NTEU SUBMISSION

The effectiveness of education and training programs for Indigenous Australians

Introduction

The National Tertiary Education Union (NTEU) represents over 28,000 members employed in Australia's higher education sector. The NTEU, through its Indigenous Tertiary Education Policy Committee (ITEPC) is committed to ensuring social justice for all Indigenous Australian's and particularly in respect to their involvement as either staff or students in the higher education sector.

NTEU has recently undertaken research into the operation of CDEP and the results are included in this submission. Our submission is primarily focused on Terms of Reference (a), that is, the effect of the Community Development Employment Projects (CDEP) scheme on the education and long-term employment outcomes of Indigenous people in rural, remote and urban areas.

The submission firstly considers the changing nature of CDEP before examining the nature of the current programs and their outcomes. Finally a number of policy issues are raised that are relevant to the debate about the future of CDEP

ORIGINS & RATIONALE OF CDEP

The Fraser Government introduced the National Employment Strategy for Aboriginals in May 1977. The strategy came about as a result of an Interdepartmental Working Party on Aboriginal Employment issues established in March of 1976. The Working Party was established to develop strategies to overcome the major disadvantage faced by Indigenous Australians in the labour market, with unemployment rates at least three times that of the rest of the Australian population. Indigenous representatives from the Northern Territory put forward a proposal that unemployment benefits be paid to local Aboriginal Community Councils and used for community development projects. Consequently, the Community Development Employment Project (CDEP) was born and became the central platform of the Government's Indigenous Employment Strategy.

It is important to understand that CDEP was initiated by remote Indigenous communities and was seen as an opportunity for community initiated development activities, while at the same time providing an opportunity to overcome many of the economic and social problems associated with the payment of "sit down money" – that is, unemployment benefits. This was based on a philosophy that welfare or 'passive welfare' dependence was harmful to members of the community. In pooling social security benefits, resources could be directed to fund particular programs that the community deemed beneficial and necessary for development at the same time as engaging people in work that was meaningful to their local communities. This was especially important in isolated communities where alternative employment prospects are highly limited.

While CDEP was initially implemented as a community development program aimed at overcoming Indigenous communities disadvantage, in many respects it also represented a "trade-off" between Indigenous Australians and Australian governments to provide essential public services to Indigenous communities equal to mainstream service levels and as compensation for the destruction of their traditional foods and economic resource bases as a consequence of the dispossession of their traditional lands.

Others, such as Langton¹, argue that the primary motivation for introducing the scheme was to reduce the officially recorded unemployment figures for Indigenous Australians. When individuals agree to participate in CDEP, they are no longer classified as unemployed. Given that CDEP accounts for about a third of all Indigenous employment, classifying CDEP participants as employed has a dramatic effect on Indigenous unemployment rates as is discussed in more detail in later in this paper.

When first introduced, CDEP was specifically targeted at isolated and remote communities. In 1977/78, ATSIC stated that the objective for the CDEP scheme was:

To provide the opportunity for Indigenous people to voluntarily work in community managed activities which contribute to economic, social and community development and cultural maintenance.

Since then the program has undergone a number of reviews and changes in policy direction, which are summarised in Figure 1.

Figure 1: Time Line of Important Changes to CDEP 1977 to 2000.

- 1977: CDEP program started on a pilot basis in response to demand from remote communities as an alternative to "sit down" money (Unemployment Benefits).
- 1984: The CDEP scheme expanded to cover urban and regional communities. Department of Aboriginal Affairs arrives at agreement with the Department of Finance to achieve an open-ended funding allocation for CDEP.
- 1986: CDEP becomes part of the Aboriginal Employment Development Policy (AEDP). CDEP expands to cover specific interest groups (eg women and youth) and communities in non-remote areas. CDEP spreads from 63 to 92 communities in one year.
- 1991: Royal Commission into Aboriginal Deaths in Custody (RCIADIC) report recommends expansion and enhancement of the CDEP scheme. CDEP allocated additional participant positions through RCIADIC. The Scheme now has over 20 000 participants in 185 communities.
- 1994: CDEP becomes a Regional Council program, with responsibility given to Regional Councils for funding allocation decisions.
- 1995: Interdepartmental Committee on CDEP to resolve disincentive issues facing CDEP participants. Issues include access to tax rebates, rent assistance Health Care Cards and other concessions.
- 1996: Government ceases the allocation of new participant places for expansion of CDEP and cuts capital and recurrent funding by 12% for communities with more than 150 participants. Scheme stands at 274 communities with over 28 000 participants.
- 1997: Spicer Review of the CDEP scheme is completed and ATSIC commences implementing the recommendations of his report.
- 1999: Legislation was passed in Parliament providing CDEP participants with access to Centrelink benefits including CDEP Participant Supplement and allowing all income support recipients (except full time students and sickness benefit recipients) on the scheme. This year also saw the introduction of the CDEPManager system.
- 2000: It was announced in the Federal Budget that an additional 1,500 participant places would be available to CDEP.

Source: ATSIC (2002) CDEP What's it all about?

One of the more important changes to CDEP was in 1984, when the scheme was expanded to include Aboriginal and Torres Strait Islander people living in rural and urban areas. The differing needs and contexts of these communities facilitated a move to greater emphasis being placed on:

business development, employment and training outcomes;

¹ Marcia Langton (2002) A new Deal? Indigenous development and the politics of recovery, University of Sydney

- expanding linkages with employment and training programs, strategies and agencies to improve mainstream employment and training outcomes; and
- improving linkages with government agencies, the private sector and other relevant bodies to enhance access to commercial opportunities.

The mid 1980s also saw a rapid growth in CDEP. This applies both to the number of local community CDEP organisations and the number of participants shown in Figure 2. In 1981 there were 18 organisations and 1300 participants and this has grown to some 270 organisations and more than 35,000 participants in 2003. Until 1996 there was no cap on the number of participants, but at present the total number of participants is limited to 35,500. In 2003 the Government announced that it would fund an additional 1,000 places, but the funding is limited to four years and participants are to be involved in projects either addressing drug and alcohol abuse or domestic violence.

