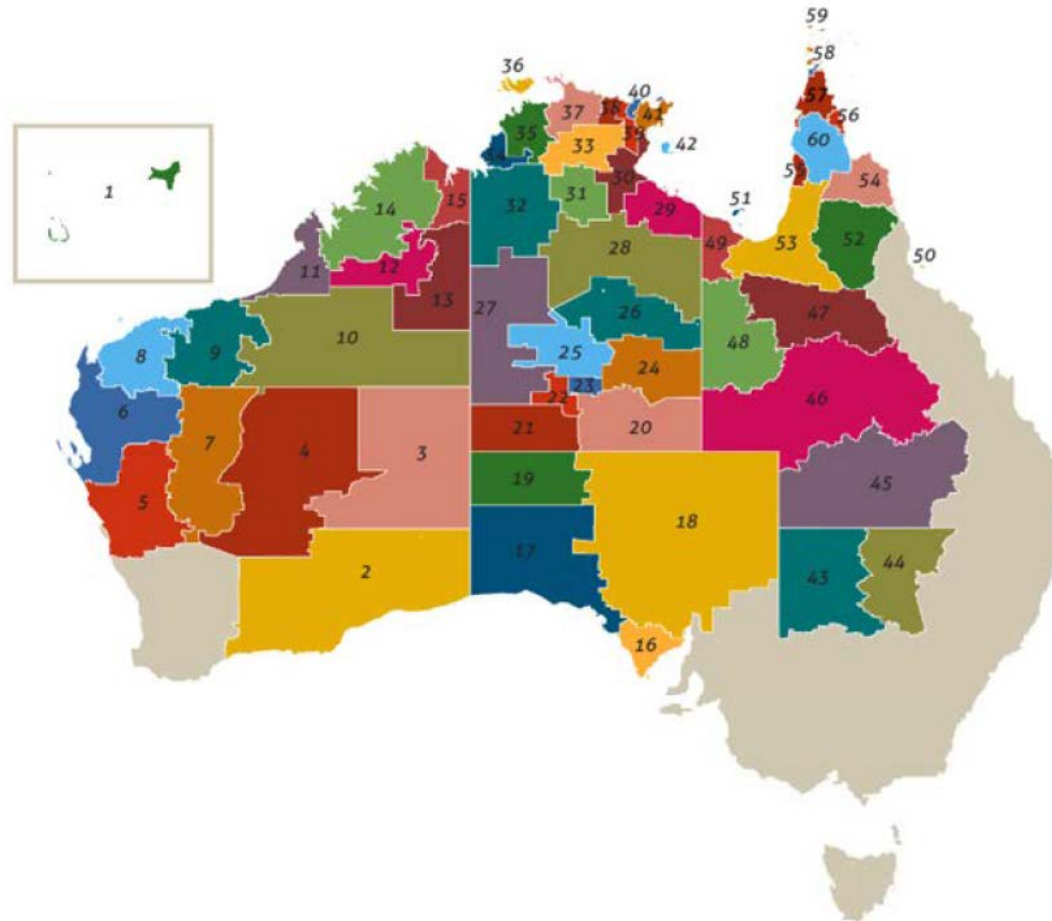
6 PM&C, *The Community Development Program (CDP)*, <https://www.dpmc.gov.au/indigenous-affairs/employment/community-development-program-cdp> (accessed 1 June 2017). Mainstream employment services provide support and assistance to around 88 000 Indigenous job seekers through Jobactive, DES, Transition to Work and the CDP.

7 PM&C, *Opportunities for employers: Employer Incentive Funding*, <https://www.pmc.gov.au/sites/default/files/publications/CDP%20employer%20factsheet%2029%20September.pdf> (accessed 14 June 2017).

8 PM&C, *Opportunities for employers: Employer Incentive Funding*.

9 PM&C, *Opportunities for employers: Employer Incentive Funding*.

Figure 2.1—CDP regions¹⁰



10 Australian Government, *Community Development Program Regions*. The numbers relate to the CDP provider for each region.

Policy process leading to the design of the CDP

2.11 The following summarises the policy process, from the establishment of CDEP in 1977 to the current reviews of the CDP.

Community Development and Employment Program (CDEP)

2.12 The Community Development and Employment Program (CDEP) was established in a few remote Aboriginal communities in 1977 under the then Fraser Government's Department of Aboriginal Affairs. In its submission, the Department of the Prime Minister and Cabinet (PM&C) described what the government set out to achieve with CDEP:

The CDEP...was designed specifically for Aboriginal and Torres Strait Islander people to provide employment, training, activities, enterprise support, or income support. Many have highlighted the positive elements, including the provision of flexible employment opportunities and its focus on community development, local control and responsibility. It also provided people work and 'top-up' above job seekers income support payment, which incentiv[ises] people to be involved and active in their communities.¹¹

2.13 At its peak in 2002–03, CDEP employed some 35 200 Indigenous people (25 per cent of all Indigenous employment) in 272 communities, both remote and non-remote, with a total budget of \$484.4 million.¹²

2.14 Some researchers have pointed to the popularity of the CDEP scheme, noting that it was a government-sponsored part-time employment program with participants being paid a wage to work on local projects rather than receiving welfare benefits.¹³

2.15 However, others expressed concerns that CDEP employment was not leading to employable skills or jobs outside of CDEP, and work requirements were not being enforced.¹⁴

Debating reform

2.16 During the operation of CDEP debate focused on whether CDEP was diverting participants from mainstream employment, or whether it was the only realistic option for employment in remote communities with limited access to jobs.¹⁵

11 PM&C, *Submission 36*, p. 14.

12 Dr Will Sanders, 'DCEP and ATSIC as bold experiments in governing different: But where to now?' in D Austin-Btoos and G Macdonald, eds, *Culture, economy and governance in Aboriginal Australia*, Sydney University Press, Sydney, 2005, pp 203–12.

13 Kirrily Jordan, 'Introduction', in Jordan and Fowkes, *Job Creation and Income Support*, p. 1.

14 I Spicer, *Independent review of the Community Development Employment Projects (CDEP) Scheme*, ATSIC, Canberra, 1997.

15 BH Hunter and MC Gray, *Continuity and change in the CDEP scheme*, Working paper, 84/2012, Centre for Aboriginal Economic Policy Research (CAEPR), Canberra, 2012.

2.17 In 2004, responsibility for CDEP was transferred from the Aboriginal and Torres Strait Islanders Commission (ATSIC) to the Department of Employment and Workplace Relations (DEWR).¹⁶ A subsequent review conducted by the Office of Evaluation and Audit led to it being gradually withdrawn from non-remote areas. The Minister's Foreword to this discussion paper noted that the:

Australian Government believes that a more employer-focused job brokerage approach would further increase employment outcomes for Indigenous people particularly in urban and major regional centres where the labour market is very strong.¹⁷

2.18 Despite this, an academic analysis of CDEP in 2005 by Professor Jon Altman found that the scheme was succeeding in 'generating positive economic and community development outcomes at minimal cost to the Australian taxpayer'.¹⁸

2.19 In 2007, the Howard Coalition Government announced that CDEP in the Northern Territory would be 'progressively replaced with real jobs, training and mainstream employment programs' as part of the Northern Territory Emergency Response (NTER) amid criticism that CDEP was being used as a Commonwealth subsidy for services that should be provided by other levels of government.¹⁹

New approach

2.20 With a change of federal government in 2007, consultations commenced on the future of CDEP. The new Rudd Labor Government concluded that CDEP was not delivering employment outcomes and was subsidising local and state/territory government responsibilities.²⁰

16 Dr Will Sanders, 'Indigenous Centres in the Policy Margins: The CDEP Scheme over 30 years', October 2014, p. 6.

17 Australian Government Department of Employment and Workplace Relations, 'Indigenous Potential meets Economic Opportunity', Discussion Paper, November 2006, <http://pandora.nla.gov.au/pan/84675/20080522-1554/www.workplace.gov.au/NR/rdonlyres/D61B8DCB-A036-423F-9511-299E83F22752/0/CDEPPaperdiscussionwebfinal.pdf> (accessed 16 October 2017).

18 Jon Altman and Matthew Gray, 'The economic and social impacts of the CDEP scheme in remote Australia', *Australian Journal of Social Issues*, Spring 2005, pp 399–410, <http://search.proquest.com/docview/216244489?pq-origsite=gscholar> (accessed 14 June 2017).

19 CDEP in the Northern Territory Emergency Response, Questions and Answers, http://www.formerministers.dss.gov.au/wp-content/uploads/2012/06/cdep_qa_230707.pdf (accessed 14 June 2017); James Haughton, *Social Security Legislation Amendment (Community Development Program) Bill 2015*, Bills Digest No. 93, 2015–16, Parliamentary Library, 29 February 2016, p. 5, http://parlinfo.aph.gov.au/parlInfo/download/legislation/billsdgs/4399835/upload_binary/4399835.pdf;fileType=application/pdf (accessed 14 June 2017).

20 James Haughton, *Social Security Legislation Amendment (Community Development Program) Bill 2015*, Bills Digest No. 93, 2015–16, Parliamentary Library, 29 February 2016, p. 5, http://parlinfo.aph.gov.au/parlInfo/download/legislation/billsdgs/4399835/upload_binary/4399835.pdf;fileType=application/pdf (accessed 14 June 2017).

2.21 In 2009, the Department of Finance evaluated CDEP, noting that it aimed to improve participant employability in order to assist them to move into employment outside the CDEP program. The department found:

...a number of providers have weak links to other programs and employers, other than the local indigenous corporation, which was heavily subsidised, and are primarily oriented inwardly to the community rather than the labour market. This arrangement constitutes an internal labour market and is unlikely to be an effective means of economic development or employment preparation...The goal of sustaining communities is not the same as placing participants in the best possible position for work. Nevertheless, CDEPs make a contribution to the communities in which they operate and, for example, are a major provider of community services in remote communities.²¹

2.22 According to the Australian Bureau of Statistics (ABS), Aboriginal and Torres Strait Islander peoples are more than three times as likely as non-Indigenous people in the same age group to be unemployed (17.2 per cent for Indigenous compared to 5.5 per cent for non-Indigenous). Labour force participation for Indigenous peoples is over 20 percent lower than for non-Indigenous people (55.9 per cent compared to 76.4 per cent).²² In 2008, the Council of Australian Governments (COAG) agreed to a number of targets to address disadvantage faced by Indigenous Australians, including halving the gap in employment outcomes between Indigenous and other Australians by 2018.²³

Indigenous Economic Development Strategy

2.23 In 2011, the government released its Indigenous Economic Development Strategy 2011–18 which aimed to support increased personal and economic wellbeing of Indigenous Australians through greater participation in the economy.²⁴

Remote Jobs and Communities Program (RJCP)

2.24 In 2012–13, all remaining CDEP participants and clients of Job Services Australia, Disability Employment Services and the Indigenous Employment Program (IEP) in remote areas were rolled into a new program called RJCP. RJCP sought to better link jobseekers to the formal economy, as well as maintain resources for local

21 Eva Cox, 'What works and what doesn't work in indigenous service development: Reports on specific funded programs', *Journal of Indigenous Policy*, Vol. 43, 2014, p. 35, <http://www.austlii.edu.au/au/journals/JIIndigP/2014/43.pdf> (accessed 9 June 2017).

22 ABS, 'Exploring the gap in labour market outcomes for Aboriginal and Torres Strait Islander peoples', 4102.0—Australian Social Trends, 2014, 27 August 2014, <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/4102.0main+features72014> (accessed 14 June 2017).

23 Council of Australian Government, *Communique*, 21st meeting, 26 March 2008, p. 2, <https://www.coag.gov.au/sites/default/files/communique/communique-march-2008.pdf> (accessed 16 October 2017).

24 Australian Government, *Indigenous Economic Development Strategy 2011–18*, <http://apo.org.au/system/files/27022/apo-nid27022-56201.pdf> (accessed 15 June 2017).

economic development. It administered programs broadly similar to non-remote unemployment, disability and Work for the Dole programs.²⁵

2.25 RJCP was part of the Australian Government's commitment to the Closing the Gap strategy agreed in 2008 by COAG. It covered 59 remote regions, and was managed jointly by the Department of Education, Employment and Workplace Relations and the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA).

2.26 In recognition of the ongoing challenges in generating economic activity in remote areas and the ongoing deficit of infrastructure, the RJCP incorporated a Community Development Fund (CDF) which provided funding to support social and economic development and participation across the remote regions and in identified Remote School Attendance Strategy schools, by funding services and/or activities to support the creation of jobs and employment-related participation opportunities for both Indigenous and non-Indigenous job seekers.²⁶ The CDF was subsequently closed with funding transferred into the Indigenous Advancement Strategy (IAS).²⁷

2.27 The ABS noted that, in the 2008 National Aboriginal and Torres Strait Islander Social Survey (NATSISS) survey, all CDEP participants were classified as employed while in the 2014–15 survey, RJCP participants were classified either as unemployed or not in the labour force.²⁸ The difference in employment status between surveys resulted in a six per cent fall in employment for Indigenous Australians from 52 per cent in 2008 to 46 per cent in 2014–15.²⁹

Community Development Program

2.28 In November 2013, the newly-appointed Minister for Indigenous Affairs, Senator the Hon Nigel Scullion (Minister), declared that RJCP was a 'disaster', citing confusion over the funding model and a 'one-size-fits-all' approach that did not

25 James Haughton, *Social Security Legislation Amendment (Community Development Program) Bill 2015*, Bills Digest No. 93, 2015–16, Parliamentary Library, 29 February 2016, pp 5–6, http://parlinfo.aph.gov.au/parlInfo/download/legislation/billsdgs/4399835/upload_binary/4399835.pdf;fileType=application/pdf (accessed 14 June 2017).

26 Australian Government, *Community Development Fund Guidelines*, Remote Jobs and Communities Program, Part A: Program Guidelines, p. 3, https://www.pmc.gov.au/sites/default/files/grants/Revised_RJCP_CDF_guidelines_Part_A.pdf

27 Australian Government, *Indigenous Advancement Strategy*, <https://www.pmc.gov.au/indigenous-affairs/indigenous-advancement-strategy> (accessed 9 August 2017).

28 ABS, 'Labour force characteristics', 4714.0 – *National Aboriginal and Torres Strait Islander Social Survey, 2014–15*, 28 April 2016, <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4714.0~2014-15~Main%20Features~Labour%20force%20characteristics~6> (accessed 14 June 2017).

29 ABS, 'Labour force characteristics', 4714.0 – *National Aboriginal and Torres Strait Islander Social Survey, 2014–15*, 28 April 2016, <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4714.0~2014-15~Main%20Features~Labour%20force%20characteristics~6> (accessed 14 June 2017).

consider the differences between regions. Minister Scullion announced immediate changes to the program backed by 'robust compliance measures' and \$40 million to support the reinstatement of the IEP in remote areas.³⁰

2.29 On 1 July 2015, the Abbott Coalition Government restructured the RJCP and established the CDP, moving away from a community-controlled employment scheme to a program administered centrally by PM&C and administered by CDP providers with all payments mediated via Centrelink and Department of Human Services.³¹ According to PM&C, the RJCP was discontinued because it:

...did not meet the needs of remote communities or address passive welfare and provided few incentives or opportunities for job seekers to get the skills needed to find a job.³²

2.30 In December 2016, the Minister, in rejecting findings critical of the CDP contained in an ANU report,³³ noted that CDP had been making 'significant progress' in engagement and participation rates. The Minister stated that communities he engaged with on a regular basis were not wanting to return to 'passive welfare and disengagement'.³⁴

2.31 The Minister also noted that he was committed to improving the operation of the CDP and 'ensur[ing] local communities have more control, including through the delivery of the program by local providers rather than Centrelink'.³⁵

2.32 In May 2017, the Minister reported that the CDP had achieved a 'highly significant milestone', with 5 000 employment outcomes over the previous six months and more than 15 000 job placements since CDP started on 1 July 2015:

The CDP is getting remote jobseekers into work—and on more than 5000 occasions they have stayed in the job for at least 26 weeks. The 26-week outcome is critical because we know if a person stays in a job for at least

30 Senator the Hon Nigel Scullion, 'Immediate changes to the Remote Jobs and Communities Program', Media release, 29 November 2013, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22media%2Fpre%2F2868389%22> (accessed 16 June 2017).

31 Senator the Hon Nigel Scullion, 'New era for remote job services', Media release, 1 July 2015, <https://www.nigelscullion.com/media-hub/indigenous-affairs/new-era-remote-jobs-services> (accessed 24 October 2017).

32 PM&C, *Submission 36*, p. 1.

33 K Jordan and L Fowkes, *Job Creation and Income Support in Remote Indigenous Australia: Moving Forward with a Better System*, CAEPR Topical Issue No. 2/2016, Centre for Aboriginal Economic policy Research, Australian National University, November 2016, <http://caepr.anu.edu.au/Publications/topical/2016TI2.php> (accessed 6 June 2017).

34 Senator the Hon Nigel Scullion, 'Facts don't back up ANU report on CDP', PM&C, Media release, 2 December 2016, <https://ministers.pmc.gov.au/scullion/2016/facts-dont-back-anu-report-cdp> (accessed 8 June 2017).

35 Senator Scullion, 'Facts don't back up ANU report on CDP', pp. 1–2.

six months, they have a far greater chance of staying in work over the long term.³⁶

2.33 Later chapters of the report will focus on the impacts of the CDP on individuals, communities and providers.

The government's broader framework for Indigenous Affairs after the 2013 election

2.34 In 2014, the government announced its Indigenous Advancement Strategy (IAS) to consolidate all facets of Indigenous social, economic, health and wellbeing across multiple Australian Government departments.³⁷ Two of the main aims of the Jobs, Land and Economy component of the IAS are to increase the number of Aboriginal and Torres Strait Islander people in 'real jobs' and train more people for local jobs in their communities. Initiatives to achieve these aims include the new CDP, the Employment Parity Initiative, Vocational, Training and Employment Centres (VTEC) and the Indigenous Cadetship Support Program.³⁸ The experience that CDP providers have with IAS is discussed further in Chapter 5.

2.35 Also in 2014, the government commissioned Mr Andrew Forrest to undertake a Review of Indigenous Training and Employment Programs, involving public submissions and consultations. The final report *Creating Parity: the Forrest Review* was released on 1 August 2014.³⁹ The government is implementing a progressive roll-out of measures in response to the recommendations. Much of the current policy

36 Senator the Hon Nigel Scullion, 'CDP hits major milestone for remote jobseekers', PM&C, Media release, 18 May 2017, <https://ministers.pmc.gov.au/scullion/2017/cdp-hits-major-milestone-remote-jobseekers> (accessed 8 June 2017).

37 The strategy consolidates the different Indigenous policies and programs delivered by government into five overarching programs. See PM&C, *Indigenous Advancement Strategy*, <https://www.pmc.gov.au/indigenous-affairs/indigenous-advancement-strategy> (accessed 13 June 2017).

38 National Centre for Vocational Education Research (NCVER), *Policy snapshot: Indigenous training and employment*, 2017, p. 1, https://www.ncver.edu.au/_data/assets/pdf_file/0035/484487/Policy-snapshot-Indigenous-training-and-employment.pdf (accessed 13 June 2017). NCVER noted that much of this policy agenda 'has been adopted from the recent Forrest Review recommendations. See also: Australian Government, *Vocational Training and Employment Centres: Information sheet for Community Development Program providers*, <https://www.pmc.gov.au/sites/default/files/publications/VTEC-information-sheet-CDP-Providers.pdf> (accessed 14 June 2017). The Vocational Training and Employment Centres (VTEC) Program supports and places Indigenous job seekers into sustainable jobs for up to 26 weeks, and includes job specific training. VTECs receive a single 26 week employment outcome fee and are expected to identify and source support from other sources including CDP providers. CDP providers can also claim their outcome payments as per their funding agreement, so VTEC and CDP are not duplication of funding.

39 *Creating Parity: the Forrest Review*, 2014, <https://www.pmc.gov.au/sites/default/files/publications/Forrest-Review.pdf> (accessed 19 June 2017).

agenda around Indigenous employment has been adopted from the *Forrest Review* recommendations.⁴⁰

Consultation and engagement leading up to CDP

2.36 Several submissions and witnesses were critical of the process that led to the design of the CDP, claiming that there was inadequate community consultation and engagement.⁴¹ National Employment Services Association described the policy process and consultation as 'limited'.⁴²

2.37 According to former federal parliamentarian and Minister for Aboriginal Affairs in the late 1970s, Mr Fred Chaney AO and former senior Commonwealth public servant specialising in Indigenous matters, Mr Bill Gray AM:

There is little evidence, if any, that the Government initiated a credible or transparent process by which Indigenous input as obtained or used in the design of the CDP.⁴³

2.38 Jobs Australia's recent submission to the Australian National Audit Office (ANAO) Audit of the CDP noted that the initial RJCP program was developed after several rounds of community consultation and the advice of an Expert Panel, and contracts with service providers were set at five years in recognition of the need for long-term commitment in these communities.

2.39 In contrast, the design and rollout of CDP was undertaken with no prior 'transparent and formalised public consultations with communities'.⁴⁴ Jobs Australia stated:

In late November 2013, five months after RJCP had commenced in July, Minister Scullion announced that immediate changes would be made to the program, which he described as 'poorly designed and badly implemented'...A year later, in December 2014, Minister Scullion announced the major reforms that would lead to implementation of CDP in July 2015 [and that] the government would discuss the new program with communities on a community-by-community basis...⁴⁵

2.40 Some CDP participants reported that they were merely informed of the change from RJCP to CDP. As one APY Lands resident and CDP participant recalled:

40 PM&C, *Indigenous jobs and training review*, <https://www.pmc.gov.au/indigenous-affairs/employment/indigenous-jobs-and-training-review> (accessed 13 June 2017).

41 See for example, Inge Kral, *Submission 7*, p. 2; Lisa Fowkes, *Submission 8*, pp 2 and 13; Shelley Bielefeld, *Submission 11*, pp 1–2; Will Sanders, *Submission 12*, p. 5.

42 National Employment Services Association, *Submission 45*, p. 3.

43 Fred Chaney AO and Bill Gray AM, *Submission 2*, p. 2.

44 Jobs Australia, 'The Design and Implementation of the Community Development Program', April 2017, p. 6, https://www.ja.com.au/sites/default/files/jobs_australia_submission_design_and_implementation_of_cdp.pdf (accessed 20 June 2017).

45 Jobs Australia, 'The Design and Implementation of the CDP', pp 6–7.

Suddenly, there was CDP. We had to learn a new way. Old CDEP and the other RJCP were just gone. The new CDP had no jobs like the old CDEP; the "E" part, the employment part, was taken out; the guts was taken out. We were just left with pretend jobs and punished for not doing the pretend jobs.⁴⁶

2.41 Some communities were completely confused by what the government's intentions were:

When it was announced that the RJCP was ending and that a new program, CDP, would begin, we all just assumed that it would more or less be the same program. The fact that the new program was called CDP was the first cause of confusion. A former program had been called CDEP, and I think many people thought that we were just going back to that. There was never really any true direction to advise us exactly what the changes were from RJCP to CDP or why these changes had been made.⁴⁷

2.42 The Ngaanyatjarra Council felt the use of the acronym CDP was misleading due to it sounding similar to CDEP:

We didn't want it when it started but we thought it would be like CDEP because it has the same letters. That was wrong to use those letters because it tricked us.⁴⁸

Developments since the implementation of CDP

CDP funding (including the use of unspent funds)

2.43 There are two sources of funding for the CDP:

- PM&C is responsible for program delivery as part of the IAS, and allocates the funding to CDP providers to deliver training and employment services under program 2.1 (Jobs, Land and Economy Program); and
- the Department of Social Services administers the special appropriations for all welfare payments in Australia; the Department of Human Services is responsible for delivering the welfare payments to CDP participants via Centrelink; Centrelink is also responsible for determining conditions of payment such as eligibility, hours of activity, and penalties that may be applied.⁴⁹

46 Cited in: Uniting Communities, *Submission 23*, p. 3.

47 Ms Vanessa Thomas, Director, Nurra Kurramunoo Aboriginal Corporation, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 49.

48 Ngaanyatjarra Council, *Submission 5*, p. [2].

49 Ms Nadine Williams, First Assistant Secretary, Community and Economic development, PM&C, Senate Estimates, *Proof Hansard*, 26 May 2017, pp 38–39.

2.44 PM&C submitted an overview of CDP expenditure for 2015–16 (summarised in Table 2.1).

Table 2.1—CDP expenditure for 2015–16⁵⁰

Total Expenditure on CDP	2015-16
Total	\$268.52 million
Breakdown	
Employment Outcomes	\$18.92 million
CDP Activity Outcome payments	\$204.2 million
Basic Services payments	\$45.4 million

2.45 Under the former CDEP, unspent funds were returned to a consolidated community fund. Under the current CDP, welfare payments withheld from participants are returned to consolidated revenue.⁵¹

2.46 The Minister has noted that the question of where unspent CDP funds should be returned is a matter for review as part of the current consultations for a new scheme.⁵²

Social Security Legislation Amendment (Community Development Program) Bill 2015

2.47 Less than six months after the establishment of the CDP, the government introduced the Social Security Legislation Amendment (Community Development Program) Bill to set up a new obligation and compliance regime.⁵³ The detail of this regime was to be determined by the Minister through legislative instruments.

2.48 The bill provided for:

- responsibility for remote income support payments to be transferred from Department of Human Services to local CDP providers based in remote regions;

50 PM&C, *Submission 36*, p. 11.

51 Mr Andrew Tongue, Associate Secretary, Indigenous Affairs Group, PM&C; Ms Nadine Williams, First Assistant Secretary, Community and Economic Development, PM&C, *Proof Estimates Hansard*, 26 May 2017, p. 38.

52 Senator the Hon Nigel Scullion, Minister for Indigenous Affairs, *Proof Estimates Hansard*, 26 May 2017, p. 38.

53 *Journals of the Senate*, No. 133—2 December 2015, p. 3583.

- a simplified, compliance framework, with immediate non-attendance penalties to promote work-like behaviours and provision for reasonable excuses for being absent, factoring in appropriate reasons such as illness and cultural business;
- increased income thresholds so individuals have a greater incentive to take-up casual or part-time work, with the amount of income support dependant on participation in CDP activities; and
- the scheme to be phased in, on a region by region basis, to ensure provider capability and community willingness.⁵⁴

2.49 The Explanatory Memorandum (EM) to the 2015 bill noted that:

Welfare reliance is at its most concentrated in remote Australian communities. In very remote areas, almost one in five adults of workforce age are in receipt of income support payments. People in remote Australia are moving onto welfare at a young age and staying there for life. Very few people are transitioning into full time paid employment. Long term welfare reliance on this scale is detrimental to individuals and to communities.⁵⁵

[CDP] assists people to gain the skills, experience and commitment necessary to find paid work where it exists and enables them to contribute meaningfully to their community in the absence of paid work, through participation in continuous CDP activities. CDP includes employment incentives, incentives to establish businesses and access to vocational training and support to address pre-employment barriers such as drug and alcohol problems.⁵⁶

2.50 The bill was the subject of an inquiry by the Senate Finance and Public Administration Legislation Committee's inquiry into the bill which tabled its report in March 2016. The report was critical of this bill with a particular focus on the lack of consultation during its development.

54 Australian Government, *Consultation Paper: Changes to the Community Development Program*, p. 2, https://www.pmc.gov.au/sites/default/files/publications/cdp_consultation_paper.pdf (accessed 13 June 2017).

55 Social Security Legislation Amendment (Community Development Program) Bill 2015, Explanatory Memorandum (EM), p. 1, http://parlinfo.aph.gov.au/parlInfo/download/legislation/ems/s1027_ems_02f82de6-1761-4a55-9dd9-a450e1637a5a/upload_pdf/504381em.pdf;fileType=application%2Fpdf (accessed 16 June 2017).

56 Social Security Legislation Amendment (Community Development Program) Bill 2015, EM, p. 1, http://parlinfo.aph.gov.au/parlInfo/download/legislation/ems/s1027_ems_02f82de6-1761-4a55-9dd9-a450e1637a5a/upload_pdf/504381em.pdf;fileType=application%2Fpdf (accessed 16 June 2017).

2.51 The bill lapsed on 9 May 2016 at the dissolution of the 44th Parliament.⁵⁷

Current reviews

2.52 In addition to the current Senate inquiry into the appropriateness and effectiveness of the objectives, implementation and evaluation of the CDP, there were two other relevant reviews underway including one commissioned by the government and one initiated by the ANAO.

2.53 In 2016, PM&C contracted the Indigenous-owned research and communications organisation Winangali Pty Ltd to undertake an independent evaluation of CDP, in partnership with Ipsos Australia, with a view to formulating a new policy framework. An interim report is currently being finalised with a final report due in mid-2018.⁵⁸

2.54 In 2017, the ANAO commenced an audit of the CDP, which was tabled on 31 October 2017, to assess the effectiveness of the transition of the RJCP to the CDP, including whether the CDP is well designed and administered effectively and efficiently.⁵⁹ The ANAO's report made a number of findings including that:

- There is 'scope to review the incentives created by the revised provider payment structure'.⁶⁰ In 2016, the ANAO found that nine providers 'significantly misreported attendance' with nearly \$700 000 being recovered as a result of these investigations. Some providers were found to have included the names of 'people in jail or deceased' to boost their attendance figures.⁶¹
- Financial penalties applied to CDP participants were over four times higher in the period 2015–16 when compared to RJCP in 2014–15 (146 700 financial penalties compared to around 35 500). The report noted that 'this reflects that under the CDP, unlike the RJCP, providers were required to consistently enter jobseeker attendance data and, where required, initiate action under the [Job

57 Parliament of Australia, *Social Security Legislation Amendment (Community Development Program) Bill 2015*, http://www.aph.gov.au/Parliamentary_Business/Bills_LEGislation/Bills_Search_Results/Result?bld=s1027 (accessed 9 August 2017).

58 Department of the Prime Minister and Cabinet, answer to question taken on notice at the Additional Estimates 2016–17, Question no. 116, Senate Finance and Public Administration Legislation Committee, 3 March 2017, p. 48. See also: PM&C, *Submission 36*, p. 14.

59 ANAO, 'The Design and Implementation of the Community Development Program', Commonwealth of Australia, 2017, <https://www.anao.gov.au/work/performance-audit/design-and-implementation-community-development-program> (accessed 11 October 2017).

