

**Response from Catholic Welfare Australia,
the National Aboriginal and Torres Strait Islander
Catholic Council, and
the Australian Catholic Social Justice Council
to the
Department of Employment and Workplace
Relations'
*Building on Success: CDEP Discussion Paper 2005***

24 March 2005



Catholic Welfare Australia



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Background: Catholic organisations involved in the preparation of this response to the CDEP Discussion Paper

This response to Department of Employment and Workplace Relations' (DEWR's) Discussion Paper *Building on Success: CDEP Discussion Paper 2005* has been prepared jointly by three organisations of the Catholic Church in Australia:

- Catholic Welfare Australia, the peak body representing 54 social service providers of the Church at the national level that provides advice on social policy issues to the Australian Catholic Bishops Conference (ACBC);
- the National Aboriginal and Torres Strait Islander Catholic Council (NATSICC), the national representative and consultative body to the Church on issues concerning Indigenous Catholics; and
- the Australian Catholic Social Justice Council (ACSJC), the national justice and peace agency of the Catholic Church in Australia, reporting to the ACBC through the Bishops' Committee for Justice, Development, Ecology and Peace.

More detailed information on these organisations, including contact details, is available in Appendix A.

Summary of Recommendations

- 1. That the Australian Government makes available full information concerning the establishment, administration and operation of Shared Responsibility Agreements.**
- 2. That Government invests significant funding and resources in disadvantaged and economically vulnerable Indigenous communities for the generation of sustainable employment.**
- 3. That Government works with other levels of government and, where possible, with the private sector to enhance investment in remote communities for the generation of sustainable employment.**
- 4. That, in the context of a substantial job creation strategy, CDEP is given support to increase the full-time employment opportunities of programme participants.**

- 5. That participants engaged in any of the three proposed streams of CDEP activity have access to competency-based training which is accredited wherever possible.**
- 6. That real and positive incentives are provided through the CDEP Programme that support secondary-school completion and the pursuit of post-school qualifications.**
- 7. That CDEP provides an adequate level of business development support to remote Indigenous communities.**
- 8. That performance indicators for community activities measure the extent to which aspects of Indigenous disadvantage are being addressed. This could be done, for example, by using *Overcoming Indigenous Disadvantage: Key Indicators 2003*.**
- 9. That CDEP and Work for the Dole continue to operate as two distinct programs.**
- 10. If Indigenous Employment Centres (IECs) are funded under a similar fee structure to Job Network, that co-operation and integration between IECs and Job Network providers is promoted by:**
 - regular local area meetings between IECs, Job Network and Centrelink,**
 - consolidating and making available information on which CDEP, IEC and Job Network providers operate in each Employment Service Area.**
- 11. That a specialist employment service is developed for Indigenous Australians that is funded differently to Job Network and is able to address the particular needs of Indigenous people.**

Introduction

Our organisations welcome this opportunity to provide a brief response to DEWR's CDEP Discussion Paper *Building on Success*.

We note the acknowledgement by the Hon. Kevin Andrews MP of the vital importance of this Programme for Indigenous people. The Minister's foreword expresses the Government's intentions of improving the access of individuals to employment, a decent wage and improved living standards. The Minister acknowledges the circumstances of people living in disadvantaged labour markets and the importance of not imposing a 'one size fits all' approach to CDEP activities.

The policy intention of the proposed reforms are:

- *'...to help Indigenous Australians become more self-reliant, and to find jobs away from government assistance...; and*
- *...to provide opportunities for all participants to find non-CDEP jobs wherever possible; to help organisations to support community activities and access funding opportunities; and to establish successful businesses that can generate income independent of CDEP'.*

Significant proposals of reform include:

- the linking of CDEP activities to the recently announced scheme of Shared Responsibility Agreements;
- the linking and/or incorporating of CDEP into various employment service streams including Job Network; and
- the active role of DEWR in promoting CDEP organisations' provision of employment services and Work for the Dole.

Key issues

Our Organisations hold that the Australian Government must acknowledge that the focus of CDEP will continue to be on community activities if there are no substantial demand side policies to generate non-CDEP outcomes in depressed labour markets and other improvements for participants. In considering the three proposed activity streams, we propose strategies regarding cultural retention,

employment generation, reducing underemployment, improving skills and qualifications and supporting business development which will be vital for the successful operation of CDEP in remote communities.

Using the CDEP Programme to increase Indigenous employment

We recognise the importance of increasing the participation of Indigenous people in the mainstream labour market. However, the extent to which the CDEP Programme can act as an employment programme is limited by the fact that more than 7 out of 10 participants live in remote and very remote parts of Australia.

Where the CDEP Programme can be used to achieve employment outcomes in urban centres, this could be enhanced by developing a specialist Indigenous employment service, focused on placing Indigenous people into employment, but funded differently to Job Network.

CDEPs which continue to focus on community activities need stronger performance measures that assess the extent to which indigenous disadvantage is being addressed, such as *Overcoming Indigenous Disadvantage: Key Indicators 2003*.

We are also concerned about any attempt to transform CDEP into a programme resembling Work for the Dole. This would have no significant impact on the number of Indigenous Australians moving into non-CDEP employment.

CDEP in the context of broader reforms to Indigenous policy

Our organisations also believe that changes to CDEP need to be integrated with reforms to broader Indigenous policy, including:

- the establishment and operation of Shared Responsibility Agreements (SRAs) that truly enhance employment and educational opportunities and address the social and economic needs of Indigenous communities;
- the generation of employment opportunities in low-demand labour markets; and,
- the support of educational attainment and skills development as a key feature of CDEP activity.

