

Neo-Paternalism and the Destruction of CDEP

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On 23 July the Howard Government announced its twelfth intervention under its national emergency measures: the abolition of the Community Development Employment Projects (CDEP) scheme in the Northern Territory. Presently, the scheme has an estimated 7,500 participants (according to official figures). This ranks in my mind as the single most destructive decision in Indigenous affairs policy that I have witnessed in 30 years of research and involvement in Aboriginal communities, alongside the decision to abolish ATSIC in 2004.

CDEP is often referred to as the Indigenous work-for-the dole scheme, but it is much more than that. Created in 1977 by the Fraser Government, it has multiple objectives, including community development, employment creation, income support, and enterprise assistance. CDEP was introduced at a time when unemployment benefits were first being made available to Aboriginal people in remote Australia, as a consequence of the abolition of paternalistic training allowances and their partial replacement with award positions, which resulted in a rapid increase in unemployment.

The beauty of CDEP is that the equivalent of participants' unemployment benefits is provided as a block grant to community-controlled organisations, which apply these funds according to local aspirations. In addition to unemployment benefit equivalents, participating communities are also provided with administrative and capital support. The offset from welfare entitlements has meant that the scheme is cost effective. While participation in CDEP is sometimes referred to as 'passive welfare', this is wrong: participation has always been based on active work participation, and in many small communities remote from labour markets and commercial opportunities, CDEP participation is the only source of employment and income.

Since 2004 and the demise of ATSIC, CDEP has been under threat, despite the fact that 36,000 Indigenous people and over 200 Indigenous organisations were then participants. This is primarily because it has come to be defined by the Howard Government as a labour market program only, with its principal goal being 'exiting' participants into mainstream work. This view of CDEP is certainly at loggerheads with that of participating organisations, even in urban areas, where mainstream labour markets exist. Last year the Howard Government announced that it would close down CDEP in urban situations, and from 1 July 2007, participant numbers were reduced by 6,000. But the government was adamant that it would retain the scheme in rural and remote Australia—except, it now appears, in the Northern Territory, and under 'national emergency' conditions.

CDEP:

Community
Development
Employment
Projects

In the joint media release announcing CDEP's closure and in subsequent radio interviews, it has become quite clear that the two ministers responsible for the scheme, Joe Hockey and Mal Brough, have somewhat different motivations. Hockey, as Minister for Employment and Workplace Relations, has said that the aim is to convert CDEP positions to so-called 'real jobs', by which he means government-funded service positions. Hockey appears to have swallowed the false duality between 'passive welfare' and 'real jobs' promulgated by Noel Pearson and now embedded in policy lexicon and public discourse, as well as by the views of his economic-rationalist department. Brough, as Minister for Indigenous Affairs, has a slightly different agenda: he is keen to also extend the control of the state over welfare payments to incorporate the payments that CDEP employees receive as wages from their own organisations. This is necessary if two other 'national emergency' measures—the quarantining of people's welfare to ensure that it is spent on children, and the linking of welfare payments to school attendance—are to be effectively implemented. Remarkably, paternalistic and knee-jerk measures that already constitute bad policy are going to be extended to demolish an extremely successful institution of Indigenous Australia.

The relative success of CDEP can be demonstrated with official statistics. Information collected in the National Aboriginal and Torres Strait Islander Social Survey in 2002 demonstrates three things. Firstly, the average weekly income of CDEP employees in remote and very remote Australia is about \$100 per week (or 60 per cent) higher than the income of the unemployed. Secondly, while CDEP funding only provides for fifteen hours of work per week, between 85 and 90 per cent of participants worked longer hours because of opportunities provided by their organisations. About one in five employees worked 35 hours or more a week in remote regions. Thirdly, while working in CDEP programs, Aboriginal people are able to undertake a range of customary activities, like participating in ceremonies or in fishing and hunting, to a greater extent than if employed or unemployed. There is clear evidence that the flexibility of the CDEP scheme has accorded with Indigenous aspirations in many situations.¹

ABS:

Australian Bureau
of Statistics

Statistically, the closure of CDEP in the Northern Territory will have the perverse impact of increasing unemployment rates dramatically. This is primarily because CDEP participants are correctly classified as employed, according to both ABS and ILO definitions. A recent ABS publication, *Labour Force Characteristics of Aboriginal and Torres Strait Islander Australians 2006*, released on 28 June, can be used to demonstrate this clearly. The ABS figures for the Northern Territory for 2006 show that the NT unemployment rate for Indigenous people was estimated at 15.7 per cent, more than three times the Australian rate of 4.9 per cent. But this rate includes an estimated 7,500 CDEP workers. If the total number of Indigenous people employed in the Northern Territory (15,300) is reduced by 7,500 CDEP participants and 1,600 new 'real jobs' are created (as suggested by Ministers Brough and Hockey), the unemployment rate will increase to at least 48 per cent. This is because the alternative that will be offered—work-for-the-dole—will classify participants as unemployed, while 12 months training will take people outside the labour force. As take up of available jobs will be slow, in the short term the Indigenous unemployment rate will soar to well over 50 per cent.

ILO:

International
Labour
Organisation

What is even more concerning is the impact that the abolition of this innovative and cost-effective program will have at the community level. There are about 50 CDEP organisations in the Northern Territory, the largest, and arguably the most successful one being the Bawinanga Aboriginal Corporation (BAC) located in Maningrida in central Arnhem Land, 500 kms east of Darwin. I want to focus here on what BAC does and on some of the ramifications of the proposed end of CDEP for this organisation, its members and the regional population of 2,500 residing in Maningrida township and 32 outstations in its hinterland.

