JOB CREATION AND INCOME SUPPORT IN REMOTE INDIGENOUS AUSTRALIA: MOVING FORWARD WITH A BETTER SYSTEM

COMPiled by K JORDAN and L FOWKES
The Centre for Aboriginal Economic Policy Research (CAEPR) undertakes high-quality, independent research to further the social and economic development and empowerment of Indigenous people throughout Australia.

For more than 25 years, CAEPR has aimed to combine academic and teaching excellence on Indigenous economic and social development and public policy with realism, objectivity and relevance.


All CAEPR publications are available in electronic format for free download from CAEPR’s website:

caepr.anu.edu.au

CAEPR is located within the Research School of Social Sciences in the College of Arts & Social Sciences at the Australian National University (ANU). The Centre is funded from a range of sources, including ANU; the Australian Research Council; industry and philanthropic partners; and Australian, state and territory government departments.

As with all CAEPR publications, the views expressed in this Topical Issue are those of the author(s) and do not reflect any official CAEPR position.

Dr RG (Jerry) Schwab
Director, CAEPR
Research School of Social Sciences
College of Arts & Social Sciences
The Australian National University
November 2016
Job creation and income support in remote Indigenous Australia: moving forward with a better system

Compiled by K Jordan and L Fowkes

Kirrily Jordan is a Research Fellow and Lisa Fowkes a Research Scholar at the Centre for Aboriginal Economic Policy Research at the Australian National University.
Acknowledgments

We would like to express our thanks to all the contributors to this Topical Issue, and to Dr Jerry Schwab and Frances Morphy for comments on an earlier draft. Particular thanks to Frances Morphy and Hilary Bek for their expert assistance in editorial support and preparing the manuscript for publication.

Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMSANT</td>
<td>Aboriginal Medical Services Alliance of the Northern Territory</td>
</tr>
<tr>
<td>ANU</td>
<td>The Australian National University</td>
</tr>
<tr>
<td>APO NT</td>
<td>Aboriginal Peak Organisations Northern Territory</td>
</tr>
<tr>
<td>ATSIC</td>
<td>Aboriginal and Torres Strait Islander Commission</td>
</tr>
<tr>
<td>BAC</td>
<td>Bawinanga Aboriginal Corporation</td>
</tr>
<tr>
<td>BI</td>
<td>Basic Income</td>
</tr>
<tr>
<td>CAEPR</td>
<td>Centre for Aboriginal Economic Policy Research</td>
</tr>
<tr>
<td>CDEP</td>
<td>Community Development Employment Projects (scheme)</td>
</tr>
<tr>
<td>CDP</td>
<td>Community Development Programme</td>
</tr>
<tr>
<td>CEO</td>
<td>chief executive officer</td>
</tr>
<tr>
<td>IT</td>
<td>information technology</td>
</tr>
<tr>
<td>NLC</td>
<td>Northern Land Council</td>
</tr>
<tr>
<td>NPP</td>
<td>No Payment Penalty</td>
</tr>
<tr>
<td>PM&amp;C</td>
<td>Australian Government Department of the Prime Minister and Cabinet</td>
</tr>
<tr>
<td>RJCP</td>
<td>Remote Jobs and Communities Program</td>
</tr>
<tr>
<td>WCO</td>
<td>Warburton Community Office</td>
</tr>
</tbody>
</table>
Contents

Series Note ii
Acknowledgments iv
Acronyms iv
Introduction Kirrily Jordan 1
A most egregious transition: CDEP to CDP Jon Altman 4
Why government policies continue to spectacularly fail Joe Morrison 8
‘What happened to the E in CDEP?’ – CDP’s disastrous impact on remote communities John Paterson 10
CDP and the bureaucratic control of providers Lisa Fowkes 12
Impact of CDP on income support of participants Lisa Fowkes 16
Only just surviving under CDP: the Ngaanyatjarra Lands case study Inge Kral 19
How the ideas behind a universal basic income can inform the development of employment policy for remote Indigenous Australia Elise Klein 24
Activities and authority in CDP: making them less punitive Will Sanders 25
Moving forward with a better system: academic perspectives 27
Notes 32
References 33

Tables and figures

Table 1. Comparison of activities obligations of CDP and jobactive participants 17
Fig. 1. Number of No Show No Pay penalties for nonattendance at activities, September 2013 to December 2016 17
Introduction

Kirrily Jordan, Centre for Aboriginal Economic Policy Research (CAEPR), Australian National University (ANU)

Recent media reports have highlighted serious concerns about the Australian Government’s Community Development Programme (CDP). There is mounting pressure for the scheme to be scrapped or radically overhauled, and concerted efforts from a number of Aboriginal community organisations and CDP providers to urgently propose a more viable alternative. This Topical Issue gathers together a series of short articles to provide background to these developments and some thoughts on a productive way ahead. The contributors are academics and representatives from key institutions, all of whom have a longstanding interest in the field and are deeply concerned by the current policy direction. The papers – read either as stand-alone pieces or as a whole – seek to lend weight to the mounting case for urgent change.

How did we get here?

Before introducing the seven contributions some context is necessary. CDP is a remote-area Work for the Dole scheme with around 35,000 participants. About 84% of the participants are Aboriginal or Torres Strait Islander people, often living in discrete Indigenous communities or small outstations. The program is billed by the government as a ‘remote employment and community development service’ with two elements: ‘helping people find work, and allowing them to contribute to their communities and gain skills while looking for work’. CDP was introduced on 1 July 2015 as an amendment to Labor’s Remote Jobs and Communities Program (RJCP), which, in remote areas, had replaced the longstanding Community Development Employment Projects (CDEP) scheme and the universal employment services program, Job Services Australia.

The confusing similarity in names (from CDEP to CDP) was a deliberate decision reflecting the popularity of CDEP in many Aboriginal and Torres Strait Islander communities. But there are fundamental differences between the two schemes. CDEP was a government-sponsored part-time employment program, with participants paid a wage (rather than social security income) to work on local projects prioritised by the community. Employers (usually Aboriginal and Torres Strait Islander organisations) received block grants from the Australian Government that allowed them to pay wages equivalent to the welfare income participants would otherwise have received, plus an allowance for administrative costs, capital and equipment. In many cases, any profits made through CDEP activities (such as small enterprise) were reinvested back into the scheme. Because the base wage paid to individuals was set at roughly the same rate as unemployment benefits, participants were required to work for around 15 hours per week so that their hourly rate met the minimum award. Additional hours of work could be undertaken for extra pay (called ‘top-up’).

One of the key features of CDEP was that employers had substantial flexibility in determining the work activities they offered and in managing staff absences in a way they felt to be most productive, based on knowledge of local circumstances. In contrast, CDP is firmly within the social security system: participant payments are made via the unwieldy Centrelink system, and very inflexible rules are determined centrally in the Australian Government Department of the Prime Minister and Cabinet (PM&C). Minimum work hours have been increased from about 15 to 25 hours per week. There has been no corresponding increase in pay, so participants’ hourly income has been substantially reduced – although no longer a wage, these payments are now well below what would otherwise be the minimum award.

A number of nongovernment and for-profit providers, as well as some local governments, were eventually contracted to deliver CDEP alongside Aboriginal and Torres Strait Islander community organisations. However, throughout its nearly 40-year history, many Aboriginal and Torres Strait Islander organisations used CDEP to leverage impressive economic and community development outcomes, including the creation of small-to-medium-sized enterprises deploying CDEP labour. This was true even in difficult circumstances very remote from standard labour markets, including the creation of small-to-medium-sized enterprises deploying CDEP labour. Aboriginal and Torres Strait Islander CDEP organisations also became key local institutions that were often able to put principles of self-determination into practice.

Especially after the election of the Howard Government in 1996 (and escalating following the demise of the Aboriginal and Torres Strait Islander Commission [ATSIC] in 2004), governments began to question the scheme’s future. Despite evidence of positive outcomes in many cases, successive governments argued that by closing CDEP participants would be forced to move into non-CDEP jobs, where it was thought that incomes and opportunity would be much greater. As was repeatedly pointed out to them at the time, the enormous risk was that, in remote locations with limited
employment opportunity, a more likely outcome was long-term dependency on social security and further impoverishment. In the end, the Australian Government pressed ahead with its vision, replacing CDEP with Work for the Dole programs: first RJCP and then CDP. In effect, it presented the solution to welfare dependency as moving people onto welfare payments but then applying increasingly inflexible income penalties to those not meeting their minimum work requirements. The underlying assumptions were that the biggest barrier to getting a job was a lack of work discipline, and that a more punitive approach would force the ‘desired’ behavioural change.

In practice, though, suspending people’s welfare payments does not resolve the shortage of remote jobs, nor encourage people to move off their country to find work elsewhere or reliably motivate behaviours the government desires. The warnings that closing CDEP would see increased welfare dependency and impoverishment seem now to have been warranted. Indeed, the government’s own data show that CDP is creating a substantial problem: the rapidly increasing and vastly disproportionate application of income penalties to CDP participants as compared to the equivalent program in nonremote areas (jobactive). The implications of this are profound. Many participants are incurring multiple penalties in a short time – including high rates of ‘serious penalties’ that can result in their being cut off welfare payments for eight weeks. While job outcomes in remote areas are limited by a range of complex factors that are very difficult and slow to resolve, this dramatic increase in income penalties is leading to widespread harm including increased poverty, a reported drop in food sales, increasing debt and a greater risk of incarceration when the suspension of welfare payments limits people’s ability to make payments towards fines. Among CDP participants, frustration, confusion and anger are rife.

Serious concerns about the program are growing and an increasing number of Aboriginal organisations and CDP providers are mounting challenges against the scheme. The Human Rights Commission has been asked to investigate whether the program is discriminatory, given that it is mostly affecting Aboriginal and Torres Strait Islander people. The Australian Council of Trade Unions is also examining the scheme on the basis that it provides none of the benefits of standard employment. Behind the scenes, there is a flurry of activity as Aboriginal organisations – concerned about the detrimental effects of the scheme on their communities – are looking to develop and advocate for policy alternatives. Despite this, the Minister for Indigenous Affairs Nigel Scullion has so far remained committed to CDP, outwardly, at least, suggesting that the government is on the right track and delivering media releases that frame CDP in an unduly positive light.

Outline of contributions

This collection of articles weighs in to this policy debate by presenting some of the evidence and argument that change is urgently needed, and highlighting avenues for a more productive approach. The papers are written by five academics and scholars: Lisa Fowkes, Inge Kral, Will Sanders (ANU), Jon Altman (Deakin University and ANU) and Elise Klein (University of Melbourne); and two chief executive officers (CEOs) of Aboriginal organisations: Joe Morrison (Northern Land Council [NLC]) and John Paterson (Aboriginal Medical Services Alliance of the Northern Territory [AMSANT]). Together, their contributions set out the broader policy context of the move from CDEP to CDP, identify key causes for concern, and suggest some possible ways forward. These contributions are introduced briefly here in turn.

In the first entry Jon Altman responds to Tony Abbott’s recent remarks that ‘abolishing CDEP was a well-intentioned mistake’ – and that CDP is the government’s attempt to atone for it – in two ways (see Aikman 2016). First, he draws on evidence of how the closure of CDEP has affected Kuninjku-speaking people in western Arnhem Land to argue that it was not only a mistake, but also devastating and unjust. Second, he situates CDEP’s closure within a much broader policy trajectory and identifies that the imposition of CDP is no atonement. Instead, he sees it as a ‘critical tool of a second wave of colonisation’, and part of a wider strategy to deny self-determination and force Indigenous people into forms of market capitalism that are either absent where they live or often ill-suited to their immediate needs and aspirations.

A similar theme is taken up forcefully by Joe Morrison, in an abridged transcript of the Nugget Coombs Memorial Lecture he gave in Darwin in October 2016. He sees the abolition of CDEP and its replacement with CDP as part of the dominant approach to Indigenous affairs that is fundamentally failing. This approach is predicated on top-down, ‘on-the-run’ policy making without appropriate consultation with the Indigenous people who will be most affected. Tracing this model back to the Howard Government’s ‘war on Indigenous self-determination’, begun in 1996, Morrison sees CDP as just one manifestation of an assimilationist and paternalistic mindset that has failed to grasp the uniqueness of Indigenous people in Australia and their right to assert it. In contrast to this current mindset, CDEP was ‘public policy created in the bush, for the
bush’. The respect it accorded to Aboriginal realities led to some major successes, such as the ranger programs that now employ nearly 1000 Indigenous people on country and help Australia meet international obligations for ecosystem management.

John Paterson describes the attempts by the Aboriginal Peak Organisations Northern Territory (APO NT) to influence decisions over the future of remote employment services and the failure, on both sides of politics, to listen. Like Morrison, he sees the destruction of CDEP as part of an assimilationist agenda that is more broadly focused on dismantling self-determination, and draws attention to the very troubling results. In an edited transcript of an address to the CDP Workshop held by Jobs Australia in Alice Springs in September 2016, Paterson highlights the health impacts of the escalating penalties being applied under CDP, suggesting that remote communities are now in crisis. He calls for an urgent change in policy direction, in which Aboriginal organisations must be at the centre of decision making and program delivery. He argues that employment – that is, waged work – should be the focus of a future scheme, including new jobs in sectors such as health and municipal services, and subsidised waged work where other jobs are not available.

Lisa Fowkes takes a close look at how the top-down policy making that led to CDP is further entrenched through the bureaucratic control of providers, which is a defining feature of the program. Although 26 of the 38 organisations delivering CDP are community-based Indigenous organisations, the message from PM&C is that they are the delivery arm of government, with limited authority to tailor the program for local circumstances. The performance management arrangements set by the department lock the organisations into this inflexible program delivery, even when they can see it causing harm. Fowkes’ analysis shows that the denial of self-determination continues to be operationalised not just through a lack of appropriate consultation when developing policy but also through a heavily centralised bureaucratic management style once policy decisions are made.

The Minister for Indigenous Affairs, Nigel Scullion, has argued that CDP is achieving positive results because, based on PM&C data, participation in the program has increased. However, Fowkes suggests that we should be cautious of the PM&C data, with the figures due at least in part to an administrative change and a variation in what information is recorded. But her second paper in this collection identifies an even bigger concern with the way the top-down management of CDP is contributing to very poor outcomes: the dramatic overrepresentation of CDP participants among social security recipients who are incurring financial penalties. In the 2015–16 financial year, 82% of all serious penalties for ‘persistent noncompliance’ (which can mean an eight-week nonpayment period) were applied to CDP participants. This is astounding given that they make up less than 5% of ‘jobseekers’ in the social security system. One significant reason is that the participation requirements for CDP participants are much more onerous than those for their counterparts in jobactive – the equivalent scheme for nonremote areas – so there are more opportunities to fail.

