CENTRE FOR ABORIGINAL ECONOMIC POLICY RESEARCH

THE AUSTRALIAN NATIONAL UNIVERSITY

Submission to the Australian Government's *Increasing Indigenous Employment Opportunity* Discussion Paper

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The Hon. Julia Gillard MP
The Hon. Jenny Macklin MP
The Hon. Brendan O'Connor MP

Dear Ministers

1 I provided submission as an independent academic—not as Director of the Centre for Aboriginal Economic Policy Research (CAEPR)—on the Australian Government Discussion Paper *Increasing Indigenous Economic Opportunity* released in May 2008 under your names. That submission focused on the Community Development Employment Projects (CDEP) program and provided:

- statistical evidence about the success of the program
- three recommendations for its enhancement and improvement in accord with the Rudd government's pre-election National Platform
- concerns about the potential negative impacts on social and economic circumstances for Indigenous people if CDEP was regarded solely as a labour market program
- caution that it would be extremely risky to tamper with CDEP at a time of great economic uncertainty.

The last observation in particular, made in June 2008, is even more pertinent now in November as we have just received pessimistic economic forecasts of an inevitable downturn in the Australian labour market following the global financial crisis and likely global recession. Presumably, Indigenous workers will not be immune from this downturn.

2 In October 2008 the Australian Government released a second Discussion Paper *Increasing Indigenous Employment Opportunity* again under your names. I assume that my views alongside those articulated in 70 consultation sessions and in 119 other written submissions were given due consideration, although the summary of these outlined at pps 4–5 of the Discussion Paper is cursory and certainly fails to engage with the statistical evidence provided. The Discussion Paper does not provide a listing of submissions nor is it clear if they are publicly available.

3 In the Foreword to the October Discussion Paper you jointly note that:

- the Australian Government is ambitiously seeking to halve the employment gap between Indigenous and other Australians within (not in) a decade
- a job is the key to social and economic progress
- the Australian Government is determined to unlock the personal and community benefits of employment for more Indigenous Australians.

Such goals are admirable and indisputable. However what is both challengeable and contentious is whether proposed reform of the CDEP program will assist to close the employment gap or widen it; how a job and social and economic progress might be defined and by whom; and similarly, whether the proposed effective abolition of the CDEP program in regional and remote Australia is likely to result in enhanced employment and associated personal and community benefits.

4 It is these more difficult and contentious issues that I want to address in this brief submission that is again provided from my personal academic perspective and not in my capacity as Director of CAEPR. I do so utilising academic and applied research about the CDEP program that I have undertaken since 1977. While I am not confident that the issues I raise will be seriously considered by the Rudd Government and its Indigenous affairs and employment bureaucracy, I feel obliged to place them on the public record. The nature of your final reform package, its implementation, and time will tell if my concerns are well founded.

5 Your proposed reforms look to abolish the CDEP program in regional Australia and to alter it in all but name in remote Australia. Your fundamental changes are twofold (p.7). First, CDEP positions that support the delivery of government services would be converted to properly paid jobs. Second, by 31 March 2010 all CDEP participants will receive relevant income support payments from Centrelink rather than be paid CDEP wages by organisations or local governments that administer the CDEP program. The latter proposal seems to be predicated on an erroneous horizontal equity view that all community members undertaking similar activities should have the same income and participation requirements. This view is erroneous because there is little similarity in most cases between CDEP workers and income support recipients. The issue is more one of vertical equity, the different treatment of people in different situations.

6 In this submission I want to very briefly revisit the history of the CDEP scheme, its growth, problems associated with its success, its key shortcomings, the likely impacts of proposed reforms and a few recommendations for more constructive rather than destructive reforms of the program. Many of these issues have been raised in a public seminar 'Closing the Employment Gap, proposed changes to CDEP and the nature of Indigenous affairs policy making today' that I gave at the Australian Institute of Aboriginal and Torres Strait Islander Studies, Canberra on 20 October 2008, upon which I draw (a podcast of this seminar is available at <http://www.aiatsis.gov.au/research_program/events2/seminar_series_2_2008>).

7 I also append to this submission an Annotated Chronology of the Community Development Employment Projects (CDEP) Program 1977–2008 prepared by Melissa Johns.

History

8 The CDEP program started on a pilot basis in Bamyili (now Wugularr) in the Northern Territory (NT) in 1977, at a time when remote living Indigenous people were just starting to receive unemployment benefits. The program was devised as a relatively cheap program to support community development, employment and enterprise creation by providing a block grant roughly equivalent to notional unemployment (and later other benefit) entitlements of participants. It was anticipated that under the scheme participants would receive a level of income support at least equivalent to the dole.

9 At the heart of the program was a collaboration between innovative policy makers who understood the challenges of creating formal employment in remote and difficult Indigenous circumstances and Indigenous community leaders concerned about the potential negative effects of income support now generally termed 'passive welfare'. The program was predicated on a view that activity was better than inactivity and that community-control would generate benefits in community development programs and also in administering the scheme.

10 One of the myths frequently promulgated today and rarely corrected by the Australian Government is that the CDEP program is a form of welfare. In fact the CDEP program is, and always has been, an Indigenous-specific program that has been relatively cheap to government because of notional income support offsets and associated notional Department of Social Security/Centrelink administrative offsets.

