



SUBMISSION TO THE DISCUSSION PAPER ON CDEP AND INDIGENOUS EMPLOYMENT PROGRAMS

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Introduction

The Desert Knowledge Cooperative Research Centre is a partnership of 28 agencies, government departments, non-government organisations and universities whose research focuses on the people and communities of the remote arid regions. We cover most of the 547,000 people who live in the 5.3 million km² of country classified as ‘desert’ (the arid and semi arid zones of Australia which make up 70 per cent of the land mass). Aboriginal people live in 1300 discrete desert settlements of as little as 50 people and their lands account for 20 per cent of all desert land. In the central arid zone there are 37,000 Aboriginal people.

DKCRC research is about making life sustainable for desert people and desert communities and promoting sustainable livelihoods in thriving desert region economies. We also look at how we can promote equitable access to services for remote settlements, particularly remote Aboriginal communities. Aboriginal people in remote desert communities are partners in our research and we have protocols in place to value their knowledge and protect their Intellectual Property. It is on this basis that we make our submission to this discussion paper.

Desert settlements are small and scattered and may be grouped into larger communities of interest according to language and cultural affiliations. There are limited economies in which mining, pastoralism and tourism provide restricted employment opportunities. Providing these settlements with economic opportunity through, for example, business development requires lateral thinking and a range of flexible support measures¹.

From our observations, it is no exaggeration to say that CDEP has been a transformative program in remote Aboriginal Australia. It is clear that CDEP has been the mainstay of land management programs² in the absence of alternative structures to support people working on country. These include cultural practices and their maintenance as work and place an economic value on them. In this regard CDEP has been a major contributor to Aboriginal people’s well-being and health³. Employment programs, then, are not simply about jobs: they are also about meaning for people’s lives. CDEP has also supported Aboriginal pastoralism, arts and crafts, community-run enterprise, municipal services and community infrastructure. Its local direction, community interest and community innovation are key factors in its success.

The trend towards tendering and corporatization – and hence dissolving the community basis of operation and adopting a rigidly centralised approach – generally results in insensitivity to local development priorities and locally adaptive modes of operation. Flexibility and local control, properly supported and properly accountable, are more likely to be effective.

CDEP reform

Developing individuals’ skills is a vexed question in a context where the training system has broken down. Training appears to have been led by the needs of the providers, rather than the clients. Low cost/high volume training is the preferred mode, which fails to meet the needs of rural, remote and desert Australia. If CDEP is to be an essential step in the transition to work, then local and individual needs should have priority and providers and systems need to work to people’s interests and skill levels. It would be a positive start to improve local delivery of vocational education and training and consistently support it – perhaps along the lines of the discontinued, but nevertheless largely effective

¹ See Appendix A: Aboriginal business in the desert *can* work; Submission to 2020 Summit, DKCRC 2008

² See Appendix B: Davies, J, *Enterprising Work on Country: incentives for biodiversity conservation and well-being*, Our Place issue 30, pp14-16, Alice Springs

³ See Campbell D, Davies J, Wakerman J 2007, *Realising economies in the joint supply of health and environmental services in Aboriginal central Australia*, Working Paper 11, Desert Knowledge CRC, Alice Springs.

Northern Territory Open College system of community-based lecturers and tutors. Rather than cater for the needs of a largely non-existent 'standard' labour market, however, it should look to local opportunities that may offer something meaningful to young people like multimedia, spatial-based learning for land management technology, oral history audio and video recording, technical skills for land management, pastoral work, infrastructure maintenance and so on.⁴

Whatever the skills development looks like in different places, a common feature should be that it is developed in collaboration with local authority systems and social networks – family groups, elders, and single-gender groups working together. This is likely to reinforce local authority and culture and at the same time offer greater incentives to young people to take up work and training. A similar approach may help encourage people to travel to take up work and training where these may not be locally available: it could involve negotiating permissions to visit country and developing senior Aboriginal people as mentors in the places to which the mobile work/training force travels.

Subsequently, appropriate case management that is based on demand/needs and not solely on supply would also assist effective transition to work for CDEP workers.

Business and local economies

We have concisely argued the case for more flexible business development in Appendix A. The Productivity Commission⁵ has also pointed out that there may be adverse impacts from National Competition Policy rules that require businesses arising from CDEP to cut ties with CDEP organizations after 12 months' operation. Surely it would be in the public interest to grant exemptions to remote community business. They may then be able to play a more significant role in the transition to work.