Another reason CDP participants are disproportionately affected by income penalties is the mismatch between the realities of life in many remote communities and CDP’s reliance on Centrelink for the administration of payments. Inge Kral documents some of the chaos and confusion that results, with CDP participants in the remote Ngaanyatjarra Lands waiting hours or even days to try to ‘connect’ with Centrelink on the few community phones. Even when a connection is made, language barriers often mean that little is understood on either side. Kral documents some of the outcomes for participants and their communities, including reduced access to food, increased rental arrears, the associated clocking up of debt, and the potential for incarceration of participants who are unable to pay fines. All of these are profoundly troubling, with the last also deeply problematic at a time when governments are under increasing pressure to reduce the overrepresentation of Aboriginal and Torres Strait Islander people in prisons. A further problem with CDP is the erosion of working conditions and legal protections for participants, compared with both mainstream work and CDEP.

With so many problems apparent in the current scheme, our attention should rightly turn to what could productively replace it. Elise Klein looks to an innovative approach based on the principles of a basic income – that is, the unconditional payment of a subsistence wage to all residents in order to provide economic security and remuneration for productive labour. This idea has some history in Australia through CDEP. Criticisms that CDEP was effectively ‘sit-down money’ were common in the years leading up to its demise, and providers were often at pains to point out that they instituted some variant of ‘no work no pay’. But, in very remote outstations, CDEP wages were often paid without any requirement to do supervised work, and in other locations there was often flexibility to define work in line with local aspirations and priorities. Klein suggests this did not mean that participants were necessarily unproductive: the income security allowed many people to be fully engaged in...
productive work such as caring for country. Similarly, a basic income could help to further the goals of self-determination by supporting flexible and culturally appropriate work aligned to local aspirations.

The apparent harm being caused by the failures of CDP need to be addressed with some urgency. Will Sanders argues that the worst harms could be immediately alleviated by making CDP less punitive and more reasonable. In Sanders’ analysis, a first port of call would be reducing work requirements to 15–16 hours per week of activities, as was the long-held standard under CDEP. A second immediate change could be to allow providers flexibility in determining how they report nonattendance in activities. This would effectively give them discretion in deciding whether an income penalty is the best way to re-engage a participant, on a case-by-case basis. For the same reason, Sanders suggests that payments to providers should be independent of participants’ attendance at activities. Making these changes would be a relatively straightforward process and entirely possible given the political will.

Urgently reforming and replacing CDP would also reflect much-needed goodwill on the part of the current government, given the wilful destruction of CDEP over the last 20 years. Indeed, despite Abbott’s characterisation of that process as a ‘well-intentioned mistake’, both Coalition and Labor governments pressed ahead with dismantling CDEP in spite of regular warnings from many Aboriginal and Torres Strait Islander people and much evidence, based in grounded research, suggesting its closure would be dangerously destructive. This was ignored in favour of an ideological commitment to a market logic, with further impoverishment and alienation of program participants the predictable result. We should now be demanding both accountability for such poor decision making and determined efforts to immediately redress the appalling outcomes documented in this collection.

The final paper outlines some key principles that might sensibly inform that process. It argues that urgent changes must be implemented to halt the unacceptable rate of income penalties while a new scheme is designed. A replacement program must be based on genuine collaboration with Aboriginal and Torres Strait Islander communities and organisations, and focus on supporting people’s ability to live a ‘good’ life in remote regions. It should reflect the principles of flexibility, community and enterprise development, and appropriate remuneration.

There is no doubt there will be changes to the CDP scheme as pressure mounts. The challenge for policy makers will be to learn from their recent mistakes, take advice from those on the ground seriously and reject outright the failed model of top-down, centralised control.

A most egregious transition: CDEP to CDP

Jon Altman, Deakin University and ANU

‘Abolishing CDEP was a well-intentioned mistake and CDP is our attempt to atone for it.’ So said ex-Prime Minister Tony Abbott in an exchange with Amos Aikman reported in The Australian newspaper on 6 October 2016 (Aikman 2016).

There is no question that the abolition of CDEP was a disastrous policy decision by the Howard Government, subsequently endorsed by a series of both Labor and Coalition governments during the next decade. This was an outcome that was predicted by a considerable body of evidence based on both official statistics and case studies about the benefits of CDEP to Indigenous individuals, communities and organisations compared with welfare and Work for the Dole. This evidence was provided to one government after another by CAEPR at the ANU, as summarised in a recently published monograph edited by Kirrily Jordan (Jordan 2016) – all to no avail.

In this contribution I want to do two things.

First, I seek to give a sense of what this ‘well-intentioned mistake’ has meant on the ground for remote-living Aboriginal people who, over 20 years with the support of their service providers, had built a plural form of economy predicated on access to CDEP. I focus in this assessment on the lives and livelihoods of a group of people in western Arnhem Land with whom I have collaborated in research since 1979.

Second, I demonstrate that CDP is compounding, rather than atoning for, this ‘well-intentioned mistake’.

At best, the good intention in abolishing CDEP was ‘to move people off welfare and into “real” employment’, as the aim of CDEP was redefined by Joe Hockey, Minister for Employment and Workplace Relations, in early 2006 (in Blakeman 2016:231). This statement is worth unpacking because it reflects an equating of people working on CDEP – established as a flexible Indigenous-specific program with multiple objectives including employment creation, community development, enterprise support and basic income maintenance – as an employment-only program; and it erroneously defines
CDEP participants as unemployed and recipients of welfare, which they were not.

The stated concern of the Howard Government when it began to dismantle CDEP from 2004 – shifting it from the abolished ATSIC to the Department of Employment and Workplace Relations – was that it had ‘become a destination rather than a stepping stone towards jobs’ (DEWR 2005:3). This was especially the case in more settled regions of Australia where the government believed there were robust labour markets and no discernible barriers (besides CDEP) to Indigenous mainstream employment. This clearly overlooked a body of research documenting the absence of formal employment opportunity in remote regions of Australia.

CDEP was established in 1977 as a program designed for remote Australia only, for implementation in situations where labour supply greatly exceeded demand. It was expanded into more densely settled regions a decade later.

Even if the neoliberal notion that abolishing the program would somehow force people into ‘real’ employment in places where jobs existed was valid, the subsequent abolition of CDEP right across regional and remote Australia was undertaken without any feasibility assessment or evidence-based program logic. (And there is evidence that even in the more densely settled areas, the abolition of CDEP saw more participants end up on welfare than in jobs.)

In the short term, ‘real’ employment could not be conjured up magically in very remote places. These regions have seen rapid growth in labour supply since 1977 but have had remarkably stagnant economies, partly because of structural factors and partly because of cultural factors, but mainly because effective developmental assistance from governments, which underwrites most development in remote Australia, has been missing.

The CDEP scheme was established as a community development and employment program to be managed by community-based organisations and local councils. From these origins it migrated geographically, bureaucratically and conceptually.

Purpose-built for remote Indigenous Australia, CDEP expanded rapidly, especially under the Aboriginal Employment Development Policy from 1987; by 2004, more than 35 000 Indigenous people were participating in the program (as well as some non-Indigenous spouses), with 265 community-based Indigenous organisations administering the scheme. From the late 1980s, the scheme expanded geographically into regional urban and even metropolitan Australia, until it was abolished in those locations from 1 July 2007. The dismantling process then travelled back to remote Australia, where CDEP programs finally ended on 1 July 2015.

CDEP migrated bureaucratically from Indigenous-specific agencies – the Australian Government Department of Aboriginal Affairs and then ATSIC (1977–2004) – to a series of mainline agencies, ending up at its moment of demise with PM&C. This is an agency that, even according to a handpicked Commission of Audit, was assessed in 2014 as lacking capacity in Indigenous affairs.

After the dismantling of ATSIC, CDEP was conceptually and unilaterally redefined from being a multipurpose and flexible Indigenous-specific program to being a labour market program. This redefinition has softened to some extent as it has become obvious to the Abbott and Turnbull governments that the warnings about the absence of jobs in remote places were empirically well founded. And so the jobs-focused RJCP that replaced CDEP on 1 July 2013 was replaced by CDP on 1 July 2015.

CDP purportedly focuses more on ‘work-like activity’ for community benefit, but, as Lisa Fowkes’ analysis of official information clearly demonstrates, in its first 16 months of operations it has been far more effective in penalising participants for breaching its draconian attendance requirements than at engaging them in Work for the Dole five hours a day, five days a week.

To create jobs, livelihood possibilities and meaningful activities in remote situations requires investment in local and regional development, and organisations with capacity to assist. This was highlighted by the Miller Review of Aboriginal Employment and Training Programs more than 30 years ago (Miller 1985). Alongside the well-intentioned mistake of abolishing CDEP, successive governments have failed to make realistic investments to facilitate opportunities in remote situations where hundreds of small Indigenous communities are located, generally on Indigenous-titled land.

On the ground, this well-intentioned mistake has destroyed emerging and often quite remarkable forms of plural Indigenous economy that have been carefully incubated over many years. I illustrate the nature of this destruction with reference to what I have termed the ‘hybrid economy’ of a group of 300 Kuninjku-speaking people in western Arnhem Land with whom I have worked.
for decades. These people came into contact with the Australian colonial state relatively late, in the 1960s, when they moved to the government settlement of Maningrida. In the settlement they experienced structural violence and economic deprivation and so in the 1970s moved back to their ancestral lands to live at outstations. This move was not a ‘lifestyle choice’ but a survival necessity, given the failure of state-sponsored market capitalism and colonial trusteeship in Maningrida.

At outstations, Kuninjku enjoyed land and resource rights and the critically important assistance of a regional outstation resource agency, the Bawinanga Aboriginal Corporation (BAC). There, they were able to fashion a sustainable hybrid economy for themselves based on a combination of self-provisioning, sale of arts and crafts, and access to state transfer payments that only included unemployment benefits from 1980.

In that same year BAC applied for access to CDEP in preference to the payment of unemployment benefits. The application failed but, in the absence of formal employment at outstations (except for a handful of part-time teacher assistance and health assistance jobs), this benefit was paid as a form of minimum income support without activity testing.

In 1989 BAC did gain access to CDEP and quickly became one of the largest and most successful development corporations in remote Australia. With CDEP and the growing scale and capacity of BAC the Kuninjku hybrid economy flourished. People were able to engage in more arts production brokered to global and domestic markets by Maningrida Arts and Culture (a business arm of BAC). They were also able to engage in hunting, fishing and food gathering on their land, and enjoy a degree of basic income security from CDEP which was provided without income testing or activity testing when people lived at outstations where they worked for a livelihood. Some people moved to Maningrida and took up employment in CDEP-subsidised work as community rangers or arts workers. By 2008 about 100 Kuninjku artists were collectively earning more than $1 million a year from the sale of their art, which, combined with CDEP and other transfer payments and returns from self-provisioning, provided them a reasonable livelihood.

Until the 2007 Northern Territory Intervention, Kuninjku continued to grow this hybrid economy based on what they do best: hunting and fishing for bush food and producing art, inspired by tradition, for tourist and fine-art markets. These skills were also expanded into community ranger work in natural resource management and into paid carbon farming based on prescribed burning informed by customary practice.

This growth was assisted by relatively unconditional income support from CDEP and the remarkable development efforts of BAC, largely underwritten by CDEP. It was based on Kuninjku agency and their understanding of the theory of comparative advantage (devised by 19th century British classical economist David Ricardo). The theory proposes a focus on relative speciality – in this case, combining resources guaranteed by land rights and native title laws with Kuninjku skills.

In 2003 I had an opportunity to directly address the now defunct Ministerial Council for Aboriginal and Torres Strait Islander Affairs where I advocated for the maintenance of CDEP, alongside enhanced development support, for people like the Kuninjku who are pursuing productive livelihoods on their land. I recommended a policy approach that maximised participation in all sectors of the hybrid economy to align with Indigenous aspirations, without undue entanglement in policy rhetoric about economic independence or equality.

My views were ignored by politicians and officials in Canberra, who were busy devising new employment programs for remote-living Aboriginal people without regard to Ricardo’s theory or the realities of life in these very remote regions. In 2004, after CDEP was transferred to the employment portfolio and the Howard Government was re-elected, I warned that abolition of CDEP in very remote Australia could see unemployment rates skyrocket from 7% to 76%. I again highlighted the need to reconcile the CDEP policy reform rhetoric with the challenges of outback reality. These warnings were ignored.

Since 2007 the incremental reform and ultimate abolition of CDEP has effectively demolished the Kuninjku hybrid economy that had been slowly fashioned over decades. The abolition of CDEP has also greatly weakened BAC, the organisation paid to deliver CDEP to about 600 participants on their ancestral lands which was thus enabled to build significant organisational and financial capacity. From 2009 the global financial crisis saw national turnover of Indigenous art sales plummet by 50%; the decline for Kuninjku was even higher and sharply felt because this was their only point of substantial productive engagement with market capitalism. There was no industry assistance package on offer to bolster the visual arts sector, and no assistance to artists as their incomes declined rapidly; instead, there was the relentless government commitment to abolish CDEP.
Tony Abbott suggests that CDP atones for this destruction and loss of household income. But, in reality, CDP fast-tracked this destruction and now ensures that people like the Kuninjku are prevented from re-establishing their productive economy that effectively and sustainably combined capitalist and customary forms.

Under CDP guidelines able-bodied Kuninjku people aged 18–49 years are required to work 25 hours per week for Newstart payments; they are regularly breached for nonattendance at ‘work-like activity’ and penalised, so lose household income. At the same time, their arts income has been greatly reduced, as has their capacity to engage in self-provisioning which requires access to relatively expensive equipment like vehicle and guns. And if Kuninjku earn extra income, as they regularly did when on CDEP, they are now subject to the social security income taper that sees their Newstart payments reduced when earnings exceed $50 per week. Far from atoning for the destruction wrought by the abolition of CDEP, the new CDP actually entrenches this destruction, and ensures that people are further economically impoverished and diverted from vital livelihood activity like hunting.

The destructive transition from CDEP to CDP, it must be emphasised, is just one of a suite of governmental measures that negatively affect Kuninjku people. This is not the place to discuss all these measures and their negative impacts in detail. I just note in passing that income management and BasicsCard tie welfare recipients, including people working 25 hours per week on CDP, to the stores in Maningrida, even as their access to bush food is dramatically reduced; the payment of welfare is linked to school attendance, which again forces people to centralise; and it is only in Maningrida that the government is expanding the housing stock, although extreme overcrowding remains the norm for most. Finally, an enhanced police presence and heavy-handed regulation of vehicle registration, driving licences and gun licences reduce options for transportation to Kuninjku-owned hunting grounds and access to hunting equipment – noncompliance results in prohibitive fines and even imprisonment.

This all suggests that there is a broader elimination agenda under way beyond employment reform – an intolerance of any economic form that does not embrace market capitalism, even in situations where options for productive participation in mainstream capitalist ventures are minuscule or absent.

These reforms are collectively impoverishing Kuninjku in a way that I have not witnessed since I first worked with them in 1979. At times during my recent visits people have told me that they are hungry and ask for food – a kind of request that I have not experienced in the past and that is extremely demeaning for proud hunters.