11 As an Indigenous-specific program it has been frequently reviewed (see Appendix) and rarely found wanting. It fulfilled its promise as an alternative community development and employment program. Official statistics show that the scheme boosted both hours worked and the incomes of participants, while also allowing participants a high degree of flexibility for cultural pursuits not dissimilar to that enjoyed by mainstream part-time and casual workers. These statistics are readily available at <http://www.anu.edu.au/caepr/Publications/DP/2005_DP271.pdf>. As noted above, there is very little engagement with such data in the Australian Government Discussion Paper, critical or otherwise.

Growth

12 Between 1977 and 2004, the CDEP program grew rapidly, reflecting its popularity with Indigenous communities and participants and with a series of Australian governments.

13 The reason for the program's popularity and growth was not irrational. It was popular with participants because it provided work, increased incomes, underwrote enterprises and allowed a degree of prized flexibility that meshed well with other prerogatives such as non-market production and participation in highly valued cultural and social activities.

14 It was popular with governments because they recognised the limited commercial and associated employment opportunity, especially in remote regions, in what are now termed 'limited economies' in the Discussion Paper. The CDEP program was a relatively cheap offsets-linked program.

15 By 2004 when the program reached its zenith it had nearly 40,000 participants and was administered by over 250 community-based organisations. These numbers represented nearly 30 per cent of Indigenous persons employed, although matching official ABS statistics with administrative data on CDEP has always been an imprecise

exercise. At that time, the Indigenous unemployment rate was 16.8 per cent; without CDEP employment it is likely to have been as high as 40 per cent.

Emerging problems

16 The growth and popularity of the CDEP program also generated some problems. First and foremost among these was that all levels of government—Commonwealth, State/Territory and local—started to cost shift their functional responsibilities onto the scheme. In other words health, housing, education, training, community policing and other services that should have been provided to Indigenous people as Australian citizens on an equitable needs basis were provided at a lower level by CDEP participants and organisations. This problem is often blamed on the CDEP program rather than governments at all levels and of all persuasions, but ultimately it does attest to the program's capacity to provide meaningful and socially useful activity.

17 Despite its centrality to the functioning of many Indigenous communities, the CDEP program was never properly funded, especially for training and to support the building of an economic base. The issue of training became acute after 1996, when the first Howard Government cut ATSIC's budget by over $400 million and the Community Training Program often delivered via CDEP organisations to participants disappeared. A decade earlier, in 1985 the comprehensive Miller Committee of Review of Aboriginal Employment and Training Programs advised governments to invest in building an economic base for Indigenous communities in remote Australia. This recommendation was never properly implemented except in a few key areas such as the visual arts sector, where small investments have yielded spectacular success. The absence of development investment meant that there was limited exit from the program into non-government jobs.

18 Successive governments never allowed the scheme to expand to meet demand for participation. A crucial turning point occurred in 1990 when on equity grounds ATSIC and the Australian Government allowed the program to expand into urban and metropolitan situations while simultaneously allowing other forms of income support to emerge in remote communities alongside CDEP participation. This made 'no work, no pay' rules increasingly difficult for CDEP organisations to manage.

19 Like all programs, the CDEP program had both negative and positive unintended consequences. The negative unintended consequences was undoubtedly its operation as a substitution funding regime that governments have turned a blind eye to for decades; and arguably its expansion into urban situations. Positive unintended consequences have included the program's capacity to support the expansion of the outstations movement and outstation resource agencies in the absence of any other options. This too was highlighted to ATSIC and the Australian Government in the report, *National Review of Resource Agencies Servicing Indigenous Communities 1998* (J.C. Altman, D. Gillespie and K. Palmer), but ignored.

20 More recently, after the abolition of ATSIC and the transfer of the CDEP program to DEWR (2004 to 2007) and then to a mix of DEEWR and FaHCSIA (since November 2007), a new policy discourse has emerged around the CDEP program. In my view this new discourse has itself been strongly influenced by a dominant popular and policy narrative of general failure in Indigenous affairs. This new narrative erroneously and unilaterally defines the CDEP program as primarily a labour market program and as welfare rather than as an Indigenous-specific community development and employment program.

21 To some extent this new view about CDEP reflects one stream of thinking in the Independent Review of CDEP undertaken by Ian Spicer in 1997. But it is also based on a serious backfiring of the welfare offset argument that sustained and grew the program between 1977 and 2004. In my view the CDEP program is currently under pressure because it is seen as an ideological barrier to an ideological problem. The ideological barrier is based on a number of factors including that CDEP is a community-based, not individual-focused, program; that it lacks equity with other forms of income support; and that it is not time limited. The last is linked to the ideological problem because a program that is not time limited has to be predicated on an acceptance that there are insufficient 'real' jobs in remote contexts to allow all participants to exit the program. This in turn fails to acknowledge that public sector jobs will require fiscal subvention and are also not time limited.

22 A more recent problem with the program that has arisen mainly in the NT (since June 2007) and in Cape York (since 1 July 2008) is that CDEP wages cannot be readily quarantined (or income managed). It was this discovery that prompted the previous government to abolish the program (since reinstated) in the NT from July 2007. Rather than treat CDEP as employment (which it is) and participants as wage earners, the Australian Government would rather treat it as welfare so as to allow administration, and possible quarantining, by Centrelink.

Key shortcomings

23 There are two common shortcomings of the CDEP program generally articulated, usually with little concrete evidence. One is that the 'no work, no pay' rule is not rigorously applied; the other is that people are trapped in the scheme, either in a poverty trap or else in a 'comfort zone'.