A CDEP business could also provide jobs and business opportunities by contracting, rather than paying wages to, small settlement family groups for land management services like fire management, threatened species monitoring and water management. It could equally contract a ranger group to do the work as top-up for CDEP as is current practice. Contract payment offers people more flexibility than wages and supports other activity on country. It could also work for essential services provision where the CDEP agency enters a contract to meet defined outcomes. The contract system works in Indigenous Protected Areas and is used by the South Australian Transport Department for engaging Aboriginal communities in signposting work on remote highways.

Communities

DKCRC has actively engaged Aboriginal people in our research program through the *Research Nintiringtjaku* workshops⁶. The model could be used to give DEEWR staff greater access to valid local knowledge about the effect of reform at the community level. It may also be effective building relationships between Aboriginal and non-Aboriginal agencies, business and families that will help break down social barriers to employment. It needs to be pointed out, however, that there may well be specific reasons for these barriers. If a non-Aboriginal company goes to lengths of importing overseas labour, say, when there are trained Aboriginal people from remote communities who can do the job, then there are systemic issues that employment programs need to deal with.

⁴ See also Young, M., Gunther, J. and Boyle, A. 2007. *Growing the desert: educational pathways for remote Indigenous people*. National Centre for Vocational Education and Research, Adelaide. Desert Knowledge CRC, Alice Springs <<http://www.ncver.edu.au/publications/1911.html>>;

⁵ Productivity Commission of Australia, *Overcoming Indigenous Disadvantage: Key Indicators 2005*

⁶ See <http://www.desertknowledgecrc.com.au/socialscience/desertknowledgecrcsocialscienceworkshops2006.html>

It is important to recognise that CDEP can provide the organisational structure to deliver services without necessarily using CDEP participants to deliver those services. It is inefficient to run more than one payroll or management system in a small and remote community and, as with CDEP businesses, the government sector could contract CDEP to deliver their services. Clearly locally-managed schemes can deliver services for non-local bodies to appropriate standards of accountability and performance measurement. There can be ‘nested’ governance: a local governance committee and local representation on non-local boards to support this.

As discussed earlier, activities that maintain culture are an important part of the definition of work participation in desert settlements and they carry their own motivation inherently. People engage with work activity that has meaning for them.

Partnerships

Partnership is the modern mantra for engagement with Aboriginal communities and organisations and it is poorly understood. Government agencies can foster partnership and at the same time fulfill a major community development role by negotiating what partnership might look like and what it would require from all parties. The tactic of predetermining the nature and shape of a partnership is demonstrably doomed to failure because it inevitably lacks any sense of ownership and direction by Aboriginal people. Similarly, shared goals, complementary services and collaboration will not exist without negotiation.

Developing partnerships in desert Australia takes time, however. It also takes the ability to disengage from desired outcomes, at least during the relationship-building phase of a partnership. Programs that are centrally-driven (see earlier comments about the training system) are unlikely to meet the needs of the people they are supposed to work for.

Conclusion

If there was no CDEP in remote desert Australia, it would be necessary to invent it. That is not to say it should remain immutable and unbending. A CDEP that meets the needs of desert Aboriginal people – and indeed Aboriginal people who need its support wherever they belong – is likely to remain a key element in the portfolio of employment programs for some time to come. Making it more effective is not simply a matter of making it more efficient and consistent according to the needs and wants of the majority non-Aboriginal culture. Negotiating mutually acceptable outcomes is the way forward. The key to successful negotiation is recognizing and respecting the needs of Aboriginal people at local levels.

APPENDIX A: Submission to the 2020 Summit

Aboriginal business in the desert *can* work

The increasing push for economic independence for Aboriginal people has yet to make a difference in the desert and other remote areas.

Unemployment remains high and is compounded by a lack of job opportunities.

Micro and small to medium enterprises (SMEs) can generate income and increase economic self-sufficiency.

But they suffer a high failure rate, especially in their first five years, and the very nature of the desert creates challenges.

There are small populations far from market centres, with poor infrastructure and services and without the critical mass to support business.

The ones that survive offer insights into what it takes to succeed.

Business success may be influenced by:

- the goals, motivation and the personal commitment of the entrepreneur
- their skills and knowledge of starting and operating a business and marketing products
- their willingness to innovate
- their personal and interpersonal skills in supporting staff
- their access to start-up capital, operating expenses and labour resources.