There is potential for positive developments to emerge from this reform process in terms of the efficient and transparent running of programmes. The emphasis given to directing more funding dollars towards the point of delivery is a worthy intention. The establishment of SRAs with families and communities *may* be an empowering and efficacious exercise for all parties to these agreements.

Nevertheless, significant concerns arise in the face of incomplete information about substantial obligations to be introduced for Indigenous communities, the lack of detail about the reciprocal obligations of governments and business that would generate employment, as well earlier statements by senior Government Ministers about the more punitive aspects of reform relating to the enforcement of activity agreements or mutual obligations. This response concentrates on the likely problematic aspects of the reform process.

Principles of Catholic Social Teaching

There are six principles derived from Catholic Social Teaching that inform our response to the Discussion Paper. These principles are concerned with the importance of meaningful work and distributive justice in assisting those who are most vulnerable in our society:

- work is vital for the dignity of the individual and family;
- the Government has an important obligation to provide for favorable conditions that will ensure job opportunities for all;
- the Government is obliged to provide adequate unemployment benefits to people who are unemployed;
- mutual obligation requirements must respect the dignity of the individual;
- the Government has an obligation to minimise social and economic imbalances; and
- assistance to Indigenous individuals and communities must be cooperative and based on genuine dialogue.

Further information on the above principles is provided in Appendix B.

Consultation questions

Linking CDEP to local community need

1. *How can CDEP organisations help local communities to meet their needs and goals?*

The Discussion Paper highlights a whole-of-government approach to working with Indigenous communities that is necessitated by the abolition of the Aboriginal and Torres Strait Islander Commission (ATSIC) and the redirection of ATSIC programmes and services to a range of Government Departments. It will be the establishment of Shared Responsibility Agreements (SRAs) via local Indigenous Coordination Centres that will characterise the whole-of-government approach.

The Discussion Paper invites communities to consider establishing SRAs which will *'operate at a family or community level and set out clearly what the family, community or government are responsible for contributing to a particular activity, the outcomes of the activity, and the ways success will be measured'*.

The Discussion Paper suggests CDEP activities should directly link to these agreements.

The establishment of mutual obligation through these agreements is of great importance to the operation of CDEPs and to the whole-of-government reforms being implemented across the portfolio of Indigenous Affairs. It is surprising, therefore, that no substantial detail is provided about SRAs, how they will be established, administered and monitored.

There are questions as to whether CDEP organisations would be involved in monitoring, reporting or regulating the activity of individuals or families in terms of these agreements. For example, would they report the failure of a family to meet its SRA to Indigenous Coordination Centres or the Department and what would be the ramifications for the family concerned?

It is questionable in terms of basic standards of transparency and accountability that a Government Department is calling on members and organisations of local communities to establish SRAs and/or consider providing CDEP services linked to SRAs when there is little information about these agreements that are purported to be the bedrock of the Government's approach to Indigenous Affairs.

There is a concern that without a significant contribution from the Government to SRAs this new framework will see mostly piecemeal responses to Indigenous need which may even be paternalistic.

In November 2004 Senator Vanstone, the Minister for Immigration and Multicultural and Indigenous Affairs, revealed that the removal of remote areas from exemptions from mutual obligations would be the basis for introducing contracts under which Aboriginal communities would be required to meet a broad range of requirements to maintain basic entitlements or to gain community services. Reported proposals have included a "no school, no pool" restriction on children, awarding a community a DVD player for acceptable levels of school attendance, repairs to public housing or the introduction of a petrol bowser in return for the washing of children¹.

Apart from the Government's continued administration of public programmes and the distribution of what could be described as 'community rewards', there is little in the Discussion Paper outlining any substantial new commitment by Government to address the chronic needs of Indigenous communities.

Our Organisations suggest that a substantial funding commitment targeted towards job creation, skills training and business development will be required if the Government is to achieve its aim of ensuring CDEP is to maximise non-CDEP employment.

These issues are addressed in the next section.

Recommendation 1:

That the Australian Government makes available full information concerning the establishment, administration and operation of Shared Responsibility Agreements.

¹ *The Sydney Morning Herald*, 'Sit-down cash ends for blacks' 11/11/04 p.1, *The Australian*, 'Blacks split on welfare overhaul' 11/11/04 p.4

Employment, Community Activities and Business Development

2. *Do you think the three proposed streams of employment, community activities and business development are appropriate? What issues and benefits for your community or organisation do you see with this approach? What help might CDEP organisations need to move this approach?*

The Discussion Paper proposes that CDEP organisations would continue to have a unique mix of activities related to employment, community work and business development, relevant to the needs of the local community and labour market conditions. Notable proposals in each of these areas include:

- promoting of non-CDEP jobs by:
 - forming stronger links with Job Network;
 - operating as Indigenous Employment Centres in markets where there is enough demand; and,
 - providing an expanded range of employment services, or becoming Job Network providers.
- strengthening community and cultural activities through SRAs and ensuring the 'no work, no pay' principle is enforced.
- improving business development through better access to business services and finance as well as mentoring and governance structure support.

While the proposed three streams of employment, community and business development are appropriate and reflect the range of activities historically promoted through the Programme, this approach needs to acknowledge that the focus of CDEP will continue to be on community activities if there are no substantial demand side policies to generate non-CDEP outcomes in depressed labour markets. This is because CDEP participants are still largely located in remote and very remote Australia. Around 62% of CDEP participants live in very remote Australia (towns in this category include Coober Pedy, Tennant Creek, Kununurra), and a further 11% live in remote Australia (Alice Springs, Mount Isa).

There has been almost no growth in employment in remote and very remote Australia in recent years. Between 1991 and 2001, total employment growth in remote and very remote Australia was 1%².

