

The wrong headedness of the CDP

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Once upon a time

The Government believes that the people of Australia will demand and are entitled to expect full employment...

This does not mean that at any particular time everybody will be at work....but ..there is no need for [this] to entail poverty, insecurity and the feeling of being unwanted for the individuals concerned.

(Full Employment White Paper 1945)

Today - 'Help and hassle'

'If you don't have a job we are going to keep on your back...it's the combination of help and hassle that is needed to keep job seekers active'

(Tony Abbott, Minister for Employment Services, 15/7/2000)

...the underlying rationale of the Job Network is to overcome the passivity and de-motivation that may develop with long-term spells of unemployment, remove other job-seeker-specific obstacles to employment and quickly orient benefit recipients to jobs... **In the long run, it is the effective labour supply that determines the level of employment, not demand.**

(Productivity Commission 2002, sec.2-4)

CDEP – an exception to ‘help and hassle’

- Voluntary alternative to income support
- Designed to provide employment - wages, not the ‘dole’
- local CDEP organisation control rather than Government
- More generous taper rates – could earn more income
- Platform for development of additional organisational income

BUT:

- paid less than the equivalent part-time wage, and
- often used to do work that should be properly paid.

Rationale for abolishing the CDEP

CDEP was designed for, if you like, the social construct of the 70's and the world had kind of moved on and CDEP policy hadn't moved on in quite the same way so you had some situations where **CDEP was becoming a destination in itself rather than a transition to open employment and mainstream employment.**

(Senior public servant, involved in the design of Remote Jobs and Communities Program)

But....

Even if all jobs in remote communities were taken by local job seekers there would be significant labour over supply. For example in the larger remote communities in the Northern Territory, if every job was taken up by job seekers in that community the employment rate would still only be half of the national average.

(PM&C submission to Senate Inquiry 2015)

CDP: A lifetime of government hassle

THE AUSTRALIAN

30 years working for dole a reality

SARAH MARTIN THE AUSTRALIAN MARCH 02, 2015 12:00AM

JOBSEEKERS in remote indigenous communities “with no economy” may never get a real job and could spend up to three decades working for the dole.

However, Indigenous Affairs Minister Nigel Scullion told The Australian that as long as jobseekers are taking part in 25 hours a week of meaningful community activities, working for the dole in perpetuity was not a negative outcome.

“I don’t think that is a bad thing,” he said. “They are engaged in purposeful activities in their communities, where they choose to live, and they are choosing to live in an area where there is no economy and a growing population. And while people may say, ‘How can you possibly do this to people?’, there are no alternatives.”

Now a breach isn’t there to be mean, a breach is there to create an incentive to actually turn up to an activity and **we can put purpose in your life.**

(Nigel Scullion, 6 December 2016)

Making your community a better place.