24 The poor administration of the 'no work, no pay' rule might reflect a lack of CDEP organisational capacity to monitor and rigorously apply this rule. In such situations organisational capacity needs to be enhanced. However, it is more likely that the rule is not applied because there is an absence of meaningful work for participants. This problem is very evident in the Work for the Dole (WfD) program that is now the norm in remote communities after the abolition of Remote Area Exemptions in situations where no work is readily available. The absence of work and/or training opportunities means that people who are notionally on WfD are in reality on passive welfare. This is a problem highlighted in the NTER Review Report released last month.

25 The issue of poverty traps is complex and largely theoretical. The argument is made that the absence of the social security taper and the possibility of earning $5,000 per quarter in additional wages or other income while on CDEP acts as a disincentive to seek proper employment. Such a poverty trap argument can be greatly exaggerated when policy analysts like Sara Hudson from the Centre for Independent Studies erroneously state that CDEP participants can also access welfare to the tune of $2,000 per fortnight (see 'Welfare stretcher at bottom of cliff', *The Australian*, 8 October 2008).

26 In reality there is important recent evidence that if proper jobs are made available at remote communities then the most likely employees are those CDEP participants who are work-ready. The NTER Review Report notes that in the last year or so 1,300 CDEP participants have taken up government-funded CDEP transition and other jobs in the NT. However, this does not mean that all participants have the requisite skills or labour productivity to undertake these jobs.

27 There may be other reasons why CDEP participants do not seek to exit into the mainstream labour market. As already noted, people may lack qualifications and job readiness, with the latter including not just literacy and numeracy, but also adequate health status. Another problem might be the nature of jobs on offer. When jobs like those offered under the Working on Country program are available they prove very attractive. So it is possible that like millions of other Australians, Indigenous people are exercising choice to participate in part-time and flexible CDEP work rather than inflexible full-time mainstream work.

Likely impact of proposed reforms to the CDEP program

28 As noted above, the two key planks of proposed CDEP reform are to replace CDEP positions with proper jobs when a government-like service is provided; and to abolish CDEP wages, instead requiring CDEP participants to become Centrelink clients, in effect participating in training, work readiness placements or some version of the WfD program termed community development projects.

29 The replacement of CDEP positions that support the delivery of government services with properly paid jobs will be welcomed by many, although there is clearly a limit to how many such jobs will be funded. In the NT, for example, it is estimated that there may be 2,000 jobs but nearly 8,000 CDEP participants. Consequently an enormous gap will be created with up to 6,000 CDEP participants effectively moved from work to welfare. Those moving into public sector funded work will remain dependent on the public purse.

30 It should be noted, and it is of some concern, that a number of CDEP Transitional and other positions being offered as properly paid jobs in the government sector are offering a variety of salaries from as low as $15,000 per annum; a figure not competitive with what can be earned under CDEP with Top Up or match conditions negotiated in CDEP organisations' Enterprise Bargaining Agreements. Recent fieldwork in the Top End of the NT indicates that some CDEP organisations are being offered opportunity to transition participants from CDEP to so-called proper jobs with highly variable employment conditions depending on sponsoring agencies. In some situations, the same Australian Government agency (like the Department of Environment, Water, Heritage and the Arts) is offering reasonable employment conditions to Working on Country employees, while offering inferior and unacceptable conditions to art workers. While a principle of equity is articulated by the Australian Government between CDEP and income support recipients, the same standards of equity are not being applied between or within Commonwealth and NT government agencies. This is an anomaly that needs to be urgently addressed. It maybe influenced by a view that such positions are funded by CDEP program offsets.

31 The likely outcome from proposed changes to CDEP is that some will prosper and the majority will not because there are insufficient public sector jobs to go round and not enough private sector opportunities. This will create two distinct categories of Indigenous people, employed and unemployed. It seems likely that community social and commercial enterprise underwritten by the CDEP program will close down; community income will decline; and unemployment rates will increase dramatically. The last consequence can be most readily demonstrated for the NT.

32 According to the latest Labour Force Survey (ABS Cat No. 6287.0, 2008) in 2007 there were 17,800 Indigenous people employed in the NT and 3,000 unemployed. Of the employed about 7,800 would have been CDEP participants. Assuming that a net 5,800 of these participants are reclassified as unemployed (on the WfD program) or not in the labour force (as trainees), the employment to population ratio that stood at 43 per cent in 2007 is likely to decrease to 29 per cent after CDEP reform. In other

words in the NT the Australian Government's goal of closing the employment gap to 50 per cent (from 43 per cent with CDEP) is likely to widen to 29 per cent without the CDEP program. This likely widening makes no allowance for worsening employment prospects for the 12,000 estimated to be at work. Nation wide it is possible that the Indigenous unemployment rate could double from 14 per cent to 28 per cent notwithstanding commitments of the Australian Government to provide public sector jobs and of the Australian Employment Covenant to provide up to 50,000 job opportunities to a now open-ended timeframe.

33 It is equally worrying that numerous tasks currently supported by CDEP organisations and CDEP participants that are in the national interest might be jeopardised. These include environmental work on the vast Indigenous estate and in Indigenous Protected Areas; coastal surveillance and bio-security contract work for Australian Customs and AQIS that provides top up for CDEP; participation in the Indigenous visual arts sector; and emerging engagement in carbon abatement enterprises. All such activities are built on the institutional architecture provided by CDEP organisations and many are undertaken by residents of remote outstations.

