

Aboriginal Peak Organisations Northern Territory

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

Creating and Supporting Sustainable Livelihoods: A Proposal for a New Remote Participation, Employment & Enterprise Development Scheme

A response to the Australian Government Review of Remote
Participation and Employment Services

October 2011

FOREWORD	I
EXECUTIVE SUMMARY	III
1 CONTEXT AND HISTORY	1
1.1 CONTEXT	1
1.2 A SHORT HISTORY OF CDEP AND REMOTE EMPLOYMENT SERVICING ARRANGEMENTS FOR ABORIGINAL PEOPLE.....	2
2 CURRENT STATE OF PLAY	4
2.1 RECENT CHANGES TO CDEP	4
2.1.1 Post-2007 closures of and limits to CDEP	4
2.1.2 Current arrangements for CDEP	4
3 TOWARDS A NEW SCHEME.....	7
3.1 WORKING WITH THE CONTEXT.....	7
3.2 CREATING AND SUPPORTING SUSTAINABLE LIVELIHOODS: A REMOTE PARTICIPATION, EMPLOYMENT AND ENTERPRISE DEVELOPMENT SCHEME.....	7
3.2.1 Supporting sustainable livelihoods.....	8
3.2.2 Delivering services through place-based social enterprise organisations.....	9
3.2.3 Three tiers of participation.....	10
3.2.4 Supporting Initiatives & Investments	14
4 ARGUMENTS IN FAVOUR OF THE PROPOSED SCHEME.....	16
4.1 THE IMPORTANCE OF A SUSTAINABLE LIVELIHOODS APPROACH	16
4.1.1 Introducing the sustainable livelihoods approach.....	16
4.1.2 Some key benefits of adopting a sustainable livelihoods approach.....	18
2.1.3 Examples & Case Studies	20
4.2 THE IMPORTANCE OF COMMUNITY ECONOMIES AND LOCAL ENTERPRISE DEVELOPMENT TO CREATING OPPORTUNITIES FOR SUSTAINABLE LIVELIHOODS.....	20
4.2.1 The need for community economies and local enterprise.....	20
4.2.2 Examples & case studies.....	23
4.3 THE IMPORTANCE OF WAGE SUBSIDIES FOR DRIVING PARTICIPATION	24
4.3.1 Examples & case studies.....	28

Foreword

The Aboriginal Peak Organisations of the Northern Territory (APO NT) is pleased to contribute this work to the review of Remote Participation and Employment Services.

APO NT is an alliance comprising the Central Land Council (CLC), Northern Land Council (NLC), North Australian Aboriginal Justice Agency (NAAJA), Central Australian Aboriginal Legal Aid Service (CAALAS) and the Aboriginal Medical Services Alliance of the NT (AMSANT). The alliance was formalised 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.

APO NT is committed to increasing Aboriginal involvement in policy development and implementation, and to expanding opportunities for Aboriginal community control.

The Department of Families, Housing, Community Services and Indigenous Affairs kindly provided a grant to APO NT for the development of this work. That contribution is gratefully acknowledged.

As our contribution to the discussion on the future of CDEP and remote employment servicing arrangements, this work focuses on the future of the Aboriginal people of the remote communities and homelands of the NT. However, we expect that there are many aspects of this work that could apply nationally.

In developing this new scheme we have engaged directly with the representatives of many Aboriginal organisations working throughout the NT to support community development, employment and participation. To ensure that the knowledge, experience and perspectives of those most affected by changes in remote participation and employment servicing arrangements are heard, we have:

- Held two forums in Darwin, which included representation from CDEP providers and other Aboriginal organisations;
- Developed and issued to all CDEP provider organisations in the NT a questionnaire about both current and future arrangements;
- Conducted interviews with a number of current participants to understand their experience and perspectives; and
- Engaged experienced advisors to develop this work, including visits and discussions in remote communities and homelands.

APO NT would like to acknowledge the particular contributions of the following:

- Bawanninga Aboriginal Corporation
- Laynhapuy Homelands Association Inc
- West Arnhem Shire Council
- Julalikari Council Aboriginal Corporation
- Barkly Shire Council
- Tjuwanpa Outstation Resource Centre Aboriginal Corporation
- Central Land Council
- Marthakal Homelands Resource Centre

- Jabiru CDEP
- Tangentyere Council
- Steering Committee members Maria Harvey, Rodger Barnes and Ric Norton
- Consultants Paul Howorth, Dr Kirrily Jordan and Ian Munro
- Project Advisor Professor Jon Altman

This area of public policy is vital to the wellbeing and interests of Aboriginal people living on the remote communities and homelands of the Northern Territory. There have already been some adverse impacts on Aboriginal people from policy changes made in recent times. This is an area of policy that will continue to have a major impact upon the everyday lives of Aboriginal people and we urge the Australian Government to take great care in the consideration of any change.

The success of any policy that seeks to engage Aboriginal people depends upon the degree to which Aboriginal people are equal partners with government in the design, ownership, and implementation of policy.

We look forward to further assisting government with the design of an appropriate set of future arrangements, and appraising any proposed future arrangements for their compatibility with the interests of Aboriginal people in the NT.

Yours sincerely



David Ross
Director
Central Land Council

On behalf of APO NT Governing Committee:

John Paterson CEO AMSANT	Kim Hill CEO NLC	David Ross Director CLC	Patricia Miller CEO CAALAS	Priscilla Collins CEO NAAJA
--------------------------------	------------------------	-------------------------------	----------------------------------	-----------------------------------

Executive Summary

APO NT's proposed model for a remote participation, employment and enterprise development scheme builds on the positive achievements of CDEP while overcoming limitations of the current arrangements. Key features of the model are as follows.

A Three Tiered Approach to Remote Employment and Participation

APO NT's model recognises the reality that many Aboriginal people in remote areas have significant educational disadvantage including very low literacy and numeracy. It identifies the need for long-term transitional pathways to assist individuals and communities to achieve sustainable livelihoods¹. It does this by creating three tiers of participation:

- The first tier is the entry point of the scheme, in which basic opportunities for engagement and participation are provided. At this level, participants can engage in activities that develop and maintain formative skills and experience for sustainable livelihoods. A basic level of income and activity support is provided.
- In the second tier, participants and providers work together to design a livelihood pathway that is tailored to meet the aspirations and capabilities of the participant. This pathway also seeks to match participants to established and emerging employment and enterprise opportunities in the community economy. A higher level of income and activity support is provided in exchange for the achievement of a set of clearly stated skill-based goals. Wages paid in this tier will be taxed and superannuated in line with national rates.
- In the third tier, a participant is 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 enter, move through and eventually exit the scheme (in the latter case for mainstream employment where possible), by using a system of incentives coupled with a mechanism similar to CDEP's 'no work no pay'.

A Delivery Role for Place-Based Social Enterprise Organisations

A social enterprise organisation² collaboratively serves the interests of a discrete group of disadvantaged people by engaging in market-based business activity with the aim of reinvesting in community benefits such as employment, housing, business development, social services, skills development, education and health.

APO NT's model promotes opportunities for sustainable livelihoods by investing in local community economies and enterprises through a single, place-based service provider.

- Experience has shown that the best participation and employment outcomes are achieved when the design and delivery of a scheme reflects the specific context where it operates. Service providers who are on the ground in local communities on an ongoing basis have an intimate knowledge of the local and regional economy and

¹ See below at 4.1 for a discussion of what is meant by a sustainable livelihoods approach.

² See below at 4.2.1 for a further discussion of social enterprise.

are best placed to seek out and identify emerging economic opportunities. Effective outcomes in remote Indigenous locations also depend on relationships of trust between service providers and local communities. In contrast, visiting services are a poor substitute for place-based organisations in at least these two important respects.

- Under APO NT’s model, local enterprise development and commercial opportunities will be identified and supported. Maximising employment outcomes requires not only significant investment in labour supply but also a pro-active approach to generating additional employment demand. There are many examples of CDEP organisations that are already generating employment opportunities through enterprise development and securing commercial contracts; these organisations provide best practice models for the proposed scheme.
- The preferred model is one of social enterprise under which service providers engage in market-based business activity with the aim of reinvesting in community benefits such as employment, housing, social services and business development.

Supporting Roles and Other Investments

The APO NT model will be supported by other programs and investments that encourage the development of regional and local economies while building local capacity and capability. These include: improved access to investment capital; improved recruitment and procurement practices in government services- to genuinely favour local employment and enterprise; an increase in the length of provider contracts to 5 years to allow better forward planning; and better support for local capacity development through public investment, the formation of alliances or federations of providers, or a mixture of both.

Arguments in Favour of the Proposed Model

APO NT’s model draws on the experiences of those on the ground. It recognises the complexities of remote service delivery as well as clear evidence of what has worked before. Three key arguments in favour of the model reflect these remote realities.

- The APO NT model reflects the diversity of sustainable livelihoods for Aboriginal people in remote regions. These livelihoods will depend on a mix of activities including engagement with the market economy (such as through private and public sector employment and social enterprise) and, in many cases, continued public investment. The model will deliver long-term investments in education and training to broaden the employment options of participants while also increasing employment demand. In seeking to broaden the alternatives open to participants the model recognises that mobility for employment is just one in a suite of options.
- The APO NT model identifies positive outcomes achieved through local enterprise development and commercial contracts. It builds on the employment and enterprise outcomes already achieved by strong Aboriginal organisations under difficult circumstances; the successes of these organisations can be replicated with appropriate investment and support.
- The APO NT model reflects the importance of wage subsidies for driving participation. It draws on evidence that, where managed well, wages and top up have been effective tools for engaging otherwise unemployed individuals in

productive and educational activity and assisting them into non-CDEP jobs, where possible, over time. The retention of wages in the APO NT proposal seeks to replicate the ability of CDEP wages to allow effective enforcement of 'no work no pay' while creating an internal labour market to reward productive and reliable workers. This is arguably the most effective training available for the disciplines of non-CDEP work.

