



December 2006

Australian  
Council of  
Social Service

# **The Future of the Community Development Employment Program in Major Urban and Regional Centres**

Submission to Minister for Employment and Workplace Relations

## Introduction

In November 2006 the Minister for Employment and Workplace Relations released a discussion paper entitled *Indigenous Potential Meets Economic Opportunity*, on the future role of the Community Development Employment Program (CDEP) and various Indigenous and mainstream employment assistance programs in assisting Indigenous people in major urban and regional centres to obtain employment.

*Indigenous Potential Meets Economic Opportunity* indicates that the Government intends to withdraw funding for CDEP projects in major urban and regional centres that have 'stronger' labour markets from July 2007, and proposes a different model of labour market assistance for CDEP participants in these communities. In these areas, the CDEP and Indigenous Employment Centres would be replaced by a combination of brokerage services funded under the STEP program (an Indigenous employment program) and mainstream services including the Job Network. The network of Indigenous Employment Centres that is linked to CDEP schemes would also be disbanded from July 2007.

The CDEP is a long standing employment and community development program for Indigenous people that offers part time employment in local community projects in lieu of unemployment payments. It was established in the 1970s to address problems of chronic unemployment and long term reliance on income support in many Indigenous communities. The basic principle was to harness the income support entitlements of Indigenous people in these areas to provide work experience and improve the capacity of the community to provide services, rather than to leave the majority of people of workforce age in these communities jobless indefinitely. The program expanded beyond remote areas (with no local mainstream labour market) to other areas, including cities, when it became clear that many Indigenous people in major urban and regional centres also faced a future of long term joblessness. However, the program has not expanded substantially in recent years because its growth was capped. Approximately 35,000 Indigenous people participate in CDEP, most of whom live in remote parts of Australia. However, around one in five live in capital cities or major regional centres.

The release of this discussion paper follows major changes to the program that commenced in July 2006, affecting those in major urban and regional centres. The changes included a requirement for these CDEP participants to register with a Job Network provider and a 12 month time limit on their participation in CDEP. These changes followed the release of a previous discussion paper issued by the Minister in 2005, *Building on Success*. That paper acknowledged a number of strengths of the program, and canvassed strategies to improve its effectiveness in delivering community services and strengthening culture and community management as well as in improving mainstream job outcomes. Another significant change implemented at about this time was the establishment of Indigenous Employment Centres in conjunction with CDEP schemes, to assist participants to secure mainstream jobs.

ACOSS acknowledges the weaknesses of CDEP, especially the slow and uneven progress in helping people move from CDEP jobs into mainstream employment (where such employment exists), and the fact that CDEP services have often become substitutes for properly funded local social infrastructure (employing people in properly paid jobs). However, we consider that the best way to improve outcomes for participants and local communities is to build on its strengths, especially local Indigenous community management and the integration of employment assistance with other services, rather than hastily dismantling this long standing program in non remote parts of Australia. Changes already implemented, including the 12 month limit on participation in non-remote areas, should be given time to work and be properly evaluated before any action is taken along the lines proposed.

It is not clear on the limited evidence available whether the alternative model proposed in the discussion paper (provision of employment assistance through 'enhanced STEP' and mainstream providers such as Job Network) will produce better employment outcomes, given the entrenched barriers to employment faced by many Indigenous people. In any event, the proposed model runs counter to the other important objectives of CDEP recognised by the Government in *Building on Success* – to deliver essential local services, establish Indigenous business enterprises, and strengthen culture and the capacity of local Indigenous management. Local Indigenous management of services is particularly important. It lies at the heart of any viable long term plan to improve the social and economic conditions of Indigenous communities.