Policy analysis

34 The proposed reform to CDEP is an ideological response to an ideological problem based on vague abstractions. The ideological problem is the nature of CDEP work, dependent on ongoing state subvention, part-time and flexible; and the ideological response is to move most people from work to welfare or training on the basis of a false equity argument; and some into mainstream work. There are historical analogies here between the below-award training allowances provided to Indigenous people in remote communities in the 1960s and the training now being proposed for income support equivalents. There are also historical analogies with the creation of a limited number of award positions ('real' jobs) in the early 1970s that dramatically increased unemployment which in turn lead to the establishment of the CDEP program.

35 This reform process has been influenced by 'path dependency' in the upper echelons of the Indigenous affairs and employment bureaucracies, whose influence has shaped statements acceptable to the government of the day, especially the executive. The issue that they raise is why in a booming Australian economy that needs unskilled labour should Aboriginal people be on the CDEP program? Interestingly, this hypothetical question that might have been posed as the latest Discussion Paper was being developed earlier in 2008 and may have had intuitive appeal then, looks somewhat dated in November 2008.

36 There is little doubt that the policy assault on the CDEP program has been morally legitimised by influential Aboriginal spokespersons with diverse agendas. Some like Noel Pearson are keen to instrumentally focus on regional priorities like the Family Responsibility Commission pilots on Cape York that would benefit from being empowered to income quarantine CDEP wages. Others like Marcia Langton and Galarrwuy Yunipingu hold what is in my view a misdirected grievance against the CDEP program because of cost shifting by governments. The under-investment by the Australian state in Indigenous disadvantage is not an issue that can be sheeted home to the CDEP program. All of these influential people, including Warren Mundine, genuinely believe that the CDEP program is hampering exiting to mainstream employment although, as noted above, there is little concrete evidence to support this view.

37 The CDEP program has become a symbol of a policy and cultural battleground garnering much attention in the national newspaper that opposes the CDEP

program. The narrative of failure is so pervasive that there is a keen policy desire to reject the old ways and start afresh, to establish a new narrative where exiting into the mainstream—in this case in the arena of employment—will be available to everyone. Here is a project of improvement without history, opportunity beckons remote living Aboriginal people who will reject Indigenous social norms and embrace new neoliberal ones predicated on education and training, hard work, individualism, sensible spending and saving and accumulation of assets like housing and superannuation. The way out of poverty and the emerging very limited option of the WfD program or perpetual training is to join the mainstream. In my view this binary choice is far too restrictive given the diversity of Indigenous circumstances.

38 In terms of The Australian Government's articulated over-arching policy goals outlined at the outset to halve the employment gap and generate jobs with associated personal and community benefits, my view is that the effective abolition of the CDEP program will deliver perverse outcomes by increasing the employment gap and reducing the documented personal and community benefits generated by the program. Indigenous employment policy should focus its efforts on the estimated 25,000 Indigenous people who are currently unemployed to close the employment gap rather than on the estimated 25,000 plus currently participating in the CDEP scheme.

Recommendations

39 **Recommendation 1**: This submission has focused on the proposed reforms of the CDEP program and notes that they will generate outcomes that are counter to the over-arching Rudd Government goal of closing the employment gap. The proper primary focus of Indigenous employment policy reform should be on the Indigenous unemployed; this is the most intractable policy challenge.

40 **Recommendation 2**: The process of reforming the CDEP program should focus on strengthening the program to make it a central plank of both closing the employment gap and improving the livelihoods of Indigenous people and the quality of life in their communities. At a practical level, measures that should be considered include strengthening CDEP organisations, providing more discretionary capital funding for development projects, and providing more opportunity for the unemployed to engage in productive CDEP projects. The top up that CDEP participants can earn should be increased to $7,500 per quarter (or $30,000 annualised) to allow them to earn up to Average Weekly Earnings while participating in the program. Given local government changes in the NT and an Australian Government goal that the CDEP program will not substitute for legitimate government spending, consideration should be given to establishing CDEP organisations that are independent of Shires.

41 **Recommendation 3**: I advocate a different approach that embraces a focus on economic development as improvement of livelihood rather than just as engagement in mainstream employment. To achieve such improvement will require a fundamentally different approach that demonstrates respect for local institutions, recognises human and social capital that is already present and working well, that embraces local participation in decision making, and that invests in success in all its diversity. The CDEP program has and can continue to generate success: a real response to the real problem of insufficient economic opportunity in regional and remote Australia might require real enhancement rather than demonisation and demolition of the CDEP program. Such an approach might see a better match between the goal of reducing the employment gap, CDEP reform, and a form of Indigenous affairs policy making that is grounded in lived Indigenous reality.

42 **Recommendation 4**: In CDEP policy agenda reform the Australian Government should adhere to the precautionary principle which suggests that if policy change might cause severe harm to supposed beneficiaries then in the absence of consensus that such harm will not ensue, the burden of proof lies on those who advocate taking the action. Because the Australian Government Discussion Paper does not transparently assess submissions received it is unclear where the consensus about proposed reforms might lie. What is clear is that there is no persuasive evidence presented that the proposed reform will achieve positive outcomes. It is also likely that policy reform could result in unintended and unanticipated negative outcomes like a decline in arts production or greater hardship for outstation residents currently supported by CDEP organisations. Under these circumstances, and given the deteriorating labour market situation everywhere in Australia, the precautionary principle suggests that the CDEP program with its history and track record should at worst be retained as is, at best enhanced as suggested above.

