From welfare to work, or work to welfare?

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One of the most pressing and enduring concerns in Australian Indigenous policymaking is the employment of Aboriginal and Torres Strait Islander people. It has often been at the top of successive governments’ Indigenous affairs agendas and, since 2008, ‘closing the gap’ in employment rates between Indigenous and other Australians has been a specific policy goal. Yet the employment disparity is growing, not declining. What has been going wrong?

Answering such complex social policy questions is never easy. But any attempt requires much delving into history. It is only since the 1970s that Indigenous engagement in the market economy has been statistically visible, as Aboriginal and Torres Strait Islander Australians have been comprehensively included in the national census. This has roughly coincided with an explicit policy aim of convergence between Indigenous and non-Indigenous people on a range of socioeconomic indicators, including employment. There have been ongoing debates about whether such statistical equality is an appropriate goal, given the diverse livelihood aspirations of Indigenous people, and indeed whether ‘improved livelihood’ is a more fitting focus for policymaking than ‘increased employment’. Nonetheless,
the notion of convergence on standard measures like employment has been the cornerstone of a modernisation paradigm that has dominated orthodoxy economic development thinking from the 1960s.

In broad policy terms, since the 1971 census we have seen two ‘waves’ in the approach to reduce disparities in the labour market situation of Indigenous and settler Australians. Both have been associated with the core focus of this book: the Community Development Employment Projects (CDEP) scheme. Love it or loathe it, CDEP was an enormously influential Australian Government program that has affected the lives of several generations of Aboriginal and Torres Strait Islander people.

In our view, the first major ‘wave’ in the policy approach to reducing Indigenous employment disparity centred on CDEP’s expansion from 1977 to the late 1990s and early 2000s. Taking what was in many ways the opposite approach, the second wave promoted CDEP’s subsequent contraction and ultimate demise in mid-2015 as central to improving Indigenous employment outcomes. (Though, as we write this chapter, there is talk about reviving some elements of the scheme even within the political parties that were the architects of its closure—we return to this briefly later.)

CDEP had been introduced in 1977 on a pilot basis to do several things. These included the creation of part-time work for Aboriginal and Torres Strait Islander people in very remote situations where there were few other jobs and unemployment payments were becoming increasingly common. Its basic architecture involved the provision of block grants from the Australian Government to local Indigenous community councils or incorporated organisations. These funds were used to engage participants on a range of projects, from local community development and service provision to social and economic enterprise. The grants were based on the notional amount that participants would have been paid in unemployment benefits, factored up to cover administrative costs and the provision of capital items and equipment to support projects.

CDEP was originally seen as a tool for job creation. Indeed, one of the attractions of the scheme from the outset, for participants as well as communities and governments, was that participants in the scheme were classified as employed. That is, because they were in receipt of a wage they were formally defined as working. This was in accord with the International Labor Organization convention used
by the Australian Bureau of Statistics. Because grants were made to community organisations—and local people had substantial control over what work projects were funded—CDEP also facilitated a degree of community self-management. It provided some support for community, social and economic development opportunities in line with local priorities. Initially introduced in just a handful of remote communities, CDEP was assessed quite early on in its history (by what was then the Commonwealth Department of Aboriginal Affairs) as meeting its diverse objectives. Over the next decade, the scheme was incrementally expanded to a growing number of Aboriginal and Torres Strait Islander communities in remote regions.

The first wave of policies seeking to reduce Indigenous employment disparity reached its peak following the comprehensive Hawke Government review of Aboriginal employment and training programs conducted during 1985 and chaired by the late Mick Miller (Miller 1985; see also this volume, Appendix 1). The review’s recommendations were operationalised in the Aboriginal Employment Development Policy (AEDP)—officially launched in 1987—which aimed to achieve statistical equality in employment outcomes and income status between Indigenous and other Australians by the year 2000 (Australian Government 1987). CDEP was understood as supporting job creation both directly and indirectly (directly because participants were classified as employed, and indirectly because CDEP funding could also generate more jobs through enterprise development). So it is unsurprising that one of the AEDP’s key instruments for achieving its aspirational, but unrealistic, employment target was a substantial expansion of the scheme.

CDEP did indeed begin to expand more rapidly, including into urban and regional areas from 1989. This shift coincided both with a five-year funding commitment to the AEDP (from the Hawke and then Keating governments) and with the establishment of the Aboriginal and Torres Strait Islander Commission (ATSIC). The national representation that ATSIC provided through its elected national board and network of regional councils brought Indigenous-specific program delivery (including CDEP) beyond remote regions and increasingly to more settled areas. CDEP reached a peak of participant numbers in 2003, by which time it employed more than 35,000 Indigenous people Australia-wide. Alongside the Community Housing and Infrastructure Program, CDEP was ATSIC’s flagship program.
While the disparity in Indigenous and non-Indigenous employment rates was not eliminated by the expansion of CDEP, the creation of 35,000 jobs funded as part of a principally Indigenous-specific program was of enormous significance, especially given the overall size of the Indigenous population of working age. At its height, CDEP accounted for about one-third of employed Aboriginal and Torres Strait Islander people.