But there are external factors in play as well, like:

- support mechanisms, such as business development organisations
- the target market
- conditions in the environment that may affect the ability of the business to respond to challenges
- socio-cultural factors
- a supportive policy environment.

Equally, there may be external constraints.

Most Aboriginal businesses have difficulty getting bank finance because they may have no collateral or are unable to meet stringent requirements.

Cultural and social factors may influence them to be reluctant to approach formal financial institutions.

They might be unaware of programs that support Aboriginal people setting up SMEs or they may have difficulty filling out the forms without help.

As there is usually small local demand, the business needs to be able to reach and attract outside markets, which involves high transport costs.

Business can overcome remoteness by taking a creative and strategic approach: by networking, using information technology, collaborative marketing and developing better linkages with the supply chain.

But the environment needs to change to remove barriers to start-up and growth for SMEs – and particularly for Aboriginal SMEs.

This means:

- access to enterprise education and training, involving business planning, marketing and management
- better access to credit and financial resources through creative funding mechanisms like micro-credit, which can be delivered in a quick and timely manner
- support programs and credit delivery that genuinely engage Aboriginal people and recognise Aboriginal values and culture.

While it is important to investigate models from programs that have managed to get Aboriginal people into businesses, it is equally important to recognise that one size does not fit all.

Support programs need to look at what does and doesn't work and to identify likely conditions for success, but they also need to engage with Aboriginal people, find out their aspirations and work out how best to support them.

Programs for long-term change should complement the fast-track programs and a combined effort will mean successful and enduring desert businesses.

Appendix B:

Enterprising Work on Country: incentives for biodiversity conservation and well-being

The region

Across the Spinifex deserts of Australia's outback, a myriad of land use and land management activities occur. Many of these activities are linked to Aboriginal customary authority and responsibilities, including the teaching and use of traditional knowledge, food production and harvesting, and the maintenance of habitat resources. The biodiversity values of the region are comparatively high because the diversity of naturally occurring plants, animals and other organisms are still mostly present, with some special sites such as desert wetlands, and rare plants and animals. The relative integrity of Aboriginal traditional knowledge systems provides a distinctive resource and capability for biodiversity conservation.

Aboriginal people, numbering 14,500, form the vast majority of this region's sparse population. Incomes are very low and health very poor compared to national benchmarks. Arts and craft production is the main market activity. The most extensive land use is customary production of food, although production is low compared to tropical regions. Cattle grazing is a minor land use on the margins of the region. 15% of the region is managed as part of the National Reserve System including as Indigenous Protected Areas (IPAs) and around 64% is held under various forms of title by Aboriginal groups. The region is characterised by a very hot, dry climate, hummock grasslands (spinifex, *Triodia* spp) and acacia and eucalypt woodlands.

Land management activities

Aboriginal landowners are highly motivated to do some land management activities because the activities have a high private benefit to them. This benefit is, for example, through food production and recognition of their authority over country. These activities also often have direct or indirect benefits for biodiversity conservation, thus benefiting the Australian public at large. Some such activities are:

- burning, which creates habitat mosaics, and promotes availability of some plants and animals valued by landowners
- maintenance of water sources, such as removing silt from natural rock holes, which promotes habitat for water dependent native animals, and which also often involves landholders in fencing to exclude camels and other large feral animals
- customary and commercial harvest of plant foods.