Yours sincerely

ARC Australian Professorial Fellow

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Annotated Chronology of the Community Development Employment Projects (CDEP) Program, 1977–2008[1]

Melissa Johns

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1. **1977:** The CDEP scheme was introduced in 1977 by the Fraser Coalition Government. It initially started in the Northern Territory Wugularr (Bamyili) community in a pilot scheme, to assess its impact in a community with endemic unemployment. CDEP was viewed as one way of reducing chronic reliance on welfare in remote Northern Territory communities where employment was scarce and remoteness a factor in gaining employment of any sort. The new scheme emphasised community development and this was to be woven into the work for welfare scheme. It also was designed to fit in with the needs of the community. Although the CDEP pilot was to replace unemployment benefits, the money for participants was given by the government to organisations who then paid wages roughly equivalent to—or slightly more than—the dole to participants. The scheme was flexible in that it allowed part-time work and worked with the cultural norms of the community.[2]

   The CDEP scheme was not linked to or administered by the Department of Social Security (DSS), as it was known then. Nor was it tied to any social security legislation. It was a scheme administered by the Department of Aboriginal Affairs (DAA), and thus CDEP was viewed, according to Sanders, not as something purely to replace unemployment benefits, but a scheme that was framed, possibly by default, as a type of 'workfare'—low-wage-based work subsidised by the Federal Government.[3]

2. **1977–1978:** Some South and Western Australian Pitjantjatjara communities joined the CDEP scheme on a pilot basis. Participation jumped from one community and 100 participants in 1977, to 10 communities and 500 participants in 1977–1978. Expenditure similarly jumped from $0.1 million in 1977, to $2 million in 1977–1978.[4]

3. **1980–1981:** The number of participants in the CDEP scheme passed the 1,000 mark (1,300), and expenditure almost doubled to $6.9 million. However, expenditure on CDEP was still only a fraction of the total DAA budget (about 4 per cent).[5]

4. **1985:** The *Report of the Committee of Review of Aboriginal Employment and Training Programs* (the Miller Report) in 1985 became the first of many reviews of

[1] The CDEP scheme has had various titles over the past thirty years, including: the Community Development Employment Projects Scheme; the Community Development Employment Program; the Community Development and Employment Project; and most recently, the Community Development Employment Projects Program.
[2] Jon Altman 1997 'The achievements and limitations of the CDEP scheme—A 20 year perspective', *Social Security Journal*, Department of Social Security, September 1997, pp 1–18.
[3] Will Sanders 2001 'Adjusting balances: Reshaping the CDEP scheme after 20 good years', in (eds.) F. Morphy and W. Sanders *The Indigenous Welfare Economy and the CDEP Scheme*, CAEPR Research Monograph No. 20, ANU, Canberra, 2001.
[4] Jon Altman 1997 'The achievements and limitations of the CDEP scheme—A 20 year perspective', *Social Security Journal*, Department of Social Security, September 1997, pp 1–18.
[5] Will Sanders 2004 'Indigenous centres in the policy margins: The CDEP scheme over 30 years', A paper for the ACOSS Annual Congress 'From the Margins to the Centre', Alice Springs Convention Centre, 28–29 October, 2004.

the CDEP scheme. The review was commissioned by the Hawke Labor Government in 1984. The review reported on all Indigenous labour market and educational programs, looking to make changes and expansions to employment and training programs for Indigenous people. The report recommended that CDEP be expanded owing to its potential to provide employment, commercial and other entrepreneurial opportunities in remote communities where those opportunities were limited.[6] The report also recommended that capital funding be managed by the communities themselves so that those communities could initiate further projects and enterprises.

5. **1987:** As a result of the Miller Report, the Hawke Labor Government developed the Aboriginal Employment Development Policy (AEDP), with CDEP forming a part of the policy. By the mid-1980s, CDEP had resolved some of the early problems that communities had encountered. Budgetary issues and funding and participation misalignment were some of the problems encountered with CDEP in the late 1970s and early 1980s. The AEDP recommended an expansion of CDEP, beyond remote areas and into 'wider target groups' such as town camps outside of remote areas, pastoral properties, and 'other situations where Aboriginal people have no alternative employment prospects'.[7] This gave CDEP a fairly wide brief. Along with larger participant numbers and a broader range of activities allowed under the scheme, the budget for CDEP also expanded to around a third of the Indigenous Affairs budget.[8]
6. **1987:** The *Return to Country: The Aboriginal Homelands Movement in Australia* report (the Blanchard Report) to the House of Representatives Standing Committee on Aboriginal Affairs was handed to the Hawke Labor government. The Blanchard Report examined the current state and future of the homelands movement and outstations in remote Australia. One of the significant recommendations regarding CDEP was to extend the scheme to all homeland centres that wanted to participate in the scheme, and to ensure flexibility of fund expenditure in homeland centres. The report also recommended that priority be given to homelands centres that wished to initiate and administer CDEP schemes, and the report emphasised the need to support CDEP schemes related to art and craft production.[9]
7. **1987:** A report to The Australian Council for Employment and Training, *The Economic Viability of Aboriginal Outstations and Homelands* was produced, with a chapter devoted to examining the viability of CDEP for outstations. The report noted that outstations in the Anangu Pitjantjatjara Yankunytjatjara (APY) lands and in WA were among the first to benefit from CDEP block funding in the early years of the scheme, and overall the report viewed CDEP as a positive for outstations. The report recommended that the introduction of CDEP to more outstations (at the time there were 131 outstations receiving CDEP funding) required 'careful consideration' particularly as the economic impact of CDEP at outstations had not been adequately reviewed at the time. The report also observed that CDEP was often used at outstations (already engaged in non-market customary production

