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DISCUSSION PAPER

**The comparative economic status
of CDEP and non-CDEP community
residents in the Northern Territory
in 1991**

J.C. Altman and B. Hunter

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ABSTRACT

The Community Development Employment Projects (CDEP) scheme is a program where participants forego social security entitlements and work for rough equivalents of these entitlements. The scheme has expanded rapidly over the past decade and now operates in 250 Indigenous communities. While the scheme has multiple objectives, it is arguably primarily a labour market program. While there is a growing body of research about the scheme, key research and policy questions about the labour market effects of the scheme on participating communities, in contrast to other communities, have never been asked.

This paper represents the first attempt to compare labour market outcomes at a sample of CDEP and non-CDEP communities in the Northern Territory. This exercise is undertaken with community profile data (on Indigenous people only) from the 1991 Census: ten CDEP and nine nearby non-CDEP communities are compared. Five variables – labour force status, industry structure, occupational status, sector of employment and income status – are analysed.

The paper's results are potentially of considerable policy significance. While official employment levels at CDEP communities are predictably higher than at non-CDEP communities, these levels exceed the direct effect of scheme participation. However, income status at CDEP communities is a little lower than at non-CDEP communities, a puzzling outcome given the options to earn additional income when participating in the scheme. Another puzzling outcome, counter to the views of some researchers, is that there is little statistical evidence of the scheme being used as a substitution funding regime. It is recommended that results are treated with caution given the regional focus of this exploratory analysis.

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The Community Development Employment Projects (CDEP) scheme is the Aboriginal and Torres Strait Islander Commission's (ATSIC's) largest program, a program that is regarded primarily as a labour market program.¹ In 1996, twenty years after its introduction as a pilot, the CDEP scheme remains somewhat ambiguous and contested. In recent years, and in particular since the launch of the Aboriginal Employment Development Policy (AEDP) in 1987, considerable research has been undertaken on the scheme.² Much of this research has highlighted the need for statistical information about the effectiveness of the scheme. A particular problem has been the absence of a direct means to identify CDEP scheme participants from census data (see Altman and Daly 1992). It is likely that this shortcoming will be rectified in coding of 1996 Census data. The recently completed National Aboriginal and Torres Strait Islander Survey (NATSIS) also included a specific question about CDEP employment (see Australian Bureau of Statistics (ABS) 1995; ABS/CAEPR 1996).

A fundamental research and policy question, however, has not been asked about the scheme, namely how have groups and communities who have joined the scheme fared in comparison with other groups who have not. This paper, somewhat belatedly, utilises 1991 Census data to address the important policy research question: do the socioeconomic characteristics of residents of communities which participate in the CDEP scheme differ in any significant or discernible way from those of residents of communities who do not participate in the scheme? When unit record data from NATSIS become available later in 1996, such an issue can be addressed for individuals and, when 1996 Census data become available late in 1997, such a question could be effectively answered as all CDEP scheme participants will be identified. Until then, only community profiles data, combined with administrative information, can be used to contrast key economic indicators at communities participating in the scheme with other communities which, in 1991, remained outside the scheme's coverage.

Methodology

The primary focus of this paper is to examine, using 1991 Census data, the similarities and differences between a select sample of ten communities participating in the CDEP scheme with nine that are not. The paper focuses on the Northern Territory (NT) for three reasons. First and foremost, a number of discrete CDEP scheme and non-CDEP scheme communities (hereafter abbreviated to CDEP and non-CDEP communities) can be identified in published community profile data (ABS 1993). Second, the fact that these communities are relatively geographically discrete means that to a great extent ABS census and ATSIC administrative data sets could be correlated. Third, the CDEP scheme has been in existence in the NT as long as anywhere in Australia.

Communities selected

In 1991, according to ATSI administrative data sets, there were 28 communities or outstation resource centres in the NT that participated in the CDEP scheme; there were 4,146 individuals participating in the scheme. For this analysis, ten of these communities were selected because they formed discrete identifiable participating communities. A decision was made to avoid communities with associated outstations participating in the scheme as this would have made correlation of census geography (community profiles rather than regional data) and administrative data incompatible (Altman and Daly 1992).