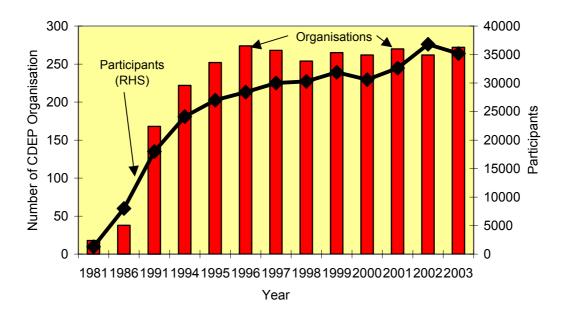


Figure 2: Community CDEP Organisations and Participants

Since its 1984 expansion, CDEP is increasingly becoming as much about preparing participants for transition to employment into mainstream labour markets, through training and work preparation and developing ongoing business enterprises, as it is about making more effective use of government social security payments to the benefit of local Indigenous communities.

The increasing importance of the CDEP as a transition to work program is testified to by a number of Indigenous Employment Program policy initiatives of the Department of Employment and Workplace Relations (DEWR) including:

- the establishment of Indigenous Employment Centres (IEC) within CDEP.
 - the first IEC was established in 2002 and at 30 June 2003 there were 12 IEC with another 14 to be established in 2003-2004
- Wage Assistance for employers of Indigenous jobseekers
- the CDEP Incentive scheme under the Indigenous Employment Program that provides subsidies to CDEP organisations who place participants in jobs outside CDEP

In addition, the CDEP Business Preparation Scheme, funded from existing CDEP budgetary resources, began on 1 July 1998 to support CDEP organisations wanting to develop self sustaining businesses.

Other important change to the structure of CDEP occurred in 1996, when the Government changed the funding formula, to its current CDEP Wages plus Oncost formulation. Prior to this there was a separate pool of funding for infra-structure development and the change to the new system effectively meant a 12% reduction in total funding. At the same time the Government also imposed a cap on the number of participants that would be funded under CDEP. These changes were clearly made to impose a fiscal cap on CDEP, but did no doubt act to lessen its effectiveness both as a community development scheme (due to the cessation of specific infra-structure funding) and as an employment program with a cap on the number of participants.

The changing nature of CDEP has been recognised by ATSIC and in order to promote more flexible options, its 2003 Annual Report proposed to establish two distinct streams of CDEP projects, to be implemented in 2004-2005, namely:

- the Sustainable Community Program, with a primary focus on community development as originally conceived for CDEP and based primarily in remote communities, and
- the Training for Employment Program, focused on providing Indigenous jobseekers appropriate training for transition to mainstream jobs and based largely in major regional and urban areas

In broader terms, the impact of changes on Indigenous communities are summarised in one report² as being characterised by:

- a move away from welfare provision and work-for-the-dole schemes
- a move away from dependency to enable people to exercise the right to take responsibility for their own lives
- a broadening of the notion of work to include Indigenous perspectives
- closer involvement in the provision of training
- closer links with Centrelink and employment providers
- the move towards corporatisation and regionalisation
- closer involvement in regional strategic and development planning and improved inter-agency cooperation
- closer involvement in partnerships with business groups and volunteer and philanthropic organisations
- the promotion of Indigenous business and joint venture arrangements;
- the pursuit of equitable industrial relations provisions
- the more extensive monitoring of programs
- continuing attention to non-labour market programs and social problems such as boredom, alcohol, and violence.

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² Northern Territory Consultative Committee (2003) *Negotiating Work: Northern Territory Indigenous Labour Market Report and Development Plan* p 69-70

SOCIO-ECONOMIC AND CULTURAL ASPIRATIONS OF INDIGENOUS AUSTRALIANS

Policy Framework

The development of economic, social and cultural policies that aim to improve the situation of Indigenous Australians will only be successful where they address the socio-economic and cultural aspirations of Aboriginal and Torres Strait Islander people. It needs to be acknowledged that Australia's Indigenous peoples are not a homogenous group and have diverse and varied traditions, cultures and levels of engagement with non-Indigenous Australia. Although a diverse group, Indigenous Australians share a common set of core values, that ATSIC identifies as:

- connection with place and country,
- centrality of family,
- importance of distinctive cultures,
- material and cultural heritage, and
- intellectual inheritance.

[ATSIC Submission to 2003 ATSIC Review]

In its submission to the ATSIC review, ATSIC identifies key principles that should govern Indigenous policies if social justice is to be achieved, and these include:

- The right to self-determination based on inherent rights and the laws, traditions and cultures of the Indigenous peoples of Australia, is central to the development of ATSIC as an organisation.
- Aboriginal and Torres Strait Islander peoples should be able to engage with governments on the basis of equality and mutual respect about policies and programs affecting them.
- The goal of sustainable and equitable outcomes for Aboriginal and Torres Strait
 Islander peoples in respect of economic, social and cultural rights
- The rights of traditional owners and native title holders need to be protected through negotiated agreements regarding new regional structures, developments and plans.
 [ATSIC Submission to 2003 ATSIC Review]

These common core values and key principles in relation to social justice provide the basis on which all government policies and evaluation of programs affecting Aboriginal and Torres Strait Islander peoples, including CDEP, should be negotiated and evaluated.

CDEP and Indigenous Aspirations

As noted in the preceding section, CDEP is an ATSIC program. Both the decision making and day to day management of individual schemes is highly decentralised to ATSIC Regional Councils and local CDEP organisations. The goals, objectives and management of the projects requires local CDEP organisations to consult with individual participants. Therefore, in terms of the day to day running of CDEP schemes, there is a high degree of autonomy and self-determination. Decisions in relation to total number of participants and funding levels however, remains with the Minister. ATSIC has been frustrated in attempts to increase funding levels for CDEP schemes, especially in relation to the on-cost component, which provides funding for running schemes and capital equipment needed to implement the schemes.

It must also be noted that CDEP has come under an enormous amount of scrutiny from various government inquires and reports, including a major independent review by Ian Spicer, which was concluded in 1997.

Therefore, while CDEP broadly fits the aspiration of self-determination, it cannot be said to be unaccountable in its use of public monies. A number of reviews by the Australian National Audit Office (ANAO) have questioned the cost effectiveness of running many small independent programs, each with its own administration and management structures. ATSIC has attempted to overcome some these issues by introducing standardised application and reporting requirements including the introduction of CDEPManager. In recent years there have also been moves to encourage smaller regional schemes to amalgamate in an effort to save on administrative costs. It is important however that administrative cost efficiency should not replace autonomy and self-determination.