² Bureau of Transport and Regional Economics, Information Paper no. 49, 'Focus on Regions no.1: Industry Structure', 2004, p.14

At the same time, Indigenous Australians living in remote areas are unlikely to migrate to labour market regions with better employment opportunities because of high levels of cultural retention. The following table shows that levels of cultural retention are much higher in remote communities than for Indigenous Australians living in non-remote areas.

Table 1: Levels of cultural retention³

	Remote	Non-remote
Identify with a clan, tribal or language group	76.76%	45.7%
Currently live in homelands/traditional country	38.0%	15.8%
Attended cultural events in last 12 months	87.1%	60.9%
Speaks an Indigenous language at home	54.2%	8.6%
Main language spoken at home		
English	54.6%	97.7%
Aboriginal language	38.2%	0.6%

The great strength of CDEP has been its Indigenous ownership and management of employment and community activities by and for the local community. CDEP has not required individuals to relocate to high demand labour markets in search of employment or training outcomes. The important role played by the CDEP Programme in supporting the retention of traditional culture should be maintained.

Changes to CDEP in these three streams would also need to address the major factors that cause the chronically high rates of unemployment among Indigenous people. Altman, Gray and Levitus note that the unemployment rate of 23% for Indigenous Australians would jump to 43% if CDEP participants were classified as unemployed. With the anticipated growth of the Indigenous population, unless CDEP placement numbers continue to expand or the Indigenous employment rate increases at a much faster rate than in recent years, the current rate of unemployment will increase to 26.8% by 2011 and 30.9% by 2021⁴.

The following suggestions for improvements in the operation of CDEP are made on the understanding that Government is indeed intending to ensure real and long-term benefits to Programme participants and to improve the social and economic foundations of communities hosting the Programme.

³ ABS, 'National Aboriginal and Torres Strait Islander Social Survey' 2002, p.20

⁴ Altman, Gray and Levitus, 'Policy Issues for the Community Development Employment Projects Scheme in Rural and Remote Australia', CAEPR Discussion Paper no. 271, 2005, pp.1, 6, 7

Employment generation

Indigenous labour force status in remote communities will continue to be highly dependent on local labour market and economic conditions. A key consideration for Government is how employment opportunities can be generated in these communities.

Around one-third of Indigenous people live in remote communities with poor access to mainstream employment and with degraded social services and infrastructure.

It is recommended that, as part of its obligations under the SRA framework, the Government would invest significant resources into disadvantaged communities with the priority of creating sustainable employment. This would be the greatest assistance that could be given to CDEP organisations to increase their employment focus. Creating sustainable employment to address areas of community need (e.g. in the areas of housing, health, education and other community services) would hold obvious long-term benefits for remote communities.

The identification of employment opportunities promoting Indigenous heritage and skills is important in remote and very remote Australia. The submission of ATSIC to the recent Senate Committee Inquiry into Poverty and Financial Hardship stated that the 'management of national parks, sustainable wild life harvesting, protection and rehabilitation of lands and seas, all have considerable potential given the comparative advantage that Indigenous people have in these areas and consistency with cultural values'. ATSIC stated that funding for these types of activities has to go beyond what is provided under CDEP if on-going salaried employment is to be created⁵.

We note the Government's commitment to job creation through the Indigenous Employment Policy (IEP) and its related programmes. Since its establishment in 1998 the IEP has generated around 12,000 jobs with 9,000 being in the private sector. The aim of replicating this kind of approach through CDEP would be laudable. However, given that substantial levels of private sector investment to rejuvenate the economies of remote communities is unlikely, it is suggested that public investment is the most viable option for job creation in this case.

⁵ ATSIC, Submission to the Senate Community Affairs References Committee Inquiry into Poverty and Financial Hardship. 2003, pp.13 - 14

The employment generation approach would require the joint commitment of Commonwealth and State Government Departments in working with local communities through the SRAs.

Reducing underemployment

Underemployment is a long-standing issue for Indigenous people and particularly those who are employed on the CDEP Programme. In 2001, the number of CDEP participants engaged in full-time work was substantially less than for Indigenous people who are employed in the government and private sectors.

Table 2: Full-Time Employment by Industry Sector - 2001⁶

	Males	Females
Commonwealth Government	77.6%	61.1%
State/territory government	74.4%	53.7%
Local government	71.7%	58.0%
Private sector	68.7%	45.4%
CDEP	19.8%	18.0%
Total	58.6%	43.7%

In an earlier study it was revealed that 50.0% of the CDEP workforce wanted more work as opposed to only 19.7% of the Indigenous workforce across all other sectors.⁷

It is suggested that a substantial and sustained job creation strategy to assist CDEP organisations in achieving employment outcomes should also increase the availability of full time positions.

⁶ ABS, 'Indigenous Australians in the Contemporary Labour Market', 2004, p.11

⁷ B.H. Hunter, 'Institutional factors underpinning Indigenous labour force participation: The role of the CDEP scheme and education', CAEPR Working Paper no. 14, 2002, p.6

Training and skills development

Indigenous people are under-represented in high-skill occupations and over represented in the low-skilled ones. For example, only 4.7% of Indigenous males are managers compared with 12.5% of their non-Indigenous counterparts. At the other end of the skills ranking, over 30% of Indigenous men are labourers and related workers compared with 9.9% of non-Indigenous men.⁸

While most of the jobs provided through CDEP are unskilled, it is likely that this scheme has provided an important alternative source of unskilled work while other employment sectors have declined. Employment in the delivery of community services and public administration has increased dramatically with the expansion of CDEP. This expansion occurred while Indigenous employment in agriculture, construction, mining and manufacturing declined.