1 Context and History

1.1 Context

The future arrangements for CDEP and remote employment services must be designed so that they respect, and are appropriate to, context. In particular, the design of future arrangements must proceed from an understanding that the prevailing context in Australia's regional and remote areas is dramatically different to that of the urban mainstream.

There is a strong presence of Aboriginal people in Australia's regional and remote areas. Many have maintained their unique cultural perspectives and practices, which are heavily dependent upon continuing connections to country. This is a major influence upon their worldview, which in turn influences their choices about where and how they wish to live. Public policy that ignores or works against this feature faces a substantial risk of failure.

At the same time, regional and remote Aboriginal people have aspirations of generating livelihoods that will enable them to independently thrive and prosper in the places where they choose to live. Sustainable livelihoods, in this context, can include participation in the mainstream economy, where individuals can earn income through formal employment and enterprise, and the pursuit of productive cultural practices. Many Aboriginal people in regional and remote areas do not regard these activities as mutually exclusive.

There are many examples of individuals who are highly engaged in both productive work in the mainstream economy and cultural practices. In some cases this engagement is simultaneous such as via employment in land and sea management. There are also emerging examples of enterprises owned by individuals, families or communities that are operated on terms that enable the achievement of both economic return and cultural engagement. Job-sharing at the enterprise level is one means of achieving this. Social enterprise organisation is another, where profitable enterprises are used to subsidise social and cultural activities that are not designed or expected to create profit.

Aboriginal people on remote communities and outstations in the NT aspire to achieve sustainable livelihoods. However, in terms of participation in the mainstream economy, they are often faced with a number of structural barriers. Barriers exist across the full range of the foundational pathways necessary for sustainable development, including:

- *Governance and leadership*, such as a lack of opportunities to participate in governance and leadership, and local shortfalls in capabilities and capacities to plan and execute strategies for local development;
- *Physical capital*, such as a lack of access to basic and advanced infrastructure, goods and services that could support local development;
- *Population health and wellbeing*, such as high rates of disease and disability within the working age population;
- *Education*, such as low rates of literacy and numeracy;

- *Economic development*, such as a lack of access to viable market opportunities, and to incomes that enable savings that can be reinvested locally into enterprise development.

It is barriers such as these that cause the limited economies and labour markets of regional and remote areas by impeding the growth of enterprise and employment.

To achieve enterprise development and employment growth in such a context, where there are limited immediate prospects for large-scale private investment, there is a continuing need for appropriate public policy and investment.

In this paper we outline a case for a model that would deliver the most effective public policy and investment through a remote enterprise and employment scheme. The model builds on the achievements and addresses the weaknesses of past and present programs.

1.2 A Short History of CDEP and Remote Employment Servicing Arrangements for Aboriginal People

The pre-CDEP era

Since the 1960s, in recognition of limited market and employment opportunities for Aboriginal people in remote areas, there has been a continuing effort to ensure that Aboriginal people living in these areas have access to some cash income. In general, these efforts have involved one or more of the following: the public provision of wages for undertaking local services and activities; subsidised opportunities for employment in local enterprises; and/or some means of income support.

Up to the 1960s, many Aboriginal people in remote areas worked on pastoral stations, in missions or on government settlements where payment was always less than that received by non-Aboriginal people. During the 1960s, Aboriginal people gained equal rights of citizenship and equal rights to pay. These developments had the dual effect of raising the cost of Aboriginal labour (which led to a reduction in Aboriginal employment) and increasing eligibility for welfare support. However, access to unemployment benefit or other forms of welfare was by no means universal during this time. For example, the principles underpinning the payment of unemployment benefit did not extend to include people living in remote areas, who were deemed to be beyond the conventional economy and outside the workforce. To qualify for unemployment benefit, recently unemployed Aboriginal people would have to leave their home settlements in remote areas and move to regional towns and cities.

During the 1970s and until 1977, policies regarding unemployment benefit payments were reformed so that Aboriginal people living on missions and government settlements in remote areas were no longer deemed to be outside the workforce. Government funded some full time employment positions in government services and community councils, and unemployment benefit was made available to working age people who could not gain a paid job. However, recognising that there would be a continuing chronic shortage of employment opportunities in remote areas, and that the provision of unemployment benefit could entrench 'idleness, lack of motivation and social dysfunction',³ training schemes and allowances were extended, part-time employment opportunities were instituted and investments in settlement works projects were expanded.

³ CAEPR DP No. 271, p26.

This pre-CDEP history demonstrates a lack of investment in the strategic development of the people and places of remote areas. Most investment was focussed on offsetting the unintended consequences of major structural shifts resulting from changes in public policy, and which were beyond the control of Aboriginal people. Further, this history demonstrates the risk of defaulting to a regime reliant on widespread income support in the form of unemployment benefit in places where conventional economies and local labour markets are limited.

The CDEP era

The introduction of the CDEP in the late 1970s represented a shift towards investment in the development of places and people in remote areas.

This shift was reflected in the provision of block grants to Aboriginal community councils or incorporated organisations to offer part-time publicly-funded employment on local projects. Providing funds for wages was effectively seen as an alternative to welfare payments because participants would be paid at a rate notionally approximating, at a minimum, the unemployment benefit they would otherwise receive. Jobs generated under CDEP included, for example, the provision of much needed community infrastructure, services and other economic activities. Further reflecting the development approach, local organisations were also funded for 'on-costs', which enabled them to invest in capital and employee development and support. Finally, by shifting people from receiving unemployment benefits to receiving wages for working on local projects, CDEP sought to avoid the pitfalls of passive welfare. As such, from its inception, the scheme sought to combine job creation, income support and community development goals in a way that pre-empted programs introduced much later in mainstream Australia that have emphasised the importance of 'mutual obligation' and 'welfare to work'.

CDEP proved very popular in many Aboriginal communities, expanding from its 1977 trial in 10 remote locations to its peak some 25 years later. By the early years of this century the scheme included over 35,000 participants and was being delivered by around 300 Indigenous community-based organisations in remote, regional and urban areas. It had become the biggest single program in the Australian Government's Indigenous affairs budget.⁴

⁴ CAEPR WP No. 78, p.22

2 Current State of Play

2.1 Recent changes to CDEP

Since the late 1990s there has been a recasting of the aims of CDEP towards the transition of participants into mainstream jobs. More recently, as a result of shifting public policy, there has also been a gradual scaling back of CDEP and a commensurate reduction in the number of CDEP organisations and participants.

2.1.1 Post-2007 closures of and limits to CDEP

Perhaps the most significant changes to CDEP were introduced from July 2007 when the Australian Government withdrew funding from 40 CDEP providers across more than 60 urban and regional areas that were deemed to have 'strong labour markets'. Further closures occurred in the Northern Territory in late 2007 as part of the Northern Territory Emergency Response. Under this plan, around 2,000 public sector jobs would be created to replace some of the roughly 8,000 CDEP positions in the NT. By November 2007, when a change of government halted the closure of CDEP, a further 16 CDEP providers across 30 communities had lost funding. In July 2008 CDEP was restored in these 30 communities, but not all CDEP positions that had been lost under the NTER were reinstated.

Further changes to CDEP have since followed. From July 2009, the Australian Government ceased funding for the remaining CDEP providers deemed to be in 'non-remote areas with established economies'. In addition, it changed funding rules for remote areas so that only 'grandfathered' participants (that is, those employed in CDEP positions before 1 July 2009) were eligible to continue receiving CDEP wages. New participants (that is, those joining CDEP post 1 July 2009) would instead receive income support payments from Centrelink. The Australian Government also announced that by 1 July 2012 all CDEP participants would shift onto this system of income support payments and no longer be eligible for CDEP wages. Further, it identified that a further 2,000 jobs would be created in government service delivery to replace some CDEP positions outside of the NT.

The net effect of the winding back of CDEP has meant a fall from peak participation rates of around 35,000 in the early 2000s, to around 10,500 by February 2011. At that time, around 55% of CDEP participants were receiving wages with the remaining proportion receiving income support. It is not clear from available data how many of the individuals who have exited the scheme have found alternative employment, remained on some form of income support or entirely left the labour force.

2.1.2 Current arrangements for CDEP

Reflecting the recent history of changes in public policy, the current operation of the CDEP scheme in general includes the following elements. These arrangements have been in place since 1 July 2009.

Stated Aim

The stated aim of the 2009 changes to CDEP is to 'help Indigenous job seekers find and keep jobs.'

Transition from CDEP wages to income support

Continuing or 'grandfathered' CDEP participants are those who were on CDEP prior to 1 July 2009 and who remain eligible to receive CDEP wages because they have not taken an unauthorised break of more than two weeks from their CDEP position. Continuing CDEP participants can continue to receive CDEP wages and earn top-up until at least 1 April 2012 when they will be transitioned onto income support on a community-by-community basis. All participants will be moved off CDEP wages by 1 July 2012.