However, in spite of the formal classification of CDEP participants as employed, the scheme was from its establishment rather difficult to define. It fell somewhere between employment and enterprise creation on one hand and community development and empowerment on the other. Moreover, the scheme’s notional link to unemployment benefits meant that it sat somewhat uncomfortably between classification as part-time employment and welfare (see Sanders this volume, Chapter 2).

In public debates, the question of whether CDEP participants were productively employed or a special category of welfare recipients became a matter of contested interpretation. To mix metaphors, the tide that had pushed CDEP along was beginning to ebb and then turn. By the late 1990s, during the early years of the Howard Government, CDEP began to be reinterpreted not as a job creation scheme but as primarily a labour market program for welfare recipients from which an exit into other employment was expected. Dominant policy discourse painted CDEP as a failure on these terms (see, for example, Brough 2006; Cape York Institute for Policy and Leadership 2007; Langton 2002; Shergold 2001; also Altman this volume, Chapter 7). There were growing claims from some politicians, bureaucrats and Indigenous spokespeople that it was not enough to engage Indigenous people long-term in what were usually low-paid positions with little opportunity for career and income advancement. The view that CDEP was just a form of welfare came to dominate debate.

This position was associated with what we see as the second ‘wave’ in the Australian Government’s approach to reducing labour market disparities between Indigenous and other Australians. From this perspective, it was argued that an individual’s engagement with CDEP should only ever have been temporary, for just as long as was necessary to learn the appropriate skills for moving into a standard job. Although the scheme had, for many years, assisted some people
into such mainstream employment, its outcomes on this measure were interpreted as too limited. Broader outcomes of CDEP, including various aspects of community, institutional and economic development, were largely ignored. If policy was to truly ‘close the gap’ in employment, an argument was mounted that it would be necessary to wind back CDEP and get people into so-called ‘real’ jobs (Pearson 2000; Rowse 2001).

CDEP has now been closed down, but this imagined transition into ‘real’ jobs is proving much more elusive than anticipated. Although data are limited, it is clear that a large number of former CDEP participants have not moved into employment (Hunter this volume, Chapter 3). In the name of employment improvement, they have been forced to shift from CDEP work to welfare. The wider goals of CDEP, beyond transitioning participants to employment, have tended to fall off the policy radar.

The architects of CDEP’s closure might hope that poor employment outcomes reflect a temporary ‘adjustment’ period, and that once the dust settles there will be a substantial increase in the number of former CDEP participants moving from welfare back into paid work. However, this argument seems tenuous if one recognises the very significant structural constraints to employment in remote areas, as well as the complex and profound challenges limiting take-up of the few available jobs (see Jordan 2011, and this volume, Chapter 5). None of these issues will be readily resolved by the programs that have replaced CDEP. Even the Minister for Indigenous Affairs, Nigel Scullion, has acknowledged that under current arrangements a likely scenario for many Indigenous people in remote areas is long-term reliance on welfare (in Martin 2015). The same may be true of some regional areas where employment opportunities remain limited (e.g. the south coast of NSW, see Chapter 4).

The history of the rise and fall of CDEP is told here to set the scene for subsequent chapters, but also because it presents an invaluable lens for viewing a number of ongoing and much broader challenges in Indigenous affairs. It highlights the enduring tension about whether ‘development’ for Indigenous peoples should be about a singular trajectory to ‘modernity’—and an associated parity of outcomes on standard socioeconomic measures—or about the opportunity to pursue diverse livelihoods, even if this comes at the expense of such statistical equality.
Perhaps paradoxically, the AEDP sought both statistical equality and the expansion of CDEP in line with a recognition of diverse livelihood aspirations and the dominant rhetoric of self-determination so clearly articulated by the Miller Committee (1985). While the goal of statistical equality was always unrealistic (Altman & Sanders 1991), CDEP did provide options for Indigenous organisations and local community councils to pursue ‘development’ in line with local aspirations and priorities. This potential for communities to reconfigure CDEP according to local values was an indication of its capacity to allow a degree of self-management, and perhaps even some elements of self-determination (see Rowse 2001, 2002). Certainly, CDEP did initially provide much more local autonomy and authority than programs delivered by some of the contracted ‘providers’ in recent years, including more recent iterations of CDEP from around 2006 and the schemes that have now replaced it.

By the same token, the shift away from CDEP can be linked to the politically bipartisan Indigenous policy that emerged with the demise of ATSIC from 2004—this saw the explicit rejection of self-determination as a guiding principle or policy goal. The focus of successive governments from around this time was greater emphasis on ‘mainstreaming’ rather than Indigenous-specific programs, as well as an emphasis on the individual more than the community (Altman 2014; Sanders 2014; Strakosch 2015). In this context, CDEP was seen as an unwelcome hangover from a failed ideology of the past. This substantial change in direction was principally justified by the idea that mainstreaming would be better at reducing statistical gaps on socioeconomic indicators. But on most measures these gaps have stubbornly refused to close (Department of the Prime Minister and Cabinet 2016a), and there are now vocal calls from a range of Indigenous commentators that outcomes will improve substantially only when policymakers take engagement with Aboriginal and Torres Strait Islander people more seriously (see, for example, Dodson in Robinson 2016; Huggins in Gordon & Hunter 2016).

