

## **CDEP: Help or Hindrance?**

The Community Development Employment Program  
and its Impact on Indigenous Australians

Sara Hudson

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CIS Policy Monograph 86



**2008**

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Hudson, Sara, 1974—

CDEP : help or hindrance? : the Community Development Employment Program and its impact on indigenous Australians / Sara Hudson.

1st ed.

ISBN: 9781864322125 (pbk.)

Series: CIS policy monographs ; 86.

1. Community Development Employment Projects (Australia)
2. Aboriginal Australians—Training of.
3. Aboriginal Australians—Employment.

331.699915

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## Executive Summary

The Community Development Employment Projects (CDEP) program was established in 1977 to replace the unemployment benefits for Aborigines and Torres Strait Islanders living in remote areas. It aimed to provide work and on-the-job training, and to develop the culture and economies of Indigenous communities. But despite its good intentions, CDEP's evolution has hindered rather than helped Indigenous people. At the program's heart is the notion that Indigenous Australians are not capable of holding mainstream employment.

Instead of being a transition to real work, CDEP is an obstacle to employment. Only around 5% of CDEP participants move to mainstream jobs.

CDEP payments are combined with other forms of income assistance such as Newstart Allowance and Parenting Payment. A single mother with six children receiving CDEP for home duties plus welfare can receive nearly \$2,000 a fortnight. These payments create a 'welfare pedestal' which prevents participants from considering study, training, or work opportunities.

Participants are paid for doing housework, mowing their own lawns, attending funerals, and for doing nothing at all. Consequently, Indigenous people regard CDEP pay contemptuously as 'sit down' money.

If CDEP is excluded from employment figures, after thirty years of the CDEP program, the percentage of Indigenous people in 'real' employment in ghetto, fringe, and remote areas is only 17%.

CDEP has hidden the crisis in Indigenous education. CDEP participants do not need to know how to read and write, and CDEP training does not qualify them for mainstream jobs. So-called vocational certificates are awarded to participants unable to read, write, or count.

Most Aborigines and Torres Strait Islanders, even in remote areas, are located within commuting distance of work in retail, tourism, agriculture, and mining. They cannot access these jobs because they are not literate or numerate, and lack post-school vocational training.

Many people have vested interests in maintaining the status quo:

- CDEP has enabled territory and state governments to abdicate responsibility for providing local government, health, education, and policing services.
- CDEP has encouraged Indigenous organisations to expand their bureaucratic structures to service CDEP and associated activities, rather than stimulating a transition to employment.
- CDEP has enabled some communal enterprises to appear to succeed by subsidising them through the payment of wages and capital grants.

The part that CDEP has played in keeping Indigenous people out of mainstream employment must be addressed if the cycle of Indigenous joblessness, welfare dependence, and family and community dysfunction is to end.

### The way forward

The Australian government is currently considering the future of CDEP and Indigenous employment programs as part of a new strategy for Indigenous economic development. Among the range of proposals for reforming CDEP is the idea that CDEP wages should be paid through Centrelink, with participants required to meet the same obligations as other income support participants. This is an important measure to prevent 'double dipping' and to enforce 'no work, no pay' rules. Here are the standards that should set the foundation for reform and support these changes to CDEP:

- Indigenous people must be educated to mainstream standards so they can access jobs.
- Indigenous people doing real work should be paid real wages. Jobs in government or local councils should be properly funded, and paid for by the relevant government departments or agencies.
- Private property rights, particularly secure land tenure, are essential to encourage businesses and employment.

No one ever got anywhere by having low expectations. It is time to stop thinking that CDEP is the only form of employment for Indigenous people living in remote communities.

I would like to thank Helen Hughes for her support, guidance, and helpful contributions; Benjamin Hourigan for all his efforts in editing; and the referees who reviewed this paper. Any remaining errors or omissions are my responsibility.

# CDEP: Help or Hindrance? The Community Development Employment Program and its Impact on Indigenous Australians

## Introduction

Established more than thirty years ago, the Community Development Employment Projects (CDEP) program has expanded to range from substituting for local government services to offering payment for housework and attendance at funerals. Despite a fall in participation, CDEP expenditure has continued to rise, to more than \$550 million a year in 2006–07.

Participants often regard CDEP jobs contemptuously as providing ‘sit down’ money for little work. Often, these ‘jobs’ do not even require attendance. Instead of being a transition to real work, CDEP is increasingly acting as an obstacle to employment. In response to mounting criticism of the scheme, the Howard Government decided to move CDEP recipients in urban and regional labour markets to mainstream employment programs from 1 July 2007. These Aborigines and Torres Strait Islanders were now to receive the same welfare and unemployment benefits and be subject to the same mutual obligation responsibilities as other Australians.

In the Northern Territory, the federal ‘intervention’ was to see CDEP reformed, moving unemployed men and women into full-time mainstream jobs. But, on 10 December 2007, Jenny Macklin, the Rudd government’s minister for families, housing, community services, and Indigenous affairs, placed a moratorium on changes to CDEP in the Northern Territory, promising to modify the scheme in different ways.<sup>4</sup> In April this year, Macklin announced that CDEP would be reinstated in the Northern Territory, and that any changes to the scheme would not be introduced until 1 July 2009.<sup>5</sup>

In the meantime, the government has released a discussion paper on the future of CDEP and the Indigenous Employment Program, as a first step in the development of the Indigenous Economic Development Strategy.<sup>6</sup> In that discussion paper, the commonwealth government admits that CDEP has its failings. Too many young people in remote areas see CDEP as their only future. People on CDEP are treated differently to income support recipients. CDEP has a ‘no work, no pay’ rule, but not all CDEP providers enforce it. CDEP has masked the costs of essential service delivery across three levels of government.

## CDEP’s evolving objectives

When Aborigines and Torres Strait Islanders became eligible to receive social security in the mid-1970s, it quickly became evident that the result of poor education combined with readily available welfare payments was high levels of unemployment and welfare dependence. These had devastating social effects on Indigenous families and communities.<sup>7</sup>

Unemployment relief payments soon became known as ‘sit down’ money, the implication being that they discouraged movement to jobs. A commonwealth Interdepartmental Working Group concluded in July 1977 that the combination of joblessness<sup>8</sup> and welfare was responsible for a high incidence of alcoholism and associated violence in remote communities.<sup>9</sup> In 1977, a third of the Indigenous labour force, some 12,218 Indigenous men and women, was registered as unemployed. The Indigenous unemployment rate was six times that for Australia as a whole.<sup>10</sup> CDEP was therefore introduced in 1977 in Bamyili, a remote Indigenous community in the Northern Territory, as an alternative to unemployment benefit payments and as an instrument of community development.<sup>11</sup> Table 1 (overleaf) summarises the principal changes to and reviews of CDEP during the last thirty years.