The CDEP provides important benefits in terms of immediate participation in the labour market. However, it is unlikely to provide the range of skills that would ensure secure employment and the development of a career path over the long-term. This situation concerning the low-skilled nature of CDEP work has emerged over time and is associated with the rapid expansion of the scheme and changing industrial and occupational composition of available work in the community.

We recognise the importance of significant capital works that have been undertaken in the past through CDEP organisations and with the support of Commonwealth and State governments. Particular projects involving housing and other construction work have involved significant numbers of participants, provided important infrastructure to local communities, had positive benefits for the local economies and provided CDEP workers with basic skills across a broad range of trades.

The calibre of such projects in terms of skills development, serving the local community and preparing for possible non-CDEP employment is worthy of consideration in terms of the Australian Government's stated commitment of increasing mainstream employment opportunities for Indigenous people.

It is suggested that the three proposed streams of the CDEP project should provide or be linked with organisations that will provide competency-based training which is accredited wherever possible.

⁸ ABS, 'Indigenous Australians in the Contemporary Labour Market', 2004, p.11

School retention rates and post school qualifications

Indigenous people have lower education levels than other Australians. The 1996 census revealed only 31% of Indigenous students were completing secondary schooling, compared to 76% of non-Indigenous Australians.⁹ The levels of post-school qualification were also substantially lower.

Table 3: Education levels¹⁰

	Indigenous	Non-Indigenous
Tertiary qualification	3.7%	16.9%
Non-school qualification	24.1%	32.7%
Total with no non-school qualification	71%	49.9%

Apart from demand-side initiatives holding significant potential for increasing employment opportunities for Indigenous people, having a post-school qualification has the greatest positive impact in terms of gaining employment and establishing a career.

Holding this level of qualification reduces the probability of Indigenous males being employed in the CDEP Programme by 5%. Indigenous men and women with this level of qualification are 20% more likely to be employed in a non-CDEP job.¹¹

Additionally, holding a post-secondary qualification has a far greater overall employment-enhancing effect for Indigenous people than it does for non-Indigenous people. This is particularly so in remote communities. For example, Indigenous men with post-secondary qualifications living in remote communities have a 23.3% higher probability of employment than Indigenous men without the qualifications. Non-Indigenous males living in the same community gain a mere 4.6% increase as a result having the same level of qualification. The employment enhancing effect is similar for Indigenous women in remote communities. Those holding qualifications have 29.9% higher probability of employment whereas non-Indigenous women holding the same level of qualification have only a 12.5% increase.¹²

⁹ ATSIAC, Submission to the Senate Community Affairs References Committee Inquiry into Poverty and Financial Hardship, 2003, p.24

¹⁰ ABS, 'National Aboriginal and Torres Strait Islander Social Survey', 2002, p.28

¹¹ B.H. Hunter, 'Institutional factors underpinning Indigenous labour force participation: The role of the CDEP scheme and education', CAEPR Working Paper no. 14, 2002, p.4

¹² ABS, 'Indigenous Australians in the Contemporary Labour Market', 2004, p.71

Experts in the field of Indigenous employment and local community members have reported that an unintended consequence of the CDEP Programme's positive impact on labour force participation has been a negative impact on school retention rates. In some communities there is a risk that CDEP becomes a preferred option to completing school or progressing to higher learning. CDEP can become an 'exit option' from school completion or further studies.

It is suggested that the three proposed streams of CDEP should include positive (as opposed to punitive) incentives supporting secondary-school completion and which help to maintain individuals in their pursuit of post-school qualifications through vocational education and training (VET), TAFE, Universities and other learning institutions. Such incentives might include: enhanced levels of income support for those pursuing further education and training; small grants for students at risk of leaving educational institutions and transferring to CDEP; and a greater interfacing of CDEP Organisations with local secondary schools and other education and training institutions to support the attainment of qualifications.

Business development

Our Organisations are broadly supportive of the proposals for the development of CDEP's business development stream.

Poor business development in remote communities is largely a result of inadequate education and training in business management, the shortage of capital and business services, and limited business opportunities. It should also be noted that in some communities the competitive neutrality requirements on CDEP organisations have acted as a barrier to securing work for participants where the operation of other contractors in the local community would be challenged by the competition.

The structural impediments to establishing viable Indigenous business in remote Australia are significant. It is suggested that the Government's proposed activities through this stream of CDEP would be supported by significant funding and employment generation as mentioned above.

Recommendation 2:

That Government invests significant funding and resources in disadvantaged and economically vulnerable Indigenous communities for the generation of sustainable employment.

Recommendation 3:

That Government works with other levels of government and, where possible, with the private sector to enhance investment in remote communities for the generation of sustainable employment.

Recommendation 4:

That, in the context of a substantial job creation strategy, CDEP is given support to increase the full-time employment opportunities of programme participants.

Recommendation 5:

That participants engaged in any of the three proposed streams of CDEP activity have access to competency-based training which is accredited wherever possible.

Recommendation 6:

That real and positive incentives are provided through the CDEP Programme that support secondary-school completion and the pursuit of post-school qualifications.

Recommendation 7:

That CDEP provides an adequate level of business development support to remote Indigenous communities.

CDEP Funding Agreements and Performance Indicators

3. *What do you think of the proposal to introduce results-based performance measures for CDEP? What do you think those indicators should be?*

It is proposed that funding agreements will include new ways of measuring performance with an emphasis on outcomes. Rather than listing the number and type of people assisted or activities undertaken, the agreements would measure: participants placed in non-CDEP jobs or businesses; community benefits from community activities; effective use of CDEP places etc.

Our Organisations hold that all publicly funded organisations and programmes should be required to be accountable through the reporting and assessment of results-based performance. A question does arise in the case of the proposed reforms for the funding of CDEP as to whether the expected results will be commensurate with the available resources and opportunities of the communities and labour markets in which these organisations will be operating.