As will be discussed in more detail below, the desire of Indigenous Australians to achieve sustainable and equitable socio-economic and cultural outcomes is far from being achieved. In this regard, it is worth pointing out that CDEP is only one of a host of government programs aimed at overcoming the disadvantage faced by Aboriginal and Torres Strait Islander peoples. Unlike CDEP, most of these programs are controlled by Government Departments and there remains some question of the willingness of these government agencies to consult with Indigenous Australians on an equal basis and with respect about their perspectives on the issues and solutions.

Community CDEP Schemes and Indigenous Aspirations

The nature of CDEP has changed over the years from a scheme that was primarily aimed at employing Indigenous Australians on community development projects, to greater emphasis on development of economically sustainable businesses and the provision of support for individual participants to find mainstream employment opportunities. The wide ranging objectives of various CDEP schemes means that participating communities and individuals will also have varying aspirations as to the outcomes they might anticipate from their involvement. These may include:

- community groups in isolated regions wishing to provide a level physical and social infrastructure to their communities which is equivalent to that enjoyed by other Australians;
- community groups wishing to participate in traditional activities including caring for kin and/or country, and cultural maintenance;
- community groups wishing to develop financially self sustaining business to provide ongoing employment opportunities for community members;
- individuals wishing to participate in traditional cultural activities and contribute to community development activities; and
- individuals wishing to participate in mainstream labour markets.

If CDEP is to meet these aspirations it needs to remain sufficiently flexible and decentralised.

The record

The Social Justice Report 2002 of the Aboriginal and Social Justice Commissioner, Dr Bill Jonas, noted that Aboriginals and Torres Strait Islanders are significantly disadvantaged in contemporary Australian society. He observed that Indigenous disadvantage in Australia is reflected in statistics showing:

- significant health problems,
- high unemployment,
- low attainment in the formal education sector,
- unsatisfactory housing and infrastructure, and
- high levels of arrest, incarceration and deaths in custody.

He also observed that this disadvantage manifests itself in the form of:

- serious substance abuse,
- domestic violence,
- suicide, and
- significant signs of social dysfunction.

[Social Justice Report 2002 p 5-6]

The following section examines the most recently reported statistics in relation to the socio-economic status of Indigenous Australians.

Socio-economic status

Table 1 provides a summary of some of the important socio-economic indicators in relation to employment, income, housing education and health for Indigenous and non-Indigenous Australians, based on data collected in the last three censuses of the Australian population conducted in 1991, 1996 and 2001. The data presented in Table 1 clearly shows firstly, that Indigenous Australians remain unequivocally disadvantaged relative to non-Indigenous Australians for all indicators and secondly, with a few exceptions, there has been little improvement of Indigenous Australians' relative socio-economic status over the 10 year period covered.

Employment

The Labour Force Participation rate indicates the percentage of the working age population that are employed or actively seeking employment and as such is an indicator of the level of engagement a particular group has with the labour market. As the data in Table 1 indicate, this level of engagement for Indigenous Australians is at least 10 percentage points lower than for the rest of the Australian population. For Indigenous Australians the participation rate fell slightly, where as for non-indigenous Australians it remained fairly constant. Therefore, one might conclude that between 1991 and 2001 there was little incentive provided for more Indigenous Australians to engage in the labour market.

While the unemployment rate for Indigenous Australians fell from 30.8% in 1991 to 20.0% in 2001, this decline reflects the decline in the total unemployment rate over that period. In 2001, an Indigenous Australian was three times more likely to be unemployed than a non-Indigenous Australian. A potential problem that a number of commentators have observed in analysing raw unemployment data as presented in Table 1, is that the impact of CDEP schemes has the potential to artificially lower Indigenous unemployment rates. According to ATSIC estimates, if CDEP participants (in the order of 33,000 which is about 30% of all Indigenous employees) were not counted as being employed, the real Indigenous unemployment rate in 2001 would have been approximately 34% instead of the 20% recorded. Whether CDEP participants should be included when calculating Indigenous unemployment rates is a contentious issue and goes to the definition of what constitutes or defines work. This issue is discussed in some detail in Section 4.2 of the report.

The influence of CDEP on Indigenous employment outcomes however, can be extrapolated from the data presented in Table 1. The data show that in 2001 only 23% of Indigenous people were employed in the private sector compared to 48.5% for the non-Indigenous population. This is because CDEP schemes are counted as public sector schemes. Table 1 also shows that 22.2% of Indigenous Australians were employed full-time, compared to 38.8% for the rest of the population, largely because the vast majority of CDEP participants are employed on a part-time basis because of the way scheme is funded.

Table 1: Socio-economic indicators for Indigenous and non-Indigenous Australians 1991, 1996, 2001

	1991		1996		2001		Change	
Indicator	_	non-		non-		non-		non-
	Indig	Indig	Indig	Indig	Ind	Indig	Indig	Indig
EMPLOYMNENT								
Labour Force Participation Rate	53.5	63.2	52.7	62.0	52.1	63.4	-2.6%	0.3%
Unemployment Rate (%)	30.8	11.4	22.7	9.0	20.0	7.2	-35.1%	-36.8%
Total Employment (%)	37.1	55.8	40.7	56.4	40.4	58.9	8.9%	5.6%
Employed - Private Sector (%)	21.9	42.7	21.6	46.3	23.0	48.5	5.0%	13.6%
Employed Full-time (%)	22.9	40.7	23.1	39.3	22.2	38.8	-3.1%	-4.7%
INCOME (\$2001)	INCOME (\$2001)							
Median Income – individuals	263.7	375.8	211.7	325.3	226.2	381.1	-14.2%	1.4%
Median Income – families	564.9	848.6	559.2	813.2	628.8	872.7	11.3%	2.8%
HOUSING								
Home ownership / purchasing	30.2	72.1	32.5	72.7	33.4	72.7	10.6%	0.8%
Household size	4.0	2.9	3.6	2.7	3.4	2.6	-15.0%	-10.3%
EDUCATION								
Did not go to school (% adults)	5.4	1.0	3.1	0.7	3.2	1.0	-40.7%	0.0%
Left school at less than 15	54.0	39.2	44.2	35.7	33.4	18.0	-38.1%	-54.1%
Attending university (% of 15-24								
yr olds)	3.0	12.6	3.4	14.4	3.8	16.9	26.7%	34.1%
Post –school qualifications	8.2	27.3	23.6	40.2	27.9	44.7	240.2%	63.7%
HEALTH								