The original objectives of CDEP were to

- provide employment opportunities
- provide activities that would combat social problems in Indigenous communities
- maximise the Indigenous communities’ ability to mobilise their workforce<sup>12</sup>

**Table 1:** Principal changes to CDEP 1977–2007

1977	CDEP is initiated in Bamylili in the Northern Territory, as an alternative to unemployment benefits in remote communities, by the Department of Aboriginal Affairs.
1986–87	CDEP becomes part of the Aboriginal Employment Development Policy (AEDP) and expands to cover Indigenous urban and regional communities.
1990	ATSIC is established.
1991	The Royal Commission into Aboriginal Deaths in Custody recommends expansion and enhancement of the CDEP scheme.
1994	Responsibility for CDEP is given to ATSIC Regional Councils.
1995	Commonwealth Interdepartmental Committee notes that CDEP participants could not access tax rebates, Rent Assistance, Health Care Cards, and other concessions.
1996	When the Howard government comes to office in 1996, ATSIC's overall funding is reduced and large proportions of ATSIC's budget are quarantined. The government stops the allocation of new CDEP places, and cuts capital and recurrent funding by 12% for communities with more than 150 participants.
1997	The Spicer CDEP review concludes that at least a third of CDEP participants did no work.
1999	A new benefit, CDEP Participant Supplement, is introduced to give CDEP participants access to Centrelink benefits. All income-support recipients (except full-time students and sickness beneficiaries) are also given access to the CDEP scheme.
1 July 2004	ATSIC is disbanded and the Office of Indigenous Policy Coordination is established in the Department of Immigration, Multicultural and Indigenous Affairs, to coordinate commonwealth Indigenous policies. Responsibility for CDEP is transferred to the commonwealth Department of Employment and Workplace Relations (DEWR). The commonwealth Department of Immigration and Multicultural and Indigenous Affairs was given the responsibility of coordinating federal Indigenous policy development and service delivery.
2005	DEWR releases its first discussion paper on CDEP, <i>Building on Success</i> . It receives more than a hundred written submissions in response.
January 2006	The Office of Indigenous Policy Coordination moves to the Family and Community Services (FaCS) portfolio because of potential synergies with other FaCS programs. The portfolio is renamed Families, Community Services and Indigenous Affairs. Mal Brough becomes minister for families, community services and Indigenous affairs.
2006	DEWR releases its second discussion paper on CDEP, <i>Indigenous Potential Meets Economic Opportunity</i> . More than seventy submissions are received in response.
1 July 2007	Funding for CDEP in urban and major regional areas ends. Additional funding is made available for Structured Training Employment Projects (STEP) brokers in urban and regional areas. Indigenous Employment Centres are replaced by the Job Network. A twenty-six-week CDEP placement incentive payment is introduced for providers who place participants in long-term work.
Sep.–Nov. 2007	Between September and November 2007, CDEP participants in some Northern Territory communities are assisted to move from the CDEP program into work or onto income support, as part of the Northern Territory Emergency Response.
10 December 2007	Responsibility for administration of CDEP is transferred to the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA). The new minister for Indigenous affairs, Jenny Macklin, announces a moratorium on the dismantling of CDEP in the Northern Territory.

Source: ATSIC<sup>20</sup>



From the beginning, it was expected that CDEP would be used to provide employment in town management activities.<sup>13</sup> In many remote areas, especially in homeland communities, CDEP became the main provider of local government services. CDEP began to be used to fund administrative positions in local government offices; construction and maintenance of roads, parks, and gardens; rubbish collection; and the operation of water treatment and sewerage plants.<sup>14</sup> Teachers' aides, health workers, child care and aged-care workers, and carers in women's and children's shelters and in drug and alcohol abuse rehabilitation centres were also employed on CDEP funding. Yet many of these positions were only notional, because many of these teachers' aides were not fully literate, and the safe houses and aged-care and respite facilities were not provided.<sup>15</sup>

Early ideas about the types of activities that would aid community development included the establishment of gardens and tree plantations (for firewood, shade, construction, fruit, nuts, and so on), care of poultry and other domesticated livestock, and camel hunting and husbandry.<sup>16</sup> To spread the benefits of CDEP, and to enable more people to participate in the scheme, CDEP organisations rationed participation by only providing part-time work (generally fifteen or sixteen hours a week) for each participant.<sup>17</sup>

Key changes to CDEP came with the establishment of the Aboriginal and Torres Strait Islander Commission (ATSIC) and the extension of the scheme to mainstream labour markets in urban and regional areas, where mainstream programs to assist unemployed men and women were already in place. Emphasis was placed on CDEP as a transition-to-work program rather than just a work-for-the-dole scheme. CDEP was envisaged as providing participants with the opportunity to learn a variety of practical skills and to acquire work experience. Informal 'on-the-job' training was intended to teach people task-specific and technical vocational skills, along with the generic skills of timekeeping, hard work, and getting along with others, which are associated with employment.<sup>18</sup> Some CDEP participants were also provided with formal training. In the Northern Territory, this evolved into a vocational training program for remote areas in hospitality, retail, construction, welding, business administration, and other areas, with 'certificates' awarded on completion of the course.<sup>19</sup>

In 2003, Aboriginal and Torres Strait Islander Services (ATSIS) classified CDEP activities into three categories, depending on whether they offered 'improvements to social and physical wellbeing,' 'economic development,' or 'promotion of cultural authority' (see table 2).<sup>21</sup>

**Table 2:** Number of CDEP activities by output group and type of work 2003

Output group	Type of work	Number of activities
Improvements to social and physical well-being	Community infrastructure development	100
	Municipal services	125
	Sport and recreation activities	75
	Prevention and diversion projects	150
	Home and Community Care (HACC) activities	100
	<b>Total</b>	<b>550</b>
Economic development	<b>Business development and assistance (Total)</b>	<b>460</b>
Promotion of cultural authority	Art and craft projects	150
	Broadcasting projects	45
	Cultural maintenance	400
	<b>Total</b>	<b>595</b>

Source: ATSIS<sup>22</sup>

The range of activities or 'types of work' offered included 'cultural maintenance,' which meant that CDEP participants were paid to attend cultural ceremonies, engage in the maintenance and promotion of Indigenous languages, participate in painting and craft activities, and attend lengthy

funerals (generally at the rate of \$15 an hour for four hours a day).<sup>23</sup> An ATSIIC evaluation found that three out of every five CDEP organisations paid people for home duties and mowing their own lawns.<sup>24</sup>

Following rising criticism of CDEP as ‘sit down’ money, the Howard Government ceased allocating new CDEP places and cut capital and recurrent funding to the program. But after complaints to the Human Rights and Equal Opportunity Commission that CDEP participants were denied access to benefits and tax rebates other low-income earners could receive, changes were made to the *Social Security Act* and *Income Tax Act* in 1999.<sup>25</sup> Participants were given access to Centrelink benefits and a new benefit known as CDEP Participation Supplements (CPS) was introduced. CPS provides participants with an additional small payment of \$10.40 a week, ostensibly to offset the ‘costs’ of participating in the program and to ensure that CDEP

**CDEP ‘had been an abysmal failure’ in moving people off benefits and into mainstream work.**

participants do not receive less than people on unemployment benefits.<sup>26</sup> Centrelink counts CDEP participants who receive CPS as unemployed.<sup>27</sup> At the same time, CDEP payments are treated the same as any other employment income, and are defined by Centrelink as CDEP ‘wages.’<sup>28</sup> This means that CDEP participants can receive income support from Centrelink in addition to the payments they receive from participating in CDEP.