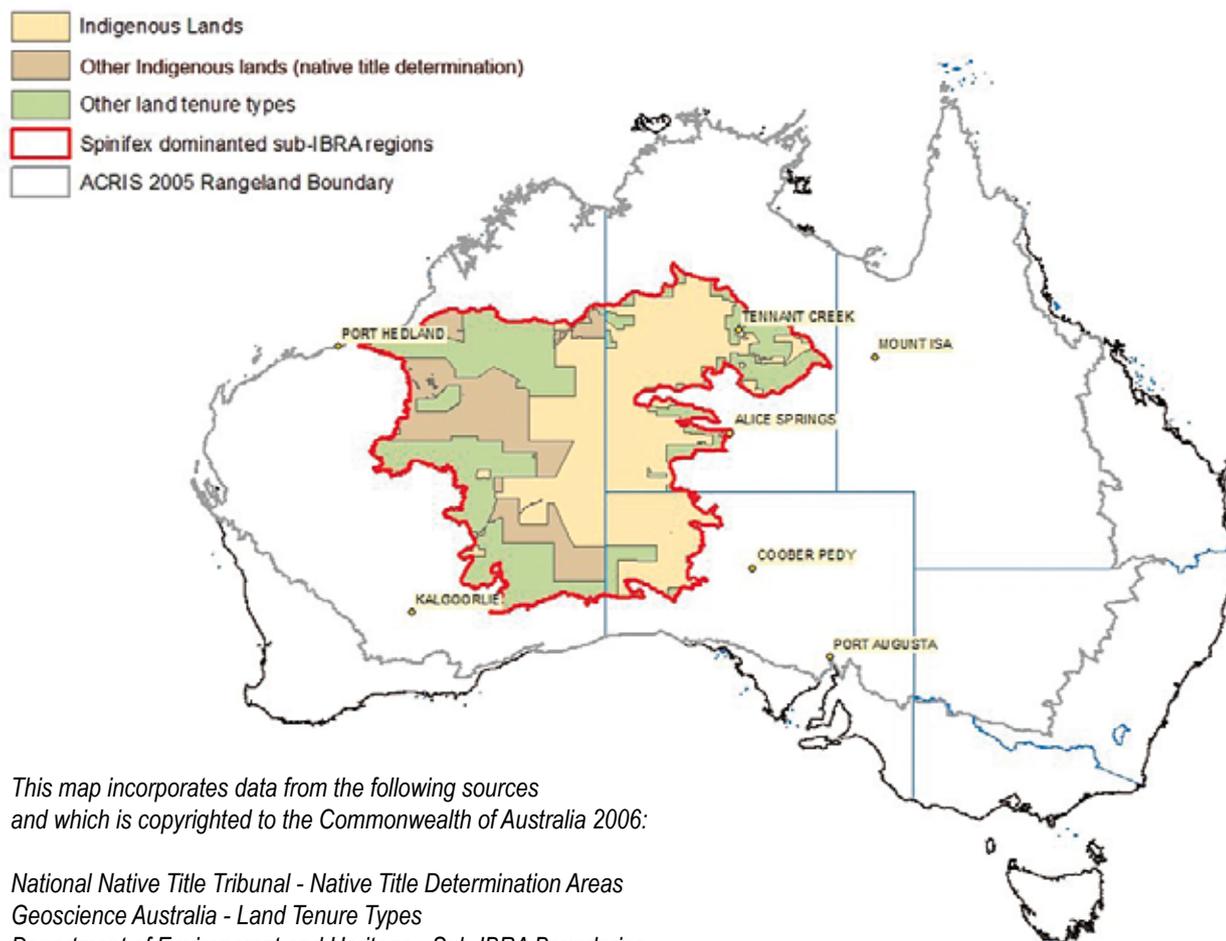
The value to the Australian public of these kinds of activities is typically not well recognised. This value comes in part from the landholders' actions in addressing threats to biodiversity such as changed fire regimes (from lack of patch burning) and feral animal impacts.

Aboriginal landholders don't necessarily set out to improve biodiversity, but this is the outcome of these kinds of land management activities. At the same time, landholders can have a positive impact on their own health, through better diet and regular exercise, and a positive impact on the social and psychological factors that are important to determining good health, such as a sense of control, and recognition of knowledge and skills. There are economic efficiencies from the time and other resources invested in land management activities because improved health and improvements in the natural environment are both being produced: the whole is bigger than the sum of the parts. Traditional knowledge and language are maintained through these activities. The observational and other skills generated also contribute to capacity for biodiversity conservation, to landowner motivation, and potentially to 'readiness' for other kinds of work roles.

Paid work can provide incentives for landowners to address threats to biodiversity that are not of inherent concern to them, such as weeds and high feral animal populations. But uptake of such work opportunities depends on other motivating factors being present such as a good relationship with the program coordinator/facilitator and an appealing team work approach that engages and builds on existing skills and knowledge. Respect for customary authority structures is important to all of this work – Tjukurpa is strong in the Spinifex deserts and no land management effort is sustainable unless this customary Law is respected.

