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CENTRE FOR ABORIGINAL ECONOMIC POLICY RESEARCH

INDIGENOUS CENTRES IN THE POLICY MARGINS: THE CDEP SCHEME OVER 30 YEARS

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by

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INTRODUCTION

Centres and margins are all about perspective, both in place and time. From particular places and times, certain phenomena can look quite marginal, while from others they can look quite central. In this paper I want to argue that thirty years ago the Community Development Employment Projects (CDEP) scheme grew out of some rather marginal policy concerns within the Australian social security system about the inclusion of Aboriginal people in unemployment payments. Those concerns were, at the time, unable to be fully accommodated within the social security system and so the CDEP scheme was established within the Commonwealth Aboriginal or Indigenous affairs portfolio. While CDEP began as a somewhat marginal concern within the Indigenous affairs portfolio too, over time it became the largest single program in that portfolio and a policy centre in its own right. Recently, with the demise of the Aboriginal and Torres Strait Islander Commission (ATSIC) and the 'mainstreaming' of its programs, the CDEP scheme has been transferred to the Employment and Workplace Relations portfolio within the Commonwealth government. So I ask in the later pages of this paper, will this new program location and time in Indigenous affairs lead to a new marginalization of the CDEP scheme? My answer to that question is possibly, but not inevitably. Indeed I will conclude with a challenge for the Employment and Workplace Relations portfolio; to allow the CDEP scheme to continue as a policy centre in its own right.

THE ORIGINS OF CDEP IN THE SOCIAL SECURITY MARGINS

Let us return to the mid 1970s. The Whitlam Commonwealth government has just come and gone and the Fraser Commonwealth government is trying to put its stamp on Australian Indigenous affairs. One of the issues to emerge from the Whitlam years is the possible eligibility of Indigenous people in remote areas for unemployment benefits within the social security system. Until now, the social security system has argued that Aboriginal applicants from remote areas do not qualify for unemployment benefits because they do not have a 'work history', and so are not so much unemployed as simply outside the workforce, both geographically and categorically. But some of these Aboriginal people in remote areas do have a work history, either in the pastoral industry or on government or mission settlements, albeit sometimes at under award wages. And the Whitlam government has recently promulgated a policy guideline which states that Aboriginal people in remote communities do not have to move in order to demonstrate that they are available and willing to undertake suitable paid work. This last, incidentally, along with being unemployed, is the *actual* eligibility criteria for unemployment benefits. Having a work history at either award or under award rates of pay is only material to eligibility by interpretation and accumulated past practice. Social security administrators are slowly realising that they can not keep Indigenous applicants from remote areas off unemployment benefits for much longer, without being accused of either discrimination or flouting their own rules. Indigenous people in remote are learning that some among them are being successful in gaining access to unemployment benefits and the numbers of Indigenous applicants from these areas are slowly increasing. There is even talk of a possible epidemic in which the majority of the working-age Aboriginal population in remote communities will end up on unemployment payments (Sanders 1985).

There is also, of course, much debate in the Indigenous affairs policy community about these developments, how significant they are and what can be done about them. This is reflected in a meeting between the Commonwealth ministers for Aboriginal Affairs, Social Security and Employment and Industrial Relations in March 1976 the outcome of which is to establish an Interdepartmental Working Party on Aboriginal Employment. Term of reference 4 for this working party is:

To consider the impact of the payment of unemployment benefits to Aboriginals living as communities; the extent to which payment of these benefits has created unsatisfactory social problems within those communities; and to recommend ways by which these situations can be remedied, including recommendations as to any necessary changes (IWP on Aboriginal Employment 1976: v).

The Working Party, in its May 1976 report, notes the 'frequent expressions of disquiet from anthropologists, sociologists, and welfare workers... about the economic and cultural problems' caused by unemployment benefit payments and lists a number of claimed 'adverse effects'. However, it cautions that benefit payments are only a 'contributing factor' to these effects and that 'other factors include the erosion of Aboriginal culture caused by the inroads of western society' (IWP on Aboriginal Employment 1976: 29-30). The Working Party goes on to note that the Department of Social Security:

is in a situation where it cannot refuse unemployment benefit to people who are qualified to receive it but when these people are Aboriginals, residing as communities in remote areas and for whom significant work may never become available, the payment of unemployment benefit to them represents welfare of the worst kind – a handout which increases their dependency on others and undermines the application of the Government's policy of self-management (IWP on Aboriginal Employment 1976: 31).