[6] Miller M. (chair),1985. *Report of the Committee of Review of Aboriginal Employment and Training Programs*, Australian Government Publishing Service, Canberra.
[7] Australian Government 1987 'Aboriginal Employment Development Policy—Community-based employment and Enterprise Strategies', Series P3, The Australian Government Publishing Service, Canberra, p.6–7.
[8] Will Sanders 2004 'Indigenous centres in the policy margins: The CDEP scheme over 30 years', A paper for the ACOSS Annual Congress 'From the Margins to the Centre', Alice Springs Convention Centre, 28–29 October, 2004.
[9] Blanchard, C.A. 1987 *Return to Country: The Aboriginal Homelands Movement in Australia*, A Report of the House of Representatives Standing Committee on Aboriginal Affairs, Australian Government Publishing Service, Canberra.

and arts manufacture) for income support and not for developing programs for the community.[10]

8. **1990:** The CDEP Working Party was an inter-departmental review of CDEP and its relationship with welfare benefits. It recommended that the increasingly popular scheme's rapid expansion be slowed in order to allow some administrative and policy issues to be addressed and resolved. However, this did not occur, and the scheme expanded to urban areas.[11]
9. **1992:** The report *Mainly Urban* focused on the economic needs of urban Aborigines. Part of the recommendations included expanding the CDEP scheme for urban Aborigines, but with a 'sunset clause' for urban-based CDEP schemes.[12]
10. **1993:** The Aboriginal and Torres Strait Islander Commission (ATSIC) commissioned a national review—*No Reverse Gear*—of the CDEP scheme. ATSIC was responsible for administering the scheme, with CDEP its largest program—there were around 20,000 participants in the scheme in 1993. The review produced 13 recommendations. Principally, *No Reverse Gear* recommended that the scheme's expansion be slowed due to a lack of clear objectives or goals for the scheme. However, the review also recommended an increase in the capital component of CDEP to support increased investment in community development. The report also observed that governments had been negligent with funding for infrastructure and housing, possibly due to the scheme's focus on community development—this had possibly 'allowed' government to relax, or overlook, funding priorities for these areas.[13]
11. **1995–1996:** the Australian National Audit Office (ANAO), with ATSIC, conducted an audit of CDEP, with phase two of the audit completed in 1997. Phase one examined the operations of one Central, one State and one regional office, finding examples of good practice but room for improvements in administration of CDEP.[14]
12. **1997:** Phase two of the ANAO audit of CDEP focused on the operational and planning aspects of CDEP in the three offices and found that generally the offices had begun developing an operational plan for the 1996–1997 financial year. They recommended focusing on setting priorities, resource allocation and performance information, as set against the operational plan.[15]
13. **1997:** The ATSIC Office of Evaluation and Audit (OEA) completed a report into the employment outcomes of urban CDEP schemes and the financial and non-labour market outcomes and benefits of the scheme for both urban and non-urban CDEPs. The evaluation found many positive aspects of urban CDEP schemes, especially those with a focus on mainstream employment aspirations. Other positive aspects for urban participants were higher incomes, lower alcohol consumption, higher cultural identification and lower arrest rates. This differed from non-urban

[10] Altman, J.C. and Taylor, L. 1989. *The Economic Viability of Aboriginal Outstations and Homelands*, A Report to the Australian Council for Employment and Training, Australian Government Publishing Service, Canberra, p. 51.
[11] CDEP Working Party 1990 *Community Development Employment Projects: Review of Funding and Administration* unpublished report, Department of Aboriginal Affairs, Canberra.
[12] House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs 1992 *Mainly Urban: report of the inquiry into the needs of urban dwelling Aboriginal and Torres Strait Islander People*, Australian Government Publishing Service, Canberra.
[13] Deloitte, Touche, Tohmatsu 1993 *No Reverse Gear: A National Review of the Community Development Employment Projects Scheme*, Report to the Aboriginal and Torres Strait Islander Commission, Canberra.
[14] Australian National Audit Office 1995 'Audit Report No. 6: Community Development Employment Projects Scheme, Aboriginal And Torres Strait Islander Commission', Australian Government Publishing Service, Canberra.
[15] Australian National Audit Office 1997 'Audit Report No. 26 : Community Development Employment Projects Scheme: Phase Two of Audit, Aboriginal And Torres Strait Islander Commission', Australian Government Publishing Service, Canberra.

participants for whom arrest rates and cultural identification did not change. The report also found that urban CDEP schemes provided significant training opportunities for participants, while training opportunities were limited for participants in rural or remote areas. Generally the evaluation found that urban CDEP schemes produced positive outcomes for participants, compared to urban unemployed Indigenous people.[16]

