

# **Ngiya Think Tank**

## **Briefing Paper No. 2: Community Development Employment Projects (CDEP)**

**28 February 2005**

**Ngiya Think Tank**  
**Jumbunna Indigenous House of Learning**  
**University of Technology, Sydney**  
Level 17, Tower Building, City Campus  
PO Box 123  
BROADWAY, NSW 2007.  
Phone: (02) 9514 1902      Fax: (02) 9514 1894



## **CONTENTS**

<b>1. The History of the CDEP Program</b>	<b>4</b>
<b>2. The Proposed changes to CDEP</b>	<b>6</b>
<b>3. The CDEP Discussion Paper</b>	<b>12</b>
<b>4. Responses to the CDEP Discussion Paper</b>	<b>13</b>
<b>5. The Issues Raised by the CDEP Discussion Paper</b>	<b>15</b>

The CDEP is the biggest single ‘employer’ of Indigenous people in Australia, providing employment and training to more than 35,000 people.<sup>1</sup> CDEP participants voluntarily forego their rights to income-benefit entitlements and instead work on CDEP activities for wages paid by CDEP organisations. Its objective is to provide work for unemployed Indigenous people in community-managed activities which assist the individual in acquiring skills which benefit the community, develop business enterprises and/or lead to unsubsidised employment.<sup>2</sup> The scheme was formerly administered by ATSIC, and since July 2004 has been administered by the Department of Employment and Workplace Relations.

The CDEP scheme has been variously described 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>3</sup>

While the CDEP scheme has had its critics, including suggestions that it may be racially discriminatory in its administration,<sup>4</sup> some of its advantages have been identified as the fact that it has ‘evolved and adapted in response to the uniqueness of Indigenous labour

---

<sup>1</sup> ATSIC, ‘Community Development Employment Projects (CDEP)’, <http://www.atsic.gov.au/Programs/CDEP/Default.asp>

<sup>2</sup> ATSIC, ‘Community Development Employment Projects (CDEP)’, <http://www.atsic.gov.au/Programs/CDEP/Default.asp>

<sup>3</sup> Aboriginal and Torres Strait Islander Social Justice Commissioner, ‘Mutual obligation, welfare reform and Indigenous participation: a human rights perspective’, *Social Justice Report 2001*, Human Rights and Equal Opportunity Commission, 2002, p. 13.

<sup>4</sup> Race Discrimination Commissioner, *The CDEP and Racial Discrimination*, Human Rights and Equal Opportunity Commission, 1997.

force circumstances, and has significant social, economic and cultural benefits such as supporting traditional aspects of community life, and contributing to social cohesion and the viability of communities in remote areas.’<sup>5</sup>

## **1. The History of the CDEP Program**

The CDEP scheme was developed in the 1970s as part of the federal government’s attempt to extend welfare benefits to remote communities. Formally introduced in May 1977, it was an initiative that understood there were few work opportunities in remote communities and the Fraser government developed a scheme that was equivalent to the unemployment benefit but would require Aboriginal people in participating communities to work for their local Aboriginal community council for the equivalent of the benefit.<sup>6</sup> This approach was thought to alleviate the social problems that existed where there was chronic unemployment and was driven by an ideology that if people were employed, the activity would strengthen the social fabric of their communities.

By the 1980s, the Aboriginal and Torres Strait Islander Commission (ATSIC) had been established and had responsibility for the scheme. By this time, CDEP had extended to Aboriginal communities across Australia and included programs in urban areas that were focused on:

- support and development of community infrastructure and housing;

---

<sup>5</sup> Aboriginal and Torres Strait Islander Social Justice Commissioner, ‘Mutual obligation, welfare reform and Indigenous participation: a human rights perspective’, *Social Justice Report 2001*, Human Rights and Equal Opportunity Commission, 2002, p. 13.

<sup>6</sup> Nicholas Peterson and Will Sanders (eds.), *Citizenship and Indigenous Australians: Changing Conceptions and Possibilities*. Cambridge University Press, 1998, p. 20.

