Work, Welfare and CDEP on the Anangu Pitjantjatjara Yankunytjatjara Lands:
First Stage Assessment

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ABSTRACT

This report presents the results of a first stage assessment of the impacts of recent changes to the Community Development Employment Projects (CDEP) scheme on the Anangu Pitjantjatjara Yankunytjatjarra (APY) Lands. It draws on interviews and discussions with 15 Anangu (Aboriginal) people from the APY Lands as well as staff from Bungala Aboriginal Corporation and other relevant agencies. It also utilises available administrative and census data. As a first stage assessment the aim is to develop the foundation for further research throughout 2012 and 2013. This preliminary analysis concludes that although some of the measures introduced in July 2009 have had positive impacts, the changes to the scheme itself are tending to undermine the productive capacity of CDEP and induce a return to ‘sit down money’. This is ostensibly what the government seeks to curtail and indeed what the CDEP scheme itself was designed to minimise. There may be a need for additional policy intervention to ensure that further changes to the scheme scheduled for 2012 do not exacerbate, rather than ameliorate, the multiple disadvantages experienced by many Anangu on the APY Lands.

Keywords: Community Development Employment Projects (CDEP) scheme, Indigenous employment, government policy, remote area development
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EXECUTIVE SUMMARY

1. The aims of this report are twofold. First, to examine the impacts of recent changes to the Community Development Employment Projects (CDEP) scheme that came into effect on 1 July 2009. Second, to explore the likely impacts of further changes to CDEP that will come into effect from 1 April 2012. It explores the potential consequences for Anangu (Aboriginal) people in the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands in remote north-west South Australia.

2. This is a first stage assessment based on qualitative fieldwork undertaken in the APY Lands and Adelaide in October 2010, and the examination of administrative data. The fieldwork was designed to record the views of Anangu about the current and scheduled changes to CDEP, and included informal interviews or discussions with 15 Anangu as well as 10 staff from Bungala Aboriginal Corporation in nine locations: Umuwa, Amata, Pukatja (Ernabella), Kaltjiti (Fregon), Mimili, Iwantja (Indulkana), Yunyariny (Kenmore Park), Kanpi and Adelaide. It is intended that additional research will be carried out on the APY Lands throughout 2012 and 2013, and it is possible that some conclusions may change on the basis of this further research.

3. The CDEP scheme was introduced on a trial basis in 1977, and Pukatja and Kaltjiti were two of the first communities to adopt the scheme. The original aim of CDEP was to reduce the potential for long-term welfare dependence in remote Aboriginal communities where the recent introduction of unemployment benefits coincided with a lack of local jobs. It sought to offer part-time, publicly-funded employment to Indigenous participants, with the Australian Government providing block grants to Indigenous community councils or incorporated organisations to employ participants on a wide range of local community development projects. Participants were paid a basic wage notionally approximating, at a minimum, the welfare benefits they would otherwise receive and were expected to work around 16 hours per week in return. Some participants could also work extra hours for additional pay (‘top up’). In these ways the scheme sought to combine job creation, income support and community development goals.

4. In line with the overarching approach of self-determination, the original employment goals of CDEP were focused on direct job creation in remote communities. Over time, though, the aims of CDEP have been very significantly redefined by successive governments, moving them away from direct job creation and towards the placement of participants into non-CDEP jobs. This has been particularly the case in urban and regional areas, where an increasing focus on moving participants into the mainstream labour market over many years culminated in the closure of urban CDEPs in 2007 and regional CDEPs in 2009.

5. The recent changes to CDEP in remote areas can be seen, in part, as a continuation of this trend. Under these changes new entrants to the scheme from 1 July 2009 are ineligible for CDEP wages or ‘top up’. Instead of wages, these new participants receive income support payments directly from Centrelink. Those who have been participants in the CDEP scheme since prior to 1 July 2009 (now called ‘grandfathered’ participants) are able to receive CDEP wages (including ‘top up’ where appropriate) until at least 1 April 2012, after which all CDEP wages will be progressively phased out on a community-by-community basis. Also from 1 July 2009, CDEP providers are required to work with mainstream Job Services Australia (JSA) providers. In outlining these changes the Department
of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) made its aims for CDEP clear: to assist Indigenous job seekers to find and keep non-CDEP jobs and help meet the Council of Australian Governments (COAG) commitment to halving the employment gap within a decade.

6. While the rationale behind these changes may be multifaceted, the new arrangements reflect recent criticisms of CDEP that suggest it has been a disincentive to finding work in the mainstream labour market. However, evaluations of CDEP are strongly contested, and several studies have pointed to productive activities undertaken through the scheme including the facilitation of culturally appropriate work both inside and outside the formal labour market; service provision in health, education and natural and cultural resource management; the development of Indigenous-owned enterprises that employ local CDEP labour; the sustainability of a flourishing arts industry; the facilitation of formal and informal training including paid apprenticeships, traineeships and work placements; and the raising of cash incomes above the rates adult participants would otherwise receive on income support.

7. The APY Lands are Aboriginal owned under inalienable freehold title under the Aṉangu Pitjantjatjara Yankunytjatjara Land Rights Act 1981 (SA). The traditional owners of the APY Lands are Pitjantjatjara, Yankunytjatjara and Ngaanyatjarra peoples, often collectively referred to as Aṉangu. More than 2,000 Aṉangu live on the APY Lands in a number of dispersed communities and small homelands. Aṉangu on the APY Lands have a young population profile when compared to the national average. Over 40 per cent of the population are aged under 20 years, and nearly 78 per cent are aged under 40 years. This means there is a relatively large cohort of young Aṉangu on the APY Lands who will soon be of standard working age. In this context there will be increased need for education, training and employment programs and there may be a case for programs that include direct job creation.