Kuninjku are aware that all these strategies, including CDP Work for the Dole and associated onerous administrative requirements, aim to centralise them in Maningrida to inculcate them with western norms and forms of discipline that are needed for the ‘real’ jobs that politicians and officials imagine will eventuate one day. They are all too aware that their aspiration to retain their productive form of hybrid economy is being eliminated under the CDP regime. Any attempt to push back against the government’s so-called ‘mistake’ is punished as ‘breaching’, leading to draconian withdrawal of welfare support which entrenches impoverishment.

The transition from CDEP to CDP has not only been devastating, it is also unjust. This can be demonstrated by applying three of the tests that Guy Standing (2014) proposes to determine whether reforms are socially just. The ‘security difference principle’ requires reform to improve the security of the most insecure in society; the ‘paternalism test principle’ requires that any new controls should not be imposed on some groups in society that are not imposed on others; and the ‘dignified work principle’ requires all types of productive work be recognised and respected.

In the Kuninjku case, and for many others living remotely, all three tests fail. People’s incomes and livelihoods have been made more insecure; they are subjected to paternalistic controls over their welfare income (and expenditure) that are not applied elsewhere; they are required to engage in Work for the Dole for longer hours and at lower rates of return than in the past and compared with other Australians; and alternative forms of work, especially in the customary realm, are demeaned and neither recognised nor respected. The transition from CDEP to CDP has seen a vulnerable minority living within one of the world’s richest countries subjected to unacceptable forms of economic violence and bureaucratic torture.

Tony Abbott, the politician who aspired to be the Prime Minister for Indigenous affairs (and who is now lobbying to be instated as the Minister for Indigenous Affairs), might be admitting with hindsight the mistake of abolishing CDEP. However, this admission of policy error does not extend to an apology for pain and suffering that might have accompanied CDEP’s abolition. Nor does Abbott take any responsibility for his personal commissioning of the Forrest Review of
Indigenous Training and Employment (Forrest 2014), which drove the final nails into the coffin of CDEP with its recommendations, implemented by the Abbott Government, for the acceleration of its demise. Nor have his comments done anything to change the trajectory of the Turnbull Government’s ongoing application of the destructive CDP.

In my view, the abolition of CDEP is a central plank of an overarching strategy to eliminate any nonstandard form of Indigenous economy and integrate all Indigenous Australians into market capitalism, irrespective of the human cost. This strategy is accelerating under CDP as the Turnbull Government continues a project of supposed improvement, seeking to close statistical gaps even as policy decisions see employment gaps widening and Indigenous people defined as unemployed becoming more deeply impoverished.

Abbott’s further comment in The Australian that ‘ending consequences for not turning up would be disastrous’ (Aikman 2016) is revealing. It clearly insinuates that Aboriginal labour must be disciplined, with penalties if necessary, and centralised for ready mobilisation. It also insinuates that the land must be emptied of people making ‘lifestyle choices’ and reserved instead for imagined future capitalist development. It is assumed that the road to integration will be trickle-down employment and enterprise opportunities, which historically have never emerged in remote Australia. The destruction of any noncapitalist and distinctly Indigenous economic forms is an essential element of this project of neoliberal governance; despite the rhetoric of Indigenous empowerment, any heterodox development alternative is perceived as a risk to late capitalism’s expansion that needs to be eliminated.

CDP is a critical tool of a second wave of colonisation, but it is facing resistance and it is failing. How might Indigenous Australians such as the Kuninjku be afforded proper opportunities to make a decent living as they choose? How might they be empowered to revisit the post-colonial possibilities that saw the emergence of hybrid forms of economy, supported by enabling Indigenous-controlled development corporations such as BAC?

The reintroduction of CDEP and the payment of compensation for this most egregious transition might be a start. Economic formations that have been unjustly eliminated, and community organisations that have been disempowered and depoliticised, could be slowly re-established. But it is important to avoid the trap of just focusing on CDP; such reform must be just one element of a broader shift in policy approach to decolonisation and self-determination that must accommodate the fundamental Indigenous economic right to live regionally and remotely, and make a living differently.

Why government policies continue to spectacularly fail

Joe Morrison, Chief Executive, NLC

When one looks back to CDEP, I have to salute Nugget Coombs and his advanced thinking about remote employment. His vision about a post-contact reconstruction of the country’s relationship with Indigenous people represented the heart of the notion of a fair go. It compares starkly to the public policy failures that litter Indigenous affairs today.

My ultimate message is that Indigenous people must take control of this agenda if we are to crawl out of the assimilationist and paternalistic mess that stains the nation and ignores the uniqueness of Indigenous people in this country.

Experience has shown us that it’s not worth waiting around for governments to deliver, especially in a climate of reduced funding in the Indigenous Affairs portfolio delivered by remote-control policy design and implementation. There is a lack of experience in the management of Indigenous Affairs within the bureaucracy, exacerbated by the war on Indigenous self-determination that was launched by Prime Minister John Howard in 1996. Howard attacked Indigenous organisations and Indigenous rights and revived old policies of assimilation and paternalism. He went to war on the history of conflict and settlement of this nation. However, the situation didn’t improve for Aboriginal people in the Northern Territory under prime ministers Rudd and Gillard.

Since then, the concurrent move of Indigenous Affairs into PM&C and the introduction of the Indigenous Advancement Strategy laid the ground for a perfect storm. Chaos and confusion have reigned. In policy making, all the hallmarks of the Howard Government’s infamous Northern Territory Intervention persist: top-down, ill-considered policies worked out on the run, without consultation, and implemented with callous disregard for their impact on Indigenous people.

When we are denied a proper place at the planning table we get a continuation of failures like CDP. The acronym CDP has been cunningly crafted to sound eerily like...
CDEP, the scheme that was created on the advice of Nugget Coombs back in the mid-1970s.

With CDP we are seeing ‘skyrocketing’ rates of financial penalties that are having harsh and discriminatory impacts on jobseekers in remote Indigenous communities. Families and children are unfairly penalised; in some community stores, food sales have dropped since the introduction of CDP in July 2015.

In contrast, Coombs’ vision for CDEP was beautifully simple. Rather than pay unemployment benefits to lots of Aboriginal people in remote areas, it would be more constructive for them to be employed part-time by local Indigenous organisations to undertake socially useful tasks. CDEP underwent various transformations after its introduction by the Fraser Government in 1977, but its death was eventually hastened by the Intervention in 2007. CDEP’s obituary was written by the Labor Party in 2013.

Before that dramatic change came about, it should be understood that out of CDEP grew the ranger programs in the Top End. The first formal gathering to talk about post–land rights management and development of the Indigenous estate took place at Nimirilli on the Blyth River in 1999. About 80 people attended that meeting, hosted by the then powerful BAC that has a ranger program for outstations called ‘Djelk’.

BAC’s Djelk Rangers and the successful Dhimurru Aboriginal Corporation in northeast Arnhem Land were beacons. They showed that CDEP could provide the vehicle for building remote capacity and governance. The ranger groups that grew out of this movement are now supported by the Australian Government. At last count, there are more than 2600 Indigenous rangers employed around the country to look after the country, as their ancestors have always done. The NLC, as one of the originating institutions for this initiative, employs more than 130 rangers and we simply cannot meet the demand for new groups to be established.

If it wasn’t for CDEP and the flexibility it provided to local organisations and people, the most successful employment opportunity for Indigenous people would never have got off the ground. And Australia would not be able to meet its international obligations for management of important ecosystems, nor engage Indigenous people to do this work.

This was public policy created in the bush, for the bush. It opened the door for Indigenous people to lead the agenda, informed by best-practice research.

Today, government policies continue to fail spectacularly, and that failure profoundly affects the everyday lives of our constituents. I detect a growing and palpable frustration among Aboriginal people in the Northern Territory that their human rights and aspirations are ignored by governments, while at the same time they are expected to accommodate an imposed agenda for economic development in the north. We have spent so much time gaining and then defending our rights that we have not secured our future. That’s why we at the NLC want Aboriginal people themselves to have greater opportunity to develop their lands and waters in accord with their aspirations and values.

We have called on governments to establish a comprehensive strategy to deliver economic, ecological, social and cultural benefits to Indigenous people in northern Australia. But we cannot live in hope that governments will deliver. Last month, the management teams of the NLC and the Central Land Council came together in Alice Springs to map out an economic development strategy that meets the diverse needs of Aboriginal people in our regions. The aim is to enable true self-determination: having the knowledge to make decisions and the power to enact them in accord with the aspirations and wishes of landowners.

At the government level, what is most important is that policy is developed by Aboriginal people who have the most to lose in the current policy paradigm. The dominant direction of public policy and the incessant impost of reviews, inquiries and investigations sap the very essence of Aboriginal identity because bureaucrats and politicians refuse to reconcile their relationship with Australia’s first people.

Back in 1976 Coombs questioned whether the dominant white society might lack the spiritual qualities to recognise the reality and virtue of Aboriginal identity, and the right of Aboriginal people to assert it. He suggested that until the arrogance, prejudice and fear that still largely determined many Australians’ attitudes towards Aboriginal people gave way to humility, generosity and human warmth, there could be little grounds for hope of a quick resolution. He continued, ‘If there is a taste of ashes on the lips of white Australian civilisation, it is because while we have mastered a continent and subordinated a proud people, we have remained in spirit aliens and strangers to it and them’ (Coombs 1976).

Forty years later, Coombs’ concerns are sadly still relevant. As he said then, what non-Indigenous people need to consider ‘is whether Aboriginal achievement is won in a context of friendship and respect, or whether
it must be fought for, as in so many lands, in bitterness and violence’. Let us fervently pray that the wisdom of Coombs can somehow be revived and can prevail in the achievement of better public policy than we’ve seen in recent decades.

This is an edited and abridged transcript of ‘Unhappy anniversaries: what is there to celebrate?’, the 8th Nugget Coombs Memorial Lecture, presented at Charles Darwin University, 5 October 2016.

‘What happened to the E in CDEP?’ – CDP’s disastrous impact on remote communities

John Paterson, CEO, AMSANT, and representing APO NT

AMSANT is the peak body for Aboriginal community controlled health services in the Northern Territory. Our services operate over 50 health clinics across all parts of the Northern Territory, from urban to very remote communities. AMSANT is also a member of APO NT, and I am part of the CEOs’ governing group for APO NT.

APO NT was established in late 2010 in response to the lack of Aboriginal involvement in the policies and programs that affect our lives, and the need for Aboriginal leadership to push back and to take control back. Our lives had become controlled by mainstream agendas – for example, in the Intervention – and by the BINGOs (big international nongovernment organisations) and NINGOs (non-Indigenous nongovernment organisations) and private providers that governments have increasingly been directing Aboriginal program and service delivery funding to.

Away from Aboriginal organisations.

Doing to us not with us.

And, of course, the increasingly managerial and punitive direction in which welfare policy has gone that has only served to increase disengagement and the sense of hopelessness that so many of our people experience.

APO NT seeks to turn this around. To put us back in the driver’s seat.

APO NT has been involved in the policy debate around CDEP for some time. Shortly after APO NT was established, the then Labor federal government moved to introduce RJCP.

In recalling this, we need to remember that both sides of politics were involved in the destruction of CDEP. Both sides buckled to a malicious, assimilationist campaign against CDEP; which was more broadly directed against any form of self-determination. Both sides refused to listen to our advice and to the evidence. As with ATSIC, rather than reform it to improve it, successive governments caved in and killed it off through a series of cut-backs. So they both have to answer for the disastrous position we now find ourselves in.

And we shouldn’t think that the haters and assimilationists have gone away – just in September Gary Johns had an opinion piece in The Australian, given free licence to spread his ignorant, racist views. And, of course, he trotted out the symbol most potently used to demean CDEP – painting rocks white.

I wonder what would be an appropriate symbol for the current CDP? I might leave you to ponder that.

Back to 2011. APO NT got funding to bring together Aboriginal CDEP organisations in the Northern Territory, and we workshoped an alternative model – initially called CEEDS (Community Employment and Enterprise Development Scheme), but later formalised in our submission to the Review of Remote Participation and Employment Services under the very catchy title Creating and supporting sustainable livelihoods: a proposal for a new remote participation, employment and enterprise development scheme.

In the end, we didn’t have much impact on changing the subsequent RJCP except perhaps to help ensure that Aboriginal organisations were favoured or included in provider partnerships, and that there was more money available for community development–based projects than there would otherwise have been.

But, as most of you will be aware, the very complexity of the program expected to be delivered under RJCP excluded most community-based Aboriginal organisations that had previously run CDEP programs.

We need to get back to the involvement of these local Aboriginal organisations in running whatever programs replace the current disastrous CDP program. This is in line with APO NT’s central mission: to put us back in the driver’s seat, to devolve control back to communities, and once again see Aboriginal organisations delivering services and programs to our people.
How bad do things have to get, how disastrous does a policy have to be before we see change? CDP is a disaster, a wrecking ball in our communities. It must go.

Minister Scullion promised to reintroduce CDEP, but CDP couldn’t be further from what CDEP was. As a very disgruntled council member at the recent historic joint meeting of Land Councils at Kalakarindji put to the minister: ‘What happened to the E in CDEP?’ The minister has no answer, just a blind belief against all the evidence that CDP will somehow magically work.

The reality is that communities are in crisis because of this program.

AMSANT Board members have been raising deep concerns about what is happening in their remote communities.

On health grounds alone, CDP must go. One Board member gave an example of a pregnant young Aboriginal woman who hadn’t eaten for two days. Young mothers turning up to school nutrition programs because they were going hungry. Fifty thousand breaches under CDP over the most recent period. What do we expect the outcome of this will be on remote communities?

It’s bleeding communities of the little income they survive on, making worse the already record low incomes that Aboriginal families have to try to exist on.

It’s showing up in reduced sales of food in remote stores, including baby food. One area showed a 20% drop in baby food sales. One of our Board members estimates that, in the very small community the health service supports, the equivalent of $750 000 a year is being lost through CDP breaches. This adds to the already existing but barely acknowledged problem of those – particularly young Aboriginal men – who are completely disengaged from the welfare system and therefore not receiving any income. These include the so-called ‘not in the labour force’ category.

What does all this disengagement and breaching mean? It means that those with incomes, such as parenting payments and pensions, are supporting a growing number of the community who have no income. It means more people, particularly women and pensioners, being hassled for money. It means more people having to go without, including children and pregnant women.

A pregnant woman having to go without food for days in this country is a disgrace.

And all this in the name of forcing people to ‘work’ for their dole. Under discriminatory circumstances – 25 hours per week for 46 weeks of the year, when nonremote participants only work for 15 hours per week for 26 weeks of the year. This is the Intervention all over again.

And what about the E in CDEP? There is no E being created out of CDP – no better employment prospects, no magic new jobs appearing, or new businesses. Just critically underresourced programs and huge disengagement. I’d reckon some programs would be hard pressed to even paint rocks white!

So what do we want to get out of a redesigned program? I’d urge consideration of the model that APO NT previously developed with Aboriginal CDEP providers. We believe there has to be some provision for waged work. In remote communities where there is no effective labour market, subsidised paid work and flexibility in work options and definitions are essential.