With the introduction of results based performance measures it needs to be acknowledged that the ability of the CDEP Programme to achieve employment outcomes will be constrained by the number of participants that live in remote and very remote Australia. These are parts of Australia that have had almost no employment growth in the last decade.

Performance indicators for community activities need to have a greater focus on the extent to which community activities are addressing aspects of Indigenous disadvantage. For example, the Australian Government has developed *Overcoming Indigenous Disadvantage: Key Indicators 2003* that includes indicators that measure health, housing, education and training, employment and other aspects of Indigenous well-being.

As already highlighted, our organisations believe the Government has an obligation to provide real opportunities and basic services that will enhance standards of living in remote communities as a key element of SRAs. The commitment to meeting this level of obligation would begin to generate the substantial results-based performance the Australian Government is seeking to measure.

Our Organisations urge the Australian Government to apply its own measurements for overcoming Indigenous disadvantage from the *Key Indicators* document to assess the health, housing, education and training, employment and

other needs of Indigenous communities where CDEP is or will be operating. This assessment should be the basis for investing in the local economies and labour markets concerned. Such an approach assumes the cooperative involvement of all levels of government and private sector investment where possible.

Recommendation 8:

That performance indicators for community activities measure the extent to which aspects of Indigenous disadvantage are being addressed. This could be done, for example, by using *Overcoming Indigenous Disadvantage: Key Indicators 2003*.

Impact of changes on CDEP funding

4. *What issues and benefits do you see with CDEP funding being provided as management and activity fees? Do you think that different rates should apply to remote and non-remote areas?*

The Discussion Paper outlines changes in funding arrangements and the fee structure for CDEP organisations engaged in job placement activities and with a slight funding differential recognising different costs in remote and non-remote locations.

From the public consultation sessions, our Organisations understand that management and activity fees for CDEP will be aligned to those for Community Work Co-ordinators, who operate Work for the Dole. We believe that this should not be used as an opportunity to eventually transform the CDEP Programme to resemble Work for the Dole.

CDEP is a fundamentally different programme to Work for the Dole. The Spicer Review found that Work for the Dole is compulsory, is time limited to six months, is not designed to produce employment outcomes¹³, and those participating remain on Newstart Allowance. CDEP has none of these characteristics¹⁴.

¹³ For the year ending June 2003, only around 30% of Work for the Dole participants exited into paid employment. See DEWR, 'Labour Market Assistance Outcomes', 2004, p.1

¹⁴ 'Independent Review of the CDEP Scheme' ('the Spicer Review'). 1997, p.14

CDEP as it is currently structured has some impact on the employment income of Indigenous Australians and allows them to earn additional income. CDEP participants have an average income of \$277 per week. This is higher than the average income of the Indigenous unemployed (\$162) and those not in the labour force (\$193). This is because:

- the income test applied to CDEP participants is more generous than the test applied to income support payments; and
- CDEP organisations have the ability to win contracts using the CDEP workforce, which can be used to increase participants work hours and provide 'top up' wages. A significant proportion of CDEP participants' usual working hours are long part-time hours (25-34 hours per week) or even full-time hours. Around one in five participants in remote and very remote Australia work more than 35 hours per week¹⁵.

Further changing CDEP to resemble Work for the Dole is unlikely to have any substantial impact on the number of Indigenous Australians moving into non-CDEP employment. For the year ending June 2003, only 11.7% of Indigenous people who exited Work for the Dole were placed in employment, compared to 39.6% for the Structured Training and Employment Projects (STEP) Programme and 50.5% for Wage Assistance provided under the IEP¹⁶.

Recommendation 9:

That CDEP and Work for the Dole continue to operate as two distinct programs.

¹⁵ Altman, Gray and Levitus, 'Policy Issues for the Community Development Employment Projects Scheme in Rural and Remote Australia', 2005, CAEPR Discussion Paper no. 271, p.10 - 11

¹⁶ DEWR, 'Labour Market Assistance Outcomes', 2004, pp.4,9

Links with other Programmes and services

5. *How can links between CDEP and other employment Programmes be improved to achieve better results for CDEP participants?*

The Discussion Paper considers the development of links with services and Programmes including Job Network, Specialist Indigenous Job Network providers, Indigenous Employment Centres (IECs), subsidised employment and training programmes, the Indigenous Business Development Programme, the New Enterprise Incentive Scheme, local industries and employers.

Measures are needed to promote greater co-operation between IECs and Job Network members. There is a clear potential for tension between IECs and Job Network members, because IECs are funded under a similar fee structure to Job Network and are expected to achieve similar outcomes based on performance milestones¹⁷. This places these two employment services in direct competition with one another.

A review of the CDEP Work Preparation and Employment Trial, involving eight participating CDEP organisations who agreed to take on the role of IECs, found that no formal mechanisms were put in place to encourage co-operation between providers. DEWR's expectation was that IECs and Job Network members would work together on the ground to canvass employment vacancies and refer suitable CDEP participants to employment opportunities¹⁸.

There are several options available to promote co-operation and integration between providers. These could include:

- holding regular local area meetings between IECs, Job Network and Centrelink. This would help service providers to co-operate together to identify and place Indigenous Job Seekers into employment opportunities. Given the relatively low education and skill levels of Indigenous people and their often limited work histories, there are likely to be only a limited number of vacancies to which Indigenous people are suited. Regular local area meetings could also be used as an opportunity to promote best practice on working with Indigenous people; and
- consolidating and making available information on which CDEP, IEC and Job Network providers operate in each Employment Service Area.