60 ANAO, 'Design and implementation of the Community Development Programme', Performance Audit, ANAO Report No. 14, 2017–18, 31 October 2017, p. 7, https://www.anao.gov.au/sites/g/files/net3416/f/ANAO_Report_2017-2018_14a.pdf (accessed 1 November 2017).

61 ANAO, 'Design and implementation of the Community Development Programme', Performance Audit, ANAO Report No. 14, 2017–18, 31 October 2017, pp 48–49.

Seeker Compliance Framework]. Provider payments were dependent on the accurate reporting of jobseeker attendance and re-engagement'.⁶²

- In 2015–16, over half (54 per cent) of all non-compliance reports for the both JobActive and the CDP related to CDP despite CDP making up only 5 per cent of the caseload.⁶³
- There has been 'a significant increase in the maximum call wait times' when participants sought to contact Centrelink to 'discuss the reasons' for non-compliance and arrange payment 'reconnection'. These wait times have increased from 59 minutes in 2014–15 to over two hours and 44 minutes in 2016–17.⁶⁴

2.55 These issues are discussed in more detail in Chapters 4 and 5.

2017–18 Budget: Community Development Program

2.56 The government announced proposed changes to the CDP in the 2017–18 Budget as follows:

- consultation with Indigenous communities and stakeholders on 'a new employment and participation model for remote Australia';
- \$11 million in funding to develop and implement a CDP youth engagement strategy in collaboration with local schools, including the employment of youth workers to transition young people into training and employment;
- CDP will be excluded from most changes to income support announced elsewhere in the Budget so that the government can consult with communities on what will work best for remote Australia building on positive elements of the former CDEP; and
- remote job seekers under CDP will be exempt from the new Targeted Compliance Framework, drug testing trials and removal of exemptions due to drugs or alcohol misuse.⁶⁵

2.57 In a media release dated 18 May 2017, the Minister explained that a consultation process on the proposed changes would commence in coming months.⁶⁶

62 ANAO, 'Design and implementation of the Community Development Programme', Performance Audit, ANAO Report No. 14, 2017–18, 31 October 2017, p. 46.

63 ANAO, 'Design and implementation of the Community Development Programme', Performance Audit, ANAO Report No. 14, 2017–18, 31 October 2017, p. 46.

64 ANAO, 'Design and implementation of the Community Development Programme', Performance Audit, ANAO Report No. 14, 2017–18, 31 October 2017, pp 46–47.

65 Senator the Hon Nigel Scullion, 'Coalition Government support for Indigenous jobs and business sector', Media release, PM&C, 9 May 2017, <https://ministers.pmc.gov.au/scullion/2017/coalition-government-support-indigenous-jobs-and-business-sector>; PM&C, 2017–18 Budget: Community Development Program, <https://www.pmc.gov.au/sites/default/files/files/pmc/Accountability%20and%20reporting%20section/budget-fact-sheet-cdp.pdf> (all accessed 14 June 2017).

A further announcement was made in passing by the Minister at the Garma Festival in August of this year. In evidence to the committee, Mr Bill Gray quoted a ministerial spokesperson from August who said that changes 'will follow extensive consultation with communities about how to improve the Government's remote employment services scheme.'⁶⁷ Mr Liam Flanagan, General Manager of Community Services at the Arnhem Land Progress Aboriginal Corporation described his view of the Minister's announcement at the Garma Festival:

It wasn't consultation; it was during his presentation to the key forum in the economic development session. He just spoke briefly, for maybe five minutes, about the direction that they see the program going in, long term now, and the fact that both his office and the department see the need for reform, and they see it going towards a model that has a wage based component in it, potentially bringing back top-up and positive incentivisation, and that that's something that they will be starting consultations on at some stage. So it was light on detail, but certainly something our board were excited about as a direction.⁶⁸

Consultation on reforms to CDP

2.58 The Minister announced in May 2017 that the government was undertaking consultation on a 'new employment and participation model for remote Australia' that would be developed in partnership with remote communities and build on the success of the CDP and the positive elements of the CDEP:

The new model will need to not only provide jobs, but also support school attendance and build safer, healthier communities.⁶⁹

2.59 According to PM&C's submission:

This provides an opportunity to restart the conversation on what more can be done to break the cycle of welfare dependency and better tailor current welfare arrangements in remote communities.⁷⁰

2.60 PM&C subsequently released a fact sheet stating that:

Current arrangements will continue while the government consults on how the new model could build on many of the positive elements of the former Community Development and Employment Program.⁷¹

66 Senator the Hon Nigel Scullion, Minister for Indigenous Affairs, 'CDP hits major milestone for remote jobseekers', *Media Release*, 18 May 2017, <https://www.nigelscullion.com/media+hub/CDP+hits+major+milestone+for+remote+jobseeker+s> (accessed 11 October 2017).

67 Mr Bill Gray, *Proof Hansard*, Alice Springs, 28 August 2017, p. 36.

68 Mr Liam Flanagan, General Manager of Community Services at the Arnhem Land Progress Aboriginal Corporation, *Proof Hansard*, Alice Springs, 28 August 2017, p. 29

69 Senator the Hon Nigel Scullion, 'CDP hits major milestone for remote jobseekers', PM&C, media release, 18 May 2017, <https://ministers.pmc.gov.au/scullion/2017/cdp-hits-major-milestone-remote-jobseekers> (accessed 8 June 2017).

70 PM&C, *Submission 36*, p. 1.

2.61 At Supplementary Budget Estimates in October 2017, PM&C told the Finance and Public Administration Legislation Committee that PM&C was currently developing the framework for a formal consultation process and that PM&C and the Minister were already engaged in informal discussions with stakeholders.⁷²

2.62 Notwithstanding the government's announcement of reforms to CDP following a period of consultation, the committee has been told by many witnesses that there has been little or no engagement by the Minister with providers and communities on what these reforms will be.⁷³ The only consultation that providers or community organisations could point to was an impromptu discussion in Cairns in June of this year. In response to being asked if there had been any consultation, Mr Matthew Ellem, General Manager at Tangentyere Employment said:

Not really. There was a recent provider meeting in Cairns. That was a consultation, I suppose, about what we thought of the current program and what changes we'd like to see come up. It was a pretty unprepared consultation, and none of us, as providers, knew it was coming up. We hadn't really had a chance to consult with communities, so we made off-the-cuff responses. It wasn't a considered consultation.⁷⁴

2.63 Dr Kirrily Jordan described what a genuine consultation process should look like:

If there's a commitment to go out and do consultation in a particular community, we have to make sure that that community has advance notice, that they have information about the agenda, about the proposal beforehand and they're not just given that information on the day, and that that information includes both the potential positives of the proposal and the risks. Often in those consultations the consultants tend to focus on the positives, which is really problematic. We also have to spend adequate time in the community so that people have a chance to really understand what it is that's being proposed, that they feel comfortable with the consultants to ask questions. I think often people feel excluded by the process and are too confused and nervous and uncomfortable to speak up. We have to give them adequate information and adequate time to process it, think about it by themselves and then come back with some informed questions.⁷⁵

2.64 In addition to there apparently being no consultation with communities yet, the committee were also told that the Minister has not shared his reform plans with his own department. Mr Gerard Coffey, CEO of Ngaanyatjarra Council explained:

71 PM&C, *2017–18 Budget*.

72 Ms Bronwyn Field, Assistant Secretary, CDP Strategy Branch, Department of the Prime Minister and Cabinet, *Proof Estimates Hansard*, 27 October 2017, pp 38–39.

73 See, for example: *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 29.

74 Mr Matthew Ellem, General Manager, Tangentyere Employment Services, *Proof Hansard*, Alice Springs, 28 August 2017, p. 6.

75 Dr Kirrily Jordan, *Proof Hansard*, Alice Springs, 28 August 2017, p. 20. See also: Dr Janet Hunt, *Proof Hansard*, Alice Springs, 28 August 2017, p. 20.

At fear of sounding disrespectful, I've been contacted by Prime Minister and Cabinet, asking if there were going to be any changes to CDP—if I knew of any.⁷⁶

2.65 Where most stakeholders have not been consulted at all, and no concrete proposals for what the changes will be are in the public domain, it appears that one organisation has been promised the opportunity to run a trial of the reformed program. Mr Graeme Hastie, CDP Case Manager and Coordinator at Kullarri Regional Communities Indigenous Corporation (KRCI) informed the committee that:

My understanding is that KRCI has been chosen as one of the trial sites, if this goes ahead.⁷⁷

Committee view

2.66 Since 1977, there has been an employment program of some type for remote jobseekers. The committee acknowledges the importance of providing training and employment opportunities for remote Australians—both Indigenous and non-Indigenous.

2.67 There are a number of differences that set the CDP apart from its predecessor programs, including its negative impact on individuals, communities and providers. Many of these differences are dealt with in more detail later in the report. One of the key differences is the complete lack of consultation and engagement by the government with the stakeholders—individuals, communities and providers—in the design and implementation of CDP. This lack of consultation is not acceptable.

2.68 The committee sympathises with many stakeholders, in particular local remote communities, who feel disempowered by the government's lack of consultation. This has recently been exacerbated by the government's decision to announce its intention to make changes to CDP before consulting with Indigenous groups, remote communities or providers on what these changes might be.

2.69 Any changes to CDP must be based on genuine and comprehensive consultation. The views of Indigenous jobseekers and the communities in which they live must form the basis of any new program. A centralised, top-down methodology in which bureaucrats and city-based providers dictate to local communities has failed in the past, and will continue to fail if used in the future. The committee considers that local communities should be empowered to make the decisions on the training needs and the types of projects that best meet the unique needs of each community.

76 Mr Gerard Coffey, CEO, Ngaanyatjarra Council, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 42.

77 Mr Graeme Hastie, CDP Case Manager and Coordinator, Kullarri Regional Communities Indigenous Corporation, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 59.

Chapter 3

Nature and underlying causes of joblessness in remote communities

Introduction

3.1 In a 2010 paper, McRae-Williams and Gerritsen explained the unique economic and employment challenges within remote communities:

There are limited employment opportunities with a significant gap between the size of the labour force and the number of jobs generated in the local economy as well as inadequate physical infrastructure for many economic development proposals. Low levels of education, limited opportunities for training, poor health, transport difficulties, and issues of alcohol and drug abuse are also factors affecting employment capacity.¹

3.2 Similarly, a 2014 study by the Australian Institute of Health and Welfare found that Indigenous Australians generally experience multiple barriers to economic participation, including lower levels of education, poorer health and more difficulties with English (especially in remote areas), higher rates of incarceration, inadequate housing and accommodation and lack of access to social networks that may help to facilitate employment.²

3.3 The Australian Bureau of Statistics (ABS) has found that, after adjusting for the combined effect of age, education levels and remoteness, the gap between unemployment rates decreased by more than half, but Aboriginal and Torres Strait Islander people were still twice as likely as non-Indigenous people to be unemployed (10.8 per cent compared with 5.5 per cent).³

3.4 This chapter focuses on a number of the key factors that cause joblessness in remote communities:

- Remoteness;
- Younger age profile;
- Educational status;

1 E McRae-Williams, R Gerritsen, (2010). Mutual Incomprehension: The Cross Cultural Domain of Work in a Remote Australian Aboriginal Community. *The International Indigenous Policy Journal*, Vol. 1, No. 2, p. 1.

2 Tom Karmel et al, *Closing the gap clearinghouse: Improving labour market outcomes through education and training*, Australian Institute of Health and Welfare, Issues Paper no 9, February 2014, p. 42, http://www.aihw.gov.au/uploadedFiles/ClosingTheGap/Content/Our_publications/2014/ctgc-ip9.pdf (accessed 14 June 2017).

3 Australian Bureau of Statistics (ABS) 4102.0—Australian Social Trends, 'Exploring the gap in labour market outcomes for Aboriginal and Torres Strait Islander peoples', <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/4102.0main+features72014> (accessed 20 September 2017).

- Lack of labour market economy (including government procurement);
- The impact of trauma;
- Cultural and family obligations; and
- Reluctance of some businesses to employ Indigenous people or employ locally.

Remoteness

3.5 As noted earlier in the report, the CDP is designed specifically for remote Australia.⁴ Remoteness is defined by the ABS as a factor of accessibility and distance from the nearest urban centre.⁵

3.6 The ABS's 2014 analysis of the gap in labour market outcomes for Aboriginal and Torres Strait Islander people found that:

- Aboriginal and Torres Strait Islander peoples were twelve times as likely (22.1 per cent) as non-Indigenous peoples (1.8 per cent) to live in remote or very remote areas (see Figure 3.1 below); and
- labour force participation in remote areas varies with age, so the combination of younger age and remoteness may have a greater effect on outcomes.⁶

3.7 In 2014–15:

- the unemployment rate for Indigenous Australians was 21 per cent, an increase of 4 percentage points from 2008 and 3.6 times then the non-Indigenous unemployment rate of 6 per cent; and
- 37 per cent of Indigenous Australians in remote areas were employed compared with 52 per cent of Indigenous Australians in non-remote areas (see Table 3.1 and Figure 3.2 below).⁷

4 Department of the Prime Minister and Cabinet, *Submission 36*, p. 1.

5 ABS 1270.0.55.005, 'Australian Statistical Geography Standard (ASGS): Volume 5—Remoteness Structure', 2011, [http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/A277D01B6AF25F64CA257B03000D7EED/\\$File/1270055005_july%202011.pdf](http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/A277D01B6AF25F64CA257B03000D7EED/$File/1270055005_july%202011.pdf) (accessed 11 October 2017).

6 ABS 4102.0—Australian Social Trends, 'Exploring the gap in labour market outcomes for Aboriginal and Torres Strait Islander peoples', <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/4102.0main+features72014> (accessed 20 September 2017).

7 *Aboriginal and Torres Strait Islander Health Performance Framework 2017 Report*, p. 110.

Figure 3.1—Population distribution across Remoteness Areas by Indigenous status⁸



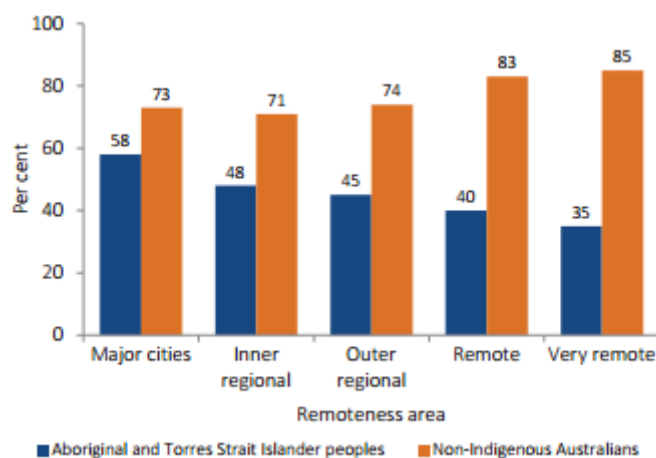
Table 3.1—Labour force status of Indigenous Australians aged 15–64 years, by remoteness, 2014–15⁹

Labour force status	Non-remote	Remote	Australia
	Per cent		
In the labour force (participation rate)	64	51	61
Total employed	52	37	48
Employed Full-time	31	22	29
Employed Part-time	21	15	19
Unemployed (% of total population)	13	14	13
Unemployment rate (% of labour force)	20	28	21
Not in the labour force	36	49	39
Total	100	100	100

8 ABS, 'Exploring the gap in labour market outcomes for Aboriginal and Torres Strait Islander peoples', 4102.0—*Australian Social Trends*, 2014, 27 August 2014, <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/4102.0main+features72014> (accessed 10 November 2017).

9 ABS and AIHW analysis of 2014–15 NATSISS, *Aboriginal and Torres Strait Islander Health Performance Framework 2017 Report*, Table 2.07–1, p. 111.

Figure 3.2—Employment rate by Indigenous status persons aged 15–64 years, by remoteness, 2014–15¹⁰



3.8 The committee heard that remoteness can lead to disengagement of communities from the broader economy of Australia and 'make them much more reliant on the public purse to help them sustain what they have and to increase the possibilities for them'.¹¹ Assistant Commissioner Paul Taylor of the Queensland Police told the committee that remoteness and isolation can cause a range of 'hurdles' especially during a young person's development which can impede a person's capacity to take on a job.¹² Practical challenges—such as needing to travel to buy groceries and attend medical appointments as these services are either too expensive or simply not available in remote communities—are often not accommodated as part of CDP.

3.9 Ms Vanessa Thomas, Director at the Nurra Kurramunoo Aboriginal Corporation and resident of the remote community of Mulga Queen (Western Australia) described having to travel 140 kilometres to purchase affordable groceries in the nearest town of Laverton or over 500 kilometres to reach Kalgoorlie (the closest regional town) for a medical appointment and being breached by the local CDP provider.¹³ The need to travel such distances for everyday services is not compatible with the five hours per day required of CDP participants. Ms Thomas noted the breaches that CDP participants incurred as a result of this necessary travel.¹⁴

10 AIHW and ABS analysis of 2014-15 NATSISS and 2014 SEW, *Aboriginal and Torres Strait Islander Health Performance Framework 2017 Report*, Figure 2.07–20, p. 111.

11 Councillor Liz Schmidt, President, Northern Alliance of Councils, *Proof Hansard*, Townsville, 4 October 2017, p. 22.

12 Assistant Commissioner Paul Taylor, Assistant Commissioner, Northern Region, Queensland Police Service, *Proof Hansard*, Townsville, 4 October 2017, p. 2.

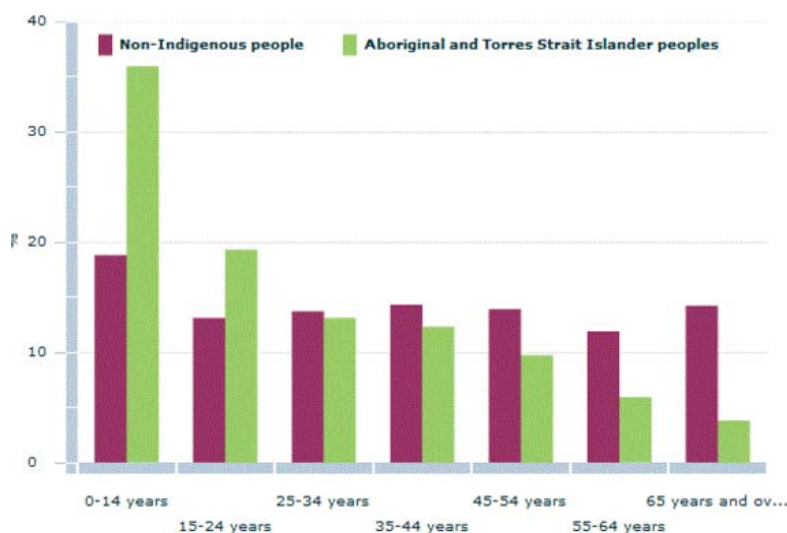
13 Ms Vanessa Thomas, Director, Nurra Kurramunoo Aboriginal Corporation, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 49.

14 Ms Vanessa Thomas, Director, Nurra Kurramunoo Aboriginal Corporation, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 52.

Younger age profile

3.10 Aboriginal and Torres Strait Islander peoples have a younger age profile than non-Indigenous people, as shown in Figure 3.3 below.

Figure 3.3—Age structure by Indigenous status¹⁵



3.11 Unemployment rates for Aboriginal and Torres Strait Islander people were higher than those for non-Indigenous people, in all age groups. However, the difference was largest for young people aged 15–24 years (31.8 per cent for Aboriginal and Torres Strait Islander people, compared with 16.7 per cent for non-Indigenous people).¹⁶

3.12 The younger age profile of a remote community combined with the higher prevalence of unemployment in the younger age cohorts results in higher levels of unemployment in those communities compared to their non-remote counterparts.

Educational attainment

3.13 There have been a range of studies that underscore the key reasons for lack of success in the mainstream labour market for Indigenous Australians. These highlight the critical importance of educational attainment in employment disparities.¹⁷ According to the Centre for Aboriginal Economic Policy Research (CAEPR) at the Australian National University, the difference in employment outcomes in remote and

15 ABS, 'Exploring the gap in labour market outcomes for Aboriginal and Torres Strait Islander peoples', 4102.0—*Australian Social Trends*, 2014, 27 August 2014.

16 ABS, 'Labour force characteristics', 4714.0 – *National Aboriginal and Torres Strait Islander Social Survey*, 2014–15.

17 Tom Karmel et al, *Closing the gap clearinghouse: Improving labour market outcomes through education and training*, Australian Institute of Health and Welfare, Issues Paper no 9, February 2014, p. 50, http://www.aihw.gov.au/uploadedFiles/ClosingTheGap/Content/Our_publications/2014/ctgc-ip9.pdf (accessed 14 June 2017).

non-remote locations is likely to involve the differential access to educational institutions for such areas.¹⁸

3.14 Research by the Australian Institute of Health and Welfare, supported by ABS analysis, found that the difference in educational attainment between Aboriginal and Torres Strait Islander and non-Indigenous people was a critical factor in the difference in employment rates:

Our findings...underscore the critical importance of educational achievement to economic participation.¹⁹

3.15 The lack of educational opportunities has long been recognised as according to the 1996 Royal Commission into Aboriginal Deaths in Custody, as many as 10 000 to 12 000 Indigenous students aged between 12 and 15 years living in remote communities did not attend education facilities because of a lack of post-primary schooling facilities within a reasonable distance of their home. In a 1996 submission, the Aboriginal and Torres Strait Islander Commission argued that a key reason preventing Indigenous students from leaving their home communities was inadequate supports in regional and metropolitan cities:

The reluctance of Indigenous students to leave their home town was due to a lack of financial and emotional support in the cities.²⁰

3.16 Ms Victoria Baird of Save the Children noted that one of the key difficulties for CDP participants maintaining employment is that 'they lack education or skills'.²¹ Lack of education was described as an intergenerational issue, with some witnesses noting that previous generations had very limited education, with many historically not allowed to continue their education beyond primary school.²²

3.17 Ms Tina Carmody, the Working Together Co-ordinator at Kalgoorlie Boulder Chamber of Commerce and Industry noted that educational outcomes in remote

18 Matthew Gray, Monica Howlett and Boyd Hunter, *Indigenous Population Project: 2011 Census Papers*, CAEPR, Paper 10: Labour market outcomes, p. 10, http://caepr.anu.edu.au/sites/default/files/cck_indigenous_outcomes/2013/06/2011CensusPaper10_LbrMktOutcomes.pdf (accessed 14 June 2017).

19 Tom Karmel et al, *Closing the gap clearinghouse: Improving labour market outcomes through education and training*, Australian Institute of Health and Welfare, Issues Paper no 9, February 2014, p. 50, http://www.aihw.gov.au/uploadedFiles/ClosingTheGap/Content/Our_publications/2014/ctgc-ip9.pdf (accessed 14 June 2017).

20 Aboriginal and Torres Strait Islander Commission, Submission to the Senate Inquiry into Indigenous Education, July 1996, p. 21, cited in Australian Human Rights Commission, *Rural and Remote Education Inquiry Briefing Paper*, 2001, <https://www.humanrights.gov.au/publications/rural-and-remote-education-inquiry-briefing-paper-30> (accessed 14 June 2017).

21 Ms Victoria Baird, Regional Coordinator, East Kimberley, Save the Children Australia, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 13.

22 Mr Martin Sibosado, Chairperson, Aarnja Limited, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 62.

indigenous communities are very different to those in non-Indigenous Australia. Ms Carmody acknowledged that, in some instances, CDP has helped to provide some basic literacy and numeracy programs. Notwithstanding these minor gains, significant challenges remain:

When you go out there in country, where English is the second, third or fourth language, that level of education presents a problem for finding employment. So that is another barrier. Our level of education is totally different from white man's definition of 'level of education', and I do not believe that is considered.²³

3.18 This view was supported by others who noted that there are many in remote communities who do not speak English as their first language:

Most of the people that we work with in Kununurra would be speaking Kimberley Kriol as their first language not Australian standard English. Obviously, in the further outlying communities you have people who have Aboriginal languages as their first language.²⁴

3.19 Ms Ada Hanson of the Kalgoorlie Boulder Aboriginal Residents Group (KBARG) expressed the view that educational disadvantage is perpetuated because remote Indigenous communities 'are receiving substandard education, and it's not delivered in the language of their people'.²⁵ Ms Hanson elaborated:

It stems all the way down to the education that they're given as children. It's not within their language, so it's their understanding of what is being taught. As a child under five you can be who you are: you speak your language, whether it's English or Chinese or whatever it is. Then you go to school, and in Australia that's in English, so you are completely changing the way you have grown up. When you are growing [up] you're getting all the tools and resources necessary to be able to contribute to society. Then it stops when you get to school, because you can't understand what's happening. It starts from there, basically, and then just continues. When they get into their late teens or early adulthood they're just not ready with the tools. Then the training, of course, isn't provided within the context of their lives, I suppose.²⁶

3.20 Mr Martin Sibosado, Chairperson of Aarnja, observed that educating and empowering a person with an education and skills to successfully enter the job market is not a short term project. Many community organisations have educated and trained

23 Ms Tina Carmody, Working Together Coordinator, Kalgoorlie Boulder Chamber of Commerce and Industry, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 9.

24 Ms Victoria Baird, Regional Coordinator, East Kimberley, Save the Children Australia, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 13.

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

26 Ms Ada Hanson, Kalgoorlie Boulder Aboriginal Residents Group, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 21.

local Indigenous tradespeople in remote locations, but it takes time and a co-ordinated approach:

I can tell you it took 20 years to actually establish Aboriginal plumbers, Aboriginal builders. That's how long it takes to take someone through education right through to actually getting a trade certificate and into business. It can be done, but it could be done a whole lot quicker if we had more coordination of our programs.²⁷

Lack of labour market economy

3.21 As noted earlier, educational attainment through skills and experience is an important precursor to job-readiness. Equally as important though is the existence of a functioning economy—that is, the pathways and opportunities to apply these skills and experiences. Mr Hans Bokelund, CEO of the Goldfields Land and Sea Council made the following observation:

I understand the government's position on education, trying to get our Aboriginal children through to year 12, but I think one of the issues I have is if there are no pathways afterwards, infrastructure, job market in the remote communities, we're going to have more despair, more suicides.²⁸

3.22 The ABS has found that work opportunities in regional and remote areas of Australia differ from those in major cities because of the nature of their labour markets, with differing types and availability of work.²⁹ Mr Peter Strachan also observed in his submission that 'remote areas generally have an underdeveloped labour market where people often do not actively look for work and therefore are not classified as unemployed, even though they are not working and might indeed prefer to work if the labour market were different'.³⁰

3.23 Dr Inge Kral of the Australian National University offered her view of the employment challenges in remote communities:

Ultimately, despite all these policy initiatives in the employment domain in remote regions, the structural conundrum remains the same. Remoteness and distance combined with unique ecological and historical circumstances mean that there is essentially still no labour market economy in most remote communities. Coupled with this is the reality that social and cultural ties to traditional land compel many remote groups to stay living on the

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

28 Mr Hans Bokelund, CEO, Goldfields Land and Sea Council, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 45.

29 ABS 4102.0—Australian Social Trends, *Exploring the gap in labour market outcomes for Aboriginal and Torres Strait Islander peoples*, <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/4102.0main+features72014> (accessed 20 September 2017).

30 Mr Peter Strachan, *Submission 4*, p. 3.

land of their ancestors. Therefore remote Aboriginal people are less likely to move to other locations seeking employment.³¹

3.24 This view was echoed by Mr Cameron Miller, CEO of the Ngurratjuta Pmara Ntjarra Aboriginal Corporation:

The labour market in the remote areas is diminishing. It's never been there, but it's getting a lot harder. You've got your core services, which have employment opportunities available, but they're never consistent. We've been able to place people into employment, but it's generally short term.

We struggle in the remote communities because we [don't] have access to facilities—that is the biggest thing—and access to industry. So to create an industry in one of our hub communities or main communities, it's a multi-million dollar task. It's not just a matter of setting up a small shop and creating competition for the other shop that's already there, struggling, it's long term. We haven't come across an industry to create, other than tourism, and that's where we're basically focusing our efforts as a whole, not specifically for CDP, but we see that there'll be merit coming out of that in the next three to five years.³²

3.25 Professor Altman summarised key policy challenges in addressing joblessness in remote communities:

- the disparity between jobs and the Indigenous population in remote and very remote regions is massive (the employment to population ratio for Indigenous persons was 37 per cent and 83.4 per cent for non-Indigenous people);
- the extremely high non-Indigenous employment rate in rural and remote regions reflects non-Indigenous migration to take up employment, largely to administer government programs for Indigenous improvement; and
- Indigenous labour mobility as a policy solution fails to recognise people's attachment to country and communities, and a lack of evidence that those who do move improve their employment prospects.³³

Government procurement

3.26 Many witnesses were asked about the role of government procurement in providing employment opportunities in remote locations. Some acknowledged that most government contracts are centred around the metropolitan centres reflecting where most government business is undertaken.³⁴ Notwithstanding this, the committee

31 Dr Inge Kral, *Submission 7*, p. 3.

32 Mr Cameron Miller, CEO, Ngurratjuta Pmara Ntjarra, *Proof Hansard*, Alice Springs, 28 August 2017, p. 2. See also: Ms Tina Carmody, Working Together Coordinator, Kalgoorlie Boulder Chamber of Commerce and Industry, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 9.

33 Professor Jon Altman, *Submission 26*, p. 4. Data cited from OECD, *Connecting people with jobs: Key issues for raising labour market participation in Australia*, 2017.

34 Mr Martin Sibosado, Chairperson, Aarnja Ltd, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 63.

received evidence which showed that where government contracts are being undertaken in remote locations, remote communities are missing out on the opportunity to be involved:

On the Dampier Peninsula, just north of Broome, where our communities live, the Commonwealth has provided \$53 million to the Northern Australia Roads Program and the state's provided \$12 million. The road contract is starting. No Aboriginal people have got a job. [Kullarri Regional Communities Indigenous Corporation] trained 10 people in preparation 12 months ago for that contract, and not a single person has gotten a job at this stage. They promise us, 'Next year you'll have a job.' Secondly, they say, 'Your people aren't skilled,' but we say, 'They've been through VET cert III.' That's just an example when you're talking about procurement.³⁵

3.27 In Alice Springs, the committee heard that Indigenous employment targets are a compulsory requirement in some government procurement contracts. Mr Michael Klerck, Manager of Social Policy and Research at Tangentyere Council described how these targets are being used as part of the tendering process, but not being monitored as contracts are executed:

With respect to a lot of Northern Territory government procurement processes, generally they're weighted on the basis of different selection criteria, and local employment is one of those selection criteria, but unfortunately at times, particularly under the previous [Territory] government, we found that price seemed to take priority in terms of the way contracts were awarded. And then once awarded, there may be particular key performance indicators. For example, for remote tenancy management, there was a key performance indicator of 50 per cent Aboriginal employment, but, after significantly reviewing project performance information reports from some non-Indigenous for-profit providers, it would seem with those that 50 per cent Aboriginal employment target was not being met. We're talking about an achievement of maybe 19 per cent of the Aboriginal employment target in some cases, and less than half of that is local Aboriginal employment in the remote communities. On one level it seems to be a priority in selection criteria and key performance indicators, but in other respects it doesn't seem to actually turn out that way a lot of the time.³⁶

3.28 This view was echoed in Queensland by Ms Katie Owens, Manager at Rainbow Gateway who noted that non-compliance against the Indigenous employment requirement is:

35 Mr Martin Sibosado, Chairperson, Aarnja Ltd, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 63.

36 Mr Michael Klerck, Manager, Social Policy and Research, Tangentyere Council, *Proof Hansard*, Alice Springs, 28 August 2017, pp 2–3. See also: Tangentyere Council, *Submission 34.1*.