The timelines for consultation and implementation of the proposed changes are much too short, which will disadvantage many local Indigenous community organisations seeking funding under the proposed new arrangements. The proposed establishment of a 'national panel' of STEP brokers also disadvantages local Indigenous providers. Further, while the STEP program appears to be successful in assisting much smaller numbers of Indigenous people to obtain mainstream jobs, it is not whether it provides a suitable generic framework for the delivery of local employment assistance services to Indigenous people as implied in the discussion paper. Although tenders will call for funding under the 'enhanced STEP' program in one month's time, the discussion paper does not clarify the parameters of this program.

Further, there are a number of immediate, practical implications of the decision to remove CDEP funding from non-remote areas that should be more carefully considered:

- The loss of employment of 7,000 people, who will have to apply for income support, often at a lower level of income. Unless they find mainstream jobs quickly, this will increase unemployment in the affected areas.
- A loss of local community services, with no guarantee that these will be picked up under alternative sources of funding. Limited progress has been made in simplifying and 'joining up' mainstream funding programs so that local Indigenous communities can effectively use them.
- The likely collapse of a number of Indigenous business enterprises operated through CDEP.

**In view of these concerns, and the inadequate time provided for full and proper consultation with Indigenous communities, service providers and other stakeholders, ACOSS recommends:**

- **That the consultation period should be extended to properly canvass both the advantages and disadvantages of the proposed replacement of CDEP with a new model of service delivery in non remote areas. Alternative options for further reform, including the redesign of the CDEP in these areas, should also be canvassed.**
- **That this be informed by a thorough evaluation of the effects of changes to CDEP already implemented, and a clearer specification of the proposed 'enhanced STEP' program.**
- **That any major changes arising from this review be implemented from July 2008 instead of July 2007.**

The remainder of this submission provides some factual background on the CDEP and other employment programs, and discusses the strengths and weaknesses of the CDEP and the proposed alternative arrangements in non remote areas. Apart from strongly recommending that the Government consult more fully and review the evidence thoroughly *before* committing to this position, we do not make detailed recommendations on the future of CDEP and related programs. This is consistent with our view that insufficient time and information have been provided to consult fully and draw clear conclusions on the best way forward for Indigenous employment programs and related community services.

We acknowledge that the status quo – including the CDEP - has often not worked well for Indigenous communities and that this and other programs need reform. However, the complexity and persistence of Indigenous disadvantage does not lend itself to one sided solutions. One element of Indigenous social disadvantage (lack of employment) cannot be tackled effectively in isolation from the other elements (such as poor health and lack of social community infrastructure). Further, while the proposed changes may improve job outcomes for some, they will lead to joblessness and reduced income for others. These implications should be carefully weighed up before such a major policy change is confirmed.

## Consultation and decision-making process

ACOSS is disappointed with the following aspects consultation process over the proposed changes to CDEP in non-remote areas.

- Just over one month was allowed for submissions, after publication of the Discussion Paper.
- Government is not consulting over the key decision – the abolition of CDEP in major urban and regional centres - only its implementation.
- The proposed time lines for implementation are too tight.
- Requests for tender for STEP brokerages are due in January 2007, which will disadvantage many local Indigenous organisations with limited resources.
- The changes are to be implemented from July 2007, which provides very little time for Indigenous community services affected by the changes to source alternative funds, and for CDEP businesses to adapt to their new financial circumstances.

All of these factors are likely to weaken the capacity of Indigenous communities to respond effectively to the proposals and to manage the transition.

## Background information

Indigenous communities across Australia confront a set of entrenched social disadvantages including low levels of employment, poor health, family and social instability, and violence. Although there is a greater concentration of these problems in many remote communities, it would be a mistake to assume that the problems facing Indigenous communities in urban and regional centres are fundamentally different. For example, although more jobs are *potentially* available to Indigenous people in urban areas, and more Indigenous people are employed in these areas, the same barriers to employment – including discrimination, low education and skill levels, as well as many of the same social problems, exist in urban and regional centres. In addition, many Indigenous people living in major centres come from, and maintain strong connections with, more remote communities.