Governments must also ensure that permanent jobs are created and supported in essential and municipal services, as happened to a degree during the Intervention when CDEP jobs were transitioned to permanent positions.

We also experienced this with our health services, which are one of the largest employers of Aboriginal people in the Northern Territory. Our services were able to apply to take on CDEP workers in permanent positions as drivers and community liaison workers, for example.

But regardless, there will still need to be subsidised waged work provided. There will also need to be a focus on community development work and supporting emerging Aboriginal enterprises. And, as I mentioned earlier, we need to get back to the involvement of local Aboriginal organisations in running whatever programs replace the current disastrous CDP program.

We are committed to work on turning around this disastrous policy.

We need to ensure that, whatever follows, CDP results in communities being empowered, and in new Aboriginal providers, organisations and enterprises emerging.

This is an edited transcript of an address to the CDP Workshop, Alice Springs, 30 September 2016, when Jobs Australia – the peak body for nonprofit employment service providers – held a forum to discuss the future of CDP. Alongside providers, representatives from APO NT and educational institutions participated in the workshop. John Paterson was asked to speak to the forum on behalf of APO NT.
CDP and the bureaucratic control of providers

Lisa Fowkes, CAEPR, ANU

Prime Minister Turnbull is one of many government officials who have, at various stages, expressed commitment to working with Indigenous people, not doing things to or for them. Such statements reflect a widely held understanding that involvement of Indigenous people in policy decisions that affect them is essential not only to democratic inclusion but also to the effectiveness of policy itself. The challenges in improving wellbeing in remote Indigenous communities are too complex and diverse to allow for centrally imposed ‘solutions’. One of the ways in which governments have tried to support Indigenous involvement in policy initiatives is through engaging Indigenous organisations to deliver government-funded programs. This was a critical aspect of the design of the former CDEP, which Nugget Coombs described as:

... not simply a means of providing employment as a source of a minimum cash income, but a training exercise in self-management and increasing independence for the Aboriginal communities involved. (Coombs 1977, cited in Rowse 2001:41)

For ambitions of local Indigenous involvement in decision making to be realised, the relationship between government and the organisations involved in delivery must be collaborative. Locally governed organisations must have sufficient autonomy to shape services to their circumstances and aspirations, and governments must be willing to work with them to understand local context, and how government rules and practices might need to be adapted to deliver better results.

At various stages during the life of RJCP it was this type of relationship that was promised. Indigenous organisations were encouraged to apply to deliver the program. Of the 38 organisations delivering what is now the CDP contract, 26 are community-based Indigenous organisations, while others include local government and locally based nongovernment organisations. In community consultations before the start of the RJCP contract, participants were told that:

Communities will work with Remote Jobs and Communities Program providers to develop a Community Action Plan setting out each community’s longer term approach to development, including employment, participation and economic and other development goals. Through these plans, communities will be able to identify the issues they face and find local solutions. (Macklin et al. 2012)

Early RJCP guidelines suggested that community input might be used to set program targets, judge performance and guide application of penalties. Although the Coalition Government abandoned Labor’s Community Action Plans and the associated $234 million development fund, it did promise greater devolution of decision making in Indigenous affairs, with the prospect of more effective local collaboration in the implementation of the program.

However, the implementation of CDP has brought about an even greater centralisation of control. From the outset, the government’s approach to managing its relationships with provider organisations has been characterised by top-down decision making, transfer of risk, and disregard for the specific contexts and operating challenges in which these organisations operate. This paper draws on observations and interviews conducted in the course of a research project looking at the implementation of RJCP, and now CDP, including specific interviews about the performance management process that were conducted with 10 providers in July and August 2016. This research has highlighted some of the consequences of the government’s approach to managing the program – from diversion of resources to administration, to undermining of the provider organisations’ own relationships with the communities in which they operate.

Minister Scullion announced the introduction of the daily Work for the Dole requirements that are at the heart of CDP only 18 months into what was intended to be a five-year contract for delivery of RJCP. This was done without consultation. Program changes took effect through a contract variation which was – according to at least one organisation’s legal advice – so substantial as to constitute repudiation of the contract. Providers were given only weeks to consider the variation. Many considered that the five days per week Work for the Dole requirement was both unachievable and unfair. Although providers could have refused the contract, for many it would have meant loss of their organisation’s major source of income, and even closure. Those that wished to continue delivering employment programs would risk being permanently excluded:

We are only in this program because it was forced on us – there was no alternative. It’s about hanging on until the next program in the hope that it’s something better. And remaining viable in between. (Senior Manager, Indigenous CDP provider)
The reason why we are in this space is purely to ensure that a local Indigenous organisation is delivering services within the region. (CEO, Indigenous CDP provider)

The directive approach to introduction of CDP was indicative of a wider shift in relations with providers. In March 2015 the Minister for Indigenous Affairs, Nigel Scullion, told a provider forum that they were ‘the delivery arm of government’ and that ‘if you are not doing well I will get someone else to do it’ (he extended the same warning to the PM&C staff who were present). Reinforcing the threat of termination, in May and November 2015 PM&C advertised for existing or new organisations to register their interest in delivering the program in the ‘expectation that some providers will leave RJCP in the next 6–12 months’. Whereas under Labor’s original RJCP the government had invested in local Indigenous organisations to maximise their ability to deliver the services, under CDP it was made clear that they could be readily replaced:

I remember having this conversation with the Board and basically telling them that the government speaks with forked tongue, because you remember when they brought in RJCP, the whole objective was to capacity build those Indigenous organisations that were delivering, and progress their capacity and capability to deliver the contract, throughout the contract. A key aim was to help them learn, with the possibility to roll over the contract and have it for 10 years. That became the fundamental difference between then and now. Now the CDP model is saying ‘if you don’t get it in there you will not get paid’. They are saying ‘we are expecting you now have the capability and capacity that you will need to pump this massive financial system – we need you to have it yesterday’ instead of ‘we are going to help you get it along the way’. (CEO, Indigenous CDP provider)

The new CDP contractual arrangements include two key mechanisms for driving provider behaviour. One is the Programme Management Framework, which sets out the government’s expectations of providers and the consequences of nondelivery. The other is a new fee structure, which attaches the bulk of potential revenue (an estimated 80%) to attendance in Work for the Dole. Each measure has increased provider risk, and each has required providers to intensify their focus on daily monitoring and online reporting of participant behaviour.

The Programme Management Framework for CDP sets out key performance indicators (KPIs) and targets against which providers are assessed every six months. Unsatisfactory performance under any KPI or target can constitute a breach of contract. Most targets are numerical, assessed by reviewing information entered by frontline workers into the government’s information technology (IT) system. Targets are set at 100%, regardless of the specific circumstances in a region, or of past performance. For example, one target (worth 10% of the overall performance score) is ‘100% attendance of all Work for the Dole Participants in Activities (in line with their participation requirements)’. Another (worth 5%) is ‘100% of Eligible Job Seekers have been provided with monthly Contacts’. Only the regional employment target takes account of local conditions.

The effect of decontextualising target setting has been to turn local circumstances into problems that must be managed by providers. It is for providers to address lack of availability of literacy training in order to meet the relevant target for delivery, or to find a way of meeting with people monthly, even where those people regularly move between remote communities. Formal performance feedback from PM&C in at least one region has proposed that the provider take action to manage the impact of fighting and of the large number of funerals on Work for the Dole attendance. This approach to performance management both shifts the risk associated with delivery of services to contracted organisations and distances government officials from the realities of day-to-day implementation:

You would have heard about providers and their staff being threatened and assaulted – I raised that in Canberra with PM&C. The response was ‘that’s a provider issue and you guys have got to find ways to overcome that’. You’d think they would be thinking ‘hang on, we need to be doing more community consultation over this policy’. (CEO, non-Indigenous CDP provider)

Administration, particularly that associated with using the government’s IT system, was a central part of RJCP from the beginning of that program. This had narrowed the field of potential staff recruits and shaped the case management relationship (Fowkes & Sanders 2015). Introduction of the CDP funding and performance management arrangements has made administration and the IT system even more central. Rather than attach fees to Work for the Dole places, or the number of regular attendees, the government elected to pay on the basis of actual, recorded attendance. This has meant that each daily time sheet must be entered into the government’s IT system, along with reasons for nonattendance and participation reports. The administrative volume is enormous. Organisations have employed additional...
administrative staff to do this work; they are often located in urban centres where internet is reliable and administrative skills are more widely available:

… we just couldn’t attract the staff with the background in [the government’s IT system] or the jobseeker compliance framework for those remote areas to do all that back-end stuff, so we have set up an office down here in [state capital] which has grown – where we have a compliance officer looking over the job plans and the compliance end of things as well as two part-time data entry officers. (Senior Manager, Indigenous CDP provider)

The payment model has also proven impossibly complex, with many providers unable to reconcile payments with their own information, and PM&C periodic payment adjustments to address discrepancies. This has generated a deep distrust among providers in the integrity of PM&C’s data, which extends to its use for performance management. The system has forced providers to become ‘administrative entrepreneurs’, working behind a desk to make sure that the right boxes are ticked to generate a payment:

We basically spend three days at the end of the month solid data auditing – but none of it is auditing around ‘did we help this person find a job’. It’s simply ‘is this person in the right activity, at the right time’. For example, if someone is on income support, then maybe they don’t put their form in, and they drop off income support for 10 days, then we are not going to get paid for them because they are not going to do Work for the Dole. We would exit them out of the activity so that we get basic payment for that period. It helps our attendance rate as well. But that doesn’t achieve anything in terms of having a real meaningful difference in someone’s life. (Senior Manager, non-Indigenous CDP provider)

Performance against the government’s targets is also assessed almost entirely through the IT system and through review of documentation. ‘Success’ or ‘failure’ has become as much – if not more – a function of administration and documentation than of improvements on the ground:

You don’t even have to leave your four walls – you can sit in a dark room and drive the laptop to get the result the Department wants you to. (Senior manager, Indigenous CDP provider)

… I have realised that it doesn’t matter what you are doing on the ground, you have to hold up something bright and shiny … it is not necessarily that you are doing a bad job on the ground, it’s about having to demonstrate it in the system. (Senior Manager, Indigenous CDP provider)

The desire to exercise greater control over providers has brought about increased investment in data entry, record keeping and internal auditing – the practices of bureaucratic accountability – at the expense of other, potentially more effective, activity. Like other rigid, target-driven systems, this one has considerable potential for gaming – again, at the expense of participants:

… placing a good participant costs me $12 000 in lost Work for the Dole fees as opposed to taking a risk on a $7000 [employment] outcome fee. The question is, would I have a better chance of keeping him in work for 26 weeks or keeping him engaged in Work for the Dole for 12 months … but that’s not how we operate. (Senior Manager, Indigenous CDP provider)

For some, the implementation of CDP has corroded their organisational standing, compromising their ability to act in accordance with community interests. This is particularly troubling for Indigenous organisations that have historically seen themselves as acting on behalf of local people. Under the CDP funding model, providers receive no payment for those participants who fail to attend Work for the Dole without a valid excuse unless they initiate compliance action against them (and subsequently re-engage them). Although they have some autonomy in theory, in practice the ability to make decisions about how best to maximise participation – and minimise harm – in their communities has been taken out of their hands.

Despite government commitments to explain the new Work for the Dole policy ‘community by community’, this task has been largely left to providers, who are left to deal with the impact of decisions taken centrally:

When the [CDP] program first started, PM&C undertook to go and have community meetings to explain to community members what the program was all about. It never happened. And it’s probably too late now because there is another change coming in … I would say it has had an impact on our standing in communities because … under CDEP … you could run quite diverse projects and activities – whereas now you are quite limited. And even the development of leaders and workers in the community has been impacted on because people say ‘well, why should I do 25 hours of CDP when all I
am getting is Newstart?’ – when before you could do 15–17 hours and get top-up without it impacting your wage – so there was an incentive within the model … Under the old CDEP model, most providers had a basic payment that would cover rental contributions and whatnot, but if we penalise someone under this model it impacts their housing, their ability to pay their power – so there is really no safety net. (CEO, Indigenous CDP provider)

The treatment of CDP providers as ‘the service delivery arm’ of government has extended to proposing that they actively intervene in communities to reduce the impact of cultural business and funerals on Work for the Dole and other government priorities. For example, recent guidance material issued by PM&C states that:

CDP providers should be actively engaged with local Indigenous community members and Centrelink officers in their regions to ensure visibility of cultural business and who will be involved. This will assist providers in taking a proactive role in the scheduling of cultural business when deemed appropriate. For example cultural business could be scheduled to take place during school holidays so that school attendance is not affected. (PM&C 2016)

Although providers may advocate for policy change within PM&C, many are reluctant to speak publicly about their concerns, fearing consequences for their CDP contract, or for access to other funds administered by PM&C. Some feel compromised by their delivery of the contract, even though they believed that they had little choice but to accept it:

You have to be careful of course because you can’t be seen to bite the hand that feeds you. And you can’t be seen to be delivering something and then be seen to be going against the grain. But I do think that there are ways to [advocate] and keep government on side – Jobs Australia is one of them, you guys are one of them, ACOSS [Australian Council of Social Service], Human Rights. (CEO, Indigenous CDP provider)

We haven’t really taken our chance yet – I don’t think the [organisation] has been outspoken or risked the PM&C relationship yet, for fear of what it might do, what might happen to the contract. (Senior Manager, Indigenous CDP provider)

The picture of CDP painted here is overly bleak. Across the country, organisations are working with people in their communities to identify new opportunities, deliver projects that people value, and provide space for expression of cultural practice. Community boards and Indigenous leaders continue to provide guidance to their staff and to advocate for local people. Local PM&C officials develop trusting relationships with local organisations, helping them to navigate complex systems and advocating on their behalf with Canberra. But these positive practices – where they exist – are not acknowledged or encouraged by the formal systems, which emphasise central bureaucratic control – things done for the system, not achieved on the ground.

At a Senate Estimates hearing in October 2016, officials from PM&C told the senators that, in June 2015, only 45% of jobseekers had been placed in activities, and that number had since increased to around 84.3%. Actual attendance in Work for the Dole had, they said, increased from 7% to 30% over this period. These results were taken to be ‘a significant marker of the way in which providers are working to actually service job seekers’. But it was only after June 2015 that Work for the Dole became mandatory for most participants, and it was from then that providers started to enter daily hours of attendance in the IT system to secure payments. Although attendance may have increased, the figures provided to Senate Estimates were an administrative artefact. At around the same time that this account of the program’s success was being given by PM&C, the board of directors of the Arnhem Land Progress Aboriginal Corporation released a statement that said:

We believe the current model is broken and dysfunctional and needs urgent attention to get people re-engaged and funded to continue to build skills, capacity and jobs. We believe the CDP model is having a negative impact on remote Aboriginal people and is a strategy from government to either save money or keep Yolngu subjugated, or both.

