

# CDEP REFORM

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Earlier this year, direct consequences from the Federal Government Intervention ensured that CDEP organisations/providers were to be systematically abolished, disabled, and replaced with inferior and ill equipped 'mainstream' programs such as Work for the Dole. Results to date from the scrapping of CDEP in some areas have included the following:

- potential sacking of up to 7000 people
- higher instances of social dysfunction
- moving from 'welfare to work' mantra, to 'work to welfare' causing widespread confusion and uncertainty
- poorly planned quarantining of Centrelink payments of former CDEP participants causing hardship for many, including children going hungry
- loss of empowerment and self worth, and general distrust of the Federal Government's motives
- large scale winding up of Aboriginal organisations
- closing of business enterprises resulting in job losses
- lower rates of people moving into unsubsidised positions
- lower rate of people moving through accredited training than through CDEP
- reduced individual economic capacity and reduced capital investment in communities
- decreased rates of staff retention due to job insecurity and reduced capacity of organisations ability to function effectively
- inaccurate and ineffective communication and information from DEWR and other Government agencies throughout the entire process, resulting in poor decision making
  - other representative Aboriginal organisations here today are better placed to address permit system and leases of Aboriginal owned land. This paper and the CDEP reform process acknowledges and supports the Government's commitment to genuine consultation and partnership decision making, and this approach in relation to the issues of retention of permits and scrapping of leases, is supported
  - We seek a negotiated timeline on CDEP reform
  - We seek a negotiated timeline on the review of the Intervention

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As a direct response to the Intervention, several meetings have convened over the last 6 months in the Territory, with nearly 75% of CDEP workers represented through their respective CDEP organisations throughout the Top End, with the aim of retaining and reforming CDEP.

Over the course of these conferences, culminating in a meeting with Warren Snowdon and Trish Crossin on Monday 10<sup>th</sup> December, with CDEP organisations and Traditional Owners at Yirkala, a 14 point plan of action for CDEP reform has been developed for consideration and for further exploration.

There are some Intervention measures such as Housing reform, Community patrols, etc etc that can be incorporated into the 14 point plan of action through CDEP.

## **CRITICAL ISSUES for CDEP**

- *Prevent abolition of most CDEPs as a result of the formation of Local Government Shires and the transfer of assets and staff, on 1 July 2008*
- *Negotiate a 'homelands policy' and associated inter-government funding arrangements to ensure the provision of CDEP in homelands remains viable.*

## **14 Point Plan of Action for CDEP Reform**

### **1. Enshrine flexibility into CDEP**

- In remote areas where there are very restricted labour markets, flexibility is the key, creating opportunities for work, training and enterprise development. Flexibility needs to apply to funding, organisation of work, use of resources. Flexibility is what allows continuation of cultural obligations, maintenance of land and sea country, and ability to live and work on their traditional homelands.
- Flexibility should include the choice between full time, part time or casual work.
- Do not 'penalise' CDEP providers if clients make a choice to work less but have reduced income.

### **2. Renewed focus of CDEP to Community Development**

- Recognise that in recent times the significant Community Development outcomes through CDEP have been completely ignored, and that Community Development initiatives play a critical role in the establishment of any kind of enterprise, which ultimately result in better employment outcomes.
- Identify the range of goods and services that need to be provided, and at what standard, to achieve appropriate community development outcomes in any community. (eg. housing construction/maintenance, management of National Estate, early childhood development, nutrition, banking, Centrelink agents, etc.). Particularly in absence of real job markets.

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- Apply CDEP resources to the achievement of Community Development Plans & outcomes through public & community services and enterprise development.
- Allow CDEP to 'create' and cross-subsidise the jobs that need to be done.  
*(The failure of other agencies to properly fund their responsibilities should be dealt with by Govt. as a separate problem – don't blame CDEP for this!)*
- Include achievement of Community Development outcomes as part of the assessment of CDEP performance.
- Provide capital equipment and materials costs necessary for CDEP to achieve these outcomes.
- Align as many CDEP activities and positions as possible, with the 'work' that needs to be done in any community – including the private sector provision of goods and services – to achieve these outcomes.
- A community development approach recognises there is value to the National Estate and the nation through people staying on country, undertaking traditional land management and cultural site maintenance activities, and maintaining their health and wellbeing.

### 3. Create a CDEP representative body

- Resource a CDEP network and representative body to encourage information sharing, best practice and to provide feedback to Government to support policy and program development

### 4. CDEP vs Work for the Dole (WfD)

- No work for the Dole activities to be run in remote areas where there are existing CDEP programs.
- Recognise the cost and timing factors in developing and expanding activities in order to absorb a significant number of Centrelink recipients onto CDEP.
- Job Network Members (JNM) should only offer services supplementary to CDEP.
- Transfer resources from other non-local (JNM) providers to CDEPs so they can offer a more comprehensive range of services, and so the associated resources are invested in the local community.
- Incentive/performance payments to CDEPs should be same as for Job Network Members

### 5. Improve capacity of CDEP organisations

- Implement equivalent of standardised 'Collective Workplace Agreements' in lieu of linking participants to the relevant Awards. *(Administratively complex, of dubious relevance, and often ignored!)*
- Multi -year contracts to allow for forward planning.