The CDEP communities chosen for analysis were Beswick (Wugularr), Gapuwiyak (Lake Evella), Lajamanu, Milikapiti, Ngukurr, Pularumpi, Pine Creek (Kybrook Farm), Santa Teresa, Umbakumba and Willowra. The geographic distribution of these communities is indicated in Figure 1. A wide geographic range, within the constraints outlined above, was intentionally sought. In 1991, there were 1,381 CDEP scheme participants at these ten communities, representing 33 per cent of all NT participants.

Figure 1. Location of CDEP and non-CDEP communities in the NT.



The nine communities that were chosen as the 'control' group because they were not participating in the scheme were selected in an attempt to achieve a similar geographic spread as for participating communities. These communities, also indicated in Figure 1, were Amoonguna, Angurugu, Borroloola, Bulman, Katherine township, Nguiu, Ramingining, Ti Tree and Yuendumu. For both CDEP and non-CDEP communities an attempt was made to select communities that are isolated from one-off influences or, if a major development was influential, then we ensured that both a CDEP and non-CDEP community from the region were included in our sample.³

Table 1. Some population and labour force characteristics at selected CDEP and non-CDEP communities, 1991.

Community	Population 15 years plus	Labour force	Participation rate	CDEP scheme participants	Year joined scheme
Beswick	188	128	68.1	128	1988-89
Willowra	189	122	64.6	130	1988
Umbakumba	189	100	52.9	104	1990-91
Santa Teresa	236	115	48.7	87	1986-87
Pularumpi	156	85	54.5	64	1989-90
Pine Creek	94	48	51.1	62	1989-90
Ngukurr	429	280	65.3	308	1988-89
Milikapiti	266	203	76.3	150	1988-89
Lajamanu	365	227	62.2	250	1989-90
Gapuwiyak	180	43	23.9	98	1980
Total	2,292	1,351	58.9	1,381	
Bulman	59	12	20.3		
Ti Tree	217	61	28.1		
Angurugu	378	63	16.7		
Amoonguna	101	33	32.7		
Nguiu	615	126	20.5		
Katherine	869	389	44.8		
Borroloola	195	122	62.6		
Yuendumu	347	133	38.3		
Ramingining	242	88	36.4		
Total	3,023	1,027	34.0		

Sources: ABS (1993); ATSI administrative data.

Table 1 indicates communities chosen, populations of working age (aged over 15 years), labour force participation rates, CDEP scheme participant numbers (from ATSI data sets, at July 1991) and the year each community joined the scheme. Despite the attempt to select similar communities, CDEP communities are, on average, smaller (357 persons)

than non-CDEP communities (555 persons). Two other features of Table 1 are noteworthy. First, all CDEP scheme communities, except for Gapuwiyak, only began participating in the scheme since 1988. This reflects, in large part, the rapid expansion of the scheme since the launch of the AEDP in 1987 (Taylor 1993a). Indeed, in 1986, there were only four communities with 720 participants in the scheme in the NT. Second, it is important to recognise that not all scheme participants are in the labour force: despite the fact that the CDEP scheme is often referred to as a 'work-for-the-dole' scheme, not all participants work. Hence, in Table 1, it is evident that at some communities the number of CDEP scheme participants exceeds the size of the labour force. This is an issue that is discussed in greater detail below.

Caveats

It is important to note that the analysis in this paper is circumscribed by several caveats most of which arise from the fact that CDEP scheme participants were not identified in the 1991 Census. The communities in this analysis are selected, rather than randomly chosen, primarily because they cover a number of communities known to either participate or not participate in the scheme. Because the sample represents a significant proportion of the adult Indigenous population (23 per cent) and labour force (24 per cent) in the NT, this is not a major shortcoming but, nevertheless, it should be borne in mind. In particular, communities were chosen in an effort to ensure that no major structural differences existed between the two types (CDEP and non-CDEP) of communities.

