

Aboriginal Peak Organisations Northern Territory

An alliance of the CLC, NLC, CAALAS, NAAJA and AMSANT

Work Not Welfare: Investing in a waged employment program in remote Northern Territory

The Aboriginal Peak Organisations NT (APO NT)¹, in partnership with strong local Aboriginal organisations² is calling for the Australian Government to continue to invest in a waged employment program in remote areas of the Northern Territory. This package is urgently needed to support local indigenous organisations that have previously used CDEP to stimulate local employment, the development of social enterprises and build community participation and engagement in training. Where it worked CDEP underpinned real outcomes in the bush. These outcomes are now under threat.

Over the last five years the Government has repealed, reviewed and scaled-back CDEP such that only a small amount of waged CDEP positions now survive nationally. However, in the NT, more than half of all CDEP participants

still receive wages.³ These remaining waged positions are due to transition to welfare this year. It simply doesn't make sense to move thousands of Aboriginal people from remote NT areas from a waged program to welfare.

What is CDEP?

The Community Development and Employment Projects (CDEP) program was introduced in the late 1970s to offer Aboriginal people part-time public employment on local projects after Aboriginal people lobbied hard to create a positive alternative to passive welfare. Since 2007, successive Australian governments have been gutting the CDEP program to the point where only the shell remains. In the process, CDEP has been completely discredited despite the fundamental importance of CDEP programs in growing and sustaining strong, resourceful remote Aboriginal organisations.

The reality is that where successful social enterprises and local businesses have emerged in remote areas of the NT many have emerged out of the work of local Aboriginal organisations through CDEP programs (see Bawinanga case study in accompanying document). CDEP wages have fostered the development of local Aboriginal service organisations, and the commercial and social enterprises that they undertake. Changes to CDEP that remove wages threaten to spell the end of

¹ Aboriginal Peak Organisations of the Northern Territory – APO(NT) – is an alliance comprising the Central Land Council (CLC), Northern Land Council (NLC), Aboriginal Medical Services Alliance of the NT (AMSANT), North Australian Aboriginal Justice Agency (NAAJA) and Central Australian Aboriginal Legal Aid Service (CAALAS). The alliance was created to provide a more effective response to key issues of joint interest and concern affecting Aboriginal people in the Northern Territory, including through advocating practical policy solutions to government. If you require any further information please contact Sarah Barr, APO NT Policy Officer on ph 08 8944 6672 or via e-mail to policyofficer.apont@amsant.org.au.

² These include: Bawinanga Aboriginal Corporation; Laynhapuy Homelands Association Inc; Julalikari Council Aboriginal Corporation; Tjuwanpa Outstation Resource Centre Aboriginal Corporation; Marthakal Homelands Resource Centre; Jabiru CDEP and Tangentyere Council.

³ As at 28 February 2011 there were 2403 grandfathered CDEP participants which is greater than half of all CDEP participants in the Northern Territory (4,601) Cross Portfolio Indigenous Matters, Answers to Questions on notice, No. 196, Siewert, CDEP and Employment Outcomes in the NT 28/04/2011 http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Committees?url=clac_cte/estimates/add_1011/cross/fahcsi/a/196.PDF

many of these enterprises. Indeed, they have already spelt the end for some. If Government policy does not include a targeted waged component then we anticipate serious flow on social costs for many remote communities whose viability is inseparable from the viability of local Aboriginal organisations.

It is time for Government recognised the important place CDEP occupies in remote areas of the NT while being frank about some of the historic shortcomings. The APO NT model builds on the success of the CDEP program, but also tries to resolve its weaknesses (see below for further detail on the model).

Right now, the Australian Government is reviewing its remote participation and employment services. This is a welcome sign that they have recognised some of the misguided and damaging steps that have been taken in the past five years like scrapping CDEP and tendering out remote employment services out to a range of private companies. These companies generally operate on a 'fly-in, fly-out' basis, making it impossible for them to effectively understand or service local Aboriginal communities, let alone build relationships.

The Aboriginal Peak Organisations of the Northern Territory have taken the opportunity presented by this review to highlight how crucial local Aboriginal organisations with a commitment to remote NT communities are to any successful model and how the current arrangements, particularly the scrapping of waged CDEP, are threatening the very existence of these organisations.