CDEP participants may also obtain additional ‘top-up’ payments if they work for more than the average fifteen or sixteen hours a week. If CDEP participants receive top-up money, they must pay tax and are eligible for superannuation.<sup>29</sup> Only CDEP participants who receive ‘top-up’ or non-CDEP wages must pay tax. The Australian Tax Office explains, ‘You are not required to withhold amounts from payments made to workers who only receive CDEP payments. The Tax Office has varied the amount required to be withheld to nil because these workers will be entitled to a tax offset for tax payable on the CDEP component.’<sup>30</sup>

Many CDEP organisations are clearly confused by the tax laws, and a number incorrectly treat CDEP ‘top-up’ wages as tax-exempt.<sup>31</sup>

By 2001, CDEP had evolved to encompass such a broad a range of features that the ATSIIC Social Justice Commissioner described it as

an employment program, a form of income and a form of welfare benefits, a source of training or skilling, community development, a transition to employment in the mainstream labour market, a substitute provider of essential services, a source of community cohesion and cultural maintenance, an Indigenous initiative and even a form of self-determination.<sup>32</sup>

Increasing concern about the mounting numbers of CDEP participants, particularly in areas experiencing labour shortages, were accompanied by criticisms of the CDEP program’s lack of effectiveness in bringing Indigenous men and women into the labour force. In 2001, Peter Shergold, then secretary of the Department of Employment, Workplace Relations and Small Business, argued that CDEP ‘had been an abysmal failure’ in moving people off benefits and into mainstream work.<sup>33</sup>

When the Department of Employment and Workplace Relations (DEWR) took over the administration of CDEP from ATSIIC, it began to review CDEP’s role in the context of overall employment trends. CDEP was found to have no role in areas where mainstream labour programs were operating to assist unemployed workers to access jobs. As a result, CDEP funding was abolished for cities and regional centres from 1 July 2007. In remote Australia, CDEP was to be transformed into an employment scheme, with CDEP workers in real jobs being transferred to full-time work paid for by local government, education, and health departments. Some steps in this direction began to be taken in the Northern Territory with the commonwealth government’s ‘intervention.’ Though the Rudd government has recently reinstated CDEP in the Northern Territory, funding has been provided to allow CDEP teachers’ aides in schools to be transferred to the Northern Territory Education Department’s payroll.<sup>34</sup>

Recent CDEP guidelines (2006–07) emphasise that CDEP should be a temporary measure and provide a ‘stepping stone’ to employment. The Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) sees CDEP as a means of achieving economic independence.<sup>35</sup> Key performance indicators for CDEP organisations are based on placing CDEP participants into non-CDEP employment, business development, and community activities. The goal is to move participants into non-CDEP employment, provide activities that have a relationship to community priorities (and wherever possible improve participants’ employability), and help to create commercially viable businesses that can provide non-CDEP jobs.<sup>36</sup>

CDEP organisations are expected to identify commercially viable activities, or contracting opportunities that could become viable businesses, and that could create employment outside CDEP. For those activities that have been identified as commercially viable, CDEP organisations must submit a business case and ensure that the business is operated by a separate legal entity.<sup>37</sup> CDEP labour can be contracted to the business, and CDEP funding utilised to help pay wages, under a host agreement for a specified period of up to twelve months. Communal enterprises or businesses established include nurseries, vineyards, retail dress shops, garment production workshops, poultry farms, tourist shops, and tourism ventures.<sup>38</sup>

CDEP organisations may also place participants with an external or host employer to provide work experience, training, and employment opportunities. The objective of these placements is to put participants in employment outside CDEP, without subsidies. Placements with host employers must be time-limited, and must be no longer than a year.<sup>39</sup> Participants work for a variety of host employers, including schools, kindergartens, meatworks, general businesses, Indigenous agencies, supermarkets, shops, and local stores.<sup>40</sup> To encourage CDEP organisations to place participants in mainstream employment, CDEP Placement Incentives were introduced. When a CDEP participant obtains ongoing work of at least fifteen hours per week and has completed thirteen weeks in the job, the CDEP organisation is paid \$2,200.<sup>41</sup>

## **CDEP coverage and the Indigenous labour force**

CDEP funding was at first notionally linked to unemployment benefits and administered by the Department of Aboriginal Affairs. Payments were channelled to CDEP participants through Aboriginal community organisations for remote communities.<sup>42</sup> ATSIC administered CDEP through Regional Councils that continued to distribute funds to community organisations that played the role of or substituted for local government in remote Australia. In cities and regional areas with well-established labour markets, existing Indigenous organisations such as those dealing with Indigenous housing distributed CDEP funds, but a number of organisations were created specifically to administer CDEP (see table 3). These included Darwin Regional CDEP Incorporated, Hedland CDEP Aboriginal Corporation, and Cobowra CDEP Aboriginal Corporation.<sup>43</sup>

ATSIC Regional Councils allocated CDEP funds, and various Indigenous organisations determined how funding was distributed amongst their constituent communities and which capital works were to be funded. Sometimes, these organisations even chose the individuals to be funded, alone or in consultation with their constituent communities. A number of CDEP organisations have multiple contracts, known as Program Funding Agreements, and service different regions and states.<sup>45</sup> Some CDEP programs are contracted to private-sector providers, adding another group of administrators.<sup>46</sup>

CDEP’s multilayered administration incurs high costs. Although CDEP has been described as a low-cost means of providing employment, this has largely been because CDEP wages are low.<sup>47</sup> In 2003–04, administrative costs were 23% (\$119 million) of CDEP’s annual budget of \$519 million.<sup>48</sup> The expansion of the CDEP scheme in the 1980s, to include urban and regional communities, resulted in a rapid growth in the number of CDEP organisations, participants, and expenditure. Since 2003, when ATSIC was abolished, the number of CDEP organisations and participants has gradually decreased but annual expenditure has continued to rise. Despite the Howard government cutting funding to CDEP in urban and regional areas, thirty-one of the current 153 CDEP organisations are in NSW,<sup>49</sup> with many located in or near mainstream labour markets.<sup>50</sup>

**Table 3:** CDEP organisations, participants and, expenditure

Year	Number of CDEP organisations	Number of participants	CDEP expenditure (\$ million)
1976–77	1	100	0.1
1977–78	10	500	2.0
1978–79	12	800	2.9
1979–80	17	700	3.8
1980–81	18	1,300	6.9
1981–82	18	1,300	7.0
1982–83	18	1,300	7.4
1983–84	32	1,700	14.2
1984–85	33	2,900	23.5
1985–86	38	4,000	27.2
1986–87	63	6,000	39.5
1987–88	92	7,600	65.5
1988–89	130	10,800	98.8
1989–90	166	13,800	133.2
1990–91	168	18,100	193.1
1991–92	185	20,100	204.5
1992–93	186	19,900	234.4
1993–94	222	24,100	251.9
1994–95	252	27,000	278.3
1995–96	274	28,400	310.5
1996–97	268	30,100	327.6
1997–98*	254	30,300	374.2
1998–99	265	31,900	380.1
1999–00	262	30,600	390.0
2000–01	270	32,600	437.0
2001–02	270	34,200	445.0
2002–03	272	35,200	484.4
2003–04	N/A†	N/A	519 (budget)
2004–05	225	34,775	550
2005–06	220 (approx.)	34,791	536
2006–07	212	30,768	556.9
2008	153	N/A	N/A

\* CDEP in the Torres Strait was no longer included as the Torres Strait Regional Authority was no longer included in ATSI budget and reporting framework.

† Figures for 2003–04 could not be found. This could be explained by the fact that ATSI (the agency responsible for administering CDEP) was disbanded in 2004.

**Source:** Commonwealth of Australia<sup>44</sup>

CDEP distorts Indigenous labour-force participation figures. For statistical purposes, the Australian Bureau of Statistics (ABS) initially classified CDEP participants as ‘employed’ because they voluntarily gave up unemployment benefits.<sup>52</sup> But though voluntarily forgoing unemployment benefits was once a key component of the CDEP scheme, it is no longer so. Due to changes to the *Social Security Act* in 2000, CDEP participants are now able to access Newstart Allowance (or other income support) in addition to their CDEP payments.<sup>53</sup> What is more, many CDEP activities resemble those undertaken by participants in work-for-the-dole schemes, which the ABS does not count as employment.