New CDEP participants are those who have joined (or in some cases re-entered) CDEP after 1 July 2009. New participants do not receive CDEP wages. Instead, they receive income support payments (such as Newstart Allowance) from Centrelink for a minimum amount of 14 hours participation in authorised "work readiness" activities or 'community development' projects. New participants cannot receive top up payments. They may engage in part-time work additional to their CDEP participation, but must report their part-time work income to Centrelink and will have their income support payments tapered (reduced) in accordance with standard scales. To some extent this offsets the extra income earned, although this offset is not on a dollar-for-dollar basis.

The introduction of work readiness and community development streams

CDEP providers must place all participants into either a 'work readiness' or 'community development' stream and service them accordingly.

Participants in the work readiness stream can access training and work experience opportunities to increase foundational and basic work skills. Training includes 'pre-vocational' training (for example, numeracy and literacy) and vocational training (for example, environmental and land management). Training is meant to match employment opportunities and skills shortages in the community or region. CDEP providers receive outcome payments for training commencements and completions. Paid work experience is negotiated with employers, who pay the wages of participants and can apply for the CDEP Work Experience Subsidy from DEEWR (but only when new participants are engaged). As previously, the wages of continuing participants placed in work experience remain directly subsidised by CDEP

The community development stream targets support for the development of Aboriginal communities and organisations by authorising participation in work activities and projects that address identified local needs (as noted in Community Action Plans for example), and that create skills and do not displace local jobs and business opportunities. This stream also makes funds available to CDEP providers for community development and support services, such as the employment of community development workers and links to other community services.

Transition of CDEP jobs out of government service delivery

CDEP projects can no longer include the provision of services that would otherwise be delivered directly by government service providers. At the same, government funding has been allocated to create around 2,000 fully waged, taxed and superannuated jobs in government service delivery nationally. This is in addition to the roughly 2,000 created in the NT (as part of the NTER) and is a means of converting some (but certainly not all) of the lost CDEP positions into fully funded employment.

Increasing the involvement of Centrelink and employment service providers

CDEP participants are now required to also be registered with Centrelink and local employment service providers (Job Services Australia providers or JSAs). JSAs are contracted to work with CDEP participants to develop individual Employment Pathway Plans towards the acquisition of non-CDEP employment. CDEP providers and JSAs are then meant to work in partnership towards the implementation of a participant's Employment Pathway Plan.

How current operations are funded

CDEP providers are funded through service fees and outcome payments. Service fees are paid in accordance with the number of Average Agreed Places allocated to a provider. Service fees help to pay the operation and management costs of CDEP organisations. CDEP providers can also access funds for work readiness and community development services and projects. They can also negotiate for development and support funds and other resources, based on community needs. JSAs can also access service fees and work readiness funds, but on a per client basis.

Both CDEP and employment service providers can receive outcome payments for placing participants into employment, training and work experience. Outcome payments are structured so as to provide an incentive for finding longer-term employment placements, and to encourage both the commencement and completion of training and work experience placements.

Employers can also be paid an Indigenous Wage Subsidy, administered by DEEWR, when they employ eligible Indigenous people on an ongoing basis. A qualifying job is one that is outside CDEP grant funding, paid under an Award or Certified Agreement, is ongoing (at least for 26 weeks), can be full or part time (subject to minimum hours worked), and does not receive any other kind of wage subsidy. A qualifying employee is an unemployed Indigenous person who, if older than 21 years of age, is either receiving an income support payment or participating in a CDEP project. If younger than 21 years and without income support, a qualifying employee must be registered with Centrelink or an employment service provider.

3 Towards a New Scheme

3.1 Working with the context

In designing our proposal for a new scheme we have paid close attention to working within the local context. This means identifying and respecting the fundamental and prevailing economic, social and cultural conditions in remote communities and homelands in the NT.

Economic conditions

Although much has changed since CDEP was first introduced, in most remote communities, the relative lack of conventional economies and associated established labour markets persists. In many cases, though, CDEP has been able to generate commercial opportunity either through local enterprise development or securing commercial contracts for service provision which have been delivered through CDEP labour.

Building on this evidence of success, the new scheme proposed in this document will make investments in both the supply of, and demand for, labour to assist in the development of community economies. It will also recognise remote realities by acknowledging that, in those places with limited prospects for commercial development, the new scheme will invest in participation activities that improve social, economic and cultural conditions, including sustainable livelihoods.

Social conditions

Health and education standards vary significantly across remote communities and homelands. In many places, these standards will need to be lifted substantially to enable Aboriginal people to create sustainable livelihoods through participating in enterprise and employment. The new scheme will have the flexibility to make investments that are adapted to the health and education standards of all participants.

Cultural conditions

Many Aboriginal people in remote locations have strong commitments to cultural obligations and practices. This commitment will continue into the future. The proposed scheme will acknowledge the value of Aboriginal participation in cultural practices in remote communities and homelands.

3.2 Creating and Supporting Sustainable Livelihoods: A Remote Participation, Employment and Enterprise Development Scheme

APO NT's approach is based on creating and supporting sustainable livelihoods for Aboriginal people. In order to reflect the reality that not everyone living remote areas will be able to access or participate in mainstream employment and enterprise opportunities, the definition of sustainable livelihoods must be broad.

APO NT's approach promotes the creation of opportunities for sustainable livelihoods through investment in the development of local community economies and enterprises

through a single scheme that clearly connects these two goals. Local economy and enterprise development opportunities will be identified and supported.

APO NT's approach places a strong emphasis on place-based social enterprise organisations as the main drivers of the development of community economies. These organisations will be required to reinvest profits made from the scheme into the further development and support of local economy and livelihoods.

Recognising the need for transitional, long-term pathways for individuals to progress along in pursuit of sustainable livelihoods, APO NT advocates for a tiered approach to participation in the scheme. Individuals who are able to will move up through these tiers, gradually increasing their skills, experience and independent earnings, and reducing their reliance on transfer payments and other forms of income support.

Finally, APO NT's approach identifies a range of supporting investments that will need to be made to ensure the success of the scheme.

3.2.1 Supporting sustainable livelihoods

The best way to inspire participation and engagement is by creating and supporting sustainable livelihoods for Aboriginal people in the places where they live. The term 'livelihood' is used because it captures a broad range of opportunities through which Aboriginal people might earn an income and become more self-sufficient – including mainstream and non-mainstream forms of participation, employment and enterprise. A sustainable livelihood is one that enables an individual or a family to achieve and maintain a high-degree of self-sufficiency.

The idea of adopting a livelihoods approach in this context is not new, having been raised in the Hawke Government's Miller Report of 1985. International development practice also promotes a livelihoods approach to promoting the development of vulnerable and disadvantaged people and groups.

A sustainable livelihood should, as far as possible, enable someone to earn his or her own independent income either through employment or enterprise. However, in those places where opportunities to earn independent income are limited, sustainable livelihoods may require some intermittent or continuing income support or other investment from government and other sources.

The definition of what is a sustainable livelihood should be broadly understood to include forms of employment, enterprise and activity that demonstrably maintain and / or improve economic, social and cultural outcomes for Aboriginal people, families and communities. A broad approach allows for the identification of sustainable livelihood opportunities that suit local conditions and circumstances. It also allows, where appropriate, for the justification of government investment on the basis of a broad set of positive outcomes such as social returns.

APO NT's proposed scheme involves working in partnership with local communities to identify opportunities for sustainable livelihoods. The scheme will also provide the support required for individuals, families and communities to take up these opportunities.

The scheme recognises the importance of developing community economies as the primary means of creating and supporting sustainable livelihoods. The development of community economies will be facilitated through:

- Local economic development planning to identify enterprise development and employment opportunities;
- Partnerships between government and communities in establishing enterprise and employment opportunities, with additional private support where appropriate; and
- Using government procurement processes to favour the use of local enterprise and employment in the delivery of government projects and services.

Achieving economic development and supporting sustainable livelihoods must be clearly connected through a single scheme. There needs to be a greater degree of organisation and coordination around these goals at the community level.

3.2.2 Delivering services through place-based social enterprise organisations

APO NT's scheme highlights the potential for locally owned, place-based social enterprise organisations to drive and coordinate the development of community economies and the creation of opportunities for sustainable livelihoods.

A place-based organisation is located in the remote community or region that it services. A social enterprise organisation is one that is able to receive funding and make profits, but that reinvests profits into social goals.

Under this scheme, place-based social enterprise organisations will be contracted by government (through a competitive tendering process)⁵ to be the single provider of integrated remote participation and employment servicing arrangements at the local level. Social enterprise organisations will be required to invest government funding and all profits into either the development of local community economies (including the creation and support of sustainable livelihoods) or other social goals (such as subsidised participation activities).

Social enterprise organisations will be funded through a mixture of support and incentive funding (such as service fees and outcome payments). Contracts will be awarded for periods of 5 years to allow sufficient time to enable certainty of resources. Performance will be assessed against the delivery of a clearly defined and measurable set of outcomes relating to participation, employment and enterprise development. One option is to assure performance measurement through the use of a baseline established at contract commencement.

Where required, government will provide investment to support the governance capabilities and capacities of place-based social enterprise organisations. Capability partnerships that make external expertise available to social enterprise organisations will also be supported. Smaller social enterprise organisations will be able to form alliances or federations in order to share the effort and cost of winning and administering contracts.

Not every remote location will be able to support the establishment of its own place-based social enterprise organisation. Smaller communities and dispersed homelands will be

⁵ See, however, page 21-22 with respect to recruitment and procurement practices in government services to favour local employment and enterprise.

serviced by social enterprise organisations that operate across a region but that have strong practical relationships with the people and places they service.