¹⁷ Champion, M 'Urban CDEP's as Indigenous Employment Centres: Policy and community implications', 2002, CAEPR Discussion Paper no. 228, p.13

¹⁸ *ibid*, p.7

However, given that Job Network is potentially unsuitable for many Indigenous people, if an alternative employment service model was developed that was better focused on the needs of Indigenous Job Seekers (see below), this would re-define the way in which these services would need to co-operate.

Under this type of service, Indigenous Job Seekers who are more job ready would be placed with Job Network providers, and Indigenous Job Seekers with greater barriers to employment would be placed with the specialist Indigenous employment service. This type of service would then need to work collaboratively with local Job Network providers to identify and place Indigenous Job Seekers into vacancies in the local labour market.

Recommendation 10:

If Indigenous Employment Centres (IECs) are funded under a similar fee structure to Job Network, that co-operation and integration between IECs and Job Network providers is promoted by:

- **regular local area meetings between IECs, Job Network and Centrelink**
- **consolidating and making available information on which CDEP, IEC and Job Network providers operate in each Employment Service Area.**

Supporting CDEP Organisations

6. *What issues do you think might arise if CDEP organisations are encouraged to tender to become employment services providers? What type of support would CDEP organisations need to make such a change?*

The paper proposes that DEWR would assist CDEP organisations provide more employment services by linking CDEP with the services of Indigenous Employment Centres that would:

- find employment for a broader range of participants;
- canvass vacancies from employers; and,
- have regular contact with participants to develop detailed plans to assist them into non-CDEP jobs.

The Department would also use Community Work Co-ordinators (who run Work for the Dole projects) to assist CDEP organisations create and manage community activities. The paper suggests that CDEP organisations might tender for Indigenous Community Work Coordinator contracts to help people in their transition to work.

The subsequent section in the Discussion Paper outlines three cases whereby CDEP organisations would be involved with Job Network services – including the delivery of Job Network services from mid-2006.

While there is a clear need to increase the number of Indigenous people in unsubsidised employment, this is unlikely to be achieved through CDEP organisations tendering to become employment service providers. This is because only a limited number of CDEP organisations operate in regions with strong labour markets.

Additionally, even where CDEPs are able to tender for Job Network services in strong labour markets, this may not necessarily assist the ability of Indigenous Australians to move into non-CDEP employment. This is because Job Network is not suited to working with many Indigenous Australians.

Indigenous Job Seekers often require greater assistance to become job-ready and need more post-placement support once they are in employment than can

reasonably be provided under Job Network. A review of Redfern Aboriginal Co-operation (RAC), an urban CDEP which volunteered to take on the role of an IEC for DEWR's Work Preparation and Employment trial found that:

- most CDEP participants required intensive assistance to become job ready, involving high levels of one-to-one support. Employment outside the CDEP was likely to be the first time that many Indigenous people will have been exposed to the mainstream labour market; and,
- trial participants needed more intensive levels of post-placement support than would normally be provided under Job Network. The RAC found that there was a 'likely need for substantial ongoing mentoring and case management support for participants outside the parameters of the agreed timeframe'. Employers in particular needed assistance to work with cultural and social factors. 'Private sector corporations and companies may need to temporarily adjust and reorganise management workplace conditions to ease Indigenous people into full-time employment'.¹⁹

Rather than encouraging CDEPs to become IECs and then Job Network providers, it may be better to develop a specialist employment service that is specifically designed for Indigenous Australians. The focus of this programme would still be on placing Indigenous Job Seekers in employment, but would be funded under an alternative model to Job Network that would allow for greater pre- and post-placement support. In particular, a greater proportion of the fees available would be provided up-front, and would not be limited to a Job Seeker Account (JSKA). This will enable the provider to have the flexibility and opportunity to work more intensively with the Job Seeker to address barriers to getting and keeping a job. Performance monitoring under this service would need to take into account the higher needs of Indigenous people.

Under the current Employment Services Contract, a Job Network provider is only required to meet with a client for a total of 10.5 hours over the first six months. More than half of the pre-employment assistance funding is quarantined to the JSKA, and about 72% of the funding available to the provider depends on achieving a 26 week employment outcome where the client moves off employment benefits entirely²⁰.

The greater need for pre- and post-placement support to take up employment opportunities is reflected in the higher levels of non-vocational barriers faced by Indigenous Australians than by other Australians. This applies to Indigenous

¹⁹ Champion, M 'Urban CDEP's as Indigenous Employment Centres: Policy and community implications', 2002, CAEPR Discussion Paper no. 228, pp.15, 17-18

²⁰ DEWR, 'Employment Services Contract 2003-2006', pp.36-37, 67

Australians living in both remote areas, as well as to Indigenous people in non-remote areas, who are more likely to be in a position to take up employment opportunities in better labour markets.

Indigenous Australians in non-remote areas:

- have lower levels of education and training: 32.8% have a non-school qualification compared to 50.1% of other Australians;
- have less access to transport: 73.5% can easily get to places needed, compared to 84.4% of non-Indigenous Australians;
- are more likely to live in insecure housing: 63.7% of Indigenous Australians in urban areas are renters, as against 24.3% of non-Indigenous Australians; and
- are more likely to suffer from financial stress: 44.7% of Indigenous Australians have had one cash-flow problem in the last twelve months, compared to 19.3% of other Australians²¹.

The final sections of the Discussion Paper (pp. 15 – 17) suggests the Federal Government is intending to refocus the activities of CDEP primarily towards job search and Work for the Dole-type activities. We suggest that these activities alone will do little to improve the fortunes of Indigenous people. They are relatively weak labour supply initiatives and have even less to offer in terms of labour demand. The focus on these kinds of activities to be enforced with a 'no work, no pay' policy, raises real concerns that the more punitive aspects of mutual obligation might become the characterising feature of the Programme.