Table 4 shows that though Indigenous labour force participation has been rising, it is still little more than 50%, and considerably below non-Indigenous labour force participation. Those employed as a share of the total population aged 15–64 gives a more accurate picture of employment.

While Indigenous employment has also increased, by 2006 only 34% of the Indigenous population aged 15–64 were employed, compared to 67% for the non-Indigenous population. But even this masks the situation in remote, fringe, and ghetto areas, because it averages employment trends across all Aboriginal and Torres Strait Islanders, and includes those who live in the open society where their labour-force and employment participation are similar to mainstream Australians. If Indigenous employees living in the open society are removed from the equation, the percentage of Indigenous people aged 15–64 that are employed falls to 17%.<sup>54</sup> This roughly tallies with the estimated Indigenous unemployment rate in remote Northern Territory communities of 75%.<sup>55</sup>

**Table 4:** Labour force participation 1996–2006

	1996	2001	2006
Indigenous employed (including CDEP)	82,347	100,388	121,540
Indigenous employed (excluding CDEP)	53,947	67,738	86,749
Indigenous labour force	106,580	125,437	144,080
Indigenous population aged 15–64	211,574	249,073	253,466
In the labour force, Indigenous	50%	50%	57%
In the labour force, non-Indigenous	63%	63%	71%
Indigenous employed (including CDEP) as a percentage of the labour force	77%	80%	84%
Non-Indigenous employed as a percentage of the labour force	91%	93%	95%
Indigenous employed (not including CDEP) as a percentage of the labour force	50%	54%	60%
Indigenous employed (including CDEP) as a percentage of the total population aged 15–64	39%	40%	48%
Indigenous employed (not including CDEP) as a percentage of the total population aged 15–64	25%	27%	34%
Non-Indigenous employed as a percentage of the total population aged 15–64	51%	59%	67%

**Source:** ABS census 1991, 1996, 2001, and 2006<sup>51</sup>

National Aboriginal and Torres Strait Islander Social Survey (NATSISS) data of usual weekly hours worked showed that a large proportion of CDEP participants (68–72%) worked less than twenty-five hours per week (table 5).<sup>56</sup>

**Table 5:** Usual weekly work hours of CDEP participants by region 2002 (% within range)

Usual work hours	Non-remote %	Remote %	Very remote %
1–15	36.4	15.6	10.4
16–24	31.9	53.3	61.4
25–34	12.8	10.8	9.6
35+	18.9	20.3	18.0

**Source:** Jon Altman, Matthew Gray, and Robert Levitus<sup>57</sup>

The ABS reported in 2006 that compared with all employed Indigenous people, CDEP participants were twice as likely to work part-time (75% compared with 39%).<sup>58</sup> The Cape York Policy Institute estimated that on average most CDEP participants only worked fifteen hours a week over two or three days.<sup>59</sup> Not only is the working week short, but in many communities payday are staggered to ensure that recipients get some payment every Thursday, so Friday can begin a weekend of ‘recreation.’ Friday is not seen as a working day. Indigenous census enumerators engaged in the 2006 census were only prepared to work Monday to Thursday.<sup>60</sup> On Fridays, children in Aurukun do not go to school, and parents do not work, choosing instead to gamble their CDEP money and ‘child money’ (Family Tax Benefit) on card games.<sup>61</sup>

## CDEP remuneration

The 2006–07 CDEP guidelines state that relevant Australian pay and classification scales or awards systems should be used to calculate a CDEP participant's hourly rate of pay, and that this should be based on the activity the participant is engaged in.<sup>62</sup> But most CDEP organisations pay a flat rate regardless of the type of work being done.<sup>63</sup>

It is difficult to calculate either hourly payments or average incomes for CDEP participants. Hours reflect the rationing of available funding rather than job requirements. A participant's wage will not necessarily reflect the CDEP wage rate. Individuals can be paid more or less depending on how many hours they work and whether they receive 'top-up,' which can vary from week to week.<sup>64</sup> But a typical working week for most participants is fifteen hours, which translates into \$16.39 per hour. This is higher than the minimum wage and pay for apprentice carpenters (table 6).

**Table 6:** Hourly pay rates by work type (\$)

	16–17	18	19	20	21
CDEP Youth	12.46	12.46	12.46	12.46	12.46
CDEP Adult	16.39	16.39	16.39	16.39	16.39
Queensland minimum wage	7.29	8.62	9.94	11.27	13.26
Apprentice carpenter	9.25	10.85	12.94	15.41	17.71
Comalco traineeship	14.66	14.66	18.97	20.53	23.37

**Source:** Cape York Institute<sup>65</sup>

CDEP participants must not earn more than \$23,492 per year, and their partners must not earn more than \$46,984.<sup>66</sup> In practice, the level to which this earning cap is enforced is debatable. It is unclear if many CDEP participants know about it and if CDEP organisations apply the test.<sup>67</sup> Even if CDEP participants have been found to earn more, unlike Centrelink customers they are rarely required to pay it back.<sup>68</sup>

### How much does a person on CDEP earn?

The adult CDEP rate for 2006–07 was \$235.41 per week.

All CDEP participants were also entitled to a CDEP Participant Supplement of \$10.40 per week.

The maximum fortnightly rate of Northern Territory CDEP transition payments, which included 'top-up' wages and any other income support participants may have been receiving, was \$794.80.

**Source:** Centrelink, 'What You Need to Know About CDEP.' Figures for 2007–08 have not been made available.

### *The welfare pedestal*

The Cape York Institute's studies have led it to conclude that although CDEP was intended to be a stepping stone to a real job, in reality it has become a permanent destination.<sup>69</sup> The barriers to moving to mainstream employment lie in the relatively high incomes that can be secured through a combination of CDEP and welfare payments. Because Centrelink treats CDEP as employment, CDEP participants can combine their CDEP payments with other forms of income assistance, such as Newstart Allowance and Parenting Payment. Figure 1 illustrates how CDEP combined with Family Tax Benefit and income support payments can add up to a 'welfare pedestal.'<sup>70</sup>

A single mother with six children can receive nearly \$2,000 a fortnight—around \$52,000 a year—from welfare and CDEP payments. She may be receiving CDEP payments for 'home duties' or for doing nothing at all.

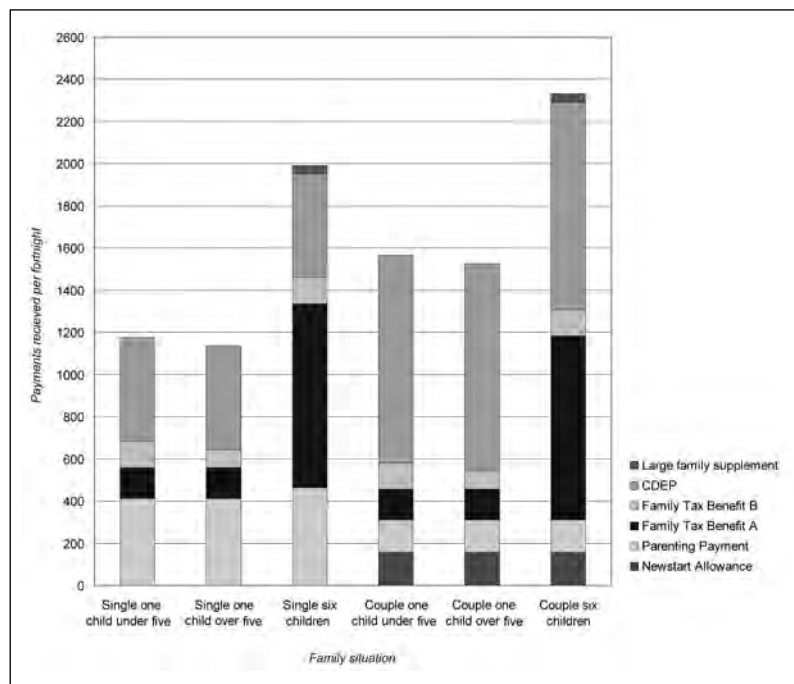
Family Tax Benefit A is available (unabated) for anyone earning below \$41,318 (so as not to act as a disincentive for people moving from welfare to work).<sup>72</sup> But the net effect of these payments

