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22 April 2008

Mr Dennis Bree
Deputy Chief Executive
Department of the Chief Minister
GPO Box 4396
Darwin NT 0801

Dear Dennis,

RE: Tangentyere Council Response to NTG Discussion Paper March 2008

Thank you for providing Tangentyere Council with an opportunity to respond to the Northern Territory Government CDEP Discussion Paper, March 2008.

Further to our response specifically addressing the issues raised within the discussion paper, I have attached our recommended model for a reformed CDEP.

Should you would like to discuss the recommendations and comments put forward by Tangentyere Council, please contact my CDEP Manager, Peter Cowham on 8952 9501 or my Senior Executive Officer, Tracey Brand on 8951 4220.

Yours sincerely

A handwritten signature in black ink, appearing to read 'William Tilmouth'.

Per William Tilmouth
Executive Director

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Response to the Northern Territory Government's CDEP Discussion Paper, April 2008

This paper provides comments by Tangentyere Council on the *CDEP Discussion Paper March 2008*, developed by the Northern Territory Government.

Tangentyere Council has developed a detailed proposal for a reformed CDEP with 17 specific recommendations, which is provided at **Attachment One**. This paper is geared to how a CDEP would work for town camps and Alice Springs but has wider implications and is broadly in line with much of the framework outlined in the NTG Discussion Paper.

The following comments relate to specific sections of the NTG Discussion Paper.

1. Why we need CDEP.

Tangentyere Council agrees with the views expressed in the paper about the reasons for CDEP being needed. In our experience, CDEP, provided it is properly managed, provides valuable skills, familiarity with workplaces and work culture, and community /social capital that is not available to most participants in any other way. It is also a good mechanism for job placement where there is a labour market. Tangentyere CDEP placed 131 participants into employment off CDEP in the two years between July 2005 and July 2007. It then placed another 80 people in jobs in the second half of 2007 before it was closed in November.

For many people who were participating on CDEP, its demise has meant that they are either on welfare benefits or on no income support at all, and have no day to day structured activity. They have gone from participating and contributing, and having a pathway to employment, to being passive and dependent. Work for the Dole has proved to be an insufficient and inadequate replacement. It has not had the capacity to pick up anywhere near the number of people involved previously with CDEP or to enable a sense of either personal skill development or of contribution to the local community.

It is Tangentyere Council view that CDEP should be available to people who are not job ready and who do not have skills that would enable them to find employment without the assistance of CDEP.

2. Different Labour Markets

Tangentyere Council has outlined in its attached proposal that CDEP should operate differently in different circumstances. This accords to some extent with the framework outlined in the paper.

The division of economies into 3 categories for the purpose of CDEP is questioned however, as this raises issues of different rules and delivery mechanisms applying to each of these situations. Tangentyere Council believes that CDEP should be geared to the opportunities that are available in each location, with distinction only between CDEP in established labour markets and in limited labour markets. CDEP projects that are in urban areas with established labour markets, should be primarily aiming at job transition. In limited labour markets, CDEP should be making use of any job or business opportunities, but improving community and social capital, as well as skills and work preparation, should be a major aim of the program, as outlined below.

2.1 Established labour markets

Tangentyere Council proposes that there are 5 town based CDEPs in the NT - Alice Springs, Tennant Creek, Katherine, Darwin and possibly Nhulunbuy. All others should be considered as in limited economies, although they will have differing ranges of opportunities available within that category. This allows for greater ease in administration.

Town based CDEPs would be very clearly a transition to work program. They should be time limited and concentrate on skills development and job placement. Under the Tangentyere proposal, entry would be dependant on satisfactory participation in a relatively short term Work for the Dole scheme, in order to get them used to work expectations. Failure to participate in CDEP would result in a return to Work for the Dole or Newstart allowance and may also carry with it the possibility of income management. Those who satisfactorily participate in CDEP may wish to take advantage of Tangentyere's employee savings scheme. In other CDEPs, access to Centrepay on a voluntary basis could be useful.

2.2 Limited labour markets

All CDEPs outside the town areas outlined above would be in limited labour markets to differing degrees, which may mean that CDEP has a different emphasis in different places.