Male life expect at birth (yrs)	57.0	74.4	57.0	75.0	57.0	76.0	0.0%	2.2%
Female life expect at birth (yrs)	63.8	80.4	64.0	81.0	65.0	82.0	1.9%	2.0%
Proportion population over 55	6.2	18.7	6.3	20.4	6.7	22.0	8.1%	17.6%

Source: J.C Altman and B.H Hunter Monitoring 'practical reconciliation: Evidence from the reconciliation decade, 1991-2001 CAEPR Discussion Paper 2003 No. 254/2003

Income and Housing

While employment/unemployment status is an important socio-economic indicator, its potential to impact on other aspects of one's life is perhaps of more concern. Data in Table 1 on income and housing show that Indigenous Australians continue to lag well behind other Australians, with median income being some \$250 less per week for an Indigenous family than a non-Indigenous family in 2001. The data also show for individuals the level of real medium income actually fell by about 14% in 2001 compared to 1991. The household ownership rate for Indigenous Australians was 33.4% in 2001. While this represents a 10% increase over a decade, it still is significantly less than half that of other Australians at 72.7%.

Education

While the education outcomes for Indigenous Australians improved over the period 1991 to 2001, with the proportion of the population leaving school before the age of fifteen falling from 54% to 33%, this remains a very poor outcome when compared to the rest of the population where the decline was from 39% to 18%. The indicator where Indigenous Australians did best over the period, relates to the proportion of 15-24 year olds with post secondary school qualifications, which more than doubled to 27.9% in 2001, however this was from a very low base of just 8.2% in 1991. Therefore while the gap between Indigenous and non-Indigenous Australians in terms of attainment of post secondary school qualifications may have been reduced somewhat over the period, it continues to lag well behind the rest of the population, where the proportion of the population with post secondary qualifications is 44.7%. There is also some concern that the latest Census data relating to 2001 does not pick up recent declines in the numbers of Indigenous students commencing tertiary education studies, as has been reported in the Higher Education Report for the 2004 to 2006 Triennium. (DEST 2003)

Health

The health outcomes in terms of life expectancy reported in Table 1 for Indigenous Australians relative to the rest of population are nothing short of a disgrace. The data not only indicate that Indigenous Australians have considerably lower life expectancy but that between 1991 and 2001 Indigenous Australians are worse off relative to the rest of the population.

While it is not the purpose of this paper to undertake a thorough analysis of the broader disadvantage faced by Indigenous Australians, including health and other issues such as incarceration, domestic violence and other social issues, it is important to understand that poor labour market outcomes can have flow on effects to other aspects of Indigenous peoples lives and their socio-economic and cultural status.

Reasons behind the labour market outcomes of Indigenous Australians
In early 2004, the ABS released a report called *Indigenous Australians in the*Contemporary Labour Market that analyses labour market outcomes for Indigenous
Australians compared to non-Indigenous Australians. The report concludes that, Indigenous
Australians:

- have significantly lower participation rates than non-Indigenous Australians (Table 1);
- despite lower participation rates, experience unemployment rates at least twice that of the non-Indigenous population (Table 1);
- are significantly more likely to be employed on a part-time basis than non-Indigenous Australians (Table 1);
- employment is more concentrated in declining industry sectors such as agriculture and manufacturing;
- are far more likely to be employed in relatively low skilled occupations;

far less likely to be self-employed.

More importantly the analysis presented in the report concludes that Indigenous Australians disadvantage results from a number of important factors, including:

- lower educational attainment compared to non-Indigenous Australians;
 - o the report concludes that more than half of the differences between unemployment rates can be explained by lower levels of educational attainment;
- geographic distribution of the population and relatively low mobility;
 - Indigenous Australians are far more likely to live in isolated and remote regions with relatively high unemployment rates and are far less likely to move to other regions with better employment prospects;
- the Indigenous working age population is relatively youthful compared to non-Indigenous Australians:
- self-employment levels of Indigenous Australians is about a third of that of non-Indigenous Australians.

When eliminating the impact of all other variables, the report concludes that for Indigenous Australians:

- the scope for labour market discrimination is more important than previously thought, discrimination is an ongoing impediment to engaging in the 'real' economy
- it is important to recognise the probable existence of structural impediments to Indigenous employment, especially racial discrimination.

[p120 – 121]

Some of these issues are discussed in more detail below.

Geographic

The geographic distribution of Australia's Indigenous population relative to the rest of the population adds additional complexity when trying to compare labour market outcomes between Indigenous and other Australians. The data in Table 2 clearly demonstrates the concentration of the Indigenous population in outer regional, remote and very remote regions is 49.6% compared to 12.1% for the rest of population.

Table 2: Selected Population and Labour Force Indicators by Region 2001

Table 2. Colocted i opalation and Eusean i orde maleatore by itegion 2001						
	Major	Inner	Outer		Very	
	Cities	Regional	Regional	Remote	Remote	Total
INDIGENOUS PERSONS						
Population	138,494	92,988	105,875	40,161	81,002	458,520
% Share	30.2	20.3	23.1	8.8	17.7	100.0
Working Age Population	74,830	47,485	5411	21,009	45,256	249,073
% Share	30.0	19.1	21.9	8.4	18.2	100.0
Lab Force Part Rate (%)	57.3	52.0	50.7	50.5	46.2	52.1
Employment / Pop'n (%)	45.8	39.0	39.0	40.8	42.4	41.7
Unemployment Rate (%)	20.1	25.0	23.1	19.2	8.3	20.0
NON-INDIGENOUS PERSONS	NON-INDIGENOUS PERSONS					
Population	12,732,492	3,932,907	1,907,688	284,160	97,473	18,954,720
% Share	67.2	20.7	10.1	1.5	0.5	100.0
Working Age Population	9,435,934	2,828,278	1,352,196	195,560	65,084	14,006,987
% Share	67.4	20.2	9.7	1.4	0.5	100.0
Lab Force Part Rate (%)	64.3	59.9	63.3	71.8	78.1	63.4
Employment / Pop'n (%)	59.9	55.0	58.6	68.3	75.4	58.9
Unemployment Rate (%)	6.9	8.1	7.4	4.9	3.5	7.2
Source: ABS Cat No. 4713				·		