3.2.3 Three tiers of participation

APO NT's scheme recognises the reality of the need for longer-term transitional pathways to assist many individuals and communities to achieve sustainable livelihoods. It does this by creating three tiers of participation.

The first tier is the entry point of the scheme, in which basic opportunities for engagement and participation are provided. At this level, participants can engage in activities that maintain and develop formative skills and experience for sustainable livelihoods. A basic level of income and activity support is provided.

A participant graduates to the second tier when he or she is able to. Incentives are provided to both the local provider and the participant to graduate into the second tier. In this second tier, participants and providers work together to design a livelihood pathway that is tailored to meet the aspirations and capabilities of the participant and to match established and emerging employment and enterprise opportunities in the community economy. A higher level of income and activity support is provided in exchange for the achievement of a set of clearly stated skills and experience goals. Wages paid in this tier will be taxed and superannuated in line with national rates.

A participant graduates to the third tier when they have achieved the second tier skills and experience of their livelihood pathway. Incentives are provided to both the local provider and the participant to graduate to the third tier. In the third tier, a participant is engaged directly in either the employment or enterprise opportunity identified in their livelihood pathway. The participant receives an initial period of intensive support, with the length of this period of support determined by the achievement of clearly stated employment or enterprise performance outcomes. 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.

A participant exits the scheme either of their own volition or when there are strong indications that they have achieved a sustainable livelihood that no longer requires targeted intensive support. Further detail about each how tier might work is set out on the following pages.

Tier 1: Basic Skills and Experience for Sustainable Livelihoods

<p>Who participates</p> <ul style="list-style-type: none"> • Compulsory for anyone receiving the Newstart allowance • Voluntary for anyone receiving any other form of income support, such as disability payments • Voluntary for anyone not receiving income support of any kind 	<p>Incentives for participation</p> <ul style="list-style-type: none"> • Payment of income support • Gaining basic skills and experience for sustainable livelihoods • Allow participants to earn extra income through micro-enterprise projects up to a set limit without incurring an income support taper
<p>Forms of support provided</p> <ul style="list-style-type: none"> • Basic income support payments • Support funds for activities and projects that develop and maintain basic skills and experience for sustainable livelihoods 	<p>Outcomes achieved</p> <ul style="list-style-type: none"> • Development and maintenance of basic skills and experience for sustainable livelihoods • Delivery of small scale activities and projects that meet genuine local economic, social and cultural needs
<p>Participation requirements</p> <ul style="list-style-type: none"> • Achieve a minimum number of hours per week • Participation in a range of activities and projects identified by the community in partnership with the local provider • Qualifying activities and projects must be formally justified on the basis of identified economic, social or cultural needs • Qualifying activities must be delivered in a way that demonstrably promotes the development and maintenance of basic skills and experience for sustainable livelihoods 	<p>Government role</p> <ul style="list-style-type: none"> • Administer income support payments via Centrelink • Monitor participation • Provide support funds for qualifying activities and projects • Supervise and support the performance of the local provider
<p>Local provider's roles and responsibilities</p> <ul style="list-style-type: none"> • Register and manage participants • Facilitate identification, design and implementation of local activities and projects • Monitor and report on activity and project outcomes • Ensure accountability of support fund investments • Identify participants who are willing and able to graduate to Tier 2 	<p>Incentives for local providers</p> <ul style="list-style-type: none"> • Payment of service fees on an average agreed places basis • Payment of support funds for qualifying activities and projects • Outcome payments for supporting participant graduation to Tier 2

Tier 2: Livelihood Pathway

<p>Who participates</p> <ul style="list-style-type: none"> • Tier 1 participants who are willing and able to graduate to Tier 2 • Any working age member of a community who wishes to develop a livelihood pathway 	<p>Incentives for participation</p> <ul style="list-style-type: none"> • A higher income relative to basic income support • Eligibility to receive top up income from a local provider, employer or enterprise for extra participation up to a set limit without incurring an income support taper • Reduced rate of compulsory income management
<p>Forms of support provided</p> <ul style="list-style-type: none"> • Payment of a participation wage at a minimum rate that is higher than basic income support • Development of a formal livelihood pathway that is matched with established and emerging employment and enterprise opportunities • Training to acquire the specific skills required for the livelihood pathway • Work experience in roles that support the livelihood pathway 	<p>Outcomes achieved</p> <ul style="list-style-type: none"> • Formal livelihood pathway established • Develops livelihood-specific skills and experience • Supplies local labour to established and emerging employment and enterprise opportunities • Taxation and superannuation applies to Tier 2 wages in line with national rates
<p>Participation requirements</p> <ul style="list-style-type: none"> • Must have a formalised livelihood pathway • Achieve a minimum number of hours per week • Training and work that enables a participant to achieve the skills and experience goals required for the livelihood pathway 	<p>Government role</p> <ul style="list-style-type: none"> • Fund participation wages • Fund local providers through service fees, support funds and outcome payments • Fund local employers and enterprises through work experience payments
<p>Local provider's roles and responsibilities</p> <ul style="list-style-type: none"> • Develop livelihood pathways, ensuring these match established and emerging employment and enterprise opportunities • Facilitate placements in training and work experience • Pay top up income for extra participation, if able to • Monitor & report on the achievement of skills and experience goals • Manage participant transition to Tier 3 	<p>Incentives for local providers</p> <ul style="list-style-type: none"> • Receive funding for and administer participation wages • Receive service fees on a per participant basis • Receive support funds for delivering livelihood pathway skills and experience placements • Receive outcome payments for supporting participant graduation to Tier 3

Tier 3: Livelihood Support

<p>Who participates</p> <ul style="list-style-type: none"> 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 	<p>Incentives for participation</p> <ul style="list-style-type: none"> Transition into a fully waged employment or enterprise opportunity Receiving further on-the-job training and general support No compulsory income management
<p>Forms of support provided</p> <ul style="list-style-type: none"> Wage subsidies paid to employers and enterprises Further livelihood-specific on-the-job training and general support until a set of clearly stated employment or enterprise performance goals have been met 	<p>Outcomes achieved</p> <ul style="list-style-type: none"> Placement of participants into appropriate employment and enterprise opportunities Initial on-the-job and general support to help a participant to retain and consolidate their livelihood Taxation and superannuation applies to Tier 3 wages in line with national rates
<p>Participation requirements</p> <ul style="list-style-type: none"> Must take up a matching and available employment or enterprise opportunity when offered Must meet a set of clearly stated employment or enterprise performance goals (for example, period of time employed or level of income earned) 	<p>Government role</p> <ul style="list-style-type: none"> Fund the payment of wage subsidies to employers and enterprises Fund the payment of service fees, further on-the-job training, general support funds and outcome payments to local providers
<p>Local provider's roles and responsibilities</p> <ul style="list-style-type: none"> Support the transition into matching and available employment and enterprise opportunities Work with participants, employers and enterprises to define a set of clearly stated employment or enterprise performance goals, further on-the-job training requirements and general support Facilitate further training and general support Monitor and report on participation and performance 	<p>Incentives for local providers</p> <ul style="list-style-type: none"> Receive service fees on a per participant basis Receive support funds for facilitating further on-the-job training and general support Receive outcome payments for the successful achievement of a participant's employment or enterprise performance goals and their exit from the scheme

3.2.4 Supporting Initiatives & Investments

Invest capital in the development of community economies and local enterprises

Maximising economic opportunity for Aboriginal people in remote communities will require investment in both labour supply and labour demand. The need for investment in labour supply is well established, with widespread recognition of the limited formal educational qualifications (including literacy and numeracy) of many Aboriginal people in these locations.

However, generating additional demand for Aboriginal employment in the places where people live is equally important. In this regard capital investment in the development of community economies and local enterprise will be crucial. This investment needs to be made alongside, and at the same time as, investment in the supply of labour. Outcomes in Tiers 2 and 3 of the proposed scheme depend upon this kind of investment.

Government must acknowledge that the investment of private capital in many parts of remote Australia will be limited in the foreseeable future. In other places, public and private capital may be able to combine to make local investments of capital viable. In some places, it is inevitable that the investment of public capital will be the only choice. Where this is the case, public capital should be used to make investments that enable increased local economic opportunity (such as in infrastructure) or that support improved social and cultural outcomes (that will save public expenditure in areas like health care).

Many local enterprises will also need access to finance capital. Finance capital will need to be delivered via an adaptable, flexible and affordable mechanism that can support anything from micro-enterprises that might employ an individual or a small family, through to large enterprises that employ a large number of people.

Adjust recruitment and procurement practices in government services to favour local employment and enterprise

In most remote communities, the most significant investments being made in capital and labour are in the delivery of government services. Local people, organisations and enterprises find it difficult to benefit from these investments for a range of reasons.

However, one major barrier to local benefit is the recruitment and procurement policies and practices of most government service agencies. These policies and practices are rarely adapted to suit the circumstances of remote areas or are not easily accessible by Aboriginal people and organisations.

Government service recruitment and procurement policies should be adjusted to favour local employment and enterprise, including by considering the offset of welfare payments and generation of local economic opportunity, rather than simple determinations of 'lowest cost'.

Increase local provider contract periods to 5 years

The development of sustainable livelihoods through investment in community economies, enterprises, employment and livelihoods is a process that will require a substantial investment of time. It will also require a degree of planning and organisation that can remain stable for long enough to enable the achievement of sustainable outcomes.

