



Uniya briefing paper

CDEP: mutual obligation that works

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Executive Summary

This paper presents readers with a description of the Community Development Employment Project (CDEP), its history and development in light of the 2005 changes to the CDEP. It aims to be an informative paper for the general public interested in public policy issues and/or in aboriginal affairs in particular.

The history and development of CDEP

With its emphasis on correlative responsibilities or obligations in return for pay, the Community Development Employment Project (CDEP) is often said to encompass elements of the principle of 'mutual obligation' that has become a central tenet of contemporary social policy, even though the scheme preceded the concept by two decades.

The scheme can be described as an employment program operating in urban, rural and remote Aboriginal and Torres Strait Islander (ATSI) communities¹. It provides work (mainly on a part-time basis) for unemployed ATSI people in community-managed activities and aims to assist individuals acquire skills which, it is hoped, will lead them to unsubsidised employment, to develop business enterprises and, in general, to improve the quality of life of the community as a whole.

Altman and Gray (2005b: 5) point out that the CDEP performs five main roles in remote and very remote areas of Australia: first, it provides flexible employment opportunities, often in contexts where there are no, or limited, mainstream employment opportunities, particularly for Indigenous people; second, it provides income security and the opportunity to earn additional income from employment and enterprise; third, it provides an opportunity for education and training; fourth it can assist participants to move into mainstream (unsubsidised) employment; and finally, it acts as an instrument for economic and community development.

¹ Although 75% of CDEP placements are in remote and very remote areas (Altman 2005: 9)

Among other activities, participants in the schemes are currently involved in cattle operations, arts and craft production, broadcasting, aquaculture, child care, feral animal control, recycling, security, land management and reforestation, meals on wheels, transport, drug and alcohol rehabilitation, market gardening, harvesting of wild resources, housing construction, and maintenance (Altman, Gray and Levitus 2005: 4).

The CDEP has also a political dimension, as it embodies a form of community-based Indigenous authority. As Rowse (2004: 39) explains, this authority derives from the fact that the Commonwealth government endows CDEP organisations with money and delegates to them a great deal of discretion and autonomy on how to spend that money.

The CDEP scheme also implies the exercise of authority over working conditions, even though the authority over workers is of special characteristics since CDEP participants are more like shareholders in the scheme. Moreover, CDEP organisations are able to direct the participants' working collective capacity, which means that CDEPs can form relationships with other regional organisations, for example, by entering into contracts for the scheme to deliver a service.

The political dimension of the CDEP was identified by one of the architects of the CDEP, 'Nugget' Coombs, who pointed out that 'CDEP is not simply a means of providing employment as a source of a minimum cash income but a training exercise in self-management and increasing independence for the Aboriginal communities involved' (Coombs 1997: 1 in Rowse 2004: 41).

Box 1. Indigenous representation and the administration of the CDEP scheme

The Department of Aboriginal Affairs (DAA) was created five years before the CDEP was born with the role of providing advice to the government on Indigenous affairs as well as implementing and administering policy in this area. The DAA operated as the central federal indigenous affairs agency until 1990 when ATSIC commenced operations (Pratt and Bennett 2004: 4)

With the creation of DAA, a new policy framework in Indigenous affairs – 'self-determination'² – was introduced. This policy led to the creation of the National Aboriginal Consultative Committee (NACC) in 1973, as the first national body *elected* by Indigenous people, with the role of giving advise on indigenous affairs to the DAA.

NACC was eventually replaced with another all-Indigenous elected body, the National Aboriginal Conference (NAC). Its role was to serve as a 'channel of communication' between Indigenous communities and the Commonwealth government, as well as to provide advice to the relevant Minister (Pratt and Bennett 2004: 5). In 1985, NAC was terminated after a period of controversy and an antagonistic relationship between the government and the NAC.

² 'Self-determination' is the principle of Indigenous people being involved in decision-making about, and the management of, their own affairs.

During the life of NAC, another Aboriginal body was established to manage a limited range of development-oriented Indigenous affairs programs. It was the Aboriginal Development Commission (ADC), created in 1980, as a statutory authority run by a board of ten part-time Indigenous commissioners appointed by the government.