BAC:

Bawinanga
Aboriginal
Corporation

In 1979 BAC was established as an outstation resource agency (I started undertaking research with BAC that year), and in 1989, after a decade of effective operation in this role, it also became a CDEP organisation. Today, eighteen years later, access to CDEP, combined with astute management and sound intercultural

governance, has resulted in BAC developing into a major development agency for central Arnhem Land. Its published annual report for 2005–06 indicates that it has increased \$12 million of grants income, mostly from CDEP, to \$26 million of turnover and \$1.6 million profit before depreciation.

BAC runs twenty projects. These include: financial and related services; BAC Housing, which provides outstation housing and infrastructure; a road party that maintains all roads in the region; BAC Workshop, which provides vehicle repairs; BAC Building for works in Maningrida; the Barlmark supermarket; a bush deliveries service; Bawinanga Outdoor Supplies; Human Services, which provides aged care and assists children at risk; BAC Training; Maningrida Arts and Culture, which returns \$1.1 million to about 700 artists in the region; the Good Food Kitchen, a healthy nutrition project; BAC Fuel; the Babbarra Women's Centre, which provides women with textile arts opportunities; the Ye'Ya CDEP, which provides Maningrida municipal services and operates a mud brick factory; the BAC Nursery; the Djelk Rangers, with male and female land ranger and sea rangers components; a crab-harvesting program with a commercial licence; BAC Tourism, which provides cultural tourism; and the Wildlife Centre, which is piloting the commercial sale of wildlife. BAC is a partner in the innovative and corporate-funded West Arnhem Land Fire Abatement carbon offset project.²

All these projects provide CDEP employment. CDEP participants sourced from BAC also work for a number of other Maningrida-based organisations. The day that CDEP is closed down, possibly on 1 October 2007, 550 CDEP participants, 300 who work on projects and 250 who are associated with outstations, will lose their jobs. This can be contrasted with the 600 workers in Geelong who have been given three years notice that they will lose their jobs in the Ford engine factory in a city with a population of over 200,000. In Maningrida, it will be government policy that creates unemployment through institutional destruction: CDEP is part of the social fabric and economic future of towns like Maningrida. In Geelong, the culprit is global commercial imperatives, despite generous state support.

The two ministers seem unconcerned that the closure of CDEP will create havoc: increasing unemployment, reducing income, and resulting in the likely demise of crucial service organisations like BAC. Both ministers appear confident that 1,655 jobs identified in a recent Local Government Association of the Northern Territory survey will be taken up by Indigenous people, even though it warns that Indigenous literacy and numeracy levels and other problems (like poor health) make it extremely unlikely that local people will be able to move into professional or semi-professional positions for many years. In any case, as another 'emergency' measure seeks to remove the permit system, it is likely that associated labour market 'deregulation' will result in greater, not less, competition for jobs. There is double-speak and fuzzy thinking here: are the ministers suggesting mandated Indigenisation of all jobs while simultaneously opening up towns to the free market? Are they suggesting that towns (currently mixed) will have Aboriginal employees only? To date, the only jobs generously funded under the 'emergency response' are external government business managers imported from Canberra into prescribed communities!

The abolition of CDEP is also bad policy because it undermines the objectives of numerous Commonwealth agencies whose programs are dependent on it. There are many examples, but the outstanding ones are the Indigenous Protected Areas and Natural Heritage Trust programs funded by the environment portfolio, and the National Arts and Crafts Industry support program that assists an estimated 5,000 artists in the Northern Territory. One wonders how well this twelfth measure will sit with the much-vaunted 'new' whole-of-government approach to Indigenous Affairs touted by Peter Shergold (a member of the Emergency Task Force) in April 2004.

There are other, less transparent agendas at work here too, including the goals of depoliticising robust CDEP organisations—perhaps to give government-appointed community administrators greater powers over Indigenous subjects? As most CDEP organisations are also outstation resource agencies, the demise of these organisations will inevitably place enormous strain on the viability of 560 communities in the Northern

Territory with populations of less than 100, almost all located on Aboriginal land. These communities form the backbone of the Indigenous arts industry and Indigenous 'caring for country' activities, so the national cost of their potential disappearance will be enormous. Outstations have been in the Howard Government's sights since late 2005.

The indecent haste with which this abolition is being imposed on Indigenous communities, and the absence of any differentiation between CDEP organisations on the basis of performance, is unconscionable. What is being proposed needs careful reconsideration. Firstly, the poorest Australians are facing certain income cuts—the government has even budgeted to provide participants with a temporary CDEP 'Transition Payment'. Secondly, participants are being forced from voluntary workfare to compulsory work for welfare, considered in some quarters an infringement of human rights and tantamount to slavery. Thirdly, Indigenous people will be moved from working for their own organisations, which accommodate cultural imperatives and kin-based responsibilities, to working for the neo-paternalistic state with its clear goal of mainstreaming—the outcome of which will be enhanced state dependence. All this disempowerment is couched in terms of the protection of Indigenous children and the reduction of community dysfunction. It is likely that challenges will be mounted by CDEP organisations, possibly in coalition, on behalf of their members on a number of legal and administrative grounds.

Paradoxically, given the government's stated aspirations, this myopic and destructive policy making will increase marginalisation, anomie and powerlessness in remote communities. Blinded by its neo-paternalist zeal, the Howard Government appears incapable of recognising what is working and sustainable in remote Indigenous Australia. Indigenous Australians deserve better!

NOTES

1. For more detail, see Altman, J.C., Gray, M.C. & Levitus, R, 'Policy issues for the Community Development Employment Projects scheme in rural and remote Australia', *CAEPR Discussion Paper 271*, ANU, Canberra, 2005, available at <www.anu.edu.au/caepr/Publications/DP/2005_DP271.pdf>.
2. To learn more, go to <www.bawinanga.com.au>.