8. The 2006 Census records that 46 per cent of Aṉangu on the APY Lands aged 15 years and over are employed. A further 51 per cent are outside the labour force and only around 3 per cent are unemployed. These data need some explanation. According to the Census, less than one-quarter of employed Aṉangu have jobs in the mainstream (non-CDEP) labour market. On this basis, if the CDEP scheme were to be removed from the APY Lands without additional intervention, the unemployment rate among Aṉangu would be around 77 per cent. Among Aṉangu employees on the APY Lands, well over half (57%) are employed in public administration and safety. This is followed by health care and social assistance (23%) and education and training (13%). Together, these three industries account for almost 93 per cent of Aṉangu employment on the Lands.

9. Not surprisingly given the employment profile, average incomes of Aṉangu on the APY Lands are very low. According to the 2006 Census, over three-quarters (76%) of Aṉangu aged 15 years or more have weekly incomes below $250. This is well below the national median of $466 per week and reflects the high proportion of Aṉangu in receipt of CDEP wages or social security payments. As in many remote communities, costs of living for Aṉangu can be quite high. There have been reports that the high costs of store-bought food and fuel mean that some Aṉangu are going without fresh foods for several days in each pay period.

10. From its beginnings in Pukatja and Kaltjiti, CDEP expanded to 16 communities and homelands on the APY Lands and, by the early 1990s, employed more than 1,100 participants. Prior to 2007 CDEP on the APY Lands was administered separately in each community through local community councils. In June 2007 these separate community-based programs were replaced by one regional scheme,
with the contract awarded to Bungala Aboriginal Corporation (Bungala). Based in Port Augusta, Bungala has a long history of delivering CDEP in areas including Port Augusta, Whyalla, Port Pirie, Coober Pedy, Oodnadatta and the northern Flinders Ranges. Bungala is an incorporated Aboriginal organisation and all of its members and board of management, as well as one-third of its staff, are Aboriginal. Membership is open to Aboriginal people from four regions (Port Augusta, Coober Pedy, Whyalla and Flinders) but not the APY Lands.

11. One-half of Bungala staff are based full-time on the APY Lands. These 24 staff include CDEP work supervisors, Bungala resource officers (with responsibility for participant mentoring, advocacy and referral) and Bungala liaison officers (who oversee day-to-day operations and liaise between Bungala head office, on-site staff, the local community and other service providers on the Lands). Overall coordination is the responsibility of Bungala’s Director of CDEP on the APY Lands, and this position is based in Port Augusta.

12. Bungala’s Port Augusta CDEP operations (closed in 2007, in line with Australian government policy) were recognised as highly successful in placing CDEP participants into non-CDEP employment. As in Port Augusta, Bungala’s strategy in the APY Lands has focused on the transition of CDEP participants into non-CDEP jobs wherever possible. Bungala describes this as based in its ‘philosophical belief’ that the CDEP program should ‘facilitate employment and training opportunities that articulate to economic independence for Aboriginal people. This can be achieved when CDEP is used as a vehicle to expose participants to the replication of a real employment situation’.

13. As of March 2011, Bungala had 412 CDEP participants on the APY Lands. Between July 2008 and March 2011 it had assisted 217 participants into non-CDEP jobs; 38 into CDEP work placements with third party employers, and at least 117 through accredited training. Of the participants placed into non-CDEP jobs, 89 have been placed into CDEP ‘conversion’ positions created by the State or Commonwealth Governments to transition CDEP participants formerly engaged in delivering municipal and essential services into fully-funded jobs. Most recently, 41 former CDEP participants have been employed in building maintenance and construction on the APY Lands and eight have been employed by Oz Minerals to work at their Prominent Hill mine, which is around 500 kilometres south-east of the APY Lands.

14. The difficulty in transitioning CDEP participants in the APY Lands into mainstream jobs should not be underestimated. English literacy and numeracy levels are very low, opportunities for non-CDEP work are limited, and most CDEP participants enter the program with little or no experience of the formal workplace. In addition, as in other parts of remote Australia, Indigenous patterns of relatedness and social obligation mean that the ongoing negotiation of social and cultural relationships is often prioritised over employment commitments. For these reasons, Bungala has had to work intensively with CDEP participants over several years to facilitate employment outcomes. For many Agangu such outcomes could take much longer. Intensive post-placement mentoring is also required to support the sustainability of employment placements, with mainstream employment likely to be a very challenging experience for many new Agangu employees.

15. In addition to its formal role, Bungala seeks to achieve long-term employment outcomes by delivering services outside the scope of its formal contract. For example, it has instituted lunch programs at all its major work sites to help improve participant engagement and retention, as well as opening around 600 bank accounts for CDEP participants who had previously only ever received wages
as cash. The opening of bank accounts in conjunction with financial literacy training means that electronic banking is now the norm. Bungala has also operated in flexible ways to align with local circumstances. For example, in order to engender trust with local communities Bungala assists with funeral arrangements where possible, and closes work sites as appropriate during funeral ceremonies: this is aimed at ensuring a long-term working relationship with Aṉangu and therefore ongoing worker engagement, even if short-term productivity is sometimes reduced.

16. Trust is a crucial factor for service providers working on the APY Lands. The arrangements for governance, administration and service provision are extremely complex. While it is beyond the scope of this report to examine governance arrangements on the APY Lands in detail, there is a long history of duplication, lack of coordination, confusion, and accusations of improper behaviour. Many Aṉangu have a healthy scepticism about changes to administrative and servicing arrangements that are perceived as being imposed from outside, and which often add to frustration and confusion.