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- Recognise the full costs and difficulties of attracting and retaining skilled staff (both expatriate and local) in remote locations, including the costs of providing housing. This may initially require a capital response to lack of housing availability.
- Allow negotiated flexibility in the split between Management/Administration costs and Activity Cost.
- Renewed investment in capital equipment is required either through grant funding or provision of funds for long term leasing.
- Allow increased flexibility in use of Activity Generated income.
- Fund staffing of CDEPs at appropriate levels and ratios recognising the enormity of the employment and training task, the range of activities to be managed/supervised, and the costs of skilled employees in remote locations.  
*(Note the cost of Government Business Managers – who don't directly manage any staff, programs or dollars!)*
- Remove requirement for separate incorporation of CDEP Businesses *(incorporation structure should be a business decision!)*
- At least for existing assets, leave ownership with CDEP providers – do not transfer to either IBA or Shires. Note that appropriation of assets under Section 68 of the NTER Act s is now on hold due to the High Court challenge by Bawinanga.
- CDEP Wages to remain with CDEP

## 6. Reward Performance, Effort, Skill and Training

- Fund CDEP providers to enable up to minimum 20 hours per week per participant.
- Allow surplus wages to be used and carried forward to pay higher rates and/or top up above 20 hours per week, where applicable.
- Treat all CDEP earnings as wages – that is, taxed, superannuated, and accruing normal entitlements.
- Provide a proportion of additional funds so there can be some wage progression flexibility so the CDEP can recognise skill, performance and responsibility.
- Provide funding for 'leading hand allowances' so supervisor positions can be created at an appropriate ratio (eg. 1:6, instead of 1:35) as an alternative to a more limited number of fully funded 'supervisor positions'.
- Provide a 'training outcomes bonus' - when training is completed and then when learning to be consistently applied in the workplace.

## 7. Engagement of CDEP workers

- Reduce ability to transfer between Centrelink and CDEP at will.
- Taper the quarterly income limit rather than an abrupt cut-off.

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- No mandated 'income management' of CDEP. Provide CDEPs with staffing resources and capacity (as alternative to resourcing Centrelink) to offer voluntary financial management assistance including voluntary deductions/bill paying.
- Increase CDEP funding and pay rates to correspond with Minimum Wage movements – don't reduce hours.
- Describe CDEP workers according to the jobs they do – as 'real work', and not according to how they are funded.
- Recognise that not all Indigenous people are necessarily happy to take up work mining their land.
- Recruit CDEP workers according to aptitude and potential capacity to fulfil the responsibilities of the position. Use flexible salary structure combined with 'no work no pay' principle to address poor compliance.
- Structure jobs appropriately according to actual work requirements of the job.

## 8. Training

- Link training to the number of CDEP workers on a formula basis so that each position attracts an amount of training dollars (eg. \$1,000 per participant), that the CDEP can only use to flexibly purchase or directly provide training.
- Provide support to CDEPs wanting to set up RTO's to access training funds directly.
- Invest in local training facilities.
- Link training to housing reform.
- Invest in capacity of major training providers to deliver remotely, and require remote delivery as part of their funding.
- Provide subsidies to raise the wage level of Apprentices and Trainees so there is a financial incentive relative to the basic CDEP wage.

## 9. Mentoring and supervision.

- CDEPs and host employers need to be funded to provide sufficient skilled on the job mentoring and supervision across locations.
- 'Supervisors' from the CDEP ranks need appropriate training in their supervision roles, too many are unskilled and under-prepared.

## 10. Case management and special needs support

- Provide CDEP with the resources necessary for managing non-compliant, low motivation/capacity participants, and groups with special needs (eg. school leavers/youth, young women, disability). A high percentage of CDEP's are young people who need personal case management and Youth worker assistance.
- Link funding to caseload.

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## 11. Business/economic development

- Recognise the need for significantly increased economic/business development support, for both planning and technical advice but also long term or intensive mentoring and support.
- Provide business development support to CDEPs on a formula basis linked to number of CDEP workers, so that CDEPs can access this business development support as required.
- Allow CDEP to function as an ongoing 'wage subsidy' for both individual/family owned and community owned businesses until business profitability is such that it can demonstrably support the employment.
- Make seed funding and venture capital more available to CDEP providers to initiate business ventures directly (*Accept there is risk in business start up!*)
- Support business development based on potential to succeed and provide ongoing employment, without favouring any particular form of ownership or incorporation.

## 12. Private sector incentives

- Recognise that business investment and commitment to Indigenous employment should be properly compensated for the costs (including lost productivity) of providing support, organization, supervision, mentoring and on the job training of CDEP workers. (*Don't assume they are benefiting financially from 'cheap labour'*).
- Replace 12 month limit on private sector host employment arrangements with standard 2 year limit and up to 5 year limit where genuine traineeships or apprenticeships are progressing.
- Allow outcomes based tax breaks for private sector investment that generates Indigenous employment.

## 13. Public sector and NGO employment

- Ensure funding for the 2000 jobs identified as part of the 'Intervention' in areas such as health, youth, education, municipal services, land management, community patrols, child protection, etc. still flows through to communities.
- Allow these funds to be used in conjunction with CDEP to create more funded positions and get more people into part-time employment, and engaged in addressing community needs.
- Allow CDEP to be function as a 'wage subsidy' for jobs that need doing, where there is demonstrably no direct funding available to support the position.
- For each employed position, allow CDEP to fund an 'under-study' position to work alongside. (This allows for replacement during absences and succession.)

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## 14. Whole of Government approach

- Establish within Government, processes to identify and monitor policy and initiative failure (and success) and to implement measures to counteract through provision of optimum opportunities across whole of Government for indigenous employment, training and enterprise development.