The geographic distribution of the Indigenous population is no doubt a major driver behind both the labour force participation and employment and unemployment outcomes for

Indigenous people, especially given that opportunities for mainstream employment in remote and very remote areas is very limited. This outcome is apparent when one looks at the participation rates in theses areas. While the participation rates for non-Indigenous people in remote and very remote areas were 71.8% and 78.1% respectively, which is well above the national averages, they are only 50.5% and 46.2% for the Indigenous population, unusually low compared to national averages. There are several reasons why these results might emerge. Firstly, Indigenous people are generally not living in sparsely populated areas in an attempt to find mainstream work. Secondly, there are limited employment opportunities in the regions where a relatively high proportion of the Indigenous population lives. On the other hand non-Indigenous Australian are likely to move to sparsely populated areas to take up specific employment opportunities.

This highlights further the problem of what constitutes a definition of work which will be discussed below. The reason that many Indigenous Australians choose to live in remote and very remote locations is no doubt driven by their attachment to their land and the importance of family.

Education

The report on *Indigenous Australians in the Contemporary Labour Market* claims that differences in educational attainment accounts for up to half the difference between Indigenous and non-Indigenous labour market outcomes. Table 3 presents the latest available data on indicators of educational attainment.

Table 3: Indicators of educational attainment

	Maior	lanar	Outon		1/00/			
	Major	Inner	Outer		Very			
Educational Attainment	Cities	Regional	Regional	Remote	Remote	Total		
INDIGENOUS PERSONS	NDIGENOUS PERSONS							
Pop'n aged 15+	74,830	47,485	54,511	21,009	45,256	249,073		
Completed Year 12 or equiv	23.7	17.1	16.6	12.1	8.2	16.8		
15-17 yr olds at TAFE	7.6	11.0	7.7	4.0	0.8	7.0		
18 - 24 yr olds at:	18 - 24 yr olds at:							
. TAFE	9.1	11.0	8.1	5.9	1.8	7.5		
. University	9.5	6.1	3.5	1.9	8.0	5.2		
NON-INDIGENOUS PERSON	NON-INDIGENOUS PERSONS							
Pop'n aged 15+	9,435,934	2,828,278	1,352,196	195,560	65,084	14,006,987		
Completed Year 12 or equiv	44.3	29.7	28.3	31.1	34.4	39.5		
15-17 yr olds at TAFE	4.3	5.8	5.9	5.0	4.6	4.8		
18 - 24 yr olds at:								
. TAFE	11.3	11.3	8.9	7.8	5.6	11.0		
. University	27.4	15.6	9.0	3.7	3.2	23.5		

Source: ABS Cat No. 4317

Indigenous Australians are severely disadvantaged in terms of educational attainment especially when it comes to completing Year 12 (16.8% compared to 39.5%) and no doubt as a direct consequence of this attendance at university (5.2% compared to 23.5%). The only category of education where Indigenous Australians have a higher participation rate is for 15 to 17 year olds attending TAFE.

As one would expect, the participation of students declines the further they are located from major cities, which is true for both Indigenous and non-Indigenous Australians. The impact of isolation however, appears to be far greater for Indigenous Australians, especially in relation to completing Year 12. The participation rate in very remote areas being half the average for all Indigenous Australians (8.2% compared to 16.8%) whereas, the difference for non-indigenous Australians is only 5 percentage points lower (34.4% compared to 39.5%).

The lack of educational attendance and attainment of young Indigenous people is a matter of concern since there is a clear link between educational attainment and employment

outcomes. Some authors have suggested that the lack of mainstream jobs, especially in remote and very remote regions, may account for these poor results. If students do not see a direct link between improving their qualifications and obtaining a good job (given that few exist), there is little or no incentive to improve educational qualifications.

OUTCOMES AND OUTSTANDING POLICY ISSUES

In the preceding sections we have outlined the nature and organisational structure of CDEP and considered the socio-economic and cultural imperatives that need to be taken into account in the development of policies that affect Aboriginal and Torres Strait Islander peoples. In this section we discuss various views on the effectiveness of CDEP and a number of important and outstanding policy issues that arise from this debate. Some of the issues that arise from the debate over the relative success or failure of CDEP, generally fall into the following categories:

- the focus of CDEP community development vs transition to mainstream work
- funding of CDEP schemes
- the impact of CDEP on Indigenous unemployment statistics welfare vs work
- the impact of CDEP on educational aspirations link between employment and education
- the industrial rights of CDEP participants
- other rights associated with CDEP participants

Before discussing these policy issues we first examine the contentious debate over the relative effectiveness of CDEP in addressing the situation faced by Indigenous Australians.

CDEP Outcomes

There is much debate about the relative success or failure of CDEP. On the one hand it could be argued that CDEP has been a failure because it has failed to address and reverse the socio-economic disadvantage faced by Indigenous Australians, as discussed in the preceding section of this submission. In this context, it needs to be kept in mind that CDEP is only one of a number of Indigenous development and employment programs, and the contribution (or lack thereof) of other programs also needs to taken into consideration.

Perhaps the most damning condemnation of CDEP comes from a number of influential Indigenous leaders such as Marcia Langton and Noel Pearson. Langton (2002), in particular, claims that CDEP has in some senses worsened the socio-economic conditions of Indigenous Australians by effectively institutionalising part-time employment and therefore low income levels. She argues that CDEP participants thus become captured in a 'poverty trap' from which it is difficult to escape, especially for those Aboriginal and Torres Strait Islander peoples living in non-urban regions.

Langton perceives CDEP as entrenching, what Noel Pearson would describe as, 'welfare dependency' rather than providing an escape from it. Langton is very much of the view that "CDEP requires radical transformation into a genuine labour market strategy that brings Aboriginal people into the workforce in sufficient numbers to enable them to escape the poverty trap".

Langton's view is predicated on the explicit assumption that CDEP is essentially a transitory welfare program rather than a program aimed at providing on-going work for Indigenous Australians on community development programs.