17. Aṉangu approached for this research project were unanimous in their concern that the changes to CDEP will not improve outcomes for Aṉangu and indeed may make their situation worse. They did not see CDEP as a panacea: among some Aṉangu there is an expressed desire for non-CDEP jobs that can raise incomes above either CDEP wages or unemployment benefits and help to overcome the absolute poverty commonly experienced. Some Aṉangu said that neither CDEP wages nor unemployment benefits are enough to meet their basic material needs. However, without exception the Aṉangu participants in this study described the removal of CDEP wages as counterproductive in that, by eliminating access to ‘top up’, the measure would undermine the incentive to turn up to CDEP work. Aṉangu were clear in their view that moving people onto unemployment benefits would be a return to ‘sit down money’ and therefore a significant step backwards, and did not see this as an appropriate way to facilitate movement into mainstream jobs. Moreover, they were deeply concerned that it would exacerbate social problems among Aṉangu on the APY Lands. One participant in this study summed up these concerns, saying ‘Aṉangu strongly say we don’t want ‘sit down money’. We want CDEP.’ Several Aṉangu canvassed were also frustrated by what they perceived as a lack of real consultation about the plans for CDEP.

18. Discussions with Bungala and preliminary analysis of Bungala’s administrative data suggest that the concerns expressed by Aṉangu may be well-founded. Two of the keys to Bungala’s success in placing CDEP participants into mainstream jobs and developing work-based skills and capacities have been a focus on sustained participant engagement, and the creation of incentive structures through opportunities for additional work and ‘top up’ pay. This is a model with demonstrated success in Port Augusta that Bungala has been applying to the APY Lands with encouraging results. However, Bungala reports that since 1 July 2009 participant engagement has significantly declined, especially among participants subject to the new income support arrangements. For example, as of 17 March 2011 just over 76 per cent of ‘grandfathered’ participants (those receiving CDEP wages) and only 24 per cent of new participants (those receiving income support payments) were regularly turning up for CDEP work or training. The difference in worker engagement among ‘grandfathered’ and new participants is further evidenced by average weekly work hours, with ‘grandfathered’ participants working an average of 10.1 hours per week on CDEP and new participants only 4.5 hours per week.

19. There appear to be several contributing factors. First, while Bungala continues to enforce the ‘no work no pay’ rule for ‘grandfathered’ participants, it has no capacity to enforce this for new CDEP participants on income support. New participants are formally required to fulfil mutual obligation
requirements in return for income support payments and may incur a reduction in payments if they are reported as having a ‘participation failure’. However, evidence to date suggests it has been uncommon on the APY Lands for this to be enforced. This means that ‘no work no pay’ has been holding little sway over new CDEP participants as they may receive the same income whether they work their full hours on CDEP or not. Second, while Bungala has attempted to develop the equivalent of an internal labour market by offering additional work and pay to reliable workers, new CDEP participants are ineligible for ‘top up’ wages. They may do paid work in addition to their CDEP participation but would then be subject to the normal income taper on their social security payments. While they would not lose benefits dollar for dollar, options for additional paid work are limited and on balance the new payment rules may reduce the financial incentive to turn up to work and the incentive to work industriously once there. A revised compliance framework for individuals in receipt of income support payments was introduced in July 2011. However, it remains to be seen whether this increases engagement among new CDEP participants.

20. While further research is required, preliminary conclusions can be drawn from available administrative data and the clear concerns of Anangu identified above. This report suggests there is evidence that the changes to CDEP introduced in July 2009 are undermining the demonstrated potential of CDEP to produce positive results. The changes appear to be creating a disincentive for Anangu to participate in productive work and develop their capacities for non-CDEP employment, while also encouraging a return to passive welfare. This is ostensibly what the government and commonsense seek to curtail and indeed what the CDEP scheme itself was designed to minimise. Without additional intervention, there is risk that the scheduled removal of CDEP wages will further exacerbate this trend and add to, rather than ameliorate, the multiple disadvantages experienced by many Anangu on the APY Lands.
1. INTRODUCTION

This paper examines a critical juncture in Indigenous policy history and its potential implications in one location: the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands in the remote north-west of South Australia. The APY Lands span more than 100,000 square kilometres and are Aboriginal owned under the Anangu Pitjantjatjara Yankunytjatjara Land Rights Act 1981 (SA). They are home to at least 2,000 Pitjantjatjara, Yankunytjatjara and Ngaanyatjarra people (often collectively referred to as Anangu) who live in a number of communities and small homelands spread across the Lands, from Iwantja (Indulkana) in the east to Pipalyatjara, over 400 kilometres away in the west.

Since 1977 a key feature of the local economy has been the Community Development Employment Projects (CDEP) scheme. In that year CDEP was introduced in a number of communities on a trial basis, including Kaltjiti (Fregon) and Pukatja (Ernabella) on the APY Lands (Bonner 1988: 110). The scheme had multiple aims, including community development, income support and job creation, and within a decade it was operating in 10 communities and homelands on the APY Lands, employing a combined total of more than 750 Anangu (Bonner 1988: 119). While participant numbers have since fluctuated, CDEP has remained by far the region’s single biggest employer, with over 600 participants in July 2009.

However, since that time, very significant changes to the CDEP scheme have seen the number of participants drop to just over 400 in March 2011. Introduced by the Australian Government, these changes have seen new entrants to the program after July 2009 no longer eligible to receive CDEP wages and instead receiving income support paid directly by Centrelink. From April 2012, all CDEP participants—on the APY Lands and elsewhere—will be transitioned off CDEP wages and onto income support (Macklin, Arbib & Plibersek 2010). These changes have potentially profound implications. They have been billed by the government as central to its strategy of halving the gap between Indigenous and non-Indigenous employment rates within a decade (Macklin & O’Connor 2008). However, the evidence about their likely effects is mixed, and there is considerable uncertainty about how they will affect Indigenous people, communities and organisations.

Analysis of the likely outcomes of the changes is complicated by public debate that has often been anecdotal. On one side of the debate is the view that CDEP has been a form of ‘passive welfare’ and a barrier to Indigenous participation in mainstream work. This view has been advanced by think tanks including the Centre for Independent Studies (Hudson 2008; Hughes 2007) and Bennelong Society (J. Stone 2008) as well as some Aboriginal advocates including Noel Pearson (2009: 286). While there is little documented evidence to support this view, it is clear that at least some CDEP programs have been poorly administered and, as standard practice, allowed participants to receive their full pay without meeting their minimum part-time work requirements.