These very different assessments of CDP reflect the vast gulf between bureaucratic measures of achievement, based on data extracted from an IT system, and the experience of those whose lives are affected by CDP’s implementation. This gulf cannot be bridged by tighter controls on providers or by more closely managed targets. The experience of the first year of CDP shows that these efforts at greater top-down control are likely to be self-defeating, generating even more investment in bureaucratic processes. What is required, instead, is greater attention to context, sharing of problems and solutions at the local level, and reinforcing – rather than undermining – the ability of local Indigenous organisations to respond to the particular needs and aspirations of their communities.
Impact of CDP on income support of participants

Lisa Fowkes, CAEPR, ANU

In the first year of CDP more than 146 000 financial penalties were applied to the income support payments of its approximately 34 000 participants. In contrast, the more than 750 000 participants in the equivalent program that operates in nonremote areas (jobactive) received just over 104 000 penalties. This paper provides an overview of trends in social security penalties and suggests some reasons for their emergence.

How the individual participation obligations are set

Receipt of unemployment benefits has long been conditional on looking for and accepting ‘suitable’ work. Over time, the obligations of jobseekers have been extended to include the requirement to participate in program activities, the details of which are set out in job plans negotiated between contracted employment services providers and each individual. Social security legislation sets out penalties for noncompliance, along with processes to protect against procedural unfairness and to ensure that requirements are not beyond the capacity of the individual. While social security legislation provides a broad framework, the specific obligations of particular groups of unemployed people are determined by the Australian Government and implemented via funding agreements with contracted providers. So, although the broad social security rules that apply to citizens are the same, governments can – and do – set varying levels of obligation for different groups of people, and allow different levels of provider discretion to tailor obligations through contracts that sit outside the parliamentary process. Governments may also use these contracts to drive provider sanctioning of behaviour to become more lenient or more punitive, within the parameters of the legislation.

The obligations of CDP participants compared

When it established CDP in remote areas, the Australian Government implemented a more onerous set of obligations on participants than applied to comparable jobseekers elsewhere. Under CDP, participants who are considered to have full-time work capacity and are between 18 and 49 years old are required to Work for the Dole for 25 hours each week, five days per week, for at least 46 weeks per year – a requirement of 1150 hours in each year of unemployment (see Table 1). In contrast, participants in jobactive in the 30–59 age bracket who have full-time work capacity can be required to Work for the Dole only after 12 months in employment assistance, and then for only 30 hours per fortnight, six months of the year – that is, a total of 390 hours each year. Similarly, principal carers in the remote program are required to work around 600 hours each year from day one, while their counterparts in nonremote areas may be required to work 200–390 hours each year after 12 months of assistance.

In addition to setting more onerous requirements for participants, the contractual provisions of CDP introduced strong incentives for providers to apply punitive measures to those who fail to attend. Under CDP, Work for the Dole service fees (which make up the bulk of revenue for providers) are linked to attendance. Where a jobseeker does not attend and has not provided a ‘valid’ excuse, the provider will only receive the relevant fees if they report the nonattendance (initiating a financial penalty for the jobseeker) and subsequently re-engage the jobseeker within 14 days. In theory providers still have discretion to ‘allow’ a nonattendance if they believe it is inappropriate to initiate a financial penalty, or that it might disadvantage the jobseeker, but, in practice, the exercise of this discretion leads to loss of income for the provider. No similar arrangements apply to providers in other employment programs, like jobactive.

Penalties arising from more onerous requirements

The combined impact of more onerous Work for the Dole requirements and incentives to penalise can be clearly seen in Fig. 1. This graph compares the number of penalties applied in each quarter for nonattendance in Work for the Dole under the remote program with those applied under its nonremote counterparts. Each of these penalties (called ‘No Show No Pay’ penalties for failing to attend an activity in a job plan) represents loss of one-tenth of a fortnightly income support payment. From the start of CDP (the quarter ending September 2015), the number of penalties for failing to attend Work for the Dole in CDP outstripped those applied to jobactive participants – even though jobactive has more than 20 times the number of participants. By the first two quarters of 2016 – once the new CDP financial model was fully implemented – the number of penalties had increased to more than 16 000 per month. In the first year of CDP, more than 125 000 No Show No Pay penalties were applied to participants.

Penalties for persistent noncompliance

Once a jobseeker has incurred three ‘minor’ penalties (e.g. No Show No Pay penalties) in a six-month period, they may incur a penalty of up to eight weeks without
### TABLE 1. Comparison of activities obligations of CDP and jobactive participants

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Point at which annual activity requirement starts</td>
<td>Annual activity requirement starts after 12 months or more of receiving assistance. Work for the Dole is the default, but jobseekers can opt for accredited training, voluntary work, part-time work or another approved program</td>
<td>Work for the Dole activity requirement starts immediately and is mandatory for 18–49-year-olds with full-time work capacity, unless in part-time work</td>
</tr>
<tr>
<td>Hours of activity required (other than early school leavers under the age of 22) – people with full-time work capacity</td>
<td>Aged under 30: 650 hours over 26 weeks each year (50 hours per fortnight) Aged 30–59: 390 hours over 26 weeks each year (30 hours per fortnight)</td>
<td>Aged 18–49: 25 hours per week in Work for the Dole activities on an indefinite basis, with up to 6 weeks time off (with approval) each year (1150 hours each year)</td>
</tr>
<tr>
<td>Early school leavers who are less than 22 years of age</td>
<td>25 hours per week (less for principal carers and people with part-time work capacity)</td>
<td>25 hours per week (less for principal carers and people with part-time work capacity)</td>
</tr>
<tr>
<td>People with part-time work capacity and principal carers</td>
<td>Aged under 30: 390 hours over 26 weeks each year (30 hours per fortnight) Aged 30–59: 200 hours over 26 weeks (15–16 hours per fortnight)</td>
<td>30 hours per fortnight or up to work capacity. Approximately 600 hours each year, noting that principal carers may not be required to participate during school holidays</td>
</tr>
</tbody>
</table>

### FIG. 1. Number of No Show No Pay penalties for nonattendance at activities, September 2013 to December 2016

![Chart showing number of penalties in each quarter from September 2013 to December 2016 for RJCP, CDP, JSA, and Jobactive.](chart.png)

income support for ‘persistent noncompliance’. Before an eight-week penalty is applied, the Department of Human Services (DHS) must conduct a Comprehensive Compliance Assessment (CCA), which is designed to ensure that noncompliance does not arise from a particular condition or circumstance of the jobseeker that is outside their control – for example, mental illness, disability or personal crisis. In the first year of CDP an average of more than 3000 participants were referred for a CCA each month – a reflection of the many thousands of people of people being penalised multiple times over this period. Of these, 41% of referrals resulted in DHS finding that the jobseeker had acted ‘intentionally, recklessly or negligently’, meeting the requirements of a persistent noncompliance penalty. In contrast, only 27% of jobseekers referred to CCAs from all other programs were found to meet this test. Overall, in the 2015–16 financial year, 82% of all serious penalties for persistent noncompliance applied under social security legislation were applied to CDP participants, even though they accounted for fewer than 5% of jobseekers.

On the face of it, the higher rate of unfavourable CCA assessments for CDP participants is surprising. The sorts of factors that might contribute to noncompliance – undiagnosed or untreated health conditions, disability, family crisis, unstable housing – are more prevalent among remote Indigenous people than the rest of the population. But the fact that Indigenous jobseekers are poorly served by DHS assessment processes has been noted. For example, the former Department of Education, Employment and Workplace Relations found that remote Indigenous people were underrepresented in Stream 4 – the ‘highly disadvantaged’ stream of what was then called Job Services Australia (now jobactive), access to which depended on DHS identifying significant barriers through an assessment (Employment Services Assessment [ESAt] or Job Capacity Assessment [JCA]). The Department explained that:

… it can be more difficult for people who live in remote and very remote areas with restricted access to medical and mental health services to provide adequate documentation to have non-vocational barriers recognised through the ESAt or JCA. Analysis conducted by the Department indicates that this has been a factor in restricting access to Stream 4 for job seekers in remote areas. (DEEWR 2012:33)

Similarly, an independent review of the jobseeker compliance framework found that:

It is clear that shortages of non-vocational services are greatly weakening the efficacy and fairness of the compliance system in many regional areas. (Disney et al. 2010:75)

Most assessments continue to be conducted over the phone, or even via a file review, without the assistance of an interpreter (Fowkes & Sanders 2016:7).

Is it worth it?

The Minister for Indigenous Affairs, Nigel Scullion, has dismissed concerns about the effect of penalties on CDP participants. On 14 September 2016, he told the Senate:

Our Community Development Program is now getting people into positive activities, making remote communities a better place to live. Over the last 12 months, the Turnbull government has made tremendous progress. Eighty per cent of participants in CDP are now engaged in meaningful activities, and there has been a sevenfold increase in attendance since the end of Labor’s failed Remote Jobs and Community Program.7

It is far from clear that these figures represent actual improvement in participation or that they are making remote communities ‘a better place to live’. For one thing, the participation figures themselves are problematic. Under RJCP providers were not required to place people into Work for the Dole except where they thought it was the appropriate option for that person. They could, instead, refer people to activities like voluntary work, vocational training, parenting programs, rehabilitation services or counselling, depending on individual need. These options are possible under CDP but the program’s rigid requirements for 25 hours per week, for supervision and for daily time sheets make them more difficult to achieve in practice. There is no evidence that the Work for the Dole that people are doing today is more ‘meaningful’ or of greater assistance to them than what they were doing before. Nor is it clear that there has been a significant increase in people actually attending activities. According to figures provided to Senate Estimates, actual attendance in Work for the Dole is 30%.8 Because RJCP did not require that hours of attendance be recorded in the IT system, there is no way of assessing whether this is an improvement. It seems likely that some people are attending more often; on the other hand, we have tangible evidence in the penalties data that many are not attending, and that penalties associated with nonattendance have continued to rise.

To date we have little information about employment results from CDP. PM&C has said that around 2700 26-week employment outcomes have been claimed during
the first 12 months of CDP – a result that is hard to assess in the absence of comparative information, or even information about which CDP jobseekers found work. In general, there is little evidence that Work for the Dole is likely to improve the employment prospects of those who participate in it.9 But we also know that the government expects that many CDP participants will never find work. In fact, the Minister for Indigenous Affairs has been quoted as saying that, in his view, working for the dole in perpetuity is not a bad thing (Martin 2015). Surely even the most fervent advocate of paternalist welfare policy cannot justify a program that offers so little opportunity, while imposing such a disproportionate burden on our poorest citizens and their communities.

Only just surviving under CDP: the Ngaanyatjarra Lands case study

Inge Kral, CAEPR, ANU

The Shire of Ngaanyatjarra in remote Western Australia has taken the extreme step of bringing a complaint of race discrimination to the Human Rights Commission on behalf of all Aboriginal persons resident in the shire who have been, or are currently, subject to the CDP criteria as a condition for being granted income support. The shire is claiming that it is the right of Aboriginal persons within the shire to receive income support payments on an equal footing with non-Aboriginal persons. Understanding why the shire chose to take this extreme action requires a brief introduction to the history of the region, and the changed social and economic circumstances rendered by CDP (Kral 2016). In this article, I outline the impact and downstream effects of CDP. I focus primarily on Warburton, the largest of the Ngaanyatjarra Lands communities.10

Historical context

The shire is located in remote desert country some 1500 kilometres from Perth. It covers an area of more than 160 000 square kilometres and includes 9 of the 12 Ngaanyatjarra communities, with a total shire population of some 1400 people, 84% of whom are Indigenous.11 On almost all indicators this is one of the most socially and economically disadvantaged regions in Australia, with the lowest per-capita income of any local government area, and minimal access to the services and institutions taken for granted by most Australians. Yet these communities have a history of working together to improve their circumstances, and to ensure that they survive and thrive.

Some Ngaanyatjarra started ‘working for their living’ (i.e. exchanging labour for rations) on missions and stations from the 1930s, while others continued a nomadic hunter–gatherer existence until the 1960s. In the 1970s, unprecedented access to cash came with the introduction of unemployment benefits. Coupled with the beginning of nonrestrictive drinking rights in 1971, this aggravated law and order problems. By the 1980s, competition for scarce resources engendered high levels of social tension, dysfunction and violence, and Warburton was on the point of collapse. The implementation of CDEP paved the way for a period of law and order and relative economic stability across the ‘Lands’. The structure and order achieved through CDEP were a key factor in building community governance through the establishment of the Ngaanyatjarra Council. CDEP was the underpinning government program that enabled the Ngaanyatjarra to manage their communities and improve their standard of living. It may not have been perfect, but it served the Ngaanyatjarra region well and was one of the most effective CDEP programs in remote Australia. CDEP enabled the growth of art centres, land management and an Indigenous media organisation, as well as a visible Aboriginal workforce in schools, stores, health clinics and local government services.

The Ngaanyatjarra CDEP was collective, allowing discretion in how funds were distributed. It provided an incentive to work. Those who wanted to work full-time could do so and earn ‘top-up’ wages, while a base-level pay was available to all those in CDEP, including those receiving a ‘no work no pay’ penalty. In this way everyone had a reliable base-level income, and some adults earned a good wage. It was not much money, but it was predictable. People always knew they had that money and could manage to budget or do some level of future planning. CDEP also localised the bureaucracy and CDEP funds were budgeted at the discretion of the community. The on-costs attached to CDEP funded the administration of a community-based ‘income management’ system.12 The success of CDEP thus hinged on local control and local knowledge of people’s circumstances (Kral et al. 2009).

In July 2009, the process of progressively phasing out CDEP in the Ngaanyatjarra Lands commenced, despite protestations by the Ngaanyatjarra Council and its member communities (Kral et al. 2009). By July 2015 CDEP had been replaced by CDP. In remote communities CDP is driven by PM&C and that department controls access to income support payments. In effect, PM&C now controls the Ngaanyatjarra communities. Without a doubt, the current arrangements under CDP are taking the Ngaanyatjarra communities back to the
Interactions with Centrelink and compliance failures

Once on CDP, people’s income support payments are linked to participation in ‘activities’. In Warburton people are placed in either ‘Arts and Crafts’ for women (painting, sewing, basket making, photography or computer skills) or ‘Community Maintenance’ for men (wood collecting, landscaping, metalwork or woodwork in the ‘Men’s Workshop’). Compliance failures are incurred for nonparticipation in these activities and for missed appointments (fortnightly with Centrelink and monthly with the local CDP provider).