The Working Party's 'considered opinion' in May 1976 is that the 'only real long-term solution' is the 'creation of useful employment against which a realistic application of the "work test" can be applied to Aboriginal applicants for unemployment benefit' (IWP on Aboriginal Employment 1976: 31). In particular it notes one 'suggestion' that unemployment benefits, rather than being paid to individual beneficiaries, be paid to community councils 'to fund work projects'. However, the Working Party sites 'two major drawbacks' of this 'kind of arrangement': that the Department of Social Security would be accused of discrimination unless the individual concerned gave their approval and, in being employed on such projects, the individual concerned would no longer be eligible for unemployment benefits anyway (IWP on Aboriginal Employment 1976: 31-2).

Here, in the Working Party's report, we can see the origins of the CDEP scheme in the margins of the social security system. The Department of Social Security acknowledged some of the issues about potentially widespread eligibility for unemployment benefits among Indigenous people in remote areas, but it could not see its way clear to paying such people to work for unemployment benefits. So a year later, in May 1977, when CDEP emerged it was not part of the social security system, but rather was administered by the Commonwealth Indigenous affairs portfolio, the Department of Aboriginal Affairs (DAA) as it then was. The link with the social security system was notional but still clear, as revealed in the new program's objectives and guidelines. The first objective of CDEP was to 'provide employment opportunities... at a cost approximating unemployment

benefits', 'thereby reducing the need for unemployment benefit for unemployed Aboriginals within the community'. While among the new program's guidelines was the statement that each community would be:

encouraged to establish its own method of remuneration for its members who participated in the project provided that:

(a) all unemployed community members, eligible to apply for unemployment benefits will be given the opportunity to participate;

(b) each participating community member, provided he contributes the required minimum hours or satisfies other minimum criteria determined by the community, will be guaranteed a minimum income approximating his normal unemployment benefit entitlement (Commonwealth Parliamentary Debates, House of Representatives, 26 May 1977: 1922)

CDEP IN THE INDIGENOUS AFFAIRS PORTFOLIO: FROM THE MARGINS TO THE CENTRE

These objectives and guidelines for the CDEP scheme which linked it with the social security system, caused problems from the outset within the Indigenous affairs portfolio. How could all employed community members be given the opportunity to participate when the DAA did not have an open-ended budget like the social security system? How could communities be encouraged to develop their own method of remuneration for participating members, while at the same time only being funded to a level approximating unemployment payments and also guaranteeing participants a minimum income approximating normal unemployment benefit entitlement so long as they satisfied some minimum criteria? Indeed the very first day that CDEP operated at Barunga in the Northern Territory, almost twice as many people turned up as there were funded positions. And when most of these people kept turning up over the next year, Barunga ran out of funds for CDEP a couple of months before the end of the financial year. At this point the question arose as to whether these CDEP workers were eligible for unemployment benefits for the rest of the financial year.

These sorts of teething problems kept the CDEP scheme fairly marginal within the Indigenous affairs portfolio during the late 1970s and early 1980s. However, over time many of the problems were gradually addressed (Sanders 1988). CDEP would not try to offer employment to all the unemployed in a community, but rather would offer a set number of positions. Pay rates were to reflect pro-rata minimum awards, meaning the participants would only be expected to work perhaps 15 to 18 hours per week. Additional support and on-cost funding was agreed to, at first 10 per cent, then 20, then 40 per cent of the unemployment benefit equivalent, in order that work projects could be supported and that higher wages could be paid to some who took on more responsibility or worked longer hours. CDEP organizations were allowed to use other funds, earned perhaps through work activities or service contracts, to supplement the work opportunities and incomes of participants, without those participants losing eligibility for CDEP in the same way as they would within the social security system.