Policies and programs to reduce Indigenous unemployment in all parts of the country must be strongly connected to local initiatives to improve health, family and community well being, and education and skills. Fortunately, over the past 30 years a diverse network of Indigenous controlled local organisations and services has emerged to address these issues. Effective local Indigenous governance and involvement in the planning and delivery of services is essential to improve social and economic outcomes for Indigenous people.

## *CDEP*

The CDEP has operated as an Indigenous employment, business and service delivery program since the 1970s. Approximately 35,000 people are employed by 210 service providers across the country, including 7,000 people in 40 sites in major urban and regional centres.

CDEP provides an intermediate option between joblessness (and full reliance on income support) and mainstream employment. Instead of receiving income support, participants work on community projects, usually on a part time basis. Providers are funded an amount per participant roughly equivalent to unemployment payments, together with management and activity funding.

A significant proportion of Indigenous people of workforce age in urban and major regional centres are employed in CDEP. Estimates for 2002 from CAEPR indicate that 7 per cent of Indigenous people employed in urban areas, 11 per cent of those employed in 'inner regional' areas, and 15 per cent of those in 'outer regional' areas were employed in CDEP. If they were not employed in CDEP and could not find alternative employment, Indigenous unemployment rates would rise from 25 to 31 per cent in urban areas, from 30 to 37 per cent in inner regional areas and 29 to 40 per cent in outer regional areas.<sup>1</sup>

Many CDEP participants in non-remote areas are employed for more than the weekly hours required to earn the equivalent of unemployment payments. For example in 2002, 13 per cent were employed for 25-34 hours and 19 per cent for more than 35 hours. As a result, many of these participants earn more than the income support they would receive in the absence of CDEP. Average gross weekly earnings for CDEP participants in urban areas were \$291 compared with \$161 on unemployment payments. In inner regional areas CDEP participants earned an average of \$279 compared with \$166; in outer regional areas they earned \$275 compared with \$168. On the other hand, they earned much less than those engaged in mainstream jobs: an average of \$640 in urban areas, \$498 in inner regional areas, and \$576 in outer regional areas.<sup>2</sup>

Prior to the introduction of a time limit of one year on CDEP participation in non-remote areas, 55 per cent those in non-remote areas left within 2 years, compared with 41 per cent in remote areas. However, 15 per cent participated in CDEP in non-remote areas for five years or more.

As a result of training programs run through CDEP, participants are as likely to participate in vocational education and training as Indigenous people in mainstream employment.<sup>3</sup>

Detailed up to date information on mainstream employment outcomes from CDEP is not available. However, the Discussion Paper notes that in 2005-06 3,704 people moved out of CDEP into

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<sup>1</sup> Altman 2005, *CDEP 2005*. CAEPR Topical Issue 2005/07. Based on data in table 2. Note that separate data is provided for 'remote' and 'very remote' areas, though these are unlikely to be directly affected by the proposed changes.

<sup>2</sup> Altman 2005, *op cit*.

<sup>3</sup> Around half participated in VET in the last 12 months. Altman 2005, *op cit*

mainstream jobs, and that the number of people who did so increased in the three months to the end of September this year. DEWRs *Labour Market Assistance Outcomes* data indicates that the proportion of CDEP participants moving 'off benefits' has risen sharply in recent months to around 34 per cent. However, the timeframe over which these outcomes were achieved (e.g. 3 or 6 months after participating in the program) is not clear from this report.<sup>4</sup>

Some CDEP schemes also operate Indigenous Employment Centres (IECs), which are funded separately to assist CDEP participants obtain mainstream jobs. In the year to July 2006, 3,568 CDEP participants received help from these centres. Employment and education outcomes from this program were relatively strong, and commensurate with those from the STEP program (see below), with 55 per cent obtaining employment and 25 per cent achieving education and training outcomes. However, at this stage the centres have only assisted a small minority of CDEP participants.<sup>5</sup>

Other important outcomes from CDEP, which are not well documented at the national level, include:

- delivery of a range of essential community services such as security patrols, garbage services, child care and meals on wheels,
- participation in cultural and environmental activities including arts programs, land management and ceremonial activities,
- establishment of small business enterprises.