- support and development of community-based enterprises, such as tourism, retailing and contracting;
- community services, such as administration and broadcasting;
- arts and crafts;
- market gardening, farming and fishing;
- outstation development;
- land care; and,
- support of cultural activities, education and sport.<sup>7</sup>

In the 1990s, there was some research into the CDEP scheme that raised concerns about the extent to which Aboriginal people on the scheme were deprived of the benefits of other welfare recipients. Will Sanders identified these concerns and noted that by the early 1990s, the Human Rights and Equal Opportunity Commission had received a number of complaints by CDEP participants alleging racial discrimination because they missed out on flow-on benefits that non-Aboriginal schemes (such as the Job Start Allowance and New Start Allowance) offered, including rent assistance, health care cards and State and local government concessions.<sup>8</sup> This discriminatory aspect of the CDEP scheme was highlighted in a report by the Race Discrimination Commissioner, *The CDEP and Racial Discrimination*,<sup>9</sup> that otherwise noted that the CDEP was a scheme targeted at dealing with disadvantage faced by Aboriginal people in accessing

---

<sup>7</sup> ATSIIC *Funding Procedures Manual*, July 1997, in Race Discrimination Commissioner, *The CDEP and Racial Discrimination*, Human Rights and Equal Opportunity Commission, 1997, pp 13-14.

<sup>8</sup> Will Sanders 'Citizenship and the Community Development Employment Projects Scheme: Equal Rights, Difference and Appropriateness' Nicholas Peterson and Will Sanders (eds.), *Citizenship and Indigenous Australians: Changing Conceptions and Possibilities*. Cambridge University Press, 1998, p. 151

<sup>9</sup> Race Discrimination Commissioner, *The CDEP and Racial Discrimination*, Human Rights and Equal Opportunity Commission, 1997

employment and welfare benefits. The report noted that, in general, the CDEP scheme was beneficial in nature and was adapted to the concrete circumstances of Indigenous people.<sup>10</sup>

There was also concern that, where schemes existed in places where there were viable job markets, not enough was being done to move CDEP participants into the workforce.

## **2. The Proposed changes to CDEP**

In the wake of debate about the Mulan ‘shared responsibility agreement’, on 28 December 2004, *The Australian* reported that Aboriginal communities will, in the future, be required to enter Shared Responsibility Agreements in order to keep Community Development Employment Projects (CDEP) places.<sup>11</sup> The article quoted the Minister for Employment and Workplace Relations, Kevin Andrews, as saying that the system had failed to get Indigenous people involved in the country’s economic life. It stated that in communities where there is no ‘real economy’, CDEP places are to be allocated in exchange for communities fulfilling certain responsibilities.

The article stated that ‘Under the plan, mutual obligation requirements – such as asking parents to ensure their children attend school – will be expanded. A community could be asked to ensure their children shower daily and attend to other health issues in exchange

---

<sup>10</sup> Race Discrimination Commissioner, *The CDEP and Racial Discrimination*, Human Rights and Equal Opportunity Commission, 1997, p.3

<sup>11</sup> Patricia Karvelas, ‘Bid to lift black role in work program’, *The Australian*, 28 December 2004, <http://theaustralian.news.com.au/printpage/0.5942.11794847.00.html>

for CDEP places.<sup>12</sup> Kevin Andrews was quoted as saying: ‘It’s an extended form of mutual obligation. The whole Commonwealth arrangement with Indigenous communities will be via a shared agreement.’<sup>13</sup>

In a Media Release on 31 December 2004, Kevin Andrews stated that the CDEP scheme ‘is the biggest indigenous programme in the country and I am giving considerable thought as to how to better achieve the programme’s employment, community and economic development goals.’<sup>14</sup> He announced that under proposed changes to the scheme, Indigenous organisations that are running CDEP programmes would be required to become Job Network providers, therefore forcing them to compete to provide services against mainstream organisations. He stated:

Programs which currently exist but only provide individuals with minimal employment with little future would be kept but only if communities agree to certain community-wide obligations.

The community will need to identify, in partnership with the Government, what the outcomes are that they wish to achieve.

If there is no real work outcomes, then there might be a range of community outcomes that we want to identify them with including health issues and education of their children.<sup>15</sup>

---

<sup>12</sup> *ibid.*

<sup>13</sup> *ibid.*

<sup>14</sup> <http://www.dewrsb.gov.au/ministersAndMediaCentre/andrews/default.asp>

<sup>15</sup> *ibid.*

In response to media reports of these proposed changes, Klynton Wanganeen, former chair of ATSIC's Economic and Social Participation committee that was responsible for the CDEP scheme, stated that:

Overall, this is going to take CDEP backwards, because the Government doesn't understand the way the scheme operates, and is... imposing mutual obligation on the community but not fulfilling its side of the bargain. ...

