

## **The Senate Finance and Public Administration References Committee Inquiry into the Community Development Programme**

### **A supplementary submission**

#### ***Executive Summary***

This supplementary submission seeks to answer the question posed by Senator Smith – if CDEP was so good, why was it abolished? It also adds to my initial support for the model put forward by the Aboriginal Peak Organisations Northern Territory (APONT). Finally I offer comment on risk management associated with the current Community Development Programme (CDP),

#### ***Disclaimer***

The views expressed in this submission are my own and are not intended to represent the official perspective of my employer, Charles Darwin University.

#### ***Background***

At the public Hearing of the Senate Inquiry here in Alice Springs on 28<sup>th</sup> August 2017, members of the public and those formally presenting were invited to make supplementary submissions, in some cases as “questions on notice”. I thank the Inquiry for the opportunity to appear with Chansey Paech MLA and Bill Gray AM and to subsequently offer further thoughts.

#### ***Issues***

##### **The decline and fall of the CDEP**

Senator Smith raised the issue at the Alice Springs Hearings, as quoted in the Hansard draft:

*I'm just trying to understand: somewhere between 2006 and 2011, there was clearly quite a conscious and substantive change in direction. I'm trying to understand what the motivation for that was. Everyone today, in 2017, is telling us that the CDEP program had virtues and strengths. What was the policy change or policy deviation or the motivation for that policy deviation?*

The CDEP was a major part of the strategy for remote Aboriginal and Torres Strait Islander people in the economic development policy and program package, the Aboriginal Employment Development Policy (AEDP), ten years after CDEP's creation. In the formal Review of the AEDP in 1994, it was noted that “the expansion of the CDEP scheme has been critical...representing more than a third of the employed Aboriginal and Torres Strait Islander labour force”.

In 1997 the Board of ATSIC commissioned Ian Spicer to undertake an independent review of CDEP, notwithstanding the fact that it had been reviewed “almost every year in the last 5 years.” Mr Spicer had a background as a past Chief Executive of the Australian Chamber of Commerce and Industry and the Confederation of Australian Industry and was chosen because he was deemed independent.

Spicer's opening observation was:

*The importance of CDEP to governments and the 30,000 indigenous Australians involved cannot be overstated. In some localities, CDEP often represents the community itself. Without it, some remote communities would simply not exist.*

He noted the following specific positives:

- skills enhancement & improved quality of life,
- sense of pride in community & culture,
- greater skills, employment & enterprise development.

The reservations noted were (1) that CDEP not be seen as the only solution; (2) "sit down money" habits had to be replaced by no work, no pay; (3) It needed a clearer objective; (4) CDEP is not funded to deliver the sort of accredited training needed to generate other employment; (5) inequities caused by different entitlements under the Social Security system. Most notably he made the following statement, one that was to be heard again:

*The overriding challenge is to ensure that, where possible, CDEP does not become a life time destination for all participants but provides a conduit to other employment options.*

Spicer also recommended that CDEP be kept distinct from Work for the Dole.

In my own observation, one significant factor in the loss of faith in CDEP was the work of Rosemary Neill in 2002 with her book *White Out – How politics is killing Black Australia*. Wayne Gibbons, whom I'd worked for in his time in the Employment portfolio moved across into Indigenous Affairs and at one time was the CEO of ATSIC. Mr Gibbons was someone I had a lot of respect for and in a conversation after his move into Indigenous Affairs recommended Neill's book. Her comments on CDEP are worth noting:

*CDEP schemes have provided useful training and employment and an outlet for cultural activities. But they are still a form of social security, a jobs twilight zone. The test applied to other training schemes for the long-term unemployed, such as the Keating Government's Working Nation, is: do these schemes make the unemployed more employable; do they lead to real jobs and higher standards of living; do they act as a circuit breaker to intergenerational unemployment? Significantly these tests have never been applied to Indigenous work-for-the -dole schemes. Why? Because it suits governments of all political stripes to quietly pretend that CDEP is more effective than it actually is.*

As I noted in my initial submission to the Senate CDP Inquiry; "Opposition to CDEP was articulated by the Federal Department of Employment and Workplace Relations (DEWR) in 2005, stating that it had 'become a destination rather than a stepping stone towards jobs'." This echoes Spicer and Neill in shifting the debate within government on CDEP and its effectiveness.