combined with CDEP leads to such relatively high incomes that they discourage movement to real employment. Noel Pearson explains, ‘people may be able to reach a target level of income which they are prepared to exist on and thereby have no need to engage with the real economy.’<sup>73</sup> Similarly, the ABS considers that CDEP is one of the main reasons why Indigenous mobility is not strongly correlated to overall labour-market conditions.<sup>74</sup>

The welfare pedestal is a disincentive for people to take up work and education opportunities. To move to real employment, they are likely to lose income, so they must first overcome the challenge of taking a step down before the process of climbing the income staircase can begin. In its recent publication *From Hand Out to Hand Up*, the Cape York Institute examined the relative attractiveness of the welfare and work options available to people living in remote Indigenous communities. The Institute’s research found that there are very weak, or even negative, incentives for young people to commit themselves to study, training, or work so long as they can continue to access such high income support payments. CDEP is seen as easy money, and has stunted any career aspirations people might have.

Along with welfare payments, CDEP has provided people with sufficient incomes, but in doing so it has prevented them from making positive choices about their future, or even imagining a better future. Poverty of the mind is more crippling than financial poverty. People who are uneducated do not have true freedom, because they lack the capabilities to make real choices about their lives. Young people need role models who can show them the benefit of education and hard work. Pearson says that when asked what they want to be when they grow up, too often children in Cape York answer, ‘I want to work on CDEP.’<sup>75</sup>

**Figure 1:** The welfare pedestal



Source: Centrelink<sup>71</sup>

## The costs and benefits of CDEP: Ten flawed claims

### Claim 1: CDEP is a form of training

CDEP funds a limited number of apprenticeship programs in building and construction, enabling participants to learn a trade while building houses in a community. Unlike most other CDEP activities, these entail four-year apprenticeships and full-time work—they are exceptions.<sup>76</sup>

Most CDEP organisations do not provide training that takes three or four years to complete. Most CDEP participants are enrolled in short-term vocational courses that do not require that they can read, write, or count. Few CDEP participants have completed schooling to year 10, and fewer still (13% of CDEP participants) have a post-school qualification.<sup>77</sup> Most school graduates

can only read, write, and count at a year 1 level. Charles Darwin University, the Batchelor Institute, and other vocational course providers offer courses to students who cannot take notes or use computers. Despite this, they award students certificates in hospitality, plumbing, electrical work, retail, administration, and many other ‘disciplines,’ but these do not qualify participants for mainstream jobs. Participants regard these courses as paid holidays, but they and their parents and communities are deeply frustrated because they do not learn job-related skills. Young men graduate from trade courses without being able to read a tape measure. Most tradesmen, administrators, teachers, and nurses in Aboriginal communities continue to be non-Indigenous.<sup>78</sup>

Many circumstances interrupt training. Inaccessible roads in the ‘wet’ may make it difficult for participants to attend courses. ‘Cultural’ ceremonies or ‘sorry camps’ are allowed to interrupt training obligations, and participants get so far behind that they are unable to complete courses.<sup>79</sup>

**‘The Aboriginal “work-for-the-dole” scheme is widely regarded by Indigenous leaders as the principal poverty trap for their families and communities.’**

*Claim 2: CDEP engages people in work-related activities*

Participating in CDEP is seen as providing people with work-related skills.<sup>80</sup> But CDEP is really characterised by unskilled work with very low expectations of content and output. According to the 2006 census, 78% of CDEP work is low-skilled.<sup>81</sup> CDEP participants in administrative positions in local government, or those who work as teachers’ aides, often lack the literacy and numeracy to do their jobs. As one CDEP team leader reports, ‘There’s a lot of them who are on CDEP, some of them who can’t read and write.’<sup>82</sup>

Many CDEP positions are ‘ghost positions’ that carry no responsibility or expectation of work outcomes.<sup>83</sup> Despite the introduction of a ‘no work, no pay’ rule, many CDEP participants do very little or even no work and still get paid. A CDEP manager for the Western Desert Puntukurnuparna Aboriginal Corporation writes, ‘Participant[s] would receive 31 paid hours a fortnight irrespective of whether he/she was present at organized activities or not.’<sup>84</sup> Supervisors are often related to the participants, and find it difficult to provide accurate timesheets when participants breach their work obligations.<sup>85</sup>

CDEP payments help fund attendance at funerals and ‘sorry camps.’ Lasting several weeks, ‘sorry camps’ have become a major feature of remote existence, providing a respite from the boredom and frustration of life in remote communities as well as an excuse for indulging in feasts of packaged goods, alcohol, and marijuana.<sup>86</sup> Many remote community leaders have become disturbed by the disruption to work and schooling that these prolonged funerals cause, arguing instead to a return to traditional burial ceremonies that only required one to three days attendance spread over several months.

An increasing volume of Indigenous commentary regards CDEP as an addition to passive welfare. In 2002, Marcia Langton argued that ‘The Aboriginal “work-for-the-dole” scheme is widely regarded by Indigenous leaders as the principal poverty trap for their families and communities.’<sup>87</sup> In a speech at the launch of the Aboriginal and Torres Strait Island Commissioner’s Social Justice Report for 2006, Cathy Duncan commented that

CDEP is not an employment option, getting our people’s mindset out of the idea of the dole and welfare and the idea of work is what we need to be doing. The problem about CDEP, as we know, is that it has entrenched the idea of welfare, of working maybe a couple of days a week, instead of a 5 day week, so this makes the transition from CDEP to full-time employment more of a challenge for Aboriginal people.<sup>88</sup>

The Cape York Institute has researched the effect of welfare on Indigenous Cape York communities. Noel Pearson concluded in 2007 that ‘the part-time hours and low work expectations of most CDEP activities have resulted in CDEP being a form of passive welfare.’<sup>89</sup> In the same year, Indigenous leader and former ALP national president Warren Mundine agreed, saying ‘CDEP is not work. You cannot have people sitting around doing nothing ... people [should] work for the money they receive, not get handouts.’<sup>90</sup> Following the Rudd government’s announcement that CDEP would be reinstated in the Northern Territory, Tracker Tilmouth said,



I think CDEP should be scrapped ... CDEP funding had been used for all sorts of weird and wonderful programs, not always to the benefit of communities. It had also been a 'masking agent' disguising chronic social dysfunction ... a panacea for governments to sit back in Canberra and say 'all's quiet on the Western front'. CDEP has been the opiate of the masses—it gives you the false premise that you are actually employed.<sup>91</sup>

*Claim 3: CDEP provides a stepping stone to employment*

FaHCSIA claims that CDEP is a 'stepping stone' to employment. But according to DEWR, only around 5% of CDEP participants ever moved to employment outside the CDEP scheme.<sup>92</sup> In a survey conducted over a twelve-month period in 2001, only 180 participants—a total of 0.5% of CDEP participants—moved from CDEP into paid employment.<sup>93</sup> As table 7 shows, around 40% of Aboriginal and Torres Strait Islander people living in remote communities have been on CDEP for five years or more.