Other Indigenous groups, especially those directly responsible for the delivery of CDEP, argue that it has been a great success in improving the qualitative, if not quantitative, aspects of Indigenous Australians lives. They point to the fact Indigenous Australians continue to volunteer to participate in record numbers and most community-based schemes have waiting lists of people wishing to join.

In addition, it is argued that CDEP has been important in achieving a number of important gains for community groups and individual participants, including:

reduction in rates of crime and other forms of anti-social behaviour

- rehabilitation of some participants who are deeply disadvantaged due to lack of education and marketable skills in a culturally appropriate and supportive environment
- a transition to work and access to flexible training programs
- it can match activities to individual aspirations and needs and establish and maintain cultural identity
- for communities:
 - o it helps build self esteem and self-confidence by providing mutual support;
 - o it provides role models;
 - it assists empowerment by generating a sense of community ownership and control
- it builds a sense of pride with individuals and in the indigenous community by projecting the image of a working Aboriginal and Torres Strait Islander organisation.

[ATSIC (2002) CDEP: What's it all about?]

While these views on the one hand seem totally opposed, this may not necessarily be the case. The Langton view is very much about the 'big picture', whereas the ATSIC view is very much concerned about what happens at the local community or individual participant level. The differing views of the relative effectiveness of CDEP also highlight a number of the outstanding policy issues that need to be considered, and these relate to how CDEP is funded and the orientation of CDEP schemes. In essence, the problem is one of whether CDEP is considered a welfare program or a community development program.

Outstanding Policy Issues

Funding

One of the fundamental problems associated with CDEP is that there is a structural flaw in the way it is funded, which means that participants are largely caught in a situation of part-time employment and low income. This is because CDEP funding is directly related to social security entitlements forgone by participants. CDEP is funded through two components, CDEP Wages (essentially the equivalent unemployment befits) plus Oncost funding.

While CDEP participants are paid award wages for their work on CDEP, the majority of participants can only be employed for 2 to 3 days per week because of the cap on total income any one person is allowed to earn under CDEP. Unless other employment opportunities exist, this means that individual participant's total income levels are kept low. This leads to a predominance of part-time employment and as the report into Indigenous employment in the NT observes, "CDEP is a form of structured under employment". CDEP may unintentionally create a group of working poor because of insufficient funding to employ participants on a full-time basis. As noted earlier, Indigenous community leaders such as Marcia Langton and Noel Pearson see this as the institutionalisation of welfare dependency' and 'a poverty trap'.

This raises the question as to whether policy makers and the broader community consider CDEP as essentially a welfare program or a program providing legitimate work for community development. Even if CDEP was essentially considered, as the equivalent to work for the dole, there is no doubt that it is either highly cost effective or chronically under-funded. The Spicer Review reported that a review of the Audited Financial Statements of CDEP organisations for 1995/6 found that CDEP is funded at an average of \$2600 per annum per participant. For this, the scheme undertakes its administration, meets capital expenditure, covers all the recurrent costs, promotes cultural issues, acts as diversionary and essential services programs and maintains a level of social counselling and assistance. Training and employment outcomes are also expected. By comparison, the recent changes to Commonwealth employment programs suggest that, for the most disadvantaged group of job seekers, which would include most Indigenous Australians, employment outcomes could only be achieved by providing work preparation and other training at a cost of up to \$10,000 per participant over a period of 12 months. The Office of Evaluation and Audit found that ex-CDEP participants were five percentage points more likely to be in a job than a comparison group of mainly non-indigenous job seekers on the CES register.

It is clear that the current funding arrangements constitutes a major structural flaw in the CDEP program. The direct tying of funding to participants' social security entitlements has two effects. Firstly, it ensures that CDEP will be essentially considered a welfare program rather than a community development work program and as such, will be subject to notions of mutual obligation where in return for short terms welfare provision, participants are obliged to get off welfare and become economically self-sufficient. Secondly, there is insufficient funding to allow more participants to find full-time employment, even where they are engaged in legitimate jobs, whether that be in the building or running of social or physical infrastructure or in activities classified as cultural maintenance.

The Royal Commission into Aboriginal Deaths in Custody made a number interesting observations and recommendations in terms CDEP funding that might be worth revisiting in the context of the discussion above. The Royal Commission recommended that any reviews of CDEP consider, amongst other things:

- improved mechanisms for the combining of funds from different programs (such as the Aboriginal Enterprise Incentive Scheme and the Enterprise Program) to supplement the capital and recurrent funding of CDEP in order to facilitate greater Aboriginal community control over infrastructural components of projects, and
- the introduction of a mechanism which ensures that CDEP projects are not used as a substitute for the provision of an adequate level of municipal and other social services, unless funds equivalent to those which would have been provided in respect of municipal and social services are provided to supplement the operation of CDEP.

[Recommendation 319: National Report VOLUME 4]

In other words, the Royal Commission was advocating that funds from other programs including the provision of community infrastructure or municipal services be pooled and given to local communities to manage and run. This would increase the level of income available to participants, legitimise these activities as 'real' work, while at the same time maintaining a degree of control and self-determination.

Orientation of CDEP

The debate about what constitutes 'real' work stems from the multiple and changing goals of CDEP. While the expansion of the scheme in 1984 to include Aboriginal and Torres Strait Islanders living in regional and urban areas still acknowledged the importance of community development, this was promoted as a secondary consideration to the development of individual skills. The *Spicer Review* recommended a revised objective for CDEP, namely;

to provide <u>work</u> for unemployed Indigenous persons in community managed activities which assist the individual in acquiring skills which benefit the community, develop business enterprises and/or lead to unsubsidised employment.³

The impetus for this change was "to ensure that, where possible, CDEP does not become a life time destination for all participants but provides a conduit to other employment options". CDEP thus essentially became a welfare program aimed at fostering employment rather than one focused on community development.

While this policy direction acknowledged the lack of employment opportunities in some regions and many remote communities, it largely advocated the facilitation of enterprise development within these communities. In such cases, the Business Preparation Scheme was touted as one way of creating innovative solutions to the expansion or development of Indigenous businesses in specific sectors. Development and work thus largely became defined by their ability to create self sustaining *economic* rather than *community* development outcomes. 'Real' work has therefore come to be considered that which contributes to the formal economy, thereby excluding activities such as cultural preservation and land

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³ Spicer, Ian (1997) Review of the Community Development and Employment Projects Scheme, p.4

maintenance which do not generate an income but contribute to the maintenance of traditional cultures, knowledges or lands. .