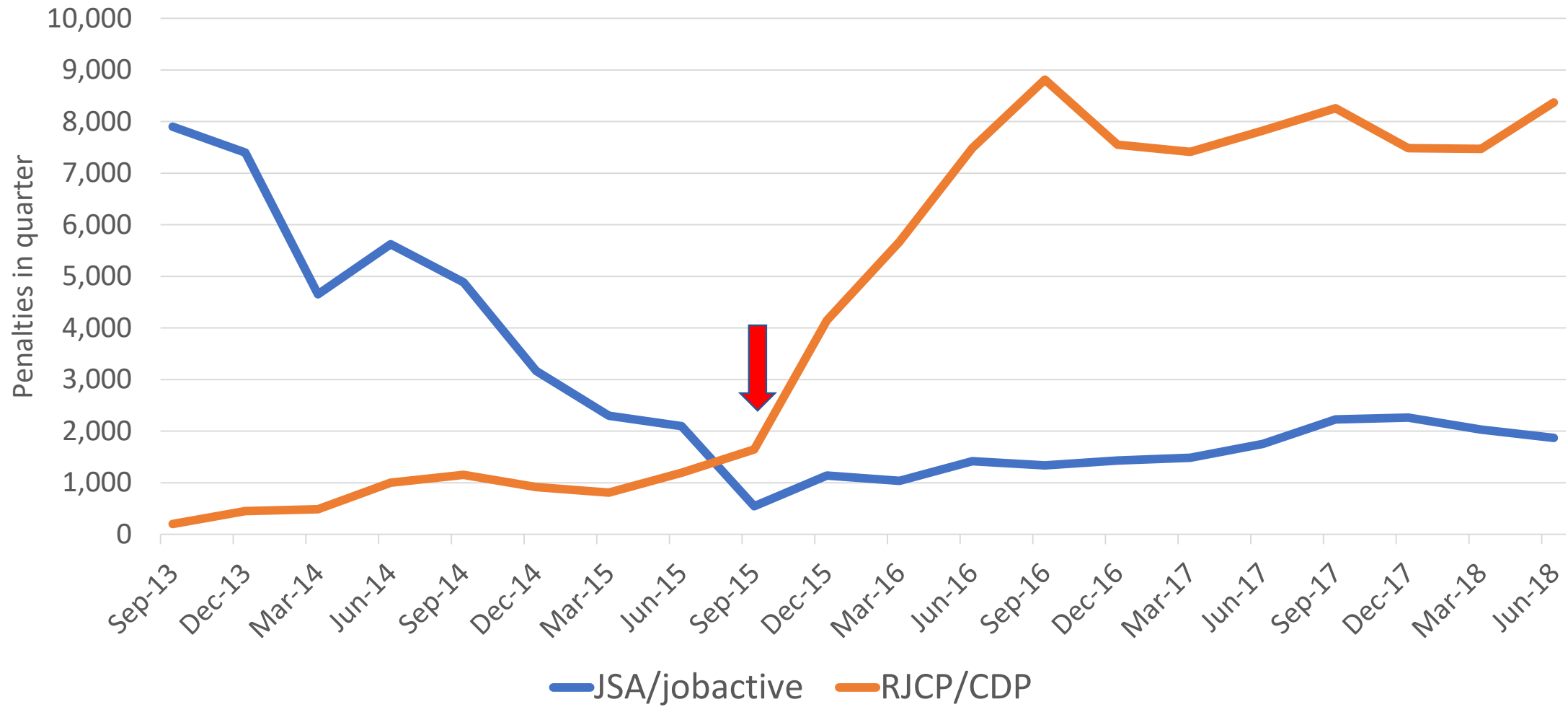


From PMC resource to communicate CDP changes to remote communities

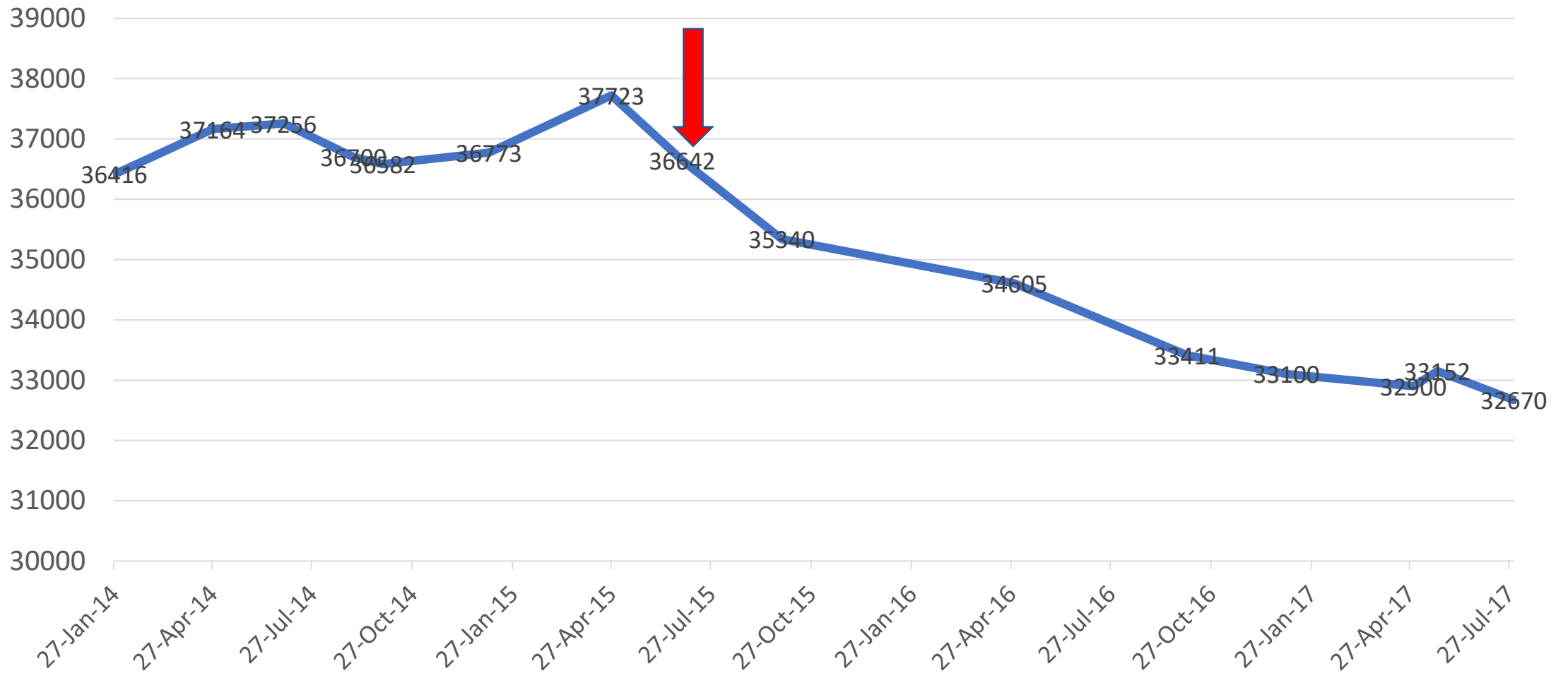
Less help, more hassle than mainstream

Community Development Program	Mainstream services (jobactive, DES, TTW, Youth Path)
Case management function – monthly appointments	Case management function - varies
Mandatory job search, usually 1 per month	Mandatory job search, up to 20 per month
Mandatory Work for the Dole, 20 hours per week (18-49 year olds) (920 hours per annum)*(new!)	Mandatory ‘activity requirement’ approx. 25 hours per week after 12 months unemployment for six months each year (650 hours per annum).