...compounded by the fact that the government procurement processes—for example, the requirement to employ local people through local contractors—are often unmonitored and unreported against.³⁷

3.29 Ms Owens elaborated:

In my experience with the procurement that has happened in the past throughout our communities, a lot of times when anything involves a contractor—say we're doing building repairs and maintenance on the houses—all of a sudden a contractor turns up into community and they have cursory conversations with us about the suitability of our participants. There needs to be an early identification and discussion amongst a lot of people in community, including the key stakeholders, as well as the participants and any government departments that are actually involved in that, so that we can start a process of having our jobseekers or participants trained to be able to go in to actually get that job...³⁸

3.30 There appears to be an inconsistent approach to the use of Indigenous employment targets both at a state and federal level. The Department of the Prime Minister and Cabinet (PM&C) noted that the Australian Government proposes to have requirements for Indigenous employment targets for road projects in northern Australia. However, these requirements would not be universal with PM&C acknowledging that such requirements would only apply to projects in northern Australia—as part of the Government's broader policy to develop northern Australia—and would not include projects in parts of southern Australia including the Goldfields region of Western Australia.³⁹

3.31 The use of a headcount for Indigenous targets rather than a calculation of the number of hours worked by Indigenous employees is another approach which reduces the Indigenous component of a workforce working on a specific project or contract. Mr Matthew Ellem, General Manager at Tangentyere Employment explained:

I think there is an issue that there is not a consistent reporting. In some contracts it will be the number of people out of the workforce but not necessarily the number of hours. So what we see happening with some projects is that they will employ half a dozen labourers from us as casuals, but they're getting casual hours and fewer hours than their normal workforce. It doesn't seem that government actually ends up asking what proportion of wages went to Indigenous workforce. It is just a headcount,

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

38 Ms Katie Owens, Manager, Rainbow Gateway Ltd, *Proof Hansard*, Townsville, 4 October 2017, p. 16.

39 Mr Paul Denny, Assistant Secretary, Community and Economic Development Division, Department of the Prime Minister and Cabinet, *Proof Hansard*, Canberra, 8 September 2017, p. 62.

with no qualitative evaluation of how much work or how much in wages the Indigenous workforce got compared to the non-Indigenous workforce.⁴⁰

3.32 Another witness noted that in other cases contractors who do not meet Indigenous employment targets often forego a bonus; however, the bonus is insufficient to incentivise meeting the employment targets.⁴¹ A lack of coordination on government contracting work was also flagged as a reason why locals were missing out when governments were spending money, in particular on roads and housing in remote locations. Quick delivery of projects is often undertaken at the expense of using local labour.⁴²

3.33 This lack of coordination extends not only to mainstream companies, but also to Indigenous-owned enterprises. Mr Sibosado noted that there is room for improvement:

There was another thing that struck me when I was talking to some of the successful and award-winning Indigenous businesses. I got to saying, 'How far do you go?' They said, 'We've actually got contracts in your country.' I said: 'How's that? How come you're not talking to local people, CDPs, around creating employment?' They said, 'We don't know who to talk to.' Obviously they are Koori people from Sydney. So I said: 'Here's a card. Give us a ring and we'll connect you up with everybody.' There may be a few jobs to grab.⁴³

3.34 The committee were also told that it is difficult for remote community organisations to compete for contracts against more experienced businesses and organisations who are better able to demonstrate their capacity to complete a contract. Mr Mark Jackman, General Manager of the Regional Anangu Services Aboriginal Corporation, described the need for local groups to be given a chance to win some work, employ some locals and demonstrate their capabilities:

For us, it is about procurement and creating the opportunities. If we don't get opportunities we can't engage. There are major roadworks on the APY Lands and we're largely shut out of that cycle. It's just about creating those opportunities. When housing contracts come along, we put in a big tender and we might just miss the post. My conversations with governments are: 'You don't have to give us a big contract but give us maybe two houses so that we can prove our worth.' You need to start somewhere, but it is about our organisation getting that start. There are lots of other organisations; I

40 Mr Matthew Ellem, General Manager, Tangentyere Employment, *Proof Hansard*, Alice Springs, 28 August 2017, p. 5.

41 Mr Cameron Miller, CEO, Ngurratjuta Pmara Ntjarra, *Proof Hansard*, Alice Springs, 28 August 2017, p. 3.

42 See, for example: Mr Matthew Ellem, General Manager, Tangentyere Employment Services, *Proof Hansard*, Alice Springs, 28 August 2017, p. 4.

43 Mr Martin Sibosado, Chairperson, Aarnja Ltd, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 63.

will only speak for ours. For us, we can create many opportunities but we need to be given that chance.⁴⁴

3.35 Perhaps the most serious challenge of all is the perception of gaming of government contracts rather than companies seriously engaging with how to genuinely satisfy local Aboriginal employment requirements. Mr David Ross, Director of the Central Land Council, recounted a story his son told him about a contractor who proposed forming a 'part-Aboriginal-owned company' to improve access to work in Aboriginal communities. However, the proposal to form the company would not have resulted in any real employment opportunities for local Aboriginal people.⁴⁵

3.36 The government has acknowledged that the money it spends in providing services to remote communities has the potential to drive employment outcomes for members of those communities. This potential can only be realised if the spend is well deployed—by many accounts it is not. The common thread across the testimony received by the committee was the lack of a structured connection between government expenditure, and the aims and processes of CDP.

Trauma

3.37 Many witnesses expressed concern about the impact of trauma on an individual's capacity to be job-ready. Ms Baird described the role that trauma plays in disempowering individuals and communities from seeking and maintaining ongoing employment:

The[re] are many underlying causes of joblessness in Kununurra and the outlying communities. The significance of trauma and family issues and relational problems cannot be underestimated. For many people, it's difficult to maintain employment not just because they lack education or skills but also because they find it difficult to regulate their emotions and behaviour. Minor issues can often escalate to periods of exclusive behaviour which limits their employability. The abuse of alcohol and other drugs to help individuals cope with strong emotions also clearly impacts on their ability to maintain employment. Greater emphasis needs to be placed on healing underlying trauma not just on education and training.⁴⁶

3.38 The committee heard about the powerful nature of not just past experiences of trauma, but the lived experience of people dealing with ongoing traumatic experiences:

Even just getting out of the door in the morning if you have experienced family violence the night before can be a huge challenge. There are so

44 Mr Mark Jackman, General Manager, Regional Anangu Services Aboriginal Corporation, *Proof Hansard*, Alice Springs, 28 August 2017, p. 28.

45 Mr David Ross, Director, Central Land Council, *Proof Hansard*, Canberra, 8 September 2017, p. 39.

46 Ms Victoria Baird, Regional Coordinator, East Kimberley, Save the Children Australia, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 13.

many issues that affect them even getting there in the first place and then they have to deal with any triggers that might come up during the day.⁴⁷

3.39 The long term effects of trauma are felt by the whole community with children often experiencing it as a consequence of the trauma experienced by their own parents:

The trauma that I see is like the kids getting sworn at by their parents, not being fed and parents having no money to feed them. I get phone calls from some of my clients asking me to lend them some money because they've spent all their money on other things. They ring me and ask, 'Can you lend me \$20 till pay day so I can go and buy some sausages and bread and whatever.' Kids are starving, so that's part of the trauma. They don't go to school because they don't have clean clothes, they don't have uniforms and they don't have what it takes to fit in to the schools. It can also affect them psychologically too; they too can become victims. At our mental health service we also have a unit there called the children and adolescent unit. We also work alongside kids affected by trauma and that sort of stuff. It's very traumatic for most of them.⁴⁸

3.40 Trauma is compounded in remote communities due to the lack of mental health services. For a while, outreach of mental health services were provided, but according to Ms Vanessa Thomas of the Mulga Queen community, this has now been discontinued:

At first we did, but now they don't come anymore. I don't know why. They tell us that we have to go into Laverton, but, like I said, the transport. Because AMS [Aboriginal Medical Service]—Bega Garnbirringu—used to come out there and do stuff but they don't do it any more. They have a mobile clinic, but they only go as far as Laverton. They said that we have to go into Laverton but we've got no transport.⁴⁹

3.41 Furthermore, Mr Matthew Ellem, General Manager of Tangentyere Employment, noted that for many people currently participating in the CDP, the provision of basic health and other social services is far more pressing than the need for an employment service.⁵⁰

Cultural and family obligations

3.42 Many witnesses highlighted the fundamental importance of culture and family responsibilities to Indigenous culture. Ms Ada Hanson of the KBARG summarised this view:

47 Ms Victoria Baird, Regional Coordinator, East Kimberley, Save the Children Australia, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 16.

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

49 Ms Vanessa Thomas, Director, Nurra Kurramunoo Aboriginal Corporation, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 54.

50 Mr Matthew Ellem, General Manager, Tangentyere Employment, *Proof Hansard*, Alice Springs, 28 August 2017, p. 6.

We want our values, beliefs, culture, language, knowledge and systems to continue, as these provide meaning for us. They are our identity, but we want to successfully participate in the cultural interface with regard to employment opportunities and engagements.⁵¹

3.43 A struggle exists between the cultural and family responsibilities of Indigenous people and their obligations under the CDP. One participant described the 'two different laws' that need to be considered and that both laws are not always able to be accommodated:

We are living in two worlds. Two different laws. There are too many rules, we can't keep up. The two different laws, they conflict.

We have other responsibilities at home. We can't do them because we have to do activities.⁵²

3.44 Ms Thomas suggested that the CDP is not as accommodating as the former CDEP was:

CDEP was good! They worked with us about culture. But this other one, the CDP, does not work! It penalises the people and there is poverty.⁵³

3.45 Mr Sibosado also stated his view that CDP is not dynamic enough to take account of people's cultural obligations:

That's the disconnect in all of this program delivery. We hear about people being breached if they have to attend a funeral. I've been in that situation, where I've told the employer, 'Well, it's not negotiable. I'm sorry if you have to sack me, sack me, but I have a cultural obligation to attend that funeral. If you don't understand that, that's your problem.'⁵⁴

3.46 According to Mr Klerck, the Forrest Review advocated that 'certain cultural activities happen outside of business hours or during holiday periods under a section that talks about distractions'.⁵⁵

3.47 In her submission, Dr Kirrily Jordan noted that cultural obligations and caring responsibilities 'mean that full-time work is not a realistic option' for many people in remote communities.⁵⁶ Furthermore, even when absences from CDP are approved for cultural reasons, many people feel that the CDP provider is imposing a personal value judgement on these cultural activities. This personal judgement is one of the reasons

51 Ms Ada Hanson, Member, KBARG, *Proof Hansard*, Kalgoorlie, 23 August 2017, pp 18–19.

52 NAAJA, *Submission 40*, p. 24. See also: Mr Chansey Paech MLA, *Submission 18*, p. 2.

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

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

55 Mr Michael Klerck, Social Policy and Research, Manager, Tangentyere Council, *Proof Hansard*, Alice Springs, 28 August 2017, p. 7.

56 Dr Kirrily Jordan, *Submission 30*, p. 16.

why some people have disengaged from CDP and become subject to penalties as a consequence.⁵⁷

3.48 Research from both Canada and Australia has suggested that flexible employment arrangements that enable Indigenous workers to be involved in traditional and cultural activities (including seasonal fishing and hunting, funerals and other cultural obligations) can help improve the engagement and retention of Indigenous workers, especially in regional and remote locations.⁵⁸

3.49 Ms Carmody spoke about the need to recognise differences between Indigenous and non-Indigenous cultural expectations:

We have cultural obligations we need to attend to and we have family obligations. All our obligations are different and they don't sit in the stereotypes of white people. So we have white people making these policies that don't take into consideration our obligations in the community. When they fulfil these obligations, they get penalised, and they get penalised for eight weeks.⁵⁹

3.50 A 2009 evaluation of CDEP by the Department of Finance also noted the presence of 'family obligations that flow from collectivist culture' and family pressures in the communities in which CDEP operates. This cultural pressure to share income may prevent work benefits accruing to the individual and weaken the incentives to work.⁶⁰ The evaluation concluded that CDEP was not as well suited to address community development or economic development issues as these were not the same as labour market preparation and should be pursued separately.⁶¹

Reluctance of some businesses to employ Indigenous people or employ locally

3.51 The committee heard that one of the key barriers to employment is the attitude of some businesses to employing Indigenous people. Ms Carmody noted that there is usually some type of barrier and that it is usually 'from the business side of things'. Ms Carmody explained further:

There are simple barriers such as businesses not having the money for insurance to take on a new employee. Some other feedback that I have been given—I will not name any businesses; otherwise, I will get into trouble—is that they do not take underqualified people in their businesses. We have a great program here—and this is specifically for Kalgoorlie-Boulder—but

57 Ngurratjuta Pmara Ntjarra Aboriginal Corporation, *Submission 27*, p. 2.

58 Tom Karmel et al, *Closing the gap clearinghouse*, p. 51.

59 Ms Tina Carmody, Working Together Coordinator, Kalgoorlie Boulder Chamber of Commerce and Industry, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 10.

60 FaHCSIA, *Directory of Commonwealth Government evaluations*, pp 29 & 36.

61 FaHCSIA, *Directory of Commonwealth Government evaluations*, pp 29 & 37.

the barrier is with the businesses and finding employment at the end of it. That is what I believe needs to be addressed.⁶²

3.52 Ms Carmody also described the 'stigma' that is attached to CDP participants:

You know what—there is a stigma to CDP. I've seen it happen. I've had it happen to me before as well. I have not been on CDP before. However, the reality is that, in a business, say you have two people—a black person and a white person—and they have exactly the same qualifications and they have gone through Work for the Dole, which is similar, and then the Wangai person has gone through CDP. They have done exactly the same programs in exactly the same amount of time, and training et cetera. I can guarantee you that that business will employ the white person first. I've seen it. I've had years of experience in HR and I've seen it.⁶³

3.53 Some witnesses told the committee that some of the CDP providers are not based in communities and will instead send non-local staff to visit remote communities. Experienced local elders who have previously worked for employment providers as part of CDEP and RJCP have not been engaged by new providers under CDP. Ms Thomas commented on the experience in her community:

I used to be a placement consultant for [the provider]. I used to do three days. They've taken that position away, so they have people who travel out there. But these are people who we don't understand. They are Pommy people, or Irish people or whatever. It's hard for them to work with the Aboriginal people, to understand...the culture.⁶⁴

3.54 A number of witnesses also emphasised the extent to which racism still permeates many of the institutions and services that provide services to Indigenous Australians.⁶⁵ For example, the committee were told that many companies in the Kalgoorlie region do not have Reconciliation Action Plans or cultural awareness training.⁶⁶ The committee also heard that the most recent welcome to country at the annual Diggers and Dealers conference was apparently met with contempt by some

62 Ms Tina Carmody, Working Together Coordinator, Kalgoorlie Boulder Chamber of Commerce and Industry, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 9.

63 Ms Tina Carmody, Working Together Coordinator, Kalgoorlie Boulder Chamber of Commerce and Industry, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 10.

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

65 See, for example: Ms Ada Hanson, answers to questions taken on notice from a public hearing in Kalgoorlie on 23 August 2017, received 15 September 2017; Ms Raylene Cooper, answers to questions taken on notice from a public hearing in Kalgoorlie on 23 August 2017, received 15 September 2017.

66 Mr Hans Bokelund, CEO, Goldfields Land and Sea Council, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 46. See, for example: Ms Ada Hanson, answers to questions taken on notice from a public hearing in Kalgoorlie on 23 August 2017, received 15 September 2017; Ms Raylene Cooper, answers to questions taken on notice from a public hearing in Kalgoorlie on 23 August 2017, received 15 September 2017.

delegates.⁶⁷ Mr Bokelund expressed his view that this attitude to Indigenous customs is symbolic of a broader racism in the community when describing the welcome to country:

Yes, and where they're making their wealth from is Aboriginal land. Yet the opportunity for someone—and I think just the dignity of [the individual], who did the welcome: he could have gone on and said, 'I didn't do it for half an hour.' Everyone says he does it for half an hour, but he's never done it for half an hour—again, the furphies that were coming out of it. But again, it's just symbolic of something that is a problem in our society. I thought, it's the 21st century, and we have racism—the marginalisation of First Australians. We're still dealing with these issues, today?⁶⁸

3.55 The committee also heard that it is difficult for Indigenous people to start new businesses as they do not have ready access to capital themselves or through family or friends. Mrs Christine Boase, Treasurer of the Laverton Leonora Cross Cultural Association Inc. observed:

One of the issues that I think is a problem is that most Aboriginal families don't come from a situation where their family has an asset base. They don't own a house, they don't have money in the bank and most people don't have superannuation, so they don't have a situation to be able to set up a business. They don't have the funds, and getting a loan is really difficult.⁶⁹

Committee view

3.56 This chapter has provided a discussion of the more significant barriers that establish and perpetuate joblessness in remote communities. Many of these barriers are long standing and have challenged governments of all political persuasions for many decades. They include no proper links to accredited training, no link to government investment and procurement, and inadequate links to other services—in particular health and education. The committee recognises that CDP has not created these barriers; however, CDP has not assisted in breaking them down. It is the committee view that any reforms to CDP must take into consideration all of these factors if future programs are to succeed. Chapter 6 and 7 of the report will explore in more detail how the factors that contribute to joblessness in remote communities could be better considered and integrated as part of a new remote employment program.

67 Mr Hans Bokelund, CEO, Goldfields Land and Sea Council, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 46. Diggers and Dealers is an annual conference held in Kalgoorlie attended by mining, exploration and services companies, brokers, bankers, and financiers. See: <http://diggersnddealers.com.au/> (accessed 16 October 2017).

68 Mr Hans Bokelund, CEO, Goldfields Land and Sea Council, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 46.

69 Mrs Christine Boase, Treasurer, Laverton Leonora Cross Cultural Association Inc., *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 34.

Chapter 4

Impacts of CDP on communities and individuals

Introduction

4.1 Many of the submitters and witnesses to this inquiry have highlighted the negative impacts of the Community Development Program (CDP) on individual participants and their communities with some describing it as 'an unmitigated disaster'.¹ Mr Hans Bokelund, CEO of the Goldfields Land and Sea Council made clear his view that the CDP and its predecessor, the Remote Jobs and Community Program (RJCP), 'is inflicting damage on Aboriginal remote communities'.² These impacts relate to:

- Financial penalties;
- Reduced pay and conditions
- Limited ability to engage with external bureaucracy;
- Social dislocation in remote communities;
- Labour market issues;
- The nature of work-like activities; and
- Limited ability for the bureaucracy to engage with participants.

Financial penalties

4.2 Higher penalties were introduced under the RJCP; however, since CDP began the number of financial penalties applied to unemployed people in remote communities has risen rapidly as a result of non-attendance (see Figure 4.1 below).

4.3 As the National Social Security Rights Network (NSSRN) noted:

One of the main drivers of the current problems are the more onerous mutual obligation requirements which apply to CDP participants, compared to other job seekers nationally...As a result, penalties for failure to attend activities have sky rocketed under CDP.³

1 Ms Christine Boase, Treasurer, Laverton Leonora Cross Cultural Association, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 27. See also, for example: Dr Shelley Bielefeld, *Submission 11*, p. 2; Jobs Australia, *Submission 19*, p. 11.

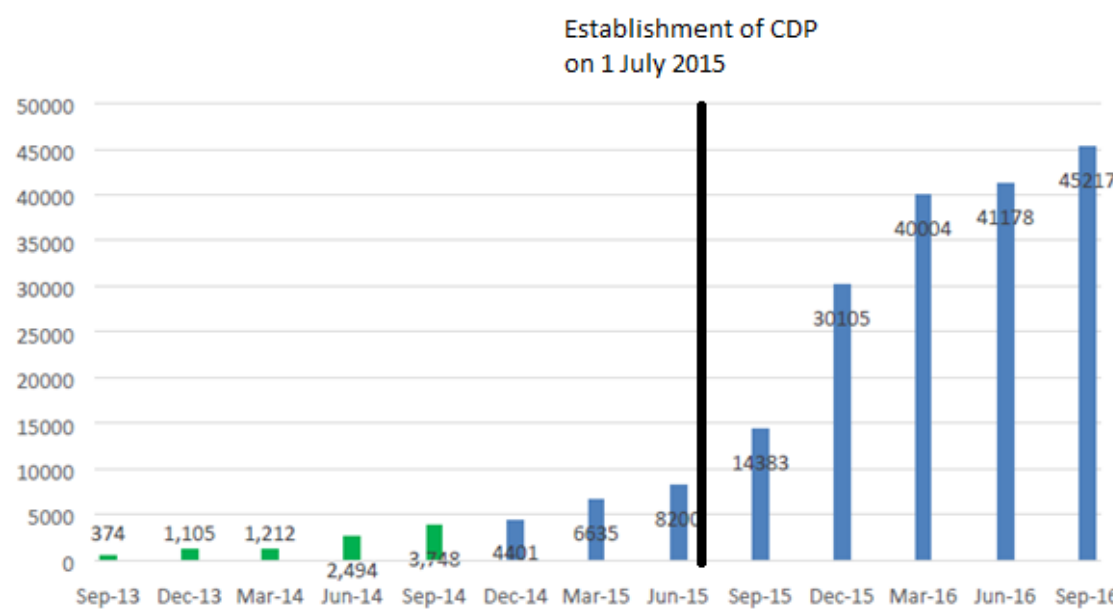
2 Mr Hans Bokelund, Chief Executive Officer, Goldfields Land and Sea Council, *Proof Hansard*, 23 August 2017, p. 44.

3 NSSRN, *Submission 21*, p. 3; see also Jobs Australia, 'The Design and Implementation of the Community Development Programme', Submission in response to the ANAO audit, April 2017, p. 4, https://www.ja.com.au/sites/default/files/jobs_australia_submission_design_and_implementation_of_cdp.pdf (accessed 9 June 2017).

4.4 Job seekers under both the CDP and its non-remote counterpart JobActive are subject to the same national Job Seeker Compliance Framework. JobActive is the mainstream work for the dole program that is operated in all non-remote parts of Australia.⁴ In the six months after the government announced its intention to replace RJCP with CDP, 14 835 No Show No Pay penalties were applied compared with 8 149 during the previous six months.⁵

4.5 In the first 12 months of CDP, CDP jobseekers received more than half of all penalties applied to all job seekers nationally, even though they represented fewer than five per cent of the total number.⁶ According to the Department of the Prime Minister and Cabinet (PM&C), there were 43 656 financial penalties applied in CDP regions in the December 2016 quarter. Around 80 per cent related to No Show No Pay.⁷

Figure 4.1—No show No pay penalties (non-attendance at activities)⁸



4.6 The Central Land Council commissioned research to capture a snapshot of views from people in selected remote communities. All respondents found the penalty system extreme, and all reported that they or someone in their family had been penalised, placing financial strain on the family. CDEP was universally viewed as a better program because it was thought of as a 'real job'. Many respondents stated that

4 See: Department of Employment, 'Work for the Dole', 9 May 2017, <https://www.employment.gov.au/work-dole> (accessed 10 October 2017).

5 L Fowkes and W Sanders, *Financial penalties under the Remote Jobs and Communities Program*, Centre for Aboriginal Economic Policy Research, Working Paper No 108/2016, p. 6.

6 Jobs Australia, 'The Design and Implementation of the CDP', p. 4.

7 Department of the Prime Minister and Cabinet, *Submission 36*, p. 10.

8 Professor Jon Altman, *Submission 26*, p. 11.

CDP was 'demoralising and disempowering', and had quit the program entirely leaving individuals with no income or support.⁹

4.7 The Minister for Indigenous Affairs, Senator the Hon Nigel Scullion has recently pointed out that 'waiver provisions are in place to ensure that financial penalties...do not cause undue financial hardship', and that more than 90 per cent of eight-week non-payment penalties are waived.¹⁰

4.8 The Minister's statement that CDP penalties do not impose financial hardship on participants and their families is at odds with evidence presented to the committee. Mr Gerard Coffey, CEO at Ngaanyatjarra Council told the committee that between '15 and 20 per cent of [600] jobseekers don't receive any money' in his council area.¹¹ In the Mulga Queen community, 500 kilometres north of Kalgoorlie, around half of CDP participants are currently breached and not receiving income support.¹²

4.9 The committee were told that up to one-third of participants on Palm Island in the month of September 2017 were subject to a no payment penalty. When asked the effect of having one-third of participants with no money has on a community, Mr Nathan Vinson, Community Development Program Manager at Campbell Page explained:

It's going to have a great impact on the community. If people do not have jobs, then rent can't get paid—they can't get pay their power bills either, telephone bills. Basic services will start to fail. There is a housing shortage on Palm Island so you will find a lot of family members will be living in the same house together. As they do in a community, they all come together and help facilitate the lack of funding that they might have. [If] somebody doesn't have a job, then somebody else will help them out.¹³

4.10 Dr Kirrily Jordan, Research Fellow at the Centre for Aboriginal Economic Policy Research (CAEPR) at the Australian National University noted that the rate in the first 18 months of CDP was more than seven penalties per person, compared to one penalty for every four people in JobActive, the government's employment services program that operates outside remote Australia.¹⁴

4.11 According to Aboriginal Peak Organisations Northern Territory (APO NT):

9 Central Land Council, *Submission 35*, p. 12.

10 Senator the Hon Nigel Scullion, 'Facts don't back up ANU report on CDP', p. 2.

11 Mr Gerard Coffey, CEO, Ngaanyatjarra Council, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 40.

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

13 Mr Nathan Vinson, Community Development Program Manager, Campbell Page, *Proof Hansard*, Palm Island, 4 October 2017, p. 9.

14 Dr Kirrily Jordan, *Submission 30*, p. 11.

Independent analysis of government data shows that penalties applied to CDP participants have more than quadrupled since the government introduced the program, and continue to rise.¹⁵

4.12 Submitters have noted that there are practical implications for vulnerable people that stem from financial penalties under the CDP that are highlighted in Box 4.1. The social impacts of financial penalties are discussed later in the chapter.

Box 4.1—Case studies outlining the impact of financial penalties on members of remote communities¹⁶

Female—28 years. Mother to 6 year old, and 20 weeks pregnant. Medical history of renal failure and low iron...cut off Centrelink for 8wks as she was unable to work outside in mid-summer heat. Referred via clinic to service provider for emergency food assistance.

55 year old female who came to see Money Mob Team about trying to get her super out and asking for a loan. Client receiving \$1216 per fortnight in Centrelink payments, advised she spends all of this amount. On further investigation, client advised she has 5 other adults and a two year old living in the house, and is expected to pay all the rent and food for all of these people. Other adults in the house refuse to engage with Centrelink, client says their reason is they find it too hard to talk to whitefellas and it takes too long to wait on the participation line to talk to them. Because culturally it is so difficult for Anangu to say 'no' to family members, this woman is effectively being financially coerced and deprived by her family members. The system is not effectively modifying the behaviour of the target group, but is having negative unintended consequences for others.

Pregnant Mother 27 years of age, has contacted NPY WC requesting [Emergency Relief Funding] at least 7 times in the course of her 3rd pregnancy, not all were met due to eligibility requirements. Also during the course of her pregnancy she has been suspended twice from her Centrelink payments because of not meeting working requirements. (Between July-Dec 2016).

When Mother's payments have been processed during the third pregnancy, there are deductions of at least \$260 per fortnight because of personal loans, bush bus fees and school food fees for her 2 children. All of which are not being paid off during her 8 week suspensions.

Completing required hours to receive payments has been challenging due to a number of reasons for Mother including, high transience, domestic violence, partner's payments being suspended and at times reportedly caring for a grandmother and not receiving carer's payment.

15 'Aboriginal Peak Organisations welcome Senate inquiry into Community Development Program', Central Land Council, 23 March 2017, <http://www.clc.org.au/media-releases/article/aboriginal-peak-organisations-welcome-senate-inquiry-into-community-develop> (accessed 16 June 2017).

16 NPYECS, *Submission 28*, pp 13–15.

Higher obligations under CDP compared to JobActive

4.13 The committee were concerned to hear that different attendance requirements are placed on participants in CDP compared to those in JobActive. For instance, participants in CDP are required to engage in 'five hours of regular work-like activities' for 'five days a week, 12 months a year' or 1150 hours per year.¹⁷ This requirement is imposed as soon as a person joins the CDP. In contrast, a person joining JobActive might only be expected to work 7.5 hours per week (350 hours per year), with these hours increasing to 14 hours after 12 months.