The debate about CDEP also highlights questions about the roles of different kinds of paid work in supporting diverse livelihoods. By initially allowing Indigenous organisations to define and negotiate with officials what constituted CDEP employment, a very broad range of activities could be funded. CDEP was structured around flexibility,
with participants usually required to work 15 hours per week at award rates, but given the option of working extra hours for additional pay if financial resources to meet such ‘top up’ were locally generated.

Some high-profile critiques of the scheme queried whether any of this constituted ‘real work’, or whether CDEP was in effect a welfare payment for doing ‘make work’ activities that provided little enduring benefit to individuals or their communities (see Hudson 2008; Hughes 2007; Hughes & Hughes 2010). A number of studies, though, over many years have shown that CDEP participants on average fared better on a range of socioeconomic indicators than welfare recipients who were not in receipt of CDEP wages (Altman & Daly 1992; Altman & Hunter 1996; Altman, Gray & Levitus 2005; Hunter 2009). That is, while CDEP was highly unlikely to deliver statistical equality—which is arguably impossible owing to structural, cultural and locational factors—it does not follow that it condemned participants to a second-rate livelihood.

In addition, critiques of CDEP as ‘pretend work’ ignored the possibility that the flexibility it offered could be valued by participants and encourage productive activity by matching work routines to local needs (see Jordan this volume, Chapter 4). The most recent government review of Indigenous employment and training programs has promoted a much less flexible approach: it suggested hastening the end of CDEP and focusing on 26-week employment outcomes with mainstream employers (Forrest 2014). Post-CDEP, the rules for welfare recipients in remote areas have also changed, with many people now required to engage in Work for the Dole five hours a day, five days per week, with little room for flexibility to account for local circumstances. This narrower focus not only understates the major structural constraints on employment opportunity in remote areas, it also overlooks the current reality that many Indigenous people, especially in remote locations, are unlikely to adopt the regular work routines envisaged (Jordan this volume, Chapter 5).

In the end, key policymakers did judge CDEP to be ‘pretend work’ incapable of meeting the challenge to close statistical employment gaps and prepare Aboriginal and Torres Strait Islander people for lives in the Australian ‘mainstream’. To this extent, the critique of CDEP was caught up in broader debates about the dysfunction of remote Indigenous communities (Cape York Institute for Policy and Leadership
2007; Hughes 2007; Pearson 2009; Sutton 2009). While CDEP often had local support, participants and their organisations lacked sufficient influence in policy decisions, even when engaging with debates with parliamentarians (see Altman this volume, Chapter 7). In our view, the decision to abolish the scheme gave inadequate attention to concerns raised by many CDEP providers with experience on the ground. It also gave much too little consideration to what would replace the scheme beyond ‘imagined’ real jobs.

Fundamentally, the contestation over CDEP is also a debate about welfare. The notional link of CDEP to social security entitlements was a strength in that it constituted a cost offset and the scheme was thus relatively cost-neutral for the Australian Government. But it was also a weakness in the sense that it allowed critics to conflate CDEP wages with welfare payments (see especially Cape York Institute for Policy and Leadership 2007; Langton 2002). CDEP became seen as synonymous with ‘welfare’ in the minds of most policymakers, so much so that it seems to have surprised Mal Brough, then Minister for Indigenous Affairs, when he discovered in July 2007 that CDEP payments could not be subjected to income management under the Northern Territory National Emergency Response because they were wages. This set the scene for the sudden abolition of CDEP in parts of the Northern Territory from September 2007, before its temporary reinstatement under the Rudd Government in 2008.

Representing CDEP as welfare also served to focus policy on the individual (see Rowse 2002). Here Brough’s ‘Blueprint for Action in Indigenous Affairs’ (2006) is instructive. It reflects the emerging neoliberal trope that increasingly influenced Indigenous policymaking after ATSIC (Altman 2014; Strakosch 2015). This neoliberal turn proposed that state agencies should bypass community organisations that played a crucial brokerage role and instead deliver training and employment services to individual ‘clients’ directly—although in reality this role was performed by a mix of organisation types including community organisations, not-for-profit NGOs and for-profit business entities external to communities. It also reflected a broader welfare policy shift encapsulated in the 2000 McClure reform proposals that borrowed from the United Kingdom to establish a very different relationship between the state and ‘unemployed’ clients/individuals. A narrative was vigorously promoted that if people were not engaging with the mainstream economy it was principally because
of individual behavioural deficiencies; the discipline of tough love ‘mutual obligation’ requirements would compel the unemployed to engage in ‘real’ work or in structured training for future real work, always just around the corner.

A series of Australian Governments incrementally dismantled CDEP using such logic to propose that they would move participants from what was deemed an overly permissive form of welfare, first into the mainstream welfare system with tougher mutual obligation requirements, and then into mainstream jobs. The Remote Jobs and Communities Program (RJCP) that replaced CDEP in remote areas from 1 July 2013 required participants to continue turning up for ‘work-like’ activities in return for welfare payments, but with less prospect for extra payments in return for additional work (as previously available under CDEP top up). RJCP was branded a failure by the Abbott Government soon after coming into office in September 2013, and from July 2015 it was replaced by CDP (the Community Development Programme). This seemed to rhetorically allude to CDEP and to acknowledge that something important had been lost. More recently, Indigenous Affairs Minister Nigel Scullion has tabled a new proposal in parliament that he says will resurrect the ‘positive elements’ of CDEP (Scullion 2015).

