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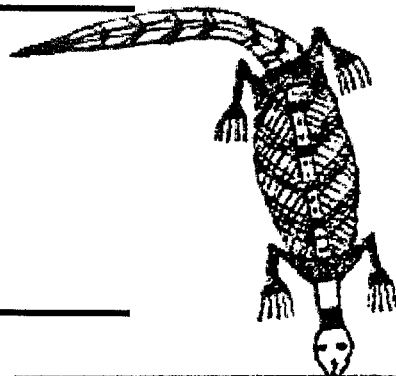
# Bawinanga Aboriginal Corporation Maningrida

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The Bawinanga Aboriginal Corporation is a remote Outstation Resource Centre, servicing the population centred on the town of Maningrida, in Arnhem Land. The Corporation has been very successful at maximising the positive influences of the CDEP, and we strongly believe that our success could provide a model which could be successfully applied in other communities.

The attached document was produced for the Department of Employment and Workplace Relations, in order to assist them to gain better comprehension of CDEP. It is highly relevant to the Standing Committee in that BAC has achieved employment outcomes by creating a job market where one did not formerly exist.

We hold grave concerns about the inappropriateness of DEWR's mantra of "real jobs", and firmly believe that prosecution of a rigid policy of developing unsubsidised employment will have a perverse outcome for both DEWR and Aboriginal people.

We would like to invite representatives of the Standing Committee to again visit us, in order to gain a first hand appreciation of our successful model, and to discuss ways in which we may be able to assist other communities.

Yours Sincerely  
Ian Munro  
General Manager

## **Bawinanga Aboriginal Corporation CDEP discussion 2005**

This paper is the product of thirty-four years of the authors' collective experience with CDEP. Many of the proposals outlined here, though somewhat radical, are in practice within our organization. They have been trialed and proven, and are no longer theoretical. That said, it must be stated that no two CDEPs are the same. Urban and remote CDEPs are hugely different. What works for us may not work for others.

This dissertation does not attempt to structurally address the consultation subjects proposed in the "Building on Success" discussion paper, as our CDEP is greater than the sum of its parts, and an attempt to confine a response to the parameters defined by the architects of the discussion paper would limit the benefit which could be derived from consideration of our proposals. There are other issues which have been overlooked in the discussion paper or which are simply too important to ignore.

The Bawinanga Aboriginal Corporation is physically based in Maningrida, on the Arnhem Land coast. The Corporation commenced operations in 1973 and was incorporated in 1979.

BAC has hosted a CDEP since 1989. There are currently 590 participants on the schedule. The core business of BAC historically is the support, maintenance and development of the 32 surrounding outstations. There is an average total outstation population of 750 people.

As the Corporation has grown and prospered, the emphasis has shifted towards becoming a regional development organisation, with a focus on ultimately achieving economic independence for the client group. CDEP plays a critical role in this process.

CDEP is an essential element in the vision, progress and prosperity of Bawinanga. This is so because it is CDEP that provides the flexibility necessary for the difficult task of growing the regional economy. An inflexible approach to the administration of CDEP would result in a much poorer programme.

Maningrida is a remote community. There is no mining, manufacturing or agricultural activity, and consequently the challenge of accommodating a willing workforce in relevant and productive employment requires creative and clever solutions. The job market is not large, will not grow by itself, and needs skilful manipulation. We have demonstrated that this is achievable, and there is considerable scope for further success.

Attempting to access the funding necessary for swiftly developing the local economy has proven profoundly frustrating. The onerous requirements of the funding matrix conspire against the Aboriginal people of the region. Use of profits from our successful trading enterprises, provides alternative seed capital for business development.

CDEP provides high levels of self respect for participants, and there is a prevailing sense of purpose and hope resident in our workforce. Many of the benefits of CDEP are cryptic or difficult to measure. For example, successful land management, cultural maintenance and strong families all derive partly from the strategic application of CDEP.

The development of commercial enterprises is a cornerstone of the BAC model. Our operations provide training and employment opportunities, deliver efficient services to the community, address consumer demand, and generate profits which can be reinvested in local economic growth. Managers are required to demonstrate a commitment to economic growth, constrained only by cultural considerations, the shortage of development capital, and the need to avoid disproportionate levels of non-Aboriginal employment.

Undoubtedly much more could be achieved if business funding for Aboriginal organisations was tailored to accommodate the unusual and unique scenarios confronting the likes of BAC. Our not inconsiderable commercial success has been achieved in spite of business funding programmes, not because of them. If Aboriginal organisations and communities are ever to benefit from business support funding there must be an acceptance from the funding body that

- a. Aboriginal people, communities and organisations are not bereft of entrepreneurial talent and vision and:
- b. there should be a greater acceptance of risk by the business funding body. Some business startups will inevitably fail; just as in white Australia.
- c. requirements for security on loans need to be relaxed

Cultivation of the regional economy is somewhat challenging, requiring a degree of anthropological knowledge, an intimacy with the funding matrix and a willingness to speculate scarce capital on untested ventures remote from markets. We have had our share of business failures. It will always be so.