Compliance failures result if an individual is registered as absent from activities without a ‘valid’ reason. In this case, fines are $50 per day (or $31 per day if on Youth Allowance). Missing three days within six months results in an eight-week No Payment Penalty (NPP). When an individual has an eight-week NPP the Centrelink Compliance Team can conduct an over-the-phone Comprehensive Compliance Assessment which may change the NPP to an eight-week Compliance Activity (with participants effectively ‘working the penalty off’). Fortnightly reporting on earnings, partner earnings and change of circumstances entails either filling in a form that is mailed back to Centrelink, reporting by phone on the Centrelink Helpline, or reporting via the MyGov website. If an individual misses the monthly reporting appointment with the provider, the system blocks their fortnightly reporting. They then have to ring the Centrelink Participation Solutions line to explain the ‘compliance failure’, otherwise their payment is stopped. Some people independently manage the reporting requirements, while others do not. Most people come to the Warburton Community Office (WCO) seeking assistance with the fortnightly reporting to Centrelink, and/or compliance failures.

Under CDEP the WCO was the administrative hub that took collective responsibility for a complex web of bureaucratic and financial literacies on behalf of community members. A critical element of this was the creation of an ‘information bank’ of community members’ birth dates, tax file numbers, banking records, education records and Centrelink reference numbers. Under CDP, however, the onus is on individual responsibility for maintaining these personal records and for managing interactions with Centrelink. Successful navigation of this new bureaucratic terrain is contingent on individuals having sufficient oral and written English and ICT (information and communication technology) competence to comprehend and comply with the requirements, having accurate evidence of their personal details, and being contactable by mail or by phone in a usual place of residence.

The WCO recognises that there are several major failings with this system and assists people with their Centrelink interactions, thereby taking on an extra workload without additional funding from Centrelink or PM&C. It understands that most people do not have sufficient English language and literacy to independently fill in Centrelink forms, negotiate the MyGov website or handle over-the-phone interactions with Centrelink. The WCO also still plays a de facto role in the guardianship of community members’ personal information, especially by keeping their bank details and dates of birth. Without this guardianship even more chaos would ensue. The WCO copes because of the infrastructure and community knowledge built up over more than 30 years of CDEP. Nevertheless, it takes the brunt of people’s frustration regarding their dealings with the Centrelink system and money issues. The strain on WCO staff is enormous.

The WCO has four phone lines. One is in use by community members all day, every day, usually on hold, trying to get through to Centrelink. Those who report to Centrelink by phone often do not understand what is said to them; they often guess the answers, or say yes to obligations they cannot meet because they think it is the ‘correct’ answer. Every day of the week people wait in the office for hours, sometimes days, to get through on the Participation Solutions line, mostly in relation to nonreporting and to avert penalties. For calls to the Centrelink Compliance Team there may be up to 300 clients waiting on hold across Australia. Individuals who try to undertake these calls on a personal mobile phone typically report the battery going flat while they wait on hold, so they give up. Additionally, with no household postal system, around 300 Centrelink letters arrive fortnightly at the WCO (including notifications of payments and penalties). Most Centrelink letters are
not collected by the addressees. When this occurs the WCO opens each letter to keep abreast of people’s circumstances and so avert a penalty. In addition, the volume of mail now includes hand-delivered letters from the local CDP provider, notifying clients of their monthly meetings. Previously, the CDP provider placed a list of those due for a monthly appointment that week on a community noticeboard. They have since been instructed by PM&C that this is against the department’s privacy policy and have had to cease this practice. Unlike the letters, this system worked: people could see their next appointment date and could alert others, and so avoid a penalty.

The Ngaanyatjarra, as with Indigenous people across Australia, have experienced wave after wave of government policy change. Their comprehension of how this new Centrelink system works is limited, and they do not understand the concept of ‘mutual obligation failure’. If individuals receive a penalty they rarely question why. Appeal rights do exist. However, this requires a level of spoken and written communication in English that is beyond the ability of most Ngaanyatjarra. It also takes an enormous amount of confidence and comprehension of their rights, which most Ngaanyatjarra do not possess. People just accept the situation, and severe financial hardship has become the norm. Most are only just functioning because of support from the WCO. At the same time the WCO is struggling to know what is going on with the community it has to support.

**Downstream effects of inadequate incomes and penalties**

The cost of living in these remote communities is high. Even salaried workers comment on the high price of food and fuel at the stores and roadhouses. The average fortnightly Centrelink payment is less than $500 for adults and less than $300 for those on Youth Allowance. Even the full Centrelink fortnightly payment is barely sufficient. Yet most people also have some deductions taken out of this payment. These include rent, contributions to a Social and Recreational Commitments fund (to pay for the community swimming pool, funeral fund, etc.), and payment of any court fines or Centrelink loans. Additionally, they may have incurred one or more $50 per day fines for an absence without a valid reason. Many absences are unavoidable because circumstances are often beyond people’s control. For example, they may leave the community outside business hours (late at night or on the weekend) and may have no control over the timing if they are dependent on others for a ride. Later, they may not have access to a phone to ring a CDP supervisor and provide a reason. If they are ill, it is virtually impossible for them to provide a medical certificate because there is no doctor in the community. In contrast, CDEP was flexible. It allowed for part-time hours that suited people’s many social and cultural commitments, enabling them to come and go from CDEP; even with a no work no pay penalty they still received a base payment.

CK’s situation demonstrates the inadequacy of even the full CDP payment. Her Newstart Allowance is $476.40 per fortnight, plus $51.60 for various supplements. But with deductions ($100 for rent, $50 for court fines and $46 for a Centrelink loan) she is left with $332 per fortnight to feed and clothe her family. She has also ‘failed’ to meet her ‘mutual obligation requirements’ on a number of occasions by ‘not attending and/or fully participating in her activity’, leading to a reduced payment or a penalty amount owing to Centrelink. Once, she received a penalty because she went from Warburton to Kalgoorlie to help her husband who was stranded there with no money. She was unable to return to Warburton in time to report. CK likes to work and usually remembers her fortnightly reporting (via the MyGov website – she is one of only five in the community who are able to do this). But she finds it hard to match the circumstances of everyday life with the CDP rules.

Under CDEP everyone received the same base payment. There was less confusion, less bewilderment and less jealousy. Now people have come to accept that their fortnightly payments vary considerably, and many can no longer budget for food or other purchases. For those with penalties the social and economic downstream effects are profound. They are caught in a poverty trap that affects them, their family and the community as a whole.

I turn now to the three most visible downstream effects of irregular or reduced incomes: food security, housing and fines enforcement.

**Food security**

Since the inception of CDP the stores and roadhouses in the Ngaanyatjarra communities have noticed that less money is spent on food, and they are unable to assist. In the past CDEP salaries were provided weekly, by cheque. This provided a critical budgeting tool for people on low incomes. It also safeguarded food security. Stores had a book-up system that articulated with the predictable CDEP payment cycle so that purchases could be made against future income and the next CDEP pay could be debited. Now, when they run out of money, people go without food. With Centrelink people are paid fortnightly, on different days, and in varying amounts.
People on an eight-week NPP have to rely on family, and those with money, especially those on the age pension, are pestered for assistance. As people become more desperate this leads to frustration, anger and sometimes fights over food. The WCO has described the daily and frequent requests for assistance for food and fuel and how the demand has increased since July 2015. The WCO assists as much as it can, but there is no longer any ‘fat in the system’ and it cannot help everyone. If people know that one person is favoured it causes bigger problems. The flow-on effect is that children are going hungry. Teachers try to feed children during school hours. In school holidays youth workers implement a ‘lunch club’ that provides food so that children do not starve. Most families shop on a daily basis so it is not uncommon that, by the next morning, there is no food in the house. The requirement to be at CDP activities by 8.30 am – that is, before the store opens – often means turning up hungry. The CDP program in Warburton provides food on a regular basis and supervisors note that food is the incentive for coming to work for many clients.

**Housing**

From July 2010 the Ngaanyatjarra communities entered into a public housing tenancy arrangement with the Western Australian Government. Community Housing is run by the Ngaanyatjarra Council Regional Housing Program (NCRHP) on behalf of the government. At July 2016, $100 per fortnight was deducted from most people’s Centrelink payments – that is, a quarter of the average payment for rent alone. If a renter receives an eight-week NPP they inevitably fall into rental arrears. With no resources or savings to turn to, arrears deductions have to be set up once payments recommence. An NCRHP Tenant Support Officer comes into the WCO each week to find out who is off benefits and who is falling into arrears. Providing a safety net for this invisible poverty is virtually impossible and rental debt is now so vast that individuals, and their communities, will be permanently locked into this debt. Since July 2015 rental debt has grown to $350 324 for the Lands as a whole, and $88 224 in Warburton alone (ABS 2016).

Another aspect of household poverty is the inability to pay for electricity. When people incur an eight-week NPP the Energy Supplement of less than $10 per fortnight also ceases. When there is no money in a household people cannot buy power cards, so families sit in the dark inside the house with no lights and, in the freezing desert winters, no heating. Moreover, there is no capacity to save and no expendable cash for basic household goods such as fridges. Individuals are thus attracted to Centrelink loans. A loan gives people $1000 but it also places them in debt. These loans have to be paid off within 12 months, and an individual cannot receive more than one loan per year. A typical Centrepay debt repayment is $46.00 per fortnight. Loans are negotiated directly between the individual and Centrelink call centre staff without any independent or local WCO support. Some people try to negotiate these loans on a regular basis, but most do not understand the rules.

**Fines enforcement**

One of the most severe downstream effects of incurring an eight-week NPP is the increased risk of imprisonment. For individuals charged with driving offences the penalty may be a Work Order, but, if they are on CDP, their Work Order cannot be undertaken simultaneously. This means that court fines are deducted from fortnightly Centrelink payments instead. Once an individual has these fines their drivers licence is cancelled and mandatory bans on driving ensue. Driving bans means that, if they drive (which they most likely will because they live in a remote community) and they are not licensed, it can go horribly wrong very quickly. In a small community where the police know everyone, the chances of being picked up for unlicensed driving are multiplied. Other orders for driving under suspension accumulate, and the vicious cycle becomes more deeply entrenched. Should they get an eight-week NPP and be unable to pay the fines, the Fines Enforcement Registry may imprison them for nonpayment of fines, in effect criminalising poverty.

Take the example of DL, a young man with no prior criminal convictions. He was driving into the small Western Australian town of Meekatharra when the speed limit dropped quickly. He was fined for driving at 110 kilometres per hour in an 80-kilometre-per-hour zone. This led to an automatic reckless driving charge and a six-month suspension of his licence. Within the following six-month period he was caught driving without a licence on two occasions, and each one compounded his original offence, leading to additional cumulative 9-month, and subsequently 12-month, driving bans. In that short period he also accumulated around $4500 in fines for the offences. His trajectory is a problem because he now has two convictions for driving under suspension while on a court-ordered ban within a short time. If he gets a third, it is highly likely that the penalty will be a suspended order for imprisonment, plus an additional cumulative ban, or indeed prison. He is also subject to the fines enforcement
legislation, as well as imprisonment if he does not pay off his fines. Because he has entered into a time-to-pay period for his court fines this could be a major problem. If his CDP money is suspended under an eight-week NPP the time to pay his fines will cease, and that is the mechanism that will trigger the issuing of a warrant of execution for imprisonment. So DL would have to find the full amount of money to pay out his fines or potentially be subject to imprisonment.

The pretence that CDP is building ‘work habits’

CDP is undermining the skill base and incentive to work that was built up under CDEP. Through CDEP, the Ngaanyatjarra people (through the Ngaanyatjarra Council and the various affiliated community organisations) had, over many years of hard work and careful strategising, built up the work habits that the government claims to be seeking. For most adults in the Ngaanyatjarra Lands CDEP was their only experience of employment, and those on CDEP saw themselves as workers. The base rate of CDEP provided sufficient income for them to house, clothe and feed individuals and families. For those inclined to work more, the extra top-up benefits provided a decent weekly wage relative to the local economy. Now, under CDP, ‘work’ means ‘activities’ in the Men’s Workshop or the Women’s Arts and Crafts room. Work is also equated with ‘reporting’, rather than actually doing work. In the Men’s Workshop there is no clear job description and no specialisation, and workplace pride is evaporating. Take DJ, a young man with a good work history and leadership qualities who was sent to the Men’s Workshop. But DJ wanted to get a ‘proper job’ like working in the shire to keep himself busy, instead of with ‘a big pile of workers’. As he says, ‘I can do whatever they ask or offer for work, but not enough job, that’s why. Only one job, RJCP [CDP] and Centrelink, but CDEP was every kind of job’.

As exemplified here, people are compelled to do activities that appear to have no purpose, just to get the hours.

In addition, employers in Warburton (e.g. health clinic, store) no longer want to employ CDP workers because the reporting requirements are too onerous. CDP is regarded as full-time, so missed days lead to penalties. Many workers build up skills but if they get an eight-week penalty they have to leave. Hence employers are unable to build a stable workforce. On the other hand, many people no longer want to work and are saying ‘What’s the point?’. Meanwhile, others are choosing to leave the community, often signing up with Centrelink in Laverton or Kalgoorlie where there are less onerous requirements and fewer penalties. Furthermore, CDP activities do not dovetail with community needs. There is no coordination or future planning, or articulation with well-established community systems. For all the money spent on CDP, the community sees no positive outcomes. Moreover, the community has lost the on-costs that supported the community-based income management system. With the loss of these regular deposits into community funds, community savings are diminishing and the community as a whole is poorer.

Conclusion

The fulfilment of the participation requirements to receive income support is now underpinned by the concept of mutual obligation. Meeting the terms of this compact relies on a shared understanding of the concepts and structuring mechanisms of mainstream Australian society, such as aspiration, success and education-to-employment transitions, coupled with a comprehension of the bureaucratic processes of government; most of this is completely foreign to Ngaanyatjarra society (Brooks 2016). Furthermore, CDP is predicated on an expectation of individual responsibility and literacy competence among remote Aboriginal people, the majority of whom lack the formal registers required for oral or written interactions with an external bureaucracy that is generally poorly informed about the complexities of remote life. Lastly, and ironically, the very authority that the Australian Government is seeking remote communities to exert over their membership to improve mainstream outcomes is being relentlessly undermined by the government simultaneously removing resources and a sense of control, and consigning community governance to mute irrelevance. In the Ngaanyatjarra communities a pessimism is spreading as people witness the dissipation of localised control and capacity building that have been carefully built up during the past 40 years. It is hard to imagine how they will be able to recover and reconstruct the organisational structures, and the sense of wellbeing and optimism incrementally established since first contact with Anglo-Australian settler society less than a century ago.

Acknowledgments

With thanks to the Ngaanyatjarra people, the Shire of Ngaanyatjarra, Warburton Community Office staff, Damian McLean, David Brooks, Ngaanyatjarra Council Regional Housing Program staff, youth workers and CDP staff who offered their insights.
How the ideas behind a universal basic income can inform the development of employment policy for remote Indigenous Australia

Elise Klein, University of Melbourne

While policy makers focused on Indigenous employment are in a quagmire with the failed CDP, alternative ways to think about employment and economic security are being explored through what is commonly called Basic Income (BI) (Ackerman et al. 2006, Atkinson 2014, Standing 2014, Davala et al. 2015, Altman 2016a). BI is a simple idea which provides every resident (children and adults) of a particular geographic location with a regular subsistence wage unconditionally (Ackerman et al. 2006). What is of interest to this collection of papers is how the foundational principles of BI could provide a way to rethink a new program to replace CDP. Specifically, a BI is sufficient to provide an income floor through times of job and wage insecurity (Standing 2014), and to support productive labour that falls outside of the capitalist work paradigm (Weeks 2011, Altman 2016a).