Recommendation 11:

That a specialist employment service is developed for Indigenous Australians that is funded differently to Job Network and is able to address the particular needs of Indigenous people.

²¹ ABS, 'National Aboriginal and Torres Strait Islander Social Survey 2002', pp.28 - 29

Future of the CDEP Programme

7. Are there any other comments that you would like to make about the future of CDEP?

Because so many Indigenous individuals and communities are involved in CDEP, the proposals outlined in DEWR's Discussion Paper are more significant than simply the reform of 'just another Government programme'. The reforms will have a huge bearing on how Indigenous citizens interact with the welfare system and the labour market. The significant challenges already faced by Indigenous people in the normal operation of the open labour market underpin the concerns and recommendations of this response to the Discussion Paper.

CDEP and its role as a conduit in gaining positive outcomes for Indigenous communities will be compromised if it is to take the form of a 'Work for the Dole' or basic job search type scheme.

The relevance of CDEP to Indigenous communities lies in its capacity to provide a sense of ownership and self determination to its participants. The future of the programme must be viewed not only from an employment perspective but also from a community perspective. CDEP has the ability to provide holistic benefits to Indigenous communities through the creation of facilities and the building of self esteem in participants. The Work for the Dole program, for example, has proven that it cannot achieve the same level of outcome in remote Indigenous Communities where employment opportunities are sparse.

Many Indigenous communities also rely on the amenities and services provided by CDEP. Moving to a Work for the Dole type structure carries with it inherent negative connotations of disempowerment and obligation which would invariably affect these outcomes.

Aboriginal people must be involved in meaningful employment, or if not possible, meaningful programs that allow them to attain skills that are relevant to their community. Making minor changes to CDEP will not address this need, only exacerbate an already obvious problem of communities in need of basic facilities and amenities.

"It would matter little what level of unemployment existed in Australia if we were able to find a way to provide all permanent residents with a basic income sufficient to sustain them provided we were prepared as individuals and as a society to allow people to define their own social meaning outside the paid

*workforce and to be willing to recognise others evaluation of their importance to self*²².

This is essentially what CDEP has afforded Indigenous Australians in particular regional communities such as the *Thaayorre* and *Mungkan* people in Pormpuraaw. Their CDEP program has resulted in numerous achievements (listed in full at www.pormpuraaw.qld.gov.au/cdep.htm) and has acted as a direct link for community development and the building of 'social capital'. This includes licensing of participants in Bus and general driving, Horticulture and Community Housing training. This is one example of the many positive examples of outcomes that CDEP can help build through its use of Partnerships within the community.

CDEP is built around partnerships between Government, local community and businesses and most importantly with the community itself. There is a fear amongst the Aboriginal community that the proposed changes to CDEP, with a declared aim to 'strip away layers of bureaucracy'²³ will in fact tear away the relationships that have been built over the past 20 years.

The proposed amendments will not address Indigenous inequality if they do not provide real opportunities for Indigenous communities and if they are imposed without adequate consultation and cooperation. Our organisations are concerned that the proposed amendments, as they stand in the Discussion Paper, are likely to further disempower Aboriginal communities at all levels and reinforce the perception that the Australian Government shows little faith in the ability of Indigenous Australians to manage their own programmes and essentially their own lives.

In the lead up to the 2004 Federal Election, the Australian Catholic Bishops issued a statement entitled *Having Faith in Our Democracy: Building a Better Australia*. In that Statement, the Bishops emphasised the vital importance of Government addressing the needs of Indigenous people in a manner that is truly inclusive and co-operative.

"Aboriginal and Torres Strait Islander peoples still suffer disadvantage compared with other Australians. Experience has taught that the delivery of services to Indigenous peoples is least effective when the peoples themselves play no significant part in the process. Those who have had little say in what happened in their past must be encouraged and assisted

²² J Tomlinson, *Depending on You* - Paper prepared for the Fifth National Conference on Unemployment, Royal Melbourne Institute of Technology (RMIT), 1-2 October 1998

²³ Hon Kevin Andrews MP – Speech to the National CDEP/IEC Achievement Awards 2005

to shape their future. The quest for reconciliation between Indigenous peoples and the rest of the Australian community must move forward in a spirit of genuine dialogue which seeks to heal wounds both past and present."²⁴

It is in this spirit of genuine dialogue that the three organisations – Catholic Welfare Australia, the National Aboriginal and Torres Strait Islander Council and the Australian Catholic Social Justice Council – have provided this feedback and suggestions to the proposed reforms to the CDEP Programme.

²⁴ Australian Catholic Bishops Conference, 2004, *Having Faith in Our Democracy: Building a Better Australia*, Pre-election Statement, ACBC, Canberra, p.2

Appendix A: Organisations of the Catholic Church in Australia that have contributed to this response

Catholic Welfare Australia

Catholic Welfare Australia is the peak body that represents 54 social service organisations of the Catholic Church at the national level and provides advice on social policy issues to the Australian Catholic Bishops Conference (ACBC).

We are one of the national providers in Job Network, delivering services under the brand 'Centacare Employment'. Centacare Employment operates from 16 sites in 5 States and Territories and currently assists over 16,000 Job Seekers.

This organisation has been actively involved in the public debate over the past decade on issues associated with welfare reform and changes in the delivery of income support payments and services to disadvantaged Australians.