But CDP—and its proposed replacement—are vastly different to CDEP and remain firmly within the welfare system. They are fundamentally Work for the Dole schemes, with participants required to work more hours for a social security payment than they did for the equivalent CDEP wage. At the same time, the application of income penalties (called breaching) for non-attendance at appointments and activities has increased (Fowkes & Sanders 2016; Haughton 2016). Evidence suggests that social security recipients in remote areas (most of whom are Indigenous) are now experiencing serious income penalties at much higher rates than non-Indigenous people, principally because their Work for the Dole obligations are more onerous (Fowkes & Sanders 2016). This is supposedly to promote ‘work-like behaviour’ that will assist people in securing a job. The message is contradictory, though: as noted earlier, Nigel Scullion has acknowledged that for many Indigenous people in remote areas there may be ‘no alternative’ to long-term Work for the Dole (in Martin 2015).
This highlights a fundamental tension in the prevailing approach: if one acknowledges the major structural barriers to employment opportunity, it is difficult to accept that withholding welfare payments unless recipients display the ‘correct’ behaviours (judged according to mainstream Australian norms) will be sufficient to lead to a job. Policymakers and public commentators have sometimes proposed that the solution is migration of remote-living Indigenous people to take up employment opportunities elsewhere—and cautioned that those remaining in remote communities should no longer expect public funding for services there (see Brough 2006; Abbott in Medhora 2015). In practice, though, this makes little sense to many people who have only recently had their land returned via land rights and native title laws, and there has been strong resistance to this approach (Davey 2015). In addition, assumptions that migration to areas with stronger labour markets improves outcomes for Aboriginal and Torres Strait Islander people from remote locations may be misguided. There is evidence to suggest that inward migration of Indigenous people from remote regions may instead be associated with declining employment rates for Aboriginal and Torres Strait Islander people in the destination locations overall (Biddle 2009).

Indigenous employment policy has evolved into an intractable ‘wicked problem’ in part because there is ongoing disputation about how outcomes can be improved, and little genuine consultation with Indigenous people. The language of improvement gives proponents of reform the high moral ground: if one criticises the dominant approach one must be content to endorse the status quo and be tolerant of continued deeply entrenched Indigenous poverty and social exclusion. Policymaking becomes less about evidence than ‘belief’ and ‘conviction’, and discourse becomes naturalised around the abstract notion of ‘closing the gap’.

It is in this heavily value-laden space of ‘politics’ (not just ‘policy’) that this volume is written. It presents the main findings from an Australian Research Council Discovery Project ‘From welfare to work, or work to welfare?: Will reform of the Community Development Employment Program help close the employment gap?’ The project was undertaken between 2011 and 2015 by four researchers at the Centre for Aboriginal Economic Policy Research (CAEPR) at The Australian National University. CAEPR researchers have a track record of consistently examining CDEP over time, with over
60 publications about aspects of the scheme since 1990 (some of which are documented in Appendix 2) and a major conference in 2000 that brought together academic, community and public policy perspectives on the scheme (see Morphy & Sanders 2001). We are surprised at the absence of research from other quarters on the demise of CDEP, given its significance and longevity over so many decades. Perhaps this reflects a rational choice if research findings are consistently ignored by those making policy; it does appear that much research that does not accord with the dominant government focus on convergence has been ignored in recent years.

In the absence of substantial alternative analysis, a key research question is what have been the consequences of CDEP’s closure for Indigenous people, communities and organisations? This monograph does not provide the definitive answer—the experiences of CDEP and its closure, have been so complex and varied that no single volume could do that. Instead, it focuses in depth on the consequences of change in four case study communities, as well as giving an overview of the national policy context and the broader implications for employment and other socioeconomic indicators as far as available statistical data will allow. Each chapter in effect tells the story of CDEP’s decline from a different perspective, variously focusing on the consequences of change in the case study regions for community and economic development, individual work habits and employment outcomes, and institutional capacity within the Indigenous sector. Taken together, these various perspectives suggest that CDEP could be ‘better than welfare’ in many ways.

The contributors to this book are not disinterested parties. We have actively researched and published on aspects of CDEP, some of us for almost four decades. Four of the five contributors have also made public submissions or statements of concern when CDEP closures and the removal of CDEP wages have been announced (see, for example, Altman, Hunter & Sanders 2006; Altman 2008; Altman & Sanders 2008; Altman & Jordan 2009). We have encouraged governments of all political persuasions to modify CDEP and appreciate its value rather than abolish it. This is not to suggest that we all share the same views, but to demonstrate that we all have an enduring interest in the legacy of CDEP and the livelihood and development options for Indigenous Australians that CDEP could, and often did, support.
For all of us, this interest is more than scholarly. For some of us it is also personal and emotional, as people we have known for a long time have been directly affected by the changes and have asked for assistance in assessing their concerns. To some extent, this also reflects the choice of the four case studies. In Chapter 3, Hunter shows that, for the most part, these cases fit neatly into what he calls ‘CDEP intense’ areas and so would number among the locations where the effects of change are most keenly felt. But the case studies are also in areas where the researchers either had longstanding relationships or other connections that provided initial conduits for community-based investigation. In each, research occurred over several visits and years, demonstrating both an ongoing commitment to these regions (even if on a ‘fly-in, fly-out’ basis) and a determination to understand, as clearly as possible, a complex and rapidly changing policy arena that has been in a continual state of flux during the period of investigation.