Local provider contract periods should be extended to 5 years to create a stable platform upon which local providers can plan and implement their service delivery. A period of 5 years would also allow the opportunity for local providers to build the strong relationships with individuals and communities that will be necessary to transition people along a livelihood pathway and to generate employment and enterprise opportunities (where such relationships don't yet exist).

Support the capabilities and capacities of local providers to deliver

There are already well-established local organisations in some remote communities that have the capability and capacity to deliver a scheme for the development of community economies, enterprise, employment and sustainable livelihoods. These providers provide valuable examples of effective practice.

However, in many places there is the need to support the capabilities and capacities of local organisations so that they may become successful local providers. This support could be provided via government investment, or via alliances and federations that share capability and capacity, or a mixture of both. The main goal is to assist in the creation of local capabilities and capacities in order to maximise local ownership, control and management of development in order to achieve lasting outcomes.

Develop a clear framework for the development of social enterprise and for accounting for social returns on investment

There is great interest amongst many stakeholders in the potential for social enterprise to play a central role in supporting sustainable livelihoods in remote places. Indeed, this context is well suited to the concept of social enterprise, which places a higher emphasis on achieving social goals than achieving profits.

However, social enterprises still need to be viable in their own right to succeed. They need to be set up appropriately, governed well, and given the right opportunities for earning income. They also need to be able to transparently account for the achievement of social returns.

Government should develop a clear framework for the development of social enterprise that provides guidance and support for how they can be set up, governed and operated in the context of remote communities and homelands. Guidance and support for how to aim, and account, for social returns should also form part of this framework.

Acknowledge and embrace the social and cultural returns from basic participation

Finally, the Commonwealth government should acknowledge the social and cultural returns to society as a result of the participation of Aboriginal people living in remote areas in activities and projects that do not have a mainstream economic focus. Social and cultural wellbeing is a proven positive factor in improving the health outcomes of Indigenous peoples around the world. Given the national aim of closing the life expectancy gap between Aboriginal and non-Aboriginal people, investment in social and cultural returns can be justified on this basis, which provides savings to government in health expenditure, for example.

4 Arguments in Favour of the Proposed Scheme

There are several main themes of argument that we put forward in favour of our scheme:

- The importance of a sustainable livelihoods approach;
- The importance of community economies and local enterprise development for generating opportunities for sustainable livelihoods; and
- The importance of wage subsidies for driving participation.

4.1 The importance of a sustainable livelihoods approach

4.1.1 Introducing the sustainable livelihoods approach

APO NT's approach places the goal of employment and enterprise development within a more broadly based sustainable livelihoods approach.

The sustainable livelihoods approach has emerged out of the international development field. This approach focuses on strategies that support the assets and strengths of vulnerable and disadvantaged groups as the primary means of assisting them towards achieving a sustainable livelihood.

The test of a sustainable livelihood is not merely the ability of individuals and communities to earn income and consume goods and services in order to satisfy basic needs. Sustainable livelihoods must also demonstrate resilience to exogenous stresses and shocks.

The development of sustainable livelihoods is process-oriented. Key qualities that are found in programs that strive to achieve sustainable livelihoods are:

- Empowerment of the disadvantaged individual or community to determine their own livelihood pathways;
- Long term and flexible programming;
- Responsive and participatory planning and implementation;
- Activity-focussed partnerships between disadvantaged people, their organisations, the public sector, the non-government sector and the private sector;
- Disaggregated strategies that address identifiable sub-groups (women, youth, the disabled);
- Outcome-based monitoring and evaluation.

Sustainable livelihood programmes are typically designed to identify wide ranging assets and strengths, as well as the links between them. These assets and strengths may include:

- Human capital (skills, knowledge, health and wellbeing) – starts with what people can already do and seeks to augment that;
- Social capital (formal and informal networks of relationships and exchange) – builds upon existing networks and enhances these;
- Financial capital (access to money) – identifies or invents and adapts financial mechanisms to facilitate and increase access;
- Physical capital (basic infrastructure and goods to support all categories of capital) – identifies or provides and maintains access to these;
- Natural capital (natural resources available in or close to the locality) – identifies these and invests in their sustainable utilisation.

Sustainable livelihood programmes also aim to take into account the relative vulnerabilities of disadvantaged communities with regard to trends (in resources, technology, governance and population), shocks (sudden natural, economic, or conflict crises), and seasonality (in employment opportunities, production, prices, climate, culture).

Helping to shape sustainable livelihoods in line with the above are Policies, Institutions and Processes (PIPs) that work in partnership with individuals and communities. PIPs emerge from a variety of institutional categories: familial (cultural); communal (reciprocal); social (public interest); collective (contractual); and governance (policy, legislation, regulation). PIPs are designed or practiced so that they act as:

- *Enablers* of assets and strengths;
- *Providers* of essential goods and services that provide and maintain access to all classes of capital; and
- *Moderators* of vulnerabilities.

Disadvantaged people choose livelihood pathways by taking into account knowledge of their assets, strengths, and vulnerabilities. They may often be doing this already independently, but where they are not, PIPs help them to do so. Once a livelihood pathway has been identified, the role of all stakeholders is to enhance and support the pathway. By understanding the factors that direct peoples' choices towards particular pathways it is possible to then reinforce the factors that promote flexibility within these pathways. Negative influences or constraints, such as inadequate market access, are worked with instead of ignored.

Sustainable livelihoods are measured against a broader set of outcomes rather than narrowly defined categories of outputs. Example can encompass benefits like:

- Increased income;
- Increased well-being;
- Reduced vulnerability;
- Improved food security;
- More sustainable use of resources.

Strategies that establish connections between outcomes are emphasised. For example, if one of a community's livelihood goals is to secure better access to affordable, locally produced food, the practical means for achieving this could include:

- Increase local incomes (by creating locally owned enterprises that engage in local food production);
- Increase well-being (by growing and distributing healthy food);
- Reduce vulnerability (by using production techniques and technology to even out climate seasonality);
- Improve food security (by ensuring local food gets to local markets and stores); and
- Improve the sustainable use of resources (by using technology to assist efficient use of inputs, such as renewable energy and recycled water).

Sustainable livelihood outcomes are therefore not based solely on narrow achievements such as a singular focus on creating a job or business.

4.1.2 Some key benefits of adopting a sustainable livelihoods approach

There are a number of key benefits of adopting a sustainable livelihoods approach.

Accepting that mobility for employment faces limited prospects and encouraging diversified local opportunity

There is evidence that mobility for employment faces limited prospects in remote Aboriginal communities; as it does in the mainstream. Connections to place go beyond economic considerations to include social, cultural and environmental considerations. Though some mobility for employment may occur (and does already), it is unlikely to happen to such a degree that the concept of mobility for employment should be at the heart of the design of a new scheme. As it is in mainstream contexts, mobility for employment should continue to be a choice and not an expectation.

By encouraging a diversity of opportunity for individuals and communities, the sustainable livelihoods approach explicitly recognises that mobility for employment is one of a suite of options available to people in the consideration and take-up of livelihood opportunities.

Overcoming the problem of 'training for training's sake'

The sustainable livelihoods approach learns from the challenges and builds upon the opportunities evident in the current system. A common concern in remote Aboriginal communities is the notion that training is sometimes offered simply for training's sake. Where this has occurred it may also be supported by outcome payments for Vocational Education and Training (VET) commencements that are unlikely to lead to completions and that are not specifically targeted to potential labour market demand.

To be effective, training for most Aboriginal people in remote Australia must begin with intensive pre-vocational support including foundational literacy and numeracy and an introduction to generic workplace skills. It is widely acknowledged that, on average, Aboriginal people face significant educational disadvantage. This situation is well entrenched by the time individuals enter CDEP.

Low underlying levels of formal education constitute a significant barrier to achieving later outcomes such as successful completions of VET or sustained employment. This is reflected in the fact that most clients of JSAs in remote areas are eligible for either Stream 3 or Stream 4 services,⁶ where Stream 4 reflects 'the most highly disadvantaged job seekers with severe non-vocational barriers' to employment.⁷

The recent introduction of CDEP outcome payments for pre-vocational education is a positive step towards recognising these remote realities. While outcome payments for higher levels of education and training are also appropriate, if these are offered for service providers in the absence of pre-vocational outcome payments there can be a perverse incentive to enrol individuals in courses which they are not equipped to complete.

The sustainable livelihoods approach caters for the reality that long term and intensive investments are required in both pre-vocational *and* vocational training, with positive

⁶ Australian Government (2011) *The Future of Remote Participation and Employment Servicing Arrangements: Discussion Paper*, Australian Government, Canberra, p.14.

⁷ DEEWR (n.d.). Job Seeker Classification Instrument, Web page, viewed 09 October 2011, <<http://www.deewr.gov.au/Employment/JSCI/Pages/JSCI.aspx>>.

outcomes inseparable from broader projects of personal and community development that build pride and broaden horizons. Most importantly, the approach recognises that training and education must go hand in hand with investment in community economies and enterprise development. This is necessary so as to provide the rationale and motivation for taking up education and training and to end the treadmill of training for training's sake.

Delivering through place-based service providers

Experience shows that the best participation and employment outcomes are achieved when the design and delivery of participation and employment services reflect the specific contexts in which they operate. This may be, for example, by connecting into established or planned regional and local projects and/or by responding flexibly to regional and local economic opportunities.