There's no obligation on the Government to provide what it provides to other citizens – the essential services and infrastructure available to make a living.<sup>16</sup>

Vince Mudraby, the mayor of Yarrabah, was reported as saying the local CDEP was working well without the Government trying to tie it to mutual obligation principles: 'For a community like Yarrabah, it takes away self-determination if we're going to have to go back to these menial agreements to get funds for real outcomes on the ground.'<sup>17</sup>

There was also concern expressed by Indigenous leaders that Aboriginal organisations that currently run CDEP programs will not be in a position to compete against mainstream Job Network agencies in the tender process, and that the broader role of CDEP in benefiting Indigenous communities would disappear with the mainstreaming of services.<sup>18</sup>

---

<sup>16</sup> Leisa Scott and Patricia Karvelas, 'Aborigines claim heavier obligations than whites', *The Australian*, 29 December 2004, <http://www.theaustralian.news.com.au/printpage/0,5942,11801885,00.html>

<sup>17</sup> *ibid.*

<sup>18</sup> *ibid.*

It is important to recall that the Commonwealth Grants Commission's *Report on Indigenous Funding 2001* stated that an evaluation of Job Network indicated that Indigenous job seekers were 'concerned about the quality and type of assistance being delivered', that Job Network was not widely accepted in the Indigenous community and had varying levels of accessibility.<sup>19</sup>

An article in *The Australian* on 14 February 2005 by Tony Koch entitled 'Aborigines to lose job subsidies', stated:

TENS of thousands of Aborigines could lose their government-subsidised work-for-the-dole jobs under a radical overhaul of the \$550 million indigenous employment program.

Under the changes, the federal Government would no longer subsidise jobs under the Community Development Employment Projects scheme for indigenous workers who carry out essential services such as garbage collection and road maintenance.

The Government wants to shift these costs to state and local governments, which would be forced to find tens of millions of dollars to fund indigenous community councils to provide the services the current system supports.

A confidential discussion paper prepared by the Department of Employment and Workplace Relations - and obtained by *The Australian* - says municipal services that are the responsibility of state or local governments, such as electricity, garbage pick-up, water, sewerage and education, would not be funded except where the services were contracted "at full commercial rates".

---

<sup>19</sup> Commonwealth Grants Commission, *Report on Indigenous Funding 2001*, Commonwealth of Australia, Canberra, 2001, p. 254.

Koch went on to discuss the impact of the changes on the Mapoon Aboriginal Community in Cape York where 80 of the 300 residents are working under the scheme:

Under the new rules, the Mapoon Council would face a funding shortfall of \$666,344 - the amount required to pay workers at commercial rates.

Like all indigenous communities, Mapoon council cannot charge rates because nobody owns land or homes.

Mapoon chairman Peter Guivarra said yesterday that adoption of the new system would mean state and territory governments would have to inject tens of millions of dollars into remote townships and communities to ensure basic services were delivered.

"We have 80 people on CDEP, and if the work they do is to be performed by full-time workers or contract gangs, there will really be work for only 25 or 30 people," he said.

"That means 50 would have to go to Centrelink and get Jobstart or unemployment benefit to exist. There are no jobs in places like this."

Later that day, Minister Andrews put out a press release stating that the reports in *The Australian* were factually wrong, that the paper quoted was not a current document and that the government would "consult widely" on possible directions for CDEP.

An article in *The Australian* on 15 February stated that the Federal government was not paying for people to attend the consultations and that the managers of the CDEP projects in Mapoon had to pay their own way to Cairns for a two-hour briefing.

In an interview on 16 February on ABC Radio National, Minister Andrews indicated that DEWR had already conducted ‘consultations’ about CDEP and also clearly indicated that the government intended to place CDEP negotiations in the context of shared responsibility agreements:

JOURNALIST:

Look, could I begin perhaps with you Minister, if this upcoming round of community consultation tells you that people don’t want this program, will you abolish it?

MINISTER ANDREWS:

I don’t believe they’re going to tell us that, because we’ve had consultations through my department over the last few months, and it’s quite clear that people want this program, they want, in many instances, to be better defined and for a better understanding between local communities and levels of government, and that’s something we’re working towards. But we’re certainly not intending to abolish a program which provides job opportunities for something like 37,000 Aboriginal people throughout Australia.

...

JOURNALIST:

Very briefly, what’s the timetable for this review?

MINISTER ANDREWS:

Well next Monday I’ll be releasing the discussion paper. There’s a series I think of some 37 consultations right throughout Australia over the course of that week. We’ll also be inviting comment more broadly so that by about the end of March we can start to bring these ideas together. But the long-term timetable is one which we will move slowly.

We've been reviewing the CDEP over the course of the last few months. We will look to have the beginnings of some changes from July of this year, but we're looking at three or four years in making changes, not something that's going to happen overnight.