The role of CDEP in these areas would be:

- Skills development
- Transition to work
- Viable business development
- Community work and activities of benefit to the community
- A training ground for employment in infrastructure projects within the community such as housing and essential services.

3. CDEP activities

Tangentyere Council believes that some of the activities proposed for CDEP, particularly in remote areas, are too broad and in some cases unrealistic.

3.1 Voluntary mobility

Tangentyere Council does not view assistance with voluntary mobility as part of the role of CDEP. This is a function of job network providers for those registered with them or in some cases such as mining companies, the company itself may provide assistance. The Discussion Paper provides no detail on how it envisages that this might work.

It is also debatable whether people should be encouraged to move from a CDEP position in a remote community to an established labour market such as Alice Springs if they do not have a job organised and have limited skills, as this may only result in being unemployed in town. This may then exacerbate overcrowding on town camps, as there is a long waiting list for public housing and unemployed people are unlikely to be able to afford commercial rents. Encouragement of people to move from remote communities to towns may aggravate existing problems of homelessness and overcrowding in those towns.

3.2 *Transitioning or shadowing people into existing jobs not currently done by local people.*

This may be viable where jobs do not require specific qualifications. However, for those jobs such as teachers, nurses and doctors, police, and qualified child and aged care workers, support for local people to gain these qualifications should be strongly encouraged, but is likely to be outside the scope of CDEP.

If there are to be trainee positions in management and administration positions, for instance in the new shires, then these should be properly resourced as trainee positions, not CDEP positions. Similarly it may be better to create traineeship positions within stores, rather than encourage CDEP subsidised positions.

3.3 *Enhancing the range of life experiences*

This is a vague term and needs to be explained more clearly both in terms of the activities it might involve and how they would be funded. There may be a danger in having unrealistic expectations that CDEP can meet all the needs of its participants and all the needs of the community.

3.4 *Literacy and numeracy*

There is a high need for properly resourced and skilled tuition in literacy and numeracy in the majority of Aboriginal communities. Caution should be exercised in adding this into the list of CDEP activities in an ad hoc way. There may be a place for some work based literacy and numeracy but, for these skills to be learnt satisfactorily, it requires dedicated teaching resources over the medium to long term. Literacy and numeracy is primarily a responsibility of education organisations. However, language facilities such as language laboratories on communities could be useful in facilitating literacy and numeracy, which in turn could be accepted as a CDEP activity.

4. CDEP Delivery Issues

4.1 *Wages and Top Up*

CDEP should be waged and have clear expectations about attendance and work performance with clearly set out penalties for non attendance.

Tangentyere Council strongly believes that there should be no system of top up. This creates a two tier system which can be detrimental to the view of normal CDEP participation. Importantly, if a job exists, it should be treated and resourced as a proper job. Where wage subsidy labour market programs for jobs exist, CDEP participants should be considered eligible for those positions.

Tangentyere Council strongly believes ongoing jobs should not become CDEP top up positions. This institutionalises a second rate system of service delivery for Aboriginal communities that would not be acceptable elsewhere and allows governments to under resource normal services.

CDEP jobs and training should be geared to work that is not ongoing or that would not normally be funded via government. This may consist of a wide range of project based jobs and training such as creating a vegetable garden or orchard, fencing a community facility, painting, making curtains for community facilities etc. A list of activities should be planned in advance for each CDEP.

The skills and work experience gained through CDEP may enable a shelf labour hire company in some cases whereby CDEP participants are able to be employed when community infrastructure programs such as building of houses, infrastructure or major repairs and maintenance are undertaken, rather than all of this work being undertaken by teams of workers from elsewhere. All major projects of this nature should be required to employ and train a number of local people as part of their contract.

Similarly it may be possible for CDEP gangs to take up full time contracts for particular jobs such as road works, minor household repairs (possible on a partial fee for service basis) or concreting work.

4.2 *Business Development*

Business development needs to be approached in a realistic way. Small businesses are often unsuccessful and often employ very few people. It can be possible to enable many people to contribute to a business in a flexible way however, in the manner that Titjikala's Gunya Tourist enterprise has, with numerous associated long term social and economic benefits.