Under the sustainable livelihoods approach, these connections are made through the use of place-based service providers, organisations that are on the ground in a community and have a relationship with, and understanding of, the people of that place. Place-based service providers also have the knowledge of how local economies are developing or where local opportunities for sustainable livelihoods are emerging. Visiting services have less ability to identify these opportunities.

Aiming for meaningful work

Following on from the above, appropriate training develops a person's skills along a pathway that begins with their existing capabilities and supports them to gradually move towards more advanced capabilities that are required to attain the desired livelihood opportunity. This pathway gives the training meaning.

This also requires that people be proactively matched to meaningful work (occupations and industries that generate genuine labour and business demand) particularly as they progress from generic pre-vocational education to VET- where appropriate. Under the proposed scheme, place-based service providers will help each participant to develop an individualised livelihood pathway. Being an 'on the ground' service, the provider will have the advantage of a sustained personal relationship with each participant.

Additional support will be available to providers to help identify areas of potential employment growth. This could include quarterly labour market advice currently produced by DEEWR, as well as resourcing for local audits of likely employment demand.

Creating local capabilities and increasing local capacities

'Local capability' refers to the ability to do something locally; 'local capacity' refers to how much of it can be done. The sustainable livelihoods approach creates and increases both local capacity and local capability.

Many remote communities have shortfalls in some of the capabilities and capacities required to deliver successful participation and employment outcomes, and local economic development more generally. Participation, employment and development outcomes have been most successful where communities have identified and worked to their existing local capability and capacity while partnering with reputable external experts to overcome any shortfalls.

2.1.3 Examples & Case Studies

- The CSIRO, the Centre for Rural Health and Community Development (University of SA) and the Centre for Appropriate Technology have conducted recent field research into the value of the sustainable livelihoods approach for Aboriginal development.
- In 2008, the CSIRO published the outcomes of three case studies applied in desert-based Aboriginal places in Australia:⁸
 - Participatory practice at Engawala (200km north east of Alice Springs);
 - Sustainable regional development in the Anmatjere Region (app 200km north of Alice Springs); and
 - The desert bush food industry and livelihood strategies.
- At Engawala, the sustainable livelihoods approach fostered a high degree of participation and engagement in identifying livelihood opportunities, enabling knowledge sharing and innovation amongst Aboriginal people and outsiders. This was achieved by applying a practical interpretation of the approach, rather than imposing a strict application of the theoretical framework.
- The application of the sustainable livelihoods approach in the Anmatjere Region identified that social capital is the most important asset when Aboriginal people make decisions about their livelihood strategies. In particular, relationships and networks within Aboriginal regions and communities were important for connecting individuals to livelihood opportunities.
- The desert bush food case study found that when remote Aboriginal people are supported to act as researchers of their own livelihood opportunities, they are better able to discuss the potential impacts of various influences on their livelihoods and well-being. They are better able to clarify the social and cultural outcomes they want from being involved in a particular industry. They are also better able to identify barriers to their aspirations and to devise strategies for overcoming these.
- The CSIRO and others continue to apply a sustainable livelihoods approach in Aboriginal regions, particularly where environmental and land management research and activities are being undertaken.⁹

4.2 The importance of community economies and local enterprise development to creating opportunities for sustainable livelihoods

4.2.1 The need for community economies and local enterprise

Many residents of remote Aboriginal communities want the option to undertake paid mainstream work, however, there are a number of structural barriers. Standards of health and education are frequently poor, 'western' skill levels are low, and distances to markets are often great. Climates can be harsh and capricious, and can leave some remote communities isolated from access by land on a seasonal basis. There is often no public transport system and private transport is expensive and often unreliable. Interaction with government agencies like Centrelink can involve complicated and expensive round trips.

⁸ See Davies, J & White, J et al *Applying the sustainable livelihoods approach in Australian desert Aboriginal development*, (2008) 30 The Rangeland Journal pp.55-65.

⁹ See <http://www.csiro.au/org/CSIRO-Indigenous-Engagement.html> for further information.

English is normally not one's first language and measures of literacy and numeracy remain low. A very large fraction of the population is under twenty years of age.

Reflecting the strengths-based nature of the sustainable livelihoods approach, remote Aboriginal people have access to vast landholdings and to the associated resources supported by traditional land and sea management knowledge and skills. They have robust identity and social networks, relatively intact languages, exceptional ecological and cultural knowledge, and proximity to regional opportunities. The unique skills of bush people can often lead to meaningful jobs in the areas of land and sea management, border security, the carbon economy and biosecurity. Government agencies such as Customs, Coastwatch and AQIS have already been able to achieve significant levels of Indigenous engagement in the north and there is scope for considerably more.

Jobs are a point of engagement and can lead to new forms of social and economic inclusion for communities when coupled with adequate service delivery. However, in order to achieve sustainability, jobs must be permanently incorporated into the economic fabric of communities.

In the absence of mainstream or permanent job markets closer to home (and the reluctance of many Aboriginal people to leave their country and family in order to relocate for employment) it is commonly accepted that there are three ways of increasing levels of Aboriginal employment in remote communities.

The first of these is to replace non-Aboriginal employees. Many of these employees have specific skills not generally possessed, or in short supply, in the local population. Thus the process of replacement takes time because Aboriginal people need to undertake long-term education and training, often over extended periods of time, in order to acquire equivalent skills and experience. If job replacement happens too quickly or in a token manner, this can result in the unintended consequence of a community receiving lower quality goods and services. Recruits with suboptimal levels of skill or experience may be less capable of delivering required outcomes. The transitioning in of job replacement requires careful planning and *long term* programming.

The second way relies on one or all of the tiers of government investing more heavily in the publicly funded service sector. The last significant instances of this were the Northern Territory Jobs Package and the National Jobs Creation Package, which created some 3000 salaried positions across remote Australia. This level of investment is unlikely to be repeated in the foreseeable future.

The third means for job creation is the establishment of viable local enterprises of various sizes. Funding for enterprise development is notoriously difficult to access for Aboriginal people and their organisations. Indigenous Business Australia has limited funds, strict guidelines and is risk averse. Only now are banks beginning to investigate how to finance development on remote communities. The Australian Government has recently committed to easing the difficulty of accessing capital by facilitating better collaborations between the Indigenous Land Corporation, Indigenous Business Australia, and the private and banking sector.

There are grounds for optimism if one is prepared to examine the success of strong Aboriginal organisations, which are already achieving positive outcomes under difficult circumstances. Such organisations exist and their success can be replicated.

Functional remote organisations take advantage of local knowledge and provide place-based solutions to problems that are little understood by non-residents. The most effective organisations are quietly building an asset base and getting on with the job. Regrettably these organisations are too few in number and receive little critical support or publicity.

Social enterprise

The term 'social enterprise' accurately describes these organisations. By way of definition, a social enterprise organisation is one which collaboratively serves the interests of a discrete group of disadvantaged people by engaging in market-based business activity with the aim of reinvesting in community benefits such as employment, housing, business development, social services, skills development, education and health. The emphasis of a social enterprise organisation is on collective rather than individual ownership of trading operations. The organisation is owned by the community that it serves.

A successful social enterprise organisation must have a long-term vision focused on reducing disadvantage and marginalisation and bolstering existing capacity and strength, leading to social and economic inclusion. The organisation needs to be ethical, innovative, accountable, have the support of its 'client' group, and be able to form partnerships with supportive external agencies in order to more readily achieve its objectives.

The organisation and the community must reject the welfare-based approach that has characterised the majority of remote communities in recent decades. The organisation should have the objective of elevating the skill levels and employability of the community, or communities, it serves.

Under the social enterprise model almost all of the spending that flows into Aboriginal communities can be retained in those communities. The services commonly underwritten by government grant programs can be run as commercial contracts, creating employment and wealth. There is enormous potential for a highly functional organisation to develop business enterprises and to simultaneously deliver government objectives.

Many social enterprise opportunities represent straightforward import replacement while others address frequently unmet community need. All, however, employ local Aboriginal people. Proceeds from commercial operations are principally applied to additional Aboriginal employment, the further establishment of enterprises and subsidising the shortfall in revenue negative service provision.

The valuable niche role of 'social enterprise' is gaining recognition in government circles, and the Australian Government has recently provided \$20m seed funding for the establishment of two Social Enterprise Development and Investment Funds (SEDIF).

Social enterprise organisations ultimately rely on their ability to generate funds through trading activity or raising funds from external sources. If established and managed according to sound principles and responsive to the challenges of a unique cultural environment, a social enterprise organisation will relieve government of considerable administrative burden. At the same time it will deliver successful outcomes across the elusive economic, social, environmental and cultural 'quadruple bottom line.'

Investing in local enterprise development

Put simply, there *will* not be enough non-CDEP jobs for people in remote locations in the Northern Territory unless standard employment service initiatives are matched with long term and well resourced government investment in developing local enterprise.

Such local enterprise development is possible. Organisations such as the Bawinanga Aboriginal Corporation have demonstrated that real economic opportunities exist and can be developed by communities themselves. Bawinanga demonstrate that there can be strong synergies between CDEP and local economic enterprise activity and associated employment and income benefits.

Many place-based service providers receive and spend tens of thousands of dollars for 'business planning' using external consultants (charging in the order of \$1,500 per day plus costs). So much more could be achieved if these resources were expended on the employment of in-house business development officers, who could provide continuity of support; develop support networks for aspiring entrepreneurs; pass on skills and knowledge; and learn from successes and failures over time. This is clearly preferable to here one day and gone the next consultants who leave behind a paper report which many clients cannot read without assistance. Every place-based service provider should be resourced to employ at least one appropriately experienced/qualified full time economic/business development officer.