On the other side of the debate are those who argue that CDEP has underpinned a range of productive economic activities in Aboriginal and Torres Strait Islander communities and been a feature of significant economic and community development success (Morphy & Sanders 2001). Case study evidence suggests that, where CDEP has been well-administered, participants have been required to fulfil minimum part-time work requirements in order to receive their full pay. Statistical evidence also indicates that many CDEP workers have undertaken additional hours of work beyond the approximately 14 hour minimum in return for additional wages (Altman, Gray & Levitus 2005). Some participants have used CDEP to undertake paid apprenticeships and traineeships or worked for third party employers where they have received additional pay, and still others have moved off CDEP into mainstream jobs. In some cases CDEP has facilitated

While the empirical evidence clearly tells a complex story, Aboriginal people and organisations in some communities have expressed concern that the scheduled changes to CDEP will lead to weakened capacity, viability and autonomy in Indigenous institutions; a loss of essential services currently delivered by CDEP workers; the decline of productive sectors like the visual arts; and reduced employment and increased welfare dependence where the new arrangements transition CDEP participants onto unemployment payments (see for example Aboriginal Peak Organisations of the Northern Territory 2010; Australian Broadcasting Corporation (ABC) 2010; Central Land Council 2011; Gosford 2010; Sealey 2009). To date, there is very little published research about the impacts of the recent changes to CDEP or the likely effects when the full effects of the changes are felt in 2012 (for a recent exception see Gibson 2010).

This paper seeks to address that gap in reference to the particular case of the APY Lands. The aim of the paper is twofold: to collect and analyse available evidence about how the changes to CDEP since July 2009 have impacted Agangu on the APY Lands; and to consider the likely impacts of the scheduled changes to CDEP in 2012. It will also inform future research in the APY Lands and additional case study sites with the aim of facilitating comparative analysis. The paper first briefly identifies the case study methodology employed before setting out important contextual information about the socioeconomic environment of the APY Lands and the history of CDEP, especially its operation on the Lands. It then documents available evidence of the impacts of changes to CDEP since July 2009, focusing especially on employment outcomes, participant engagement and program funding. Next, the paper notes potential scenarios following further changes to the CDEP scheme that will see the removal of all CDEP wages. It argues that possible outcomes include an increase in passive welfare, and considers the compatibility of the changes with the Council of Australian Governments (COAG) commitment to ‘closing the employment gap’ (COAG 2011). It should be noted that this is a first stage assessment, with additional research planned during 2012 and 2013 to further explore these identified concerns.

2. CASE STUDY METHODOLOGY

This case study is based on primary data collected during fieldwork in the APY Lands and Adelaide in late 2010 as well as analysis of administrative and survey data including the 2006 Census of Population and Housing (Australian Bureau of Statistics (ABS) 2006) and administrative data from Bungala Aboriginal Corporation (Bungala). Fieldwork involved one visit to the APY Lands over 18–22 October 2010 (five days). Additional research was conducted in Adelaide over 25–26 October 2010. During these visits discussions and informal interviews were held with 15 Agangu including elders, community leaders and CDEP participants. These discussions took place in Adelaide and at eight locations on the APY Lands: Umuwa, Amata, Pukatja (Ernabella), Kaltjiti (Fregon), Mimili, Iwantja (Indulkana), Yunyariny (Kenmore Park) and Kanpi.

Further discussions were held with representatives of several of the major organisations and service providers on the APY Lands including the APY Executive Board and the board of Regional Agangu Services. Extensive discussions were also held with 10 Bungala staff including eight based permanently on the APY Lands, and with staff of other stakeholders including the Department of Education, Employment and
Workplace Relations (DEEWR), the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), APY Land Management, Ngarluma Health and Angangku Arts and Culture Aboriginal Corporation. This broad range of stakeholders ensured that a diversity of views was obtained.

A key aspect of the research design was to capture the views of Ngarlu about the changes to CDEP and their potential effects on Ngarlu, their communities and livelihoods. Interviews and discussions with Ngarlu were recorded in handwritten notes and later transcribed. Names of Ngarlu research participants have been kept confidential.

3. THE ECONOMIC AND SOCIAL CONTEXT OF THE APY LANDS

3.1 HISTORY

The APY Lands occupy 102,360 square kilometres in the remote, arid north–west corner of South Australia. These lands are Aboriginal owned under inalienable freehold title under the *Angang Pitjantjatjara Yankunytjatjara Land Rights Act 1981* (SA).

For the traditional owners of the APY Lands, sustained contact with Europeans occurred relatively late: European explorers and later dingo hunters (or ‘doggers’) had traversed the area from the 1870s but, since most doggers were transient, the first European settlement on the APY Lands did not occur until the development of pastoral properties in the late 1920s. Pastoral stations established near Iwantja and later at Yunyariny and Pukatja provided the entry for perhaps the most significant European settlement on the Lands when, in 1936, the Presbyterian Church acquired Pukatja (then Ernabella) station and founded the Ernabella Mission the following year (Edwards 2004: 2, 1992; Young 2010: 96).

Unlike in many other parts of Australia, the philosophy of the missionaries at Ernabella was one of ‘minimal interference’ in Aboriginal culture (Edwards 2004: 9). Mission practice also encouraged Ngarlu to travel seasonally, enabling the older generations to show children their traditional country (Young 2010: 99). The mission philosophy, combined with the area’s remoteness, meant that the Aboriginal people under the influence of the Ernabella Mission were able to maintain language and many traditional structures and practices (Edwards 2004: 16). Nonetheless, significant changes occurred in this period. While there was no compulsion to live at the mission, many Ngarlu were attracted to do so by the availability of rations and medicines, turning to a more sedentary life. Although the mission school had a policy of ‘vernacular education’ (Edwards 2004: 8), cultural change was, as always, inevitable. For example, some Ngarlu progressively adopted aspects of Christianity, incorporating these into traditional practices and beliefs (Edwards 2004: 9).

