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Round Table Discussion  
By  
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ANUIIA

## **CDEP – welfare, work and awards**

Welcome to country

Good afternoon ladies and gentlemen, and thank you to Ruth Windeler, Education Director of the Judicial Commission of NSW for inviting me to speak here today.

Today I'd like to talk about the Commonwealth's Community Development Employment Program or the CDEP. It's the biggest 'employer' of Indigenous people in the country, it's been around for 30 years, and it's just now that there is a draft CDEP award process in train to protect Indigenous worker's rights and conditions.

Firstly, I will give you a brief history of the scheme and fill you in a little on some of the debate about the nature of CDEP 'work', and about some of the debates that have raged around the CDEP scheme since its establishment.

Like most things Indigenous, it's complex and contested.

### **CDEP**

The Commonwealth's Community Development Employment Scheme was established in 1977 in remote Australia and expanded rapidly to include rural and urban Indigenous communities, and is currently ATSI's 'most significant program'<sup>1</sup>. It was established originally as an

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<sup>1</sup> Altman, J.C. & Gray, M.C. 2000 The effects of the CDEP scheme on the economic status of Indigenous Australians: some analyses using the 1996 Census, Discussion Paper 195, CAEPR, ANU, Canberra, p.v.

Indigenous specific program although recently it has been extended to include non-Indigenous people.

### **Background**

The CDEP was introduced originally into remote Australia where there was, and still is, little opportunity for employment for Indigenous people. Significantly, the original intention of the scheme was not so much focused on employment, but rather community development outcomes.<sup>2</sup>

It was only later, after the landmark ‘Spicer Review’<sup>3</sup> which recommended that the CDEP should focus more on employment outcomes, and specifically on moving participants out of the scheme and into full-time jobs rather than on community development outcomes.

This review process may well be responsible for the current debate around whether the CDEP program is a welfare program or an employment program. This in turn has implications for how we measure the success of the program; is it in terms of how many participants move out of CDEP into full time unsubsidised employment or are there other measures more relevant to community development that can be applied, and what implications are there for long term participants in this program?

As my colleague Bill Jonas, in his capacity as Social Justice Commissioner, once said;

‘Its evolution as an adaption to the employment circumstances and labour market realities of Indigenous Australians in the post 1967 ‘rights’ era has made it difficult to define. It has been variously defined as an employment program; a form of income and a form of welfare benefits; a source of training or skilling; community development; a transition to employment in the mainstream labour market; a substitute provider of essential services; a source of community cohesion and cultural maintenance; an Indigenous initiative; and even a form of self determination.’<sup>4</sup>

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<sup>2</sup> Champion., M. 2002 Urban CDEPs as Indigenous Employment Centres: Policy and community implications, in F. Morphy and W. Sanders eds The Indigenous Welfare Economy and the CDEP Scheme, Discussion Paper 228, CAEPR, ANU, Canberra, p. 4

<sup>3</sup> Spicer, I. 1997 Independent Review of the Community Development Employment Projects (CDEP) Scheme, Expenditure Review Committee, COA, Canberra.

<sup>4</sup> Jonas, W. 2001 CDEP, racial discrimination and social justice in F. Morphy and W. Sanders eds. The Indigenous Welfare Economy and the CDEP Scheme, CAEPR Research Monograph No.20, CAEPR, ANU, Canberra, p.12.

How does it work

CDEP operates essentially as a partnership between participating CDEP communities and government whereby participants essentially pool their social security benefits to fund projects deemed relevant for their own community. Therefore about two-thirds of the funding for these programs is contributed by the CDEP participants themselves with the remaining third sourced elsewhere.

This means that each CDEP can operate fairly autonomously and design their programs around the skills and aspirations of their participants, as well as taking into consideration the local training and labour market opportunities.

The types of work programs vary, but many include community infrastructure and maintenance programs, art programs, business enterprises, construction and tourist industry programs and child care activities.

Business enterprise development is a key focus for many programs, with the ultimate aim of moving CDEP participants out of subsidised employment into the market place and integrating with the mainstream economy.

However some participants have indicated that the welfare/work tension evident within the program, together with the funding limitations of a government program, mean that developing and maintaining viable businesses competing in the market place is extremely difficult.<sup>5</sup>

Statistics

A brief examination of the numbers of Indigenous people participating in CDEP gives you some indication of how dominating this scheme is for Indigenous communities.