Some of the biases and constraints on access to loans and venture capital under existing IBA, ILC, ABA and IEP programs should also be reviewed so that government can begin to play an effective role in local economic development.

Creating a financial base that increases the self-sufficiency of remote communities

Decades of effort by government has failed to gain traction. Shifting policy, itself, has a history of destabilising many historically successful programs. However, the major source of funding for remote communities remains public in origin. Public program funds generally target discrete needs, are minimal, and are not intended to create a financial base. The approach advocated for by APO NT addresses this issue in a way that would enable Aboriginal communities to become self-sufficient and less reliant on public expenditure.

4.2.2 Examples & case studies*Laynhapuy Homelands Association Incorporated*

- The Laynhapuy Homelands Association Incorporated (Laynha) is an example of a successful large-scale social enterprise organisation operating in the homelands and outstations context.
- Laynha supports the homelands and outstations in the North East Arnhem Land region by providing a range of services in the areas of health; employment, training and community development; protection of country and culture; homeland servicing and governance.
- Some of these services are provided through enterprises (such as a charter airline), and others are provided through subsidised programs that include a mix of Laynha

and government funding. CDEP funds have played a major role in enabling the organisation to operate in this way.

- As at March 2010, Laynha had a turnover of around \$14M per annum, and employed around 116 staff, 76 of whom were Yolgnu people.
- Yolgnu people have been employed across a range of fields including construction, as health workers, plant operators, truck drivers, administrative staff, management, project and field staff, and rangers.
- Additionally, Laynha supports Yolgnu to engage in traditional livelihoods such as traditional food harvesting and arts and craft.

Tjuwanpa Outstations Resource Centre

- The Tjuwanpa Outstations Resource Centre (Tjuwanpa) services 37 outstations across the Western Aranda region.
- For many years, Tjuwanpa has managed a CDEP program of between 150 and 300 participants- the vast majority of whom have been outstation residents.
- Tjuwanpa uses a mix of government and self-generated funding to provide a broad range of services like road maintenance, water supply, power supply, repair and maintenance of outstation housing, sewerage management, and rubbish collection. It hosts government agencies like Centrelink and administers small programs and projects that deliver a range of community activities. It also acts a key contact point for outstation communities and for government.
- The CDEP has been an integral part of the regional economy and has enabled the creation of 'spin off' enterprise opportunities such as the Tjuwanpa Rangers, which has secured independent (non-CDEP) contracts for land management.
- Tjuwanpa believes that any future service model for outstations will need to demonstrate a range of fundamental qualities, including the need to integrate specific provision for appropriate training, supervision and mentoring for Aboriginal residents, staff and non-Aboriginal tradespeople at the discrete regional level.

4.3 The importance of wage subsidies for driving participation

Two of the key features of CDEP have been the ability of administering organisations to pay wages to participants; and the ability of these organisations to pay 'top up' as additional incentive for work effort. Where managed well, these features have been integral to the effectiveness of CDEP, including the transition of participants into public and private sector jobs. Waged CDEP has a proven ability to engage otherwise unemployed individuals in productive and educational activity.

Most CDEP and other education and employment service providers in remote Australia will acknowledge that engaging participants on a consistent basis is one of the most significant barriers to increasing their skills and employability. If participants do not regularly attend

work or training, their ability to develop foundational capacities such as literacy, numeracy and familiarity with a work environment is substantially constrained.

There are at least three ways in which CDEP wages have supported participant engagement.

Tapping into intrinsic motivations

One advantage that CDEP wages have over social security payments is that, in many parts of remote Australia, income support from Centrelink has long been seen by Indigenous people as ‘sit down money’. It is often associated with a sense of shame and despondency. In contrast, participation in CDEP and the receipt of CDEP wages has frequently contributed to a sense of personal pride.¹⁰ In this respect, CDEP wages have helped to engage people on the basis of their own intrinsic motivations.

Ability to enforce ‘no work no pay’

When CDEP organisations have direct responsibility for payments to participants, they can enforce a ‘no work no pay’ policy. This means that, where CDEP wages are well administered, participants who do not turn up for their minimum required work hours and do not have a valid reason for this absence incur a pro rata reduction in their weekly pay. Evidence (see below) suggests that this has been effective in increasing participant engagement.

The notion of ‘no work no pay’ was not a formal feature of the original CDEP introduced from the late 1970s. However, it became an expectation in the administration of CDEP especially from around the 1990s. Today, ‘no work no pay’ is intended to minimise the incidence of ‘sit down money’ and associated social problems, and in this respect is very much in line with the original intent behind CDEP.

Despite the formal expectation that ‘no work no pay’ is enforced, CDEP has sometimes been criticised for failing to implement this rule consistently. The 1997 Spicer Review estimated that up to one-third of CDEP participants were not working. It recommended that individual participants who did not complete the minimum work hours be encouraged off CDEP and onto income support. Although it is often overlooked, Spicer did not suggest that CDEP providers in all of these cases had ignored the principle of ‘no work no pay’.¹¹ Nonetheless, since at least as early as the Spicer Review the more universal enforcement of this principle has been a key policy concern.

CDEP providers have some flexibility in the way they implement ‘no work no pay’. They may, for example, first seek to make contact with an absent participant and decide not to deduct pay if legitimate reasons for the absence can be offered. However, a common feature of the application of ‘no work no pay’ under CDEP is that, where pay is reduced as a consequence of non-participation, this is done in the next week’s pay and is therefore felt almost immediately by the participant. Having a consistent on-the-ground presence also means that CDEP providers are usually well placed to investigate non-participation quickly and seek to re-engage participants as soon as possible.

¹⁰ Discussions with CDEP providers and Central Land Council Employment Unit, September 2011.

¹¹ I. Spicer (1997). *Independent Review of the Community Development Employment Projects (CDEP) Scheme*, Commonwealth of Australia, Canberra.

Spicer (p.2-3) noted that CDEP participants who failed to fulfil their work requirements were sometimes being paid as little as \$30-\$40 per week because ‘no work no pay’ had been enforced.

While it is true that ‘no work no pay’ is sometimes unevenly applied across providers, the mechanism itself has proven effectiveness where it is managed well and providers are resourced adequately to provide appropriate supervision. For example, a recent study of CDEP on South Australia’s Anangu Pitjantjatjara Yankunytjatjara (APY) Lands found that the more universal application of the ‘no work no pay’ principle contributed to a rise in participant engagement from 54% in July 2008 to 76% of participants in receipt of CDEP wages in March 2011.¹²

Evidence also suggests, however, that the ‘no work no pay’ principle is being undermined by the recent shift away from CDEP wages to social security payments. While CDEP providers can still enforce ‘no work no pay’ for grandfathered participants, they cannot do so for participants receiving their income from Centrelink. Participants on income support are formally required to fulfil mutual obligation requirements and can incur a ‘no show no pay penalty’ or a non-payment period if they fail to do so. However, it is increasingly recognised that across much of remote Australia there are significant challenges in enforcing these penalties. Even when breaches are applied, they are often felt by the participant well after the incident that triggered them and the breach may have little effect on behaviour.

There are several reasons why this may be occurring: the process of applying penalties for CDEP income support participants is unnecessarily lengthy and complicated; a greater share of responsibility for investigating non-participation is placed with JSA providers and Centrelink who may not have a permanent presence locally; enforcing a breach relies on an individual’s ‘Employment Pathway Plan’ being up-to-date and specific about obligations- this is not always the case. Additionally, applying Centrelink breaches for people deemed ‘vulnerable’ or at financial risk may face further obstacles.

The difficulties in enforcing penalties for individuals on income support are reflected in data published by the Northern Territory Coordinator General for Remote Services.¹³ These data show that in the first quarter of 2010 only 12% of participation reports submitted for job seekers in the 73 prescribed communities in the NT were enforced. By the last quarter of 2010 this figure had risen to 48%. There is some evidence that the application of participation reports for serious failures has remained substantially lower, especially for individuals in Stream 4 services.¹⁴ There is still significant concern among service providers in remote locations that breach rates are undermining the participation and engagement of income support recipients.

For example, in a joint submission to the Federal Minister for Employment Participation in January 2011, ITEC Employment and Community Enterprise Australia Limited noted their experience that Centrelink was not upholding participation reports and that this is contributing to ‘reduced attendance rates and a widespread ‘unwork-like’ attitude towards obligations negotiated in the Employment Pathway Plans’.¹⁵ Further, they argued that the

¹² K. Jordan (2011) ‘Work, Welfare and CDEP on the Anangu Pitjantjatjara Yankunytjatjara Lands’, CAEPR Working Paper No.78, CAEPR, ANU, Canberra, available at <<http://caepr.anu.edu.au/publications/working.php>>.

¹³ Northern Territory Coordinator General for Remote Services (2011) ‘Report #4: December 2010 to May 2011’, Northern Territory Department of Housing, Local Government and Regional Services, p.66.

¹⁴ Over the last two quarters of 2010 the proportion of participation reports submitted by JSAs in relation to serious failures that were applied by Centrelink was as low as 7% for job seekers in Stream 4 services in remote Employment Services Areas. The equivalent figure across all four Stream Services was 23%.

DEEWR Question No. EW0968_11, Senate Standing Committee on Education Employment and Workplace Relations, Questions on Notice, Additional Estimates 2010-2011.