Second, there are data shortcomings. While the analysis here focuses on community profile data from the 1991 Census, in places use is made of ATSI administrative data sets (CDEP participant numbers). It should be noted that these two data sets are collected by very different methods. This creates problems in attempts to reconcile the number of CDEP participants (1,381 in Table 1) with the size of the labour force (1,351) at CDEP communities. It also creates uncertainty about the allocation of CDEP participants between employed, unemployed and not in the labour force. This reconciliation problem is addressed in Appendix 1. It is important to recognise that not all part-time employment in CDEP scheme communities occurs under the auspices of the scheme. It is impossible to assess from census data if employment is generated by the CDEP scheme; nevertheless, it must be recognised that some part-time employment is available for Indigenous people at all CDEP communities that is quite independent of the scheme. Finally, in Tables 4 to 7 the 'not stated' category is very high, particularly at non-CDEP communities. It is difficult to find reasons for this, but it highlights that data must be treated with caution.

General findings

The data from community profiles have been tabulated into six tables that differentiate a number of variables at CDEP and non-CDEP communities. Particular attention is focused on employment status, industry structure, occupational structure, sector of employment and income status.

Employment and unemployment

Table 2 presents data on population, employment and unemployment, and employment/population and unemployment/population ratios, in CDEP and non-CDEP communities. In aggregate terms, it is apparent that the employment/population ratio at CDEP communities at 56.3 per cent is much higher than at non-CDEP communities (at 19.9 per cent). Conversely, the unemployment/population ratio (2.7 per cent) is much lower at CDEP communities than at non-CDEP communities (14.0 per cent). At CDEP communities there is one anomalous result: Gapuwiyak has an unusually low employment/population ratio of 22.2 per cent.

Table 2. Employment and unemployment at selected CDEP and non-CDEP communities, 1991.

	Population over 15 years	Employed	Employment/ population ratio	Unemployed	Unemployment/ population ratio
Beswick	188	125	66.5	3	1.6
Willowra	189	113	59.8	9	4.8
Umbakumba	189	97	51.3	3	1.6
Santa Teresa	236	115	48.7	0	0.0
Pularumpi	156	76	48.7	9	5.8
Pine Creek	94	45	47.9	3	3.2
Ngukurr	429	280	65.3	0	0.0
Milikapiti	266	194	72.9	9	3.4
Lajamanu	365	205	56.2	22	6.0
Gapuwiyak	180	40	22.2	3	1.7
Total	2,292	1,290	56.3	61	2.7
Bulman	59	9	15.3	3	5.1
Ti Tree	217	21	9.7	40	18.4
Angurugu	378	57	15.1	6	1.6
Amoonguna	101	27	26.7	6	5.9
Nguiu	615	120	19.5	6	1.0
Katherine	869	230	26.5	159	18.3
Borroloola	195	41	21.0	81	41.5
Yuendumu	347	56	16.1	77	22.2
Ramingining	242	42	17.4	46	19.0
Total	3,023	603	19.9	424	14.0

Source: ABS (1993).

If 'non-CDEP' employment is factored out (making the assumption that the non-CDEP communities' employment/population ratio of 19.9 per cent applies to CDEP communities), then it can be calculated that 834 persons at CDEP communities are 'employed' because of the scheme. This represents 60 per cent of scheme participants at these communities (see Table 1) according to ATSiC administrative data, a figure that is the same as an estimate made by Taylor (1993a, 1993b) based on case study data provided by Deloitte Touche Tohmatsu (1993).⁴ Other options for distributing CDEP scheme participants are examined in Appendix 1. An additional observation is that the existence of the CDEP scheme in a community should preclude the possibility of unemployment, at least as far as eligibility to Jobsearch Allowance or Newstart is concerned. By and large this is the case, although at some CDEP communities up to 5 or 6 per cent of the population was classified, or identified themselves, as unemployed for census purposes.

Labour force status

In Table 3, summary information is presented on the overall labour force status of residents of CDEP and non-CDEP communities. This information focuses more closely on the nature of employment, particularly with respect to hours worked. It is no surprise that a significant proportion (31.5 per cent) of the adult population at CDEP communities is employed part-time: the key feature of the scheme is the provision of part-time work for the equivalent of social security entitlements.

Table 3. Labour force status of residents of CDEP and non-CDEP communities, 1991.