CDEP operates today through approximately 300 Indigenous community organisations with over 30 000 Indigenous people, or about one-third of all Indigenous people in employment.<sup>6</sup>

In 2001, ATSIIC Commissioner Brian Butler with responsibility for social justice said that;

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<sup>5</sup> for more info on this see Looms B. 2001 Using the System to our Advantage in F.Morphy and W. Sanders eds The Indigenous Welfare Economy and the CDEP Scheme, CAEPR Research Monograph 20 p.225

<sup>6</sup> Sanders, W. & Morphy, F. Introduction – The Indigenous Welfare Economy and the CDEP Scheme, CAEPR Research Monograph No.20, CAEPR, ANU, Canberra, p.1

‘The Aboriginal and Torres Strait Islander unemployment rate is estimated at 26 percent. This contrasts with the national average of less than 7 percent. If the 33,000 people employed on CDEP are classified as unemployed, the Indigenous unemployment rate is closer to 40 percent.....Currently CDEP keeps 33,000 of our people out of the welfare system.’<sup>7</sup>

Significantly, CDEP is the major employer of Indigenous young people, with 40% of 15-19 year olds participating in the program.<sup>8</sup>

### **Diversity of CDEPs**

Evidence from the CDEPs themselves indicate that many try to meet the needs and aspirations of their participants and cater for their various skills, educational levels and work experience. How well integrated these programs are with the local economy often depends on the location, remoteness and access to labour markets and access to quality training providers.

‘Successes’ however you define them, are also often dependent entirely on the skills and experience of the CDEP managers,<sup>9</sup> and on the governance structures in place which ensure sound and transparent decision making and accountability processes.

Some of the interesting CDEP enterprises and work programs include for instance, the Redfern CDEP Sydney Harbour Cruises venture and their successful printing and sewing production business.

The Bungala’s Construction program in Port Augusta, competes successfully in the market place winning tenders above other local construction companies.

In Victoria, Wathaurong Glass has become a well recognised and viable business in its own right after beginning as a CDEP project in 1998. It is not just economically successful, but artistically successful as well, with its glassworks in demand and on display around the world.<sup>10</sup>

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<sup>7</sup> Butler, B. 2001 Welfare and Social Justice for Indigenous Australians in F. Morphy and W. Sanders eds. The Indigenous Welfare Economy and the CDEP Scheme, CAEPR Research Monograph No.20, CAEPR, ANU, Canberra, p.7.

<sup>8</sup> Campbell, S. and Schwab, J. 2001 in F. Morphy and W. Sanders eds. The Indigenous Welfare Economy and the CDEP Scheme, CAEPR Research Monograph No 20 CAEPR, ANU, Canberra, p.109

<sup>9</sup> see for example Musharbash, Y. in F. Morphy and W. Sanders eds. 2001 p.153

<sup>10</sup> Wathaurong Glass – a CDEP with a clear view of the future, in National CDEP News, issue no.11 – March 2004 p.4

In the middle of the Richmond River estuary on Cabbage Tree Island here in New South Wales is the Bunjum CDEP.

‘Bunjum has its own construction company that employs an Indigenous construction manager and tradesmen and eight trainee apprentices. Bunjum has 13 homes to build in the next twelve months. ...Bunjum has a cane farm and manages a tea tree oil property.’<sup>11</sup>

They have been successful in negotiating a contract with the Body Shop who buys the oil for their products.

Further north in NSW in Woolgoolga, the Yarrawarra CDEP has a placement program for a teacher’s aide with the local Woolgoolga High School. The teacher’s aide works closely with the Aboriginal students in the school which has subsequently achieved ‘an amazing retention and success rate for its Aboriginal kids’. <sup>12</sup>

### **Welfare or Work?**

Recently, researcher Will Sanders,

‘described the CDEP Scheme as ‘sitting astride the welfare/work divide’, by which he meant that it was primarily a welfare program, but with many of the attributes of an employment program. (Sanders 1997)’<sup>13</sup>

Consequently views on CDEP’s objectives and measures of success are indeed diverse. Strong advocates of the ‘readiness for work’ and ‘transitions to unsubsidised work’ positions, include ATSIC, and outspoken CDEP critic Peter Shergold.