Can be required to do Work for the Dole in private sector workplaces, ‘real jobs’ (six months)	Youth PATH – internships up to 12 weeks, with \$100 additional payment pw, Work experience up to 4 weeks
Training only where directly related to employment or Work for the Dole activity	Training can be annual activity, training is outcome for Transition to Work, Employment Fund
	Specialist Disability Employment Services and youth services (TTW)

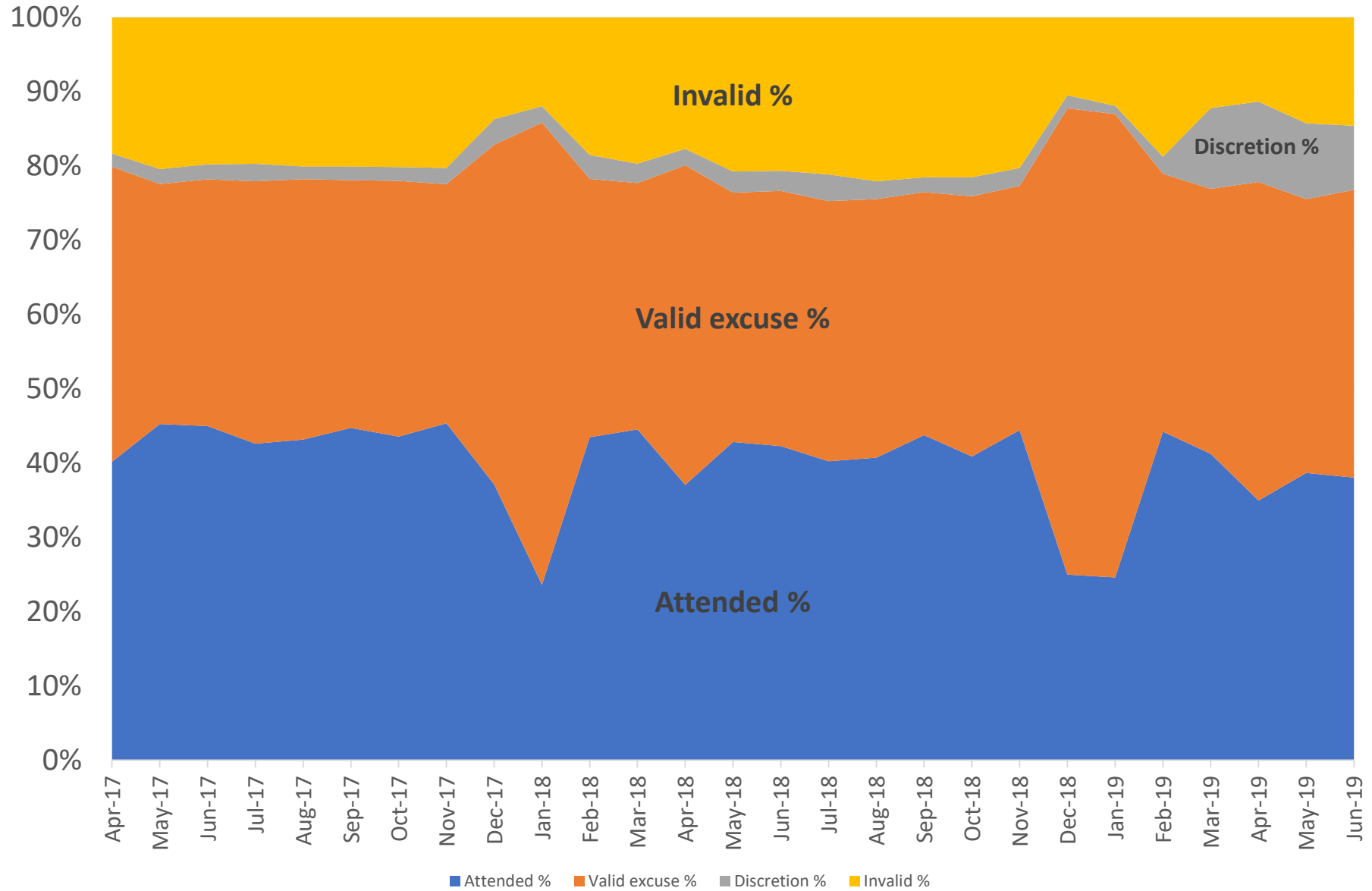
Serious (8 week) penalties for persistent non-compliance