Whilst BAC may not be typical of CDEP organisations nationally, it undoubtedly contains elements upon which other CDEPs could be based, with hope of success.

BAC has developed a "three tier wage structure" which operates as follows:

1. People working in "mainstream" jobs in Maningrida are paid the highest rate per hour with opportunities provided to work longer hours. Additionally there is scope for participants to achieve promotion and further wage rises.
2. Participants resident on outstations and engaging in traditional activities are paid the normal CDEP rate. Working within the customary economy provides scope for income supplementation, and BAC is working to develop a raft of sustainable use activities which could provide additional income.
3. Some participants decide not to work for a variety of reasons. Anticipating a return to work, BAC supports these people by paying a lower rate until the "no

work: no pay" rule is activated. After two successive pay runs these people are removed from the schedule.

Participants who do not attend the workplace due to illness, the need to care for a relative, participation in ceremony or funeral activity, and other legitimate activities are not removed from the schedule, and are paid at the normal CDEP rate. BAC accepts that some Aboriginal people have cultural constraints and priorities which preclude conventional engagement with the workforce, and we endeavour to accommodate these people within the structure without discriminating against participants whose engagement with the labour market is more conventional.

The demand for "top up" is met by applying the savings from category 3 participants, by using grant monies provided for that purpose within discrete projects, and principally by drawing on the trading profits of our commercial enterprises.

Administration of the "three tier" wage structure requires patience, tolerance and flexibility. No Aboriginal person who asks BAC for a job is refused. It is vital that participants are presented with job options which are relevant and have appeal for the employer and employee alike. The diversity of the organisation is a component which assists in providing job choices. The process of returning to work after an absence must be bereft of "shame".

BAC cannot employ all of the participants within our own activities and enterprises, and there is a subsequent need to maintain a level of cooperation with other community agencies in order to enable the placement of participants in jobs available through these other agencies. BAC bears the bulk of the costs of "outposting" participants by paying not only CDEP, but also the first \$2 per hour of "top up. Additional "top up" is expected to be paid by the employer. Regrettably, the reality is that the great majority of this group would be unemployed if the wage burden fell exclusively to the employing agency.

Just as no Aboriginal person is refused employment, neither is a request for training ever rejected. BAC have a clearly defined commitment to training, as evidenced by our role in establishing the Maningrida JET (Jobs, Education and Training) Centre in 1992. JET has successfully filled the void left by the withdrawal of government support for adult education on communities at this time. Additionally, BAC employs a fulltime training facilitator whose job it is to organize relevant and realistic training principally within the ranks of the CDEP workforce.

In association with the principle of flexibility, CDEP participants can thus choose a career path that is achievable, productive and rewarding; taking account of individual aspirations and limitations. The major incentives for training and employment are financial and the desire to escape from the ennui of unemployment.

The demand for consumer goods is remarkably high in Maningrida. For outstation people the most desirable possession is a 4wd vehicle, which creates valuable

mobility enabling a regime of visitation and access to country, the importance of which cannot be overemphasized. Residents are increasingly demanding access to a range of conventional goods such as are available in much larger urban centres. There is a strong correlation between the availability and demand for these goods and broad scale engagement with the workforce. This accords with conventional economic wisdom. In response, BAC endeavours to achieve supply of consumer goods through our retail outlets.

The participants like CDEP for the following reasons:

- The flexibility in being able to cope with the mix of work requirements and cultural obligations.
- Opportunities to earn fulltime wages – partly funded by CDEP and partly funded by the enterprises.
- The assistance BAC provides to participants in using their CDEP for the discipline of saving.
- The assistance BAC provides to participants to enable the purchase of vehicles through finance companies and help ensure payments are kept up to date.
- BAC facilitates assistance with travel costs, workshop bills, telephone accounts, the purchase of whitegoods and many other items. People in mainstream Australia would generally use a credit card to purchase these items. Credit cards are not readily available to members of our client group.

There are 590 indigenous people on CDEP and a similar number on UB. There are also approximately 200 non indigenous people working in Maningrida, mainly in skilled jobs like doctors, nurses, teachers, accountants and tradesmen. In total 1300 jobs are needed for full employment. Such a level of job creation is impossible in a remote community if it is financed solely by government funding. To expand employment opportunities we need capital, education and time.