The mission also promoted participation in organised work—food given to children, the elderly and the infirm, but only offered to others ‘as a reward for their labour’ (Edwards 2004: 8). Young (2010: 96) notes that while Ngarlu had already been introduced to the notion of working for payment (usually of goods) through participation in the dingo skin trade, ‘labouring for goods or for a combination of goods … and wages was the foundation of the Ernabella Mission ethic’.

In 1961 the mission expanded by establishing a permanent ‘outstation’ at Kaltjiti (often called Fregon)—around 60 kilometres south–west of Ernabella—where the church had earlier secured grazing rights. The mission ran a successful cattle enterprise at Kaltjiti from the early 1960s until the mid 1980s. New Ngarlu settlements were also established by the South Australian Government, first in the north–west at Amata (then Musgrave Park) in 1961 and next at Iwantja in the south–east in 1968 (Edwards 1992: 13–15).
Additional settlements were established at Yunyariny (Kenmore Park) and Mimili (Everard Park), both former cattle stations where the leases were handed over to Agangu in the 1970s (APY 2010: 2; Edwards 1992: 16).

The mid 1970s saw major changes across the country with the policy shift towards self-determination. In 1974 the Presbyterian church gave control of Ernabella and Fregon to local incorporated councils. A pan-Pitjantjatjara/Yankunytjatjara organisation, the Pitjantjatjara Council, was formed in 1976 and its negotiations with the South Australian Government led to the introduction of the Agangu Pitjantjatjara Yankunytjatjara Land Rights Act 1981 (SA) (Edwards 2004: 16, 2008: 10–11). From the 1970s many Agangu also chose to return to their traditional lands, establishing small family-based settlements at significant locations dispersed throughout the region (Edwards 2004: 16). Early settlements included Kalka and Pipalyatjara in the west, followed by others at Murputja, Tjurra, Watarru, Anilalya, Irrinty and Iltur (APY 2010: 2). Some of these have now grown and are considered to be ‘communities’; others that have remained small are still considered ‘homelands’ and receive some services via larger communities.

Since the 1970s, and especially since land rights were recognised in 1981, Agangu on the APY Lands have to some degree been self-governing. The 1970s and 1980s saw many communities and several groups of homelands establish their own community councils and, under the land rights act, Agangu Pitjantjatjara Yankunytjatjara (APY) was also established as a body corporate for the entire APY region. While these organisations continue to play significant roles on the APY Lands, in practice governance has become complex, with Agangu also engaged with a multitude of State and Commonwealth government agencies as well as some non-government service providers and commercial operators. Many Agangu articulate a development vision for their future that includes retention of significant aspects of culture, language, subsistence production and attachments to land. However, the large majority of activity on the APY Lands is reliant on public funding. This means that development options are constrained to a considerable extent by the need to negotiate with numerous administrative and funding agencies, and most programs are vulnerable to funding limits and policy change.

Arguably, recent years have seen a resurgence of top-down planning for the APY Lands in line with a broad critique of local self-determination that has become increasingly dominant in Indigenous policymaking. This critique suggests that self-determination has exacerbated social problems by reducing external authority and allowing access to alcohol and passive welfare money; and that it has allowed naïve notions of ‘Indigenous culture’ to impede progress by facilitating disengagement with the market economy (see Sutton 2009). Proponents of this view point to the clear evidence of continued Indigenous socioeconomic disadvantage and serious social pathologies in many Aboriginal communities, including high rates of alcohol and drug abuse and interpersonal violence. There is certainly evidence that these problems are significant on the APY Lands, with the report of the ‘Children on APY Lands Commission of Inquiry’ finding that violence and sexual abuse of children were widespread and often linked to the dangerous use of drugs and alcohol (Mullighan 2008: xi–xiv).

### 3.2 POPULATION PROFILE

The APY Lands are home to at least 1,900 Pitjantjatjara, Yankunytjatjara and Ngaanyatjarra people. This figure is derived from census data and is likely to be an undercount: it is locally estimated that there are up to 3,000 Agangu on the APY Lands and recent official reports suggest an estimate of around 2,700 (see Mullighan 2008: xi). Agangu on the APY Lands live in a number of dispersed communities and small homelands (see Fig. 1). The larger communities include Amata, Pukatja (Ernabella), Kaltjiti (Fregon),
Mimili, Iwantja (Indulkana), Kalka and Pipalyatjara. Of the roughly 100 smaller settlements on the APY Lands, around one-third are occupied on a regular basis (Parliament of South Australia 2004: 57). Umuwa is the administrative centre of the APY Lands and, while few Anangu live there, it has a significant non-Indigenous (pirapa) population. Mintabie, on the far east of the APY Lands, is a small pirapa town that was originally leased to the Crown to facilitate opal mining.

As elsewhere in remote Aboriginal Australia, the populations of settlements on the APY Lands are variable and highly mobile. Studies of Aboriginal temporal mobility suggest that there is a common ‘culture of mobility’ involving frequent movement between settlements, often driven by patterns of relatedness, sociocultural obligations or engagement with health and other services (Prout 2008b: 5).

Population mobility and census methodology mean that population counts derived from the ABS five-yearly Census of Population and Housing should be viewed as rough estimates only. In 2006 the census recorded estimates for the larger settlements and some of the homelands on the APY Lands. These estimates suggest that around 340 people live at Iwantja and associated homelands (93% of whom are Indigenous); 330 at Pukatja and the Anilalya Homelands (86% Indigenous); 320 at Amata and the Tjurma Homelands (91% Indigenous); just over 300 at Mimili and homelands (91% Indigenous); and 270 at Kaltjiti and the Irintata Homelands (78% Indigenous) (ABS 2006). While the census does not provide population estimates...
for Kalka or Pipalyatjara, other sources suggest that the population of each of these settlements is around 100 Aṉangu (Paper Tracker 2009). Many of the additional homelands have very small populations usually based around family groups.