14. **1997:** The review of CDEP chaired by Ian Spicer (the Spicer Review) conducted a broad-based evaluation of several aspects of the scheme. Overall, the review found that CDEP had been highly beneficial in remote communities since 1977. However due to a lack of representative data, the many previous reviews were unable to provide quantitative measures of the scheme's 'overall impact on participants either for employment or non-labour market outcomes'. The review recommended regular evaluations that focused on qualitative and quantitative outcomes for CDEP participants, in order to better inform government policy. Other recommendations included collapsing recurrent and capital funding into a one-line allocation by Regional Councils; a more coordinated approach to training; facilitation of enterprise development within CDEP schemes; and development of strategies to 'achieve unsubsidised employment outcomes'.[17]
15. **2001:** ATSIC releases its 'Outcomes Report'on the Relevant, Responsive Remote CDEPs Workshop. This workshop evaluated CDEP schemes in order to rethink policy directions for CDEP in the remote and rural context.[18]
16. **2003:** The Howard Government released Stage One of their report on the Indigenous Employment Policy (IEP), focusing on Structured Training and Employment Projects (STEP), while Stage Two (released in 2004) evaluated the effectiveness of the components of the IEP. Recommendations included moving CDEP participants into more 'open employment'.[19]
17. **2003:** ATSIC convened a workshop on proposed reforms to CDEP, which was to stream CDEP into two directions. One to focus on community development and the other on enterprise and employment programs. The community development program was to focus on remote discrete communities with some disconnection from the mainstream economy, and the enterprise and employment program was to focus more on urban centres which had access to the labour market and mainstream economy.[20]
18. **2004** ATSIC is disbanded and administration of CDEP comes under Department of Employment and Workplace Relations (DEWR). Capturing CDEP within DEWR cements its status as a labour market program, with a gradual policy focus on moving CDEP participants into more 'mainstream' employment.[21]

[16] Office of Evaluation and Audit 1997 'Evaluation of the Community Development Employment Projects', Aboriginal and Torres Strait Islander Commission, Canberra.
[17] Spicer, I. 1997 *Independent Review of the Community Development Employment Projects (CDEP) Scheme*, Aboriginal and Torres Strait Islander Commission, Canberra.
[18] Aboriginal and Torres Strait Islander Commission 2001 'Outcome Report' from the Relevant, Responsive and Remote CDEPs Workshop, convened by ATSIC CDEP National Centre, Alice Springs, 17-18 December.
[19] Department of Employment and Workplace Relations 2003 'Indigenous Employment Policy Stage One and Stage Two' 2002–2003.
[20] Aboriginal and Torres Strait Islander Commission 2003 *Reforming CDEP: The Sustainable Community Program and the Indigenous Enterprise and Employment Program*, ATSIC, Adelaide.
[21] Sanders, W. 2004 'Indigenous centres in the policy margins: The CDEP scheme over 30 years', A paper for the ACOSS Annual Congress 'From the Margins to the Centre', Alice Springs Convention Centre, 28–29 October, 2004.

19. **2005:** The Federal Government released its Indigenous Economic Development Strategy on May 10, focusing on providing mainstream opportunities to Indigenous entrepreneurs in rural and regional areas.[22]

20. **2005:** DEWR Discussion Paper *Building on Success* is released by Minister Kevin Andrews. *Building on Success* largely supported the CDEP program and aimed to build on it by more clearly linking three factors to CDEP: employment, community services and enterprise. The report also wanted more emphasis on 'results' from CDEP schemes.[23]

21. **2006:** Minister Kevin Andrews released a discussion paper on CDEP titled *Indigenous Potential Meets Economic Opportunity*. Principally, the paper set out reforms to CDEP that included ceasing CDEP in urban and major regional centres and introducing Structured Training and Employment Projects (STEP), with Indigenous Employment Centres (IEC) to cease and all CDEP and IEC organisations required to compete for business as STEP providers.[24]

22. **2007:** Minister Joe Hockey announced that the objective of CDEP is to move people off welfare and into 'real' employment. He effectively branded CDEP as a form of welfare that was preventing participants from gaining 'real' employment. Hockey implemented the recommendations of the CDEP Discussion Paper released in 2006, emphasising the end of urban CDEPs and the move to make CDEP another employment service.[25]

23. **2007:** Minister Mal Brough announced (with then Prime Minister John Howard) a Northern Territory emergency intervention to address child abuse in Indigenous communities. Shortly after this announcement, on July 23, Minister Brough, with Employment Minister Hockey announced that CDEP was a 'destination for too many', and moved to abolish the program in coordination with other intervention measures in the Northern Territory. This was the first time since its inception that CDEP had been linked to child abuse—Mal Brough attempted to make the connection by arguing that welfare benefits should be quarantined to ensure that a certain portion of this income went to household necessities and children's needs. CDEP income—as wages for employment and not a welfare benefit—could not be quarantined. Therefore, Brough sought to dismantle CDEP in the Northern Territory and move CDEP participants onto welfare, qualifying those participants for income management. In other remote and regional locations around Australia, the CDEP scheme remained intact.[26]

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[22] The Hon. Kevin Andrews 2005 'Indigenous Economic Development Strategy', media release and fact sheet, http://www.dewr.gov.au/NR/rdonlyres/0F4CB72A-BB6A-44EC-B1DF-F86CFB254CDC/0/FactSheetEco_Dev_Strat.pdf.

[23] Department of Employment and Workplace Relations (DEWR) 2005, *Building on success*, CDEP Discussion Paper 2005, DEWR, Canberra.

[24] Department of Employment and Workplace Relations 2006 *Indigenous Potential Meets Economic Opportunity*, CDEP Discussion paper, November, Canberra, http://www.workplace.gov.au/NR/rdonlyres/D61B8DCB-A036-423F-9511-299E83F22752/0/CDEPPaperdiscussionwebfinal.pdf.

[25] Department of Employment and Workplace Relations 2007 'Questions and Answers for the outcome of the *Indigenous Potential Meets Economic Opportunity* consultation', Canberra, http://www.workplace.gov.au/NR/rdonlyres/4743A694-541F-4613-B31D-EEA86554561D/0/CDEPQA_08.pdf.