The 'transition to work' focus of CDEP is considered largely successful, and something that is to be applauded for its provision of "training and work opportunities which enable participants, if they so choose, to move into the mainstream job market and which in some cases have developed creative strategies for leveraging their competitive advantage for enterprise development". However, it has also come under considerable criticism for its failure to recognise the need for diverse and flexible forms of development and the varying needs and aspirations of different communities. Thus, while economic development in itself is not considered to be a bad thing, the way in which it is fostered through CDEP is considered to be both unrealistic and oppressive.

On a fundamental level, the philosophy of mutual obligation is criticised, for its implicit assumption that;

social and economic change should be driven through changes in the circumstances, skills and opportunities of individuals. Equally it assumes that the wider social problems which are associated with welfare dependency can be addressed through changing the circumstances of individual lives⁶.

This fails to recognise not only the ways in which Indigenous communities organise on a social, economic and political level, but it also fails to take account of the historical exclusion, marginalisation and oppression of Indigenous people. Thus while it is recognised that "expectations in terms of employment outcomes must be gauged against the realities of local labour market opportunities presented by these communities", it is also necessary to recognise the barriers that Indigenous communities face in accessing these markets.

These barriers have many forms and implications. It is not only geographic location that affects access to adequate labour markets, but also access to resources such as land and infrastructure that facilitates health, education, housing and essential services. As participants in one study noted: "One of the fundamental objectives is that people progress into real jobs, essential services – power and water. The object should be to get communities to manage their own functions before we start talking about small business". It is this failure to recognise not only the differing contexts and environments of Indigenous communities, but the fundamental failure to recognise the premise on which economic development is predicated that facilitates the exclusion and marginalisation of Indigenous people.

On a practical level, while the move to mainstream employment and full wages may be a goal of some participants of CDEP, it is argued that for many, a casual or marginal attachment to the workforce is preferable and that, "CDEP facilitates this possibility and is thus an important element in the ability for Indigenous peoples to implement their right to choose a lifestyle that is compatible with Indigenous community development agendas". For others however, the issue isn't simply one of being able to choose to exercise their rights, but a lack of any realistic or sustainable alternative under the current funding arrangements and regulatory requirements of CDEP. Thus the community development focus of CDEP should not simply be conceived as an alternative welfare policy option for remote communities, but rather as the provision of physical and social infrastructure that is part of the core "citizenship rights" of all Australians and which in turn could lead to the development of self determined economic growth. Langton (2002), argues that what is needed is capital investment, which in turn could "create the labour market entry points for CDEP personnel in the industries, such as grazing, forestry and syvalculture, aquaculture and fishing, mining and tourism".

ATSIC's move to establish two streams of CDEP, with one focusing on Sustainable Community and the other on Training for Employment, is a recognition of the differing needs and contexts of CDEP participants. While this addresses some of the issues raised above in regard to the conflicts between transition to work and community development agendas, it

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⁵ David Martin *CDEP* in the context of welfare dependence

⁶ ibid

⁷ Negotiating Work Report (2003)

⁸ ibia

remains to be seen how effective it will be in solving the fundamental problem of Indigenous Australian's disadvantage. It needs to be recognised that community development is not just an issue for isolated communities but is crucial to developing alternative and sustainable development for all Indigenous communities. Recognising, and valuing Indigenous knowledges and cultural practices as legitimate forms of 'work' or development, can in turn lead to the creation of a range of additional employment opportunities.

The Impact of CDEP on Indigenous labour market outcomes.

There have been a number of commentators and reports that have focused on the impact that CDEP has on Indigenous unemployment rates. Once an individual elects to join a CDEP scheme and surrender their social security and entitlements, in exchange for CDEP wages, they are no longer counted as being unemployed.

Table 4 shows the total number of Indigenous Australians employed together with the number of CDEP participants for the period 1994 to 2000. As the data show about 30% of all employed Indigenous Australians are employed on CDEP schemes. Because CDEP is such a large employer, counting CDEP participants as employed has a significant impact on unemployment rates as measured by the Australian Bureau of Statistics (ABS).

Table 4
Indigenous Total Employment and CDEP Participation

	Number of Person	ns '000	Share %
Year	Total *	CDEP	CDEP/Total
1994	84.4	24.1	28.6%
1995	100.6	27.0	26.8%
1996	98.1	28.4	29.0%
1997	92.1	30.0	32.6%
1998	95.1	30.3	31.9%
1999	98.9	31.9	32.3%
2000	110.9	30.6	27.6%

^{*} includes CDEP participants

Source: ABS.

Table 5 demonstrates the impact that including CDEP participants as employed can have on the Indigenous unemployment rate. If CDEP participation did not count as employment, then the Indigenous unemployment rate, between 1994 and 2000, would on average be 23 percentage points higher than the ABS definition.

Table 5: Comparison of the Indigenous Unemployment Rate

Year	Indigenous Unemployment Rate %					
i eai	As defined by ABS	Excluding CDEP				
1994	27.8%	48.4%				
1995	20.9%	42.1%				
1996	22.9%	45.2%				
1997	23.3%	48.3%				
1998	25.0%	48.9%				
1999	21.9%	47.0%				
2000	17.6%	40.3%				

Source: ABS

The consequence of including CDEP participants as being employed is that the official labour market statistics are considerably lower than had they not been counted as employed. One interpretation of this statistic is that it actually hides the true level of unemployment amongst Indigenous Australians. This interpretation however, assumes CDEP employment is in fact disguised unemployment and does not constitute work. Such an interpretation clearly places CDEP in the realm of being a welfare program and not legitimate work.

Indigenous Knowledge and Land Rights

The issue of what counts as legitimate work is also relevant to the potential for CDEP to create genuine development opportunities for Indigenous communities. Work that is done in the context of community development often focuses on specific Indigenous knowledges that have the potential to provide a range of educational and employment opportunities.

