



ADI

ALFRED DEAKIN INSTITUTE FOR
CITIZENSHIP AND GLOBALISATION



The First Assistant Secretary
Community and Economic Development Division
Department of Prime Minister and Cabinet
Canberra ACT 2600
Email: cdpconsultation@pmc.gov.au

Attention: First Assistant Secretary

Re: Discussion paper: Remote Employment and Participation

I make some brief comment on the above discussion paper as an academic researcher and policy adviser on development issues in remote Indigenous Australia over the past forty years. I am on the public record since 1979 supporting the wage-based Community Development Employment Projects (CDEP) scheme model that existed 1977–2015. My long-term support has been based on extensive community-based collaboration and the analysis of both grounded local and official information that demonstrate that the CDEP scheme has been far more beneficial than welfare and far more effective than several programs since, most recently the Remote Jobs and Communities Program (RJCP) operating 2013–2015 and the Community Development Program (CDP) operating since 1 July 2015.

My focus in this submission is on the first two parts of the discussion paper (pages 3–6). I do not set out to engage directly with the pre-determined set of questions in the discussion paper for reasons that will become apparent. In my view, only one (option 1 new wage-based model) complies with the design principles outlined, although there are other alternatives.

I begin with some general comments.

- 1 The Australian government seems to vacillate between defining current CDP arrangements as being for all jobless Australians living in remote regions to looking to target Indigenous Australians only. It is currently estimated that 84 per cent of involuntary CDP participants are Indigenous. The discussion paper seems to focus on Indigenous 'job seekers' only referring to non-Indigenous jobseekers once. This is an important distinction as many Indigenous 'job seekers' are actually 'income support seekers' all too aware that there is insufficient supply of jobs in remote Australia for all.
- 2 While the Minister for Indigenous Affairs is committed to designing an improved tailored solution for remote Australia this was precisely his commitment on 6 December 2014 ('More opportunities for job seekers in remote communities') when

announcing the establishment of CDP. CDP was based on recommendations in the Forrest Review *Creating Parity*. It remains unclear why recommendations made by a mining magnate and philanthropist continue to carry traction in policy discussions around crucially important labour market and poverty alleviation issues. There seems to be considerable government and bureaucratic reluctance to admit that CDP has been an expensive mistake with some dire intended and unintended consequences especially for remote living Aboriginal people.

- 3 Just focusing in isolation on how to fix the disastrous legacy of CDP using the rubric of remote employment and participation ignores a broader set of systemic issues also currently being reviewed including the Senate Inquiry into the Future of Work and the Attorney-General's Department's consultations on reforming the *Native Title Act 1993 (Cth)* and ongoing discussions about 'developing the north'. The discussion paper also eschews the issues of income management from its deliberations, yet any move to a new wage-based model will make this expensive and largely ineffective institution (BasicsCard and Cashless Debit Card) irrelevant.

In 'What do we want to achieve?' it is proposed that any new approach will be designed to put job seekers on a pathway to employment (page 4). But unless there is a drastic change in remote labour markets such an aspiration sounds like hollow rhetoric. It is proposed that this be done by creating real subsidised jobs, but unless this is a typographical error (and the proposal is for unsubsidised jobs) real and subsidised are an oxymoron. Then it is proposed that job seekers move off welfare and into work which is not the same as employment. In my view the need for support along a pathway to work or activity is precisely what is needed, but the discourse needs to alter significantly so as not to universalise all remote living people as 'job seekers' when many are far more concerned about activity, livelihood and wellbeing.

Many of the design principles outlined on pages 5 and 6 are welcome: simplification of administration, devolution to the local level, a wage-like model, supporting Indigenous enterprise development, subsidising the cost of labour (for Indigenous job seekers only for some reason), encouraging businesses to hire and invest in local people. There is little to disagree with in all of this. And yet that ubiquitous relentless discourse around pathways to 'real' employment being predicated on jobs training; and 'the ultimate aim to transition to employment' leaves the impression that the government while stating that it is open to all ideas for a new approach is actually clinging to one old and anachronistic idea, that full-employment is possible in remote Indigenous Australia.

In my view neither Option 2 – CDP 2 – nor Option 3 – CDP with improvements – would comply with the proposed design principles and so are not worthy of serious consideration. Many aspects of Option 1 – New Age-Based Model are worthy of consideration but need considerable more thought. Again, there is a future orientation to imagined full-employment when there is a distinct possibility that in future there will be fewer rather than more mainstream employment opportunities owing to automation (already apparent in the mining industry with driverless trucks) and artificial intelligence. It is unclear why subsidised jobs will only be available for an arbitrary two years when history shows that subsidised labour might be required on an ongoing basis to ensure business viability in many remote contexts.