Focus of contributions

Each chapter in this volume takes a different disciplinary perspective to present insights into the origins and effects of the dramatic changes to the program over the last decade. Some chapters suggest lessons from the demise of CDEP for future policymaking to improve Indigenous livelihoods. There is an adage drawn from the work of Aldous Huxley (1959: 222): ‘That men do not learn very much from the lessons of history is the most important of all the lessons that history has to teach.’ It is our optimistic hope that this adage will not apply on this occasion and that the policy history we grapple with here will prove of some value for Aboriginal and Torres Strait Islander people and policymakers in the future.

Chapter 2 provides an overview of the changes to CDEP from the perspective of bureaucratic politics. Its principal focus is the way in which a once positively regarded program that was designed to avoid reliance on social security payments (and associated passivity and disengagement) became reframed as a Work for the Dole scheme within the welfare system. As Sanders asks, ‘How does a popular and successful solution to a significant public policy problem come, over time, to be seen as part of that problem?’ Later chapters suggest this recasting of CDEP was partly political and ideological, occurring.
alongside a more general policy shift towards ‘mainstreaming’ and contestation over the merits of ‘self-determination’. Here, though, Sanders makes the compelling case that a key factor was the more mundane influence of administrative decisions, often made in response to reviews of the scheme or to align it with the dominant mode of administration in the very different government departments that delivered CDEP throughout its history. Since ATSIC, this has involved a revolving door of departments lacking adequate expertise or corporate memory about CDEP and only limited accountability where outcomes of program changes have been poor.

Looking back further, some changes—like the 1998 decision to allow CDEP participants a $20 per fortnight ‘participant supplement’—might have seemed routine at the time but, on Sanders’ analysis, become key events without which the eventual reframing of CDEP as a form of welfare may never have happened. Other decisions, such as moving CDEP into the Australian Government employment department when ATSIC was closed in 2004, had a profound effect as the program was actively reformulated to align with that department’s institutional culture and practices and the ideological leanings of its powerful bureaucratic leadership (see also Altman 2014). A new mode of program delivery based on competitive contractualism, and a new view of participants as unemployed jobseekers, were arguably the inevitable result. It is unclear whether this change was an unintended consequence of the abolition of ATSIC or part of a more deliberate strategy, but it neatly aligned with the ideological position of the government of the day. From 2008, this ‘logic’ of seeing CDEP participants as unemployed was taken to its ultimate conclusion when FaHCSIA—CDEP’s new institutional guardian from late 2007—determined to ‘equalise’ treatment between CDEP participants and unemployed welfare recipients by phasing out the payment of CDEP as wages. When viewed alongside the broader ideological shift among politicians that reframed CDEP as part of the ‘welfare problem’, Sanders’ analysis contributes to the sense of a ‘juggernaut’ of change that was relatively impervious to either caution or critique.

Continuing this broad overview of the changes to CDEP, Chapter 3 takes a labour market perspective, gathering available statistical evidence and speculating on some possible outcomes of the scheme’s closure. It also introduces a general statistical context for the more localised analysis in the case studies. Hunter reminds us of evidence
that CDEP participants in receipt of wages had significantly better socioeconomic outcomes than the unemployed on a range of measures. To that extent, CDEP was evidently ‘better than welfare’. Of course, successive governments argued that closing CDEP would facilitate the movement of former participants into non-CDEP jobs, where socioeconomic outcomes could be better still. If, however, many former participants have moved into unemployment or left the labour force, Hunter’s analysis shows considerable cause for concern.

Unfortunately, there is no comprehensive longitudinal data available to show whether the bulk of former CDEP participants have moved into other employment or have found themselves without a job. In the absence of such data, Hunter presents us with two stylised scenarios. The first is the ‘pessimistic’ case in which no former participants have found alternative employment; the second is the ‘optimistic’ case based on longitudinal data from the 1990s Indigenous Job Seeker Survey that recorded transitions of CDEP participants into other jobs. Unsurprisingly, given that CDEP participation was associated with better socioeconomic outcomes than welfare, the ‘pessimistic’ scenario would see substantial declines across all the domains measured, including income, health and interactions with the criminal justice system. Perhaps more surprisingly though, even the ‘optimistic’ scenario would see higher rates of arrest, violence and crime, declining health and an increase in the number of people living in low-income households, since the improved outcomes of those assumed to find mainstream jobs would be offset by the larger number moving into unemployment or exiting the labour force. This raises important questions about the net effects of the CDEP reform process inclusive of social and wider societal costs.

Hunter’s chapter also identifies the limitations of many existing data sources for tracking the outcomes of closing CDEP. Nonetheless, available data can provide some statistical context for the case studies.