CDEP organisations that are supposed to help participants into mainstream employment like to retain their best workers, as they help ensure that activities run smoothly and successfully.<sup>95</sup> The CDEP placement incentive intended to overcome this conflict of interest is only \$2,200, less than half the 'recurrent operational' funding of \$5,500 a year for each worker.<sup>96</sup>

**Table 7:** Duration on CDEP by region 2002 (%)

Length of time on CDEP	Non-remote	Remote	Very remote	Total Australia
Less than 1 year	38.0	29.7	21.8	27.3
1 to less than 2 years	17.4	10.8	14.7	15.0
2 to less than 3 years	14.1	13.5	12.2	12.9
3 to less than 4 years	8.7	10.8	7.1	8.0
4 to less than 5 years	6.5	10.8	3.6	5.2
5 years or more	15.2	24.3	40.6	31.6
Population (no.)	9,200	3,900	21,100	34,200

**Source:** Jon Altman, Matthew Gray, and Robert Levitus<sup>94</sup>

The low number of people moving from CDEP into mainstream employment is defended by the argument that there are no jobs available for Indigenous people living in remote communities.<sup>97</sup> This is not true. Communities such as Mutilju and Mossman Gorge are in areas of labour shortage. The Alice Springs 'camps' are within the town or within commuting distance, but only a very few Indigenous people work in the town. Top End taverns are almost entirely staffed by backpackers. The Nhulunbuy mine employs 1,500 miners, but few from the nearby Indigenous communities of Yirrkala or Ski Beach.<sup>98</sup> The Cape York Institute found evidence of real jobs that cannot be filled despite the large number of people participating in CDEP. For example, in the first week of February 2007, there were the following job opportunities in Coen: one in the takeaway store, one in each of the two general food and fuel stores, and one in the local garage. There were also three traineeships available in the Royal Flying Doctor Service.<sup>99</sup>

When Tony Abbott was minister for employment and workplace relations in 2002, he argued, 'It's too common to find very high unemployment in remote Aboriginal communities even when there's a mine with high staff turn-over just down the road.'<sup>100</sup> In 2006, the Local Government Association of the Northern Territory audit of employment opportunities in remote communities found a number of job vacancies side by side with less than 100% attendance for CDEP work.<sup>101</sup> Similarly, identification of positions for the new shire structure in the Northern Territory indicates

**Indigenous people are deterred from taking up available jobs by their lack of literacy and numeracy, and by the welfare pedestal.**

that there are hundreds of jobs in remote communities held by non-Indigenous staff. While discriminatory attitudes towards Aborigines and Torres Strait Islanders remain a factor, Indigenous people are deterred from taking up available jobs by their lack of literacy and numeracy, and by the welfare pedestal.<sup>102</sup>

*Claim 4: CDEP is flexible, allowing people to participate in customary (non-market) activities and paid work*

Jon Altman argues that the part-time hours of CDEP allow Indigenous people to participate in customary (non-market) activities as well as paid work. He describes this mix of customary and paid work as a 'hybrid' economy consisting of three overlapping circles: the market, the state, and the customary economy.<sup>103</sup> While the 2002 NATSISS data found that 90% of CDEP participants

**Instead of fostering enterprises, most organisations responsible for CDEP are primarily interested in perpetuating ... their own power.**

were able to meet their cultural responsibilities (telling traditional stories, being involved in ceremonies, and attending events such as funerals or festivals), the data was less conclusive about the relationship between CDEP and fishing and hunting.<sup>104</sup> The 2002 NATSISS survey found no significant relationship between types of employment and the engagement of Indigenous people in fishing or hunting.<sup>105</sup> Aborigines and Torres Strait Islanders in remote communities do not spend more time on fishing, hunting, and cultural activities than the average Australian worker spends on recreational and social activities.<sup>106</sup>

*Claim 5: CDEP is a community-based initiative that allows for Indigenous self-determination*

Supporters of CDEP argue that it is a form of Indigenous self-determination, enabling communities to manage their own affairs.<sup>107</sup> Not only is it an inherent contradiction to considering a taxpayer-funded scheme a means of self-determination, the reality is that most CDEP organisations are run by non-Indigenous administrators and managers.<sup>108</sup> CDEP positions are mainly labouring or assistant positions. Few participants have been able to learn the skills to take over from non-Indigenous administrators and managers, because they lack the educational qualifications and are not taught the skills.<sup>109</sup> 'There was the belief that ... CDEP participants were trained to certain levels of skill but were not given training that would let them move beyond these levels.'<sup>110</sup>

Large Indigenous settlements such as Palm Island, Maningrida, Wadeye, Aurukun, and even some smaller settlements are infamous for family and social dysfunction, poor housing, and appalling health. In the absence of private property rights and private enterprise, these settlements do not resemble non-Indigenous townships of similar size. Instead of fostering enterprises, most organisations responsible for CDEP are primarily interested in perpetuating and increasing their own power.<sup>111</sup> CDEP organisations are wide open to abuse of power. 'CDEP results in large injections of funds into Council coffers. The propensity for misuse and misappropriation of funds is increased simply because large volumes of funds are available.'<sup>112</sup> Monitoring of expenditures, accounting controls, and transparency have been almost entirely absent. Community factions tend to gain control of CDEP funding and exclude other members of the community from access to it.<sup>113</sup> There are long waiting lists to join CDEP in many communities.<sup>114</sup>

**Table 8:** Indigenous participation in employment by sex 2002

	15 – 24 years		25 – 34 years		35 – 44 years		45 – 54 years		55 years or over	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
CDEP	18.9	8.4	18.3	11.1	15.7	10.3	13.2	6.3	5.1	4.5
Non-CDEP	26.2	24.5	46.5	31.3	48.8	40.0	48.1	38.2	18.7	17.7

**Source:** ABS<sup>115</sup>

More men get to participate in CDEP than women (table 8). This can partly be explained by women's responsibilities for children, but the difference between male and female participation in non-CDEP employment is less pronounced. More CDEP positions are available in traditionally 'male' occupations than in 'female' ones.<sup>116</sup> Employment in remote areas is largely determined by

sex, with men employed in machinery and maintenance positions and women in teaching, health, and other care positions.<sup>117</sup>

*Claim 6: CDEP supports local government*

CDEP does pay for essential services in remote communities.<sup>118</sup> This has allowed state and territory governments to abdicate responsibility for providing services and funding full-time employment. Local governments support the continuation of CDEP because it provides a free pool of labour and machinery.<sup>119</sup> But teachers' aides who cannot read, write, or count, and health care aides unable to take blood pressure or blood glucose readings, are not productive. Often work that would normally take three days takes CDEP participants ten days or more.<sup>120</sup> The Rudd government's move to place assistant teachers on the Northern Territory Education Department's payroll is a step in the right direction, but it will have to be accompanied by intensive teacher training if it is to be effective.

*Claim 7: CDEP supports communal and business enterprises*

CDEP organisations provide funding for communal and business enterprises. One of these organisations is Bawinanga Aboriginal Corporation (BAC), located in Maningrida in central Arnhem Land.<sup>121</sup> In 2005–06, Bawinanga received \$12 million in CDEP funding and had an annual turnover of \$26 million. Bawinanga ran twenty projects, which included financial services, a supermarket, a vehicle repair workshop, a petrol station, a factory, a nursery, cultural tourism, and a wildlife centre. Even with the help of CDEP funding, Bawinanga only earned a profit of \$1.6 million in 2005–06. It is also not clear why such enterprises as petrol stations and supermarkets need public subsidies and cannot pay award wages.

