



A•S•U

16 June 2017

Senate Finance and Public Administration Committees
PO Box 6100
Parliament House
Canberra ACT 2600

By E-MAIL: fpa.sen@aph.gov.au

Re: Senate Inquiry into the appropriateness and effectiveness of the objectives, design, implementation and evaluation of the Community Development Program (CDP)

Australian Services Union

National Office
Melbourne & Sydney

All correspondence to:

Ground Floor
116 Queensberry St
Carlton South VIC 3053

T: (03) 9342 1400
F: (03) 9342 1499
E: info@asu.asn.au
W: www.asu.asn.au

National Secretary
David Smith

Assistant National Secretaries
Greg McLean
Linda White

The Australian Services Union (ASU) is one of Australia's largest Unions, representing approximately 135,000 members.

The ASU was created in 1993. It brought together three large unions – the Federated Clerks Union, the Municipal Officers Association and the Municipal Employees Union, as well as a number of smaller organisations representing social welfare workers, information technology workers and transport employees.

The Australian Services Union represents workers across a range of diverse industries throughout Australia, including a large number of ASU members who work in the social & community services sector, local government and Aboriginal Community Councils and Organisations.

Through our local government and community services coverage, the ASU has a significant membership in regional, rural and remote areas of Australia, and therefore we are well-placed to understand the work environment and the need for Indigenous persons to have control over developing solutions to the issues they face. The ASU is active on Indigenous issues within the Australian Council of Trade Unions (ACTU) and the various state and regional trades and labour councils.

The Inquiry

The ASU is pleased to provide this submission to the Finance and Public Administration References Committee's inquiry into the appropriateness and effectiveness of the objectives, design, implementation and evaluation of the Community Development Program (CDP).

One of the most pressing and enduring concerns in Australian Indigenous policymaking is the employment of Aboriginal and Torres Strait Islander people.¹ Our members believe Aboriginal and Torres Strait Islander workers must be engaged in fulfilling employment, and afforded the same conditions and wages as other Australian workers.

In preparing this submission we have consulted with our members who work in regional, rural and remote areas of Australia to provide an insight of the impact the CDP is having on Indigenous communities.

¹ *Better Than Welfare? Work and livelihoods for Indigenous Australians after CDEP*, Edited by Kirrily Jordan

The ASU understands the Australian Council of Trade Unions has made a submission to this inquiry. We support this submission and the concerns held by the ACTU about the effectiveness and appropriateness of the CDP and how in its current form it does nothing to address joblessness or empower communities².

Furthermore we urge the Committee to consider the recent report released by Jobs Australia in November 2016 "*What to do about CDP*" with the report finding the current CDP is causing severe hardship in many Indigenous communities. The report also examines several solutions for reform, which importantly suggests that there is a willingness and capacity in the community to develop other models which may more appropriately respond to the issue.³

ASU issues of concern

The ASU and its members have witnessed the impact of employment programs, such as the Community Development Employment Projects (CDEP) and Community Development Program (CDP), on Aboriginal and Torres Strait Islander peoples over many years.

We believe the current Community Development Program (CDP) undermines the industrial rights of Aboriginal and Torres Strait Islander workers. The CDP currently forces workers into 25 hours of labour, whilst providing no federal occupational health and safety or workers 'compensation protection. It also provides no superannuation and no workplace employment standards⁴.

The CDP in its current form is discriminatory and reinforces the feeling of hopelessness and disempowerment often felt by Aboriginal and Torres Strait Islander people. Researchers for the Australian National University (ANU) have found the current CDP is having devastating effects on Indigenous communities with financial penalties causing insurmountable debt and social division.⁵

The current CDP with its very onerous requirements has accelerated the rate of penalties currently being applied. Despite CDP participants only making up around 5% of the total number of jobseekers to whom the relevant social security penalties apply, research shows that in the first six months of the CDP they incurred more penalties than the other 95% of jobseekers combined.⁶

It is evident that the CDP actively circumvents all basic industrial responsibilities of an "employer" to "employee", in this case the CDP participants. It fails to extend to participants any of the entitlements due to a worker, leaving participants vulnerable and at risk whilst expecting them to participate in work-like arrangements.

We believe the CDP is unfairly punishing jobseekers for failing to meet confusing, inflexible and often logistically impossible requirements. Our members have raised concerns about the inflexibility of CDP, where a participant can only work certain hours which is often not culturally sensitive or flexible. The CDP operates in isolation to what else is happening within the community, in family life and is not adaptive to the local environment.

² ACTU submission to Senate Inquiry into the appropriateness and effectiveness of the objectives, design, implementation and evaluation of the Community Development Program (CDP)

³ Jobs Australia, *What to do about CDP* report [online] Accessed at: https://www.ja.com.au/sites/default/files/cdp_forum_report_-_final.pdf

⁴ ACTU Executive recommendation, July 2016

⁵ ABC News, *Remote work-for-the-dole scheme 'devastating Indigenous communities'* [online] Accessed at: <http://www.abc.net.au/news/2016-12-02/remote-work-for-the-dole-scheme-failing-indigenous-communities/8089004>

⁶ Fowkes, L., *Impact on Social Security Penalties of increased remote work for the dole requirements* [online] Accessed at: [http://caepn.anu.edu.au/sites/default/files/Publications/WP/16-081-WP-WORKDOLE+D\(22Jun16\).pdf](http://caepn.anu.edu.au/sites/default/files/Publications/WP/16-081-WP-WORKDOLE+D(22Jun16).pdf)

Recent academic examination highlights change to the current CDP is urgently needed⁷, whether it is through reforms to the current program or replacing the CDP in its entirety.