1 Some data are difficult to interpret at the national level, for example, where census and administrative data suggest vastly different numbers of CDEP participants. Such problems come into even sharper relief at the local level, particularly where administrative data are also complicated by the changing institutional arrangements for delivering CDEP (with different providers, and different regional boundaries, for individual schemes over time). The problem of accessing useful data appears to have gotten worse, not better. For example, the ABS publication *Aboriginal and Torres Strait Islander Labour Force Characteristics* seems to have disappeared off the statistical landscape since 2011. This was the only annual source of data on Indigenous labour force status that was inclusive of CDEP as an employment category.
presented in this book. While individual cases should never be assumed as representative of the totality of over 200 CDEP organisations, the analysis presented here suggests that the three remote case studies (Chapters 5 to 7) sit well within the range of typical ‘CDEP intense’ regions—that is, regions where a high proportion of the working age population were participating in the scheme before its closure. In these areas, the effects of closing the scheme are likely to be the most pronounced. As Hunter suggests, this provides some rationale for the choice of organisations and areas selected for closer analysis. Similarly, although the regional case study of southeastern NSW (Chapter 4) is comparatively closer to urban centres and employment opportunities, the high proportion of the Indigenous working age population who were engaged in CDEP suggests that closing the scheme was also likely to be keenly felt there.

This proposition is tested in Chapter 4. The first of four case studies, it focuses on the ‘Wallaga Lake CDEP’ on the far south coast of NSW—the region from Wallaga Lake in the north to Eden, 100 km south (the subsequent case studies are organised geographically from south to north). The presence of CDEP in regional and urban areas might already seem like ancient policy history, having been phased out by the end of 2009. But these regional and urban schemes existed for nearly 20 of CDEP’s 38 years. Being closer to established labour markets, they were also subject to the most strident and protracted criticism that they were ‘failing employment programs’ for otherwise unemployed jobseekers who should have been transitioned into other jobs (see, for example, DEWR 2006; Hockey in Karvelas 2007; also Smith 1994, 1995, 1996). Such criticism helps explain why these CDEPs were closed much earlier, and much more suddenly, than the schemes in more remote locations. This was despite an Office of Evaluation and Audit review of non-remote CDEPs in 1997 that found a range of positive social impacts arising from these schemes (Office of Evaluation and Audit 1997).

Taking a political economy perspective, Jordan argues that defining CDEP as ‘just an employment program’ was much too narrow. In contributing to the sudden closure of the Wallaga Lake CDEP scheme, this definition was extremely counter-productive for the welfare and well-being of local residents. She shows that CDEP did support employment and economic development on the NSW south coast—especially by subsidising small commercial and social
enterprises—but also notes its broader social and community development functions that improved a range of hard-to-measure outcomes. Jordan makes the case that these social and community development functions were not peripheral to job outcomes but central to addressing some of the significant barriers to mainstream work. While CDEP in the region is now long gone, many of these barriers to mainstream employment remain. As a consequence, many former CDEP participants have joined the ranks of the long-term unemployed or given up looking for work altogether. Jordan argues that the lessons from CDEP’s closure remain as pertinent as ever, with mainstream employment services and providers failing to substantially improve outcomes and new strategies needed if governments are serious about improving either employment rates or livelihoods for Koori residents of the region.

The picture looks no better in Jordan’s second case study (Chapter 5) focusing on the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands in the remote far north of South Australia. Jordan briefly touches on evidence (presented more fully elsewhere, see Jordan 2011) that the move away from CDEP wages to income support payments has been associated with decreased engagement in productive activity on the APY Lands—a similar scenario to the far south coast of NSW and the very opposite of what governments set out to achieve at least discursively. To paraphrase American political scientist Murray Edelman (1977), this appears to be a case of words that succeed and policies that fail. As in the previous chapter, Jordan explores why the dominant approach might have failed, and attempts to distil useful insights for future policy directions.

She suggests, in particular, that contrasting CDEP to supposedly more favourable ‘real jobs’ exposes a lack of understanding about the nature of employment in the APY Lands. She advocates instead for a more realistic appraisal that recognises the common practice of ‘intermittent working’. This might involve ‘target working’—previously identified by Peterson (2005: 15) as ‘working for short periods to acquire money for specific purposes’. But it might also involve periodic alternation between paid work and other activity for a variety of reasons (such as ill health, caring responsibilities, variable relations with supervisors and colleagues or competing cultural and familial responsibilities and obligations).
According to Jordan, any assumption by those calling for CDEP’s closure that intermittent working was only present among CDEP participants—and not among other Aboriginal workers in the APY Lands—was always fictitious, as was any notion that the complex barriers to mainstream employment could be better addressed by shifting participants onto income support payments. Similarly, Jordan suggests, there is little evidence that increasing ‘breaching’ for lack of participation in activities, or attendance at appointments, will force Anangu on welfare to abandon patterns of intermittent working. Indeed, there is some concern that this will further entrench disengagement and a distrust of government, where people see it as an unwelcome attempt at external control of their day-to-day lives. As in Chapter 4, Jordan’s concern is that policymakers take a more realistic view of what might improve livelihoods—as well as mainstream employment outcomes—for Aboriginal residents of this region.

In Chapter 6, Sanders examines the impacts of changes to CDEP in the Anmatjere region of the Northern Territory, just north of Alice Springs. Taking a political science perspective, he critiques what he sees as the dominant mode of policymaking in Indigenous affairs, which is premised on a ‘failure and change’ style of analysis. That is, if policies and programs do not meet the high expectations placed upon them, they can quickly become labelled as failures and subject to major institutional change. While this approach is understandable, Sanders suggests that there is also ‘a downside to this well intentioned dynamic’ in that existing good practice and corporate capacity can be lost. This is clearly apparent in Sanders’ analysis of the Anmatjere region CDEPs.