4.14 Figure 4.2 shows the difference in activity requirements between JobActive and CDP:

Figure 4.2—Comparison of activity requirements—JobActive and CDP¹⁸

Category	jobactive (July 2015 – June 2020)	CDP (July 2015 – June 2018)
Point at which annual activity requirement (Work for the Dole) starts	Annual activity requirement starts after 12 months or more of receiving assistance. Work for the Dole is the default, but jobseekers can opt for accredited training, voluntary work, part-time work or another approved program	Work for the Dole activity requirement starts immediately and is mandatory for 18–49-year-olds with full-time work capacity, unless in part-time work
Hours of activity required (other than early school leavers under the age of 22) – people with full-time work capacity	Aged under 30: 650 hours over 26 weeks each year (50 hours per fortnight) Aged 30–59: 390 hours over 26 weeks each year (30 hours per fortnight)	Aged 18–49: 25 hours per week in Work for the Dole activities on an indefinite basis, with up to 6 weeks time off (with approval) each year (1150 hours each year)
Early school leavers who are less than 22 years of age	25 hours per week (less for principal carers and people with part-time work capacity)	25 hours per week (less for principal carers and people with part-time work capacity)
People with part-time work capacity and principal carers	Aged under 30: 390 hours over 26 weeks each year (30 hours per fortnight) Aged 30–59: 200 hours over 26 weeks (15–16 hours per fortnight)	30 hours per fortnight or up to work capacity. Approximately 600 hours each year, noting that principal carers may not be required to participate during school holidays

4.15 Dr Lisa Fowkes, Research Scholar at CAEPR at the Australian National University explained:

[S]o, for example, a 35 year old under CDP would start 'Working for the Dole' as soon as they joined the program, and would be expected to work 5 days per day for 46 weeks per year – that is 1150 hours each year. Under JobActive they may have to 'Work for the Dole' up to 350 hours each year if they don't find work after 12 months (increasing to 650 hours per annum next year).¹⁹

17 Department of the Prime Minister and Cabinet, *Submission 36*, pp 1 & 4–5. See also: Dr Lisa Fowkes, *Submission 8*, p. 9.

18 L Fowkes, 'Impact of CDP on income support of participants', in K Jordan and L Fowkes, *Job Creation and Income Support in Remote Indigenous Australia: Moving forward with a better system*, CAEPR Topical Issue No 2/2016, p. 17.

19 Dr Lisa Fowkes, *Submission 9*, p. 9.

4.16 Ms Rachel Atkinson of the Palm Island Community Company was quite frank in her assessment of this discrepancy:

First and foremost, I believe it is racially discriminatory to remote Aboriginal communities. If it's good enough to say 25 hours there [remote community of Palm Island], it's good enough to do it here in Townsville [where JobActive applies].²⁰

4.17 Mr Michael Hobday of the CDP provider, RISE Ventures, described the 'inequity and inequality' that exists between CDP and other employment programs.²¹

4.18 Ms Katie Owens, Manager at Rainbow Gateway, a CDP Provider noted her organisation's view that there needs to be 'changes to the CDP activities and mutual obligations to be in line with JobActive'.²²

Reduced pay and conditions

4.19 Under CDEP, participants were able to top up their incomes, giving providers the ability to offer incentives for increased participation, and participants being paid the equivalent of award rates of pay and conditions such as superannuation and long service leave. Under CDP, there is no incentive for participants as the effective rate of pay is well below award rates and the minimum wage.²³

4.20 Dr Shelley Bielefeld, a Research Fellow at CAEPR argued that:

Thousands of CDP participants are locked into work at a rate well below award rates, with no work entitlements or protections and with little or no prospect of earning additional income or leaving income support.²⁴

4.21 The committee also heard that all CDP participants who work 25 hours per week are doing so for significantly less than minimum wage. Ms Tina Carmody, the Working Together Coordinator at the Kalgoorlie-Boulder Chamber of Commerce and Industry noted that CDP:

They are doing it for \$10 an hour, which is under the minimum wage. But they get \$17 an hour on Work for the Dole. So there is a huge gap that also needs to be addressed because the psychological issues surrounding this are of concern.²⁵

4.22 Mr Gerard Coffey, CEO of Ngaanyatjarra Council also supported this view:

20 Ms Rachel Atkinson, CEO, Palm Island Community Company, *Proof Hansard*, Townsville, 4 October 2017, p. 28. See also: Human Rights Law Centre, response to questions taken on notice at a public hearing on 8 September 2017 (received 12 October 2017).

21 Mr Michael Hobday, CEO, RISE Ventures, *Proof Hansard*, Townsville, 4 October 2017, p. 9.

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

23 Dr Kirrily Jordan, *Submission 30*, p. 13.

24 Ms Shelley Bielefeld, *Submission 11*, p. 2.

25 Ms Tina Carmody, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 9.

We could go back a little bit. The CDEP—we were paying \$17 an hour. This was less than \$10 an hour this program [CDP]. You are obligated to commit 25 hours a week on remote CDP to get your full unemployment benefits. Under the CDEP, it was 16 or 17 hours, and you received more money.²⁶

4.23 The lower rate of pay under CDP has practical implications on people's lives with one submitter describing 'the effect of this lower pay rate is one loaf of bread every hour that the government has taken away from the family home'.²⁷

4.24 As Dr Kirrily Jordan explained, paying a person less than minimum wage is 'inappropriate, insulting and inequitable'. Importantly, insufficient incomes impacts detrimentally on a person's capacity to develop skills for mainstream employment. A more appropriate approach would be to provide a 'living wage that can fund the necessities of life in remote communities, and allow people to live productively and with dignity'.²⁸

4.25 The committee also heard that CDP has resulted in an expectation of 'access to free labour'.²⁹ Mr Coffey noted that if the free supply of labour through CDP was not available, that this would create real jobs in the community.³⁰ Mr Cameron Miller, CEO of the Ngurratjuta Pmara Ntjarra shared his observations of an expectation within some employers that free labour was available:

That's the first one that I noticed 2½ years ago but then the positions were withdrawn. They were manual positions for gardeners and cleaners or support aides. We, as the provider, then had [school] principals coming to us expecting free labour to fill those positions.³¹

4.26 Dr Cassandra Goldie, CEO of the Australian Council of Social Service (ACOSS) also noted the detrimental impact that such schemes have more broadly on the communities by displacing paid employment:

It also locks people out of properly paid jobs that have meaning for the communities such as care of land because the unpaid work under the CDP can displace paid work of this kind and initiatives to create that kind of real paid employment opportunity.³²

4.27 Mr David Thompson, Senior Advisor at the ACOSS explained that this approach was unique amongst income support programs across Australia:

26 Mr Gerard Coffey, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 37.

27 Ngurratjuta Pmara Ntjarra Aboriginal Corporation, *Submission 27*, p. [1].

28 Dr Kirrily Jordan, *Submission 30*, p. 16.

29 Mr Michael Hobday, CEO, RISE Ventures, *Proof Hansard*, Townsville, 4 October 2017, p. 8.

30 Mr Gerard Coffey, CEO, Ngaanyatjarra Council, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 37.

31 Mr Cameron Miller, CEO, Ngurratjuta Pmara Ntjarra Aboriginal Corporation, *Proof Hansard*, Alice Springs, 28 August 2017, p. 3.

32 Dr Cassandra Goldie, CEO, Australian Council of Social Service, *Proof Hansard*, Canberra, 8 September 2017, pp 1–2.

I think there is a fundamental design flaw in the CDP as it is. It is with good intentions—Minister Scullion has good intentions—that it allows people to work for their income support in the private sector. That doesn't happen anywhere else in this country. Even the people in the government's [Youth Jobs] PaTH [internship] program get a supplement to their income support to participate in that kind of work experience. There's lots of work in those communities in the former CDEP—utility works, roads, water and all sorts of other utilities work done by CDEP people—which, if it were paid for properly by the responsible governments, would result in jobs for those people.³³

Lack of occupational health and safety focus

4.28 The committee also heard concerns around the lack of emphasis placed by PM&C on occupational health and safety (OH&S) aspects of CDP. This leads to two distinct issues—no insurance for participants and limited accountability for providers.

4.29 The committee heard that there is limited coverage for CDP participants who are injured whilst participating in activities. Ms Lara Watson, Indigenous Officer at the Australian Council of Trade Unions (ACTU) shared her experience with the committee:

A job service provider raised some real concerns with us. One of the examples they told us about was a CDP worker they had who was injured on site—the worker had sliced three of his fingers. All they had was insurance that covered them to get him to hospital. There was nothing in place around rehabilitation or what sort of work he could do with the damage to his three fingers. We now have a worker who, as a result of doing activities through CDP, has been disabled and has no rehabilitation or ongoing support to help him back into the workforce.³⁴

4.30 After the hearing, this was confirmed in a written response in which the ACTU stated that 'current CDP workers are not covered by Comcare or any other worker compensation scheme' and instead are covered by an insurance policy. The ACTU expressed their view that workers engaged in the CDP should be 'covered by a legislated workers' compensation scheme'³⁵ rather than being pushed on to the disability support pension, as Mr Brook Holloway, Governing Councillor at the Community and Public Sector Union explained:

33 Mr David Thompson, Senior Advisor, Australian Council of Social Service, *Proof Hansard*, Canberra, 8 September 2017, p. 15. The Youth Jobs Path program 'provides young people with voluntary internship opportunities to help them gain real work experience in Australian businesses'. See: Department of Employment, *Youth Jobs Path*, 19 June 2017, <https://www.employment.gov.au/youth-jobs-path> (accessed 1 November 2017).

34 Ms Lara Watson, Indigenous Officer, Australian Council of Trade Unions, *Proof Hansard*, Canberra, 8 September 2017, p. 27.

35 Australian Council of Trade Unions, answers to questions taken on notice at the Canberra public hearing on 8 September 2017, received 6 October 2017.

Workers compensation under CDP is a disability support pension form.³⁶

4.31 The importance of OH&S not just for the safety and wellbeing of participants, but also their employability in industries where OH&S is valued was highlighted by Ms Owens, of CDP provider Rainbow Gateway:

When we set up an activity for any community we do a risk assessment based on that, but I have never been audited on any of our risk assessments. I've never had PM&C come through during a monitoring visit and ask to review them at any time. I think it's such a critical part of what we do with our participants and the use the skills that they get from doing [Job Safety Analysis] or risk assessments. If they were to go into further employment, there probably needs to be more focus on that from the government perspective to make sure that everyone is complying with that. There doesn't seem to be any tick-off saying, 'Yes, you've done that. That's lovely.' It's in a folder, but when do you bring it out and how is that monitored?³⁷

Limited ability to engage with external bureaucracy

4.32 Throughout the inquiry, the committee has heard extensively about the problems that CDP participants are having accessing Centrelink in remote communities. Witnesses observed that in many cases Centrelink does not have a permanent presence in many remote communities. For example, the committee were told that the only permanent Centrelink office in the Goldfields region of Western Australia is in Kalgoorlie.³⁸ Participants living in remote parts of the Northern Territory are without a permanent Centrelink office for between 'four to six or eight weeks [between] visiting times'.³⁹ The lack of permanent facilities leads to difficulties for participants being able to contact and liaise with Centrelink.

Telephone and internet issues

4.33 Many participants are forced to use the telephone and internet in order to meet CDP reporting requirements. In its submission, the Ngaanyatjarra Council, which represents around 2 000 people in 12 Western Desert communities, observed that the centralised administration of CDP puts participants and staff under huge pressure because of the unreliability of telephone and internet technology in remote locations.⁴⁰

36 Mr Brook Holloway, Governing Councillor, Community and Public Sector Union, *Proof Hansard*, Canberra, 8 September 2017, p. 27.

37 Ms Katie Owens, Manager, Rainbow Gateway Ltd, *Proof Hansard*, Townsville, 4 October 2017, p. 16.

38 Inspector Glen Willers, Assistant District Officer, Goldfields-Esperance District, Western Australia Police, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 6.

39 Mrs Katherine O'Donaghue, Community Development Program Manager, Ngurratjuta Pmara Ntjarra Aboriginal Corporation, *Proof Hansard*, Alice Springs, 28 August 2017, p. 9.

40 Ngaanyatjarra Council, *Submission 5*, p. 9.

4.34 The committee were told that in some communities '45 people' or more line up to use one telephone at a telecentre.⁴¹ The lack of telephone infrastructure is compounded by the long wait times for participants of 'sometimes three or four hours' on hold.⁴² Ms Victoria Baird of Save the Children in Kunnanurra described a common scene in her office of people seeking to access Centrelink telephone services:

We often have the Centrelink hold music blaring throughout our office here in Kununurra because they dial the number and have the family sitting, having a cup of tea and waiting sometimes for an hour for the phone to be picked up.⁴³

Language issues

4.35 One of the challenges in remote Indigenous communities are the incredibly diverse number of Indigenous languages spoken. Mr Chansey Paech MLA, the Northern Territory Member for Namatjira, described the communication difficulties experienced between Indigenous people living in remote communities and Centrelink officers on the telephone:

My electorate alone has over 11 local languages, first peoples languages, that are spoken. There are over 100 languages across the Northern Territory. When we are talking about communication with people, English is quite often a fifth language or a fourth language, so it's very hard. In a number of my communities you can rock up and, I don't know if they share the same passion for classical music as I do, but that's often what you hear on their speakerphones as they're waiting for Centrelink. Then they're forced to speak to people in call centres who have very difficult processes to understand what they are saying, and they speak in bureaucratic jargon, which people in my electorate, where English is not their first language, have great difficulty understanding and being able to interpret.⁴⁴

4.36 Uniting Communities submitted that CDP participants are also disadvantaged by unreliable technologies in remote communities, including frequent power outages and lack of access to computers, making it difficult to report to Centrelink. When lines are down, participants find themselves penalised for breaching CDP rules.⁴⁵ For example:

The APY Lands loses power lots of times. Between December and March, there was no power, eight times. The phones and the computers in the PY

41 Ms Vanessa Thomas, Director, Nurra Kurramunoo Aboriginal Corporation, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 50. Ms Thomas noted that this number did not include non-Indigenous people who use the phone to speak with Centrelink.

42 Mrs Katherine O'Donaghue, Community Development Program Manager, Ngurratjuta Pmara Ntjarra, *Proof Hansard*, Alice Springs, 28 August 2017, p. 9.

43 Ms Victoria Baird, Regional Coordinator, East Kimberley, Save the Children Australia, *Proof Hansard*, Kalgoorlie, 23 August 2017, pp 14–15.

44 Mr Chansey Paech, Member for Namatjira, Northern Territory Legislative Assembly, *Proof Hansard*, Alice Springs, 28 August 2017, p. 35.

45 Uniting Communities, *Submission 23*, p. 7.

Ku Centre don't work when there's no power. We can't report to Centrelink, so next thing, we lose too much Centrelink money. Then we can't feed our kids. Then people turn round and growl [at] us for not looking after our kids.⁴⁶

4.37 Mr Michael Hobday, CEO at RISE Ventures, a CDP provider acknowledged that Centrelink poses one of the biggest challenges to the CDP as it currently stands:

I think the biggest issue I've got is the amount of time it takes people to contact Centrelink and that they have to wait on the end of telephone lines and those sorts of things. It's a disgrace.⁴⁷

4.38 Ms Susan Tilley, Manager of Aboriginal Policy and Advocacy at Uniting Communities noted that there is capacity for Centrelink to provide interpreter services; however, the actual provision of interpreter services is problematic:

...invariably, people are not offered a language interpreter. They need to have the confidence to say they would like a language interpreter and request to arrange one. So that's the whole process of people feeling confident enough to do that. Then, quite often, people have already waited sometimes up to two or three hours to get through to Centrelink. Then, to be told they will have to try again tomorrow when they have a Pitjantjatjara speaker or in three hours' time, is quite daunting and frustrating for people. So it is a complex issue, and it is a difficult issue to get around.⁴⁸

4.39 Ms Tilley added that some Centrelink officers are sometimes unaware that Centrelink provides interpreter services for Indigenous languages.⁴⁹ Mr Damien McLean of the Ngaanyatjarra Council observed that communication breakdowns extend beyond language to an understanding from Centrelink staff as to where their clients live:

When they make these appointments, they never ask about our time zone. There is an assumption that we are in the Northern Territory, on Territory time, which is wrong. So these phone appointments almost never transact.⁵⁰

Other issues

4.40 Mrs Raylene Cooper, a Senior Aboriginal Mental Health Worker in Kalgoorlie, elaborated on the other consequences of not having Centrelink staff stationed in remote communities.

46 APY resident and CDP recipient, cited in Uniting Communities, *Submission 23*, p. 7.

47 Mr Michael Hobday, CEO, RISE Ventures, *Proof Hansard*, Townsville, 4 October 2017, p. 9.

48 Ms Susan Tilley, Manager of Aboriginal Policy and Advocacy, Uniting Communities, *Proof Hansard*, Alice Springs, 28 August 2017, p. 41. See also Ms Melissa Kean, Director, Central Australia, Children's Ground, *Proof Hansard*, Alice Springs, 28 August 2017, p. 43.

49 Ms Susan Tilley, Manager of Aboriginal Policy and Advocacy, Uniting Communities, *Proof Hansard*, Alice Springs, 28 August 2017, p. 42.

50 Mr Damien McLean, Community Development Advisor, Warburton Community, Ngaanyatjarra Council, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 38.

Also, the Centrelink office here, you can't do a family allowance claim here. You put the claim in here but it goes down to Perth or can end over in South Australia or somewhere else. Even when you go onto unemployment benefits you don't get an interview straightaway. You get an interview in about two or three weeks time. Everything is not hands on. You have to wait. That causes a lot of poverty and a lot of distress for a lot of families.⁵¹

4.41 Ms Thomas shared this view and extended her commentary to CDP providers that are not based in remote communities. Absence of these providers for extended periods of time can have devastating impacts on remote communities. Ms Thomas observed:

GETS [the local CDP provider for the Goldfields region in WA] comes every fortnight, but if they can't come they'll say, 'We can't come, can you ring it in?'...

We have to tell them who is here. If they need to sign their job plan or whatever they are due to do, they just scan it and send it. But if our computer isn't working then they don't get paid. They just go without and have to wait. And it's an eight-week waiting period if you get cut off from Newstart. These people have children.⁵²

4.42 Mrs Cooper shared an example of someone who was suspended in the midst of a mental health episode:

A couple of weeks ago one of my lady clients didn't go to one of her appointments, so she got suspended, so then I had to talk to them and get a doctor's certificate to say what had been happening for her. She ended up in our ward. When I told them what was happening for her they reinstated her and then she got back paid for the weeks she'd missed out on. But that doesn't always happen. They said that the next time it happens to her she'll have to go and start the process again—reclaim again...

She'll have to go and reapply to Centrelink—start from scratch. She won't be so lucky next time as to get a continuation of her benefit.⁵³

4.43 The geographical constraints and lack of program flexibility means that health and psychological screenings of participants seeking exemption from CDP requirements are often undertaken by phone and without access to language interpreters.⁵⁴ This results in 'people who should be on disability support pensions and who are made to do 25 hours a week Work for the Dole'.⁵⁵ Many of these people are

51 Mrs Raylene Cooper, Senior Aboriginal Mental Health Worker, Community Mental Health Services, Kalgoorlie, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 32.

52 Ms Vanessa Thomas, Director, Nurra Kurramunoo Aboriginal Corporation, *Proof Hansard*, Kalgoorlie, 23 August 2017, pp 51–52.

53 Mrs Raelene Cooper, Senior Aboriginal Mental Health Worker, Community Mental Health Services, Kalgoorlie, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 31. See also: Ms Christine Boase, Treasurer, Laverton Leonora Cross Cultural Association, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 30.

54 Uniting Communities, *Submission 23*, p. 7.

55 Dr Inge Kral, *Proof Hansard*, Alice Springs, 28 August 2017, p. 21.

simply not being provided with the opportunity to be assessed. Ms Adrienne Walters, Director, Legal Advocacy, at the Human Rights Law Centre noted that:

...a huge concern is that you have people who should be on the disability support pension and who shouldn't be forced to do work that they're not capable of doing, and they're being penalised for not being able to do that work.⁵⁶

Social dislocation in remote communities

4.44 At the committee's Kalgoorlie hearing, the committee heard that the financial penalties and reduced pay and conditions of CDP are causing significant social dislocation in many remote communities. There are two key drivers to this social dislocation—as discussed earlier in the chapter, one relates to the loss of payments and the need of vulnerable people to seek money for essential daily items through friends, family or crime. The other relates to people leaving remote communities to live in regional centres such as Kalgoorlie where they are not subject to the onerous requirements of CDP.

Suspended payments leading to increased poverty, crime and social issues

4.45 Some witnesses have linked the loss of payments to an increase in poverty in remote communities. The committee notes that these are communities already living in extreme poverty. At the hearing in Alice Springs, Professor Jon Altman noted that between 2011 and 2016, median income in remote communities subject to CDP has declined:

What we're seeing is people who are going from living in poverty, at just over \$200 a week per adult, to getting even less [than] that.⁵⁷

4.46 Ms Susan Tilley of Uniting Communities expressed a similar view noting that the 'current CDP is entrenching poverty and welfare dependency'.⁵⁸ Professor Altman explained how the onerous reporting and penalties associated with CDP are contributing to this increase in poverty:

[W]hen I go to particular communities, I come across young people, particularly males, who, when I ask them what they're doing for income, basically say that they were on CDEP but were breached a number of times, so they've stopped bothering to participate in that extraordinarily onerous metawork of turning up to your job provider and Centrelink on a regular basis to demonstrate that you've fulfilled your mutual obligation requirements.⁵⁹

56 Ms Adrienne Walters, Director, Legal Advocacy, Human Rights Law Centre, *Proof Hansard*, Canberra, 8 September 2017, p. 8.

57 Professor Jon Altman, *Proof Hansard*, Alice Springs, 28 August 2017, p. 16.

58 Ms Susan Tilley, Manager, Aboriginal Policy and Advocacy, Uniting Communities, *Proof Hansard*, Alice Springs, 28 August 2017, p. 38.

59 Professor Jon Altman, *Proof Hansard*, Alice Springs, 28 August 2017, p. 16. See also: Mr Michael Klerck, Social Policy and Research, Manager, Tangentyere Council, *Proof Hansard*, Alice Springs, 28 August 2017, p. 5.

4.47 Ms Carmody made the following observation of the psychological impacts of not having any money:

...the depression—it's so oppressive, it's unbelievable. You've got these people with these penalties for eight weeks and no money. They can't pay their rent, they can't pay their bills and they can't put food on their table. What happens then, particularly in the remote townships, where the general store relies on this income to function and work, is that they're not getting paid. It's a bit like the ripple effect: throw the people in the pond and then it ripples out into the community. It also adds an extra burden on other family members that have to cover those costs for eight weeks. It's quite an oppressive situation to be in. People need to understand and realise how hard it is to struggle.⁶⁰

4.48 Ms Harriet Olney, an Independent Director at Ngaanyatjarra Council reported that the Warburton 'store does not make as much money as it used to because people aren't buying as much food as they used to buy'.⁶¹ Ms Olney also observed that the store's lower revenues are a reflection of people simply buying less food and as a result of people leaving community to move to regional centres.⁶² When the store makes less money, this has a flow-on effect into provision of broader services in the community:

We are dependent on the store to pay for things. The community office is funded through the community enterprises. So it makes quite a difference across the board.⁶³

4.49 Ms Rachel Atkinson, CEO of the Palm Island Community Company noted that some people are choosing not to engage with job providers as it is simply too difficult:

A lot of the people we employ won't go near Campbell Page [the local CDP provider for Palm Island]. They'd rather not have the dole. So they couch surf and live on the rest of their families.⁶⁴

4.50 The committee has also received evidence suggesting that crime rates in some remote communities have increased as a consequence of suspending payments to CDP participants. Superintendent Michael Bell, District Superintendent for the Western Australia Police Force's Mid-West Gascoyne District made the following observation:

60 Ms Tina Carmody, Working Together Co-ordinator, Kalgoorlie-Boulder Chamber of Commerce and Industry, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 10.

61 Ms Harriet Olney, Independent Director, Ngaanyatjarra Council, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 39.

62 Ms Harriet Olney, Independent Director, Ngaanyatjarra Council, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 39.

63 Ms Harriet Olney, Independent Director, Ngaanyatjarra Council, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 39.

64 Ms Rachel Atkinson, CEO, Palm Island Community Company, *Proof Hansard*, Townsville, 4 October 2017, p. 27.

Certainly, when the participation report goes in and people have their benefits cut off...it puts additional pressure on the family members because they then have to support that person. That individual who's cut off may become displaced and then go in search of other benefits or family to support them, so they can become itinerant in other locations. Cutting people's payments off becomes a factor in that it then drives crime because they've got no money to get food and shelter—just the necessities of life.⁶⁵

4.51 Ms Victoria Baird of Save the Children Australia described her experiences in the Kimberley region of WA:

We often see the young people that we work with stealing things like food. They are also often accompanied by adults stealing alcohol, because access to alcohol is restricted and people have addictions that they need to feed. We definitely would say most of the young people that we work with that are engaging in petty theft would be affected by the poverty of their families. They're all on CDP.⁶⁶

4.52 In addition, the committee heard that in dry communities domestic violence is often caused by a 'lack of money'.⁶⁷ Inspector Glen Willers, Assistant District Officer for the Western Australia Police Force's Goldfield's-Esperance District told the committee about the devastating impact that suspended payments can have on individuals and their behaviour, particularly when they do not fully understand the reasons for the suspension:

...it's clear that small matters like being cut-off become huge in these places. Recently up at Warakurna, which is very isolated, one of the adult males there basically, as they described it, ran amok and did damage all around town. When they got him back to the police station, calmed him down and asked, 'What was the problem,' he said: 'I've been cut-off, and I don't know how to get back on. The other day, I was on the phone for half an hour. The people don't understand me, so I hung up.' So there you have a frustrated man [in] your community who is a really good person—he's just frustrated because he has no money, he's isolated and he can't get back on the program.⁶⁸

4.53 Mrs Boase summarised how people are surviving without any form of income:

65 Superintendent Michael Bell, District Superintendent, Mid West-Gascoyne District, Western Australia Police Force, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 3.

66 Ms Victoria Baird, Regional Co-ordinator, East Kimberley, Save the Children Australia, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 14.

67 Inspector Glen Willers, Assistant District Officer, Goldfields-Esperance District, Western Australia Police Force, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 1.

68 Inspector Glen Willers, Assistant District Officer, Goldfields-Esperance District, Western Australia Police Force, *Proof Hansard*, Kalgoorlie, 23 August 2017, pp 6–7. See also: Councillor Alf Lacey, Mayor, Palm Island Aboriginal Shire Council, *Proof Hansard*, Palm Island, 4 October 2017, p. 14.

They're not surviving well. The crisis centre has a lot of women and children in there at any given time. They're relying on other family members or other community members to try to find some support. They're going without food. They're certainly going without adequate basic facilities.⁶⁹

CDP forcing people to leave remote communities

4.54 As discussed earlier in the report, CDP is a program that is applied in remote locations and that an employment program with less stringent requirements, JobActive, is applied to jobseekers in non-remote parts of Australia. The committee were told that it is common for people from remote communities to move from remote communities to regional centres. In some cases this is because they wish to be subject to less onerous compliance requirements, meaning they are less likely to be breached and lose their payments. In other cases, this is because they have already been breached and are seeking some other way to get by. Superintendent Bell noted:

Under JobActive you're required to be actively looking for work and participating in the program for six months, and my understanding is you then get six months off, for lack of a better word. But under CDP you're required to be actively participating and you get six weeks off [in a 12 month period], unless you take something like cultural leave, which is certainly defined under that. So people will move.⁷⁰

4.55 Several submissions also noted the negative impact of forcing CDP participants to leave their communities to look for work, causing tensions in their families and communities, undermining their cultural responsibilities, and making them feel alienated in new living and working environments.⁷¹

4.56 When people move away from their homes in remote communities, often they are moving to regional centres where they do not have housing, and family and social supports, as Mr Damien McLean of the Ngaanyatjarra Council explained:

If the fundamentals that really tie people together are not there, because it's been made so hard to live out here under the provisions of the CDP and, effectively, it is so easy to be on three-monthly reporting without obligations if you're homeless on the streets of Kalgoorlie, inevitably, that is what you're going to do—you're going to produce a migration into these regional centres that are not ready to accommodate this and you're going to have people who are not ready to move into them. That is already happening.⁷²

69 Mrs Christine Boase, Treasurer, Laverton Leonora Cross Cultural Association, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 32.

70 Superintendent Michael Bell, District Superintendent, Mid West-Gascoyne District, Western Australia Police Force, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 5.

71 See, for example, Uniting Communities, *Submission 23*, p. 4.

72 Mr Damien McLean, Community Development Advisor, Warburton Community, Ngaanyatjarra Council, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 43.

4.57 Mr Martin Sibosado of Aarnja noted the trend of remote residents moving to regional centres was also occurring in the Kimberley region, often with devastating effects:

[P]eople have worked out about moving into town. We've seen that and that's been the focus for itinerancy on the oval. Then there's the sheer thing on individuals. What's not commonly reported—I spoke to about 20 of those people only two months ago and on average they had fines from the police for failing to comply with move-on notices. As they said to me, 'Where do I move on to? I live under that tree over there, mate.' That person had accumulated \$22 000 worth of fines. I said, 'You know where you're going, brother—you're going to jail. That's the only outcome for you.' Those are the sorts of ramifications we're seeing from CDP.⁷³

4.58 In its submission, the Ngaanyatjarra Council highlighted the difficulties that people face when moving to regional centres:

The Ngaanyatjarras have a unique history. They have not previously been forced from their country and wish to maintain the privileges associated with this. However, they are greatly disadvantaged when they leave the Lands, so much so that many Ngaanyatjarra people cannot function adequately when dislocated from community support.⁷⁴

4.59 Moving to a regional centre not only fundamentally affects the people who leave, but also those who are left behind. Some parents do not take their children to regional centres as there is no-where to live and no income to sustain a family:

[P]arents who have been cut off will go looking for a means of survival with food and support. They can leave their children behind with other family members while they go searching, so it also becomes an issue that we're separating families while they go searching for money and support to live.⁷⁵

4.60 In the absence of parental supervision and with no money, children are forced to turn to crime:

I could not contribute all of those problems to CDP by any means, but it's certainly a factor that the police have to consider—that is: how can we deal with the underlying causes of crime within children. The answer is to get these adults to remain in their communities.⁷⁶

4.61 Many who make the move would rather return to their communities; however, feel that they have no choice other than to remain in the regional centres:

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

74 Ngaanyatjarra Council, *Submission 5*, p. 9.

75 Superintendent Michael Bell, District Superintendent, Mid West-Gascoyne District, Western Australia Police Force, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 3.

76 Inspector Glen Willers, Assistant District Officer, Goldfields-Esperance District, Western Australia Police Force, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 6.

We have a big issue in Kalgoorlie with that because people don't want to be here. They want to go back to their lands, but the services are so much easier to get here, and that's why they stay here.⁷⁷

4.62 Some witnesses spoke about the rising tide of despair in some remote communities that is leading to increased drug and alcohol abuse and increased suicides.⁷⁸ These issues are symptoms of communities who are struggling to provide for themselves:

People are living below the poverty line already. If you then cut the funding that they rely on for food and supplies, which are also expensive in Laverton, I have to say, I think they have nowhere to go. They have no way of dealing with this well. I'm just thinking in my head right now—today in Kalgoorlie there's also a discussion about the cashless card and the drug and alcohol situation. I can understand where people get to a point where—'I might as well just blow this and blow my mind here.' I think drugs and alcohol are often a symptom of the despair and despondency.⁷⁹

Labour market issues

4.63 The lack of a functioning labour market economy in many remote communities is raised in the previous chapter. This section discusses the impacts that a non-functioning labour market has on individuals and remote communities.