When Peter Shergold was the Secretary of the Department of Employment, Workplace Relations and Small Business (having also been Chief Executive Officer of the ATSIC from 1993-1996) he said that;

‘The biggest disappointment is undoubtedly in the area of CDEP. A CDEP placement initiative has been established so that if a participant moves off benefits there is a payment made of \$2000 to the CDEP. The objective is to encourage CDEP’s to support participants in progressing to mainstream employment. How successful has this been? It has been an abysmal failure.’<sup>14</sup>

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<sup>11</sup> Bunjum CDEP, Cabbage Tree Island in National CDEP News, issue no.11- March 2004 p.6

<sup>12</sup> Woolgoolga High School in National CDEP News, issue no. 11-March 2004 p.13

<sup>13</sup> Saunders, P. 2001 in F. Morphy and W. Sanders eds. The Indigenous Welfare Economy and the CDEP Scheme, CAEPR Research Monograph No 20, CAEPR, ANU, Canberra p.19

<sup>14</sup> Shergold, P. 2001 in F. Morphy and W. Sanders eds. The Indigenous Welfare Economy and the CDEP Scheme, CAEPR Research Monograph No.20, CAEPR, ANU, Canberra, p70.

Not only are few CDEP participants moving into unsubsidised work, but it seems also that too few participants are gaining the training and skills required to do so.

I am also aware that many participants of CDEP are also critical of CDEP's failure in this regard. For instance a study by Bill Arthur in the Torres Strait indicates that many young people do not think that CDEP will help them with their career aspirations, although there are other benefits perceived to arise out of the program.<sup>15</sup>

However there is also a strong lobby group determined to promote what they see as significant successes, many of which are more difficult to measure and quantify. Many researchers are essentially optimistic that CDEP is having a positive impact.

Altman and Gray have demonstrated that CDEP increases incomes above social security rates and that 'CDEP employment does play some role in raising personal incomes',<sup>16</sup> and that 'extra hours of work are generated and, labour force status is improved.'<sup>17</sup>

Will Sanders says that 'the first 20 years of the CDEP scheme, from 1977 to 1997, were clearly good years.....[it] proved enormously popular both with Indigenous communities and with governments.'<sup>18</sup>

Rowse suggests that CDEP is an important 'program of political development'<sup>19</sup>, in that as part of the Indigenous sector, community organisations that manage CDEP's operate to increase the visibility of Indigenous Australians in the public policy setting and 'puts into practical effect the 'self' in self determination'.<sup>20</sup>

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<sup>15</sup> Arthur, B. CDEP and careers; Some good news and some bad news from Torres Strait in F. Morphy and W. Sanders edited Research Monograph No 20 CAEPR, p137

<sup>16</sup> Altman, J. & Gray, M.C. 2000 The effects of the CDEP scheme on the economic status of Indigenous Australians:some Analyses using the 1996 Census, Discussion Paper 195, CAEPR, ANU, Canberra p.vii

<sup>17</sup> Altman, J. 'Mutual obligation', the CDEP scheme, and development: Prospects in remote Australia, in F. Morphy and W. Sanders eds. The Indigenous Welfare Economy and the CDEP Scheme, CAEPR Research Monograph No.20, CAEPR, ANU, Canberra,p125

<sup>18</sup> Sanders, W. 2001 F. Morphy and W. Sanders eds. The Indigenous Welfare Economy and the CDEP Scheme, CAEPR Research Monograph No.20, CAEPR, ANU, Canberra, p.47

<sup>19</sup> Rowse, T. 2001 in F. Morphy and W. Sanders eds. The Indigenous Welfare Economy and the CDEP Scheme, CAEPR Research Monograph No.20, CAEPR, ANU, Canberra, p.39.

<sup>20</sup> Ibid p.39

Interestingly in my experience, many critics of the program come from the CDEP participants and program managers themselves. These criticisms take the form of concerns over the lack of rights and conditions for participants, the lack of opportunities to move into real jobs once trained and most significantly, the worry that CDEP's are convenient sources of cheap labour.

### **Industrial Relations Issues and CDEP**

Despite extensive debate about what CDEP's should be doing and how we should measure their successes, few commentators, debate the virtues of CDEP's industrial relations records. This is probably due to the confusion about whether it is essentially a welfare program or a work program.

The Spicer Review, however did recommend a number of changes in industrial relations practice for the scheme. This was essentially in response to the Government's new Workplace Relations legislation.