Although many bodies and agencies were involved in the Indigenous affairs along the period 1972-1990, it is important to underline that there was almost always an *elected* national Indigenous body providing advice to government (Pratt and Bennett 2004: 5).

ATSIC was created³ in 1989 after a period of discussion and opposition⁴ and started to operate in March 1990. The new Indigenous body came to replace the functions of NAC and ADC. It was integrated by regional councils and a national board elected by Indigenous people.

According to section 3 of the *Aboriginal and Torres Strait Islander Commission Act 1989*⁵, the objectives of ATSIC were:

- a) to ensure maximum participation of Aboriginal persons and Torres Strait Islanders in the formulation and implementation of government policies that affect them;
- b) to promote the development of self-management and self-sufficiency among Aboriginal persons and Torres Strait Islanders;
- c) to further the economic, social and cultural development of Aboriginal persons and Torres Strait Islanders; and
- d) to ensure co-ordination in the formulation and implementation of policies affecting Aboriginal persons and Torres Strait Islanders by the Commonwealth, State, Territory and local governments, without detracting from the responsibilities of State, Territory and local governments to provide services to their Aboriginal and Torres Strait Islander residents.

Until 2003, ATSIC's structure consisted of a representative arm and an administrative arm. The representative body was integrated by 35 ATSIC Regional councils, elected every three years and grouped into 17 zones, including Torres Strait, which comprised its own zone. The ATSIC Chair was originally appointed but after 1999 the position was filled with a person elected by the Commissioners (Pratt and Bennett 2004: 8).

The administrative arm was formed by several hundreds public servants, headed by a Chief Executive Officer appointed by the relevant Minister. The role of this division was to support ATSIC's representative division and administer the programs for which ATSIC had responsibility. However, in response to a perception of poor management of ATSIC's administrative functions, the government separated the role of policy-making and that of implementation, creating a new executive agency, called Aboriginal and Torres Strait Islander Services (ATSIS), which would be in charge of those functions since July 2003 (Pratt and Bennett 2004: 8-9).

³ By the *Aboriginal and Torres Strait Islander Commission Act 1989* passed by the Parliament in early November 1989.

⁴ The Howard-led opposition vehemently opposed the creation of ATISC, arguing that it was a kind of 'black parliament', as it was perceived to give Indigenous people 'separate' status; an idea rejected by the Coalition (Pratt and Bennett 2004: 6).

⁵ Currently replaced by the *Aboriginal and Torres Strait Islander Act 2005*

In November 2002 the government commissioned a review of ATSIC. The final report, handed in November 2003, suggested several reforms to be introduced in ATSIC's structure and recommended that the body should not be abolished. However, those recommendations were not followed by the government. Taking cue from the opposition leader at the time, the government announced its intention to abolish ATISC on 15 April 2004 and making it clear that they were not replacing it with an alternative elected body (Pratt and Bennett 2004: 10-11). Instead, the government appointed "a group of distinguished indigenous people to advise the Government on a purely advisory basis in relation to aboriginal affairs" (Howard 2004).

ATSIC and ATISIS were disbanded on 1 July 2004 transferring the responsibility for programs formerly managed by them to Commonwealth departments and agencies. The CDEP scheme was transferred to the Department of Employment and Workplace Relations.

Where does the CDEP come from and where is it going?

The CDEP was conceived in the mid 1970s, in the context of radical changes to Indigenous affairs at the federal level. Until quite recently, Indigenous people had been imposed the status of wardship. It was not until 1967 that ATSI peoples gained full citizenship entitlements under a national system, even though they had enjoyed some rights under state laws.

In 1966, discriminatory clauses were removed from the national social security legislation, allowing Indigenous people to obtain social security benefits that other Australians had long enjoyed and which had been previously denied to them (Jonas 2004: 11)⁶. It was also in 1966 that the Commonwealth Conciliation and Arbitration Commission handed down a decision that put an end to pay inequalities between Indigenous and non-Indigenous pastoral workers doing the same job; creating an important precedent to defend the equality of Indigenous workers in any type of work (Altman et al 2005: 24-25).