### *Job Network*

A similar number of Indigenous people participate in the Job Network across Australia. Participation is likely to have increased substantially since the changes to CDEP and remote area activity exemptions were implemented this year. Of those Indigenous people who obtained Intensive Support services, 38 per cent secured employment three months afterwards (compared with 55 per cent of all Intensive Support recipients). Around 9 per cent of Indigenous Intensive Support recipients achieved educational outcomes (completed a course) compared with 11 per cent of all Intensive Support recipients.<sup>6</sup> A major problem with the Job Network arrangements is that providers receive very limited funding to assist disadvantaged job seekers to overcome barriers to employment. For example, the Jobseeker Account for Intensive Support Customised Assistance recipients is typically worth just \$900 (or \$1,350 for 'highly disadvantaged' clients). This is not sufficient to support substantial wage subsidies, vocational training, reverse marketing or mentoring, for those job seekers disadvantaged in the labour market.

### *STEP*

A much smaller number of Indigenous people (3,496 over 2005-06) participate in the Structured Training and Employment Projects program (STEP). This program is targeted towards potential employers of Indigenous people. It funds temporary wage subsidies, vocational training, mentoring

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<sup>4</sup> DEWR (July 2006) *Labour market Assistance Outcomes*.

<sup>5</sup> DEWR (July 2006) op cit.

<sup>6</sup> DEWR (July 2006) op cit.

and other support to help Indigenous people secure and sustain a job. Either potential employers or brokers can be funded. Most STEP places are in the private sector.<sup>7</sup>

STEP offers more substantial support to overcome barriers to employment than is generally available through the Job Network. The kinds of assistance funded are generally found to improve the job prospects of disadvantaged job seekers. This may be a reason for its relatively high employment outcomes: 53 per cent secured employment and 24 per cent achieved education and training outcomes, three months after participation in STEP.

However, there is no accurate information on the effectiveness of STEP in *improving* job outcomes, compared with those that would have been achieved in the absence of the program. The official evaluation of the Indigenous Employment Strategy did not attempt to directly compare the outcomes of STEP participants with Indigenous people with similar characteristics who did *not* participate in the program, citing inadequate data. The evaluation did note, however, that STEP does not target *disadvantaged* Indigenous job seekers. In 2001, just 38 per cent of STEP participants were on unemployment payments. Many STEP participants were already employed when they commenced in the program. Thus, its relatively strong employment outcomes could also be due to the way participants are selected for participation in STEP. Further, it is well established that small scale employment assistance programs (such as STEP) often achieve better outcomes than those which extend to a larger population group (such as CDEP and Job Network). Significantly, the small minority of former CDEP participants who participated in STEP in 2002 achieved much lower employment outcomes than did other STEP participants.<sup>8</sup>

Further, STEP is mainly targeted towards larger employers in urban areas. It is not clear whether the current program is an appropriate structure for providing employment assistance on a much larger scale in regional Australia. Since it is a 'demand driven' program (which in other contexts is one of its strengths), it may flounder in regions where it is more difficult to recruit employers to take on Indigenous workers.

## Objectives

The focus of the Discussion Paper is on improving access to mainstream jobs for Indigenous people. Given the multiple economic and social disadvantages faced by Indigenous Australians, it is important to place this objective in its broader context: that is, the need to improve the overall wellbeing and life choices of Indigenous people. This requires a comprehensive policy approach, in which employment programs play a key but partial role.

Whether formally or informally, CDEP responds to a range of policy objectives:

- to improve workforce participation and employment,
- to raise incomes,
- to strengthen local community services,
- to strengthen local Indigenous community management,

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<sup>7</sup> DEWR (July 2006) op cit.

<sup>8</sup> DEWR 2003, *Indigenous Employment Strategy evaluation, stage 2*.