BI programs internationally have largely been successful in establishing an economic floor for extremely marginalised populations, such as found in the Basic Income Trial in India (Davala et al. 2015) and in unconditional cash transfers in southern Africa (Ferguson 2015). In the Global North, trials for a BI are positioned as a basic wage for every citizen, not only the marginalised and vulnerable in communities (Standing 2014). Altman (2016a) has also argued how CDEP in some locations across Australia acted as a BI, which helped ensure that people did not fall further below the poverty line, as well as supporting diverse and flexible forms of productive labour.

Given the fundamental shifts in Indigenous policy that have reduced options for community-based development and self-management in many locations, and the growing precarity of many people in the global economy, BI could open up new possibilities for Indigenous economic security and work, even in the current neoliberal framing of policy.

Specifically, BI is a way to broaden the understanding of work to include unwaged productive labour. The concept of labour is limited in Australian employment policy to involvement in the formal labour market. Yet many Indigenous people live in remote locations, where there are limited labour markets and so engage in productive work ‘on country’, undertaking customary (nonmarket) work for livelihood (Altman 1987, Altman & Taylor 1989). By providing an economic floor, a BI would allow the freedom for people and communities to engage in such nonmarket productive activity alongside community development initiatives that are aligned to their aspirations and cultures (Davala et al. 2015). Research by Dockery (2011) clearly shows that, for many Indigenous people, wellbeing is improved when they have the freedom to live and work on country and have the freedom to engage culturally on their lands.

Considering BI within remote Indigenous employment policy is important because the fundamental principles underpinning BI could:

- ameliorate material poverty for people living remotely on traditional lands and currently engaging in productive yet largely nonmarket activity
- support dignified, flexible and culturally appropriate work without the shame and stigma associated with the punitive current and past Work for the Dole programs
- provide economic security that can be leveraged for sustainable community development such as social enterprise; economic security is also important given fluctuations in the global economy and shifts in domestic labour markets
- support individual and community agency, as shown time and time again in international community development research (Sen 1999, 2009).

Interestingly, Australian Indigenous policy already has a precedent for a BI through CDEP. CDEP was an alternative approach to address the massive challenge posed by Indigenous labour surplus in places with few employment or commercial opportunities. Specifically, there are four key features of CDEP that are worth highlighting when considering it as a form of BI:

- CDEP was community controlled and voluntary. In essence, an Indigenous community council or organisation opting into CDEP was allocated a lump-sum wages grant that was calculated on a per-participant rate that approximated welfare entitlements. On top of this, CDEP organisations were paid an amount to administer the scheme and related projects, and an allocation to purchase capital equipment.
- CDEP was a mechanism to allow flexible work arrangements for those not wanting to work full-time or in the formal labour market, and for those not able to do so. This flexibility was important because many Indigenous peoples are already fully engaged in productive work (such as care of country; see Altman 1987). This contradicts much popular discourse about...
Aboriginal passivity, dysfunction and nonparticipation in work. CDEP also allowed for extra ‘top-up’ pay over and above base wages, so that people who were able to do additional work in CDEP or the formal labour market were encouraged to do so.

- CDEP had a community-development focus in that it not only created part-time work for Indigenous people in very remote situations, but also facilitated a degree of community self-management in social, cultural and economic development (Jordan & Altman 2016). Specifically, CDEP provided freedom for Indigenous organisations to pursue ‘development’ that was largely in line with local aspirations and priorities (Altman 2016b, Jordan & Altman 2016).

- CDEP provided work opportunities when the formal labour market was small or non-existent. Many Indigenous people living remotely in desert Australia or in the tropical savanna do not have access to mainstream labour markets (Productivity Commission 2015). The impacts of missing markets meant that CDEP participation was often the main source of employment income for Aboriginal and Torres Strait Islander people in regional and remote Australia. CDEP participation became a crucial institution for ensuring that people did not fall too far below the poverty line.

Alongside the economic security that a BI would provide, a renewed focus is needed to reconstitute and rebuild Indigenous organisational capacity across Australia. The Australian Government made an election pledge in 2013 to ‘empower’ communities, but instead has overseen escalating levels of direct government intervention in community affairs and the rapid demise of support for genuine community development. Engaging with a preselected handful of ideologically aligned Indigenous individuals and organisations, with the assumption that they speak on behalf of the wider population, is deeply problematic and does not constitute Indigenous-led development (Cooke & Kothari 2001, Cooke 2003, Klein 2015).

One option for rebuilding the Indigenous sector is to make unconditional stakeholder grants available to Indigenous organisations alongside an individual BI. This is different from the current approach, which is not delivering results. Rebuilding the Indigenous sector will require recognition that effective Indigenous grassroots organisations can address the aspirations and needs of Indigenous people.

Such a ‘new’ way of thinking about remote employment might ameliorate high levels of economic insecurity and deep poverty experienced by Indigenous people, especially those living in remote locations. As demonstrated by elements of CDEP, a BI program would provide avenues for dignified and culturally appropriate forms of work. It would certainly be backed by a growing body of international research showing the importance of economic security for sustainable development.

Acknowledgment

This contribution is based in part on collaborative research I have been undertaking with Jon Altman on universal basic income for remote Indigenous Australia.

Activities and authority in CDP: making them less punitive

Will Sanders, CAEPR, ANU

In June 2015 the Minister for Indigenous Affairs, Senator Nigel Scullion, announced that RJCP would be significantly changed and renamed CDP. In so doing, he portrayed the change as a move away from Work for the Dole back towards the old CDEP scheme which, for more than 30 years, had employed Indigenous participants part-time (Scullion 2015). In fact CDP is an intensification of working for welfare, with participants remaining on social security income support and those aged between 18 and 49 with full-time work capacity being asked to undertake 25 hours per week of work-like activities over five days. This activities regime within CDP has combined with more centralised decision-making authority to dramatically increase levels of social security penalties, as documented by Fowkes (in the paper ‘Impact of CDP on income support of participants’, above). CDP has become a punitive imposition on income support recipients in remote areas, rather than an enabling redirection of welfare.

My question, therefore, is: how can CDP rediscover a less punitive regime of activities and authority that would move it genuinely back towards the enabling ethos of CDEP? I make two suggestions: reduce activities for those aged 18–49 with full-time work capacity back to 16 hours per week, and cut the link between participant attendance at activities and provider funding. I deal with each of these in turn before concluding on a more positive note about some current arrangements within CDP.

Activities regimes under CDEP were generally four mornings per week. This pattern dated from the late 1970s and was designed to counter any suggestion
that participants were being asked to work for less than award wages. A quotient of 15–16 hours was the result of dividing an amount equal to income support for a single unemployed person by a basic award hourly rate of pay. The widespread practice developed of CDEP employment being undertaken as four hours per day, four days per week, usually Monday to Thursday mornings. Although Minister Scullion acknowledged that, under CDEP, communities and individuals had been ‘quite well engaged’ and ‘felt at their best’, he rejected this former activities regime as inadequate when changing from RJCP to CDP in mid-2015. Four hours, four days per week was not quite seen as involving the ‘discipline’ of a ‘standard working day’ in which people ‘return after lunch’.\textsuperscript{14} Scullion and the Coalition Government were ‘committed to the principle that activities should be 25 hours over five working days’. However, the minister went on to indicate that he would be ‘willing to review this in 12 months’ time’ (Scullion 2015).

I argue that it is now time to act on that willingness to review. The policy move to requiring work-like activities 25 hours per week over five days for CDP participants aged between 18 and 49 with full-time work capacity has done more harm than good. Penalties due to nonattendance at activities are disproportionately and unsustainably high, as documented by Fowkes. But an equal harm is that participants who attend activities under CDP do so, first and foremost now, to avoid penalties. The positive collective aspect of participants turning up and working in teams on activities of benefit to their community has been lost from view under CDP. I argue that a return to activities four hours per day, four mornings per week could be used to distinguish CDP from employment and to position its activities as for community benefit undertaken in return for income support.

Two of the great virtues of the activities regime under the former CDEP were that it avoided accusations of Indigenous people being asked to work for less than award wages, and it left afternoons and Fridays free for other priorities. These could include earning additional income through short-term, part-time work opportunities or ‘cultural’ activities such as visits to country, hunting and fishing, sports carnivals, ceremony or sorry business. This was a workable balance between the pulls of custom and modernity, between country and kin versus waged employment and other capitalist economic engagement.

During the two years of RJCP, my field observation suggested that the weekly activities regimes of CDEP had largely fallen into abeyance, but could at times be revived (Sanders 2016). After a year of CDP, I observe a reinvigoration of activities but only a half-hearted move towards a five-day-a-week regime. Friday is still seen as a short day, when work is done under sufferance of being penalised because it is required by the rules. Preparing lunch for participants as an activity is more common than returning after lunch for more activities, as imagined by Minister Scullion. A sense of doing activities under sufferance has spread throughout CDP and given it quite a different ethos from the former CDEP. Whereas CDEP enabled Indigenous organisations to employ participants to do things for community benefit, CDP just requires individual jobseekers to undertake prescribed activities as some form of obligation to government for income support. Whereas CDEP was aspire to by participants as employment linked to, but sitting above, income support, CDP is part of the income support system and covers a far larger and less work-ready group of participants. Because of this more diverse group of participants CDP needs more flexibility and adaptability in activity requirements than the old CDEP, whereas in fact it has less.

This change towards a standardising, punitive ethos relates to the second aspect of CDP that I argue has also done more harm than good and should be reversed: the centralisation of authority. The old CDEP scheme had a very decentralised authority structure. It was up to local and regional Indigenous organisations to determine how they spent their grant and who was employed to do what. A framework of rules existed to direct organisations and protect individuals, but this still left much room for the local use of discretionary authority – such as when to enforce ‘no work no pay’ rules and when to respect other Indigenous priorities or a participant’s right to basic income support, both in CDEP and in the underlying social security system. This is why Tim Rowse described CDEP in 2001 as not just a ‘labour market’ program but also ‘a program of political development’ and ‘an instance of Indigenous political authority’ (Rowse 2001:39).

CDP, in contrast, is very centralised in its exercise of governmental authority, not only over participants but also over provider organisations. The framework of rules prescribes in detail how providers must deal with participants, directing participants to activities and then reporting any nonattendance at those activities on a daily basis. It is this very centralised, directive framework of rules and authority, together with the more diverse client base, which is leading to the disproportionate imposition of penalties on CDP participants compared with jobseekers under other programs, as documented by Fowkes. Another contributing factor is the funding arrangement under which provider organisations receive most of their money based on actual attendance.
of participants at activities. This is not replicated in any other employment services program and makes budgeting for CDP providers almost impossible. A provider may in good faith organise activities and incur costs, but can later find themselves with no income to meet these costs if participants fail to attend. This is a form of financial risk shifting from government to providers that goes too far. Although it is reasonable to structure financial incentives to encourage provider performance, it is unreasonable to link funding post hoc to something that is beyond provider control. CDP providers need prospective certainty of funding in order to commit costs to participant activities. Provider organisations need to be able to exercise localised authority in relation to participant attendance at activities without thereby imperilling their own budgeting.

Minister Scullion’s foreshadowed willingness to review aspects of CDP after 12 months needs now to be acted upon. The review needs to cover not just the activities regime of 25 hours, five days per week, but also the more diverse client base of CDP and the funding regime for providers which is based so heavily and directly on participant attendance at activities. Both the activities regime and the funding regime of CDP are currently doing more harm than good with this more diverse client base. They are making CDP very punitive for both participants and providers. They need to be reviewed, and made more supportive and enabling for the full range of CDP clients.

To conclude on a more positive note, Minister Scullion also announced in June 2015 that ‘flexible arrangements for delivery’ would apply to CDP participants living on outstations. These participants could undertake activities of their own devising without the constant supervision of provider staff (Scullion 2015). In the subsequent guidelines for CDP, this flexible delivery was clarified as applying to ‘small communities with fewer than 10 job seekers’. In these circumstances, activities could be delivered in ‘alternative ways that provide a benefit to individuals and the community or homeland, including through projects that are self-managed by job seekers’ (Australian Government 2015:20).

These arrangements for delivery in small communities have opened up the possibility of a return to something like the activities and authority regimes of the old CDEP. Some outstations are now operating CDP like a basic income for community maintenance activities. This is not quite a universal, unconditional basic income, as Klein (above) advocates, but it is possibly moving back in this direction like the old CDEP. However, these arrangements are creating tensions between the operation of CDP in small versus larger communities. The policy aim should be to make CDP everywhere less punitive and more enabling, not just in small communities with fewer than 10 jobseekers, but for all participants across CDP’s diverse client base.

Moving forward with a better system: academic perspectives

This concluding section summarises the views of the academic contributors to this Topical Issue. We suggest a way ahead by considering the following questions: What principles should inform a new program (or set of programs) to replace CDP? What role should conditionality play in any future arrangements? What might greater community control look like in practice, given the diversity of the regions included in remote employment services? Is the ‘CDP 2’ Bill a promising alternative? And what should happen next?

Among the contributors there is broad agreement – for example, on the need to revise the aims of the scheme to support diverse and locally valued livelihoods, and reject the idea that ‘productive activity’ necessarily means participation in a paid mainstream job. All contributors also agree that action to stop the unfair application of income penalties should be immediately taken, and that the influence of inflexible centralised bureaucracy on program delivery must be substantially reduced.

There are also some points on which the authors’ views differ, especially on the issue of conditionality. These are complex problems and need much more discussion – including with those affected. In this vein, what we offer here is deliberately nonprescriptive. It is hoped that reading the perspectives canvassed might help policy makers, community organisations and CDP providers to think through a range of possible responses to this complex policy issue.

What principles should inform a new program (or set of programs) to replace CDP?

Broader aims

The aims of a new scheme should be extended beyond the narrow focus on getting Aboriginal and Torres Strait Islander people into ‘mainstream jobs’. Instead, the aims should be to (a) maximise people’s ability to live a ‘good’ life in remote towns and communities, and (b) equip people to engage in the labour market in and beyond their community, if they choose to do so.
Any future program should recognise that people can be outside the formal labour market and still be undertaking activities that are valuable for their communities and families, and that are important to their livelihoods and wellbeing. In doing so, it will recognise the inherent value in Aboriginal and Torres Strait Islander people’s social and cultural activities for the wellbeing of their families and communities, but also for Australia as a whole.

**Community control**

We should acknowledge that the large majority of participants in the current CDP are Aboriginal or Torres Strait Islander people, and any future program needs to be based on much better consultation and collaboration to ensure that their needs and priorities are properly addressed. In the haste to appear nondiscriminatory the government may have understated the cultural specificities of most participants and the particularities of their needs.