Despite the trend in the 1970s towards greater Indigenous rights, the CDEP was set up in response not to a claim for the expansion of rights of Indigenous Australians but to a concern about the increasing payment of unemployment benefits in remote Aboriginal communities with few formal labour market employment opportunities, which some viewed as unhelpful and inappropriate (Altman et al 2005: 26; Jonas 2004: 11; Spicer 1997: 1)⁷.

In other words, the CDEP was developed as a way to lessen government expenditure in social security by diverting funds to a more appropriate scheme for remote Indigenous communities. The CDEP presented itself as an alternative to unemployment benefits, "whereby the Commonwealth's Aboriginal affairs administration, rather than the social security administration, made payments to Aboriginal communities roughly equivalent to community members' unemployment payment entitlements, in order for communities to employ their members on a part time basis" (Sanders and Morphy 2004: 1).

⁶ Regardless of this change in the law, social security bureaucrats applied such a restrictive legal interpretation that Indigenous people were excluded in practice from social security benefits for a period stretching far beyond 1966. According to Jonas (2004: 11) full access to social security benefits did not occur for Indigenous people until the late 1970s, and, in some remote communities, not until the early 1980s.

⁷ Currently there are approximately 39,000 CDEP places and around 60,000 people participate in the scheme per year.

A unique feature of the CDEP's development was the fact that it was an alternative proposed by Indigenous communities themselves and not a 'solution' imposed by governments and bureaucracies (HREOC 1997: 1-5 in Jonas 2004: 11; Spicer 1997: 22). It was tested for the first time in 1977 at Barunga in the Top End of the Northern Territory.

Several other CDEP schemes followed, located mainly in the Pitjantjatjara desert communities. They were funded with the budget allocated to the newly created Department of Aboriginal Affairs (DAA), much opposed by the other governmental departments (Altman et al 2005: 26). The budget, in turn, was pooled out from the 'unused' resources for unemployment benefits the CDEP came to replace. In effect, Indigenous people traded in the money from welfare for the opportunity to earn the same in wages, working part time for the community (Altman et al 2005: 27).

The benefits obtained from this exchange were great, because not only did the CDEP provide employment and a means of subsistence for ATSI individuals but also because it meant that the work put in by the members of the scheme would better the life of the community as a whole and negate what Indigenous leaders like Noel Pearson have referred to as the destructive effects of "passive welfare"⁸ (Spicer 1997: 1, 3; The Australian National Audit Office Review, in Spicer 1997: 34; Altman et al 2005: 27).

Despite early successes of the CDEP schemes, their growth and expansion was initially prevented by budgetary issues and the DAA's limited capacity for effectively administering the programs (Altman et al 2005: 28). To remedy this situation, in 1983, the Hawke government⁹ authorised further funding to meet the level of community demand for the scheme. The capacity of the DAA was expanded accordingly. From 1985 onwards, the CDEP would expand rapidly over several communities (Altman et al 2005: 28), becoming the largest single program in the Commonwealth Indigenous affairs budget (Sanders 2004: 47). It was responsible for two-thirds of the jobs created for indigenous Australians (Spicer 1997: 2) and of providing 25 percent of Indigenous employment (Sanders 2004b: 5).

Following the success and rapid growth of the program in remote communities, CDEPs were established in NSW and Victoria in 1988-89. These were the first of many CDEPs to be established in more settled areas and even in major urban cities across Australia. The expansion marked a new phase for the scheme. There was a clear shift from the CDEP's origin as a scheme to assist remote communities into a scheme that also caters for urban communities connected with the mainstream economy and services (Altman et al 2005: 29). As illustrated by the chart in *Figure 1*, the changes to the CDEP not only allowed for the continuity of the scheme but also accentuated its growth (Altman et al 2005: 5).

Questions were raised by policy makers about the expansion of the CDEP into urban areas with the DAA recommending against the move while social commentators called for restraint on further expansion until the rationale of the scheme was clarified. But these attempts were unsuccessful, as the CDEP continued to expand among rural and urban areas. Faced with this reality, political attention became focused on creating new ways of interaction between the scheme and local labour markets (Altman et al 2005: 29).

