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## Millions in debt as black dole fails

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A STRING of Aboriginal work-for-the dole programs set up under the federal Government's \$450million indigenous employment program, have collapsed amid allegations of financial misappropriation and mismanagement.

Financial administrators have been called in to run about 19 taxpayer-funded Community Development Employment Programs as investigations are launched into the operations of at least another six programs.

It is understood the work-for-the-dole programs have left debts of at least \$2 million, and there could be many millions more lost or misappropriated over the past few years.

Aboriginal and Torres Strait Islander Services chief executive officer Wayne Gibbons admitted the work-for-the-dole model was "flawed".

Mr Gibbons told The Weekend Australian there had been too much leniency towards people accused of misappropriating money. But he said the CDEP program was about to undergo a radical overhaul.

"It has been a powerful message in the past to keep funding crooks," he said.

Allegations of corruption and financial mismanagement of the work-for-the-dole programs have come to light after the decision this year to strip funding power from the Aboriginal and Torres Strait Islander Commission and give it to ATSIS.

Mr Gibbons said special attention was being paid to uncovering the problems that have dogged the programs.

"There are still some organisations we have yet to look at," he said.

Investigations by The Weekend Australian into the work-for-the-dole projects have revealed widespread allegations of financial mismanagement. At least \$2 million in taxpayer funds will be written off as a result of bad debts but that could be just the tip of the iceberg. There have also been some isolated claims of "ghosting" -- the fraudulent claiming of wages for non-existent participants or the inflation of working hours for existing ones.

There have been claims made that funds supposed to be used for work-for-the-dole programs have been used for personal advantage, to buy cars, pay big fees and to employ relatives.

It has also been discovered that official complaints made about people rorting the system, in some cases for years, have not been acted on.

Mr Gibbons said almost two-thirds of the schemes around the country had ``problems'' of some sort -- but not all were related to public accountability. Many, he said, were simply unable to cope with the complexities and responsibilities of administering the program.

Each of the 270 CDEPs around the nation is funded with a grant from ATSIIS.

The scheme was introduced in 1977 at the request of some communities, long before the rest of the community had work-for-the-dole programs, to fight the effects of entrenched unemployment and counter the idea of ``sit-down money'' -- being paid just to sit down. It is the biggest and longest-running ATSIIC program.

Under the scheme, participants voluntarily give up welfare benefits and instead work for wages for the local CDEP, which operates as a business.

But investigations by The Weekend Australian have revealed that seven CDEP schemes in the northern NSW region alone had collapsed. Some of them had run up huge debts, including unpaid insurance premiums and more than a \$1.2 million in tax bills.

The work-for-the-dole scheme in Goodooga has been suspended after it racked up a \$300,000 tax debt. The scheme in Bourke collapsed with a \$700,000 tax bill, and the Wentworth CDEP had an unpaid tax bill of about \$250,000.

The chairman of the Murdi Paaki Regional Council in northern NSW, Sam Jeffries, said an audit of one failed CDEP in the region revealed a ``blatant disregard for basic laws''.

``In one case they made a conscious decision not to pay any tax,'' Mr Jeffries said.

In Queensland, one CDEP is being jointly investigated by ATSIIC and the Department of Employment and Workplace Relations over allegations of ghosting.

Another is also under investigation for unauthorised expenditure.

Internal reviews of ATSIIC's CDEP project have revealed the misuse of money, poor management skills and lack of competency in dealing with responsibilities as some of the biggest problems for the individual CDEPs. Overheads were also too large for many small organisations to carry.

But Mr Gibbons said the problems were ``systemic'' and the CDEP project required a dramatic overhaul.

Part of that reform, Mr Gibbons said, would be moving away from the grant system and introducing contracts instead.

``It's a fundamental reform which will have huge beneficial impact,'' he said.

Mr Gibbons said it was important to understand that not all work-for-the-dole programs had problems and many of them had been very successful. Those operating responsibly would not have significant changes enforced on them.

He said the pilot CDEP programs due to be trialled next year would focus on minimising the administrative challenges of running the work-for-the-dole programs.

One successful new model used in the west Kimberley involved the funding and administration of the scheme being contracted out to an accounting firm. However, Mr Gibbons said changes would not be imposed on the many CDEP schemes already operating successfully.

### **Town bitter at failed scheme**

GOODOOGA, just south of the Queensland border, was once dubbed NSW's most boring town. But after getting its own work-for-the-dole program (CDEP), residents thought things would change.

And they did, but not in the way some had hoped. The CDEP has since collapsed under the weight of bitter recriminations and bad debts, including a \$300,000 tax bill.

The program is now being administered by the Murdi Paaki regional council. But participants in the scheme who were laid off discovered they had been underpaid their annual CPI increases for years and are now fighting to get their money back.

They sent petitions to the scheme's board of directors and ATSIIC, demanding to know where the money went. They have yet to get any answers.