- to promote Indigenous business opportunities,
- to strengthen Indigenous culture.

CDEP is a flexible program. It allows local Indigenous communities to strike their own balance between these multiple objectives, according to local needs and the priorities and capacities of the local Indigenous management.

In its previous discussion paper on CDEP, *Building on Success*, these multiple objectives were recognised by the Government. For example, the paper proposed that the objectives of the program should formally be grouped into *employment, community, and business objectives* so that progress in meeting the objectives could be measured and assessed.

The current proposal to remove CDEP schemes from major urban and regional centres is based on a judgement that employment outcomes for Indigenous people could be improved in the absence of this program. However, *Indigenous Potential Meets Economic Opportunity* is silent on the program's other objectives. It does not discuss in any substantial way the likely impact of the proposed changes on community services, or the capacity of local communities to address people's other needs.

## Strengths and weaknesses of CDEP

It is not possible to draw clear conclusions on the effectiveness of the CDEP, given the time and the information available. However, the following are some of the program's strengths and weaknesses.

The CDEP program has the following *strengths*:

- *It is simple and flexible.*

CDEP enables local Indigenous communities to meet a range of employment and social objectives in ways that respond to the realities in each community – including employment opportunities, barriers to work, and the social problems and service deficits in each place. It facilitates a 'bottom up' rather than 'top down' response to community needs.

The simplicity and flexibility of CDEP is very important for the provision of local Indigenous community services. Most Indigenous communities have even more difficulty than mainstream communities do negotiating the maze of funding programs designed to meet specific health, education and social needs. This is one of the main reasons that Indigenous communities have used CDEP rather than a patchwork of mainstream funding programs to finance local services (including local government services, health services, education and community services). If mainstream programs were better joined up and funding was offered to local communities as a simple, coherent package, there would be less need for communities to rely on the CDEP to finance essential human services. However, even if this objective was vigorously pursued by Governments in partnership with Indigenous communities, such an ideal funding model would take years to achieve.

- *It generates employment and develops skills*

It is likely that CDEP projects employ many Indigenous people whose job prospects are otherwise very poor, though this is difficult to assess given the paucity of data. Although it does not provide mainstream employment, it may be a stepping stone towards that goal since the work performed often has many of the characteristics of mainstream employment.

For example, unlike most Work for the Dole schemes, CDEP delivers mainstream community services. As noted above, CDEP also improves access to vocational training.

- *It offers better incomes than income support.*

As noted above, many CDEP participants work longer hours than they need to earn the equivalent of unemployment payments, and are paid accordingly.

- *It provides essential community services.*

These include garbage collection, child care, meals on wheels, and community patrols. Given the chronic under-resourcing of essential community services for Indigenous communities, CDEP has often been left to fill the gaps.

- *It strengthens Indigenous community management.*

Although the quality of local Indigenous governance varies, this may be the program's most important contribution to addressing the social problems in Indigenous communities in the long term. Effective local community management and leadership is much more likely to identify problems and find workable solutions than intervention from 'outside' the community.

The CDEP's main *weaknesses* include:

- *It blocks transitions to mainstream (properly paid) jobs.*

The program is likely to have substantial 'lock-in effects', where participants are effectively discouraged from pursuing mainstream employment. Only slow progress has been made in assisting participants into mainstream jobs, although the discussion paper acknowledges that mainstream employment outcomes have improved substantially in recent months. This may reflect changes to the program such as the time limit on participation in non remote areas and the work of Indigenous employment centres.

- *It has become a substitute for (better funded) mainstream community services.*

Ideally, Indigenous community services would be provided by properly trained properly paid employees drawn mainly from the community. However, CDEP has to a same extent relieved Governments of their responsibilities to fund services properly – from basic physical infrastructure to community and health services. As a result, the standards of service are not always at a level that would be acceptable in mainstream communities. This problem should be addressed without undermining Indigenous management, as has occurred in those areas where community services have been tendered out under mainstream programs.