4.3 *Case management*

CDEP in the past did not have resources for individual case management, such as that provided by intensive support under job network for unemployed people, and it is hard to see that it will in the future. The scope of this proposal in the NTG discussion paper and how it would be resourced is unclear.

4.4 CDEP administration

Tangentyere Council believes that CDEP should be administered on a regional basis to ensure consistency of administration and enforcement of work expectations, and to utilise economies of scale. This does not necessarily mean that they should be run by the new shires in the NT. CDEP organisations should be selected on merit and capacity to deliver.

Related aspects of CDEP administration include:

- A need to train and register CDEP coordinators and have consistent pay and conditions
- Successful CDEPs to be funded for three years
- Development of a CDEP award
- A peak organisation for CDEPs to promote professionalism and share good practice.

Recommendations in relation to the NTG Discussion Paper on CDEP

(Recommendations are additional or complementary to those in the attached paper by Tangentyere Council on CDEP reform)

1. Fund CDEPs in established and limited labour markets with specific objectives and performance targets appropriate to each labour market. (section 5 of NTG Discussion Paper)
2. Assistance with mobility to be provided through job network or those employers able to offer jobs, such as mining companies, not through CDEP.
3. Encourage literacy and numeracy training through appropriate provision of resources through education and training organisations and enable CDEP participants to take up opportunities for this training.

4. Do not use CDEP workers to undertake ongoing jobs or services that are the responsibility of governments to provide, whether or not top up is provided.
5. Where possible, facilitate the establishment of labour hire companies to utilise the skills gained by CDEP workers to enable them to take up contract work, such as repairs and maintenance, and housing and infrastructure upgrades, in the community and elsewhere as needed and as opportunities arise. Any contractors should be required to employ and train local labour as part of their contractual requirements.

Please refer to **Attachment One** for more detail on the CDEP model proposed by Tangentyere Council.

Tangentyere Council's recommendations on the reformation of the Community Development Employment Projects scheme in the Northern Territory:

When the CDEP scheme commenced in 1977 it was hailed as an indigenous response to the impact of welfare payments without obligation in indigenous communities. The original plan was that community members would combine their welfare entitlements to form a wage pool to be paid as a reward for working in and for the community. The original focus was on work and the enhancement of skills. Work responsibility was fundamental to the scheme. No pay without work was the glue that would hold the scheme together and would underpin its success.

Over the years that have passed since then, to the present situation where the closure of CDEPs is being rolled out across the Territory, the program lost its way. But it was not the total failure that was portrayed. Many aspects of it worked well. Other aspects needed attention and redirection. We should not throw the baby out with the bathwater. Tangentyere believes that CDEP must be retained. The recent change of government provides a unique opportunity to reform the CDEP scheme and start again in order to achieve the ideals upon which it was first conceived.

There should be different types of CDEPs able to respond to the different circumstances that apply in communities. One shoe should not fit all. Where strong job markets exist, then transition to employment should be a priority. In remote communities priorities would not be the same and the CDEP should be customized to suit. Tangentyere Council services Indigenous people making the transition to an urban lifestyle. Tangentyere's vision of the type of CDEP needed would be specific to the circumstances of Alice Springs and the Town Camps.

Tangentyere also sees a separate role for Community Work Coordination (Work for the Dole). CDEP and WfD must be kept separate. Work for the Dole could become a feeder program for a reformed CDEP. WfD participants should be required to qualify to join CDEP. They should show that they can attend regularly and have developed some pre-vocational skills and work ethic whilst on WfD.

This would provide a pathway from WfD to CDEP. The role of CDEP would then be to further train, develop and place them in real jobs. Participants on urban CDEPs would be time limited to 52 weeks. This would mean that the CDEP program would be much smaller but more focused on the development of the participant. It would be working only with those who wanted to progress into employment and would not be dragged down by those who saw CDEP as an easy option to welfare with no desire to work for it. These people would remain on WfD until they could show they were ready for CDEP.

The use of CDEP wages to subsidize jobs became widespread throughout the Territory. Government Departments over the years have been the worst offenders. They have made grants conditional upon positions being underpinned by CDEP wages. Quite often these departments would only provide top up funding for positions necessary to deliver government programs. The Emergency Response highlighted this fact and insisted that Departments fund communities properly and create real jobs not dependent upon CDEP.