Grant funded biodiversity conservation projects are usually undertaken by 'mid-level' organisations who operate across a region - the Land Management Units of land councils and landholding bodies, or conservation NGOs. These typically work with local organisations and individual landowners or small family groups but effort and outcomes are often dampened by short term funding and staffing turnover. Grant funding and training resources are supporting the development of community ranger groups in the region, particularly in the NT, with apparently valuable outcomes for youth development as well as biodiversity conservation.

The CDEP projects run by outstation resource agencies and community councils have been critical in providing paid work for many landowners in land management activities, providing infrastructure such as a payroll and an operating base, as well as base wages. Grant funding, often via the National Heritage Trust, provides critical support for project coordination, equipment and pay for landowners or 'top up' to CDEP wages. The transition from CDEP in the Northern Territory highlights the need for new ways of doing things.



This map incorporates data from the following sources and which is copyrighted to the Commonwealth of Australia 2006:

*National Native Title Tribunal - Native Title Determination Areas
Geoscience Australia - Land Tenure Types
Department of Environment and Heritage - Sub-IBRA Boundaries*

Map of the Spinifex deserts and land tenure types.

Incentives for biodiversity

Landowners who invest time and money in maintaining and improving biodiversity generally get no reward in the market place – e.g. no higher price for the goods and services they produce. Thus they may have little incentive to manage their land for biodiversity. There is a case for enabling more overt incentives to be applied for biodiversity conservation outcomes from Aboriginal lands that can also spin off much needed economic, social and health benefits for those involved.

Market Based Instruments (MBIs) provide a way for landowners to get recognition for the value of the biodiversity benefits that come from their land management practices, and a way to encourage landowners to manage their land for biodiversity benefits. MBIs are policy tools that encourage certain behaviours through market signals rather than explicit directives such as regulation. MBIs are being increasingly used in Australian environmental management to ‘reward’ landowners for their investment in producing goods and services which are of broad public benefit. The behavioural change that is sought through a biodiversity MBI is in landowners’ management practices, to conserve biodiversity of high value and to reduce threats to biodiversity. This approach to biodiversity conservation is being applied in the central Australian West Macdonnell Ranges, part of the Maintaining Australia’s Biodiversity Hotspots Programme, using a stewardship approach led by Greening Australia and implemented by landowners who will bid for funds for stewardship activities which go beyond their duty of care.

Well designed MBIs have the potential to deliver outcomes at lower cost to government and with improved flexibility for landowners than many alternative policy options. However they require a good understanding of landowner motivations, the appeal of different incentives, the use of a market to find cost effective approaches and how these might interact with other factors affecting landowner behaviour.

Commercial bush harvest of plant foods provides some good pointers to understanding a market approach to biodiversity conservation. It is a rare example of market engagement in the Spinifex deserts that has developed with no government or Aboriginal organisation subsidy or support. Two things have been very important for this. Firstly harvesters (Aboriginal women) have the necessary knowledge and skills and can easily access the simple tools they need for harvesting as well as the permission they need under customary Law to harvest. Secondly, wholesalers, or traders (individuals, small enterprises and joint ventures), can link to harvesters, usually by face to face contact on bush trips for ordering and buying, and also link to people who want to buy the bush foods. Thirdly, harvesters and traders can understand the terms of trade: specific parts of a plant (eg fruits, seeds) cleaned and bagged are traded for a price per kg which represents the market price.

Commercial bush harvest engages harvesters willingly because financial incentives align with other incentives that have strong appeal to them. These are related to expressing cultural identity, pride and confidence from using customary skills and knowledge and recognising the value of the activity to ‘outsiders’. Harvesters have flexibility in how they do the harvesting – they can combine it with other activities that are important to them, maybe getting food for family, or having a day out with kids and teaching them about country. Harvesters would not have this flexibility if they were being employed to collect bush foods, and paid an hourly or daily rate.

Commercial bush food harvest and market approaches to biodiversity are different because government is always likely to be involved in biodiversity conservation: government is the main ‘buyer’ of biodiversity conservation services all around Australia. Nevertheless there are many lessons for market approaches to biodiversity from commercial bush food harvest. One lesson is that the ‘terms of trade’ need to be

clear. Aboriginal landowners and government need a shared understanding of how the ‘amount’ of biodiversity that landholders maintain or enhance through their land management actions, and that government agrees to pay them for, is going to be assessed or measured.