In 2009 Altman and Jordan published a paper in response to proposed changes to CDEP by the Rudd Labor Government's "new Indigenous employment strategy that centred on significant changes to CDEP and reform of the Indigenous Employment Program (IEP). The proposed changes will see CDEP cease to operate in non-remote areas as of 1 July 2009. In remote areas existing CDEP participants will continue receiving CDEP wages until 30 June 2011, while new entrants to the scheme from 1 July 2009 will receive income support instead of CDEP wages". The aim was twofold – to return CDEP to remote areas only and to boost the conversion of CDEP funded jobs into permanent, unfunded jobs.

The authors acknowledged problems with CDEP:

*Our colleague Boyd Hunter (2002, 2009b) provides data that indicate that while many CDEP workers were happy to work part-time, Indigenous workers in CDEP positions were twice as likely as other Indigenous workers to be underemployed (i.e. working fewer hours than they would like)...There are other arguments against CDEP that are of more dubious value. For example, there is evidence of cost-shifting onto CDEP with local, State/Territory and Federal government agencies using CDEP labour instead of properly funding service provision on an equitable needs basis.*

Altman and Jordan's chief concerns were the establishment of two classes of CDEP participants – those already in the program who retained a range of options and new entrants locked into the welfare system, again harking back to the issue Spicer raised on program inequities.

As others have noted, the RJCP flagged the next stage in CDEP's demise and preceded its death with CDP.

### The APONT model

In both my initial submission and my presentation I strongly support the APONT model. I have two points I wish to add.

**Attachment One** is part of a detailed Journey Map of the APONT model circulated by Job Australia. The Institutional arrangements diagram includes the recommendation of an Indigenous led Board, which was part of their Inquiry Submission. I'm old enough to remember a structure introduced as part of the Working Nation changes in 1994, targeted at the long-term unemployed. To oversee the introduction of contracted employment services, an Employment Services Regulatory Authority (ESRA) was established with an independent board and chair. **Attachment Two** is a summary of the key elements. I commend it to the Inquiry to guide the successful creation of the APONT model's Board.

The APONT model includes a full description of Remote Job Centres. It is suggested that their model is more appropriate than the one recommended by the Twiggy Forrest Report, *Creating Parity*. Forrest assumed the availability of jobs and likelihood of 26 weeks employment outcomes. The PM&C Submission to this Inquiry negates this view completely. Longer-term employment, skill development and enterprise opportunities will occur if the APONT model is adopted.

### CDP and risk management

CDP has been much criticised but one issue not so frequently raised is the genuine risk of its abuse. PM&C constantly monitor attendance and activities. The risk arises when the non-Indigenous management and staff of nominally Indigenous organisations deliberately exclude Indigenous CDP participants from quality activity or job opportunities because of nepotism, under the pretence of "lack of appropriate skills". A family member who worked for a CDP provider in the Top End of the NT was constantly frustrated by such antics. The only recourse was complaint to PM&C. It would seem that PM&C has no power to prevent such behaviour. CDP has enough problems without this form of sabotage.

### **Recommendations**

1. Note my reading of the history.
2. Adopt the APONT model and my suggestions on its introduction.
3. Whatever model is adopted, stamp out the abuse.

### **References**

Altman J.C. & Jordan K. *The untimely abolition of the Community Development Employment Program. Submission to Senate Community Affairs Committee Inquiry into the Family Assistance and Other Legislation Amendment (2008 Budget and Other Measures) Bill 2008.* Centre for Aboriginal Economic Policy Research Topical Issue No. 05/2009

Jobs Australia <https://www.ja.com.au/resources/infographic-apo-nt-remote-development-and-employment-scheme-journey-map>

Neill R. *White Out – How politics is killing Black Australia.* Allen & Unwin Sydney 2002

Spicer I. *Independent Review of the Community Development Employment Projects (CDEP) Scheme 1997*