Aboriginal and Torres Strait Islander people in remote areas need to have ownership of the program and effective input into decisions about useful and appropriate forms of productive labour (i.e. what activities should be supported by the scheme), and the terms under which payments to individuals are made.

There is a vast difference between choosing projects and tasks that are identified as important by local people and being told to turn up somewhere every day for five hours and undertake activities that someone else has decided on. People need access to activities that are meaningful to them as individuals and for their broader community if they are to engage.

**Flexible arrangements**

The rigidity of the current arrangement of five hours per day for five days per week limits capacity to shape the program to local circumstances and contributes to the unacceptably high rate of penalties. Flexible work arrangements would recognise that not all participants have the aspiration or capacity for full-time hours or engagement in the formal labour market. Many people in remote communities have caring responsibilities, cultural obligations or complex barriers that mean that full-time work is not a realistic option.

A more flexible scheme would acknowledge that the best outcome for participants will differ, ranging from part-time participation in locally valued community development projects to full-time paid jobs.

**Appropriate remuneration**

To require this group of people to work 25 hours per week indefinitely in return for income support is seriously inequitable. At a minimum, where people are required to work, they should be paid an amount commensurate with the minimum wage. To do otherwise is to risk a return to the days when Aboriginal people were paid second-rate wages as wards of the state.

Participants need to have access to a ‘living wage’ that can fund the necessities of life in remote communities, and allow people to live productively and with dignity. They should have incomes that are sufficient to support their families, enable the local economy to function, maintain their health and not incur debts in perpetuity. Where people have insufficient income their capacity to develop skills for mainstream employment can also be substantially undermined.

If income penalties are applied they should be the exception rather than the current norm. Incentive structures need to be re-established for participants who wish to take on additional work. A ‘base payment’ could be made for an agreed period of part-time activity, with the possibility of working longer hours for additional pay.

**Job creation and community development**

Local job creation and community development are an essential part of the task of supporting wellbeing in remote communities. A new approach should provide better support for job and activity creation via locally valued enterprise and community development projects.

What is defined as productive labour under future arrangements needs to be negotiated with communities; job creation and community development activities should focus on opportunities that reflect local values and aspirations.

**What role should conditionality play in any future arrangements?**

This is the issue on which the contributors to this Topical Issue have the most differences of opinion. We all agree that the current penalty regime is inappropriate and detrimental. But we have different preferences for reform. Among us we see several broad possibilities.

A BI scheme would provide all unemployed people with an unconditional payment without requiring participation in program activities. The scheme could provide material and administrative support for culturally appropriate and
locally valued activities through additional block grants, but participation in these activities would be voluntary and the BI would be paid at the same rate irrespective of how people chose to use their time.

A potential benefit of this approach is in moving away from the use of conditionality to try to ‘nudge’ or coerce people into particular behaviours that have been decided on by people far removed from the lives and aspirations of those affected. In that respect, it could support a move towards self-determination or – to use Sen’s (1999) words – support for a ‘life one has reason to value’. It would also give people economic security where there is formal labour market shortage or precarity. This approach is effectively how CDEP functioned on some small homelands and outstations where there was little or no active supervision of work activities. Participants in those locations nonetheless engaged in productive labour on country, working on a range of programs for individual, household and community benefit.

A second option would include something like a BI component or basic living wage, but people engaging in locally determined program activities for an agreed number of hours would receive additional income up to the ‘full’ rate (there could also be further ‘top-up’ pay if people exceeded their agreed minimum hours). People’s capacity to engage in activities would be assessed and the minimum number of work hours to receive the full rate of payment adjusted accordingly. This system could also enable flexible movement in and out of program activities without a financial ‘penalty’, but those not participating (but with the capacity to do so) would be on the lower base payment. This would enable people to fulfil social and cultural commitments (funerals and ceremonies) and receive the base payment, and then be able to return to program activities and the full payment.

The benefit of this approach is that it would shift the focus from negatives (‘failure to fulfil obligations’) to positives (‘opportunities to earn and contribute’), and so remove the punitive focus that currently leaves some people feeling undermined, humiliated, devalued and controlled. Like a BI, it would also shift administrative resources from monitoring compliance to facilitating economic and community development, as well as providing a minimum level of economic security.

A third option would include some form of penalty where people did not meet their agreed participation requirements and did not have a reason that was accepted locally as valid. Many residents in remote communities do support some kind of penalties if these are perceived as fair and reasonable, and CDEP ‘no work no pay’ provisions were widely accepted and applied. The principle of self-determination would therefore suggest that a scheme including penalties as part of a broader engagement strategy should not be ruled out.

There are risks to this third approach in that it may become overly punitive, and determining ‘valid reasons’ for nonparticipation will always require some judgment of individual behaviour. But any conditionality that is applied should be (a) proportional to the benefits and opportunities for participants, and (b) based on the principle of reciprocity at the local level, not compliance with centrally prescribed rules. Key differences from the current approach would be that the nature of penalties and incentives would be designed in collaboration with communities, and judgments about valid reasons would be based on local knowledge. Similarly, activities would not be required for their own sake. Engaging the community in determining rules (where these are desired), rather than imposing them from outside, is more likely to mean that these rules are embraced and effective. If the arrangements do include penalties these need not be income based (they could, for example, mean forfeiting participation in some other locally valued activity). The principle focus should always be on ensuring that work projects offered are of sufficient value to keep people engaged. Most program resources should be invested in these positive projects rather than in penalising people who are disengaged.

There will also be other versions of conditionality that we have not canvassed. Although we have different views on which direction is most promising, we all agree that the current approach is not working and that, at this stage, all options should be on the table. Proper consultation with different communities or regions in developing new arrangements could lead to a number of trials with different types of incentives or penalties, or a trial BI program that would make unconditional payments. Such consultation and trials could radically expand our knowledge of ‘what works’ beyond the standard assumptions about human behaviour relied on by bureaucrats and policy makers far from the field. It is widely accepted that a ‘one size fits all’ approach to Aboriginal and Torres Strait Islander policy has been part of the problem, so investing in a better understanding of what works in different regions would be of value.

What might greater community control look like in practice, given the diversity of the regions included in remote employment services?

Many of the papers in this collection have advocated for greater ‘community control.’ It is important to consider
community control in both program design and program delivery. The diversity of regions is one reason for the need for more community input into program design, and there may be a case for returning to a scheme specifically targeted to Aboriginal and Torres Strait Islander people. (It should be noted that CDP includes some regions with large non-Indigenous populations.) The current approach to Indigenous policy making often sees government consulting with only a few individuals, or relying on a ‘fly in, fly out’ model of community consultation that excludes most Aboriginal and Torres Strait Islander people from effective input into policy or program design.

One of the consequences of the policy direction of the past decade is the loss of many local Aboriginal and Torres Strait Islander organisations, and the loss of institutional capacity in others. Additionally, the loss of ATSIC as a representative body and mediator of funding has had a detrimental impact on the ability of remote communities to have a voice. Nonetheless, there are many organisations with insight into the needs of remote-living Aboriginal and Torres Strait Islander people that should form part of a comprehensive consultation strategy, ranging from local community councils and CDP providers to regional bodies, land councils, peak organisations and national representative bodies (the National Congress of Australia’s First Peoples). In the future, reconstructing the scaffolding to enable genuine local input into program design may entail rebuilding something similar to ATSIC, where a hierarchy of locally informed opinion and understanding contributed to national policy making.

In some regions, CDP is already delivered by local Aboriginal and Torres Strait Islander organisations, although their autonomy has been severely hampered by a prescriptive CDP contract. In many regions, however, there is much less capacity for local, community-controlled delivery of services than there was a decade ago, and much of the remaining capacity has been reoriented to managing the administrative demands of government rather than everyday demands of the regions and the members. There is a need to rebuild the capacity of the Aboriginal and Torres Strait Islander community sector and value its contribution on its own terms, not just as an instrument of government policy.

Nonetheless the most appropriate organisations to deliver a new program will not necessarily be local Aboriginal or Torres Strait Islander organisations. They might be regional organisations (either Indigenous, or with an Indigenous board or advisory committee), or ‘facilitating partners’ contracted by government to work with local community groups to develop and implement projects and initiatives. Whichever organisations deliver the scheme, it should be an explicit aim of policy to work on priorities and projects that are locally identified, and to build capacity of local groups to deliver them. There will also need to be non-Indigenous creative and intellectual input to reconstruct this new institutional world.

Unfortunately, that capacity has also diminished during the past decade, as has government responsiveness to independent policy advice.

On a practical level, community control will require stepping back from a reliance on the Centrelink bureaucracy, which is not serving communities well. (It is possible that this could be improved with a restoration of proper workload funding to Centrelink, but we see no signs of that happening.) Moving away from reliance on Centrelink would entail a return to wages-based or minimum guaranteed income schemes. It would enable a localised form of ‘no work no pay’, and also ensure local oversight of the provision of basic necessities and access to services in some of Australia’s poorest communities.

One of the things we can learn from CDP (and RJCP before it) is that commitments to ‘flexibility’ are meaningless if governments insist on detailed daily monitoring of the activities of both providers and participants. Whatever scheme replaces CDP must not prioritise excessive accountability to bureaucrats over accountability to communities. We should also recognise that increasing community control over program design and implementation will not necessarily produce a ‘perfect’ program. However, drawing more effectively on local knowledge will be a substantial improvement on the current model and allow further adaptive modification for local conditions.

Is the ‘CDP 2’ Bill a promising alternative?

In 2015, the Minister for Indigenous Affairs, Nigel Scullion, introduced legislation that would enable him to establish different social security rights and obligations in specific remote areas. The minister argued that, to increase community control over CDP, it is necessary to make CDP providers responsible for administering penalties (just as CDEP providers could previously administer ‘no work no pay’ by deducting wages for days when participants did not work). However, his proposal was fundamentally different from CDEP in that CDEP was a wages-based system that did not involve a dilution of social security rights. Individuals in CDEP who were unable to meet the requirements for a full wages payment could still fall back on a social security safety net.
In contrast, the minister’s proposal was that participants would stay within the social security system, with providers able to determine participants’ social security entitlements. To enact this, the Minister for Indigenous Affairs would have been empowered to set different rules for remote Australia in relation to people’s right to access social security. In practice, then, what he advocated was not a devolution of power but a centralisation of power in the hands of the minister who may or may not act in the interests of, or with the consent of, those affected. Given that many CDP providers are nongovernment agencies (and some are for-profit providers), this would also have facilitated the privatisation of a mainly Indigenous segment of the social security system by stealth. This raises serious concerns, and we remain very wary about removing people in remote areas from legislation regarding basic citizenship rights.

Local organisations are better placed to develop participation rules that are appropriate to the setting. Often, they are also better able to tailor activities to individuals. However, it is dangerous to allow basic rights to be applied differentially to different citizens, particularly in the absence of legislative checks and balances (such as a ‘no disadvantage’ test). And, despite the framing of this legislation as an increase in local control, there is no sign of a shift away from centralised decision making over things like hours of Work for the Dole or increased discretion to excuse nonattendance. More acceptable ways to increase community control over program delivery could include (a) the reintroduction of a locally managed wages-based scheme for some proportion of participants, sitting alongside the social security system, or (b) use of a community-controlled model of service delivery (discussed above) to flexibly tailor obligations to better suit local needs within the framework of existing social security legislation.

What should happen next?

We have all, in different ways, argued the need for substantial change. How might we get a better result from the next attempt to develop and implement a new approach?

Short-term changes should be introduced to stop the exponential rise in penalties being applied to participants. This might involve placing a moratorium on breaching while there is proper investigation of what is going wrong. First steps could also include (a) reducing the weekly hours of mandatory activities to a level more aligned to those applying elsewhere, and (b) reinstating local authority over when hours are worked and when penalties are appropriate, as well as local community input into the nature of activities. These would reduce breach rates and are likely to encourage greater engagement.

Simultaneously, work should be undertaken to design a scheme to replace CDP. Although this is an urgent task, the design process should not be rushed. It should be based on genuine collaboration, particularly with Aboriginal and Torres Strait Islander people and organisations, as well as CDP providers, who have considerable on-the-ground experience. Consultation to inform this process must be detailed and sustained and allow input from first principles in program design. Some level of regional planning is needed, but providers will also need to employ the right kind of people who have vision and insight.

There is some recognition now, even within government, that many positive initiatives and much institutional capacity were lost with CDEP. Unfortunately, corporate and participant memories of CDEP are declining and fading. If something like a reformed and improved CDEP is to be reinstated we need to reactivate and rebuild existing organisational capacity and memory.

In the end, the most sensible way forward may be a number of small trial schemes (just as CDEP was trialled in 1977). A number of organisations are already working towards new proposals. If several alternative models emerge they should not necessarily be seen as competing; indeed, if the local control that all contributors to this Topical Issue are calling for is taken seriously, then multiple trial models might be a positive first step in this direction.
Notes


2. In this Topical Issue, we use the word ‘activities’ broadly; it may include, but is not limited to, the narrower meaning of the word as Work for the Dole activities.


4. At February 2016, there were 26 Indigenous not-for-profit organisations, 3 non-Indigenous not-for-profit organisations, 3 local government organisations and 6 private providers. Although Indigenous organisations make up the majority of providers, they deliver in fewer than half of the regions. Private providers tend to have larger contracts over several regions.


6. ‘Jobseekers’ is the term used by the Australian Government to refer to recipients of benefits that have a participation obligation. At present, they include people on Newstart Allowance, Youth Allowance (Other), Parenting Payment with a youngest child of 6 years or older, Disability Support Pension under 35 years with compulsory requirements, and Special Benefit subject to an Activity Test.


9. For example, Borland & Tseng (2011).

10. This paper draws on ethnographic research (interviews and participant observation) undertaken in the Ngaanyatjarra Lands over many decades. The case study (Kral 2016) focuses on Warburton where the offices of the Shire of Ngaanyatjarra are located. A mission was established at Warburton Range in 1934 and operated until it was relinquished in the government in 1973.

11. Two of the Ngaanyatjarra communities lie in other shires. Cosmo Newberry Community lies within the Shire of Laverton, and Kiwirrkura Community lies within the Shire of East Pilbara.

12. Before the introduction of the concept of ‘income management’ associated with the Northern Territory Emergency Response (the Intervention), the Ngaanyatjarra communities had operated their own form of income management to assist their communities to sustainably and fairly manage the impact of poverty and disadvantage. Ngaanyatjarra people and communities progressed by members giving up a measure of individual benefit in favour of the common good. CDEP provided for payroll deduction to support a range of community programs, including health, youth and education initiatives; funeral costs; and emergency transport funds; as well as essentials such as rent and electricity.

13. In a CDEP skills audit undertaken in the Ngaanyatjarra Lands in 2004, more than 20 CDEP jobs/locations were listed for Warburton.

14. These phrases do not appear in the formal speech on the minister’s website. They are drawn from an informal transcript of the minister’s actual speech as delivered at the RJCP business meeting, which was more wide-ranging and involved significant extemporising.
References