Aboriginal organisations in the NT have come together to develop solutions to the complex issue of remote participation, employment and enterprise development. Our model, the Community Employment and Enterprise Development Scheme (CEEDS), is designed to succeed in the Northern Territory. We want

the Australian Government to take our advice about what works, and to invest in local capacity and local solutions. Building on the ten-year funding announcements recently released as part of Stronger Futures, we aim to ensure that remote communities and homelands are strong and viable by supporting realistic training, employment and social enterprise development.

The APO NT model was developed with funding from the Australian Government. But sadly, after funding this important work, the Government appears to have ignored our arguments in favour of wages over work-for-the-dole.

The CEEDS model points to the need have a long-term plan to support people to develop relevant skills and ideas. It proposes three stages people can move through with training and support that is suited to their situation and the needs and aspirations of the community. The CEEDS model is designed so that Aboriginal people and communities are supported to take control of their own economic futures. Aboriginal elders across the Territory have spoken of the importance of encouraging the principle of 'reward for effort' as a way to move beyond passive welfare. The move from wages to welfare is deeply flawed.

What next?

Ministers Macklin, Collins and Shorten will soon be releasing the results of the review and announcing the direction for future remote employment models. We urgently need them to support the CEEDS model, and specifically a waged component for the NT. This would complement the funding recently announced for homelands, and the long term measures under Stronger Futures. Without a waged program social problems in the bush will increase; the future of strong local

organisations and effective social enterprises will be threatened; and more Aboriginal people will be on welfare.

You Can Help

Please support our campaign to ensure the continuation of a waged employment program for remote areas of the NT, write to:

- [Minister for Indigenous Employment and Economic Development Julie Collins](#) at Julie.Collins.MP@aph.gov.au;
- [Minister for Employment and Workplace Relations: Bill Shorten](#) at Bill.Shorten.MP@aph.gov.au;
- [Minister for Families, Housing, Community Services and Indigenous Affairs: Jenny Macklin](#) at JMacklin.MP@aph.gov.au.

APO NT Model

Moving from welfare to wages

The APO NT model is based on what has been shown to work, and builds on the employment and enterprise outcomes already achieved by strong Aboriginal organisations under difficult circumstances. Waged CDEP has a proven ability to engage otherwise unemployed individuals in productive and educational activities. The APO NT model highlights the importance of wage subsidies for encouraging participation. It draws on evidence that, where managed well, wages and top up have been effective tools for encouraging participation and, where possible, assisting people into non-CDEP jobs.

Our model recognises that the best way to inspire labour market participation in remote Aboriginal settlements in the NT is to support the development of social enterprises by local people. This requires planning and training at the local level, and partnerships between government and communities, with additional private support where appropriate.

The first tier is the entry point of the scheme, in which basic opportunities for engagement and

participation are provided (as they are under income supported CDEP at present). At this level participants engage in activities that develop basic skills. A basic level of income and activity support is provided. Tier 1 participants who are willing and able graduate to Tier 2.

In the second tier, participants and providers work together to design a 'livelihood pathway' that is tailored to meet the capabilities and aspirations of the participant. This pathway also seeks to match participants to existing and possible employment and enterprise opportunities in the community economy. Payment of a participation wage will be provided at a minimum rate that is higher than basic (tier 1) income support. Wages paid in this tier will be taxed and superannuated in line with national rates. Participants in Tier 2 that have achieved their 'livelihood pathway' skills and experience goals must graduate to Tier 3 when a matching employment or enterprise opportunity is made available.

In the third tier participants are engaged directly in the employment or enterprise opportunity identified in their livelihood pathway. The participant receives an initial period of intensive support. Government, employers and enterprises combine to contribute to the participant's income. Wages paid in this tier will be taxed and superannuated in line with national rates.

Participants are encouraged to move through the three tiers and in to mainstream employment through the use of a system of incentives coupled with a 'no work – no pay' mechanism.

Strengthen Local Providers

Under the APONT model local providers with a history and relationship with Aboriginal people are the key to success. Contract periods for local providers will be extended to five years to facilitate the development of this relationship.

The APO NT model will also be supported by other programs and investments that build capacity in local communities by providing improved access to investment capital. The model also envisages the establishment of more effective recruitment and procurement methods in government services which will generate higher levels of local employment.