Other enterprises have argued that they could not operate without CDEP funding. Gunya Tourism in Titjikala, 100 km south of Alice Springs, provided luxury tent accommodation at \$1,300 a night and employed sixty local community members on CDEP.<sup>122</sup> When CDEP was abolished as part of the Northern Territory intervention, the chief executive of Gunya Tourism decided to shut it down, arguing that having to pay award wages would make the venture unprofitable.

CDEP host employer schemes are meant to be time-limited, not an ongoing means of support. According to the 2006–07 CDEP guidelines, the objective of these placements is for people to gain employment outside CDEP without subsidies. Unfortunately, in many communities the heavy reliance on CDEP labour has prevented people moving into mainstream employment. Organisations are clearly reluctant to transfer people from CDEP to award wages even if their business is making a profit. Despite the number of organisations CDEP has helped fund in Maningrida, it remains one of the Northern Territory's most dysfunctional communities, with high unemployment outside of CDEP.<sup>123</sup>

**It is also not clear why such enterprises as petrol stations and supermarkets need public subsidies and cannot pay award wages.**

*Claim 8: CDEP supports Indigenous culture*

CDEP supports Indigenous culture by funding participants to take part in music, dance, and art. The National Arts and Crafts Industry, supported by CDEP, funds an estimated 5,000 artists in the Northern Territory.<sup>124</sup> But art programs are sometimes provided when CDEP organisations cannot find any other activities for CDEP participants. In some communities, a high proportion of CDEP participants are involved in arts and crafts activities regardless of their level of artistic ability.<sup>125</sup> There is strong demand for Aboriginal art and crafts, and talented artists have no trouble finding buyers for their work. While CDEP has helped provide emerging artists with facilities and materials, it has also been used to pay people with no artistic ability or inclination and to supplement established artists' incomes.

Many Indigenous artists are earning incomes as well as receiving payments from CDEP organisations. Annual incomes on sales of artwork run between \$20,000 and \$70,000 per annum, but 30–70% of individual artists and the CDEP organisations that support them do not lodge tax returns.<sup>126</sup>

*Claim 9: CDEP supports the environment*

Approximately 700 Indigenous Land and Sea Rangers are employed in Northern Australian environmental programs through CDEP.<sup>127</sup> These programs aim to benefit the environment and Indigenous communities.<sup>128</sup> Rangers are supposed to be involved in fire management, the eradication of weeds and feral animals, and other environmental protection activities. In October 2007, Jenny Macklin announced that the government would spend \$90 million over five years to train and employ an additional 300 Indigenous environmental rangers, as well as increase spending on Indigenous protected areas from \$6 million to \$50 million.<sup>129</sup>

The ranger program is highly regarded by land councils and other Indigenous and non-Indigenous organisations. CDEP workers and organisations are considered fundamental to numerous 'Caring for Country' projects and the management of Indigenous Protected Areas.<sup>130</sup> In some communities, rangers have successfully halted the spread of cane toads,<sup>131</sup> spotted illegal fishing vessels,<sup>132</sup> and controlled the fishing of dugong (though this last achievement is now in doubt).<sup>133</sup>

But CDEP does not provide the support and expertise needed to ensure that Indigenous rangers become literate and receive the same level of training as non-Indigenous rangers. Most CDEP ranger programs provide little supervision or monitoring, and visits from trained non-Indigenous rangers are few and far between. The majority of Indigenous rangers are illiterate and innumerate. They are not equipped to deal with feral animals such as pigs. They cannot read pesticide instructions or the operation manuals that would tell them how to use chainsaws and other equipment safely. They cannot qualify for marine certificates to operate boats, or obtain driver's licenses. Many Indigenous ranger vehicles are poorly maintained and mostly used for private activities.<sup>134</sup>

*Claim 10: CDEP reduces crime in Indigenous communities*

NATSISS data suggests that participation in CDEP reduces Indigenous contact with the justice system.<sup>135</sup> CDEP participants have been found to consume less alcohol and to have lower numbers of police arrests than unemployed Indigenous people in the same areas.<sup>136</sup> The presence of night patrols staffed by CDEP participants is said to lead to decreased incarceration rates, but this is really another form of cost shifting, reducing the need for policing.<sup>137</sup> Full employment is much more effective in reducing Indigenous crime rates than CDEP. During the last five years, only 8.41% of employed Indigenous men and women had been arrested by police, compared to 24.8% of Indigenous men and women on CDEP.<sup>138</sup>

**Local government  
and federal, state, and  
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**The way forward**

Many of the so-called 'benefits' of CDEP are more myth than reality. The program's costs include unintended consequences that have politicised the awarding of CDEP places and wasted considerable taxpayer funds. There is growing recognition that CDEP in its current form is not meeting its objectives. CDEP does not fulfil its objective of providing a 'stepping stone' to a job. CDEP's income effects and low work expectations have acted as an obstacle for Indigenous participants

to move to mainstream work. CDEP provides no career path and limits people to mindless community maintenance or other unskilled work.

Programs for a transition from CDEP to real jobs already exist. The Corporate Leaders project encourages private-sector enterprises to generate employment opportunities for Indigenous Australians and to enter into partnerships with Indigenous communities to create employment. In 2006–07, eighty-seven organisations were signatories to the program, including banks, airlines, the construction industry, and mining companies.<sup>139</sup> One of the first participants was the mining company Rio Tinto, which became a signatory to the program in 1999.<sup>140</sup> In partnership with communities, Rio Tinto has implemented education and workplace preparatory programs that include transitional literacy and numeracy as well as vocational education and training. Other successful programs include the Indigenous Pastoral Program, which is part of a six-way partnership between the Northern Land Council, the Central Land Council, the Northern

Territory Cattlemen's Association, the Indigenous Land Corporation, the Northern Territory Department of Primary Industries, Fisheries and Mines, and the Department of Employment and Workplace Relations.<sup>141</sup> These programs not only provide participants with the skills needed to lead to ongoing employment (Rio Tinto has a retention rate of over 75%), they also help address the recruitment difficulties faced by employers in remote Australia.<sup>142</sup> It makes sense to employ local workers rather than rely on bringing in labour from the south and from abroad.

Local government and federal, state, and territory services should transform CDEP positions into real jobs. If police, health, education, environment, and local government workers are doing real jobs, they should be employed in full-time positions at award wages. Adequate policing would remove the requirement for night patrols, though these could continue as volunteer organisations similar to Neighbourhood Watch in the rest of Australia.

Alternative funding for a number of programs currently provided through CDEP already exists. For example, the Department of Environment and Water Resources currently funds the Working on Country program that delivers environmental services in remote and regional areas.<sup>143</sup> Art centres and other cultural activities should not rely on CDEP funding. The Queensland government has recently announced that it will provide \$10.73 million to help build a sustainable Indigenous arts industry in Queensland.<sup>144</sup> Funding for Indigenous art centres and other cultural activities should be provided by arts funding sources.