One of the fundamental principles of being able to develop economically is the control of and access to land and sea estates. The *Negotiating Work* report comments;

Ownership and control of land can provide both economic and cultural benefits to Indigenous people and can allow Indigenous people to live on their land, fulfil cultural and spiritual responsibilities and use it for economic purposes. Land, seas and rivers provided the economic base for Indigenous people for tens of thousands of years. The potential for Indigenous people to benefit from commercial activities however, depends on the nature of the property rights assigned, the governance and administration of Indigenous landholding and fund management bodies and their ability to negotiate beneficial agreements with outside parties and the aspirations of Indigenous landholders

Thus it is not just access to conventional labour markets that provides a barrier for Indigenous participation in the formal economy, but also the ability to utilise resources, which could provide the means for self-determination in how those labour markets are structured. Non-Indigenous concepts of economic rationality and management cannot be applied without taking into consideration the differences between western and Indigenous concepts of land tenure, resource use and management. Recognising and valuing the specific knowledges that Indigenous people have creates new opportunities for both Indigenous and non-indigenous communities.

This issue is particularly relevant for higher education. Contemporary societal perceptions of Aboriginal and Torres Strait Islander people have evolved primarily from academic representations of Aboriginal and Torres Strait Islander culture. Universities in accepting that much needs to be done in providing and incorporating education with content specifically about Aboriginal and Torres Strait Islander peoples and cultures, as well as aspects of Australian history, provide not only the opportunity to employ more Indigenous people but also the potential to develop specific programs that generate long term benefits to the local Indigenous and broader community.

SUMMARY and RECCOMENDATIONS

While the data presented above might lead one to conclude that CDEP has failed to deliver education and long-term employment outcomes of Indigenous people in rural, remote and urban areas, this needs to be taken in context.

Orientation of CDEP

CDEP was not originally intended to be an education and transition to work program, but rather a program aimed at diverting Government welfare payments to allow isolated Indigenous communities to determine and manage their own community development programs. This was in part, recognition of the failure of successive Australian governments at all levels to provide essential public services to Indigenous communities, especially those living in isolated areas. It could also be interpreted as compensation for the denying Indigenous communities access to their traditional foods and economic resource bases as a consequence of the dispossession of their traditional lands.

Over the years however, successive government's have changed the focus of CDEP to one of a labour market program where the primary objective is to get Indigenous people off welfare and into mainstream employment. While this might meet the aspirations of some Indigenous Australians, it does not fulfil the original objectives of CDEP. The labour market focus of CDEPs has become caught up in the broader mutual obligation agenda where the onus is on recipients to get off welfare, whereas the original intent of the CDEP community development was an obligation of the government to help Indigenous Australians overcome centuries of discrimination, dispossession and disadvantage.

Recommendation 1:

CDEP be redefined as a program that is focused on self-determined and managed community development programs. Any transition to labour market programs should be clearly identified and resourced by the labour market program.

Community Infrastructure

In order to meet its objectives as a community development program, there are a number of structural flaws in the current funding arrangements. The fact that CDEP participant wages are directly tied to their entitlement to social welfare payments has two important implications. Firstly CDEP participants will always be considered welfare recipients on work-for-the dole schemes, rather than participating in legitimate community development projects. Secondly, limited funding means that participants are caught in a cycle of permanent part-time work leading to institutionalised poverty. Insufficient funding has also means that local communities have been unable to develop physical and social community infra-structure to help them overcome disadvantage. This continuing lack of community infrastructure maintains the cycle of social dysfunction as a direct consequence of having no opportunity to establish sustainable employment in the provision of public services. This negatively impacts on CDEP in a way that significantly limits the degree of social rehabilitation possible and raises the question as to what follows rehabilitation.

Without significant investment in Indigenous community infrastructure development providing basic public services and thus opportunities for sustainable employment and real community development, CDEP will continue to operate in a context of institutionalised poverty under the guise of Aboriginal social welfare. Welfare as a stand alone approach to redressing indigenous disadvantage does not provide the stepping stone to realise community socioeconomic and political imperatives. CDEPs that provide economic incentives rewarding Indigenous communities and individuals would achieve, to a large degree, a greater level of Indigenous social rehabilitation than welfare based CDEP programs.

Recommendation 2:

The funding model for CDEP community development programs needs to be reassessed. The funding needs to be sufficient to allow local Indigenous communities to:

- develop and maintain community infra-structure to a level equal to that enjoyed by other Australians, and
- employ participants on a continuing full-time basis who are considered 'legitimate' workers and not work-for-the-dole welfare recipients.

This may require a whole of government approach to the funding of CDEP community development projects.

Economic independence

While isolated Indigenous communities are entitled to the same level of community infrastructure as other Australians to achieve self-sustaining local communities they also require appropriate economic resources including rights to land and intellectual property. The Government's continuing emphasis for CDEP programs to provide social rehabilitation without community infrastructure investment, maintains an economic environment generally not conducive to self-sustaining economic development and or good social order. Recognition of Australian Governments' denial of Indigenous rights to exploit the biodiversity and intellectual property pertaining to traditional lands, provides a salient reminder of the imbalance of accounts regarding economic prosperity enjoyed by Indigenous and non-indigenous Australians.

Recommendation 3:

The Australian government adopts an equal emphasis on providing economic development investment in Indigenous community infrastructure and public services to support the current focus on social rehabilitation programs for CDEPS and to provide the essential service infrastructure development that is currently absent.

Training and Education

Providing Indigenous communities with infrastructure and the resources to allow them to become economically independent will require appropriate levels of training and education. At the moment there is little incentive for Indigenous Australians based in isolated communities to engage in training and education where there is little prospect of them being able to exploit it in their local communities. This may require the development of specific courses and/or programs by Australia's education providers.

Recommendation 4:

Australian education providers, as an extension to CDEP, should be encouraged to develop appropriate training and education, which collectively incorporate in their design and purpose, the specific cultural, social and economic development imperatives of Indigenous peoples' and communities.

Labour Market Transition Programs

Indigenous Australians that aspire to participate in the mainstream labour market should NOT be classified as CDEP participants.

Recommendation 5:

Labour market programs that have the specific objective of moving people from welfare to work should be developed. These programs should take into account the levels of disadvantage faced by Indigenous Australians in finding mainstream employment including low levels of educational attainment and racial discrimination.