

Scrapping CDEP is Just Dumb, Dumb, Dumb

Ministers Joe Hockey and Mal Brough's decision to abolish the Community Development Employment Projects (CDEP) scheme in remote Indigenous communities in the Northern Territory will have marked impacts on the arts industry, the management of Indigenous Protected Areas, and community-based Caring for Country ranger projects. And it's not just these success stories that will suffer; it's likely that there will be wider local, regional and national costs from this myopic, ill-considered policy shift.

Hockey and Brough should have taken a history lesson before they made the announcement yesterday. If they'd bothered to look back, they would have learnt that unemployment was created in remote and very remote regions of Australia in the early 1970s when below-award training allowances were replaced by award wages. This unemployment in turn led to the establishment of the CDEP scheme by the Fraser Government in 1977.

CDEP was first introduced to remote Indigenous communities as a progressive and mixed community development, employment creation and income support scheme. I noted then that its part-time characteristics might suit Indigenous people who may want flexible employment with the capacity to enhance income through additional market engagement like arts production and sale; or through participation in the customary (non-market) wildlife harvesting sector to generate livelihood benefits.¹⁹ In reality, most of the 5,000 Indigenous artists in the NT, as well as 400 community-based rangers in the Top End, are all CDEP participants.

The beauty of the scheme is that it maximises individual choice. Participants could work part-time for a minimum income or work full-time and overtime if they were income maximisers. Now, as in the 1970s, Indigenous people's choice is being unilaterally and heavily circumscribed: they can participate in the mainstream 'real' economy or be welfare recipients.

The Hockey/Brough focus on award-based 'real jobs' at the expense of CDEP jobs and CDEP organisational support could have the perverse effect of increasing unemployment in these communities. This is partly because those on CDEP are classified as employed. But it is also because National Aboriginal and Torres Strait Islander Survey (NATSISS) data collected in 2002 by the Australian Bureau of Statistics (ABS) shows that one in five CDEP participants already get full-time work through the efforts of their organisations. Altogether, between 85 and 90 per cent work more than the funded CDEP hours in remote and very remote Australia according to the 2002 NATSISS.

¹⁹ Jon Altman and John Nieuwenhuysen, *The Economic Status of Australian Aborigines* (Cambridge University Press, 1979).

Brough and Hockey should also have looked at the ABS publication 'Labour Force Characteristics of Aboriginal and Torres Strait Islander Australians 2006'.²⁰ The ABS figures for the NT for 2006 show that the NT unemployment rate for Indigenous people was estimated at 15.7 per cent, more than three times the Australian rate of 4.9 per cent.

But this rate includes an estimated 8,000 CDEP participants as employed. If the total number of Indigenous people employed in the NT (15,300) is reduced by 8,000 and between 1,655 and 2,000 'real jobs' are created (there is some inconsistency here between the Joint Media Release and data in the attached CDEP in the Northern Territory Emergency Response documentation) by replacing all non-Indigenous employment with Indigenous workers, then the unemployment rate will still increase to at least 50 per cent.

The ABS itself notes the labour force participation rate (at 44.8 per cent in the NT) is particularly low in remote areas as these are regions 'which generally have an underdeveloped labour market and this is reflected in the low number of Indigenous people actively looking for work and therefore not in the labour force'. The employment to population ratio in the NT is the lowest by far in Australia at 37.8 per cent (and 61.8 per cent for all Australians).

The Ministers should also have talked to their colleague Senator Nick Minchin, the Minister of Finance, who was critical of my estimate that normalisation would cost \$4 billion over 5 years.²¹ On employment, I estimated that converting 8,000 CDEP positions to proper jobs would cost \$1.4 billion over 5 years net of CDEP. Much of this cost though would be recurring as with the new Working on Country program that will cost \$50,000 per annum for each ranger position established. Perhaps, by and by, the Howard Government will start telling the Australian public what it is committing to these new initiatives being made on the run.

There appear to be many agendas in the abolition of CDEP as part of the Northern Territory Emergency Response, but creating so-called real jobs is not among them. If it was, a similar strategy could have been pursued Australia-wide as the CDEP scheme is a Commonwealth program. There is no suggestion, for example, that the 832 CDEP positions held by the four communities participating in the Cape York Welfare Reform project will lose all their CDEP positions.

²⁰ Australian Bureau of Statistics, *Labour Force Characteristics of Aboriginal and Torres Strait Islander Australians, Experimental Estimates from the Labour Force Survey, 2006* (21 May 2008)
<<http://www.abs.gov.au/AUSSTATS/abs@.nsf/allprimarymainfeatures/C7578FA502314E15CA25745000157F94?opendocument>>.

²¹ Jon Altman, 'Stabilise, normalise, exit = \$4 billion. Cheap at the price?', *Crikey* (online), 29 June 2007 <<http://www.crikey.com.au/2007/06/29/stabilise-normalise-and-exit-4billion-cheap-at-the-price/>>.

One part of the agenda seems to be to sacrifice CDEP positions, many that generate extra hours of work and extra income, to bring participants and their earnings under the single system of quarantining that will apply to welfare payments. It is as if the Government is happy to sacrifice work and income to deal with a perceived expenditure problem, where cash is spent on unacceptable goods.

Another part of the agenda seems to be to further depoliticise Indigenous organisations, in this case robust CDEP organisations, perhaps to give government-appointed community administrators (Government Business Managers) greater powers.

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