⁸ "Passive welfare" is a term that refers to the situation of the people receiving unemployment benefits from whom nothing further is required.

⁹ Guided by the *Miller Report* on Aboriginal Employment and Training, that recommended that all remote communities wishing to participate in CDEP should be able to do so.

In 1997, after a year in which the Howard Government had frozen the expansion of the CDEP, ATSIC raised the necessity of continuing with the expansion but was told that there would have to be an 'independent' review of the CDEP before any expansion could be contemplated.

As a result, a review was conducted by Ian Spencer, reporting, among other things¹⁰, that a significant number (estimated up to one-third) of CDEP participants did not work (Spicer 1997: 2). For them, the CDEP was no more than a poor substitute for social security income support. With the government now opposed to the CDEP's expansion, ATSIC focused its efforts on improving and expanding the scheme internally. Non-working participants who were using the CDEP as a source of income were encouraged to move onto the social security benefits to allow the freeing up of positions that would enable internal expansion (Sanders 2004: 49).

Since the Spencer review, government gradually replaced the original emphasis of CDEP on 'community development' by focusing on the scheme's capacity to prepare individuals for employment in the mainstream labour market and facilitate enterprise development (Martin 2004: 33). There were even unsuccessful attempts, resisted by ATSIC, to divide the CDEP scheme in two, between employment and community development.

In 1999, with the intention of placing Indigenous people in private sector jobs, the government put in place the Indigenous Employment Policy, highlighting that the CDEP should be a 'stepping-stone' and not a goal in itself. In settled areas, where CDEP is geographically close to the mainstream economy, it should provide for training and work experience programs that would enable Indigenous people to obtain paid jobs. The government also announced that selected CDEPs were going to take a new role – they would be re-shaped into Indigenous Employments Centres ("IECs") and paid to cooperate over four years with local employers and Job Network members in placing up to 10,000 participants (nearly one-third of all CDEP participants) in mainstream employment. Twelve CDEPs became IECs in April 2002, and this number increased to 33 by 2004.

In March 2004, the ATSIC Board endorsed a new policy in relation to CDEP. According to this policy, the scheme aims to achieve two broad outcomes: building and maintaining a strong, functional, sustainable socio-cultural and economic base for individuals and communities; and increasing individual access to and participation in the labour market and broader economy (Altman et al 2005: 2).

With the abolition of ATSIC and responsibilities for the CDEP transferred to the Workplace Relations Minister, government in February 2005 announced major reforms to the CDEP with particular emphasis on ATSIC's second objective to increase access to the mainstream labour market (Minister for Employment and Workplace Relations 2005). However, as the majority of CDEP participants are still in remote and very remote areas of Australia (Altman and Gray 2005b: 4) – where very little, if any, participation in the broader economy is available – the reforms are worthy of further analysis and debate.

¹⁰ For instance, Spencer reported that the scheme was not sufficiently funded to provide training for participants or undertake the individual case management often required to secure employment (Spicer 1997: 6, 9).