The APY Lands are bounded by the Western Australian and Northern Territory borders on their western and northern limits, as well as the Maralinga Tjarutja Lands to the south. In practice, however, these borders are very porous for a mobile population of Aṉangu (see Moran et al. 2009: 6), with significant Aṉangu populations through the Ngaanyatjarra Lands in Western Australia; several communities in the Northern Territory (Kalaltukatjara/Docker River, Mutitjulu, Imanpa and Aputula/Finke); and regional locations in South Australia including Oak Valley on the Maralinga Lands, Yalata on the south-west coast, and Umoona at Coober Pedy.

Temporal mobility of Aṉangu both within the APY Lands and across the borders poses particular challenges for service provision (see also Prout 2008a). For example, there is anecdotal evidence that some recent policy changes in the Northern Territory have seen Aṉangu from that state resettling in the APY Lands, increasing the demand for local services; and, vice versa, some suggestion that young men from the APY Lands have moved to larger towns across the Northern Territory border to escape alcohol restrictions in their own communities (see Rothwell 2011; Schliebs 2011). Resource sharing also occurs across both the Northern Territory and Western Australia borders, with service providers sometimes finding that resources intended for the APY Lands have been moved inter-state. All such developments add to the difficulties of planning for servicing on the Lands.

The following sections (3.2.1–3.2.4) provide a brief summary of key socioeconomic characteristics of Aṉangu on the APY Lands. Again, due to limitations with census data the figures provided should be seen as estimates only.1

3.2.1 Age and gender

Of the roughly 1,900 Aṉangu on the APY Lands who were enumerated in the last census, just over half (51%) are female.2 As is common for the Indigenous population nationally, Aṉangu on the APY Lands have a very young population profile. Over 40 per cent of the population are aged under 20 years, and nearly 78 per cent are aged under 40 years; this compares to national figures of 27 per cent and 54 per cent respectively. Only 7 per cent of Aṉangu on the Lands are aged over 60 (ABS 2006).

These data likely reflect both the shorter average life expectancies of Indigenous Australians and the tendency towards higher fertility among Indigenous women (Brown, Taylor & Bell 2008; Kinfu & Taylor 2005). They have very significant social, cultural and economic implications. For example, they demonstrate that there is a relatively large cohort of young Aṉangu on the APY Lands who will soon be of standard working age. These young people face an environment in which there are few mainstream employment options and, unless new employment opportunities can keep pace with the growing population, they will likely face increased competition for work and higher rates of joblessness. In this context there will be increased need for education, training and employment programs and there may be a case for programs that include direct job creation.

3.2.2 Education, training and employment

One way of examining educational attainment is the proportion of people who have completed various stages of formal schooling. According to the 2006 Census, just over 18 per cent of Aṉangu on the APY Lands who are aged 15 years or more have completed Year 10 or equivalent. Almost 6 per cent have
completed high school through to Year 12 or equivalent, but this is outweighed by the proportion who have not attended school at all, at just over 9 per cent (ABS 2006). According to a recent review of education on the APY Lands, there is an unacceptably high dropout rate from secondary schooling, particularly among students aged around 13 years, and even among those who do finish high school, ‘only a small percentage enroll in university courses and barely any graduate with a mainstream qualification’ (Lea et al. 2008: 12–13).

Some Angan on the APY Lands have, however, pursued non-school qualifications. Census data may not capture the extent of such qualifications, but the 2006 Census recorded around 45 individual certificate level qualifications and 10 diplomas or higher degrees. The majority of these qualifications are in management and commerce, followed by education and health (ABS 2006). There are several organisations providing vocational education on the APY Lands including TAFE SA and a number of other independent or partnered Registered Training Organisations such as Nganampa Health, Waltja Tjutangku Palyapayi Aboriginal Association (Waltja) and Bungala. The Angan Tertiary Education Program run by the University of South Australia also delivers diploma and bachelor level degrees in education on-site on the APY Lands.

Relatively poor educational outcomes among Angan on the APY Lands constrain employability (Lea et al. 2008) and contribute to low rates of mainstream employment and labour force participation. The 2006 Census records that 46 per cent of Angan on the APY Lands and aged 15 years or over are employed and, although a very high proportion of this age group are outside the labour force (51%), the unemployment rate is fairly low at 6 per cent. However, these data need some explanation.

A key feature of the employment landscape on the APY Lands is the CDEP scheme. More detail about the scheme’s operation on the Lands is provided in Section 5. At this stage it is sufficient to note that, according to administrative data for 17 March 2011, 412 Angan are currently participating in the scheme on the APY Lands: 314 of these are ‘grandfathered’ CDEP participants (that is, those who have participated in the scheme since at least as early as June 2009) and are in receipt of CDEP wages; 98 are ‘new’ CDEP participants (signing on after June 2009) and are in receipt of income support payments.

The difficulty in classifying CDEP participants as employed or unemployed means that data referring to labour force status are sometimes ambiguous. However, the census identifies all CDEP participants as employed. Looking at the census counts of Angan in employment but not participating in the CDEP scheme suggests that less than one-quarter (24%) of employed Angan have non-CDEP jobs. According to this figure, if the CDEP scheme were to be removed from the APY Lands without additional intervention, the unemployment rate among Angan would be over 77 per cent (ABS 2006).³

The very high proportion of people outside the labour force (or, expressed differently, the very low labour force participation rate) also warrants careful attention. While unemployment refers to those who are not working but actively looking for a job and available to start work, those not in the labour force are neither working nor formally looking for work. Low labour force participation rates are common across Indigenous Australia: at the national level the gap between Indigenous and non-Indigenous participation rates is almost 20 per cent (Steering Committee for the Review of Government Service Provision (SCRGSP) 2009: 4.61).

Of the roughly 500 Angan employees on the APY Lands who recorded their industry of work in the census, well over half (57%) were employed in public administration and safety. The next most common industries of employment were health care and social assistance (23%) and education and training (13%). Together, these three industries accounted for almost 93 per cent of Angan employment on the Lands: a
very small proportion worked in other industries including arts and recreation services (2%), retail (2%) and electricity, gas, water and waste services (1%) (ABS 2006).