The Northern Territory Response demonstrated that simply removing CDEP without giving adequate thought to its replacement creates a job vacuum.<sup>145</sup> In marked contrast, the depth of its experience in working with four Cape York Indigenous communities has led the Cape York Institute to suggest a number of steps for a transition from CDEP. These include

- developing linkages with the Job Network and refocusing the program on work readiness and getting people 'into work'
- having no 'hourly rate' of pay for CDEP, and requiring people to participate in work preparation or work-related activities for a minimum of three days a week
- paying CDEP participant wages through Centrelink, and requiring participants to meet the same obligations as income-support participants
- making income management a consequence of any work obligation breaches
- not allowing anyone under twenty-one onto CDEP
- increasing the level of CDEP Placement Incentive payments, so that they are at least equal to performance-based funding available to the Job Network and Aboriginal Employment Strategy
- restricting top-up income to employer 'host agreements'<sup>146</sup>

These suggestions are only the beginning. Many changes need to be made before full employment becomes a reality for the majority of Indigenous people living in rural and remote communities. The government's discussion paper on the future of CDEP outlines 'principles for reform,' but sets them out as questions asking how help can be provided. They do not spell out what the underlying standards should be and how these should set the foundation for reform. Here are the standards they should set:

- Indigenous children must have mainstream education in English so they can get jobs. For the considerable numbers of young people who have missed out on learning to read, write, and count, funding for remedial literacy and numeracy is essential to make them ready for work.
- Indigenous people doing real work should be paid real wages. Jobs in government or local councils should be properly funded, and paid for by the relevant government departments or agencies.
- Private property rights, especially secure land tenure, are needed to enable business and employment to develop.

It is time to abandon misguided notions that CDEP 'helps' Indigenous people. Not only has CDEP masked the true level of Indigenous unemployment, it has hidden the crisis in Indigenous

**It is time to stop thinking that CDEP is the only form of employment for Indigenous people living in remote communities.**

education. If the government wants to break the cycle of joblessness, welfare dependence, and all the associated family and community dysfunction prevalent in Indigenous communities, it has to address this crisis in education. It must also recognise the part that CDEP has played in keeping Indigenous people out of mainstream jobs.

No one ever got anywhere by having low expectations. It is time to stop thinking that CDEP is the only form of employment for Indigenous people living in remote communities.

## Endnotes

- 1 Telephone conversation with Centrelink customer service (19 March 2008).
- 2 Bradley Morton, CDEP Reporting Team (FaHCSIA), email correspondence with author (2 May 2008).
- 3 About a third (160,000) of Indigenous people work in mainstream jobs in cities, towns, and the country: these are sometimes referred to as living in the 'open society.' The largest numbers of Indigenous people (approximately 250,000) exist on the fringes of towns and in major city ghettos, while the smallest group (about 90,000) live in some 1,200 'homeland' settlements established in remote Australia from the 1970s onwards. Helen Hughes, *Lands of Shame: Aboriginal and Torres Strait Islander 'Homelands' in Transition* (Sydney: CIS, 2007).
- 4 Jenny Macklin, 'Building Stronger Indigenous Communities,' (10 December 2007), [www.facsia.gov.au/internet/jennymacklin.nsf/print/indigenous\\_communities\\_10dec07.htm](http://www.facsia.gov.au/internet/jennymacklin.nsf/print/indigenous_communities_10dec07.htm); Australian Government, *First 100 Days: Achievements of the Rudd Government* (Canberra: Commonwealth of Australia, 2008), [www.pm.gov.au/docs/first\\_100\\_days.doc](http://www.pm.gov.au/docs/first_100_days.doc).
- 5 Patricia Karvelas, 'Labor to Reinstate CDEP in Top End,' *The Australian* (30 April 2008), [www.theaustralian.news.com.au/story/0,25197,23620654-5013871,00.html](http://www.theaustralian.news.com.au/story/0,25197,23620654-5013871,00.html).
- 6 Australian Government, *Increasing Economic Opportunity: A Discussion Paper on the Future of the CDEP and Indigenous Employment Programs* (Canberra: Commonwealth of Australia, 2008), [www.indigenous.gov.au/economic\\_opp.htm](http://www.indigenous.gov.au/economic_opp.htm).
- 7 The policy of excluding Indigenous people from participation in Australia's social security system persisted until the late 1960s, when the government decided to remove all specific references to exclusion of Aborigines from the *Social Security Act*. Despite this, the exclusion of Indigenous people living on government and mission stations persisted until 1976. Race Discrimination Commissioner, *The CDEP Scheme and Racial Discrimination* (Canberra: Human Rights and Equal Opportunity Commission, 1997).
- 8 The wage rate decision for Aboriginal stockmen in 1968, which required them to be paid award rates equal to non-Indigenous stockmen, resulted in mass unemployment.
- 9 Race Discrimination Commissioner, *The CDEP Scheme and Racial Discrimination*, 7.
- 10 As above: but this was probably an underestimate.
- 11 As above.
- 12 As above: original community development employment projects basic outline and guidelines (as tabled in the House of Representatives, 26 May 1977).
- 13 As above.
- 14 Josie Misko, *The Role of Community Development Employment Projects in Rural and Remote Communities* (Adelaide: National Centre for Vocational Education Research, 2004), [www.ncver.edu.au/research/core/cp0208a.pdf](http://www.ncver.edu.au/research/core/cp0208a.pdf), 21; Race Discrimination Commissioner, *The CDEP Scheme and Racial Discrimination*, 21.
- 15 John Wiseman 'Police "Failed to Act" on Abusers,' *The Australian* (5 May 2008), [www.theaustralian.news.com.au/story/0,25197,23645392-5013172,00.html](http://www.theaustralian.news.com.au/story/0,25197,23645392-5013172,00.html).
- 16 H. C. Coombs, M. M. Brandl, W. E. Snowdon, *A Certain Heritage: Programs for and by Aboriginal Families in Australia*, Centre for Resource and Environmental Studies (CRES) Monograph 9, (Canberra: Australian National University, 1983), xxxi.
- 17 As above.
- 18 Josie Misko, *The Role of Community Development Employment Projects in Rural and Remote Communities* (6 August 2004), 23–24.
- 19 As above.
- 20 ATSIC (Aboriginal and Torres Strait Islander Commission), *CDEP: What's it All About?* (2002), and numerous media releases and government websites.
- 21 Aboriginal and Torres Strait Islander Services (ATSIS) was established on 1 July 2003 as part of the Indigenous affairs portfolio, to provide services to ATSIC and administer programs that were previously its responsibility. From the point of view of ATSIC's clients and the organisations it funded, ATSIC and ATSIS operated as one agency. ATSIC, 'ATSIC—The Aboriginal and Torres Strait Islander Commission,' [pandora.nla.gov.au/pan/41033/20060106-0000/ATSIC/default.html](http://pandora.nla.gov.au/pan/41033/20060106-0000/ATSIC/default.html).
- 22 ATSIC, 'ATSIC—The Aboriginal and Torres Strait Islander Commission' (16 March 2005), [pandora.nla.gov.au/pan/41033/20060106-0000/ATSIC/default.html](http://pandora.nla.gov.au/pan/41033/20060106-0000/ATSIC/default.html).
- 23 Erwin Chlanda 'Territory's Real Unemployment Figures are Worst in the Nation,' *Alice Springs News* (26 September 1998), [www.alicespringsnews.com.au/0533.html](http://www.alicespringsnews.com.au/0533.html); Josie Misko, *The Role of Community Development Employment Projects in Rural and Remote Communities*, 21.

- 24 ATSI COEA (Aboriginal and Torres Strait Island Commission Office of Evaluation and Audit), *Evaluation of the Community Development Employment Projects Program: Final Report* (Canberra: ATSI, 1997).
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