- *Its funding is not commensurate with mainstream employment programs (for employment outcomes and delivery of services) and is on an annual cycle only.*

CDEP schemes receive roughly the equivalent of unemployment payments for their participants, together with small management and activity subsidies. Where they achieve

mainstream job outcomes, they also receive a small outcome fee. However, other programs such as STEP and Job Network are generally better funded to assist participants into jobs.

- *Participants miss out on some of the financial benefits of mainstream employment and income support:*

CDEP is a half way house between income support and mainstream employment. This is a strength of the program, provided people are assisted to move into mainstream jobs. However, the ambiguous status of CDEP employment means that many participants miss out on both the supplementary benefits of employment and some supplementary benefits attached to income support. For example, it appears that the Superannuation Guarantee does not apply to CDEP employees, depriving them of millions of dollars in potential superannuation entitlements.

## Likely effects of the proposed changes

The immediate effects of the proposed changes include the following:

- 40 of 210 CDEP services (those in major urban and regional centres with 'strong labour markets') would be replaced from July 2007 with a combination of 'STEP employment brokers' and mainstream services (income support payments and employment assistance services), which *may* include specialist services for Indigenous people.
- 7,000 out of a total of 35,000 CDEP participants would be affected. There is no estimate at this stage of their likely distribution among the different employment assistance services, or the cost of the extra places required. For example, some would have labour market disadvantages requiring assistance through programs such as DEN and Rehabilitation, which may require an increased in capped places and expenditure on these programs.
- Indigenous Employment Centres linked to CDEP schemes would also be abolished.
- The STEP brokers and mainstream services that would offer employment assistance to former CDEP participants need not be managed by local Indigenous communities. Although the discussion paper states that former CDEP projects will be 'encouraged and assisted' to apply for funding, the tender process is likely to work against them. This is due to the tight timeframe (tenders for STEP brokers are due in January 2007), the establishment of a national panel of providers to fill local gaps in service provision, and the lack of clear specification at this stage of the precise nature of 'enhanced STEP brokerage' services.
- CDEP business enterprises in these areas would be 'assisted' to achieve commercial viability; that is, to operate without Government funding. The paper does not clarify what form this assistance would take, or over what period it would be provided.
- Former CDEP participants in these areas would need to apply for income support and would be assisted by either STEP brokers or mainstream employment services. Those assessed as 'not ready for training or job placement' (it is not clear by whom or on what basis) could continue in 'community work activities' managed by STEP brokers, though the conditions attached to 'community work' are not clarified.

The changes have the *potential* to improve the position of Indigenous job seekers in the following ways, but given the labour market experience disadvantage of many Indigenous people, it should be noted that these potential benefits may not be realised.

Some Indigenous job seekers affected by the changes *may* have a better chance of securing mainstream employment, due to a lower risk that people will become 'locked in' to the new programs, and the possibility that more resources would be made available to support paid employment experience and training through STEP.

However it is not possible to realistically assess the likely effect of the proposed changes on people's prospects of mainstream employment, given that there has not been sufficient time to properly evaluate the recent changes to CDEP, and the limited information available on the effectiveness of STEP and the way in which the proposed 'enhanced STEP' would operate on the ground.

The changes may, in a small way, add to pressure on State and Local Governments to properly fund community services through mainstream programs rather than relying on CDEP to subsidise them. This is unlikely to be achieved in the time frame presently envisaged in the discussion paper.

