



**SUBMISSION INTO
INCREASING INDIGENOUS EMPLOYMENT OPPORTUNITY:
PROPOSED REFORMS TO THE CDEP AND INDIGENOUS EMPLOYMENT
PROGRAMS**

November 2008

BACKGROUND

The North Australian Aboriginal Justice Agency is the Aboriginal and Torres Strait Islander Legal Service (“ATSILS”) providing legal advice and assistance in the North Zone of the Northern Territory. NAAJA has offices in Katherine, Darwin and Nhulunbuy. The focus of NAAJA’s services is on rural and remote communities.

In addition to a substantial criminal law practice, NAAJA has a civil law practice which now includes two Welfare Rights solicitors, employed to provide individual client assistance and capacity building in relation to income management and Centrelink.

It is from this perspective that we make comment on the proposed reforms to CDEP, with our focus specifically on their effect in remote communities.

SUMMARY

The proposed reforms to the CDEP will have significant impacts on remote communities. The most detrimental of these will be the transfer of significant numbers of people from CDEP onto income support payments.

Of greatest concern is the abolition of CDEP wages for those jobs which will remain within the CDEP program. Affected individuals will not receive CDEP wages, but will be required to claim Centrelink benefits if suitable paid work is not available.

People transferring to Centrelink benefits will find themselves subject to the Welfare to Work compliance requirements and become subject to the income management regime.

While this outcome is no doubt intentional, we are concerned that this is a retrograde step, which takes people out of paid employment and forces them into the less economically and socially viable alternative of dependence on Centrelink income support.

Many CDEP projects which may struggle to be purely economically viable, are valuable in other terms, providing a significant public good by supporting people to work productively, to engage in important cultural practices, to care for country, and in creating significant art and craft. Together, these activities contribute to community cohesion and pride.

DETAILS OF NAAJA'S CONCERNS

1) Lack of comprehensive data to inform public comment and to underpin government policy

A further major concern is that the discussion paper does not provide any data on the numbers of projects and people likely to be affected in remote communities.

NAAJA is concerned that the proposed reform discussion paper does not provide comprehensive data on the social and economic impact of the proposed changes, nor is data supplied to provide a clear picture of affected projects and how many CDEP employees are likely to move onto income support as a result. Further, the paper does not give data on **how** much is currently spent on CDEP and what the funding will be under the new model.

Without such data, the consultation process is, on our view, seriously compromised. Many people in remote communities are likely to be unaware of just how far-reaching the proposed changes are and the actual impact the changes will have on their communities and their jobs.

Moreover, imperfect communication has seen some in remote communities and even in government under the impression that CDEP will continue in remote communities, but without understanding this occurs without participants being paid a CDEP wage.

Recommendation:

That Government provide detailed data for public consideration and comment on:

- a) the number of remote CDEP projects likely to be affected, including by community;
- b) the nature and type of affected projects for each community;
- c) the number of CDEP employees to be affected for each community;
- d) Age and gender breakdown of affected employees for each community;

- e) Projections which give a breakdown of the how existing CDEP jobs will be transitioned: ie
 - i. How many jobs converted to “real jobs”
 - ii. How many jobs converted to unpaid “community development project” work
 - iii. How many jobs lost permanently
 - iv. How many new opportunities to be created, with breakdowns of type of work.
- f) Current funding for CDEP projects, by community and by project type;
and
- g) Proposed funding for CDEP projects, by community and by project type.

2) Transitional CDEP arrangements

Under the proposed changes, current CDEP recipients will be grandfathered until March 2010 unless the person has a break of more than two consecutive weeks. In our view, this two-week period is not adequate and requires review. It does not account for normal periods of annual leave and will have the effect of preventing people from taking leave if they wish to keep their paid CDEP jobs.

This policy also fails to adequately account for the many compelling circumstances which might require a person to be away from work, for example, to attend funerals, to care for family members or because of their own ill-health.

Finally, this policy does not take into account the financial commitments of CDEP employees, for example, long-term financial commitments such as car loans. Significant hardship will be caused where a CDEP wage earner loses their job and is not able to meet their financial commitments.

Recommendation:

A person should continue to be grandfathered on CDEP payments provided a person does not have a break of more than 13 consecutive weeks. This aligns with Centrelink rules for the retention of eligibility for payments where a person temporarily ceases to be payable because they do not meet the income test, but remains qualified.

3. Income management

Under the current system, a CDEP participant who is not in receipt of income support payment, is not subject to the income management regime. The transition to income support payments will mean that these payments will be subject to income management.

Recommendation:

That income support payments for new CDEP participants be exempt from income management. This may provide some additional incentive for people to participate in CDEP. Further, that participants who wish to be subject to income management have the option to elect for voluntary income management.

4. Economic participation and culture

NAAJA places on record its full support for measures which foster Indigenous participation and success in the nation's economy. NAAJA's support for such measures is qualified where these are to the detriment of Indigenous culture and language.

CDEP is valuable for its potential to increase economic participation *and* to support the maintenance of Indigenous cultures. Assistance for voluntary relocation to take up work opportunities is a positive measure, yet placing people under the Welfare to Work compliance regime in an environment where no paid CDEP work is available is fraught with the risk that people will be placed under pressure to leave behind their traditional homes and culture.

Recommendation:

That paid CDEP positions be available for important community development projects in remote communities.

We thank the Government for the opportunity to provide comment. Should any further information be required, please contact the writer.

Yours faithfully
NORTH AUSTRALIAN ABORIGINAL JUSTICE AGENCY

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