Outside the labour market

4.64 The ACTU pointed out that people in remote areas who are considered 'outside' the labour force are in fact often engaged in productive artistic or customary activities which may generate income but which are not always recorded as employment.⁸⁰

Insufficient jobs to make current CDP viable

4.65 Most submissions noted the absence of an employment market in remote communities.⁸¹ Community Bridging Services (CBS), for example, argued that there are insufficient employment opportunities in remote regions to make the current CDP model viable, particularly for people with a disability:

There is not enough opportunity, infrastructure and community support in remote regions to support the current Work for the Dole type of activities of 25 hours a week. There is also inequity in the requirements for CDP clients—mainstream clients are required to do 15 hours per week, CDP

77 Inspector Glen Willers, Assistant District Officer, Goldfields-Esperance District, Western Australia Police Force, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 6.

78 See, for example: Mr Hans Bokelund, Chief Executive Officer, Goldfields Land and Sea Council, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 45 & Ms Victoria Baird, p. 28.

79 Mrs Christine Boase, Treasurer, Laverton Leonora Cross Cultural Association Inc., *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 32.

80 ACTU, *Submission 29*, p. 14.

81 See for example, Aarnja Ltd, *Submission 25*, p. 3; CBS, *Submission 6*, [p. 1].

client need to do 25. This is why there are so many reported infringements.⁸²

4.66 The NPY Women's Council reported that there were not enough jobs for people in the region, and that CDP does not provide real jobs. The CPSU noted that a more holistic approach is required with job programs needing 'to be supported by local economic development programs that will lead to ongoing work and community development'.⁸³

4.67 The Council's submission did not advocate abolition of CDP as some benefits are visible to the community such as those that improve community infrastructure and amenity, but the scheme is racially discriminatory when compared to JobActive in urban settings, specifically that higher obligations apply to Aboriginal communities.⁸⁴

Inflexibility

4.68 Aarnja Ltd noted that northern Australia's workforce needs are unique, with many businesses closed during the wet season or working long hours in the dry season. Aarnja argued that alignment of future employment policies with the policy objectives of the White Paper on Developing Northern Australia offers development opportunities for remote communities in these regions.⁸⁵

4.69 Under CDEP, employment activities consisted of four hours per day, four days per week. With the introduction of CDP, this was increased to 'work-like activities' for 25 hours over five working days. According to Dr Will Sanders, Senior Fellow at the Centre for Aboriginal Economic Policy Research (CAEPR) at the Australian National University (appearing in a private capacity):

Two of the great virtues of the activities regime under the former CDEP were that it avoided accusations of Indigenous people being asked to work for less than award wages, and it left afternoons and Fridays free for other priorities....This was a workable balance between the pulls of custom and modernity, between country and kin versus waged employment...⁸⁶

The nature of work-like activities

4.70 One of the most controversial features of CDP is its focus on full-time Work for the Dole, involving supervised, work-like activities.

4.71 The Ngaanyatjarra Council noted that the requirement for work-like activities often forces participants to undertake relatively meaningless tasks:

This is a hopeless vision of life on the Lands...Not only has CDP destroyed the sense of agency among Ngaanyatjarras that had been fostered over

82 CBS, *Submission 6*, [p. 1].

83 CPSU, *Submission 24*, p. 4.

84 NPY Women's Council, *Submission 28*, pp 6–7 & 17. See also: North Australian Aboriginal Justice Agency, *Submission 40*, p. 6.

85 Aarnja Ltd, *Submission 25*, p. 4.

86 Sanders, 'Activities and authority', p. 26.

decades, CDP threatens the very viability of the Ngaanyatjarra Lands communities.⁸⁷

4.72 The NPY Empowered Communities Secretariat (NPYECS) provided an example of unsuitable activities undertaken by CDP participants:

When CW asked PP why she has not been meeting her participation requirements, she expressed that her activities were to cook for herself at the Tafe, and this activity felt and appeared meaningless to her. Skill Hire, who arranges the participation activities, was closed when this discussion was had, so PP and CW could not raise concerns with them. CW visits community approximately every three months. It is unlikely PP will raise concerns with (the provider) alone without an advocate.⁸⁸

4.73 Ms Carmody explained the disconnect between training and activities, and the job opportunities:

I recently talked to some of the providers of the CDP program here. It is fantastic that we have programs, but there are programs such as cooking classes. Unless a person wants to become a chef—and I think that is fine—in general what are cooking classes going to do for long-term sustainable employment? From an HR point of view, to be honest with you, if someone is applying for a position as an admin officer on a mine site but all they have on their resume is cooking classes through CDP, obviously that is not going to be favourable. So I do worry about the types of programs that are in place. Is it for training and long-term employment, or is it a life skills program?⁸⁹

4.74 Other witnesses noted that activities undertaken as part of CDP have included jobs such as 'feeding chooks' or 'sweeping verandahs'.⁹⁰ Inspector Willers told the committee about the inappropriate nature of some of the work tasks:

I was given example of a very proud Aboriginal law man who had been asked to pick up rubbish at the front of his house. There was so much shame around that that it actually created tension in the community. To ask that man to do that work in the community actually created tension within his family. That was an example I got from Blackstone. There is, from what I understand, no work. There are contractors coming in all the time, but it just seems that there's nothing for the local people to do. I know the example is you either earn or learn. I don't know what that actually means

87 Ngaanyatjarra Council, *Submission 5*, p. 9.

88 NPY Empowered Communities Secretariat, *Submission 28*, p. 12. Names were changed in the original submission.

89 Ms Tina Carmody, Working Together Coordinator, Kalgoorlie-Boulder Chamber of Commerce and Industry, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 9. See also: Councillor Alf Lacey, Mayor, Palm Island Aboriginal Shire Council, *Proof Hansard*, Palm Island, 4 October 2017, p. 13.

90 See for example: Mrs Christine Boase, Treasurer, Laverton Leonora Cross Cultural Association, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 27 & Mr Graeme Hastie, CDP Case Manager and Coordinator, Kullari Regional Communities Indigenous Corporation, p. 59.

in the community. I could see myself that it would be so easy to get cut off out there.⁹¹

4.75 Another witness raised the point that there are more meaningful and valued activities that participants could be undertaking in their communities:

There's a couple in Laverton who are elders, who are extraordinarily community minded, who at any given time are looking after not only their own children—they have some adult children who have health issues and who should really be on disability support but are not, so they're looking after them—but grandchildren and often other children in town or from people passing through who might be coming to Kalgoorlie for health reasons. So their house is stretched. They've got lots of people there that they're looking after. The mum is in her mid-50s, so she has to turn up, or used to have to turn up, for activities like having a 21-year-old from somewhere else teaching her art, even though she's a very good artist herself...⁹²

4.76 Furthermore, 'some participants described their activity as "sign the paper"' noting that little consideration is given to appropriate training or provision of adequate resourcing that will lead to real employment outcomes. One participant interviewed by the NPYECS summarised this view:

Some days there's no room for us in the centre so we just have to tick the sheet.⁹³

4.77 As part of its submission, Aboriginal Peak Organisations of the Northern Territory (APO NT) highlighted that there are already "real jobs" in remote communities and that these jobs should not be undertaken as part of CDP:

There are clearly many worthwhile, meaningful jobs that need to be done across remote communities. Many of these are jobs that address gaps in local infrastructure and services available to Indigenous communities—a legacy of historical underinvestment. They are not 'make work' or 'add on' jobs, but address genuine needs of communities. Many are in the health, community services and education sectors – sectors in which employment growth is strong, and expected to continue. Others are in areas like construction, housing and municipal services. There is also important work to be done in preserving and strengthening Indigenous culture and lands—work which requires specific skills and knowledge. This work, and these jobs, are an important part of maintaining and strengthening cultural identity—critical to 'Closing the Gap'. These are 'real jobs'. They cannot and should not be done under 'Work for the Dole' schemes for \$11 per hour.⁹⁴

91 Inspector Glen Willers, Assistant District Officer, Goldfields-Esperance District, Western Australia Police, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 2.

92 Mrs Christine Boase, Treasurer, Laverton Leonora Cross Cultural Association, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 27.

93 NPY Empowered Communities Secretariat, *Submission 28*, p. 12.

94 APO NT, *Submission 37.1*, p. 16.

4.78 The committee were told that some CDP activities that would benefit the community could not go ahead due to a lack of essential tools or equipment. Ms Thomas explained:

We have a program there, which we've had ever since we started working with GETS, to put up a fence. We made the swings—a playground—for the kids. We got that up, but—it's going into three years—we never put that fence up because we don't have the equipment to put the fence up. We've been telling them and telling them, but there's no answer. When PM&C comes, we tell them the same thing. When GETS goes out there, we tell them the same thing. We ask: 'How do we do it? We don't have a bobcat. Where do we get the bobcat from to dig the hole?'

We can't do it because the ground is very hard. We have, in our shed, the swings sitting there still to be put up. This is the third year now. I don't think it's going to go up this year. We have to wait until next year and see what happens. Participants are all getting penalised, but what can we do when we don't have the equipment to do the work? We don't have it. That's what I'm saying about the funding part. We don't know what funding we have.⁹⁵

4.79 According to the National Centre for Vocational Education Research (NCVER), CDP is predicated on meeting 'mutual obligation' requirements rather than responding to the employment needs of communities. In remote areas, meeting obligations can be a challenge leading to higher income penalties.⁹⁶

Training

4.80 Evidence provided to this inquiry which noted the lack of meaningful training and activities under CDP contrasts with the consultation described by PM&C prior to the implementation of the CDP. During this consultation, many community leaders have been clear that their objectives were 'an end to passive sit down welfare' as this 'was not the future they want for their people'.⁹⁷ Importantly, these community leaders wanted 'real jobs, paying real wages, and activities that instil responsibility and give people the opportunity to contribute something of value to their communities'.⁹⁸

4.81 The committee were told that there is no funding available through the CDP for training. Ms Kylie Van Der Neut, Senior Manager for Contract Assurance at Campbell Page explained the additional costs in providing training on Palm Island:

95 Ms Vanessa Thomas, Director, Nurra Kurramunoo Aboriginal Corporation, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 50.

96 NCVER, *Policy snapshot*.

97 Department of the Prime Minister and Cabinet, *Submission 36*, p. 12.

98 Department of the Prime Minister and Cabinet, *Submission 36*, p. 12.

It's very difficult, especially on Palm Island, because you've got to look at accommodation, flights and all of those types of things. So we look at any funding that's available for us. Otherwise, we'll fund the training course.⁹⁹

4.82 Ms Van Der Neut indicated that these costs make it expensive to provide training from the payments made by the government under the CDP.¹⁰⁰

4.83 In Townsville, the committee were told that between two to 10 per cent of CDP participants were engaged in certified and recognised training courses.¹⁰¹ In addition, the committee were also told that when participants do obtain competencies or certificates, that it is currently not a requirement of the CDP that this information be stored in a way that is centrally accessible by the provider and potential employers who conduct work in remote communities.¹⁰² This issue of disconnection between the job provider and potential employers is discussed in Chapter 3.

Limited ability for the bureaucracy to engage with participants

4.84 The issue of consultation between the bureaucracy and CDP participants in the context of policy development and change is discussed earlier in Chapter 2. It is important to highlight that poor communication and engagement not only affects participants but also bureaucracy administering the CDP. Poor communication services and the lack of resident Centrelink officers or agents in remote communities puts Australian Government officers at a disadvantage in understanding the challenges faced by the recipients of government services and payments.¹⁰³

4.85 The limited engagement by the federal bureaucracy and participants extends beyond telephones and internet access. Mr Damien McLean asserted that government officers focus almost exclusively on administration and record keeping, particularly around compliance within the CDP. This focus on compliance is to the exclusion of a focus on community development and employment outcomes. Mr McLean explained:

PM&C have run the program on a very regimented basis in terms of pursuing roles, times, documentation. Where people have penalties put on them then the process is supported by documentation so that, when the penalties are levied, they will hold up whether to appeal within the Centrelink arrangements. So that's where the whole focus is on this. There is very little interest in community development. This program makes a very poor partner. As soon as they go into a partner to work with them, they say that your goal is to actually do these things—to really promote this mutual obligation and the work-like habits, and to document what's going

99 Ms Kylie Van Der Neut, Senior Manager, Contract Assurance, Campbell Page, *Proof Hansard*, Palm Island, 4 October 2017, p. 2.

100 Ms Kylie Van Der Neut, Senior Manager, Contract Assurance, Campbell Page, *Proof Hansard*, Palm Island, 4 October 2017, p. 2.

101 *Proof Hansard*, Townsville, 4 October 2017, p. 17.

102 Ms Kylie Van Der Neut, Senior Manager, Contract Assurance, Campbell Page, *Proof Hansard*, Palm Island, 4 October 2017, p. 6. See also: *Proof Hansard*, Townsville, 4 October 2017, p. 17.

103 NPY Empowered Communities Secretariat, *Submission 28*, pp 8–9.

on to the extent that that takes priority over your activity or whatever your program is. So it makes a very bad partner because of that. It's made it very hard to integrate it into the community in any real sense.¹⁰⁴

Committee view

4.86 The committee is concerned about the significant and far-reaching negative impacts of the CDP on individuals and communities since its establishment in mid-2015. The evidence has shown that CDP is causing real harm to people engaged in CDP and the remote communities in which they live. At the heart of these problems are the heavy-handed financial penalties being applied to CDP participants who do not and cannot comply with the onerous requirements of the CDP.

4.87 Suspension of payments, in conjunction with reduced pay and conditions under the CDP (compared to its predecessor programs), is resulting in individuals and communities being pushed further into poverty. Furthermore, the committee is disturbed by evidence that suggests increasing levels of poverty are leading to an upsurge in crime and other social issues in remote communities. In some circumstances, the CDP compliance regime is forcing people to leave their homes, families and communities simply to survive.

4.88 The committee notes the higher penalties and requirements for CDP participants relative to the non-remote jobseeker program, JobActive. It has not been made clear to the committee why this is the case. This disproportionate approach to jobseeker programs in remote and non-remote areas is especially confusing in light of the fact that those in JobActive regions are more likely to find employment than those in remote locations.

4.89 The committee considers that the punitive imposition of penalties is further compounded by inadequate access for CDP participants to Centrelink services. The committee were disappointed to hear about the difficulties that some people have experienced when attempting to contact Centrelink to meet reporting requirements or to have payments recommenced. These difficulties include long telephone wait times, a single phone to be shared amongst 45 people, non-permanent or unstaffed Centrelink presence in some remote locations, and intermittent internet connectivity. In the committee's view, it is unacceptable that people who speak English as a second language are not supported to communicate their individual circumstances and to understand the requests of an operator. It is especially disheartening to hear about people who are so frustrated and unsupported by the system that they simply disengage and walk away from any form of income support.

4.90 The committee notes that certified training within the CDP is virtually non-existent and certainly not funded. Work-like activities are described as 'pointless' as they do not relate to the interests of the participants or the job opportunities that exist in the local area. The evidence has shown that the CDP is not orientated towards real employment outcomes. It is the committee view that CDP does not lead to job

104 Mr Damien McLean, Community Development Advisor, Warburton Community, Ngaanyatjarra Council, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 37.

creation or pathways to real jobs. Furthermore, the working conditions that CDP participants are exposed to are not those of a real job.

Chapter 5

Impacts of CDP on providers

Introduction

5.1 The previous chapter focused on the impact of the Community Development Program (CDP) on individuals and communities. This chapter examines whether the CDP provides the incentives and structures necessary for employment providers to be able to deliver for program participants. Evidence taken by the committee points to a number of barriers faced by providers in doing so, including:

- Misaligned incentives for providers;
- Limited local decision-making;
- Difficulty in assessing employment outcomes;
- Impediments to employment; and
- Uncertainty about the future.

Misaligned incentives for providers

5.2 The two key mechanisms for managing provider activity within the CDP are the Programme Management Framework, against which providers are assessed every six months, and a new fee structure that attaches the bulk of potential revenue to attendance at Work for the Dole.¹

5.3 Submitters gave evidence that this administrative framework meant that incentives for providers were misaligned with the needs of CDP participants and their communities.

Increase in administrative burden

5.4 Providers gave evidence that CDP's administrative systems prioritised monitoring participants' mutual obligation activities, rather than delivering job outcomes for them. In their experience this manifested in an increased administrative burden of CDP when compared to its predecessor programs. At the committee's public hearing on Palm Island, Ms Kylie Van Der Neut, Senior Manager, Contract Assurance at Campbell Page noted that 'there was always a requirement for attendance, but the administration side of that has definitely increased with the CDP contract'.² Ms Van Der Neut described the increased burden in more detail:

With the change to CDP, to participate five days a week, five hours a day, for 48 weeks a year. There are the administration requirements, along with the performance framework. As a provider, you need to make sure that job

1 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, p. 13.

2 Ms Kylie Van Der Neut, Senior Manager, Contract Assurance, Campbell Page, *Proof Hansard*, Palm Island, 4 October 2017, p. 3.

plans are correct and that you have your system up-to-date and always up-to-date. Then you also have the side where a participant doesn't attend for an invalid reason. You're required to submit the no show, no pay for every day that occurs. I've spoken with the staff here and they're saying that each no show, no pay can take between five and 15 minutes, depending on the competency of the staff member—whether they're new or have been with us for a while. There is the increased administration and also attending the activity diary every day, as well as our contact appointments, and making sure that they're booked on a regular basis as well.³

5.5 Submitters such as the National Employment Services Association described the recording of daily attendance as 'cumbersome and time-consuming'.⁴ The Ngurratjuta/Pmara Ntjarra Aboriginal Corporation explained that some of these difficulties stemmed from the CDP Information Technology (IT) system:

The CDP IT system is not user-friendly and a lot of time has been devoted to developing government-sanctioned 'work-arounds' to make the system fit the policy. CDP staff become swamped with the demands of the IT system, which prevents them from engaging with clients and other community members and stakeholders. We also must remember we are talking about clients with English as a second or third language, who have difficulty with the language and terminology of the system.⁵

5.6 The most significant implication of a provider's resources being diverted into administrative tasks is that this distracts providers from working on improving the job-readiness of participants:

The employment consultants who currently spend hours on data entry each day could be utilising that time to provide a better service to clients, including facilitating job placement, providing more post placement support, etc.⁶

5.7 The primary reason why so much of the provider's energies are devoted to administrative processes around attendance is that a CDP provider is funded based on attendance rather than a set value amount based on the number of participants in a particular location.⁷

Limited local decision-making

5.8 Submitters also gave evidence that the CDP was structured and operated in a manner which undermined local decision-making capability and opportunities.

3 Ms Kylie Van Der Neut, Senior Manager, Contract Assurance, Campbell Page, *Proof Hansard*, Palm Island, 4 October 2017, p. 3.

4 National Employment Services Association, *Submission 45*, p. 7.

5 Ngurratjuta/Pmara Ntjarra Aboriginal Corporation, *Submission 27*, p. 2.

6 Ngurratjuta/Pmara Ntjarra Aboriginal Corporation, *Submission 27*, p. 2. See also: National Employment Services Association, *Submission 45.2*, p. 6.

7 Ms Kylie Van Der Neut, Senior Manager, Contract Assurance, Campbell Page, *Proof Hansard*, Palm Island, 4 October 2017, p. 3.

5.9 In a recent paper, Dr Kirrily Jordan stated that the CDP has impeded the capacity of providers to make decisions at a community level:

For some [providers], the implementation of CDP has corroded their organisational standing, compromising their ability to act in accordance with community interests...the ability to make decisions about how to best maximise participation...in their communities has been taken out of their hands.⁸

5.10 As a consequence of the funding incentives, some witnesses argued that providers are not incentivised to facilitate people moving from the CDP into permanent work. The Mayor of Palm Island Aboriginal Shire Council, Councillor Alf Lacey, repeated anecdotal evidence from his constituents to the committee:

We hear consistent concern, raised along the lines of: 'The provider's all about numbers and would prefer to keep people on their books rather than see them get work, as it means more money for them.' True or not, this is the perception.⁹

5.11 CDP providers are encouraged, through contractual arrangements, to report non-attendance and trigger penalties even if they do not believe it is in the participants' best interests.¹⁰ The provider is only paid CDP service fees if they report non-attendance to DHS.¹¹ The committee were told that 'if something goes wrong, if someone has a car accident—if their car breaks down—then they're in breach if they don't turn up'.¹² This lack of flexibility has been discussed in earlier chapters.

5.12 Jordan and Fowkes noted that the implementation of CDP brought about greater centralisation of control, with providers serving as the 'delivery arm of government'.¹³

5.13 In his submission to the inquiry, Mr Peter Strachan argued that current CDP provider processes are micromanaged and inflexible and that the emphasis on compliance and contract management means there is minimal scope to 'genuinely engage with participants and their community'.¹⁴

8 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, p. 14.

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

10 Dr Kirrily Jordan, *Submission 30*, p. 12.

11 Dr Kirrily Jordan, *Submission 30*, p. 12.

12 Mrs Christine Boase, Treasurer, Laverton Leonora Cross Cultural Association, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 30.

13 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, p. 13; for a list of providers see Australian Government, Community Development Programme Regions, updated 22 November 2016, <https://www.pmc.gov.au/sites/default/files/publications/CDP-regions-factsheet-nov-2016.pdf> (accessed 1 June 2017).

14 Mr Peter Strachan, *Submission 4*, p. 5.

5.14 Jobs Australia also noted that the decision to roll the Community Development Fund (CDF) into the Indigenous Advancement Strategy (IAS) has reduced the focus on employment, participation and community development opportunities identified locally, and shifted decision making about funding priorities to the Department of the Prime Minister and Cabinet (PM&C). Locally-identified employment and community development opportunities were previously negotiated by Remote Jobs and Communities Program (RJCP) providers with their communities and set out in Community Action Plans.¹⁵

Lack of community involvement

5.15 Earlier in the chapter, the committee discussed the increase in administrative burden. In a joint submission, former Federal Minister for Aboriginal Affairs Mr Fred Chaney and former Indigenous Affairs public servant Mr Bill Gray noted 'that providers are swamped with the demands of the IT system which prevents them from engaging productively with participants at a local level in any meaningful way'.¹⁶

5.16 One witness highlighted excessive "red tape" as the key impediment to local decision-making:

Anecdotal evidence suggests that because so much emphasis is placed on compliance and contract management/administration, there is minimal scope to genuinely engage with participants and their community to determine priorities, despite the Minister's claim in 2016 the programme is "flexible and focussed on local decision making and local solutions". Daily input of attendance and other activity is essential for financial viability and non-compliance sanctions are just as severe for the providers as they are for CDP participants. Accountability for the use of public funding is fully understood and accepted but the current CDP processes are micromanaged, inflexible and counterproductive to the aspirations and needs of Indigenous people.¹⁷

5.17 Many communities and individuals feel disempowered by the CDP process, stemming from the lack of consultation during development and changes to policy as described in Chapter 2. As Dr Kirrily Jordan noted, this disempowerment leads to an increase in social problems within communities:

Some people in communities said to me that there are social problems in their communities, but people, who, for example, may not be turning up for their work-for-the-dole requirements or drinking et cetera, have a lot of skills and abilities to offer, but they've come to the point where they've given up or they're fed up, disempowered and alienated by the process. If you engaged in consultation with them in a proper way—you went and sat

15 Jobs Australia, 'The Design and Implementation of the Community Development Program', April 2017, p. 10, https://www.ja.com.au/sites/default/files/jobs_australia_submission_design_and_implementation_of_cdp.pdf (accessed 20 June 2017).

16 Mr Fred Chaney and Mr Bill Gray, *Submission 2*, p. 4.

17 Mr Peter Strachan, *Submission 4*, p. 5.

down with people over the course of a few days and got to know them and got a bit of trust and engaged them in the policy process that way—then people could engage and could have a lot to offer. Whereas at the moment the approach is based on punishment—punishing people to change their behaviour—and it just doesn't work.¹⁸

5.18 The Mayor of Palm Island Aboriginal Shire Council, Councillor Alf Lacey relayed widespread concerns around interactions between providers and the broader community:

The provider does not know the community, so the efforts are so often misdirected. Sometimes they do not even have an office open in the community, so what is the point? That has been reported on a number of occasions...it's a common perception from the 17 Indigenous shire[s] in Queensland.¹⁹

5.19 In some cases, local community organisations are not being engaged or contacted by providers until after the provider has won the contract when 'they need a building' and want some land 'to roll out a program'.²⁰ There is a view that current providers are not part of the local community and have replaced other organisations that may have a more in-depth knowledge and affinity with the local community. As Mayor Lacey explained:

There have been cases where providers with good records were replaced by providers who we can only assume are very adept at writing tenders. It would seem that a paper-based assessment by a person based down south who has little understanding of community is the preferred methodology for awarding these very important contracts. And it seems that regardless of performance the community has no resources but to put up with that provider until such time as the contract expires. There must be a better way, where prior and local knowledge around suppliers and services play some part in the awarding of contracts. Moreover, contracts must have an opt-out clause where performance does not meet expectation.²¹

5.20 Ms Rachel Atkinson, Chief Executive Officer of the Palm Island Community Company raised another issue which can impede relations between a provider and a community by noting the 'massive turnover of staff—we'd think we were getting somewhere and new staff would come on'.²²

18 Dr Kirrily Jordan, *Proof Hansard*, Alice Springs, 28 August 2017, p. 21.

19 *Proof Hansard*, Palm Island, 4 October 2017, p. 13. See also: Ms Rachel Atkinson, CEO, Palm Island Community Company, *Proof Hansard*, Townsville, 4 October 2017, p. 27.

20 *Proof Hansard*, Palm Island, 4 October 2017, p. 14.

21 *Proof Hansard*, Palm Island, 4 October 2017, p. 13.

22 Ms Rachel Atkinson, CEO, Palm Island Community Company, *Proof Hansard*, Townsville, 4 October 2017, p. 24.

5.21 Witnesses submitted that when CDP was implemented, funding for regional or community scale planning processes that was present in RJCP was removed.²³ Removal of this funding has further entrenched the lack of community involvement and ownership within the CDP creating significant barriers between providers and local communities. In evidence to the committee, Dr Lisa Fowkes, Research Scholar at the Australian National University noted that the 'funding bucket' for community development available under the RJCP was amalgamated into the IAS:

When the RJCP was established, it had a funding bucket that was to deliver the main program and it had a \$234 million community development program. That was essentially the job creation, economic development side of the package. That budget allocation was rolled into the Indigenous Advancement Strategy, and I understand that that occurred for the 2014-15 financial year. So that no longer exists...That \$234 million bucket was there for development, and that's what was rolled into the IAS.²⁴

5.22 Councillor Lyn McLaughlin, Mayor of Burdekin Shire Council pointed out this breakdown in communication does not make sense from a strategic standpoint:

In my previous job, I was chair of the Queensland Local Government Grants Commission and I visited a lot of the Indigenous councils. What Mayor Lacey talks about is true; that if you have the CDP separated from the council, sometimes the projects that this group are delivering aren't in that strategic plan for this group. We visited most of them, and we didn't go to a couple because they had sorry business at the time, and when we asked about some infrastructure, they would say that would be the CDP—which has that disconnect.²⁵

Co-ordination and classification issues

5.23 The lack of integration between the Department of Human Services (Centrelink) and PM&C creates confusion on the ground, as well as a lack of coordination of approach between the identification of job opportunities and training required.²⁶ In its submission, Uniting Communities described this issue:

It would appear that there is not a joint or integrated approach to identifying what jobs are needed across a community and the requisite training or skills-set available to execute these jobs. There are, in some cases, a number of training courses provided in the absence of the development of a practical continuum of employment demand. Training for training sake is frequently undertaken, without necessarily giving attention to the jobs that trainees can then feed into. All too often service providers, training

23 See, for example: Ms Katie Owens, Manager, Rainbow Gateway Ltd, *Proof Hansard*, Townsville, 4 October 2017, p. 10

24 Dr Lisa Fowkes, Research Scholar, Centre for Aboriginal Economic Policy Research, Australian National University, *Proof Hansard*, Alice Springs, 28 August 2017, p. 14.

25 Councillor Lyn McLaughlin, Mayor, Burdekin Shire Council, *Proof Hansard*, Townsville, 4 October 2017, p. 21.

26 Uniting Communities, *Submission 23*, p. 8.

organisations and training facilities do not sufficiently link-up or co-ordinate their efforts.²⁷

5.24 Concerns around classification of regions as remote or non-remote were also raised. Broome is classified as a non-remote town (and therefore not eligible for CDP), while larger WA centres like Geraldton, Kalgoorlie, Port Hedland and Karratha are classified as remote for CDP purposes. This seems to be an anomaly, given that Broome is a small town with a seasonal tourism industry and a significant Aboriginal population.²⁸

Difficulty in assessing employment outcomes

5.25 The committee has received evidence from submitters and witnesses highlighting a number of issues with the assessment of employment outcomes under the CDP.