It is interesting to note here that the non-school qualifications held by Anangu align closely with the industries of main employment. One possible interpretation of these data is that the problem of ‘training for training’s sake’—even when poorly aligned with potential employment opportunities—that has been identified in other Indigenous locations may be less of a concern on the APY Lands. This proposition, however, requires further investigation.

3.2.3 Income and expenditure

It is not surprising given the employment profile that the average incomes of Anangu on the APY Lands are relatively low. According to the 2006 Census, over three-quarters (76%) of Anangu aged 15 years or more have weekly incomes below $250 (ABS 2006). This is well below the national median of $466 per week and reflects the high proportion of Anangu in receipt of CDEP wages or social security payments.

Anangu who have been employed through CDEP since June 2009 or earlier can work additional hours (beyond the required minimum of around 14) for additional ‘top up’ wages. Some Anangu have part-time or full-time jobs in the mainstream labour market at award wages or above. Others generate income through small businesses including tourism and the arts, and fledgling pastoral enterprises may generate future returns. Mining royalties are periodically received by Anangu Pitjantjatjara Yankunytjatjara (APY), a body corporate under the Anangu Pitjantjatjara Yankunytjatjara Land Rights Act 1981 (SA), and distributed to traditional owners (see Parliament of South Australia 2004: 79–80). These sources have the potential to raise Anangu incomes and, according to the census, a significant proportion of Anangu aged 15 years and over (17%) do have slightly higher incomes of between $250 and $400 per week. However, only 6 per cent receive incomes above this level (ABS 2006).

As is common among Indigenous Australians, particularly in remote areas, a significant feature of the APY Lands economy is resource sharing among kin and cultural networks. In addition, some Anangu continue to practice hunting and gathering to supplement their diets. Nonetheless, cash income is the principal means by which most Anangu seek to meet their basic material needs. Income poverty is a significant concern, particularly because costs of living for Anangu can be quite high. A 1998 study found that some Anangu regularly went without food, or relied for extended periods on only tea and damper, because they could not afford to purchase adequate food for their needs (Tregenza & Tregenza 1998). The high costs of store-bought food and fuel remain ongoing concerns and reports of Anangu having to go without fresh foods for several days in each pay period persist (see Smith 2009: 129–30).

3.2.4 Language and culture

The two main dialects on the APY Lands are Pitjantjatjara in the central and western regions and Yankunytjatjara in the central and eastern areas. Anangu in the west, and across the Western Australian border, also speak Ngaanyatjarra. All three are dialects of Western Desert Language and are mutually intelligible. The 2006 Census suggests that most Anangu on the APY Lands (just under 75%) can also speak English well or very well. Only 4 per cent do not speak English at all (ABS 2006).

As noted earlier, while the cultures of Anangu are highly adaptable—and very significant cultural shifts have occurred since colonisation—the region’s remoteness, its relatively recent history of sustained European settlement, the philosophy of the Ernabella missionaries, and the recognition of land rights are all likely contributors to the maintenance of very strong connections to land and traditional cultures.
among many Anangu. This is expressed through language, ceremony, story and visits to country, as well as the collection of bush foods which still supplement the diets of many Anangu on the APY Lands (APY 2010: 2).

3.3 ECONOMY

As in many parts of remote Aboriginal Australia, the public sector looms large in the APY economy and market opportunity is limited. In theory, at least, governments have multiple roles as service provider, law enforcer, regulator and provider of a welfare safety net. While some commentators see the reliance of remote Indigenous communities on a high degree of government support as indicative of their limited viability, the unusual historical, structural, cultural and locational characteristics of these communities mean that it is probably unrealistic to expect them to become financially independent of government funding even in the long term.4

However, this is not to deny the potential for economic productivity on the APY Lands, with the ability to draw on a range of resources—including public and private funds as well as social and cultural assets—generating some creative and highly productive activities. Two models in particular help to conceptualise the economy of the APY Lands: the ‘hybrid economy’ model and a ‘livelihoods’ approach. While conventional economic analyses tend to see contemporary economies as comprising two sectors (public and private), in recent years the hybrid economy model has been developed to help conceptualise some Indigenous economies which also include customary production like hunting and gathering (Altman 2001; see also Russell 2011). Developed in relation to Aboriginal economies in Arnhem Land, this model suggests that Indigenous peoples’ livelihoods and opportunities for economic development in remote areas rely on

Fig. 2. The hybrid economy model

Source: Adapted from Altman 2009: 45.
a combination of government support, market engagement and customary economic activity. The model notes that, in practice, engagement with government, market and customary activities are rarely discrete. For this reason, Altman suggests that most productive activity in remote Aboriginal communities occurs at the intersections of these three sectors (sections 4, 5, 6 and 7 in Fig. 2). One commonly cited example is where an artist who relies in part on government payments produces work for sale in the market using customary cultural knowledge and practices.

The hybrid economy model has not been widely adopted in published studies of central Australian Aboriginal economies. Instead, many analyses of these regions have adopted what can be called a 'livelihoods' approach that recognises diverse livelihood strategies that may rely on various combinations of paid work, enterprise, trade, social security payments and subsistence activities (see for example Davies & Maru 2010; Davies et al. 2008). From this perspective, definitions of viability that are too narrowly focused on financial concerns overlook the significance of diverse aspirations and cultural and social assets in community sustainability (Stafford Smith, Moran & Seemann 2008). Both the hybrid economy and livelihoods approaches have clear relevance to the APY Lands, particularly in highlighting the complex interplay between public, private and customary economic activities. Any attempt to separate them here is purely for descriptive purposes.

3.3.1. Employment and employment services

While the opportunities for market engagement on the APY Lands are currently limited, there is a growing labour market as well as a number of established and emerging enterprises. Many Agangu are outside the labour force, but paid work is highly valued by some, particularly for its ability to generate cash wages.