The potential *negative* effects of the proposed changes include the following:

- Up to 7,000 Indigenous participants in CDEP would lose their present positions and many of them would experience a significant loss of income as they move from CDEP to income support. Based on the employment outcomes of the Job Network and STEP for Indigenous job seekers (outlined above), only a minority is likely to secure mainstream employment in the short to medium term. Further, mainstream employment assistance services including the Job Network are geared towards quick employment outcomes.
- This means that unemployment rates among Indigenous people in the regions affected are likely to rise substantially, at least over the short to medium term (as indicated by the CAEPR estimates provided above).
- Many of these job seekers would have difficulty complying with the participation requirements attached to income support payments. This places them at risk of financial penalties of up to 8 weeks without income support. It is well established that Indigenous people, especially young people, face a higher than average risk of being penalised for 'participation failure'. The discussion paper does not clarify the criteria that will be used to assess which former CDEP participants should continue in some form of 'community work' placement through the enhanced STEP program.
- Local community services provided through CDEP including child care, meals on wheels, local government services, and street patrols, could collapse. Communities are unlikely to be able to patch together alternative funding through mainstream programs by July 2007, in time to save these services.
- A number of CDEP funded businesses are likely to collapse unless they were provided with appropriate assistance over a period extending beyond June 2007.
- Indigenous community management of local services, especially employment assistance is likely to be weakened. This has serious consequences for community well being in the longer term. It also means that expertise in the provision of employment assistance to Indigenous

people in these areas could be lost. This in itself is likely to have an adverse effect on employment outcomes for Indigenous people. For example, the evaluation of the Indigenous Employment Strategy notes that specialist Job Network providers were usually more effective than generalists in assisting Indigenous people to obtain jobs.<sup>9</sup>

- Employment services for Indigenous people in the areas affected would not be as well integrated with other services responding to the social and economic disadvantages faced by these communities. This could also reduce the effectiveness of these services.

## Principles and directions for reform

Apart from strongly recommending that the Government reconsider its decision to remove CDEP funding from non-remote areas and to comprehensively evaluate the program and consult before proceeding with major policy change in this area, this submission does not advance specific recommendations for reform of CDEP and related programs. However, the following are suggested principles and directions for reform in this area.

- Major policy changes should be based on thorough consultation with the Indigenous communities and services affected. They should not be implemented until this occurs.

This is not possible in the time frames proposed in the discussion paper. In any event, no consultation is proposed over the key proposal to remove CDEP funding in the affected areas.

- Employment programs, including CDEP, should aim to assist Indigenous people into mainstream jobs where these are accessible, and avoid 'locking people in' to labour market assistance. At the same time, the labour market disadvantages faced by many Indigenous job seekers should not be under-estimated. Programs that aim to achieve quick employment outcomes with limited resources are likely to fail. Programs that offer intermediate jobs of the kind provided in many CDEP schemes have an important role to play.
- As far as possible, employment assistance should be integrated with other policy responses to the social problems faced by Indigenous communities, even if this means that they are not focussed exclusively on employment outcomes.
- Mainstream funding for employment assistance and other community services should be provided in a simpler, more flexible format that strengthens Indigenous community based management and its response to problems on the ground, rather than absorbing its energies or misdirecting them.
- Anomalies in the levels of funding provided to Indigenous communities for labour market assistance and community services should be removed. That is, neither CDEP nor other community services should be expected to run "on the cheap".
- Similarly, participants in Indigenous employment programs, including CDEP, should expect a level of support from Governments that is commensurate with and responsive to their needs and barriers to employment, and to be properly remunerated for any work they do.

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<sup>9</sup> DEWR 2003, op cit.

- Reform of service delivery to Indigenous communities should aim to strengthen, and not undermine, Indigenous community leadership and the capacity of the communities themselves to respond to social and economic disadvantage.

**Following on these principles, and recognising the inadequate time provided for full and proper consultation with Indigenous communities, service providers and other stakeholders over the proposed changes to CDEP, ACOSS recommends:**

- **That the consultation period should be extended to properly canvass both the advantages and disadvantages of the proposed replacement of CDEP with a new model of service delivery in non remote areas. Alternative options for further reform, including the redesign of the CDEP in these areas, should also be canvassed.**
- **That this be informed by a thorough evaluation of the effects of changes to CDEP already implemented, and a clearer specification of the proposed 'enhanced STEP' program.**
- **That any major changes arising from this review be implemented from July 2008 instead of July 2007.**