5.26 Jobs Australia argued that comparative employment outcomes under CDP are difficult to assess because, prior to the implementation of CDP, providers were not required to record attendance in the IT system, so there is no publicly available comparative data on the 26-week outcomes under RJCP and CDP. Jobs Australia claimed that:

In remote areas, long-term full time work is scarce while short term seasonal and contract work often provides the best opportunities for employment. The change to CDP made it harder for providers to achieve employment outcomes.²⁹

5.27 In 2013, the Department of Education, Employment and Workplace Relations (DEEWR) released a draft Performance Management Framework (PMF) and invited written submissions. The framework sought to assess RJCP provider performance on a nationally consistent basis while providing flexibility for different labour markets, levels of disadvantage, geographic size of regions and community priorities in remote regions.³⁰

5.28 Also, in 2013, a change in administrative arrangements led to a shift in policy responsibility for this work to PM&C and the replacement of the PMF with a draft Remote Employment Programme Delivery Framework (REPDF) which was formally released as Programme Management Framework. The key differences were that:

- Regional Employment Targets would not be individually negotiated with providers;
- Job placement measures and seven- and 13-week outcomes were abolished; and

27 Uniting Communities, *Submission 23*, p. 8.

28 Aarnja Ltd, *Submission 25*, p. 5.

29 Jobs Australia, 'The Design and Implementation of the CDP', pp 12–13.

30 Jobs Australia, 'The Design and Implementation of the CDP', p. 11.

- A strong focus on measuring new full-time Work for the Dole attendance was introduced.³¹

5.29 The REPDF was formally adopted with these principles and when released as a final framework was called the Programme Management Framework.³²

5.30 According to Jobs Australia, the new REPDF moved the focus away from building relationships with participants, communities and employers and towards transactions that can be measured and quantified.³³ Jobs Australia explained:

The Regional Employment Targets (RETS) have a major impact on the measurement of provider performance under the PMF, but many providers report that they are often unrealistic and unachievable. The processes for determining the targets are centralised in Canberra and are not transparent. The RETS do not reflect historical performance and local labour market issues and opportunities. They have not been set and made available to providers prior to each related performance period, undermining their capacity to achieve them. Most providers are judged to be underperforming. Almost every provider is on a Performance Improvement Plan (PIP) because they haven't achieved a satisfactory overall rating, supporting the contention that the RETs are set too high.³⁴

5.31 Many providers have also reported confusion over how Work for the Dole activity payments are calculated and linked to performance.³⁵ This is compounded by an IT system that is not coping with the upsurge in recording attendance and reporting participation, and loss of trust in the data used as a the basis for payments because of discrepancies between reports used by providers and those used by PM&C to calculate payments.³⁶

Evaluation of the effectiveness of CDP

5.32 In addition to providers indicating that the performance framework is unclear, the committee has heard that the absence of transparent data-sets across the program makes it difficult for local communities to draw any real conclusions on the success or otherwise of the CDP.

5.33 Councillor Lacey put forward his view that it is nearly impossible to assess performance at a local level as the providers 'are not forthcoming with meaningful information about their progress, and the [PM&C] rarely will provide us with information and data'. Councillor Lacey added:

The challenge with all of these programs is whether the practice matches the rhetoric. Does the investment in these programs deliver an appropriate

31 Jobs Australia, 'The Design and Implementation of the CDP', p. 11.

32 Jobs Australia, 'The Design and Implementation of the CDP', p. 11.

33 Jobs Australia, 'The Design and Implementation of the CDP', p. 11.

34 Jobs Australia, 'The Design and Implementation of the CDP', p. 11.

35 Jobs Australia, 'The Design and Implementation of the CDP', p. 11.

36 Jobs Australia, 'The Design and Implementation of the CDP', p. 11.

return? How much of the money actually is spent on the ground in communities, directly benefiting Indigenous people, and how much money goes into overheads of companies and profits where the money is spent in other economies? How do we measure the return? Is it the number of people registered with CDP providers? Or is it the number of people who are successful in proceeding through the program and have meaningful and sustainable employment afterwards? These are the questions that we always ask when we examine these programs, and rarely; actually, never, do we get the answer in a manner that allows us to offer genuine, evidence-based comments and feedback to government.³⁷

5.34 The committee has received very limited information that would assist in drawing conclusions on the effectiveness of the CDP. The committee also understands that there is no publicly available information detailing the funding arrangements and activities of individual providers.

5.35 In a response to a question on notice, Campbell Page (the local CDP provider on Palm Island) informed the committee that 30 outcomes for sustained employment beyond 26 week outcomes were achieved for the six-month period from April to September 2017. Of these, five people gained formal qualifications including two concreting traineeships, one sewerage and water treatment traineeship, and two paramedic cadets.³⁸ The 30 employment outcomes were drawn from a pool of 490 CDP participants—a placement rate of about six per cent.³⁹ Campbell Page also noted that it has placed 239 people in sustained employment beyond 26 weeks since the inception of the CDP on 1 July 2015.⁴⁰ In comparison, Mr Hobday noted that RISE Ventures (a provider for multiple regions in northern Queensland) delivered 12.5 per cent of CDP job placements (1 937 job placements) despite only holding 7.5 per cent of the CDP caseload since the commencement of the CDP.⁴¹ My Pathway noted that it placed 19.4 per cent of all 26 week placements from 12.6 per cent of participants since the CDP began.⁴²

5.36 Dr Cassandra Goldie, CEO of the Australian Council of Social Services outlined the deficiency in the government's approach to describe the effectiveness of the CDP:

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

38 Campbell Page, answers to questions taken on notice, received 20 October, following a public hearing in Palm Island on 4 October 2017, pp 2–3.

39 Campbell Page, answers to questions taken on notice, received 20 October, following a public hearing in Palm Island on 4 October 2017, p. 1.

40 Campbell Page, answers to questions taken on notice, received 20 October, following a public hearing in Palm Island on 4 October 2017, p. 1.

41 Mr Michael Hobday, CEO, RISE Ventures, *Proof Hansard*, Townsville, 4 October 2017, p. 17. See also: RISE Ventures, answers to questions taken on notice, received 23 October, following a public hearing in Townsville on 4 October 2017.

42 My Pathway, *Submission 46*, p. 1.

The government emphasises the number of people involved in 'activities'. There is much less emphasis on the communities' or the local provider's experience of this program, of any sense of how meaningful these activities are either to the person participating in the program or to the community, and how much time and energy is devoted to propping up to administering this damaging system. Employment outcomes have been listed—12,000 have found jobs since July 2015. But unless it's compared with the number of participants over two years or, better still, the number who have found jobs without the program, it doesn't mean much. These questions are fundamental to employment program evaluation.⁴³

5.37 Dr Goldie also offered her view that the effectiveness of the CDP in improving employment outcomes is negligible:

We know that evaluations of programs like Work for the Dole that make work schemes such as this are well removed from regular paid employment and from employers, and that, with these features, they have little or no impact on people's employment prospects. With the Work for the Dole program, the evaluation shows that it barely touches the employment outcomes that [lead] to a two per cent increase in the probability of employment in a more regular labour market environment. Where such a scheme is rolled out on a large scale in remote communities and participation is ongoing, it is all the more likely to lock people out of regular paid employment opportunities that may be available, because it's almost impossible to design and sustain meaningful activities on that scale that are connected to the real paid employment opportunities that may be available.⁴⁴

5.38 Councillor Lacey recommended that local communities should have a greater say in how Australian Government funds provided through the CDP are spent in the community, with local councils providing oversight of the providers activities:

I would encourage the committee to demand the program...includ[e] a reporting regime determined by government, with the prior approval of communities—which these companies are funded to service. Council would be an ideal organisation to sign off on such a reporting regime, which would include providing regular prescribed reports to government as well as to the community.⁴⁵

5.39 Councillor Lacey also offered his view that more transparency was required about how Australian Government funds are expended in local communities:

43 Dr Cassandra Goldie, CEO, Australian Council of Social Service, *Proof Hansard*, Canberra, 8 September 2017, p. 2.

44 Dr Cassandra Goldie, CEO, Australian Council of Social Service, *Proof Hansard*, Canberra, 8 September 2017, p. 1.

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

Too often, the public are informed of the millions of dollars invested in our people. They should also be told just how much of this money actually reaches our people, and what the results of that investment are.⁴⁶

Impediments to employment

Government procurement policies

5.40 The poor implementation of government procurement policies in remote communities and its role in perpetuating joblessness in these communities has already been discussed in Chapter 2. It is also important to acknowledge the role that these policies play in impeding providers from placing remote jobseekers in employment.

5.41 According to the Tangentyere Council Aboriginal Corporation, the Northern Territory's Department of Housing and Community Development procurement processes have resulted in a proliferation of for-profit companies being responsible for service delivery in remote communities, employing a 'drive in and drive out' approach that does not provide any meaningful employment outcomes or support for vulnerable communities.⁴⁷ In their submission, Mr Fred Chaney and Mr Bill Gray provided an example of the 'drive in and drive out' procurement culture:

Present government approaches, involving contracting out to external agencies and reduced funding to Aboriginal corporations, result in the essential and meaningful tasks in communities being done by non-Aboriginal visitors. The recent example of the ten-year housing maintenance contract for remote communities in Western Australia being let to a company in Queensland inflating costs and leading to massive travel costs as against actual maintenance while at the same time depriving locals of work, is an extreme but not atypical way in which employment possibilities in remote communities are destroyed by government approaches in the name of mythical efficiencies.⁴⁸

Lack of training and start-up funding allocated under CDP

5.42 The committee were told that there is very limited funding made available as part of the CDP to provide for certified training or start-up capital to encourage the creation of businesses.⁴⁹ In a response to a question taken on notice, Campbell Page stated that the delivery of 'formal accredited training for our job seekers' is 'funded by either Campbell Page or state government (or a blend of both)' rather than through the CDP.⁵⁰

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

47 Tangentyere Council Aboriginal Corporation, *Submission 34*, p. 14.

48 Mr Fred Chaney and Mr Bill Gray, *Submission 2*, p. 9.

49 See, for example: Mr Sotir Kondov (Interim CEO) & Ms Kylie Van Der Neut (Senior Manager, Contract Assurance), Campbell Page, *Proof Hansard*, Palm Island, 4 October 2017, pp 2–3.

50 Campbell Page, answers to questions taken on notice, received 20 October, following a public hearing in Palm Island on 4 October 2017, p. 1.

5.43 At the committee's Townsville hearing, Mr Hobday noted that there is also no funding available for projects to put people into work or to start their own businesses:

There are opportunities, but there is a complete lack of funding to do so. There is a complete lack of business mentorship and knowledge and understanding. I will give you an example: if someone wanted to start a lawn-mowing business in any of our communities, we would probably go out and buy the lawnmowers for them. But we would also provide them with the assistance to get their ABN or to run their business or to market it.⁵¹

5.44 The committee were also told that there are many other unfunded job-seeker costs which are impediments to individuals and job providers placing CDP participants in work:

...the lack of access to funds for critical tools to assist people get jobs, like wage subsidies and training; the lack of transport reallocation or relocation assistance to assist participants to seek employment away from their community.⁵²

5.45 Notwithstanding this, the committee did hear some positive stories from providers in relation to small-business initiatives that were being implemented outside the CDP, often self-funded and initiated by providers such as the 'small business hub'.⁵³ Mr Sotir Kondov, Interim CEO of Campbell Page (the provider for Palm Island) explained:

We have a very community led approach in that we look at, assess and understand, talking to elders and others, what is needed on the island. We identified that the small-business hub was an opportunity for locals who would like to create a business but just don't have the means, the knowledge or the capacity to do so. Through those mechanisms, we look at ways to go beyond just the program.⁵⁴

Indigenous Advancement Strategy

5.46 At its Canberra hearing, Mr Andrew Tongue, Associate Secretary for Indigenous Affairs at PM&C told the committee that applications can be made to the IAS to fund a variety of needs within remote communities including infrastructure.⁵⁵

5.47 Further to this, PM&C informed the committee that the Minister was seeking to expand the role of the IAS by funding CDP providers in the future through the

51 Mr Michael Hobday, CEO, RISE Ventures, *Proof Hansard*, Townsville, 4 October 2017, p. 9.

52 Mr Michael Hobday, CEO, RISE Ventures, *Proof Hansard*, Townsville, 4 October 2017, p. 12.

53 See, for example: Mr Sotir Kondov, Interim CEO, Campbell Page, *Proof Hansard*, Palm Island, 4 October 2017, pp 1–2. See, for example: Mr Cameron Miller, CEO, Ngurratjuta Pmara Ntjarra, *Proof Hansard*, Alice Springs, 28 August 2017, p. 2.

54 Mr Sotir Kondov, Interim CEO, Campbell Page, *Proof Hansard*, Palm Island, 4 October 2017, p. 2.

55 Mr Andrew Tongue, Associate Secretary, Indigenous Affairs, Department of the Prime Minister and Cabinet, *Proof Hansard*, Canberra, 8 September 2017, pp 63 & 65.

IAS.⁵⁶ Mr Hans Bokelund, CEO of the Goldfields Land and Sea Council was supportive of this approach which would recognise, for some remote communities, that the IAS would be the most appropriate source of funding for 'a social Aboriginal assistance program' in areas where there are serious challenges to job creation.⁵⁷

5.48 Despite this evidence, some providers expressed their frustration at the application process to access funds from the IAS. Mr Hobday explained that providers are encouraged to apply for funding through the IAS for projects that may assist a community; however, the fate of the applications lodged is unclear:

We are encouraged to make grant applications to the Indigenous Advancement Strategy for projects locally. For some of those projects we've put in submissions for, we have never received a reply at all. These can be projects such as power, solar power and renewable energy projects in Kowanyama and Pormpuraaw. We've put in two applications for the same one and still not received a reply. The length of time it takes when it gets lodged and it gets stuck is at various levels, but I would have to say there is an issue there.⁵⁸

Work experience

5.49 Some witnesses pointed out that one of the problems with the CDP is that it is not flexible enough to allow people to trial employment through work experience. If a person finds that a particular job does not suit their interests or experiences, there is no flexibility for them to voluntarily leave that job placement and seek a more appropriate placement without incurring a fine. Mr Graeme Hastie, CDP Case Manager and Co-ordinator at Kullari Regional Communities Indigenous Corporation explained:

There is a reason that we do the work experience—and this goes to one of the problems with the CDP when it comes to employment. When a young person says, 'Graeme, I don't really know what I want to do,' I say, 'Well, have a crack at something and, if you don't like it, cross it off.' But, if they have a go at something and they don't like it and they leave, they get penalised for two months, because they've voluntarily left their employment. How does that encourage people to try different employment opportunities?⁵⁹

56 Mrs Bronwyn Field, Acting First Assistant Secretary, Community and Economic Development Division, Department of the Prime Minister and Cabinet, *Proof Hansard*, Canberra, 8 September 2017, p. 56.

57 Mr Hans Bokelund, CEO, Goldfields Land and Sea Council, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 45.

58 Mr Michael Hobday, CEO, RISE Ventures, *Proof Hansard*, Townsville, 4 October 2017, p. 9.

59 Mr Graeme Hastie, CDP Case Manager and Coordinator, Kullarri Regional Communities Indigenous Corporation, *Proof Hansard*, Kalgoorlie, 23 August 2017, p. 61.

Uncertainty about the future

5.50 The committee understands that the current CDP funding arrangements between the Commonwealth and the providers 'expire in June 2018'.⁶⁰ Mr Hobday, told the committee that many providers are unsure of arrangements beyond that date, even though it is less than seven months away:

None of us in this provider group know what is going to happen from 1 July, so we are all living in limbo. We can't invest. We can't look at long-term projects. We cannot do anything at this point in time. No-one has heard from the minister for a number of months. Substantial change is proposed. We are now into October. We have major reviews by this committee, by the ANAO and by the department itself. We are under constant and consistent review status. In terms of what we are going to do in the future, can I say a lot of us are just getting on with the day-to-day job. When it comes to planning for longer term solutions and longer term contracts, we have to wait for the government.⁶¹

5.51 Furthermore, providers have not heard from the Minister and PM&C since July 2017 about possible reforms to the program or when tendering for contract renewal might commence. Mr Hobday explained:

We were invited to a meeting in July [2017] in Canberra for the purpose of being asked what we think about the changes that were announced by the minister at a conference in Cairns. That's the only consultation we've had. We do believe that the Department of the Prime Minister and Cabinet has been trying to keep us as up to date as possible and we certainly don't have a problem with our relationship with the department, but it has gone into a period of 'no comment' type of stuff.⁶²

5.52 Mr Hobday advocated about the need for certainty for providers, and for individuals and communities. Under current funding arrangements, there is an 'inability of CDP providers to invest in long-term solutions and programs due to [a] lack of funding being available'.⁶³

5.53 Some witnesses argued that in order for providers to invest in long-term solutions, there is a requirement for government to 'provide a stable platform for providers to operate' including 'a five-year contract period and minimal changes throughout that period'.⁶⁴ Councillor Lacey spoke about the necessity for even longer funding cycles of up to 10 years:

60 ACTU, *Submission 29*, p. 4.

61 Mr Michael Hobday, CEO, RISE Ventures, *Proof Hansard*, Townsville, 4 October 2017, p. 15.

62 Mr Michael Hobday, CEO, RISE Ventures, *Proof Hansard*, Townsville, 4 October 2017, p. 16. See also, for example: Rainbow Gateway Ltd, answers to questions taken on notice, received 17 October 2017, from a public hearing in Townsville on 4 October 2017.

63 Mr Michael Hobday, CEO, RISE Ventures, *Proof Hansard*, Townsville, 4 October 2017, p. 8.

64 Mr Michael Hobday, CEO, RISE Ventures, *Proof Hansard*, Townsville, 4 October 2017, p. 8.

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.⁶⁵

5.54 Councillor Lacey added his view that local councils would be well-placed to deliver CDP services as one way of overcoming the detrimental effects of provider and staff turnover in remote communities. The issue of limited community involvement was also discussed earlier in this chapter.

Committee view

5.55 The committee is concerned that the CDP establishes incentives for providers that are misaligned with the needs of individuals and their communities. In particular, the committee is disturbed by the program's focus incentivising providers to focus on attendance compliance and contract management instead of helping participants to become job-ready and assisting communities to develop. The concomitant increase in administrative burden means that even well intentioned providers are forced to divert their resources from equipping and placing jobseekers in employment.

5.56 The committee considers that any future program must streamline or discard elements that focus on punishing participants instead of promoting community development and improving their job-readiness. There is a need for local communities to be involved in determining their own community development goals.

5.57 A consistent theme heard throughout the inquiry has been that the CDP does not encourage the involvement of the local community or consider its views. Part of this stems from the government's lack of consultation prior to, and throughout the life of the CDP. It is clear to the committee that the lack of community involvement in the development of the CDP has led to many of the problems outlined in this, and the previous chapter. The committee has earlier expressed its view that the lack of consultation is not an appropriate way to develop government policy or to amend existing government programs. Future policy development in this area must have consultation at its heart with this consultation being funded as an on-going component of any future program.

5.58 The committee understands that there are no publicly available figures on the performance of CDP providers and how much CDP providers are paid to progress jobseekers into employment. The committee is grateful to two job providers who have voluntarily shared some of their job placement data with the committee. These numbers provide a starting point for the committee to consider the effectiveness of the program; however, in the absence of comparative figures from other providers and

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

average placement numbers across the scheme, it is difficult to ascertain the effectiveness of the CDP. The committee agrees that there needs to be an increased level of transparency around the level of funding being paid to providers, how much of that funding is reaching the local community, and the number of jobs being created as a result of that spending.

5.59 The committee has heard about the impediments that providers face when assisting participants to find employment in remote communities. The haphazard approach to Indigenous employment targets within government contracts concerns the committee. It is the committee view that government procurement in remote areas represents a unique opportunity to stimulate economic activity in remote communities when contractors are obliged to employ local workers. Evidence in this chapter and earlier chapters has shown that better co-ordination of government projects will lead to increased and sustained employment in remote communities.

5.60 The committee notes that the CDP's lack of funding for training and business development works against the CDP's objective to place participants into long-term employment. The committee agrees that funding for training should be made available as part of any employment program to ensure that participants are equipped to meet the requirements of employers. Equally, start-up funding will empower participants to transform activities undertaken as part of an employment program—or indeed, their own ideas and aspirations—into sustainable businesses providing essential services and economic activity in remote locations.

5.61 The committee notes that current CDP funding arrangements expire in mid-2018, less than seven months away. Many witnesses noted that there has been little communication from the Minister or PM&C about the future of the CDP. The committee finds this very troubling for a number of reasons. First, it appears the Minister is repeating the poor community and stakeholder consultation that have characterised the current CDP. Second, the limited period of time before contracts expire mean that if there are changes to the CDP, there is only limited time for providers and communities to engage with the Minister and PM&C in a consultation process. Third, the uncertainty of whether the CDP will change or remain the same will fuel more distrust between communities, providers and PM&C. Finally, capability within CDP providers is eroded as provider's employees seek job security elsewhere. The committee are concerned to hear about the difficulties that some providers have had in applying to the IAS. This concern is compounded by the Minister's future intention to fund CDP provider's from the IAS. It is the committee view that the Minister needs to urgently indicate his intended proposed reforms to CDP, and to then engage in a genuine consultation process with stakeholders.

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

1 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

3 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 as an 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.

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

11 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.

14 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:

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

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

18 Ngaanyatjarra Council, *Submission 5*, cover letter.

19 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.

28 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.

30 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.

33 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.'³⁵

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.⁴⁰

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 on-going 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

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

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

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.

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

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*.

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*.

48 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.

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

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%2Fpressclp%2F5292918%22> (accessed 27 June 2017).

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

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

- 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

59 'Government of Canada launches Indigenous youth employment program', 10 February 2017, https://www.canada.ca/en/treasury-board-secretariat/news/2017/02/government_of_canadalaunchesindigenouslyouthemploymentprogram.html (accessed 19 June 2017).

60 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).

61 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

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

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

64 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 septic. 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

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

67 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?⁷²

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

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

72 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.⁷³

Indigenous organisations to take more control

6.76 The committee heard that 'every community is so different that one size does not fit all'.⁷⁴ 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

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

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

75 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 Queensland.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

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

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

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.

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

Chapter 7

Conclusions and recommendations

7.1 This inquiry into the Community Development Program (CDP) has been a valuable process for individual participants, communities and providers to raise the significant concerns they have with the CDP. The committee thanks those who have assisted the committee by generously sharing their experiences during this inquiry. At the heart of this inquiry are the people and communities participating in CDP. Councillor Alf Lacey, Mayor of Palm Island posed a potent question to the committee about a future without change for these people and communities:

Seriously, have a thought for those participants. Do they do CDP for the rest of their lives? Do their children do the next cycle coming through and do CDP for the rest of their lives?¹

7.2 The committee is of the view that CDP cannot and should not continue in its current form. A new program needs to be developed which moves away from a centralised, top-down administration in which communities are told what to do and move towards a model where the local communities are empowered to make decisions that are best for them. The program also needs to move from a punitive, attendance-focused approach towards one which rewards participation in activities that are selected and valued by the community and, in turn, provide skills and experiences which improve the job-readiness and quality of life of all participants.

7.3 This inquiry has been timely, taking place as the government indicates it too is considering the future of the program. This juncture presents an opportunity for the program to be re-fashioned to deliver better outcomes for participants and communities.

7.4 In that regard, the committee welcomed the late, confidential submission by the Minister on the directions he proposes to take in transitioning to a new model for the program.

7.5 The committee believes that a two-step process is required—comprised of a transition period followed by implementation of a new program. A transition period is needed to ensure that the more egregious elements of the CDP are mitigated whilst consultation and development is undertaken prior to the later roll-out of a new CDP that is more aligned with community development expectations and values. This chapter identifies the key characteristics the program should have.

Transition to the new program

7.6 It is the committee view that the current CDP is not working and that a new program is required. However, a new program will take time to develop to ensure that it is underpinned by extensive community and stakeholder consultation. In the interim,

1 Councillor Alf Lacey, Mayor, Palm Island Aboriginal Shire Council, *Proof Hansard*, Palm Island, 4 October 2017, pp 18–19.

the committee considers that a number of immediate actions need to be taken to ensure that participants are protected.

Financial penalties

7.7 The committee is concerned that income suspension is having significant and far-reaching consequences on CDP participants including increasing the rate and extent of poverty for individuals, their families and communities. In light of these negative impacts, the committee's view is that immediate action needs to be taken to alleviate the negative impacts of the current compliance and financial penalty regime.

Recommendation 1

7.8 The committee recommends that the Australian Government immediately replace the current CDP compliance and penalty regime with obligations that are no more onerous than those of other income support recipients. CDP participants must have the same legal rights and other responsibilities as other income support participants, taking into account special circumstances such as remote locations and cultural obligations.

Recommendation 2

7.9 The committee recommends that CDP requirements should be adjusted in order to ensure that participants are able to meet them for the majority of the time and are more closely aligned with the requirements of other income support participants. Those in work or work-like activity should have the general obligations and benefits of any worker.

7.10 The committee recommends that eight-week serious non-compliance penalties should not be applied during this transition period except under exceptional circumstances.

Existing contracts

7.11 The committee sympathises with the concerns expressed by CDP providers about the uncertainty around the future of CDP funding contracts. There is a need to provide some certainty for providers to ensure that services continue to be delivered and that provider's employees remain with providers prior to the roll-out of the new program. However, the committee also heard repeated concerns about the quality of services delivered by CDP providers and their level of community engagement.

Recommendation 3

7.12 The committee recommends that the Department of the Prime Minister and Cabinet undertake an immediate audit of all existing Community Development Program providers. The audit should assess service delivery quality, and employment outcomes in order to inform any extension of contracts until the roll-out of a new program. In cases where underperformance is identified, the Department of the Prime Minister and Cabinet should work to ensure appropriate action is taken to ensure that providers meet expected standards.

Centrelink

7.13 The committee is concerned about the inadequate access for CDP participants to Centrelink. The committee has heard consistently throughout the inquiry about the difficulties that people have communicating with Centrelink due to long telephone wait times, inadequate infrastructure, no physical Centrelink presence in many locations and intermittent internet connectivity. These difficulties lead to delays in people being reconnected to income support or in some cases, being so frustrated by the process, people walking away from income support altogether. A lack of interpreter support was also raised as a contributing factor to these issues.

Recommendation 4

7.14 The committee recommends an audit be conducted of interpreter services available to clients and Department of Human Services officers. The committee recommends the Department of Human Services invest in identifying, training and employing local people in remote communities and community controlled organisations who can provide Centrelink CDP-related liaison services in local Indigenous languages.

7.15 The committee endorses the comments by the Australian National Audit Office (ANAO) in its report on the Administration of the Community Development Program that 'there would be value in the Department of Employment updating the guidelines and providing further detail to differentiate the jobseeker enquiries number from the [Participation Solution Team] PST phone number'.²

Recommendation 5

7.16 The committee recommends that Centrelink provides a dedicated telephone service for CDP participants staffed by officers familiar with the CDP program.

Development of the new program

7.17 The committee has received a considerable amount of evidence suggesting proposed reforms to the current CDP. The Minister has also indicated that he is currently reviewing the CDP with a view to reforming the program. The committee recommends that the Minister and the Australian Government take this opportunity to transform the CDP in a way that will move away from the current punitive aspects of the program and move towards a program which benefits remote communities and the individuals who live in them. The Australian Government should consider the following elements when developing the new program.

2 Australian National Audit Office, 'Design and Implementation of the Community Development Programme', *ANAO Report No. 14 2017–18*, p. 46, https://www.anao.gov.au/sites/g/files/net3721/f/ANAO_Report_2017-2018_14a.pdf (accessed 9 December 2017).

Consultation and community control

7.18 Many witnesses have told the committee about the failure to involve Indigenous people in any aspect of the design, delivery or evaluation of the CDP. The lack of consultation has led many remote communities to feel disempowered. This is in stark contrast to predecessor programs such as the Community Development Employment Projects (CDEP) where community control and decision-making were a central program component. The committee reiterates its view, expressed in Chapter 2, that any changes to the CDP must be based on genuine and comprehensive consultation, and lead to enhanced empowerment for remote communities.

Recommendation 6

7.19 The committee recommends that the Department of the Prime Minister and Cabinet, led by the Minister for Indigenous Affairs, engage in genuine and comprehensive consultation with remote communities, Indigenous organisations, employment providers and other stakeholders on the reforms required to be made to the Community Development Program.

Recommendation 7

7.20 The committee recommends that the reform process for any new program should be focussed on the goal of community empowerment, and give active consideration to the proposals as outlined in the Aboriginal Peak Organisations of the Northern Territory's submission and supported by others. The establishment of an indigenous-led board and local governance committees as recommended by Aboriginal Peak Organisations of the Northern Territory should be considered.

7.21 Communities must be given a greater say in how a community development program is delivered in their area including the prioritisation of projects and the nature of approved work activities. Greater community control should harness the skills, experiences and knowledge of local community and Indigenous organisations.

7.22 The committee considers that the competitive contracting approach used in remote areas where markets are thin or non-existent is not sustainable. The committee notes that in some cases, one employment provider might oversee multiple CDP regions whilst local organisations—deemed to be unsuitable—are overlooked.

7.23 The committee acknowledges that circumstances may arise where a selection panel determines that a local remote and Indigenous organisation does not meet mandatory selection requirements to deliver services under the new program for various reasons. The committee is of the view that the government has an obligation to work with these organisations to build capacity that enables them to compete with larger, city-based employment providers. Local knowledge and experience informing appropriate community development consistent with the unique requirements of each community must form the basis of future programs.

Recommendation 8

7.24 The committee recommends that the Department of the Prime Minister and Cabinet provide practical support to local remote and Indigenous organisations to build governance and service delivery capacity in areas that enables these organisations to successfully tender for the new community development program.

Wages

7.25 Many witnesses have highlighted the provision of a basic income with a wage-like structure as one of the more successful elements of the CDEP. It is the committee's view that such an approach incentivises participation in a community development program and leads to improved skill development and work experiences for jobseekers. Importantly, the payment of wages by providers would remove Centrelink's role administering penalties through income suspension hence reducing participant's interactions with Centrelink. This approach would also empower program providers to pay participants wages in exchange for participation in work activities and training. Payment of wages would also result in a considerable reduction in the administrative burden for program providers.

7.26 The committee were concerned to hear that the government is considering applying the cashless welfare card to CDP participants once the new program is implemented.³ The committee considers that a wage-based approach is incompatible with the use of the cashless welfare card.

7.27 The committee heard that CDEP had a wages structure that provided close to a minimum wage. In comparison, CDP provides about half the hourly rate making it difficult for people to pay for basic items such as food, which are often more expensive in remote locations. It is the view of the committee that treating a person like a worker begins by paying a person a minimum wage like a worker. The committee considers that a wage-like structure should provide a minimum hourly wage consisting of a supplementary hourly rate for participation in community development program activities. The supplementary hourly rate should be the difference between the minimum wage and the person's income support on a pro-rata basis. This approach would provide a minimum wage for hours worked and would be consistent with the CDEP.

Recommendation 9

7.28 The committee recommends that the Australian Government implement a payment scheme for remote jobseekers with income based on participation in agreed work-like activities, and incentives for additional activities in community development programs. The committee recommends that participation in

3 Senate Finance and Public Administration Legislation Committee, *Proof Estimates Hansard*, 27 October 2017, p. 40.

community development program work activities should be compensated at an hourly rate commensurate with the national minimum wage.

Reduction in administrative burden

7.29 The committee earlier expressed its concern about the unnecessary administrative burden imposed on CDP providers. In particular, the committee is concerned that the focus on compliance and record-keeping has diverted providers from focusing their energies on supporting participants to become job-ready and promoting community development. The committee is strongly of the view that providers' resources currently tied up in administrative processes need to be able to redeployed towards improving and assisting communities and participants. The committee is confident that transitioning the program away from compliance and penalties to a wage-based structure will substantially reduce the administrative burden on providers. It is the committee view that additional steps should be taken to further streamline administrative functions.