By the mid 1980s, with many of these issues being addressed, CDEP was becoming somewhat less marginal and troublesome within the Indigenous affairs portfolio. Indeed in the Hawke Government's Aboriginal Employment Development Policy of 1986, CDEP became a centerpiece of Indigenous affairs portfolio action. The numbers in the program, which had thus far been restricted to just a couple of thousand participants and

Table: CDEP participant numbers and expenditure, 1976–2003.

	No. of communities	No. of participants	\$M CDEP Expenditure	Expenditure as proportion of DAA/ATSIC total exp.
1976/77	1	100	0.1	0.001
1977/78	10	500	2.0	0.016
1978/79	12	800	2.9	0.021
1979/80	17	700	3.8	0.027
1980/81	18	1,300	6.9	0.043
1981/82	18	1,300	7.0	0.041
1982/83	18	1,300	7.4	0.037
1983/84	32	1,700	14.2	0.058
1984/85	33	2,900	23.5	0.083
1985/86	38	4,000	27.2	0.092
1986/87	63	6,000	39.5	0.12
1987/88	92	7,600	65.5	0.17
1988/89	130	10,800	98.8	0.22
1989/90	166	13,800	133.2	0.25
1990/91	168	18,100	193.1	0.34
1991/92	185	20,100	204.5	0.32
1992/93	186	19,900	234.4	0.28
1993/94	222	24,100	251.9	0.27
1994/95	252	27,000	278.3	0.29
1995/96	274	28,400	310.5	0.31
1996/97	268	30,100	327.6	0.34
1997/98*	254	30,300	374.2	0.38
1998/99	265	31,900	380.1	0.37
1999/2000	262	30,600	390.0	0.37
2000/01	270	32,600	437.0	0.38
2001/02	270	34,200	445.0	0.39
2002/03	272	35,200	484.4	0.36

* CDEPs in Torres Strait no longer included as Torres Strait Regional Authority no longer include in ATSIC budget and reporting framework.

less than twenty communities, were allowed to expand quite dramatically. Also the scheme was allowed to expand beyond remote areas into more rural and urban areas all over Australia. In monetary terms, CDEP grew from being about 3 or 4 per cent of the Indigenous affairs portfolio budget in 1980 to being a third of that budget in 1990. Around that time it also passed the 20,000 participants mark and operated in roughly 180 communities (see table above, and Sanders 1993a).

CDEP was, by 1990, a well established policy centre within the Commonwealth Indigenous affairs portfolio. This is not to say that the scheme did not still have issues which caused it problems (Altman and Sanders 1991). But

rather than enough of these issues had been worked through to a point where an established *modus operandi* had been developed which was acceptable to a wide range of stakeholders. Indigenous community-based organizations were keen on CDEP, as it gave them a greater degree of funding security and flexibility in activities undertaken than many other programs. Individual participants liked CDEP because it got them out of the social security system, with its rather exacting bureaucratic requirements, into a less demanding administrative environment which also offered some work and additional income opportunities. Governments liked it because it did something for Indigenous employment at a modest cost and kept Indigenous unemployment figures down. And government agencies, like the Department of Social Security, had worked out ways of relating to the program which were not inconsistent with their own programs and responsibilities.

The primary stewardship of the CDEP scheme during the 1990s and early 2000s, fell to the Aboriginal and Torres Strait Islander Commission (ATSIC), the Hawke government's statutory creation of both an executive and representative body in Indigenous affairs. CDEP continued to grow significantly during this period, reaching 30,000 participants in 1996 around the time of the fall of the Keating Labor government, and then growing to 35,000 participants under the Howard Coalition government over the next few years (see table). On balance, and on other measures as well as growth, I would argue that ATSIC was very successful in its stewardship of CDEP in the face of some significant threats.

