

Aboriginal Peak Organisations Northern Territory

An alliance of the CLC, NLC, CAALAS, NAAJA and AMSANT

Senate Finance and Public Administration Committee
PO Box 6100
Parliament House
Canberra ACT 2600
Email: fpa.sen@aph.gov.au

Thursday 22nd June 2017

Dear Committee Chair,

RE: APO NT Submission to the Senate Inquiry on the appropriateness and effectiveness of the objectives, design, implementation and evaluation of the Community Development Program (CDP).

I write to you on behalf of the Aboriginal Peak Organisations of the Northern Territory (APO NT) to provide a submission to this important inquiry into the Community Development Program (CDP).

APO NT is an alliance comprising the Central Land Council, the Northern Land Council, the North Australian Aboriginal Justice Agency and the Central Australian Legal Aid Service and the Aboriginal Medical Services Alliance of the Northern Territory. Since establishment in 2010, APO NT has been working to develop constructive policies on critical issues facing Aboriginal people in the Northern Territory and to influence the work of the Australian and Northern Territory Governments.

APO NT has long been interested in remote employment and social security arrangements, and undertook significant work on this issue through 2010-2011. More recently, APO NT has been extremely concerned about the negative impact that the Community Development Programme is having on its participants, their families and communities.¹ This submission provides only a brief overview of our concerns with CDP. The main purpose of this submission is to provide committee members with a credible alternative to CDP. The alternative model developed by APO NT (provided at Attachment A) directly relates to terms of reference (g.) 'alternative approaches to addressing joblessness and community development in remote Indigenous communities'.

APO NT's concerns with CDP

¹ See APO NT's response to the Australian Government's Review of Remote Participation and Employment Services: *Creating and Supporting Sustainable Livelihoods, A Proposal for A New Remote Participation, Employment & Enterprise Development Scheme*.

For decades Indigenous people have fought for just treatment under Australian law, including the right to earn fair wages for work.

Under the Community Development Programme (CDP), participants – the vast majority of whom are Indigenous – are required to work for up to 25 hours per week and up to 46 weeks per year in return for income support. These requirements are substantially more onerous than those that apply to predominantly non-Indigenous people elsewhere.

Under Jobactive, for example, Work for the Dole may only be required after one year of assistance, for only six months of the year. Both providers and jobseekers have flexibility to select a form of mutual obligation activity that meets individual needs and improves employment prospects. Within the CDP, Work for the Dole has become an end in itself, requiring substantial investment in administration and diverting resources from other activities. As a result, thousands of CDP participants are locked into work at a rate well below award rates, with little or no prospect of earning additional income or leaving income support.

We believe that Indigenous community members and organisations must have substantial control over policy design and delivery. Under CDP we have seen that control decline. Work for the Dole requirements have been set centrally and, other than in exceptional circumstances, every region's activities must be run five days per week, five hours per day regardless of local circumstances.

The only influence that community members can hope to have is over what types of activities are run – but, even then, the options are limited by local resources and the need to ensure that people earning substantially less than the award are not being required to work in jobs that should be properly paid. In addition, under the CDP funding model, contracted organisations no longer have the opportunity to tailor engagement strategies to local communities or to particular individuals. Instead, they must move immediately to punitive measures or face penalties themselves.

The impact of the combined application of onerous Work for the Dole requirements and the removal of local authority over engagement strategies is felt across remote communities. More than four times as many penalties were applied to participants in the first year of CDP than in the year before. Despite having only one twentieth of the caseload, CDP now accounts for more penalties than the whole of the Jobactive system. The communities and families that are affected by these financial penalties are already amongst the poorest in the country. Penalties are having an impact on families' ability to put food on the table, to pay rent, and the pressure on those with stable incomes is mounting. Protections in the social security system for the most vulnerable are failing because of lack of appropriate assessment, lack of access to DHS services, and the inability of providers to use their own discretion to allow absences.

The current design of the CDP does not address the real employment challenges facing remote communities including: lack of demand for labour; lack of required skills to take up

available jobs and the health effects of poverty. These are long term challenges and require long term investments, strengthening of capacity and inclusion of Indigenous people in decision making.

The current program is failing not just because its design is wrong, but because it continues to be driven from the 'top' down. Waves of 'reform' have been imposed – sometimes without warning, let alone consultation. There is no forum for affected community members or their organisations to engage with Government over the direction of the program or its practical effects. There is little transparency about program performance or operations outside the Senate Estimates process.

APO NT's proposal for the establishment of a Remote Development and Employment Scheme²

While there is no easy solution to the challenge of improving economic and social opportunity in remote communities, APO NT understands that the current CDP is doing substantial harm to communities without generating enough opportunity. We believe it needs fundamental reform.