### **3. The CDEP Discussion Paper**

The Department of Employment and Workplace Relations' *Building on Success: CDEP Discussion Paper 2005* was released on 21 February 2005. The paper noted that CDEP was a unique blend of employment, community activities and business development.

focused on the following issues:

- Linking CDEP programs with shared responsibility agreements
- Indicating that CDEP organisations will get more cash if they place Aboriginal people in non-CDEP jobs.
- In places where local jobs are limited, focusing CDEP organisations on community activities. They will be allowed to keep CDEP places, but only if they sign shared responsibility agreements and can prove that the jobs are good for the community.
- A greater push to get local people into jobs
- Changes to CDEP funding agreements that focus on results and performance and the introduction of service fees.

The Discussion Paper set out the consultation timeframe which gave just over a month for written submissions and a four day community consultation program:

22 - 25 February 2005	Face-to-face 'consultation' sessions
24 March 2005	Written submissions on Discussion Paper due
29 March 2005	Organisations wishing to register interest in providing CDEP services in 2005-6 need to submit eSub to local ICC
April/May 2005	DEWR and ICCs will negotiate CDEP funding agreements with organisations interested in CDEP funding in 2005-6
May 2005	Feedback on the outcomes of the consultation
June 2005	Funding agreements offered.

#### **4. Responses to the CDEP Discussion Paper**

In the lead up to the release of the Department of Employment and Workplace Relations Discussion Paper on the evening of 21 February 2005, there was extensive media debate about the changes the government was proposing to CDEP. On the day that the Discussion Paper was due to be released, media coverage focused on getting Indigenous people into 'real work' and linking with the Job Network, and connecting CDEP activities with shared responsibility agreements. For example, Patricia Karvelas, 'Push to find real work for blacks', *The Australian*, 21 February 2005:

In communities where there is no "real economy", Community Development Employment Projects (CDEP) places will be allocated in exchange for communities fulfilling certain responsibilities.

Under the plan, mutual obligation requirements - such as asking parents to ensure their children attend school - will be expanded, with communities required to enter shared responsibility agreements to keep their work-for-the-dole places in situations where real jobs cannot be found for them.

That same day, the following interview was broadcast on ABC Radio's *The World*

*Today*:

CATHERINE MCGRATH: It was Amanda Vanstone who first went public with the Government's attack on 'sit down money' by introducing shared responsibility agreements like her 'no school no pool' scheme.

Now Employment Minister Kevin Andrews has taken over the role of coordinating the Community Development Employment projects or CDEP. Effectively it's the Aboriginal work for the dole scheme.

...

CATHERINE MCGRATH: If they don't get involved in shared responsibility agreements though, can they still get money through the CDEP programs?

KEVIN ANDREWS: Well, the CDEP program will be part of the overall changed direction and that changed direction involves at the core of it, a shared responsibility agreement. But our indication is at this stage, from early consultations, that the Indigenous communities themselves want this.

CATHERINE MCGRATH: But obviously from what you're saying though, if they don't

get involved in a shared responsibility agreement, they won't have access to this program?

KEVIN ANDREWS: Well, we'll continue this program, I don't believe that we will face a situation where communities won't say that they will stand outside it.

## **5. Issues Raised by the CDEP Discussion Paper**

There is interest in reforming the CDEP program so that it provides a better transition for workers to the labour market where it exists but the discussion paper and the consultation raise the following issues:

- Concern has been expressed about the clear announcement *before* any consultation that CDEP will be linked to 'Shared Responsibility Agreements';
- Indigenous communities and CDEP organisations have also expressed their concern about finding out about proposed changes through media reports;
- There is a clear shift from perceiving CDEP as being about community development or entitlements to being seen as part of the 'mutual obligation' and 'shared responsibility' policy approach by government;
- CDEP organisations were concerned having to compete with other Job Network providers, and being assessed by performance indicators ultimately determined by government and potentially not reflecting cultural or community considerations;
- While refuted by the Minister, the discussion paper leaked by *The Australian* detailing that responsibility for aspects of CDEP would be shifted to the state and local governments was a departmental document up for consideration;

- ‘Consultations’ were held with very short notice over four days, with only two hours at each location. Representatives from remote areas had to fund their own way to regional centres for the consultations;
- There is an implication that if communities do not agree to entering into shared responsibility agreements that are linked to CDEP programs, they will not receive CDEP funding;
- Despite the highly publicised consultation process, it is clear from earlier statements by the Minister and the timeframe and content of the consultations that decisions about changes to CDEP have already been made and are ideologically driven.