The Anmatjere story is partly one of rapid administrative change as the CDEP organisation—Anmatjere Community Government Council (ACGC)—was first asked to expand its coverage into additional communities in 2006, only to be subsumed into the Central Desert Shire Council in 2008. Central Desert Shire delivered CDEP across its nine service centres until the scheme’s closure in 2013, but then won the RJCP contract for only five of those locations. All of this can be seen as major institutional change, but Sanders argues that until the closure of CDEP and introduction of RJCP, existing good practice of regular work patterns and localised authority was maintained. With the shift to RJCP, he suggests, two things occurred.
First, those delivering the program at Central Desert Shire were too willing to accept the government’s argument that the established system had been a ‘failure’. As a consequence, they were not protective enough of aspects of their existing practice that had been working well. Second, RJCP program rules created an administrative upheaval that encouraged a new model of participant engagement centred on monthly appointments. These were prioritised over the old ‘CDEP model’ of participants turning up for activities four days per week, such that the regular work habits of participants were undermined. As also noted in the preceding chapter, this outcome was the opposite of what ‘reforming’ governments intended.

In the final case study (Chapter 7), Altman also raises serious concerns about the ways in which ‘local success can be jeopardised as part of a broader national agenda of imagined improvement’. Focusing on the Maningrida region of remote central Arnhem Land, Altman takes an institutional approach to examine the changing fortunes of the Bawinanga Aboriginal Corporation, the organisation formerly delivering CDEP in Maningrida and to associated outstations located across a massive hinterland covering 10,000 sq km. One of the abiding paradoxes of this case is that Bawinanga (which had delivered CDEP flexibly and effectively to 600 participants and had championed the program) was from 2013 charged with delivering RJCP services to 950 ‘job seekers’, a task that was recognised as an impossible challenge by all concerned—from the responsible minister for Indigenous affairs to local service providers and participants.

For at least 10 years prior to 2009 when the phasing out of CDEP wages commenced, Bawinanga was a successful regional development corporation without peer in remote Indigenous Australia. It delivered a range of community services, ran productive regional businesses and enhanced the livelihoods of community members underwritten by CDEP. At outstations, and to some extent elsewhere, CDEP operated as a basic income scheme (Altman 2016). This, in turn, allowed the generation of additional income that was earmarked for additional employment or utilised as investment in local initiatives or to increase individual and household income.

Altman documents Bawinanga’s activities during this period, noting that despite operating in very difficult circumstances with enduring structural challenges, the organisation became one of the biggest and
best performing Indigenous corporations in the country, with annual turnover exceeding $30 million. From this position, Bawinanga’s rapid decline into special administration in 2012—from which it emerged deeply indebted in mid-2014—appears particularly dramatic. Altman argues that while several factors contributed to this greatly weakened position, principal among them were two key changes to CDEP: doing away with the annual grants model and incrementally making new participants ineligible for CDEP wages and ‘top up’.

These changes, according to Altman, reflected ‘metropolitan managerialism’ as politicians and bureaucrats in faraway Canberra sought to impose their particular vision of CDEP as a failing employment program, while ignoring expert local knowledge and much published information about how the program was being deployed for substantial—and much broader—community benefit. Altman sees this bureaucratic vision as linked to the wider discourse, dominant for the last decade and half, that has represented ‘self-determination’ as a failure and imagined that socioeconomic outcomes will improve for Indigenous people if programs and services are ‘mainstreamed’ and placed on a competitive service provider basis. In this process, Altman argues that an effective operator in the Indigenous sector was undermined, to the detriment not only of Bawinanga’s members but also the broader region. A program that had clearly proven much better than welfare was destroyed. The net impact on individuals and families was deep impoverishment.

Conclusion

The research for this volume began in 2011. As we have been preparing chapters for this volume, we have become acutely aware that the inherent dynamism of the policy cycle has seen some developments that warrant comment.

First, the proposed next round of changes to CDP have been examined by a senate committee of inquiry (Haughton 2016), and become the subject of a public consultation process under the Department of the Prime Minister and Cabinet.\(^2\) As this monograph is being completed,
it is unclear if required amendments to the Social Security Act will be passed in the immediate future, with a new Senate after the federal double dissolution election of July 2016.

If passed by parliament, the changes would give substantial powers to the Minister of Indigenous Affairs to determine the social security arrangements for remote income support recipients for a period of two years—at least at first in four trial regions. Many of the submissions to the senate inquiry raised concerns that the proposed changes could be detrimental to remote-living Indigenous people, and did not reflect adequate consultation with those likely to be most affected (for transparency we note that two such submissions were made independently by Jordan and Altman, both of which are on the public record).

Nonetheless, the majority report of the senate committee recommended the changes be approved by parliament.3

Although the Bill has not yet been passed, in early 2016 the Department of the Prime Minister and Cabinet (2016b) released a consultation paper suggesting that the new arrangements would commence from 1 July. This did not occur; but, having retained government in the July 2016 federal election, the Coalition may continue to pursue the proposed changes. We remain concerned that an effective solution to what has become such a seemingly intractable policy problem will not be developed until a diverse range of Indigenous people are more fully included in the policymaking process.