The mantra of “real jobs” is not so much unrealistic as unimaginative. Instead of focusing on the creation of stand alone employment outcomes, BAC has used CDEP strategically to enable participants to engage in full time employment, where the alternative has been unemployment. We encourage government agencies to think of the “top up” component as the “real job”, rather than to insist on 100% pay from unfunded sources.

The logic of this is inescapable. It is simply better to have 10 people working in subsidised full-time employment than 1 person working in an unsubsidised full-time job and the other 9 on UB. The process of weaning communities off welfare is ponderous, whether that welfare takes the form of CDEP or UB. The government acknowledges its current commitment to the maintenance of income support for Aboriginal people. Thus the equivalent of UB at least will be paid, whether people are working or not. The flexibility of CDEP (as practiced by BAC) allows employing organisations to recruit from a labour pool with a low skills base, without incurring a proportional financial burden based on respective productivity. The various tiers of government are able to

procure community services at a vastly reduced cost. Instead of a small percentage of the Aboriginal population being employed in full time unsubsidised activity, our model enables the engagement of great numbers of people with the local economy.

Both the government and the community benefit from the combined productivity of a large number of employees working full time hours. The CDEP participants concerned enjoy elevated self esteem, reinvest their earnings in the local economy, and are taking the first steps towards a genuine career path with the potential for unsubsidised employment.

BAC is not opposed to the creation of "real jobs". A community free of welfare and subsidies is the ultimate goal. The intermediate goal must be more achievable and strategic. There is a "real cost" in creating a "real job", and it is the loss of discretionary capital that can be better utilized to employ a greater number of people in subsidised employment. Subsequently the creation of "real jobs" is actually a sacrifice resulting in a net reduction in the level of employed people; and this is unacceptable where job creation is everything.

A post-CDEP environment is worthy of speculation.

The support that BAC provides to our client group enables several hundred people to remain resident on their clan estates. Successful broad scale land management is a by-product of this phenomenon. The notional value of Aboriginal land management in the BAC region is several million dollars annually. Generally, governments do not even realise this is happening. The realisation will only descend in the event that outstations are depopulated and government agencies must assume responsibility for land management activities formerly cryptic and unacknowledged.

Regional development relies on the sustainable exploitation of available resources. Nobody understands better than local Aboriginal people the nature, potential and threats to these resources. The customary knowledge embedded in our client group is an extremely valuable asset, and active encouragement should be provided to access this knowledge for commercial gain, and to ensure that it is passed on to the next generation and thus remain the preserve of the original custodians. CDEP actively assists in resisting the erosion of this knowledge, thus conserving opportunity.

A workforce deprived of CDEP is quite likely to incubate significant loss of self esteem, with consequent development of social dysfunction, and undoubtedly a rise in occurrences of substance abuse, truancy and suicide. There will be significant direct costs to government, for example medical evacuations, policing, health care and the repatriation of Aboriginal people who succumb to urban drift. The further deconstruction of extant Aboriginal culture must be prevented and is a matter of national responsibility. Similarly, strategies addressing the crisis in Aboriginal health cannot bear the disruption which will follow destabilising overhauls of functional existing programmes such as CDEP.

The savings to government that CDEP provides by underwriting service delivery are real costs which need to be taken into account when considering a reform of CDEP. A very real spectre is the scenario where the demolition of CDEP in quest of the holy grail of "real jobs" actually results in "real jobs" only for additional numbers of non-Aboriginal people on communities.

Certainly, CDEP does not work well everywhere. There are a number of reasons for this. The differences between urban and remote CDEPs are massive, as are the differences between individual Aboriginal communities. In order to make predictable decisions one must take account of factors such as history, magnitude, organisational stability, geography, levels of education, staff dedication, local politics, access to markets, degree of observance of traditional cultural, land tenure, barriers to commercial enterprises and willingness to cooperate with government agencies whose track record is seen as questionable.

There are a number of core proposals that BAC feels are central to the further successful prosecution of CDEP in our community. These may have relevance elsewhere.

1. remove access to UB. Simultaneous operation of CDEP and UB destabilises CDEP.
2. provide business funding linked by formula to CDEP, in the same way that oncosts are linked by formula. This business funding could be accessed by dismantling existing underperforming programmes and therefore at no additional cost to government.
3. provide funding for training, also linked by formula to the CDEP schedule. There would be a requirement for a capital as well as operational component. Vast sums are currently wasted by the training matrix.
4. formal recognition of the three tier pay scale as a discretionary option for CDEP administrators.
5. within reasonable limits, incorporate the logic of *flexibility* into the operation and administration of CDEP as policy, in order to enable host organisations to address unique local requirements.

**Ian Munro**  
**General Manager: BAC**

**Rupert Manners**  
**Financial Controller: BAC**