Local is best – community connected and responsive

The majority of CDP providers are not local to the community with the administrative and compliance requirements resulting in for-profit providers moving into this sector.

The Indigenous community services sector brings a history of knowledge, expertise and lessons learnt. They have their own history, values and identity, and this is often tied to the local community.

At their best not-for-profit Indigenous community services have the capacity to not only be closely connected with their local community but to also understand the needs and be flexible in meeting those needs in a responsive and timely manner.

Over the years many Indigenous community services have been responsive and adaptive to unrecognised needs resulting from market or government failure. Local community based organisations are able to give voice to the needs of these communities as well as creating opportunities to invest back into the organisation.

It is therefore disappointing that Indigenous communities and not-for-profit stakeholders have had little say over the design of the CDP with many feeling disempowered by the program which in turn affects motivation and engagement.⁸

ASU member stories

Our members have witnessed communities in crisis because of this program. The CDP has led to not only a lack of confidence in the scheme but also a lack of respect for it.

We are deeply concerned about the exceedingly high breaching rates of CDP participants which often results in families experiencing extreme financial distress. “Each no show, no pay penalty results in the loss of one-tenth of an individual’s fortnightly income support payment. Miss two days, then two days are lost. Miss three days and a job seeker may be subject to a serious penalty for persistent non-compliance, which can last up to eight weeks⁹”.

Our members who work in organisations and/or communities connected with the delivery of the CDP have described anecdotal experiences such as:

1. A teenage mother who has never had formal employment failed to attend her CDP commitments twice and received a breach for each occasion, i.e. a total of two breaches. Being a teenager she was not accustomed to workplace structures or start and finishing times and was still adjusting to parenthood. As a result of these breaches, she had no financial means to support her baby throughout the breach period.

⁷ Jordan, K & Fowkes, L, Job Creation and Income Support in remote indigenous Australia: Moving forward with a better system [online] Accessed at: http://caepr.anu.edu.au/sites/default/files/Publications/topical/CAEPR%20Topical%20Issues%202_2016.pdf

⁸ Jordan, K & Fowkes, L, Job Creation and Income Support in remote indigenous Australia: Moving forward with a better system [online] Accessed at: http://caepr.anu.edu.au/sites/default/files/Publications/topical/CAEPR%20Topical%20Issues%202_2016.pdf

⁹ Altman, J & Fowkes, LL, Botched govt employment scheme impoverishes 30,000 indigenous Australians [online] Accessed at: <https://blogs.deakin.edu.au/adiblog/wp-content/uploads/sites/149/2017/03/Botched-govt-employment-scheme-impoverishes-Crikey-1.3.17.pdf>

In order to be able to feed herself and look after her baby, the participant had to borrow money and food from various members of the community. Upon returning to her CDP duties at the end of the breach periods, the participant spent the first few weeks repaying money and food to people from whom she had borrowed during the breaches. As a result she and her baby suffered severe hardship for several months. Research shows that financial hardship is related to adverse health, academic, behavioural and social outcomes for children¹⁰.

2. In one remote community, the local shop has a number of casual work hours available each week. Many of the people who undertake this work are not routinely available due to other commitments and family duties outside the community itself. A community worker suggested to the CDP provider that rather than undertake the work for the local council which was not meaningful and had no long term prospects, some of the CDP participants could be trained to work in the local shop work which would almost certainly lead to potential for real work. The centralised decision making of the provider meant that they would not alter the location of the CDP activities. As such, these CDP participants were denied an opportunity to develop skills which would lead to real and ongoing employment opportunities.
3. In a remote community in central Australia, a CDP participant was regularly asked to wash the exterior of a shipping container used as a meeting space in the community. On some days the CDP participant would be asked to start cleaning the shipping container all over again (even as soon as the participant had completed cleaning it) to ensure they met their 5 hour per day obligation. This type of work is demeaning, disillusioning and serves no purpose.

Conclusion

The ASU and its members have long supported Indigenous employment programs that provide work at fair wages, and that offer opportunity to pursue economic aspirations. But this punitive, externally imposed model offers neither fairness nor opportunity¹¹.

The current CDP contracts are due to end in mid-2018. It is imperative that any reform or replacement program occurs with genuine collaboration of Aboriginal and Torres Strait Islander communities and organisations.

The ASU and its members would like to see a program framework that gives communities greater control over the design and implementation of employment services in their own locations. We believe an employment program should provide a positive reward for engagement rather than a punitive approach to behavioural change. In addition the Government should focus attention and resources on the long-term economic and social development goals for Indigenous persons.

We welcome the opportunity to be consulted about any new or revised model of the CDP.

Yours faithfully

Linda White
ASSISTANT NATIONAL SECRETARY

¹⁰ Pilkauskas, N, Low-Income Mothers' Material Hardship and Children's Socioemotional Wellbeing [online] Accessed at: <http://crcw.princeton.edu/workingpapers/WP11-02-FF.pdf>

¹¹ Fowkes, L, *Impact on Social Security Penalties of increased remote work for the dole requirements* [online] Accessed at: [http://caepr.anu.edu.au/sites/default/files/Publications/WP/16-081-WP-WORKDOLE+D\(22Jun16\).pdf](http://caepr.anu.edu.au/sites/default/files/Publications/WP/16-081-WP-WORKDOLE+D(22Jun16).pdf)