[26] The Hon. Mal Brough and the Hon. Joe Hockey 2007 'Jobs and Training for Indigenous People in the NT', joint media release, July 23 2007, http://www.workplace.gov.au/NR/rdonlyres/64A80D71-811E-4DA5-AE86-3BEE2735F73C/0/CDEPNTMediaRelease.pdf.

24. **2007:** Prior to the federal election in 2007, the Labor Party pledged to reinstate the CDEP scheme, pending a review of the program. However, the pledge also included an intention to continue with the Howard Government's Northern Territory intervention.[27]

25. **2008:** In May, the Minister for Families, Housing, Community Services and Indigenous Affairs, Jenny Macklin released *Increasing Indigenous Economic Opportunity*, a discussion paper examining the direction and future of CDEP and the Indigenous Employment Program. The paper launched a consultation process to inform CDEP policy reform. This process involved taking submissions from the public along with around 70 public consultation forums. More than 120 written submissions were received.[28]

26. **2008:** The Parliamentary Senate Select Committee on Regional and Remote Indigenous Communities reported on September 30. The Committee's role was to examine issues relating to regional and remote communities, in order to better inform policy in the future. The Committee's report was the first of five reports due during the term of the Rudd Government. Part of the first report focused on the future of CDEP. The report noted comments made by Altman and in many other submissions that CDEP had consistently proven its value in addressing unemployment in regional and remote communities. The Committee noted the reform process underway and resolved to monitor the effects of the reform on CDEP and employment in regional and remote communities.[29]

27. **2008:** Minister Jenny Macklin released a statement announcing reforms to Indigenous employment programs, principally CDEP and the Indigenous Employment Program. The announcement followed the release of the Commonwealth Government's discussion paper on CDEP, *Increasing Indigenous Employment Opportunity: Proposed Reforms to the CDEP and Indigenous Employment Programs*. The proposals principally aim to: move CDEP under the umbrella of Universal Employment Services (UES), encouraging CDEP providers to coordinate delivery of services with UES providers and to play a greater role in the provision of UES; end CDEP in 'non-remote areas with established economies', moving those previous CDEPs under the UES and IEP systems; restructuring CDEP's in remote areas with limited economies, with part of this restructure to make CDEP a 'work readiness' program, focusing more on building skills for other types of employment, than as a 'workfare' scheme in itself; and lastly, for CDEP participants to be aligned with other job seekers across communities, meaning that CDEP participants would be subject to the same 'participation' requirements for work that other job seekers were, including receiving income support rather than CDEP wages. As part of receiving income support, CDEP participants would be in a position similar to participants in Work for the Dole.[30]

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[27] The Hon Jenny Macklin, Peter Garrett and Warren Snowdon 2007 'Federal Labor to create up to 300 Rangers as Part of Indigenous Economic Development Strategy', joint media release, October 5, http://www.alp.org.au/media/1007/msenhiaNA050.php.

[28] Australian Government 2008 *Increasing Indigenous Economic Opportunity: A Discussion Paper on the Future of the CDEP and Indigenous Employment Programs*, Canberra, http://www.indigenous.gov.au/Increasing_Indigenous_Economic_Opportunity.pdf.

[29] Parliament of Australia 2008 The Senate, Senate Select Committee on Regional and Remote Indigenous Communities Report, 'First Report 2008', Canberra, http://www.aph.gov.au/Senate/committee/indig_ctte/reports/2008/report1/index.htm.

[30] Australian Government 2008 *Increasing Indigenous Employment Opportunity: Proposed Reforms to the CDEP and Indigenous Employment Programs*, Canberra, http://www.fahcsia.gov.au/internet/facsinternet.nsf/vIA/cdep/$file/Increasing_Indigenous_Employment_Opportunity.PDF.

28. **2008:** The report of the NTER Review Board's review of the Federal government's Northern Territory Emergency Response is released. The Review Board recommends that CDEP be reformed, despite emphasising its many benefits for remote Australia. As part of the reform the Board also recommended that CDEP incorporate job and skills training in order for CDEP participants to move to non-CDEP jobs at some point.[31]

29. **2008:** Australian newspaper journalist Paul Toohey claims to have a draft version of the NTER Review, in an article for *The Australian* newspaper on October 15. Toohey claims that this version 'strongly backs the [CDEP program], saying it should be "recognised and supported as a legitimate source of employment for those who have no reasonable alternatives"'. Toohey claims that between the time of the first report and the public release of the second, the final report was rewritten to unambiguously support Minister Jenny Macklin's CDEP reforms.[32]

30. **2008:** Labor Prime Minister Kevin Rudd refutes Toohey's claims about the NTER Review Report, stating at The National Press Club on October 15 that 'cabinet provided no such instruction at all' to the Review Board. He also stated that the Government would 'embrace all those things that had worked in the intervention', and make improvements to the problematic aspects of the intervention that had been observed by the Review Board.[33]

[31] Australian Government 2008 *Northern Territory Emergency Response: Report of the NTER Review Board*, October 2008, Canberra, http://www.nterreview.gov.au/docs/report_nter_review.PDF.
[32] Toohey, P. 2008 'Rewrite Takes the Sting out of NT Report', *The Australian*, October 15 2008, http://www.theaustralian.news.com.au/story/0,25197,24499037-601,00.html.
[33] Skelton, R. and Murdoch, L. 2008 'Watering Down of Intervention Report Denied', *The Age*, October 16, 2008, http://news.theage.com.au/national/nt-review-wasnt-watered-down-rudd-20081015-50ug.html, or see The National Press Club for a transcript: http://www.npc.org.au/speakerArchive/Krudd.html.