

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

Senate Inquiry: Finance and Public Administration Committee.

Submission from Per Capita Australia.

### ***CDEP to CDP – a move in the wrong direction***

Per Capita believes that the shift from the employment framework of the Community Development Employment Projects (CDEP) to the mutual obligation welfare framework of the CDP has been a failure.

Not only do we believe the mutual obligation framework to be a flawed approach to unemployment more broadly (Smith 2017), but also, most remote indigenous communities simply lack the private labour market necessary for a mutual obligation framework to operate in. The result of implementing such a framework in these communities is a soul-destroying endless list of pointless hoop jumping exercises. There are very few private enterprises in these communities at which job seekers could find work. A system that assumes private employment as the goal is, therefore destined to failure.

The inevitable outcome is disillusionment and broad-scale breach of obligations resulting in penalties that increase indigenous poverty and disadvantage.

We know that we can do a lot better than this because we have done better in the past. The CDEP, particularly in its earlier days, created real employment doing meaningful work that was locally determined. While far from perfect, the CDEP enjoyed broad support across indigenous communities.

### ***A better path – actual employment***

Making meaningful inroads on indigenous unemployment should be a national priority. The focus should not be on some paternal notion of economic integration or economic incentives for people to move to where the jobs are but, rather, on work that is meaningful and appropriate for the people in their communities.

The CDEP Scheme, first introduced in 1977, got many things right in its early incarnations, including being locally led. We can learn from those programs and build on them, with real jobs at the minimum or award wage.

Indigenous communities are perfect places to begin the rollout of a Job Guarantee scheme, of the type described by Quirk *et al.* (2006). This would involve offering indigenous Australians in remote communities jobs, not with Newstart payments but with a salary at the minimum wage.

A well-resourced and well-designed program would go to indigenous communities, ask them what work they would like to do, what needed doing in their communities, and then, working with local and state government and relevant indigenous organisations, give them jobs, resources and training to do it. The result would create meaningful economic activity, provide valuable goods and services to the community and provide incomes and spending power that could, in turn, support new private businesses.

Under such a scheme, anyone who wanted work, up to 35 hours per week, would be given a job. If they did not have sufficient skills for the work that was available under the scheme then they would be given training. Local administration of the scheme would ensure that jobs were relevant to both place and community. No work would be created purely for work's sake.

Such a program would be expensive but certainly affordable. Without bold initiatives, indigenous disadvantage will never be overcome.

## About Per Capita

Per Capita is an independent progressive think tank, dedicated to fighting inequality in Australia. We work to build a new vision for Australia based on fairness, shared prosperity, community and social justice.

Our research is rigorous, evidence-based and long-term in its outlook. We consider the national challenges of the next decade rather than the next election cycle. We ask original questions and offer fresh solutions, drawing on new thinking in social science, economics and public policy.

Per Capita's operating model is to invest in highly qualified researchers who work on applied policy development, rather than the more abstract, theoretical approaches of academia.

Our audience is the interested public, not just experts and policy makers. We engage all Australians who want to see rigorous thinking and evidence-based analysis applied to the issues facing our country's future.

## References

Quirk, V., Allen, E., Andresen, T., Bill, A., Cook, B., Goldsmith, B., ... Wrightson, G. (2006). *The job guarantee in practice*. Newcastle. Retrieved from <http://e1.newcastle.edu.au/coffee/pubs/wp/2006/06-15.pdf>

Smith, W. (2017) *Unemployment Policy in Australia: a brief history*. Per Capita Australia, Melbourne.