In the Spinifex deserts market signals about biodiversity conservation will very rarely be detected by Aboriginal landowners unless they are communicated by mid-level actors. Individuals and organisations in this mid-level space are interpreters or ‘translators’ between government and Aboriginal landowners. Effective mid-level actors can engage with both groups, understand their motivations and incentive structures and contract and maintain accountabilities with both. In the commercial bush harvest of plant foods, wholesalers or traders fulfil this critical mid-level role.

Harvesters get their market signals through the actions of wholesalers. Wholesalers get market signals directly from their produce sales and their own market research. They understand enough about the resource and harvester activities to design supply systems and price incentives that meet market demand. In contrast, retailers and consumers tend to know very little about how the market signals they generate by selling and buying products containing bush harvested ingredients (or not doing so) actually impact on harvester behaviour.

Extending this supply and demand chain analogy to biodiversity conservation, government can be seen to be in the same position as retailers and consumers of bush foods. As governments ‘turn the tap’ of land management support funding on or off, they directly influence how much biodiversity conservation landowners do. Mid-level actors have an analogous role in biodiversity conservation to that of wholesalers in the bush food industry. Their relationships and communication with landowners are critical factors in translating incentives offered by government and other potential purchasers of biodiversity benefits into changed actions and behaviours by landowners.

A well developed biodiversity value chain for the Spinifex desert region would have several components.

Purchasers of biodiversity outcomes, such as governments and industry.

Brokers: mid level actors (organisations, enterprises and individuals) who understand purchaser requirements for biodiversity conservation and also the assets, capabilities and motivations of landowner collectives; who have clear incentives to make an effective match; and who have the capacity to negotiate with both parties to achieve effective contracts.

Landowner collectives with capacity to deliver to biodiversity conservation outcomes sought by purchasers (either directly, through a ranger workforce or by sub-contracting to other enterprises or individuals).

Individual landowners and family groups: members of landowner collectives whose behaviours and actions are regulated by effective social controls in place within the collective, such that their actions support the biodiversity conservation outcomes being pursued by the collective, or at least do not detract from those outcomes.

An enterprising biodiversity economy

Contracting for biodiversity benefits offers a key opportunity to support the development of an economy in Spinifex deserts in which landowners realise benefit from their extensive landholdings in proportion to effort rather than only seeking ‘rent’ or ‘royalty’ for use of the resources from those lands by others.

Biodiversity services offer one of very few potentially commercial land uses that Spinifex deserts Aboriginal landowners can pursue to address current welfare dependency. They also offer the strongest option for maintaining transmission of traditional ecological knowledge. Out-

comes from well designed action to achieve biodiversity benefits also holds promise for considerable benefit to landowners’ health and well being.

Arguably this integral relationship between knowledge, capacity, and the health and well being of landowners needs to be better recognised in national and regional planning for biodiversity conservation. Equally, the importance to Aboriginal health and well being of sustaining Aboriginal landowners’ active engagement with their lands in the Spinifex desert needs to be more overtly recognised in approaches to Aboriginal development in the region.

A social enterprise model that values outcomes for health and well being as well as biodiversity outcomes is appropriate to developing capacity amongst landowner collectives for enhanced biodiversity benefits in the Spinifex deserts. ‘Social enterprises’ are organisations that trade in goods or services and link that trade to a social mission. Social enterprises are generally held to comprise the more business like end of the spectrum of non-government organisations, with at least half their income derived from trading rather than from funding.

The social enterprise model is appropriate to developing markets for biodiversity benefits in Spinifex deserts because of the array of interdependent human capital and social issues which now limit Aboriginal landowners’ capacity for market engagement. Social enterprise development for biodiversity conservation could be pursued by matching two investment streams: investment from social sectors of government and philanthropic organisations in enterprise establishment, physical asset management, human resources development and governance; and a program to develop contracts in environmental monitoring and biodiversity asset management.

Key to the success of a social enterprise approach is recognition of the variability and seasonality of work on country, driven as it is by climate and geography. Flexibility and diversity in the range of activities pursued through contracts is important as is an incremental approach to building landowner capacity. The nature and role of landholder organisations that can function as employers and contractors for biodiversity services needs to be worked through, as does the identity and characteristics of effective broker organisations. Governments and industry readily purchase services in other sectors. This needs to extend to recognising and valuing the benefits of biodiversity services. The issue is paramount in this era of global warming because the threats to biodiversity are increasing, and because effective fire management for biodiversity will also have benefits for mitigating greenhouse gases.

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