National Aboriginal and Torres Strait Islander Catholic Council

The National Aboriginal and Torres Strait Islander Catholic Council (NATSICC) is a representative voice for Aboriginal and Torres Strait Islander Catholics. NATSICC was formed in Cairns in January 1989 at the first National Conference of the Aboriginal and Islander Catholic Councils. In 1992, the ACBC officially recognised and welcomed it as the national representative and consultative body to the Church on issues concerning Indigenous Catholics. NATSICC consists of a representative from all Australian States and Territories and meets on a monthly basis.

Among its aims, NATSICC supports the Aboriginal and Torres Strait Islander people in their needs and aspirations, and encourages others to support them in their struggle for justice. It is in this capacity that NATSICC responds to the proposed reforms to the CDEP Programme.

Australian Catholic Social Justice Council

The Australian Catholic Social Justice Council (ACSJC) was established by the ACBC in 1987 as the national justice and peace agency of the Catholic Church in Australia. The Council is mandated to promote research, education, advocacy and action on social justice, peace and human rights, integrating them into the life of the Catholic community in Australia, and providing a credible voice on these matters in Australian society. The ACSJC is accountable to the ACBC through the Bishops' Committee for Justice, Development, Ecology and Peace.

In its work of promoting justice for Indigenous people, the ACSJC has focused recently on the reforms in Indigenous Affairs including the abolition of ATSIC and the 'mainstreaming' of Indigenous-specific services.

Appendix B: Principles of Catholic Social Teaching

The following principles regarding meaningful work and distributive justice are derived from Catholic Social Teaching – the Church's formal body of teachings that have developed over recent centuries and which include encyclicals of the Popes as well as the statements of local Bishops and national conferences of Bishops dealing with particular issues in particular places.

Work is vital for the dignity of the individual and family

The Church regards employment as essential to the individual's realisation of human potential, for providing for the needs of the family and as a basis for participating in the life of the community.

...human work is a key, probably the essential key, to the whole social question... And if the solution – or rather the gradual solution – of the social question, which keeps coming up and becomes ever more complex, must be sought in the direction of “making life more human”, then the key, namely human work, acquires fundamental and decisive importance.²⁵

The Government has an obligation to provide favorable conditions that will ensure job opportunities for all

The availability of work that provides an adequate income is so important to the life of individuals and their families that the Church regards broader society – particularly Government – as having a special responsibility to ensure favorable conditions that will provide job opportunities for all.

...we must first direct our attention to a fundamental issue: the question of finding work, or, in other words, the issue of suitable employment for all who are capable of it... The role of the agents included under the title of indirect employer is to act against unemployment, which in all cases is an evil, and which, when it reaches a certain level, can become a real social disaster.²⁶

The Government is obliged to provide adequate unemployment benefits to people who are unemployed

The Government has an important responsibility to provide support to individuals and families when unemployment or underemployment impact on certain

²⁵ *Laborem exercens* ('On Human Work'), Encyclical Letter of Pope John Paul II, 1981, n.3.

²⁶ *ibid*, n.18

sections of the community and where people's rightful claim to work and to participate in the social and economic life of the community is frustrated.

The obligation to provide unemployment benefits, that is to say, the duty to make suitable grants indispensable for the subsistence of unemployed workers and their families, is a duty springing from the fundamental order of the moral order in this sphere, namely the principle of the common use of goods or, to put it another and still simpler way, the right to life and subsistence.²⁷

Mutual Obligation requirements must respect the dignity of the individual

People who are denied work and are in receipt of income support have a responsibility to take up appropriate employment and training opportunities. The Government has a reciprocal obligation to create the conditions to make this participation possible. Many church and community sector organisations have raised concerns about the Federal Government's welfare reforms based on the policy of Mutual Obligation which has often emphasised punitive, sanctions-based requirements.

The Church has consistently argued that the relationship between individuals and civil authorities and public policies must be grounded in the dignity of individuals - for the good of individuals and of all society.

Hence, a regime which governs solely or mainly by means of threats and intimidation or promises of reward, provides men with no effective incentive to work for the common good. And even if it did, it would certainly be offensive to the dignity of free and rational human beings.²⁸

The Government has an obligation to minimise social and economic imbalances

Many communities have experienced variable economic conditions as our nation has removed protectionist policies, introduced competition policies and opened up to global markets. Not only regional economies, but also workers in certain industrial sectors have become vulnerable in the labour market. Indigenous people, particularly in rural and remote communities are very disadvantaged by this change. The Church maintains that the Government has a pivotal role to address such consequences.

²⁷ *ibid.*

²⁸ *Pacem in terris* ('Peace on Earth'), Encyclical Letter of Pope John XXIII, 1963, n.48

*It often happens that in one and the same country citizens enjoy different degrees of wealth and social advancement. This especially happens because they dwell in areas which, economically speaking, have grown at different rates. Where such is the case, justice and equity demand that the government make efforts either to remove or to minimize imbalances of this sort.*²⁹

Assistance to Indigenous individuals and communities must be cooperative and based on genuine dialogue

The Australian Catholic Bishops Conference recently emphasised the vital importance of Government addressing the needs of Indigenous people in a manner that is truly inclusive and co-operative.

*Aboriginal and Torres Strait Islander peoples still suffer disadvantage compared with other Australians. Experience has taught that the delivery of services to Indigenous peoples is least effective when the peoples themselves play no significant part in the process. Those who have had little say in what happened in their past must be encouraged and assisted to shape their future. The quest for reconciliation between Indigenous peoples and the rest of the Australian community must move forward in a spirit of genuine dialogue which seeks to heal wounds both past and present.*³⁰

²⁹ *Mater et magistra* ('Christianity and Social Progress'), Encyclical Letter of Pope John XXIII, 1961, n.150

³⁰ Australian Catholic Bishops Conference, 2004, *Having Faith in Our Democracy: Building a Better Australia*, Pre-election Statement, ACBC, Canberra, p.2