In the mid 1990s CDEP faced an inquiry from the Race Discrimination Commissioner over allegations of discrimination against CDEP participants in comparison to social security payments (Race Discrimination Commissioner 1997, Sanders 1997). While not finding such discrimination in her 1997 report, the Commissioner did identify a 'lack of consistency in the treatment of CDEP participants by Commonwealth Departments and Agencies', including the Department of Social Security and ATSIC (Race Discrimination Commissioner 1997: 46). Soon thereafter these, latter two organisations devised a new way of treating CDEP participants, which gave them access to 'add-on' social security entitlements like rent allowance and concession cards.

CDEP also in 1997 faced an Independent Review which wanted to push it more towards employment outcomes and to remove any sense of CDEP as just an alternative form of social security payment (Spicer 1997). ATSIC defended CDEP over the next few years as not just about employment outcomes, but also about community development and social support for people and communities who were in some instances not greatly attached to or accessible to the mainstream labour market. ATSIC resisted the idea of dividing the CDEP scheme in two, either geographically or between employment and community development. What was good about CDEP, ATSIC argued, was its devolved regional nature and being able to cater flexibly in one program for a diversity of Indigenous circumstances. Hence in its 2000-2001 Annual Report ATSIC wrote:

CDEP is very significant in Indigenous Australia and the Commonwealth's most extensive Indigenous program. It operates in very diverse social, cultural and economic environments and provides 25 per cent of Indigenous employment. It is a base for training and for enterprise development and may also contribute labour, skills and support to other government-funded activities within Indigenous communities. It is enmeshed with other ATSIC outputs and has always had an impact beyond the income and employment status of individuals.

While CDEP increasingly promotes the transition to mainstream employment, 65 per cent of CDEPs operate in remote Australia where labour market opportunities and Job Network coverage are limited and access to training providers and facilities is problematic (ATSIC 2001: 157)

In its next two annual reports, reflecting this enmeshing, ATSIC moved towards reporting CDEP across its 'outcome groups', rather than solely in the economic development group. It also identified CDEP outputs under 'promotion of cultural activity' and 'improvement to social and physical well-being'. These may seem minor developments in annual reporting formats, but they were symptomatic of a real and sustained effort within ATSIC to protect CDEP from being pushed into a narrow focus on economic development and mainstream labor market outcomes. CDEP was not only ATSIC's largest program, it was also its most general, diverse and flexible. CDEP had become a major policy centre within ATSIC and the Indigenous affairs portfolio.

CDEP IN THE EMPLOYMENT AND WORKPLACE RELATIONS PORTFOLIO: WHERE TO NOW?

With the 'new mainstreaming' of Australian Indigenous affairs policy, as my colleague Jon Altman (2004) has called it, ATSIC is in the process of being abolished and its programs have already been transferred elsewhere. The CDEP scheme was transferred to the Commonwealth Department of Employment and Workplace Relations on July 1, 2004 and so a new era for CDEP is now just beginning. I will boldly predict that CDEP will not sit as comfortably and centrally in the Department of Employment and Workplace Relations (DEWR) as it did in ATSIC. This is partly, and inevitably, because DEWR is a much larger organization with general as well Indigenous-specific policy concerns. But it is also because DEWR has a strong employment and labour market focus and could lose patience and interest in the community development and income support aspects of CDEP.

I am not against mainstreaming of Indigenous-specific programs per se. Indeed in the past I have pointed to some of the benefits of mainstreaming and defended it in particular policy areas, like health (Sanders 1993b, Anderson and Sanders 1996). However I do believe that CDEP will be a hard Indigenous-specific program to mainstream successfully, because of its diverse objectives. CDEP could have been mainstreamed into the Commonwealth Department of Family and Community Services (DFACS), as easily as into DEWR, and this too would have had its problems. Neither DFACS nor DEWR, nor for that matter any other general government agency, covers as diverse a range of objectives as CDEP currently does. So the temptation for any such agency may be to try and mould CDEP into something narrower which fits established departmental ideas and practices. But that would be unfortunate, for it is precisely CDEPs multiplicity of objectives which is its strength. The challenge for DEWR is to allow CDEP to be its own policy centre with diverse, multiple objectives and flexible, devolved implementation, rather than trying to mould CDEP into DEWR's established image. CDEP deserves to be a policy centre in its own right, rather than once again becoming some organisation's marginal concern.

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