¹⁵ ITEC Employment and Community Enterprise Australia Limited (2011) ‘Participation and engagement among Australian job seekers on income support: Response to Minister Ellis’ consultation questions regarding employment services’, Submission to DEEWR Employment Services 2012 Consultation, available at <<http://www.deewr.gov.au/Employment/Consultation/2012Subs/Documents/095-ITECEmployment.pdf>>, p.16.

shift from CDEP wages to income support is leading to ‘ever-reducing attendance rates because of the weakened compliance regime’ and encouraging CDEP participants to migrate towards income support ‘to avoid penalties for non-attendance’.¹⁶ These observations are supported by declining CDEP utilisation rates across much of remote Australia,¹⁷ as well as case study evidence of similar experiences elsewhere. One example is recent research on the APY Lands showing that in March 2011 CDEP participants in receipt of CDEP wages were, on average, working more than double the hours of participants on income support.¹⁸

Getting the balance of incentives and compliance measures right is of critical importance in supporting CDEP participants to improve their livelihoods and opportunities for non-CDEP jobs. It is acknowledged that, in response to concerns about the difficulties of enforcing breaches, the Australian Government has recently introduced revised compliance measures. From 1 July 2011 income support payments can be suspended ‘when job seekers do not attend appointments or activities without providing a reasonable excuse beforehand’. Further changes to compliance measures, which aim to improve communication between Centrelink and employment service providers, are scheduled for July 2012.¹⁹

However, evidence to date suggests that a system based on income support payments and penalties has not only failed to improve participant engagement over and above that achieved through the ‘no work no pay’ mechanism of CDEP wages, but has actually generated perverse incentives for CDEP participants to *cease* productive engagement in the scheme. There is no guarantee that further tinkering with the Centrelink system will improve on these outcomes. A different approach is warranted.

Replication of a non-CDEP work environment

CDEP wages have also facilitated participant engagement by allowing providers to replicate a non-CDEP work environment. Many CDEP providers have offered their participants ‘top up’ for taking on additional hours of work or extra responsibilities. Top up has been paid by a number of means- including from savings made through the application of the ‘no work no pay’ principle and through externally-generated revenue (such as from commercial contracts or enterprises).

The use of top up in these ways has allowed the development of what can be described as ‘internal labour markets’ by offering ‘promotion’ in the form of additional work and pay to the most reliable and productive workers. This has a number of advantages over a system relying exclusively on income support payments.

First, there are not only penalties for non-attendance at work and training (‘no work no pay’), but also incentives for participation. For example, individuals in receipt of the basic rate of CDEP wages can earn additional gross income of up to \$5,166 per quarter without becoming ineligible for CDEP wages.²⁰

¹⁶ Ibid, p.12 & 17.

¹⁷ Data supplied by FaHCSIA.

¹⁸ K. Jordan (2011) ‘Work, Welfare and CDEP on the Anangu Pitjantjatjara Yankunytjatjara Lands’, CAEPR Working Paper No.78, CAEPR, ANU, Canberra, available at <<http://caepr.anu.edu.au/publications/working.php>>.

¹⁹ DEEWR (2011). ‘Strengthening Job Seeker Compliance’, Web page, viewed 05 September 2011,

http://www.deewr.gov.au/Department/Budget/Documents/20112012/Strengthening_Job_Seeker_Compliance.pdf.

²⁰ Unless they have a partner who is not a participant in the CDEP scheme but whose gross quarterly income exceeds \$10,332. FaHCSIA (2010) ‘Program Specific Conditions for CDEP Program Funding. CDEP Supplementary Conditions, Annexure A of the 2009-12 Standard Funding Agreement’, FaHCSIA, Canberra.

Second, while CDEP participants in receipt of income support can do additional part-time work, they are then subject to the normal income taper on their social security payments. They do not lose benefits dollar for dollar but, on balance, the new payment rules may reduce the financial incentive to turn up to work and the incentive to work industriously once there.

Some critics have argued that top up rules have been a disincentive to finding alternative work.²¹ This may have been the case in some instances. However, it is also the case that many providers have used the top up rules to substantially improve work ethic among participants, such as by encouraging and rewarding attendance for more than the minimum two days to better replicate a standard working week. Participants exposed to these opportunities are much better placed to take up non-CDEP jobs when these become available. Indeed, there is evidence that, where jobs do become available, they are often filled by CDEP participants, and usually those who are most skilled and most ready for the demands and disciplines of regular work. It should also be noted that, in most cases, top up payments have only been available to the most productive and reliable workers in an effort to best equip them for a future of work off CDEP.

It is true that incentive structures need careful planning and monitoring to support the transition of CDEP participants into non-CDEP jobs wherever possible. CDEP wage rates should not encourage individuals to choose CDEP over other options such as paid apprenticeships or entry level jobs where these are available and they have the capacity to undertake them. Some changes to CDEP over the years—such as the introduction of a lower youth rate for CDEP wages in 2006—have sought to address these concerns. However, blanket generalisations of CDEP wages as a disincentive to take up alternative work are misplaced.

APO NT's proposed scheme minimises the risk that CDEP participants who are able to take up available non-CDEP jobs will elect not to do so. Its three tiered approach is designed to encourage transition through and beyond the scheme wherever this is possible.

4.3.1 Examples & case studies

During this project, a number of brief interviews with current CDEP participants were carried out to provide some short case studies regarding the varying value placed on elements of the way that CDEP was, and is, delivered. These included, the value placed on receiving a wage. These case studies are briefly recounted here.

Case Study 1

A 28 year old Aboriginal man on CDEP wages is not aware that CDEP wages will finish in April 2012 and be replaced by income support. He has enjoyed learning new things while working for CDEP wages, and current works on fencing projects and cleaning up outstations. He did not want to be moved onto income support and be managed by Centrelink. He would prefer to work for his own wages and control his own money. Though he might consider working away from his community, he would like to be able to return home each day. He feels that CDEP wages should be kept because they encourage younger people to take up the opportunity to learn things that will eventually get them a job.

²¹ Some making this argument have also erroneously stated that Newstart Allowance can be paid on top of CDEP wages. For example S. Hudson (2008). 'CDEP: Help or hindrance? The Community Development Employment Program and its impact on Indigenous Australians', *CIS Policy Monograph 86*, Centre for Independent Studies, Sydney.

Case Study 2

A 36 year old Aboriginal man on CDEP wages knows that CDEP wages will finish in April next year. He is worried about how this will affect him. He does not want to be placed onto income support and have his income managed. He has learned some good skills through CDEP and feels that this has helped him to get a properly paid job supervising the work of others. He would be prepared to leave his community for work because he does not want to lose wages. He thinks that it has been good for children to see their parents working for their money through CDEP.

Case Study 3

A 70 year old Aboriginal man has been on CDEP since 1985 and has recently become aware that CDEP wages will end in April 2012. He is upset because no one from government has been to talk with him about the changes. He is particularly worried because when that happens he thinks he will have his income reduced and he doesn't see how that can be good for him and his extended family. However, he thinks it is time for him to retire in any case. He says that being on CDEP helped him gain the skills and experience that led to him getting a properly paid job in the Council workshop. He doesn't see how else he could have got that job without CDEP as a stepping stone.

Case Study 4

A 42 year old Aboriginal woman has been on CDEP since 1991. She is aware that CDEP wages will end in April 2012. She doesn't mind going onto unemployment benefit if it means that she gets access to the Basics Card, which she likes. However, she has learnt a lot through being on CDEP, particularly skills that have helped her work in the local nursery. She would only be prepared to leave her community for work if that meant working on outstations. She thinks that the best things about CDEP wages have been earning more money while learning new things and having her children seeing her work and earn a good income.

Case Study 5

A 32 year old Aboriginal woman has worked in CDEP positions since 1999. She is aware that CDEP wages will end in April 2012. She is very worried about this because she will receive a lot less money on income support and says that she won't be able to feed her family. She wants to keep a proper job, like the one she already has. She doesn't understand why things should change. She lives in a large community and feels she should not leave it to find work because this is where her family lives. She has recently worked in one or two of the local businesses for CDEP top up. She thinks that apart from allowing her to earn more money, CDEP is good for training and for showing kids the way.

Case Study 6

A 41 year old Aboriginal woman who has been on CDEP since 2003 knows that CDEP wages will end in April 2012 but she doesn't know much else about the changes. She says that she does not want to go onto unemployment benefits. She wants to keep a paid job, and wants to be paid fairly for doing it. She wants to earn her own money and doesn't want to be put onto the Basics Card. She would not leave her community to work somewhere else because this community is home. She has recently been offered a full time 3-month contract with one of the local businesses, and she thinks that this is because she has proven herself on CDEP. She thinks CDEP should be kept because it is like a real job for more money, and her children see that she has to work for a living.

Case Study 7

A 38 year old Aboriginal man has worked on CDEP since he was 17, but has also held full time non-CDEP work from time to time. He has moved between CDEP and other work as opportunities have come and gone. He is aware that CDEP wages will end in April 2012, but he doesn't understand why. He is worried because he thinks it will mean that he is paid less money for the same work. He wants to earn and control his own money. He doesn't want to move elsewhere for work because as far as he can tell there is a lot of work that needs to be done in his own community. He started out working in a local mud brick factory and enjoyed this because he learned a lot of skills. He thinks that CDEP should be kept because he would give him the chance to learn other things, earn good money in community work, and that it would give kids something to aim towards as a stepping-stone.