Labour force status	CDEP communities		Non-CDEP communities	
	Numbers	Per cent	Numbers	Per cent
Employed				
Part-time	723	31.5	229	7.6
Full-time	527	23.0	296	9.8
Not stated	40	1.7	78	2.6
Total employed	1,290	56.3	603	19.9
Unemployed	61	2.7	424	14.0
Not in labour force	941	41.1	1996	66.0
Total population over 15	2,292	100.0	3,023	100.0

Source: ABS (1993).

What is surprising though is that full-time employment is more prevalent, in absolute terms, in CDEP communities than at non-CDEP communities

and that a significant proportion of the adult population (7.6 per cent) at non-CDEP communities is employed part-time. These data can be variably interpreted. Firstly, it is possible that some CDEP part-time work is being converted to full-time work via the utilisation of a mix of CDEP and other sources (Smith 1994). Using the estimate of 834 CDEP jobs at participating communities and assuming a similar proportion of non-CDEP part-time employment (174 jobs), then a large number of CDEP jobs (285 out of 834, or 34 per cent) could be classified in the census as full-time.

Secondly, it has been suggested in the literature that the CDEP scheme operates as a substitution funding regime, with State and local governments allowing the scheme to fund employment of Indigenous people in areas that would normally be financed by government (Altman and Sanders 1991; Deloitte Touche Tohmatsu 1993). This is an issue that will be examined further below, but there is no clear empirical evidence of substitution in Table 3 given that full-time employment levels are higher in CDEP than non-CDEP communities.

It is especially significant that labour force participation is significantly higher in CDEP communities (59 per cent) than in non-CDEP communities (34 per cent), assuming of course that CDEP work is accepted as real employment. Obviously a high proportion of the gap is made up of those CDEP scheme participants who are joining the workforce.

Industry of employment

Information is provided in Table 4 on industry of employment. There are only a few interesting differences between CDEP and non-CDEP communities. Nearly all employment in CDEP communities (87 per cent) is in two industries – community services and public administration – compared with 47 per cent in these two industries in non-CDEP communities. Overall, in non-CDEP communities, industry of employment is more diverse, with wholesale and retail trade standing out as an area of difference.

The utility of the classification of CDEP workers in the census can be questioned, if only because it varies so significantly from information collected by ATSIIC at CDEP communities. For example, Taylor (1995: 10) presents information from the ATSIIC census of CDEP scheme activities covering approximately one-third of scheme participants in the NT in December 1994. He found a far wider spread of activities, with significant CDEP employment in areas such as agriculture, construction, arts and crafts, and recreation and personal service industries. This finding is consistent with that of the Deloitte Touche Tohmatsu (1993) study that also found a diversity of activities in which CDEP scheme workers engage. This discrepancy arises because the five-yearly census has classified CDEP scheme participants into the community services and public administration

industries of employment on the basis of their employer (local government or community council) rather than by examining the nature of the activity they undertake (Taylor 1995: 9-10).

Table 4. Industry structure in CDEP and non-CDEP communities, 1991.

Industry	CDEP communities		Non-CDEP communities	
	Numbers	Per cent	Numbers	Per cent
Agriculture, forestry, fisheries and hunting	3	0.2	18	3.1
Mining	0	0.0	3	0.5
Manufacturing	12	0.9	21	3.6
Electricity, gas and water	6	0.5	0	0.0
Construction	27	2.1	19	3.3
Wholesale and retail trade	33	2.6	100	17.3
Transport and storage	6	0.5	6	1.0
Communication	0	0.0	3	0.5
Finance, property and business services	0	0.0	10	1.7
Public administration and defence	381	29.6	90	15.5
Community services	737	57.3	183	31.6
Recreation and personal services	9	0.7	22	3.8
Not classifiable	0	0.0	0	0.0
Not stated	72	5.6	104	18.0
Total	1,286	100.0	579	100.0

Source: ABS (1993).

Occupational status

In Table 5, information is provided on occupational status. It should be noted that the total number of persons reporting an occupation in CDEP communities exceeds the total number employed. This could be due to CDEP scheme participants identifying an occupation for themselves but not considering themselves employed.