The wage subsidy aspect meant that there were two types of CDEP participant, those on straight CDEP payments and those on top up. Participants could advance into top up positions but those in top up jobs could not advance into real jobs. They were locked into the CDEP for life. These top up positions were limited and participants in them tended to hang onto them. This created a dichotomy. Without a pathway into better employment an attitude developed that straight CDEP was “sit down rubbish money” and “top up” was what you worked for. The more people in a community had this attitude, the more the CDEP became dysfunctional.

In many CDEPs people were paid CDEP wages for doing nothing. This often was paid in the form of food vouchers. Once again it had become an entitlement without obligation. The situation developed where someone who worked 16 hours received the same payment as someone who did nothing. To want to work became a shame job.

Community members became critical of their own CDEP. It was seen more and more as a resource and service agency for the community. Demands increased over the years on CDEPs to provide things they were never supposed to, from motor vehicles, to appliances and even food. The CDEPs became *community captured*.

The work load in communities fell upon the CDEP supervisors who were usually on top up and typically possessed good skills. These supervisors were few in numbers and couldn't cope with the work required of them. They failed to meet their primary duty which was to supervise CDEP participants at work. Coordinators came and went but the CDEP remained the same. Very little innovation took place. Coordinators and managers weren't trained properly in the delivery of an effective CDEP program. Coordinators arrived in communities and inherited a CDEP that already did things in its own way and wouldn't change.

Government funding arrangements for CDEPs need to be reviewed to avoid the inequitable situations which developed under previous regimes. CDEP places across Australia were limited. Funding was linked to the number of participant places a CDEP had. This funding formula resulted in allocations of CDEP wages, operational and capital that were inequitable. The political preferences of ATSI determined which communities could have a CDEP. Inequities developed in this system as well. There were the haves and the have-nots. Capital allocations made by ATSI regional offices often reflected internal bias.

Funding was provided on an annual cycle. Some CDEPs would be allocated more places and funds than they could manage. Other CDEPs had less places than were required and had long waiting lists. Still other communities had no CDEP at all and had no hope of one as numbers were capped. This funding regime meant that managers battled to keep as many participants on CDEP as they could to keep their share of the funds. It was difficult to redistribute superfluous numbers from one community to another which needed them.

Under DEWR a similar situation developed. DEWR saw CDEP as an employment program first and foremost. The key performance indicator of success or failure was the number of participants placed into mainstream employment in a year. CDEPs were allocated a Target Employment Level and funded for up to 12 months. They were then expected to deliver DEWR employment priorities or else lose funding. If numbers fell by more than 5% from the TEL participant places were removed and funding reduced.

Ironically this penalized those CDEPs which were delivering the employment outcomes DEWR demanded. This is exemplified by what occurred with Tangentyere CDEP. In the two years between July 2005 and July 2007 Tangentyere placed 131 participants into

employment off CDEP. This was an outstanding achievement for a CDEP. However, over that same two year period our TEL was reduced from 280 to 200 and funding reduced proportionately. It was a stiff penalty for success.

There needs to be a fairer basis upon which CDEPs are funded and their performance judged. Under DEWR, the CDEPs were under constant pressure to survive. Two years ago DEWR had promised to provide long term contracts to successful CDEPs. In reality what happened was that contracts were steadily reduced in duration from 12 months to 6 months and finally in 2007 to 3 months.

Great pressure was placed on CDEP administrative staff to comply with ever changing DEWR guidelines. When contracts were offered, it was with short notice and with a "sign or else attitude" by the DEWR Regional Managers. This constant threat of de-funding and closure broke the morale of staff and debilitated the operation of the CDEP program. Skilled CDEP staff could not be guaranteed employment past a few months. A reformed CDEP needs a reformed attitude by government and a reformed funding regime.

CDEPs should be able to take up a range of commercial activities and receive government service contracts to maintain roads and community infrastructure. Other enterprise opportunities such as fee for service training and Labour Hire should become a part of the business of CDEPs. Each of the proposed five urban CDEPs should have a contract to deliver a STEP ERS program as part of their core business. They should become Registered Training Organizations.