### **Submission author**

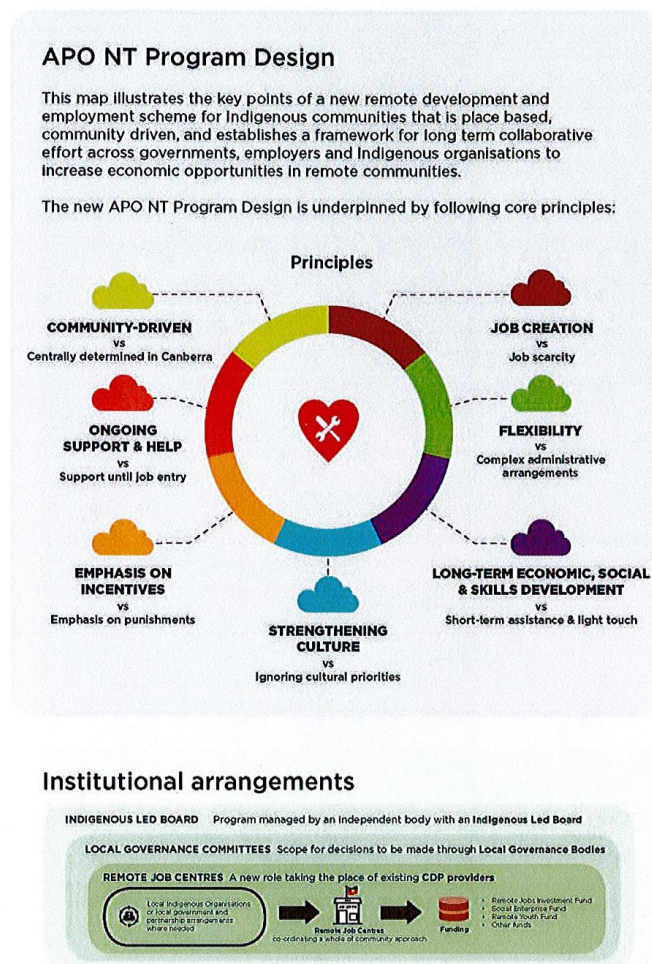
Peter Strachan (aka Strachy)

Remote Engagement Liaison Officer

Charles Darwin University, Alice Springs campus.

ATTACHMENT ONE

Infographic: APO NT Remote Development and Employment Scheme Journey Map - ... Page 4 of 9



## **Employment Services Regulations 1994 No. 445**

### **EXPLANATORY STATEMENT**

#### **STATUTORY RULES 1994 No. 445**

##### Employment Services Act 1994

##### Employment Services Regulations

Section 184 of the Employment Services Act 1994 (the Act) provides that the Governor-General may make regulations for the purposes of the Act.

The Act establishes the Employment Services Regulatory Authority (ESRA) as an independent statutory authority responsible for regulating the case management system. ESRA will be responsible for promoting competition in the provision of case management services, monitoring and evaluating the operation of the case management system and reporting to the Minister on that operation. ESRA will also accredit and engage contracted case managers.

Section 76 of the Act provides for the appointment of ESRA Board members. Section 93 of the Act provides for the appointment of the ESRA Chief Executive Officer.

Sections 79 and 96, respectively, provide for the remuneration and allowances to be paid ESRA Board members and the ESRA Chief Executive Officer. Remuneration rates are to be determined by the Remuneration Tribunal. The regulations provide for the allowances to be paid to the ESRA Board members and the ESRA Chief Executive Officer in addition to their remuneration. The allowances to be paid are to be equivalent to those applicable to the office of Secretary in the Australian Public Service.

Details of the regulations are below.

##### **Regulation 1: Citation**

The regulations are to be cited as the Employment Services Regulations.

##### **Regulation 2: Commencement**

The regulations commence on Royal Assent.

##### **Regulation 3: Interpretation**

A reference in the regulations to "the Act" is taken to be a reference to the Employment Services Act 1994, unless the contrary intention appears.

##### **Regulation 4: Allowances payable to ESRA Board members**

Subsection 79(3) of the Employment Services Act 1994 provides that ESRA Board members are to be paid such allowances as are prescribed. Regulation 4 authorises payment of allowances to ESRA Board members equivalent to those payable to a holder of the office of Secretary in the Australian Public Service.

##### **Regulation 5: Allowances payable to the Chief Executive Officer**

Subsection 96(3) of the Employment Services Act 1994 provides that the ESRA Chief Executive Officer is to be paid such allowances as are prescribed. This regulation authorises payment of allowances to the Chief Executive Officer (CEO). The CEO is to be paid allowances equivalent to those payable to a holder of the office of Secretary in the Australian Public Service