Declining caseload



Trend in reported compliance



Works best for the 'easiest to place'

- 6.9% of participants in CDP had a 26 week outcome.
- 5.6% of those aged 15-25 had a 26 week outcome
- Estimated impact of 1%
- Mostly for short term unemployed

Anecdotal evidence of reduced labour market opportunities through access to free labour.

Launch of Fair Work Strong Communities



Ngaanyatjarraku Shire takes 'racist' job plan to AHRC

THE AUSTRALIAN

Ngaanyatjarraku Shire takes 'racist' job plan to AHRC



Ngaanyatjarraku Shire president Damian McLean in Warburton.

12:00AM October 4, 2016



Senator Sue Lines @linesue · 1d

Unions out in force before our Canberra CDP hearing. Much evidence about perverse incentives & punitive approaches not abt good jobs #auspol



First Nations Workers Alliance members

FAIR WORK AND STRONG COMMUNITIES:

Proposal for
a Remote
Development
and Employment
Scheme

Fair Work Strong Communities Alliance

Aboriginal Medical Services Alliance Northern Territory (AMSANT)
Arnhem Land Progress Association (ALPA)
Australian Council of Social Services (ACOSS)
Bawinanga Aboriginal Corporation
Bynoe Community Advancement Co-operative Society Limited
Central Desert Regional Council
Central Land Council
Centre for Appropriate Technology
East Arnhem Regional Council
East Kimberley Job Pathways
First Nations Network on Disability
Human Rights Law Centre
Ironbark Aboriginal Corporation
Jobs Australia
Julalikari Council Aboriginal Corporation
Kalano Community Association
Kullari Regional Communities Inc
Marra Worra Worra Aboriginal Corporation
National Aboriginal Community Controlled Health Organisation (NACCHO)
National Congress of Australia's First Peoples
National Social Security Rights Network (NSSRN)
Ngaanyatjarra Pitantjatjara Yankunytjatjara Women's Council
Ngurratjuta/Pmara Ntjarra Aboriginal Corporation
North Australian Aboriginal Justice Agency (NAAJA)
Northern Land Council
Northern Territory Council of Social Services (NTCOSS)
Oak Valley Aboriginal Corporation and Maralinga Tjaruta Inc
Scotdesco Aboriginal Corporation
Tangentyere Council Incorporated
Thamarrurr Development Corporation Limited
Tiwi Land Council
Tiwi Islands Training and Employment Board
West Arnhem Regional Council

MAY 2017

Prepared by the
Aboriginal Peak
Organisations NT*

Aboriginal Peak Organisations

Northern Territory

An Alliance of the CLC, NLG, CAALAS, NAAJA and AMSANT

Fair Work Strong Communities scheme

long term goals, not short term focus

- Increase the proportion of people in communities in work (or with income)
 - create new jobs (Remote Jobs Investment Fund)
 - get more locals into the work that is available, including by training
 - Stimulate new job creation
- Stabilise incomes and get the right assistance for those who have major problems
- Increase community involvement in decision making

Remote Jobs Investment Fund

- Funds for approx 10,500 part time jobs (or wage packages) to be created primarily in Indigenous organisations (about 30% of current caseload) + 1,500 youth jobs
- Adjusted if labour market conditions change
- Jobs created must be attached to real services and projects
- Funding covers 20 hours pw – can be ‘topped up’ from employer’s own funds
- Standard working conditions (including super)
- Retain access to part income support payment
- Training account

Costs/benefits of new jobs

- Net cost of jobs package (12,000 new jobs) = \$195.8m
- Potential offsets from more than \$300m currently spent on operational costs of CDP scheme

Day one results:

- poverty rate across CDP areas reduced from 22.7% to 20.1%
- Employment rate increases from 48.2% to 57.8% (employment rate gap reduces by one third)

Conclusion

- Hassle & help = more money spend on services, less going into peoples' pockets (eg Newstart = \$14,000 pa, CDP costs \$12,000 pa)
- Where there isn't work hassle and help focusses on hassle
- Direct investment in creating jobs in remote communities will arrest poverty and give people a real line of sight to work