Recommendation 10

7.30 The committee recommends that the Department of the Prime Minister and Cabinet carefully consider and, where appropriate, minimise the administrative processes required of providers engaged in the new community development program.

Increased transparency

7.31 Notwithstanding the committee's desire to reduce the administrative burden, the committee agrees that there needs to be far greater transparency around how public funds are spent on community development programs. This should include the level of funding that providers receive, how much of that funding is spent in local communities and, most importantly, how many jobs are being created as a result of this government expenditure. The committee understands that the Department of the Prime Minister and Cabinet (PM&C) does not require providers to keep data in relation to these metrics. Further, PM&C and some providers refused to provide the committee with any information that it did have on the basis that it was commercial-in-confidence. The committee thanks the CDP providers who provided some of their own information and statistics to the committee.

7.32 The success or otherwise of a government program can only be measured through objectively-gathered data-sets that are made publicly available. The committee concedes that although some data may be deemed to be sensitive and withheld, for the most part, private companies receiving public funds to deliver government programs should be accountable for how those funds are spent. A key component of accountability is transparency in relation to the expenditure of these funds.

Recommendation 11

7.33 The committee recommends that funding agreements between the Australian Government and providers delivering services in future community development programs include a requirement that information on the quantum of funding, the allocation of funding and the investment in training and basic vocational skills be collected and made publicly available. The publicly available financial information should include the dollar value of Centrelink payments that are foregone by participants due to CDP breaches.

Funded training and start-up capital

7.34 Currently, providers are not funded to deliver or offer training courses that would increase the employability of jobseekers. The committee believes that access to literacy and numeracy education, certified training and qualifications is an integral element in helping jobseekers into employment and that this access should be funded as part of any employment program, including future community development programs.

7.35 Equally, access to sources of capital or lending facilities is critical to assist people to start their own businesses. The committee heard that remote jobseekers are often disadvantaged as individuals and families do not have access to assets or capital to start their own businesses. There are many opportunities for people to create businesses that can deliver essential services in their communities or attract tourists to remote locations. The committee is aware that Indigenous Business Australia offers a range of business lending products to Indigenous owned businesses. Such products should be made more readily available to people in remote communities.

Recommendation 12

7.36 The committee recommends that the Department of the Prime Minister and Cabinet work closely with Indigenous Business Australia (IBA) to ensure that remote communities are aware of the lending products that IBA can provide and assist individuals to lodge applications.

Change incentives from attendance to community development and job creation

7.37 The committee has indicated its preference to change the incentives for program participants with an earlier recommendation to move to a wage-based structure. In a similar way, incentives for providers also need to be modified to ensure that more appropriate outcomes for a future community development program are achieved.

7.38 Under the current program, providers are incentivised to maximise a participant's attendance at CDP activities and to focus on contract management. The committee is firmly of the view that community development program providers instead need to be creating sustainable jobs and appropriate community development. This can be achieved through the use of a number of metrics and a combination of long-term and short-term incentives to ensure that sustainable employment solutions

and appropriate community development are achieved. It is imperative that one of these metrics must reflect satisfactory engagement and performance by the provider with the local community.

7.39 The committee considers that the decision to largely remove community development funding from the CDP and rely on funding for the Indigenous Advancement Strategy was a mistake and should be reversed. The committee recommends that community development projects should be adequately and sustainably funded. These funds should be included as an essential element of the new remote job service program.

Recommendation 13

7.40 The committee recommends that the penalty funds (breaches) currently diverted from the community as a result of non-compliance and any ancillary payments allocated for providers should be applied to support local community development program activities identified by the community, or to top-up specific wages where appropriate.

7.41 The committee recommends that the Australian Government provide additional funding for community development activities, similar to the Community Development Funding previously available under the Remote Jobs and Communities Programs.

Targeted infrastructure and service delivery

7.42 The committee notes that there has been a failure by government to recognise the lack of public and private sector investment in remote areas. In turn, this lack of demand has led to a failure by government to recognise or respond to lack of demand for labour in these places. It is the committee view that government must play a leading role in stimulating economic demand in remote communities.

7.43 The objective of full employment is not achievable in all remote communities, but the committee considers that creating more local jobs certainly is. The committee acknowledges that government already spends money on infrastructure and delivery of services in remote locations; however, the committee's concern lies in how that money might be spent in a more strategic manner that leads to sustainable jobs.

7.44 Infrastructure spending should not be completed with a boom and bust mentality, but aim to spread the funding over longer periods of time, so that the injection of money into the economy is on-going. For example, planned investment in housing construction can lead to more sustainable job opportunities and career paths. In this way, qualified tradespeople can mentor locals through apprenticeships and into sustainable jobs knowing that more houses will be built over time. The committee has heard anecdotal examples of such programs that have worked well in the past and considers that such approaches can work well in the future.

7.45 The committee considers that a strategic infrastructure plan is required which would involve the Australian Government working closely with state and territory and local governments to identify all of the infrastructure and capital works undertaken in

remote areas and develop a continuing pipeline of works. The strategic plan should be updated on an annual basis to ensure a continuing pipeline of works and maintenance of on-going employment. It is the committee's view that such a plan should not delay or prevent necessary or scheduled infrastructure from commencing.

Recommendation 14

7.46 The committee recommends that the Australian Government work closely with all relevant state and territory and local governments to develop a five-year strategic plan for infrastructure and service delivery in remote communities. The strategic plan should be updated annually.

7.47 The committee received evidence about the fly-in fly-out and drive-in drive-out culture of service provision in remote Australia whereby essential services providers including healthcare, education and tradespeople move in and out of communities. The new community development program should be equipping people from these remote communities to train, qualify and then work in their local communities delivering services that are being paid for anyway. Instead of money leaking out of communities, real wages and salaries earned by locals would instead be spent locally, building the local economy and, in turn, creating more jobs.

7.48 As a starting point, the committee earlier recommended that local people in remote communities are identified and trained to provide interpreter and liaison services for Centrelink. Other service provision should be identified and prioritised to employ local people. The committee are encouraged by the training of local paramedics on Palm Island and consider that many other roles currently staffed by non-locals could also be transitioned to local people.

7.49 In addition, the narrow definition of participation under CDP currently precludes, from the definition of work, activities that are prioritised by the community as essential to their local cultural wellbeing and sense of purpose and identity. Activities such as transmission of cultural knowledge through language teaching, the arts, traditional knowledge cultivation and caring for country are highly valued and should be considered as activities that are defined as work under the refreshed CDP program.

Recommendation 15

7.50 The committee recommends that the Department of the Prime Minister and Cabinet mandate that all service providers delivering the new community development program, in consultation with the local community and potential employers, develop a local jobs plan taking into consideration the job-readiness of the community. The local jobs plan would seek to transition service delivery staffed by non-local personnel, apart from highly specialised professionals, to local employment in a staged manner. In addition, the local jobs plan should ensure that paid work experience and training positions are created to enable young people to gain employment experience on leaving school.

Recommendation 16

7.51 The committee recommends that the definition of work activities under the revised CDP program should be expanded to include cultural transmission activities that are prioritised by the local community in their local jobs plans.

Indigenous employment targets

7.52 Related to more targeted infrastructure and service delivery are Indigenous employment targets. The committee has heard about the use of Indigenous employment targets in state and territory government contracts and the inconsistent manner in which they are applied, particularly in remote communities.

7.53 The committee considers it important to understand the extent to which Indigenous employment targets are achieved. The ANAO is empowered to conduct audits of state and territory government contracts where the Australian Government has made a funding contribution for a particular purpose.⁴

7.54 When applied correctly, the committee considers Indigenous employment targets to be an integral tool ensuring that public funds expended in remote locations result in increased local economic activity that leads to sustained job creation.

Recommendation 17

7.55 The committee recommends that the Australian National Audit Office conduct an audit of Australian Government contracts that relate to service delivery in remote locations. This audit should have a specific focus on the use of, and compliance with, Indigenous Employment Targets.

7.56 As part of this audit, the committee recommends that the Australian National Audit Office include state and territory government contracts where the Australian Government has made a funding contribution for a particular purpose. The audit should also report on how these contracts impact on Closing the Gap employment targets.

Recommendation 18

7.57 The committee recommends that the Australian Government review the guidelines for Indigenous employment and work closely with the Council of Australian Governments in order to establish a uniform approach to the application of Indigenous Employment Targets to state, territory and Commonwealth contracts in remote locations. Such an approach should include a mandatory target that forms the basis of a key performance indicator which is then used to assess the performance of a contractor for a current contract and used to assess suitability for subsequent tenders.

4 As provided for under section 18B of the *Auditor-General Act 1997*.

Government support for remote communities

7.58 Several submissions and community consultations expressed frustration about the perception that engagement of the communities by the PM&C in managing the CDP program was ineffective. In particular, concerns were expressed that PM&C officials were not committed to working with local communities in supporting local decision-making but were constrained by centralised policy and program decisions provided from Canberra, without consideration and understanding of local conditions and concerns.

Recommendation 19

7.59 The committee recommends that the Department of the Prime Minister and Cabinet undertake an organisational review of its regional network to ensure that it has the capabilities necessary to properly administer a program featuring decentralised and local decision making focussed on the needs of remote communities.

7.60 The committee noted the widespread support given to the proposal from Aboriginal Peak Organisations of the NT (APO NT) for a new remote development and employment scheme that is place based and community driven. Many of the issues of concern presented in evidence to the committee would seem to be addressed by the approach of APO NT but further evaluation of the costs of such an approach is required.

7.61 In particular, the committee supported the focus of APO NT on the necessity to ensure rigorous, ongoing evaluation processes into the design and delivery of the new program. They noted that the issue of evaluation quality and consistency has been raised frequently in relation to government programs in Indigenous policies and programs, and that the government intended to ensure that the Productivity Commission was to play an ongoing role in this domain.

Recommendation 20

7.62 The committee recommends that the Australian Government formally cost the Aboriginal Peak Organisations of the Northern Territory submission. This costing should include a comparison to the complete costs of the previous Community Development Employment Projects (CDEP) and the current CDP, including costs such as the portion of the Department of Social Services' budget (including outsourced funding arrangements) spent on administering the CDP.

Recommendation 21

7.63 The committee recommends that the Australian Government, in designing the new program, ensures that a rigorous, transparent and impartial evaluation process be developed to guide implementation and delivery. This evaluation function may be considered as part of the role for the planned Indigenous Commissioner in the Productivity Commission.

7.64 The committee noted a significant issue of concern raised in many submissions and community consultations was that the program failed to address systematically the needs of those participants who have disengaged from the program. Many of these individuals had disengaged or 'dropped out' due to repeated experiences of multiple breaches, or of unsatisfactory work experiences.

Recommendation 22

7.65 The committee recommends that during consultations on the new program that the Department of the Prime Minister and Cabinet and Centrelink actively explore the reasons for disengagement and seek to develop strategies to address this issue.

7.66 The committee also recommends that Centrelink take immediate proactive steps to engage with participants who have disengaged from income support and employment programs and assist them to reconnect.

Senator Jenny McAllister

Chair

Government senators' dissenting report

1.1 Government senators support measures that ensure job seekers become job-ready while, at the same time, participating in activities that benefit their communities. Welfare recipients should be required to participate in employment services to ensure they are supported to transition into work and make a contribution to their community.

1.2 As acknowledged in the majority report, Government senators also place a high value on providing training and employment opportunities for remote Australians. The Community Development Program (CDP) is leading the way providing genuine training and experience combined with community development that meets the needs of individual communities.

1.3 Government senators note the recently tabled Australian National Audit Office (ANAO) report for the performance audit into the Design and Implementation of the Community Development Programme. The ANAO found that that the 'transition from the [Remote Jobs and Communities Program (RJCP)] to the CDP was largely effective' and that 'implementation of the CDP was supported by an external review of Indigenous Training and Employment, stakeholder engagement, and an effective communication strategy'.¹

1.4 Notwithstanding this, the government is already working through a process of extensive consultation to reform the CDP in order to build on what worked well in the past and to reflect what local communities want in the future. The government has released a discussion paper on a new employment model for remote Australia which includes a formal consultation period, and pilot arrangements for a small number of volunteer communities set to begin in mid-2018.² Many of the recommendations of the majority report are already the subject of consideration as part of these reforms.

1.5 The committee has heard about the success of the CDP to date and, accordingly, government senators support the next steps to ensure job seekers are better engaged and can see a clear path to employment.

CDP creating real jobs in remote communities

1.6 There are a number of serious challenges that lead to joblessness in remote communities. In its submission, the Department of the Prime Minister and Cabinet (PM&C) outlined the unique circumstances that influence the jobs market in remote locations:

1 Australian National Audit Office, 'Design and Implementation of the Community Development Programme', ANAO Report No. 14 2017–18, October 2017, pp 7–8, https://www.anao.gov.au/sites/g/files/net3416/f/ANAO_Report_2017-2018_14a.pdf (accessed 21 November 2017).

2 Department of the Prime Minister and Cabinet, *Discussion Paper: Remote employment and participation*, 14 December 2017, <https://www.pmc.gov.au/resource-centre/indigenous-affairs/discussion-paper-remote-employment-and-participation> (accessed 14 December 2017).

- Employment rates can be very volatile and are often 50 per cent to 100 per cent less than those in metropolitan areas.
- Jobs in remote areas are often more sporadic and short-term, and each remote area has unique opportunities and barriers.
- Nineteen of Australia's twenty most disadvantaged areas are supported by the CDP.
- In 2014–15, under half (49.1 per cent) of Aboriginal and Torres Strait Islander people of working age in very remote areas were participating in the labour force, compared with 67.1 per cent of Indigenous people in the major cities.
- Unemployment rates for Aboriginal and Torres Strait Islander people in very remote areas are almost double the unemployment rates for Aboriginal and Torres Strait Islander people in the major cities.³

1.7 Government senators agree with the majority report when it points out that these are long-standing challenges that must be understood and considered as part of any remote employment strategy. However, government senators disagree with the committee view that the current CDP is not helping to break down these barriers. To the contrary, the CDP is addressing these social and economic challenges by putting more participants in jobs than previous programs such as the RJCP.

1.8 In May 2017, the government reported that the number of six-month employment outcomes had reached 5 000. Since 1 July 2015 when the program started, it also placed remote jobseekers into more than 15 000 jobs. The Minister for Indigenous Affairs, Senator the Hon Nigel Scullion (minister) stated:

The CDP is getting remote jobseekers into work – and on more than 5 000 occasions they have stayed in the job for at least 26 weeks.

The 26-week outcome is critical because we know if a person stays in a job for at least six months, they have a far greater chance of staying in work over the long term.

That's why it is worth celebrating the fact that CDP jobseekers had moved off welfare and into 5 084 real, meaningful jobs for at least six months.

This achievement can be attributed to CDP participants, providers, communities, local businesses and governments working together to deliver outcomes for remote Australia.

The CDP is about giving remote jobseekers the opportunity to build skills and contribute to their communities, becoming ready to take up work when it becomes available.

This promotes routine, safer communities and builds positive role models for children, so they have a better future.⁴

3 Department of the Prime Minister and Cabinet, *Submission 36*, p. 3.

4 Senator the Hon Nigel Scullion, 'CDP hits major milestone for remote jobseekers', Media release, 18 May 2017.

1.9 These statistics were confirmed in a document tabled at the committee's Canberra public hearing by PM&C. This document outlined that the vast majority of 13-week and 26-week job placements were deemed to be full outcomes meaning that participants were completely independent of Income Support or fully met jobseekers' mutual obligations. The vast majority of placements were achieved by Indigenous people,⁵ and represent a 16 per cent increase on total employment placements, a 72 per cent increase on employment placements that lasted 13 weeks and a 227 per cent increase on employment placements that lasted 26 weeks or more.⁶ Government senators agree that these numbers represent significant positive employment outcomes for remote Australians.

1.10 In a media release late last year, the minister compared the achievements of the CDP to the RJCP:

Under the CDP, 85 per cent of eligible job seekers have been placed in work-like activities, up from 45 per cent at the end of the Remote Jobs and Communities Programme (RJCP).⁷

1.11 It was identified that a significant factor in this increased engagement with the program was due to the approach to funding providers under the CDP. Ms Kylie Van Der Neut, Senior Manager, Contract Assurance at Campbell Page indicated that unlike RJCP, CDP funding was based on who attends and that is a great motivation under the CDP funding structure to encourage job seekers to participate in the program.⁸

1.12 It was also identified that the structure of employment payments was much simpler and supported a clearer expectation that a CDP provider will support participants into employment. Mrs Bronwyn Field, Assistant Secretary, CDP Strategy Branch, Department of the Prime Minister and Cabinet, told the committee:

At the moment we have two outcome payments that are provided to providers. We have a clear expectation, as we've discussed, that a provider will support a jobseeker to be placed in a job. Then what happens is that if that jobseeker retains that job placement for 13 weeks we provide an outcome incentive payment to the provider for that, and then if that jobseeker is actually able to retain that job for 26 weeks we then provide another outcome payment for that. Under RJCP there was a range of different payments—there were around 13 or 14 but... they were very

5 Department of the Prime Minister and Cabinet, 'CDP Employment Placements and Outcomes July 2015–July 2017', Canberra public hearing, received 8 September 2017.

6 Mr Andrew Tongue, Associate Secretary, Indigenous Affairs Group, Department of the Prime Minister and Cabinet, *Proof Estimates Hansard*, 27 October 2017, p. 51.

7 Senator the Hon Nigel Scullion, 'Facts don't back up ANU report on CDP', Media release, 2 December 2016.

8 Ms Kylie Van Der Neut, Senior Manager, Contract Assurance, Campbell Page, *Proof Hansard*, Palm Island, 4 October 2017, pp. 3-4.

unclear with the way those incentives work. They had a different mix of support payments and a number of different payments.⁹

1.13 Mr Michael Hobday, Chief Executive Officer of RISE Ventures, the second largest CDP provider, was generally supportive of the program, highlighting the job placements secured for participants:

I'd like to state for the committee that I don't think CDP is an incredible failure as a program. In a large number of areas it's succeeding. I've read a large number of transcripts. People, to my knowledge, are saying that we basically have to chuck everything out and start again. I do not agree with that. CDP has supported something like 14 600 jobs since it started and 4 800 in six-months employment outcomes. More participants are now attending activities than under RJCP. I think the activities are improving. They're better and more work-like and we, as a provider, are becoming more knowledgeable about how to integrate into the local community. Placements and job outcomes are higher. PMC have improved the management of this program as well. In the initial stages, it was quite a mess, but I think that, over the last two years and to this point in time, providers and the department have become used to working together. The program is flexible and we are given the opportunity to have local community input. We very much take into account cultural issues, including things such as sorry business and any special events.¹⁰

1.14 Despite criticisms of the program, other providers were also generally supportive of the CDP. Ms Kylie Van Der Neut, Senior Manager, Contract Assurance at Campbell Page indicated that the CDP had resulted in an increase in support for job seekers through increased staffing engaging with CDP participants compared to previous programs.¹¹

Building on the success of CDP

1.15 During the 2017–2018 Budget, the minister indicated that while the CDP has been a success:

...more needs to be done to break the cycle of welfare dependency and ensure job seekers are more engaged.¹²

1.16 At the time, the government announced it would undertake a consultation process on a new employment and participation model for remote Australia to deliver better engagement and a clear pathway to employment. The new model would be

9 Ms Bronwyn Field, Assistant Secretary, CDP Strategy Branch, Department of the Prime Minister and Cabinet, *Proof Estimates Hansard*, 27 October 2017, p. 51.

10 Mr Michael Hobday, CEO, RISE Ventures, *Proof Hansard*, Townsville, 4 October 2017, p. 8.

11 Ms Kylie Van Der Neut, Senior Manager, Contract Assurance, Campbell Page, *Proof Hansard*, Palm Island, 4 October 2017, p. 4.

12 Senator the Hon Nigel Scullion, '2017–18 Budget: Community Development Programme', Media release, 9 May 2017.

'community focused working with job seekers to take up work or contribute to their community'.¹³

1.17 Current arrangements will continue while consultation occurs:

The model will be developed in partnership with remote communities and build on the success of the CDP and many of the positive elements of the former Community Development and Employment Programme.¹⁴

1.18 The minister confirmed that remote job seekers under the CDP will be exempt from a number of mainstream employment program initiatives announced in the 2017–2018 Budget including:

- the new Targeted Compliance Framework;
- trials to drug testing for Newstart Allowance and Youth Allowance (other) Recipients in targeted areas; and
- the removal of exemptions due to drugs or alcohol misuse.¹⁵

Current consultation processes and the pathway forward

1.19 The majority report has acknowledged, and government senators agree with, the importance of comprehensive consultation with stakeholders prior to changes being implemented to the CDP. The committee has heard that the minister and PM&C have adopted this approach. Mrs Field, Assistant Secretary, PM&C, explained to the committee that PM&C is currently 'formulating our formal approach to how we'll undertake consultation into the future' to ensure that it is undertaken 'in a well-considered manner to make sure we get a wide spread of views'.¹⁶

1.20 The formal consultation is being preceded by an informal consultation process that has already commenced between PM&C and stakeholders. The informal process has provided a starting point for discussions about how to improve the CDP. Mrs Field told the committee about what these discussions are being based on:

...such as should we move to a wage based model; having a look at what further tailored assistance processes we could provide jobseekers in any new model; and what other elements would you like to see in a new model, such as jobs creation, and should government take a role there. So it has been very broad based. It hasn't been specific to details due to the fact that there are certainly no decisions on the table at the moment.¹⁷

13 Senator the Hon Nigel Scullion, '2017–18 Budget: Community Development Programme, Media release, 9 May 2017.

14 Senator the Hon Nigel Scullion, 'CDP hits major milestone for remote jobseekers', Media release, 18 May 2017.

15 Senator the Hon Nigel Scullion, '2017–18 Budget: Community Development Programme, Media release, 9 May 2017.

16 Mrs Bronwyn Field, Assistant Secretary, CDP Strategy Branch, Department of the Prime Minister and Cabinet, *Proof Estimates Hansard*, 27 October 2017, p. 38.

17 Ms Bronwyn Field, Assistant Secretary, CDP Strategy Branch, Department of the Prime Minister and Cabinet, *Proof Estimates Hansard*, 27 October 2017, p. 39.

1.21 After this period of informal consultation, the minister is clear he intends to roll out a number of test sites prior to a national roll out:

By 30 June in 2018 we think the intention is to embark on a number of test sites which people have volunteered for, because we need to ensure that this change is seamless. This is how people receive their income and we need to make sure that IT systems and all that are in place. The assumptions about the benefits are in fact assumptions. So we'd like to start those at the start of June 2018.¹⁸

1.22 Providers such as Rainbow Gateway expressed their support for the government's approach so far to reforming the CDP. Ms Owens stated:

In general, we're supportive of the current review of the CDP program.¹⁹

Consultation during the development and implementation of the CDP

1.23 One of the key criticisms in the majority report is that the government did not engage in sufficient consultation prior to the implementation of the CDP. Government senators believe that these criticisms are overstated. The minister and PM&C have, and continue, to engage strongly with all stakeholders of the CDP. The committee reiterates the ANAO's finding of the government's strong stakeholder consultation and engagement during the development and implementation phases of the CDP.

1.24 In November 2013, shortly after the election of the Coalition government, the minister announced a series of minor changes to the RJCP. It was not until July 2015, over 18 months later that the RJCP was replaced with the CDP.²⁰ Government senators view a consultation period of over 18 months to liaise with stakeholders to inform policy and program reform as a thorough process.

1.25 In the six-months leading up to the implementation of CDP, the minister and PM&C engaged in 26 separate consultations around the country with a variety of stakeholders.²¹ In his time as minister, Senator Scullion has 'visited more than 150 communities on more than 200 occasions to talk with communities about the CDP'.²²

18 Senator the Hon Nigel Scullion, Minister for Indigenous Affairs, *Proof Estimates Hansard*, 27 October 2017, p. 41.

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

20 See: Senator the Hon Nigel Scullion, Minister for Indigenous Affairs, 'Immediate changes to the Remote Jobs and Communities Program', Media Release, 29 October 2013, <http://www.indigenous.gov.au/immediate-changes-to-the-remote-jobs-and-communities-programme> (accessed 22 November 2017). See also: Senator the Hon Nigel Scullion, Minister for Indigenous Affairs, 'New era for remote job services', Media Release, 1 July 2015, <https://www.nigelscullion.com/media-hub/indigenous-affairs/new-era-remote-jobs-services> (accessed 22 November 2017).

21 Department of the Prime Minister and Cabinet, Consultations on the transition from RJCP to CDP, Canberra public hearing, received 8 September 2017.

22 Senator the Hon Nigel Scullion, Minister for Indigenous Affairs, 'Facts don't back up ANU report on CDP', p. 2.

In its submission to the inquiry, PM&C explained the extensive consultation process undertaken during the development and implementation of the CDP:

The policy process leading to the design of the CDP involved the careful consideration of available evidence and the feedback and views of people living and working in remote communities. Data collected through various Government reporting and review processes, including the Prime Minister's Closing the Gap Report, and the comprehensive Review of Indigenous Jobs and Training undertaken by Mr Andrew Forrest during 2014 (the 'Forrest Review'), were key sources of information and evidence that informed the policy process.²³

1.26 Government senators are not only satisfied that a comprehensive consultation and engagement process was undertaken with stakeholders, but that this approach will continue throughout the next phase of the program.

Activity attendance requirements

1.27 Another serious concern raised in the majority report has been the perceived inflexibility of attendance and compliance requirements of the CDP. Whilst acknowledging the difficulties faced by those who have had income support suspended, government senators are confident that this is not the experience of the vast majority of CDP participants.

Activity obligations for JobActive and CDP

1.28 The majority report has objected to the perceived inequity between JobActive and CDP with regard to the activity obligations, specifically the number of hours of activity required per week. Government senators argue that this is an oversimplified view. The minister has noted:

All activity-tested job seekers nationally are required to undertake up to 25 hours of mutual obligation activity [per week] (depending on their assessed capacity to work) in return for their income support.²⁴

1.29 Furthermore, CDP participants are not required to conduct job searches whereas their counterparts in JobActive are. In its submission, PM&C explained the reasons for this difference:

The CDP is designed specifically for remote Australia, in recognition that the requirements under *jobactive* in non-remote areas (such as up to 20 job searches per month) would not be appropriate. In remote communities, where the challenges of getting into work are greater and job seeker's barriers much higher, it is critical that the focus of support is on helping job seekers overcome barriers to employment, providing access to opportunities to develop their skills and ensuring they are ready to take up work when it becomes available. This requires immediate and more regular participation of job seekers in meaningful activities and a more flexible approach to

23 Department of the Prime Minister and Cabinet, *Submission 36*, p. 2.

24 Senator the Hon Nigel Scullion, Minister for Indigenous Affairs, 'Facts don't back up ANU report on CDP', p. 2.

delivering these activities. The lack of available work also requires a program that allows people to meaningfully contribute to broader community goals.²⁵

1.30 The requirement for engagement in daily activities as part of the CDP reflected the feedback from communities prior to the implementation of CDP. Mrs Field observed:

Just to be clear: what government heard was that Indigenous leaders were concerned around the sit-down welfare and government felt daily participation around contributing to their community was the obligation that would best help remote Australia.²⁶

1.31 The majority report insinuates that all CDP participants must engage in 25 hours of activities per week. Again, this is simply not true. CDP participants are assessed and assigned an activity requirement that can range from zero hours up to 25 hours per week. PM&C informed the committee of the process:

Of the current CDP caseload of 32 900 (as at 30 April 2017), 53 per cent of participants (17 475 people) are required to undertake up to 25 hours of work-like activities, depending on their assessed capacity to work. Hours of activity are assessed on a job seeker's capacity and personal circumstances.²⁷

1.32 PM&C went on to provide a further breakdown of activity requirement for participants:

Of those currently with activity requirements:

- 41 per cent are expected to undertake work like activities for 25 hours per week
- 1 per cent are expected to undertake between 23–24 hours
- 11 per cent are expected to undertake between 15–22 hours
- Less than 1 per cent are expected to undertake between 8–14 hours

Around 23 per cent of job seekers on CDP have no activity requirements and receive 'basic services', which includes support and case management (including a proportion who are expected to work between 0–7 hours), while a further 23 per cent of the caseload are not required to participate in activities but volunteer to do so.²⁸

1.33 There are also a range of significant exemptions to the activity requirement which take into account the health and cultural needs of individuals.²⁹

25 Department of the Prime Minister and Cabinet, *Submission 36*, pp 4–5.

26 Mrs Bronwyn Field, Assistant Secretary, CDP Strategy Branch, Department of the Prime Minister and Cabinet, *Proof Estimates Hansard*, 27 October 2017, p. 48.

27 Department of the Prime Minister and Cabinet, *Submission 36*, p. 8.

28 Department of the Prime Minister and Cabinet, *Submission 36*, p. 8.

29 Department of the Prime Minister and Cabinet, *Submission 36*, p. 8.

1.34 Government senators consider that the activity requirement is equivalent to JobActive—tailored for remote communities—and provides a number of safeguards to ensure that participants are only being assessed and required to engage in work that is appropriate to their personal situation, capabilities and needs.

Penalties

1.35 In addition to the activity requirement, the majority report has also argued that many participants are receiving penalties as a result of not meeting activity requirements. The evidence does not support these claims. Even the majority report has acknowledged that:

The Minister for Indigenous Affairs, Senator the Hon Nigel Scullion has recently pointed out that 'waiver provisions are in place to ensure that financial penalties...do not cause undue financial hardship', and that more than 90 per cent of eight-week non-payment penalties are waived'.³⁰

1.36 Mr Hobday made the observation that 'sanctions would be used as a last resort' such as 'when people deliberately do not attend activities and are maybe flaunting the system'.³¹

1.37 PM&C explained the embedded protections that have built into CDP:

Protections are in place to ensure when a job seeker fails to meet their requirements and a penalty may be incurred, these are investigated to determine that there is nothing preventing the job seeker from complying.