At page 6 the discussion paper asks whether there is anything else beyond the proposed objectives of the so-called 'new' approach focused on employment that a remote employment and participation model should aim to achieve? I make the following five suggestions:

- 1 In keeping with the stated design principle to increase the number of Indigenous owned and controlled organisations, productive devolution should look to empower these organisations to develop their own design principles that might be inclusive of livelihood and wellbeing possibilities that transcend the Government's monolithic and domineering focus on 'real' jobs. It is noteworthy that in 2004 there were 265 CDEP scheme organisations; today there are 60 CDP regions.
- 2 Community-based organisations, properly resourced, should be charged with undertaking community action planning to identify the aspirations of working-aged people who are not formally employed; prospects, possibilities and limitations to provide a grounded and realistic assessment of the diverse circumstances experienced across remote Australia.
- 3 If the Government is serious about providing paid employment for 'job seekers' it should commit to a jobs guarantee, especially as the notion of subsidised jobs are raised in the discussion paper. For those with aspirations for livelihood and flexibility openness to new ideas should extend to considering a basic income scheme that like the CDEP scheme could facilitate top up work and income possibilities and/or forms of productive work in the informal or customary economy.
- 4 Reinvesting efficiencies back to communities makes good sense especially as recent calculations by The Australia Institute (using ANAO data) suggest that it costs over \$10,000 to deliver \$14,500 worth of income support. If the cost of delivering income management were added to this extraordinary cost of delivery, community-based organisations could be allocated considerable discretionary capital to underwrite commercial and social enterprises.
- 5 The Attorney-General's Department's options paper for reforming the Native Title Act Open is looking to unlock the economic development opportunities that accompany the recognition of native title mainly in remote Australia. While the options paper focuses on 'developing the north' opportunities, a wider set of options inclusive of the non-market or customary and of the challenges of maintaining the value of native title rights and interests (including biodiversity) should be canvassed. I summarise such development alterity with the concept of economic hybridity that looks to maximise production possibilities by innovatively bundling state, market and customary sectors of remote economies, cognisant of enormous diversity.

I end with two observations. First, I have recently re-examined the published annual reports (from 1999–2000 to 2008–09 a decade-long period) of the Bawinanga Aboriginal Corporation (BAC) operating in the Maningrida region, West Arnhem Land. These annual reports are available at the library of the Australian Institute of Aboriginal and Torres Strait Islander Studies or the National Library of Australia. BAC was a vibrant development corporation administering one of Australia's largest CDEP schemes and Aboriginal corporations. It is instructive to see the range of employment, enterprise and community service and livelihood functions successfully delivered to CDEP scheme participants and

other community members with sustained support and appropriate devolution. Today, BAC administers CDP in region 38; according to the 2016 census there are over 1000 adults of working age in this region, the employment to working age population ratio is 16.8 per cent (that is less than one in five adults are employed) and more than 50 per cent of households are below the poverty line. I have worked in this region since 1979, I have seen what can be achieved with sound policy and community control; and how quickly this can be undone with bad policy and external Canberra-based meddling, a form of 'remote managerialism' that is destructive and difficult for local people to resist.

Second, successive Australian governments and their bureaucratic apparatus have promised to deliver development to remote Australia in the past decade and to close the employment gap. And yet the latest census data indicate that the employment gap in remote Australia is wider than ever and poverty is more entrenched and deeper. The last policy experiment devised by the Department of Prime Minister and Cabinet in 2014 saw the introduction of CDP, possibly the most destructive employment program imposed on remote Indigenous Australia in the modern policy era. So, the question has to be asked and I am happy to ask it: what is the capacity of the Department of Prime Minister and Cabinet, assuming the best of intentions, to devise yet another 'new' framework to address the undeniable challenge of delivering appropriate forms of development in remote Australia? Despite Government well-intentioned plans to consult with a range of stakeholders and remote communities on any new model, why should remote living Indigenous people have any faith that the malfunctioning CDP devised by this Government and this department will be properly rectified when the discussion paper has no critical assessment of what has gone wrong and continues to go wrong as few sustainable jobs are delivered and CDP participants continue to be breached (and lose income support) at historically unprecedented levels? Perhaps applying market principles of not rewarding failure, the policy making process itself should be devolved to an Aboriginal organisation like the Aboriginal Peak Organisations of the NT with proven capability and far greater legitimacy in the eyes of Indigenous stakeholders?

In saying this I am not under-estimating the challenge of delivering appropriate development to remote Australia. But I am deeply concerned that despite an articulated openness to new ideas, those overseeing this policy development process cling to a myopic view that standard forms of employment and western economic development can be delivered now and in the future to very non-standard remote Indigenous circumstances. These are ideological and conceptual barriers that will need to be eliminated if any 'real' progress is to be made in the everyday circumstances of about 30,000 remote living Indigenous Australian adults and their families involuntarily trapped in the CDP net.

Jon Altman
Research Professor
2 February 2018