The outstanding feature of Table 5 is that a very high proportion (44 per cent) of those employed at CDEP communities were classified in the labourer category, supporting a view that the CDEP scheme only generates opportunities for low-skilled employment without appropriate training and exit options. Interestingly, while the proportion in many occupational categories is lower in CDEP communities, this merely reflects higher overall employment levels. In absolute terms the numbers in higher skilled occupations like professional, paraprofessional and the trades were higher in CDEP communities, suggesting that the existence of the scheme may in

fact generate additional opportunities. This calls into question anecdotal views that skilled occupational opportunities and training opportunities are deficient at CDEP communities.

Table 5. Occupational structure of CDEP and non-CDEP communities, 1991.

Occupation	CDEP communities		Non-CDEP communities	
	Numbers	Per cent	Numbers	Per cent
Managers and administrators	30	2.3	30	5.0
Professionals	71	5.4	67	11.1
Paraprofessionals	90	6.8	39	6.5
Tradespersons	157	11.8	71	11.8
Clerks	89	6.7	96	15.9
Sales and personal service workers	128	9.6	72	11.9
Plant and machine operators	61	4.6	26	4.3
Labourers and related workers	582	43.9	110	18.2
Inadequately described	40	3.0	12	2.0
Not stated	79	6.0	80	13.3
Total	1,327	100.0	603	100.0

Source: ABS (1993).

Sector of employment

Table 6 provides data on industry sector of employment. The outstanding feature of this table is evidence that a very significant share of employment at CDEP communities is in the local government sector (55 per cent). Indeed, in absolute terms local government employment in CDEP communities exceeds all employment in non-CDEP communities. However, there is a possibility that some of this concentration may be due to the fact that incorporated community councils (local governments) are responsible for administering the CDEP scheme.

Interestingly though, NT Government employment is more prevalent in both absolute and population-relative terms in the CDEP communities, while Commonwealth government employment is lower. This finding is potentially significant because it challenges the view that State/Territory governments withdraw support from communities participating in the CDEP scheme. Certainly in the NT in 1991 this does not appear to have been the case. Private sector employment is similarly more significant at CDEP communities. It is important to note though that there is a tendency for private sector (or non-government) employment to be overstated at all

Indigenous communities owing to significant employment, including CDEP scheme employment, in the community sector.

Table 6. Sector of employment in CDEP and non-CDEP communities, 1991.

Sector	CDEP communities		Non-CDEP communities	
	Numbers	Per cent	Numbers	Per cent
Commonwealth	17	1.3	35	5.9
State/Territory	116	9.1	112	18.9
Local	700	54.7	68	11.4
Private	366	28.6	287	48.3
Not stated	80	6.3	92	15.5
Total	1,279	100.0	594	100.0

Source: ABS (1993).

Income status

In Table 7, information is provided about the incomes of individuals residing at CDEP and non-CDEP communities. This table provides some significant findings. Median individual income is \$39 per annum higher at non-CDEP communities, while mean income is \$457 higher. While the more substantial mean income difference is not significantly different, the source of this difference is of interest. Higher income at non-CDEP communities is largely driven by the higher proportion of people earning over \$16,000 per annum at these communities, and particularly over \$20,000 per annum. Given the greater incidence of full-time work in CDEP communities (Table 3) this suggests that full-time work at non-CDEP communities is better paid than at CDEP communities. The difference in employment levels at CDEP communities noted above is not reflected in higher incomes.

This finding is consistent with previous reports of intercensal (1986 to 1991) income stagnation at Aboriginal communities (Taylor 1993a, 1993b; ATSIC 1994; Altman and Daly 1995). At one level, it is predictable that participation in a work-for-the-dole scheme will only provide wages equivalent to social security entitlements. At another level though, it is surprising that CDEP scheme participation does not generate additional income, particularly in those situations where it is used to facilitate participation in income-generating activities like production of artefacts for sale because income testing in CDEP communities is more generous than

at non-CDEP communities. Taylor (1995: 10) provides some information on the range of activities that over 2,000 participants in the scheme in the NT undertook in December 1994. While this information was from an ATSI survey rather than from the ABS, it still included a number of activities that were potentially income-generating. It is also noteworthy that all CDEP communities receive additional resources beyond notional welfare entitlements to meet administrative on-costs (that often create jobs) and to provide some capital support for income-generating activities.