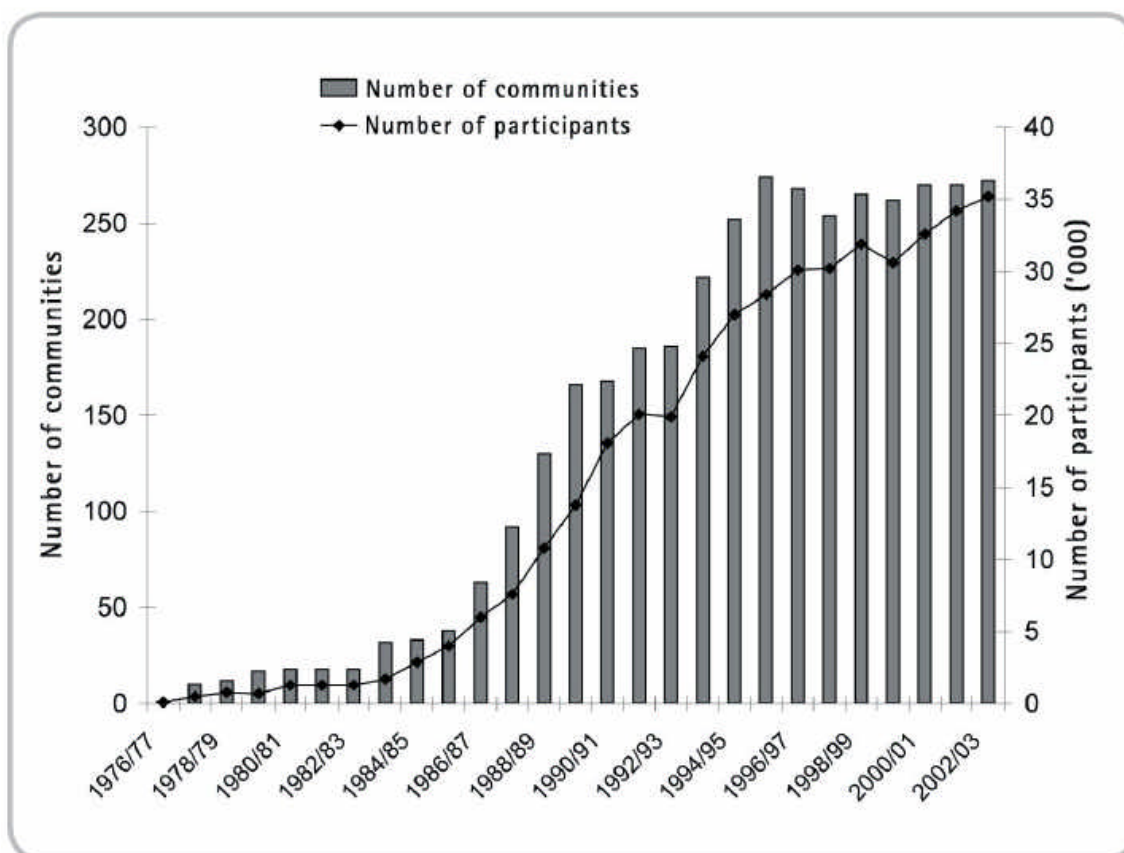
Box 2. Is the CDEP a social security benefit?

Although it is true that CDEP emerged within the extension of social security rights to Indigenous Australians, the scheme was not recognised by or referred to in the social security legislation. It was not administered within the social security portfolio but administered almost entirely by the Indigenous affairs portfolio (Sanders 2004: 47). This arrangement started to change in 1991, when the social security legislation forbade participants in ‘commonwealth funded employment programs’ from qualifying for unemployment payments.

Participants of CDEP schemes would no longer be entitled to unemployment payments because they were considered as already receiving another form of Commonwealth government income support (Sanders 2004: 48). In turn, this exclusion brought several claims from CDEP participants, as they were recognised as income support recipients to be excluded from unemployment benefits but not recognised as such for the purpose of qualifying to social security entitlements like rent assistance, health care cards and any other fringe benefit deriving from such status.

In 1995, the Race Discrimination Commissioner investigated and reported on these complaints. The HREOC Report 1997 found the claims to be discriminatory and recommended that CDEP participants be considered as ‘ordinary wage earners’ within the social security system, although their basic entitlement would still be routed through ATSIC and the Indigenous community organisations administering CDEP as wages (Sanders 2004: 48-49). As a consequence, the new social security service delivery agency, Centrelink, became part of the CDEP scheme’s administration and the Department of Family and Community Services, which oversees social security system, also started to have background policy presence.

It is thus possible to state that since 1998, CDEP has gradually become part of the social security system. However, as Sanders (2004: 47) observes, this has meant that recent government policies are pushing the CDEP in two quite different directions at once – towards the social security system on the one hand and towards the mainstream labour market (Sanders 2004: 49).

Fig 1. Number of communities with CDEP and number of participants, 1976/77-2002/03

Note: CDEPs in the Torres Strait are not included in the figures since 1997/98. The Torres Strait Regional Authority ceased to be included at that time in ATSIC budget and reporting frameworks.

Source: Derived from figures reported in Sanders (2004).

Source: Altman et al (2005: 5)

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