The second issue that has emerged as we write is the change of Prime Minister with the deposing of Tony Abbott by Malcolm Turnbull, and the subsequent election of the Turnbull Government. While advocating for more nuanced policy debate that moves beyond slogans, a word that initially appeared again and again in the new Prime Minister’s lexicon was ‘innovation’. With that in mind, we think back to the policy innovation embedded in the establishment of CDEP nearly 40 years ago, the very original idea that notional links to welfare could be utilised to create productive opportunity for employment, community development, commercial and social enterprise and basic

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3 Two dissenting reports—from the Australian Labor Party and Australian Greens—recommended the legislation be withdrawn.
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income support. The idea was clever, it was carefully trialled and, then on the basis of evidence of success, expanded. We challenge those in power in Australia today to contrast the emergence of CDEP with that of RJCP and now CDP. These new approaches lack a coherent policy logic, unless one assumes that income penalties will ensure the supply of labour, and that such a supply will generate demand. The evidence from mainstream Work for the Dole programs suggests the new approach is misguided at best (see, for example, Borland & Tseng 2011), and it is notable that the recently released federal budget for 2016–17 proposes to scale back Work for the Dole programs for unemployed job seekers, except those participating in CDP.

Third, and linked to the change in national leadership, is the emerging realisation that Australia’s long economic boom is slowing and may be over. This, too, is inevitable but long periods of sustained economic growth can make nations complacent to the reality that market capitalism is inherently subject to fluctuating business cycles, and increasingly so during the age of neoliberal globalisation. These fluctuations have already impacted on the Australian labour market, with the unemployment rate now trending close to 6 per cent compared to lows of just over 4 per cent before the 2008 global financial crisis. This is a time when government support for the productive use of welfare or welfare equivalent support would be preferable to berating the unemployed for their collusion in the production of their unfortunate circumstances.

A principal element of the Australian Government’s response during this period of economic slowing has been to commission the Forrest Review of Indigenous training and employment programs (Forrest 2014). The Forrest Review reinforced recommendations for the end of CDEP and anticipated that new ‘Vocational Training and Employment Centres’ (VTEC), combined with pledges by corporations to employ more Indigenous staff, would be key to solving high Indigenous unemployment rates (see Jordan 2014). While VTEC services have some merits, we remain adamant that a diversity of approaches is needed to address the diversity of Indigenous circumstances, and that a wages-based program like CDEP as originally constituted could make important and cost-effective contributions as a part of the policy mix.
Fourth, we note the celebration in late September 2015 of the 8th International Basic Income Week. There is a growing global interest in universal basic income as an alternative to punitive welfare approaches that seek to demonise the undeserving poor for being individually responsible for their socioeconomic marginality (Standing 2014). Some elements of CDEP always operated like basic income, especially when delivered in the remotest outstation situations beyond mainstream labour market opportunity. This was reflected in CDEP guidelines that, when operating under community control, did not compel participants to fulfil meaningless work tests where there was no work available. Instead, they allowed for flexibility in determining appropriate obligations of those receiving a CDEP wage. Importantly, the guidelines also allowed the payment of wages and substantial additional top up without a requirement for income testing, meaning that some participants could earn well above the rate of social security payments (see Altman 2016).

This was a level of innovation that was unacceptable to powerful political, bureaucratic and corporate interests, and arguably also to some in the wider Australian community who subscribed to the false view that Indigenous Australians have been content to exist on ‘handouts’—a particularly unfortunate version of the ‘dole bludger’ stereotype that has often found traction in the tabloid media. The basic income element to CDEP could have been better designed and managed, especially to reflect the very different circumstances of different regions. Again, though, there is no evidence that what has replaced this system has generated superior outcomes even according to the mainstream employment priorities of the architects of change.

Yet another judgement day approaches as information will be collected in August 2016 in the national census on employment status. There is little doubt in our minds (but we would be pleased to be proved wrong) that the disparity in employment rates between Indigenous and other Australians is likely to expand rather than contract, a view that is shared with the Productivity Commission (2015). It is hard to envisage what might change this prediction in the near future as the relentless pressure of Indigenous population growth and demographic transitions see more and more Indigenous people of working age, alongside more and more Aboriginal-owned land in remote and regional Australia, and possibly more and more disenchantment with ‘work-like’ activity and the punitive and bureaucratic welfare system.
At the same time, it is unclear how community development will occur, overseen from outside, allowing little community autonomy. Where are the new mechanisms to create opportunity for community-driven innovation and development? Or to facilitate genuine consultation with Indigenous people about the way forward? We see less autonomy at an individual and community level and less opportunity, especially at outstations and homelands, to pursue lifeways in accord with local undeniably diverse aspirations.

We lament that CDEP has been closed without any clear vision or assessment of what productive activity will replace it beyond a mix of welfare and some government-underwritten jobs. We see this decision as disconnected from the local realities that the case studies in this volume seek to document. In a way, we are looking to record what has actually happened ‘out there’ as CDEP has been closed, at least in our case study regions. Everything we have seen and documented suggests that CDEP was better than welfare. This is a view that is shared with many of our interlocutors. It is also supported by official statistics. The challenge we pose for the emerging crop of policy reformers and politicians is to ensure that what is being implemented is in fact better than CDEP.

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