A reformed CDEP program should revert to the principles upon which it was first founded in 1977. The original vision was for CDEP "to provide work for unemployed indigenous persons in community managed activities which assist the individual in acquiring skills, which benefit the community, develop business enterprises and lead into unsubsidized employment."

In the past, CDEPs have operated as separate entities. They have rarely had the opportunity to come together as a group. Government departments dealt with CDEPs individually. DEWR never encouraged CDEPs communicating or sharing information with each other in any organized way.

Tangentyere Council's final recommendation is a consequence of the belief that many of the problems that developed with the old CDEP program may have been avoided if there had been a more consultative approach by government to working with communities and their CDEP. CDEPs were not encouraged to communicate with each other or even meet on a regular basis. A reformed program would encourage CDEPs to have the opportunity to participate in regular forums with each.

Tangentyere submits the following recommendations for the reform of a future CDEP program for Indigenous communities in the NT.

Recommendation 1.

The CDEP scheme should be retained and reformed. There should be different types of CDEPs to address the different circumstances existing in NT communities.

Recommendation 2

Urban based CDEPs in the NT should be retained and function as an indigenous transition to employment program. Incentive payments for placing participants into work should be commensurate with those given to Job Network Providers for similar outcomes. Urban based CDEPs should focus on participant development and job placement. Remote CDEPs should focus on community development.

Recommendation 3

Town based CDEPs in the NT should be limited to a maximum of five, one each in Alice Springs, Tennant Creek, Katherine, Darwin and possibly Nhulunbuy.

Recommendation 4.

Participants must qualify for CDEP by showing they can participate productively in WfD. This would mean that CDEPs would have fewer participants but they would be more work ready.

Recommendation 5.

CDEP wages should not be used to cross subsidize government or other programs. The real jobs in communities should be properly funded by government or business to provide proper employment pathways for participants.

Recommendation 6.

The use of CDEP wages to subsidize non-government jobs should be strictly limited. It should only be available as a tool to encourage employers to take on indigenous staff. It should be available for a maximum of six months and only on the condition that it will convert into a real job after that time.

Recommendation 7.

CDEP Managers and coordinators should be registered and undergo proper training in how to deliver an effective CDEP program. They should have a standard salary and conditions commensurate with the task.

Recommendation 8.

Funding of CDEPs should be for up to three years to allow for effective planning and retention of staff.

Recommendation 9.

There should be a separation of capital and recurrent funding. Capital allocations should be fair and equitable based on community needs and not on the size of the CDEP.

Recommendation 10.

There should be a minimum limit (100) to the size of a CDEP to ensure viability. Participant numbers should not be the only determinant of how much funding is allocated to a CDEP. Smaller community based CDEPs should be funded adequately to be able to provide an effective CDEP service.

Recommendation 11.

CDEPs should be regionalized or merged to take up advantages of scale and to more effectively develop enterprise opportunities.

Recommendation 12.

The CDEPs main role should be the training and employment of participants to enhance the social capital of a community. The secondary role should be business development but only where this leads to viable and sustainable employment. CDEP should not be a surrogate community service delivery agency unless it is under a proper contractual arrangement.

Recommendation 13.

CDEPs should be developed as enterprise hubs within communities able to undertake commercial opportunities and generate real jobs in communities.

Recommendation 14.

CDEP participants in transition to mainstream employment should be regarded as employed to all intents and purposes. A proper CDEP award should be developed with leave accruals, workers compensation and superannuation entitlements provided for in the funding arrangements.

Recommendation 15.

Participation on CDEP in urban centres should be time limited to 52 weeks. Participants should be aware that CDEP is an opportunity that should be grasped and not a destination.

Recommendation 16.

There should be a moratorium on the future role of CDEP in the NT. All stakeholders in the community should be invited to attend a forum and have the opportunity to present their ideas for a reformed CDEP.

Recommendation 17.

CDEP organizations in Australia should be allowed to form a peak body where issues that effect the operation of the CDEP program may be discussed and so provide a conduit for informed feedback to and closer consultation with the policy makers.