APO NT proposes that the current CDP be replaced by APO NT's alternative scheme that is place based, community driven, and establishes a framework for long term collaborative effort across governments, employers and Indigenous organisations to increase economic opportunities in remote communities. Importantly, the proposed new Remote Development and Employment Scheme also seeks to increase the number of jobs in communities, drive community participation and development, and reduce the intrusion of the welfare system into people's lives.

Our model would see a shift away from a focus on compliance and administration towards a community development and case management model aimed at achieving long-term employment and development outcomes. The key elements of our model include:

- 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;

² Please see **Attachment A** and **Attachment B**.

- increased youth engagement strategies, including the creation of a national pool of around 1500 paid work experience and training positions, similar to the former Green Corps;
- an independent national indigenous-led body to manage the new program, and to ensure that it meets long term employment and community objectives.

While APO NT has set the elements of a scheme, we believe it is critically important that any program be substantially shaped at the local level. We have proposed that the goals of the scheme should be broadly stated and long term, and that communities are able to specify the objectives and targets that are important to them. In proposing a new body to manage the scheme, we are reflecting our view that the existing, top down and compliance driven approach is not appropriate. A new culture needs to be created which is built on partnership and devolving authority to local people. We believe that this means a new, Indigenous led, structure.

APO NT is proposing a gradual roll out of the new arrangements, with implementation arrangements subject to negotiation and ongoing consultation with communities, organisations involved in delivery and their peak bodies. However, in the short-term, immediate program changes should be made to reduce the level of harm being done by existing Work for the Dole requirements and penalties. These changes should include:

- Reducing the annual Work for the Dole hourly requirement in line with the annual activity requirement of participants in other programs;
- Allowing providers to arrange the hours of participation in a way that suits local conditions and participants; and,
- Removing the financial disincentive for providers to use their discretion (DNAD) in cases of non-compliance.

Until this occurs we believe that it is not appropriate to proceed with any legislative change that would remove people in remote communities from the rights and obligations that apply to other citizens.

APO NT consultation on the proposed scheme

APO NT has consulted widely on the alternative scheme, with input from Aboriginal organisations, current CDP providers, sub-contractors, local government bodies and also peak bodies, located in the Northern Territory and nationally. The full list of consultations since 2016 is provide at Attachment C. This has been a significant effort from APO NT from within existing resources.

Also provided are: the Communique from the CDP Forum convened by APO NT in December 2016 and attended by over 20 organisations (Attachment D); and the letter sent to Minister Scullion in November 2016 signed by 30 organisations (Attachment E).

APO NT has repeatedly tried to engage with the Minister on this matter and are yet to receive a response. APO NT is heartened that a review into CDP has been announced, but concerned that there appear to be no terms of reference, no independence or transparency and no clarity about the process. If the Government is committed to doing things 'with' Indigenous people, then this review process must reflect this in its leadership and design. While APO NT is prepared to engage in good faith negotiations towards beneficial reform, there is not yet a framework for commencing these discussions or negotiations.

Endorsement of APO NT's alternative scheme

We are attaching a list of organisations that have endorsed APO NT's proposed model to date. We expect this list to grow as organisations work through their own governance processes.

It is important to note, however, that our proposal explicitly includes further consultation and negotiation on a region by region basis prior to implementation. Our model contains, not just a set of program arrangements, but a demand for ongoing community and high level involvement in the shaping, implementation and ongoing improvement of arrangements to foster the economic, social and cultural development of remote communities.

The importance of the social security safety net

Recent comments by the Minister for Indigenous Affairs suggest that the Government may continue to pursue its proposals to outsource some aspects of administration of income support payments to CDP providers. APO NT has previously made clear its concerns about such an approach.³

There is no doubt that the Government is currently failing in its obligation to ensure that Aboriginal people in remote Australia have access to DHS services. This was made clear in the recent Commonwealth Ombudsman's report into access to Disability Support Pensions in these regions. It has emerged in many submissions to this Inquiry. Access to the social security safety net is a fundamental right of all Australian citizens and providing this access is a core function of Government. The clear conflict between current CDP providers' funding arrangements and the need to ensure that access to safety net payments is available for those who need protection highlights the risk associated with contracting providers to fulfil this function. Rather than intensify the involvement of community members and providers in the complexities of the income support system, APO NT's proposal would enable a substantial group to move out of the system into employment, and would re-focus local organisations on supporting participants to access services and assistance that would improve job prospects.

³ See **Attachment F**.

List of Attachments:

- A** APO NT's proposal for the establishment of a Remote Development and Employment Scheme
- B** Summary of the document above
- C** APO NT consultations undertaken to create the new model
- D** Communique from the CDP Forum convened by APO NT in December 2016
- E** APO NT letter to Minister Scullion (November 2016) signed by 30 organisations
- F** APO NT submission in relation to CDP2 Bill
- G** Current list of endorsements for APO NT's alternative model as at 23 June 2017