In particular, 'work commissioned by the Review found that:

- there is a need to develop improved information collection and analysis in respect of industrial and employee relations practices;
- ATSIIC should consider a policy of establishing minimum industrial and employee relations standards within CDEPs: and
- collective certified agreements should be encouraged as they appear to best meet the needs of CDEP participants and organisations.'<sup>21</sup>

These developments no doubt will be welcomed by CDEP participants, particularly those who have been in the program for up to 30 years, who, like the rest of us, would like to access long service leave, and superannuation.

This particular issue is discussed by Musharbash in the case of the Yuendumu CDEP activities. She writes that;

'Many of the organisations and institutions providing training are financially unable to employ the fully trained CDEP participants. These people remain on their CDEP wages, without the perks they would otherwise have, such as long service leave, better sickness benefits, and superannuation. In fact, many organisations and institutions, like the local school [and including Warlpiri Media which trains in broadcasting,

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<sup>21</sup> ATSIIC Website [http://www.atsic.gov.au/programs/Economic/CDEP/Spicer\\_Report/overview.asp](http://www.atsic.gov.au/programs/Economic/CDEP/Spicer_Report/overview.asp)

editing and filming, the Child Care Centre and the Old People's Program], are dependent upon CDEP financed labour and could not function without it.'<sup>22</sup>

Phil Bartlett, the Corporate Manager of Wila Gutharra Community Aboriginal Corporation in Geraldton has also indicated the extent of the role CDEP can play in the local economy of remote Australia and says that;

'[CDEP] has allowed the withdrawal of government services in rural and remote communities and the downsizing of government departments, saving vast amounts of infrastructure program and social support programs at isolated locations. These would be expensive for government to establish and support. In one case, the closure by a community of its CDEP led to the collapse of an entire regional network of community organisations and outstations. Without CDEP it was impossible to cover operational costs – vehicles, communications, maintenance, wages, infrastructure, power and water supply.'<sup>23</sup>

And he goes on to say that,

'·ATSIC sees CDEP as a way of supporting other community based programs and funded positions that cannot be funded to needed levels;  
· business projects see CDEP as a source of subsidised wages where no other avenue exists.....  
· State governments (not all) view CDEP as a way to get out of the establishment of expensive community infrastructure and services programs in isolated communities;  
· local government gains cheap community services and a cheap labour pool.'<sup>24</sup>

Similarly, Siva Nalliah from the Lake Tyers Aboriginal Trust CDEP, Victoria is concerned that they cannot pay their trained workers award wages for their labour and that if their workers moved to the nearby town of Lakes Entrance and carried out the same work, they would be paid 300 percent more.<sup>25</sup>

From these discussions the inevitable question emerges: Are CDEPs simply exploiting Indigenous workers through a modern day cheap labour pool, denying their workers the equivalent rights and conditions enjoyed by their non-Indigenous friends in the cities and towns?

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<sup>22</sup> Musharbash, Y. 2001 Yuendumu CDEP: The Warlpiri work ethic and Kardiya staff turnover in F. Morphy and W. Sanders eds. The Indigenous Welfare Economy and the CDEP Scheme, CAEPR Research Monograph 20p.162

<sup>23</sup> Bartlett, P. 2001 CDEP and the sub-economy: Milking the CDEP cow dry in F. Morphy and W. Sanders eds. The Indigenous Welfare Economy and the CDEP Scheme, CAEPR Research Monograph No.20, CAEPR, ANU, Canberra, p.193.

<sup>24</sup> Ibid:194

<sup>25</sup> see Nalliah, S. 2001 Adequate funding as a question of equity: Lake Tyers Aboriginal Trust CDEP, Victoria, in F. Morphy and W. Sanders eds. The Indigenous Welfare Economy and the CDEP Scheme, CAEPR Research Monograph No.20, CAEPR, ANU, Canberra, p.215.

## **The Draft CDEP Award**

Recently the ACTU has begun developing a draft CDEP award. We hope this is a positive step in the protection of Indigenous workers' rights.

### **In summary**

As I mentioned at the beginning of this talk, debate around the Commonwealth's Community Development Employment Scheme, is complex and contested.

There is no doubt that the impact of this program has been significant and has been a dominant feature in the Indigenous landscape for a long time.

Clearly it has allowed the emergence of creative work practices and the exploration of business opportunities which otherwise would not have been possible.

Now, we need to build on our collective experiences with this program and look to the future in a way that will better support Indigenous workers. There are steps happening towards this and in particular I look forward to the emergence of the ACTU CDEP Award.

Thankyou.