Table 7. Income status at CDEP and non-CDEP communities, 1991.

Income (\$)	CDEP communities		Non-CDEP communities	
	Numbers	Per cent	Numbers	Per cent
0-3,000	146	6.4	303	10.0
3,001-5,000	215	9.4	225	7.4
5,001-8,000	764	33.5	803	26.6
8,001-12,000	549	24.0	542	17.9
12,001-16,000	218	9.5	267	8.8
16,001-20,000	75	3.3	158	5.2
20,001-25,000	37	1.6	111	3.7
25,001-30,000	33	1.4	39	1.3
30,001-40,000	12	0.5	24	0.8
40,000+	6	0.3	6	0.2
Not stated	229	10.0	545	18.0
Total	2,284	100.0	3,023	100.0
Mean	8,900		9,357	
Standard error of mean	237		238	
Median	7,617		7,656	

Source: ABS (1993).

It remains unclear why these additional resources are not generating higher individual incomes at CDEP communities. One possibility is that there is systematic under-reporting of additional informal income earned at CDEP communities or that additional productive work is generating non-cash returns in the form of unmarketed goods and services. Another possibility is that in 1991 the scheme was not well enough established in the selected communities to generate additional income.

Some policy implications

A major finding from this comparative analysis is that participation in the CDEP scheme moves many people from being located outside the labour force to labour force participation and from unemployment to employment. This is a mixed result. If participants exit the CDEP scheme into mainstream employment in the longer term, then the scheme could be seen to have operated as an appropriate vehicle to shift from being outside the labour force to genuine employment. If, on the other hand, individuals are moving from welfare-dependent 'not in the labour force' and unemployed status to CDEP-dependent part-time employment, then the value of the scheme, in labour economic terms, will be questioned (Verucci 1995).

It is frequently overlooked today that the influential Review of Aboriginal Employment and Training Programs (Miller 1985) identified the CDEP scheme as a potential income-generation mechanism particularly for remote communities (see Altman and Taylor 1989). Given that participation in the scheme provides opportunities to earn more income, before income withdrawal occurs, than from social security, it is surprising that official statistics indicate that individual incomes at CDEP communities are little different (being a little lower) from those at non-CDEP communities. One would expect higher incomes at CDEP communities because employment levels suggest that people are working more, in addition to the part-time work available under the scheme.⁵

The policy challenge, in the current political environment with an increasing emphasis on outcomes, is to demonstrate the relative benefits of the scheme given its additional financial cost to government, estimated at 37 per cent more than welfare entitlements (ATSIC 1995: 70). The challenge for both ATSIC and participating communities will be to develop rigorous methods to demonstrate outcomes, more broadly if necessary, to insulate the scheme from unwarranted criticism. As noted at the start of this paper, the scheme remains both ambiguous and contested; a clearer definition of its goals and the collection and analysis of quantitative data that demonstrate its contributions might ameliorate the lack of policy clarity about the scheme in future years. If the potential to exit the scheme is deemed a priority, then longitudinal research that replicates the comparative analysis undertaken here will be essential.

Conclusion

This paper represents the first exploratory attempt to compare and contrast the labour market outcomes for a number of communities participating in the CDEP scheme with a control group. As such, it provides a somewhat different angle on evaluating the effectiveness of the CDEP scheme. The

conclusions that can be drawn from this analysis, given its regional focus and the nature of sample selection, must be cautiously interpreted. Furthermore, while the analysis is intentionally empirical and quantitative, it may have overlooked both positive and negative qualitative aspects of the scheme that have been discussed in more detailed case studies (Deloitte Touche Tohmatsu 1993; Smith 1994, 1995).

Even with these qualifications, the results of the comparative exercise undertaken here are mixed. There is clear evidence that employment levels are higher at communities participating in the CDEP scheme. This improvement exceeds the direct employment created by the scheme and goes beyond the cosmetic appearance of employment creation that occurs when individuals move from welfare to workfare. On the other hand, there is also evidence that income levels at CDEP communities are similar to those at non-CDEP communities and may be slightly lower. This result suggests that in terms of policy goals to improve the economic status of Indigenous Australians, the CDEP may be less effective than might be expected. Consideration needs to be given to assessing whether this finding is widespread and, if this is the case, what measures can be introduced to ensure that the CDEP scheme results in improved income status.

