

The origins of the Cape York Welfare Reform trial

The Cape York Reform Agenda

The Cape York Welfare Reform Project ultimately originates in Cape York leaders' and Elders' discussion of the deteriorating social and economic conditions in their communities. This new discourse was first publicly articulated by Noel Pearson in *Our Right to Take Responsibility*, published in 2000.

Following the Cape York Institute's inception in July 2004, the Institute undertook an in-depth analysis of the issues raised by Cape York leaders. During the Institute's first year fundamental issues were analysed, including the long-term [economic viability of remote communities](#) and capability deprivation as an explanation for disadvantage. On the basis of this work, a holistic framework for social and economic reform was formulated: the Cape York Agenda, which aims to ensure that "Cape York people have the capabilities to choose a life they have reason to value". Noel Pearson articulated the Cape York Agenda in a [speech at the National Press Club](#) in December 2005

Cape York Welfare Reform Project

The Institute's work spans several interrelated policy areas. It was obvious from the outset that the best way to advance the Cape York Agenda would be to organise a well defined and rigorously lead welfare reform project, which would constitute the centrepiece of the Institute's work.

The Institute has been leading the overall effort supported by the Australian and Queensland Governments. The Cape York Welfare Reform Project started in earnest in June 2006 when the Australian Government committed \$3 million to the project.

The Cape York Reform Agenda explores uncharted territory such as management of welfare payments. At the first stage of the welfare reform process, the validity of the new theory is being tested in a pilot limited to four of Cape York's 15 discrete communities, which expressed interest in welfare reform at an early stage.

The participating communities of Aurukun, Coen, Hope Vale and Mossman Gorge constitute a representative sample of indigenous communities in terms of population size, degree of remoteness and retention of traditional indigenous culture. It is therefore expected that the results of the trial will correctly predict the probable outcome of a future roll-out of welfare reform across the whole Cape York region.

The Welfare Reform Project included a design component and a community engagement component. A Community Engagement team engaged leaders and community members in a dialogue around social norms and payment reform. Eight engagement staff (two staff were based in each community) were appointed to work with leaders and individuals to ensure community involvement in the project's design. In late 2007, after a 12 month Community Engagement Process, the communities of Aurukun, Coen, Hope Vale and Mossman Gorge each gave their final agreement to participate in the Welfare Reform trial.

In parallel with the community engagement process, the Institute's Cairns-based staff continued the research and policy design work. The results of the community

consultation efforts and the policy development were reported to the Australian Government in two comprehensive documents in 2007. These two reports constitute the key deliverables of the Cape York Welfare Reform Project.

First report – ‘From Hand Out to Hand Up: Design Recommendations’

In June 2007, the Institute delivered the first design report of the Cape York Welfare Reform Project, titled [*From Hand Out to Hand Up: Design Recommendations*](#) (see also [Australian Government media release: Government receives Cape York Institute welfare report](#)). The report contained the following key recommendations.

- Attach four obligations to welfare payments, requiring that:
 - Each adult who receives welfare payments with respect to a child should be required to ensure that the child maintains a 100 percent attendance record;
 - All adults must not cause or allow children to be neglected or abused;
 - All adults must not commit drug, alcohol, gambling or family violence offences; and
 - All adults must abide by conditions related to their tenancy in public housing.
- Establish a ‘Family Responsibilities Commission’ – chaired by a retired Magistrate and consisting of respected members of the Welfare Reform communities – to enforce and support the obligations, with four main options:
 - Issue a warning to the individual;
 - Direct individuals to attend support services;
 - Determine that all or part of the welfare payments to which an individual is entitled should be redirected to conditional income management; or
 - Determine that all or part of the welfare payments to which an individual is entitled should be redirected to another adult who is caring for the individual’s children.
- Reform CDEP to encourage people off welfare and into jobs, and create further opportunities for mobility and job creation.
- Introduce education initiatives focused on literacy at primary schools and supporting children to attend boarding schools at secondary level.
- Normalise tenancy arrangements and provide home ownership opportunities.

Noel Pearson further explained the design of Welfare Reform, including its relationship to the Northern Territory intervention and the need for better protection of children in Indigenous communities, on the 7.30 Report ([Pearson explains plan to overhaul Aboriginal welfare](#)) and Lateline ([Noel Pearson discusses the issues faced by](#)

[Indigenous communities](#)). Four Corners also devoted an episode to the project, titled [The Cape Experiment](#).

In July 2007, the Australian Government announced that it would implement the welfare reform trials proposed in the report ([Cape York welfare reform trials to begin in 2008](#)).

In August 2007, key Australian Government legislation to enable the reforms received royal assent ([Social Security and Other Legislation Amendment \(Welfare Payment Reform\) Act 2007 \(Cth\)](#)).

Second report – From Hand Out to Hand Up: Volume 2

In November 2007, the Institute delivered [From Hand Out to Hand Up: Volume 2](#). This report contains a complete statement of the Institute's recommendations, and greater detail in several key reform areas, including housing, education, supports and evaluation. It also discusses the data collected during the Community Engagement Process. There is also important policy detail in the *Design Recommendations Report* that is not reprinted in *From Hand Out to Hand Up: Volume 2* and should be read in tandem with this report.

Government responses to the Institute's recommendations

The Australian Government responded to the *Design Recommendations Report* by passing the *Social Security and Other Legislation Amendment (Welfare Payment Reform) Act 2007 (Cth)*. This enabled the implementation of the recommendations made in relation to the Family Responsibilities Commission (FRC) and conditional income management.

The Australian Government also responded to the *Design Recommendations Report* by announcing \$48 million of funding to support a Welfare Reform trial in Cape York. This funding commitment includes:

- Reforms to Indigenous employment services and programs to enhance incentives to take up real jobs, education or training, improve work readiness and people's capacity to find work both within and outside their communities.
- The creation of 40 Australian Government jobs in service delivery by converting existing CDEP positions into real jobs.
- Funding for programs to improve literacy, assisting parents contributing to their children's education and the introduction of changes to ABSTUDY allowing eligible students to study at boarding school.
- Boosting local job creation through infrastructure and support required for self-employment opportunities and the development of small businesses.
- Funding for Pride of Place and an expansion of the Family Income Management program, which has been operating for several years in Cape York Communities including the four trial communities.

- A contribution to the cost of case managers, specialist services and conditional income management for individuals referred to the FRC.

On 11 October 2007 the Premier of Queensland made a commitment to “find a way to restore social norms in [remote Indigenous] communities, to change dysfunctional behaviours, to ensure the safety and wellbeing of families, to ensure that children are going to school and to build local capacity to make sure that there are real opportunities for employment and economic development.” ([click here to read the Premier’s full speech](#)) In December 2007, at a joint press conference held by Premier Anna Bligh and Minister Jenny Macklin, both the Australian and Queensland Governments committed to work together to implement the key reform recommended in the Institute’s reports, the FRC (see [Australian Government press release](#), [Queensland Government press release](#)).

In March 2008, the Queensland Government passed legislation to create the Family Responsibilities Commission (see [Parliament passes historic Family Responsibility Commission legislation – welfare reform trial ready to begin](#) and the [Family Responsibilities Commission Act 2008 \(Qld\)](#)). The Family Responsibilities Commission commenced operations on 1 July 2008.