

A Nation Building and Jobs Plan for Indigenous Australia

I had the Senate Inquiry on the Nation Building and Jobs Plan accept a late submission along the following lines.

In November 2008 I provided the Australian Government with a proposal to revamp the CDEP scheme, not to abolish it.⁶⁶

Subsequently, the Government announced its decision to progressively close down regional CDEPs from 1 July 2009 and to end ‘grandfathering’ arrangements (i.e. abolish) in remote CDEPs from 1 July 2011. It is likely that these measures will greatly increase the level of Indigenous unemployment.

I would like to propose that the Australian Government suspend the planned abolition of CDEP, and re-fund those CDEP projects with a proven track record that have either recently been de-funded or that are facing closure. My argument is that CDEP should never have been abolished, but this is even more the case given the predicted dire downturn in the Australian labour market in 2009 and beyond.

The original rationale for rolling-back and abolishing CDEP at a time of low unemployment, when some believed there were private and public sector jobs that those on CDEP could be employed in, might have been debatable last year. The ambitious Australian Employment Covenant was adamant that 50,000 new private sector jobs could be delivered by industry.⁶⁷

But such optimistic views are probably beyond debate now as it is likely that available jobs will decline dramatically, especially in rural and remote Australia.

It makes no sense at a time of rising unemployment to be moving Aboriginal people out of CDEP jobs (where they are gainfully employed building infrastructure or delivering community services) and onto the dole queue.

Reinstating and reinvigorating CDEP is a low-cost and high impact option for the Australian Government which can quickly and easily be rolled out through existing arrangements. The marginal cost of providing a CDEP position rather than a place on the dole queue is minimal—mostly constituting administrative costs, training and consumables.

The CDEP program employed around 40,000 Indigenous Australians at its

⁶⁶ Jon Altman, ‘Submission to ‘Increasing Indigenous Economic Opportunity—A discussion paper on the future of the CDEP and Indigenous Employment Programs’, (CAEPR Topical Issue 14/2008)

<http://caepr.anu.edu.au/sites/default/files/Publications/topical/Altman_CDEP1408.pdf>.

⁶⁷ See Australian Employment Covenant (2012) <<http://www.fiftythousandjobs.org.au/>>.

peak in 2005. With the roll-back of CDEP in urban areas the number of participants has declined to about 25,000. Even at its peak the marginal cost of providing employment and training for 40,000 participants was in the vicinity of only \$150 million per annum above the sunken costs of Newstart and the ineffective Work for the Dole program.

Much of the community-based infrastructure to run CDEP is still in place and many of these programs could be quickly and easily reconstituted and improved. It makes more sense to revamp CDEP so that those for whom there is no employment during the economic downturn (that will continue for several years) can be engaged in productive and constructive activities, improving their skills, and maintaining their self-esteem and contact with the culture of work.

A revamped CDEP can be a part of the Government's nation building agenda and help to extend this project to regional and remote Australia. Revamping CDEP can also build on the Government's education and training agenda—by offering existing programs and frameworks through which improved on-the-job training can be offered without the delays and red-tape that would be involved in designing, building and approving new programs and administrative arrangements.

At a time when there are few Indigenous-specific proposals to deal with the inevitable impact of a national economic downturn on Indigenous Australia, a revamped CDEP might provide a cost effective avenue with proven track records that must be seriously considered by all concerned at the likely disproportionate impact of the economic downturn on the poorest and most marginalised Australians.

12 February 2009