

300,000 fines levied on participants in remote work-for-dole program

Analysis done by ANU shows Indigenous people are 27 times more likely to be penalised by loss of income than those on another similar program



Senator Nigel Scullion, minister for Indigenous affairs, at the launch of the Community Development Program in Milingimbi in 2015. Photograph: Dean Lewins/AAP

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15 July 2017

Participants in a work-for-the-dole program that overwhelmingly targets Indigenous people are 27 times more likely to be penalised by loss of income than those on another similar program, an analysis by the Australian National University has found.

In the 21 months since the Community Development Program (CDP) began in July 2015, almost 300,000 fines have been levied against its 35,000 participants.

The CDP program operates only in remote areas of New South Wales, Queensland, the Northern Territory, Western Australia and South Australia, and 83% of the participants are Aboriginal or Torres Strait Islander people.

The ANU researcher Lisa Fowkes found that during the same period, the 760,000 participants in the Jobactive program, which has a similar requirement for work-for-the-dole hours but does not operate in remote communities, received 237,333 penalties.

An additional analysis by Guardian Australia found that the CDP program received 854 penalties per 100 participants, while Jobactive received 31 penalties per 100 participants, making CDP participants 27.5 times more likely to be fined.

Fowkes, who has analysed each quarterly release of data on the program for the Australian National University's Centre for Aboriginal Economic Policy Research, said that the number of fines against CDP participants in March 2017 was the highest since the program began, belying the federal government's claims that it had achieved "transformative change".

Under the government's tough work-for-the-dole rules, people are docked one-tenth of their fortnightly welfare payment for every day of compulsory work that they do not attend.

In the March quarter, 46,090 "no show no pay" penalties were issued, along with 7,413 for "persistent non-compliance," levied against people who had failed to show up more than three times. The penalties for persistent non-compliance can be up to eight weeks without payments.

"I don't know why the government thinks it's reasonable, when operating in what they have conceded are the poorest communities in the country, to take away people's money," Fowkes said.

Participants in the CDP program are required to work 25 hours a week, over five days, to secure their fortnightly payment. In comparison, participants in the Jobactive program are required to work only 15 hours a week, for six months.

The total undocked payment is usually less than \$580, meaning participants work for little more than \$11 an hour, \$8 below minimum wage.

Fowkes said she knew of CDP participants who worked along council workers on a road crew, or alongside a construction crew on government projects, who refused to participate once they learned about the payment discrepancies.

The fines are contained within the welfare system, but Fowkes said they could affect the ability of participants to pay other fines, which could result in a loss of their driving licence or jail time.

The program has been criticised as discriminating against Indigenous people and doing more harm than good in remote communities. It is now the subject of an inquiry by the Senate committee and the Australian National Audit Office, and a complaint to the Human Rights Commission.

Fowkes said the scheme was discriminatory.

"I can't really follow how the minister for Indigenous affairs, who in theory has an interest in closing the gap, can stand by a scheme that is so clearly impoverishing the Indigenous community," she said. "It beggars belief."

A spokesman for the Indigenous affairs minister, Nigel Scullion, said the purpose of the penalties was to ensure compliance with the CDP scheme, and added that “while the number of penalties applied may appear large,” the amount of the individual penalties, and the number of people who received them, were “low”.

A Senate estimates hearing in 2016 found that in the first 12 months of the scheme, 20,409 people – or 58% of all CDP participants – were fined. Of these, 90% were Indigenous.

The spokesman said the overall program was a success, with 17,000 participants receiving job placements of which 5,500 lasted more than six months.

He also said it was “important we stop characterising penalties as a ‘punishment’,” adding that there were “strong protections in place to make sure penalties are only applied when they are warranted”.

Fowkes disputed that claim, saying the lack of services in remote communities meant it was difficult for people who ought to be excused from the full requirements of the scheme, for health or other reasons, to be adequately assessed.

The program is also set up so that providers receive only their per-participant fee if a CDP participant either does their day’s work, has a “valid excuse,” or is penalised for not-participating and re-engaged within two weeks.

“Penalising people for not complying with a discriminatory system has got problems in itself,” Fowkes said.

The government promised in May to review the scheme, but the details of that review have not been announced.

“If the government is confident that this is what Indigenous people want and it’s doing more good than harm, then they should subject it to an independent, Indigenous-led review,” Fowkes said.