Before the Department of Human Services (DHS) imposes any penalty, they must establish whether the job seeker had a reasonable excuse for failing to meet their requirements. DHS will speak to the job seeker and possibly the provider, to better understand the job seeker's situation.³²

1.38 PM&C provided the committee with a breakdown of the most recent compliance data which shows that the vast majority of financial penalties applied are short term penalties with a penalty representing the loss of one-day of income support for a non-compliance event. Furthermore, for the December quarter of 2016, '95 per cent of eight week non-payment periods were either fully or partially waived'.³³ This is a consistent figure since the program's commencement.³⁴ Significantly, the number of penalties being issued is trending downwards as participants become more familiar with the program and its requirements. The full breakdown of these statistics can be seen in Box 1.1 below.

30 See: Majority report, Chapter 4.

31 Mr Michael Hobday, CEO, RISE Ventures, *Proof Hansard*, Townsville, 4 October 2017, p. 9.

32 Department of the Prime Minister and Cabinet, *Submission 36*, p. 9.

33 Department of the Prime Minister and Cabinet, *Submission 36*, p. 10.

34 Department of the Prime Minister and Cabinet, *Submission 36*, p. 10.

Box 1.1: CDP Penalty Data

There were 43 656 financial penalties applied in CDP regions in the December 2016 quarter.

Around 80 per cent (35 122) of these financial penalties related to No Show No Pay.

- Each No Show No Pay penalty is equal to one-tenth of a person's fortnightly payment.
- For a job seeker on Newstart, this would represent around \$53.
- Most job seekers (70 per cent) received three or less penalties in the quarter.
- The number of people that incur a lot of penalties is low.
- Short-term financial penalties make up around 82 per cent of all financial penalties.

7 551 eight week non-payment penalties for persistent non-compliance (serious failures) were incurred.

- Serious failure penalties can only be applied if the job seeker has been assessed by a specialist DHS officer.
- A large proportion of serious failure penalties are waived as job seekers re-engage, or to ensure they do not cause undue financial hardship.
- In the December 2016 quarter, 95 per cent of eight week non-payment periods were either fully or partially waived.
- This is consistent since 1 July 2015, where on average 94 per cent of 'serious failures' have been fully or partially waived.

933 financial penalties were received for failing to attend a reconnection appointment with a provider.

A further 50 financial penalties resulted due to refusing or failing to start a job, leaving a job voluntarily, or being dismissed for misconduct.

- 48 per cent of these were either fully or partially waived.

Recent compliance data (1 October 2016 to 31 December 2016) indicates the sharp increase in penalties experienced at the beginning of the program is slowing.

Source: PM&C, Submission 36, p. 10.

1.39 The majority report relies on anecdotal evidence, often from non-Indigenous organisations not based in remote communities, to make these claims despite the evidence that the committee has received.

1.40 The exemptions for penalties, when combined with the exclusions available around the activity requirements, provide sufficient protections for those who are unable to participate in activities on a short or long term basis.

Conclusion and recommendations

1.41 Notwithstanding the partisan nature of the majority report, government senators note that the committee has undertaken important work reaching out to, and listening to the experiences of the many and varied stakeholders of the CDP.

1.42 Government senators disagree more broadly on the majority report's negative portrayal of consultation and community involvement in the CDP, and the activity requirement and compliance processes. Despite this, government senators consider

that Chapter 3 of the majority report presents an accurate appraisal of the social and economic challenges facing remote communities. Furthermore, Chapter 6 of the majority report brings forward a number of options that should appropriately be considered during the current consultation process.

Recommendation 1

1.43 Government senators recommend that the findings of the independent Australian National Audit Office be relied upon for any analysis of the introduction of the Community Development Program.

Recommendation 2

1.44 Government senators recommend that the government continue the delivery of the successful Community Development Program which has improved the quality of remote employment services in remote areas in comparison to the Remote Jobs and Communities Program.

Recommendation 3

1.45 Government senators recommend that the government continue to progress already proposed reforms to the Community Development Program in consultation with remote communities, Community Development Program providers and Community Development Program participants.

Senator James Paterson
Deputy Chair

Senator Dean Smith
Senator for Western Australia

Appendix 1

Submissions and additional information received by the committee

Submissions

- 1 Mr Chris Baulman
- 2 Mr Fred Chaney AO and Mr Bill Gray AM
- 3 Commonwealth Ombudsman
- 4 Mr Peter Strachan
 - 4.1 Supplementary Submission
- 5 Ngaanyatjarra Council
- 6 CBS Inc
- 7 Dr Inge Kral
- 8 Ms Lisa Fowkes
 - 8.1 Supplementary Submission
- 9 Dr Elise Klein
- 10 Dr Janet Hunt
- 11 Ms Shelley Bielefeld
- 12 Dr Will Sanders
- 13 Tjuwanpa Outstation Resource Centre Aboriginal Corporation
- 14 Enterprise Learning Projects
- 15 Ms Maggie McGowan
- 16 AUWU
 - 16.1 Supplementary Submission
- 17 Oxfam Australia
- 18 Mr Chansey Paech

- 19 Jobs Australia
- 20 Per Capita
- 21 National Social Security Rights Network
- 22 Children's Ground
- 23 Uniting Communities
- 24 CPSU
- 25 Aarnja Ltd
- 26 Professor Jon Altman
- 27 Ngurratjuta Pmara Ntjarra
- 28 NPY Empowered Communities Secretariat
- 29 Australian Council of Trade Unions
- 30 Dr Kirrily Jordan
- 31 Australian Services Union
- 32 Australian Council of Social Service
- 33 National Organisation for Fetal Alcohol Spectrum Disorder
- 34 Tangentyere Council Aboriginal Corporation
 - 34.1 Supplementary Submission
- 35 Central Land Council
- 36 Department of the Prime Minister and Cabinet
- 37 Aboriginal Peak Organisations of the Northern Territory
- 38 NSW Aboriginal Land Council
- 39 Human Rights Law Centre
- 40 North Australian Aboriginal Justice Agency
- 41 Aboriginal Medical Services Alliance of the Northern Territory (AMSANT)
- 42 Robyn Williams and Donna Nelson

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- 43 Northern Alliance of Councils Inc
 - 44 Burdekin Shire Council
 - 45 National Employment Services Association (NESA)
 - 46 My Pathway
 - 47 Torres Strait Regional Authority

Additional Information

1. Additional information provided by Professor Jon Altman, received 7 June 2017.
2. Additional document provided by Ms Ada Hanson, Member, Kalgoorlie Boulder Aboriginal Residents Community Group, titled 'What are the enablers of economic participation in remote and very remote Australia, and how can we identify them?', received 25 August 2017.
3. Additional information provided (and authored) by Professor Jon Altman titled 'Modern Slavery in Remote Australia', *Arena Magazine*, No. 150, October 2017, pp 12–15, received 20 October 2017.

Tabled Documents

1. Ms Christine Boase, Treasurer, Laverton Leonora Cross Cultural Association, 'Flowchart of proposed compliance framework', Kalgoorlie public hearing, received 23 August 2017.
2. Ms Vanessa Thomas, Secretary, Nurra Karramunoo Aboriginal Corporation, Opening Statement, Kalgoorlie public hearing, received 23 August 2017.
3. Professor Jon Altman, Opening Statement, Alice Springs public hearing, received 28 August 2017.
4. Mr Bill Gray, Opening Statement, Alice Springs public hearing, received 28 August 2017.
5. Mr Bill Gray, Correspondence to Mr Gray from Ms Kate Mackie, CEO, Kanyirninpa Jukurrpa, Newman, WA, dated 30 July 2017, Alice Springs public hearing, received 28 August 2017.
6. Aboriginal Peak Organisations Northern Territory, Fair work and strong Communities: Proposal for a remote Development and Employment Scheme,

- Canberra public hearing, received 8 September 2017.
7. Aboriginal Peak Organisations Northern Territory, Proposed Remote Development and Employment Scheme, Canberra public hearing, received 8 September 2017.
 8. Department of Prime Minister and Cabinet, CDP Region and CDP Providers, Canberra public hearing, received 8 September 2017.
 9. Department of Prime Minister and Cabinet, CDP Employment Placements and Outcomes July 2015 – July 2017, Canberra public hearing, received 8 September 2017.
 10. Department of Prime Minister and Cabinet, Consultations on the transition from RJCP to CDP, Canberra public hearing, received 8 September 2017.
 11. Councillor Alf Lacey, Mayor, Palm Island Aboriginal Shire Council, 'Summary of meetings between Indigenous Leader Forum - Queensland and the Minister for Indigenous Affairs, Senator the Hon. Nigel Scullion', Palm Island public hearing, received 4 October 2017.
 12. Councillor Alf Lacey, Mayor, Palm Island Aboriginal Shire Council, 'Palm Island Economic Plan', Palm Island public hearing, received 4 October 2017.
 13. Mr Michael Hobway, Chief Executive Officer, Rise Ventures, 'Rise Ventures: Community Pride', Townsville public hearing, received 4 October 2017.

Answers to Questions taken on Notice

1. Ms Lisa Fowkes, answers to questions on notice from a public hearing in Alice Springs on 28 August 2017, received 2 September 2017.
2. Department of Prime Minister and Cabinet, answers to questions on notice from a public hearing in Canberra on 8 September 2017, received 7 September 2017.
3. Department of Human Services, answer to questions on notice from a public hearing in Canberra on 8 September 2017, received 7 September 2017.
4. Ms Raylene Cooper, answers to questions on notice from a public hearing in Kalgoorlie on 23 August 2017, received 15 September 2017.
5. Ms Ada Hanson, answers to questions on notice from a public hearing in Kalgoorlie on 23 August 2017, received 15 September 2017.
6. Ms Julie Lahn, answers to questions on notice from a public hearing in Kalgoorlie on 23 August 2017, received 15 September 2017.

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7. Ms Lisa Balmer, answers to questions on notice from a public hearing in Alice Springs on 28 August 2017, received 11 September 2017.
 8. Professor Altman, answers to questions on notice from a public hearing in Kalgoorlie on 23 August 2017, received 13 September 2017.
 9. Mr David Thompson, Jobs Australia, answers to questions on notice from a public hearing in Canberra on 8 September 2017, received 22 September 2017.
 10. Department of the Prime Minister and Cabinet, answers to questions on notice from a public hearing in Canberra on 8 September 2017, received 22 September 2017.
 11. Mr David Thompson of Jobs Australia, answers to questions on notice from a public hearing in Canberra on 8 September 2017, received 3 October 2017.
 12. Australian Council of Trade Unions, answer to questions on notice from a public hearing in Canberra on 8 September 2017, received 6 October 2017.
 13. North Australian Aboriginal Justice Agency (NAAJA), answers to questions on notice from a public hearing in Canberra on 8 September 2017, received 9 October 2017.
 14. Department of Prime Minister and Cabinet, answers to questions on notice from a public hearing in Canberra on 8 September 2017, received 10 October 2017.
 15. Department of Human Services, answers to questions on notice from a public hearing in Canberra on 8 September 2017, received 11 October 2017.
 16. Human Rights Law Centre, answers to questions on notice from a public hearing in Canberra on 8 September 2017, received 11 October 2017.
 17. Central Land Council, answers to questions on notice from a public hearing in Canberra on 8 September 2017, received 16 October 2017.
 18. Department of Human Services, answers to questions on notice from a public hearing in Canberra on 8 September 2017, received 16 October 2017.
 19. ACOSS, answer to questions on notice from a public hearing in Alice Springs on 28 August 2017, received 16 October 2017.
 20. Rainbow Gateway Limited, answer to question on notice from a public hearing in Townsville on 4 October 2017, received 17 October 2017.
 21. Central Land Council, answer to question on notice from a public hearing in Canberra on 8 September 2017, received 17 October 2017.

22. Ngaanyatjarra Council, answer to questions on notice from a public hearing in Kalgoorlie on 23 August 2017, 17 October 2017.
23. Campbell Page, answers to question on notice from a public hearing in Palm Island on 4 October 2017, received 20 October 2017.
24. RISE Ventures, answers to question on notice from a public hearing in Townsville on 4 October 2017, received 23 October 2017.
25. Arnhem Land Progress Association, answer to questions on notice from a public hearing in Alice Springs on 28 August 2017, received 12 December 2017.

Appendix 2

Public hearings

Wednesday 23 August 2017

John Forrest Room, 51 Forrest Street

Quality Inn Railway Motel & Function Centre

Kalgoorlie WA

Witnesses

Western Australia Police

Inspector Glen Willers, Assistant District Officer, Goldfields-Esperance District

Superintendent Michael Bell, District Superintendent, Mid-West Gascoyne District

Kalgoorlie-Boulder Chamber of Commerce and Industry

Ms Tina Carmody, Aboriginal Youth Transition Co-ordinator

Save the Children Kununurra

Ms Victoria Baird, Regional Coordinator, East Kimberley

Kalgoorlie-Boulder Aboriginal Residents Group

Mr Brian Champion, Co-Chairperson

Mrs Denise Champion, Spokesperson, Focus Group—Drugs and Alcohol

Ms Ada Hanson, Community Development Officer, Australian Red Cross; and

Kalgoorlie-Boulder Aboriginal Community Residents Group

Mrs Raelene Peel, Member

HOPE Community Services

Ms Chelsea Hunter, Regional Manager, Goldfields

Laverton Leonora Cross Cultural Association

Ms Christine Boase, Treasurer

Goldfields Community Mental Health

Ms Raylene Cooper, Senior Aboriginal Mental Health Officer

Ngaanyatjarra Council

Mr Gerard Coffey, Chief Executive Officer

Ms Harriet Olney, Independent Director

Mr Damien McLean, Warburton Community Adviser

Goldfields Land and Sea Council

Mr Hans Bokelund, Chief Executive Officer

Nurra Karramunoo Aboriginal Corporation

Ms Vanessa Thomas, Secretary

Kullarri Regional Communities Indigenous Corporation

Mr Graeme Hastie, Case Manager Coordinator

Aarnja Ltd

Mr Martin Sibosado, Chairperson

Monday 28 August 2017

Alice Springs Convention Centre

Alice Springs, NT

Witnesses

Tangentyere Council Aboriginal Corporation

Mr Michael Klerck, Social Policy and Research, Manager

Mr Matthew Ellem, General Manager

Ms Adele McCorkindale, Service Delivery Manager

Ngurratjuta Pmara Ntjarra

Mr Cameron Miller, Chief Executive Officer

Mrs Katherine O'Donoghue, CDP Manager

Professor Jon Altman – Private Capacity

Ms Lisa Fowkes - Private Capacity

Dr Kirrily Jordan - Private Capacity

Dr Inge Kral - Private Capacity

Dr Janet Hunt - Private Capacity

NPY Empowered Communities Secretariat

Ms Liza Balmer, Acting Chief Executive Officer

Mr Mark Jackman, General Manager

Mr Jamie Nyaningu, Chairperson

Ms Tanya Luckey, Member

Arnhem Land Progress Association

Mr Liam Flanagan, CDP Manager

Mr Peter Strachan - Private Capacity

Mr Chansey Paech MLA - Member for Namatjira, Northern Territory Legislative Assembly

Mr Bill Gray AM - Private Capacity

Enterprise Learning Projects

Ms Laura Egan, Founder/Chief Executive Officer

Uniting Communities

Ms Susan Tilley, Manager, Aboriginal Policy and Advocacy

Children's Ground

Ms Jane Vadivelloo, Chief Executive Officer

Ms Melissa Kean, Director (Central Australia)

Friday 8 September 2017

Committee Room 2S1

Parliament House

Canberra, ACT

Witnesses**Australian Council of Social Service**

Dr Cassandra Goldie, Chief Executive Officer

Mr Peter Davidson, Senior Advisor

Human Rights Law Centre

Ms Adrienne Walters, Director, Legal Advocacy

Jobs Australia

Mr David Thompson AM, Chief Executive Officer

Mrs Maria Harvey, Chief Executive Officer, Tiwi Island Training Employment Board

Australian Council of Trade Unions

Ms Kara Keys, National Campaign Coordinator

Ms Sophie Ismail, Legal and Industrial Officer

Ms Lara Watson, Indigenous Officer

Community and Public Sector Union

Ms Lisa Newman, Deputy National President

Mr Brook Holloway, Governing Councillor

Aboriginal Peak Organisations of the Northern Territory

Ms Lisa Fowkes, Advisor

Mr Eric Bedford, Chief Executive Officer – Marra Worra Worra Aboriginal Corporation

Aboriginal Medical Services Alliance of the Northern Territory

Mr John Paterson, Chief Executive Officer

Dr David Cooper, Policy and Research Manager

Central Land Council

Mr David Ross, Director

Ms Jayne Weepers, Manager - Policy and Research

North Australian Aboriginal Justice Agency

Ms Priscilla Collins, Chief Executive Officer

Mr John Rawnsley, Manager, Law and Justice Section

Ms Jordina Rust, Solicitor

Department of Prime Minister and Cabinet

Mr Andrew Tongue, Associate Secretary, Indigenous Affairs Group

Mrs Bronwyn Field, Acting First Assistant Secretary, Community And Economic Development Division

Mr Paul Denny, Assistant Secretary, Community and Economic Development Division

Mr Sam Peascod, Acting Assistant Secretary, Community and Economic Development Division

Department of Human Services

Mr Shane Bennett, Acting Deputy Secretary

Ms Bridget Brill, General Manager

Ms Rosemary Deininger, General Manager

Mr Mark Le Dieu, General Manager

Wednesday 4 October 2017

*Police Citizens Youth Club, Mango Avenue,
Palm Island, QLD*

Witnesses

Campbell Page Limited

Mr Sotir Kondov, Interim Chief Executive Officer

Ms Kylie Van Der Neut, Senior Manager Contract Assurance

Mr Nathan James Vinson, CDP Program Manager

Palm Island Aboriginal Shire Council

Councillor Alfred Lacey, Mayor

Councillor Roy Prior, Deputy Mayor

Councillor Edward Walsh, Senior

Wednesday 4 October 2017

*Quest Townsville on Eyre,
19 Leichardt St, Townsville, QLD*

Witnesses**Queensland Police Force**

Assistant Commissioner Paul Taylor, Assistant Commissioner, Northern Region

Rainbow Gateway Limited

Ms Katie Owens, Manager

Jobfind Centres Australia Pty Ltd trading as RISE Ventures

Mr Michael Hobday, Chief Executive Officer

Northern Alliance of Councils

Mayor Lyn McLaughlin, Burdekin Mayor

Councillor Liz Schmidt, President

Palm Island Community Company

Ms Rachel Atkinson, Chief Executive Officer

Appendix 3

Summary of committee site visits related to the inquiry

This appendix contains summaries of the committee's visits to Tangentyere Constructions and Tangentyere Employment in Alice Springs (NT), the community of Papunya (NT) and to Campbell Page on Palm Island (QLD).

Site visit to Tangentyere Constructions and Tangentyere Employment, Alice Springs

Monday 28 August 2017

Introduction

Prior to the committee's Alice Springs public hearing on Monday 28 August 2017, the committee conducted a site visit at Tangentyere Constructions and Tangentyere Employment Services in Alice Springs (Northern Territory).

Senator McAllister (Chair), Senator Smith, Senator McCarthy, Senator Siewert and Senator Kitching participated in the site visit.

Tangentyere Constructions

The committee were welcomed to the main workshop of Tangentyere Constructions (TC) at 4 Elder Street, Alice Springs by Mr Michael Klerck (Manager—Social Policy and Research, Tangentyere Council), Mr Niels Pederson (Manager—TC) and Mr Brad Parsons (Assistant Manager—TC). Mr Pederson and Mr Parsons provided the committee with an overview of the work that TC undertakes. This work is largely construction and maintenance work in a number of remote communities throughout central Australia. TC can employ up to 70 per cent local Indigenous workers on some remote projects where there is a high unskilled labour component. This number falls when a higher proportion of skilled trades are required.

Photo 1: Mr Pederson, Mr Parson and Mr Klerck explaining the work of Tangentyere Constructions to committee members



The committee were told about some of the challenges that TC and remote communities face:

- Disjointed nature of projects in remote communities in which there can be long periods of time between projects.
- There is no register of participants in previous contracts in remote locations making it difficult for new contractors to know what skills are available locally. The committee were told that there is no continuity and that 'people end up where they started' in terms of cycling through CDP projects. Some participants achieve a certificate, but then this is not built on when the next contract or project comes to town.
- Many projects do not last long enough (<18 weeks) for TC to be provided with an incentive payment for placing a CDP participant in work. This is despite TC and other groups employing CDP participants and investing in skill development.
- Indigenous (and local Indigenous) employment requirements for government procurement. Concerns were expressed about the accountability and enforcement of requirements and whether non-compliance with these requirements impacts on future government procurement.

Photo 2: Committee members touring the workshop at Tangentyere Constructions



The committee were also told about the Indigenous Housing Authority of the Northern Territory (IHANT) initiative. In 2002, this initiative employed six builders across six remote communities who were commissioned to build two new houses per year. Four local Indigenous people were employed as apprentices at each site. Of the 26 participants, three completed Certificate 3 in carpentry at the end of the program. Many of the participants started the program with no literacy or numeracy skills. It was suggested that the program was well-intentioned, but that a 'little bit of the pie was missing'. If a program such as this was started again, there should be a focus on literacy and numeracy at the start. An example was provided of two participants in Santa Teresa who graduated with the Certificate 3; however, subsequent housing contractors told the NT Department of Housing that there was 'no-one in the community with these skills'. The committee were told that there are a number of real benefits to utilising local labour pools which include lower costs to contractors as there is no need to find and pay for accommodation, and pay allowances for fly-in fly-out workers.

The committee were provided with a tour of the workshop facilities and observed some of the work being undertaken.

The committee thanked Mr Pederson, Mr Parsons and other staff and participants for hosting and speaking with the committee.

The committee then travelled to a premises leased and operated by Tangentyere Employment Services at 26 Elder St, Alice Springs.

Tangentyere Employment Services

The committee were welcomed by Mr Walter Shaw (CEO—Tangentyere Council), Mr Matthew Ellem (General Manager—Tangentyere Employment Services (TES)), Ms Adele McCorkindale (Assistant Service Manager—TES) and Mr Geoff Shaw (founding member of Tangentyere Council) to a premises leased and operated by TES. The committee entered the building through a shop which sold a range of handcrafted products including painted jewellery boxes, scarves, and furniture. Many of the items were made from recycled materials, which are collected by municipal services businesses owned and operated by Tangentyere Council. All of the goods are handcrafted by local people as part of programs administered by TES. All proceeds from the shop are largely returned to those who contributed to making them.

Photo 3: Mr Matthew Ellem (General Manager—Tangentyere Employment Services) describing a handcrafted jewellery box to committee members



The committee were then taken on a tour of the workshop facilities and shown a number of products that were being made. The committee had the opportunity to speak with a number of participants and staff at the site about the program. TES generously hosted a morning tea for the committee. The committee thanked TES for hosting the site visit.

Photo 4: A number of hand-painted furniture pieces for sale in the shop at 26 Elder St, Alice Springs.



Photo 5: Tangentyere Employment Services participants, employees and committee members at the conclusion of the site visit at 26 Elder St, Alice Springs



Site visit to Papunya community, Northern Territory

Tuesday 29 August 2017

Introduction

On Tuesday 29 August 2017, the committee travelled by charter to the community of Papunya for a site visit. Papunya is a small indigenous community of around 300 people located approximately 240 kilometres north-west of Alice Springs in the Northern Territory.¹ The committee came to speak with the local CDP provider (Ngurratjuta Pmara Ntjarra), CDP participants and members of the community. This visit occurred the day after the committee held a public hearing in Alice Springs.

Senator McAllister, Senator McCarthy, Senator Siewert, Senator Smith and Senator Kitching participated in the site visit.

The committee were welcomed at the Papunya airstrip by Ngurratjuta Pmara Ntjarra staff including Mr Cameron Miller (Chief Executive Officer), Ms Katharine O'Donaghue (CDP Manager), Ms Melissa Cooke (CDP Compliance Manager) and Mr Nathan Roberts (CDP Employee). The committee were also accompanied by Ms Panata Stockmen. The committee were transported to, and provided with a tour of the community including the:

- Cemetery;
- Football Oval;
- Sorry Camp;
- Men's Activities (Lot 445); and
- Ladies' Activities (Bush Street).

At the end of the visit, Ngurratjuta Pmara Ntjarra and CDP participants hosted a morning tea for the committee.

Cemetery

The committee were shown the ongoing works being undertaken at the community cemetery including the fabrication and painting of new crosses, and general maintenance. The committee were told that the cemetery is a sacred place and that CDP participants had identified the work at the cemetery as a high priority for both men and women CDP participants. The focus on cemetery maintenance and improvement is also being undertaken in a number of other communities across the region.

1 Papunya is the closest town to the Australian continental pole of inaccessibility. This is the furthest point from the coastline on the Australian mainland.

Football Oval

The committee were taken to the football oval which is an important focal point for the community. A number of improvement works had been undertaken at the football oval as part of CDP including the installation of new seats and new boundary fencing. New lights had been installed recently by the McDonnell Ranges Regional Council (council). A number of future improvement opportunities were also highlighted including a new scoreboard and refurbishment of the clubhouse. The community is currently seeking funding for these projects. At the time of committee's visit, the local football team, the Papunya Eagles, were leading the local competition.

Photo 1: Committee members and Ngurratjuta Pmara Ntjarra staff visiting the Papunya community football oval.



Sorry Camp

The committee were then taken to the community's Sorry Camp. Sorry Camp is an integral part of the grieving process in community after the death of a community member. Relatives from the community and from other communities will gather in Sorry Camp until the funeral is held and afterwards to engage in cultural practices and protocols associated with death (also known as Sorry Business). The council recently bought new shade structures. The BBQ was assembled by CDP participants. CDP participants are also involved with preparations before, and ongoing contributions during the Sorry Camp process. For example, the committee were told that women will prepare damper and stew whilst the men will gather firewood for the Sorry Camp.

Men's Activities (Lot 445)

The committee travelled to Lot 445 where Men's Activities are undertaken where the committee met some of the male CDP participants and supervisors. This site used to be an aged care facility. This facility has been refurbished and built upon to now include a workshop area. Accommodation for the Ngurratjuta Pmara Ntjarra staff is also located at this site. The committee were impressed by some of the work being undertaken including fabrication of portable steel stockyard panels and bed frames. Participants were also keen to show the committee the new earthmoving equipment that had recently been purchased. The committee were told that all equipment purchased as part of the CDP by the Ngurratjuta Pmara Ntjarra would remain in the community.

Photo 2: A CDP participant operating a mini-excavator at Lot 445, Papunya



Ladies' Activities (Bush Street)

The final stop during the visit was to the Ladies' Activities at Bush Street. The committee were impressed by a number of activities being undertaken here for women CDP participants including art classes, cooking, sewing, literacy and numeracy, and computer skills. The CDP provider's case worker Ms Colleen Cleaver and the team leader Ms Rosabella Minor are based here, and until recently, Centrelink was also based here but has now relocated to the council offices in town. The community kindly provided a morning tea and the opportunity to informally speak with CDP participants.

Acknowledgements

On behalf of the committee, Senator McCarthy thanked the community residents and Ngurratjuta Pmara Ntjarra for warmly hosting the committee's visit.

Photo 3: CDP participants, Ngurratjuta Pmara Ntjarra staff, and committee members at Bush Street, Papunya during the morning tea



Site visit to Palm Island community, Queensland

Wednesday, 4 October 2017

Introduction

On 4 October 2017, the committee travelled to Palm Island to hold a public hearing and conduct a site visit. The purpose of the site visit was to meet Community Development Program (CDP) participants and staff, and observe the activities being undertaken as part of the CDP.

Palm Island (island) is located 65km north west of Townsville and is the main island of the 16 islands in the Greater Palm Group. The island is home to an Indigenous community of approximately 2500 people.² The contemporary Indigenous name for Palm Islanders is 'Bwngcolman people', meaning 'many tribes – one people'.³

Senator McAllister, Senator Paterson, Senator McCarthy, Senator Dodson and Senator Lines participated in the site visit.

The committee's site visit commenced at the conclusion of the committee's public hearing at the Police Citizens Youth Club, where the committee heard evidence from the local CDP Provider—Campbell Page—and the Palm Island Aboriginal Shire Council. The committee's site visit was guided by Campbell Page staff, including Mr Sotir Kondov (Interim Chief Executive Officer), Ms Kylie Van Der Neut (Senior Manager, Contract Assurance) and Mr Nathan Vinson (CDP Program Manager). The committee visited the "chook shed" and then the activities centre, with an intervening visit to Palm Island's only grocery store

Carpentry, gardening and recycling activities centre

The committee were transported from the hearing venue to a former chook shed which had been repurposed as a CDP activities centre for training participants in carpentry, the use of power tools and hand tools, in addition to market gardening and recycling. Campbell Page informed the committee that it is expected that the skills taught to participants at the activities centre would be transferrable to the construction industry, where there are emerging opportunities in housing development and a significant redevelopment project at the town's waterfront precinct.

The committee were shown participants' recent examples of completed work including wooden garden beds and furniture. The garden beds and furniture were being distributed for use at various locations around the island. Participants shared with the committee some of their local knowledge of the CDP. Participants also discussed some of the challenges of living on a remote community like Palm Island

2 Australian Bureau of Statistics, *2016 Census QuickStats: Palm Island (S)*, http://www.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/LGA35790 (accessed 6 October 2017).

3 Queensland Government, *Palm Island*, <https://www.qld.gov.au/atsi/cultural-awareness-heritage-arts/community-histories-palm-island> (accessed 6 October 2017).

including the high price of food, limitations of the local education opportunities and transport costs to mainland Australia.

Photo 1: Committee members speaking with CDP participants at the carpentry and recycling activities centre.



Arts and crafts activities centre

The committee travelled to the activities centre (centre) at the PCYC where the CDP provider facilitates an arts and crafts program. The committee were provided an overview of centre's operations by Mr Ian Palmer (Activities Supervisor) and were shown the various types of arts created by participants in the centre. The committee heard that the centre encouraged individual expression through art. Participants are also encouraged to share and sell their art through recent collaborations with art centres in Townsville, where participants' work has been displayed in exhibitions and also sold. In the event that a work is sold, participants retain 90 per cent of the profits of the sale.

The committee heard that the centre would like to extend the business training offered to participants, however the centre has struggled to access funding for this training.

Participants shared some of their experiences with the CDP. Participants also shared similar concerns to those in the "chook shed" regarding broader challenges of living in the Palm Island community, including access to Centrelink services and the high cost of food.

Photo 2: An example of an artwork painted by a CDP participant at the arts and crafts activities centre



Photo 3: Committee members with participants and Campbell Page staff at the arts and crafts activities centre.



Acknowledgements

The committee extends its thanks and appreciation to the members of the Palm Island community and the staff of Campbell Page for facilitating the committee's visit.