Notes

1. By 1995-96, the scheme had expanded to include 252 communities, with 27,041 participants and costing \$278.3 million (ATSIC 1995: 70).
2. This has included Sanders (1988), Altman and Sanders (1991) and Sanders (1993) on public policy aspects of the scheme; Altman and Daly (1992) and Verucci (1995) on labour economics aspects of the scheme; and Taylor (1993a, 1993b), ATSIC (1994) and ABS/CAEPR (1996) on economic policy aspects. There have been few detailed case studies about the scheme's operations, the major exceptions being a study by Deloitte Touche Tohmatsu (1993) and Smith (1994, 1995). A very comprehensive annotated bibliography is provided in an appendix in the Deloitte Touche Tohmatsu (1993) study.
3. Of particular relevance in 1991 was the existence of a major manganese mine on Groote Eylandt (where CDEP community Umbakumba and non-CDEP Angurugu are located) and tourism on Melville and Bathurst Islands (where non-CDEP Nguuu and CDEP Milikapiti and Pularumpi are located).
4. This is an important verification of an earlier ballpark estimate that has been used by ATSIC (1994) in its review of the AEDP. It is also similar to the total number of people employed in the CDEP scheme as reported in NATSIS (16,800) as a proportion of CDEP scheme participants in 1994 (25,000).
5. However, while the CDEP scheme may not ameliorate welfare dependence, it has a positive impact on employment activity at communities. That is, it may not increase income but it could increase the level of services and therefore the quality of life for residents of CDEP communities. Therefore, income status and welfare dependency may not be the sole measures of success or otherwise of the scheme.

Appendix 1. Options for reconciling ABS census and ATSI CDEP scheme participation data.

An inconsistency between the size of the labour force at CDEP communities (1,351 persons) and administrative data on participants (1,381) is evident in Table 1. Clearly, some CDEP participants (at least 30) are not in the labour force. However, it is also clear that there is employment at CDEP communities that is outside the ambit of the scheme. Because there is no identification of CDEP participants in the census, there is no definitive evidence to unequivocally support this view. However, there is indirect evidence like significant NT Government employment in Table 6 and significant full-time employment in Table 3.

In this discussion paper, it is assumed that non-CDEP employment at CDEP communities replicated levels at non-CDEP communities. Arguably, this assumes no substitution between NT Government employment at CDEP communities and CDEP scheme employment. This view is largely based on Table 6 because proportionally there are more 'State' government jobs at CDEP communities than non-CDEP communities. These data could reflect a classification error in the 1991 Census, but fieldwork experience at a number of CDEP communities suggests that substitution is not occurring with respect to NT Government responsibilities such as health, education and community government services, at least not in contrast to non-CDEP communities. This does not preclude the possibility that both CDEP and non-CDEP communities are under-resourced by government, merely that there is no evident statistical difference between them.

If the assumption about the underlying structure of CDEP and non-CDEP communities being similar is accepted, it is calculated that the employment impact of the CDEP scheme is 834 jobs (according to the census) out of 1,381 participants (according to ATSI administrative data based on participant schedules). This raises questions about the labour market classification of the other 547 CDEP scheme participants. At CDEP communities, 61 persons were classified as unemployed. If we accept that all these unemployed are scheme participants, then there are 486 remaining participants to reconcile.

Three possibilities need to be considered. First, the census may have underenumerated the population, labour force, employment and unemployment at CDEP communities. It is estimated that the 1991 Census underenumerated Indigenous Australians by 5 per cent for females and 11 per cent for males (ABS/CAEPR 1996). Second, ATSI participant schedules may have overcounted participants. Third, CDEP scheme participants, especially non-working spouses of working participants receiving income support from the scheme, may have been classified as 'not in the labour force'. All three are possibilities. The first would have accounted for about one-third of the discrepancy. The overcounting of participants, if matched by payments, would have in all probability increased individual incomes at CDEP communities. There is no evidence of an income differential between CDEP and non-CDEP communities in Table 7. The third possibility could have accounted for the balance.

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