

# Aboriginal Peak Organisations Northern Territory

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

## CDEP waged employment program benefits remote Aboriginal communities

The Australian Government policy to remove the waged employment component of the Community Development Employment Program<sup>1</sup> (CDEP) is progressively transferring remote Aboriginal workers from work to welfare, and undermining the economic and social development of remote communities and the Aboriginal community organisations they rely on.

The **Bawinanga Aboriginal Corporation (BAC)**<sup>2</sup> exemplifies the clear benefits derived from CDEP wages and the risks posed by their removal. BAC fosters social enterprise and provides a range of services to the Maningrida region. The removal of CDEP waged employment will have an enormous impact on BAC, and consequently on economic and social outcomes for this region. Expected impacts include that there will be lower employment (and associated flow on social problems), a slowing of the local economy and disappearance of some of the services currently provided by BAC.

### Background

Current Australian Government policy proposes an end to CDEP waged employment.<sup>3</sup> Instead, all CDEP participants are to receive income support payments from Centrelink for a minimum amount of 14 hours participation in authorised 'work readiness' activities or 'community development' projects. Participants cannot receive top up payments<sup>4</sup> and

<sup>1</sup> Now called Community Development Employment Projects.

<sup>2</sup> BAC is governed by the regulations as specified under the Office Registrar of Indigenous Corporations. This paper draws on the Bawinanga Aboriginal Corporation (2011) "*Building Sustainable Futures In Maningrida - Engagement & Employment Provision Post CDEP Wages Removal - Impacts and Solution Brokering*", Submission to the Remote Participation and Employment Services review pp.1,2,5-8.

<sup>3</sup> 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.

<sup>4</sup> 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.

will no longer be available as waged employees for the community services and enterprises run by Aboriginal CDEP organisations, such as BAC.

### Bawinanga Aboriginal Corporation (BAC)

BAC is a membership based Aboriginal organisation. The membership of BAC is made up of residents from the Maningrida region. BAC membership is based on residents from 32 homelands as well as in Maningrida itself. BAC has been delivering services since the 1970s, delivering CDEP since 1989 and delivering Remote Employment Services since 2009. BAC is a 100 per cent Social Enterprise Organisation, and is owned by the community it serves. BAC is not focussed on making profits but rather development of community capacity and employment through social enterprise. All profits from the spending that flows through BAC enterprises are retained within the Maningrida region.

### Benefits to the Maningrida region

BAC is the major service-provider to Maningrida and the 32 outstations situated in an area of over 10,000 square kilometres of Arnhem Land. BAC currently delivers up to 56 services in the Maningrida region. On current data available BAC employs over 70% of the existing regional workforce. Most of the services delivered by BAC were initiated through the CDEP program. The current service delivery units of BAC include: Djelk Rangers, BAC Aged Care, Maningrida Child Safety Services, BAC Crèche, BAC Women's Centre, BAC Money Management, BAC Training, Barlmarrk Supermarket, Good Food Kitchen, BAC Housing and Construction, BAC Fuel, BAC Outdoor and Camping Store, Maningrida Arts and Culture, BAC Mechanical Workshop, BAC Wildlife Arnhem Land Eco Cultural Tours, BAC Air Services and BAC Road Crew.

The vast majority of BAC's CDEP participants are currently waged, that is, approximately **333** participants out of a total of 419. These 333 waged

CDEP participants currently contribute approximately **38 to 40 hours** per week to services and programs in the region (in conditions very similar to mainstream employment). Once the wages are removed their contribution to services and programs in the region will decline to around **18 to 20 hours** per week. BAC reports that there are nowhere near 333 vacant jobs in the Maningrida area, and are not likely to be for some time.

## Risks of no CDEP wages

The loss of wages will result in a loss of **311,688 hours** of productive service per year for the Maningrida region. The BAC has estimated that the lack of CDEP wages will result in a loss of **\$1.248 million** in the local economy over a 12 month period. The reduction of monies will affect the local economy. The lack of wages will have a flow-on effect in the local community with a predicted reduction in income and employment capacity of many local businesses. The lack of employment, diminished income and dramatic increase in people with more spare time is also likely to compound social problems.<sup>5</sup>

BAC indicates a serious risk that the reduction in the local economy as a result of the cessation of wages will impact on its ability to run its more marginal social enterprises. The viability of some of the BAC businesses will be severely impacted by the withdrawal of payment of CDEP wages. The approximately 56 services provided by BAC would not all be able to be maintained without the CDEP wages. When the waged element of CDEP is removed BAC will need to review each service and project, and decide which can be maintained. The outcome will be a decline in service delivery, local jobs and access to real assistance and support for residents in the Maningrida region. Local government will not be in position to meet additional service delivery needs arising from the reduction of BAC services.

## Building on progress made

BAC illustrates the positive influence of local providers working with the community, and in the

interests of the community.<sup>6</sup> The loss of CDEP wages and corresponding loss of benefits that flow through the BAC to the Maningrida region will leave a gap in service delivery, employment and in the local economy. Without wages the quality of life in the communities in this region will further deteriorate. The unintended consequences of the move from wages to welfare needs to be carefully considered by the Australian Government and weighed against its reasons for this move. As the BAC case study illustrates, there is a need to properly evaluate the benefits of CDEP wages before making the decision to withdraw wages. If the Government does not learn from positive examples like BAC, it risks, perhaps inadvertently, taking Aboriginal communities backwards. Without CDEP wages there are limited possibilities for strong local organisations of a similar nature to BAC to develop in areas where there are currently no such organisations. This represents a lost opportunity for much needed employment and economic growth based on community capacity and self-reliance in remote Northern Territory communities. These communities need the type of growth that is sustainable, builds community capacity and promotes self-reliance, rather than reliance on welfare.

*\* For further information on BAC and the CDEP program, follow the links to the Bawinanga Aboriginal Corporation CDEP Program: <http://www.youtube.com/watch?v=OnSH38F4PxM>.*

## Contact

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

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<sup>5</sup> BAC submission “*Building Sustainable Futures In Maningrida - Engagement & Employment Provision Post CDEP Wages Removal - Impacts and Solution Brokering*” suggests under employment may lead to domestic violence associated with money shortages, or theft, as theft and crime may often be the result of not having enough money for basic necessities.

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<sup>6</sup> The empowerment, investment and control illustrated by BAC demonstrates why local providers should be preferred over outside service providers.