Most employment opportunities on the APY Lands are in service industries. They include jobs as teachers or teacher aides, health professionals or assistants, or in government or other administration, municipal services or media. There are eight schools on the APY Lands and nine health clinics as well as an aged care respite facility at Pukatja. State and Commonwealth government services are provided from offices at several communities. The main offices of the APY administration—as well as municipal, media and several other services—are based at Umuwa; all employ Agangu and, as a body corporate, APY also employs Agangu in shadow positions under its non-Indigenous executive staff.

An area of employment with potential growth is construction and housing maintenance. In 2009 the APY Executive Board signed a memorandum of understanding (MOU) with Housing SA, a division of the South Australian Department for Families and Communities. The MOU commits Housing SA to deliver improved housing for Agangu on the APY Lands and includes a provision that there will be ‘meaningful opportunities for Agangu employment and training’ in construction, refurbishment and property management, with a target of 20 per cent Agangu employment (APY & SA Minister for Housing 2009: 2, 4). Labour hire company Career Employment Group (CEG) has recently taken on 41 Agangu to provide workplace-based training in welding, concreting, carpentry and bricklaying, with CEG to subsequently assist the participants into direct employment with building contractors. This program is funded by DEEWR and the South Australian Government (Arbib & Rankine 2010). As detailed below, Bungala were instrumental in establishing the scheme.

Another area of potential employment growth is land management. On the APY Lands 14 Agangu have permanent positions as rangers with the APY Land Management Unit established in 1990. The APY Land Management Unit also employs additional Agangu staff as needed on a casual basis. The permanent rangers work at least 20 hours per week on wildlife recovery programs or managing the five Indigenous...
Protected Areas (IPAs) on the Lands, with funding provided both through the IPAs and the Commonwealth Government’s Working on Country program. IPAs are areas for which traditional owners have formed an agreement with the Commonwealth Government to ensure biodiversity and resource conservation, with government funding for training, wages and land management activities. They are a relatively new development with potential for further employment growth: APY Land Management estimate that there is enough work to employ at least twice their current Anangu workforce, with the only limit being program funding. The APY Land Management Unit also runs a plant nursery at Umuwa on a cost recovery basis (APY n.d.). Again, the contribution of IPA and Working on Country funding for land management activities that draw on traditional knowledges illustrates the interrelationship between public funding, market opportunity and customary activity in developing economic opportunities on the APY Lands.

Additional employment opportunities for Anangu exist away from the APY Lands, including in mining, with a employment relationship developing between Anangu and mining company Oz Minerals. Eight Anangu from the APY Lands were employed at Oz Minerals’ Prominent Hill mine in 2010 (Cleary 2010).

i. Social security and Job Services Australia

A large proportion of Anangu on the APY Lands rely on some form of social security payment, including Newstart Allowance (Newstart), the Age Pension, Disability Support Pension and parenting or carer payments. Newstart, in particular, is designed to articulate with the labour market through the inclusion of mutual obligation requirements (‘participation activities’). These can include job search, work experience, vocational education and training, participation in a labour market program or Work for the Dole scheme, or other agreed activities (Centrelink 2010). Completing these activities is supposed to increase a Newstart recipient’s employment prospects, and a failure to participate can result in a range of consequences including a ‘no show, no pay’ penalty under which recipients lose one day’s payment for every day they do not participate in compulsory activities. Repeated non-compliance (measured as three participation failures) can be a trigger for a ‘Comprehensive Compliance Assessment’ and, if deemed appropriate, a further penalty of eight weeks of non-payment (DEEWR 2011e).

Since 2009, a key element of the Commonwealth Government employment strategy has included a network of Job Services Australia (JSA) providers. Replacing the Howard Government’s Job Network, JSA providers are private or not-for-profit organisations contracted to deliver a range of services aimed at increasing the employability of job seekers and helping them find a job. These services can include the development of ‘Employment Pathway Plans’ for individual job seekers that set out their participation activities, as well as assistance in preparing résumés and looking for work and the facilitation of vocational education or work experience (DEEWR 2011e). In return, JSA providers receive from the Commonwealth Government a service fee for each individual job seeker they assist, as well as ‘outcome payments’ when those individuals are placed into jobs or, in remote areas, undertake agreed education or training (DEEWR 2010a, 2010b).

ii. CDEP

As will be detailed in Section 5, CDEP on the APY Lands interacts with the mainstream labour market by facilitating education and training as well as the placement of ‘job ready’ CDEP participants into work experience placements or non-CDEP jobs where these are available. It is a key source of income for many Anangu, with the potential to raise incomes above the rate of social security payments that would otherwise be received. CDEP also supports customary and ceremonial activities on the APY Lands, including the conversion of some customary and cultural knowledge into commercial opportunities like the production of art for sale.
Few non-CDEP employment placements on the APY Lands can be seen as independent from the functioning of the CDEP scheme. For example, Bungala was integral to establishing the Career Employment Group housing employment project and, prior to the implementation of the scheme, offered 16 CDEP activities related to building and construction that helped make CDEP participants ‘job ready’ for transition to the CEG positions. One of these activities was a ‘non-trade cyclical maintenance’ project that Bungala negotiated with Housing SA. Through this project, cyclical housing maintenance was separated out from Housing SA contracts so that it could be carried out by CDEP participants under Bungala supervision in Kaltjiti, Mimili and Amata. Integrated into this project was formal training in Certificate I in Construction which was delivered through TAFE.

Further to this project, Housing SA agreed to separate the delivery of new housing into three contracts: one for underground plumbing; one for housing construction; and one for local employment to deliver elements (such as fencing and landscaping) that are not time critical. Career Employment group was then engaged to take on the local labour, with Bungala assisting CEG in recruiting appropriate participants. Individuals recruited for the project were those who had been regularly attending CDEP and hence had proved their commitment to work routine.

3.3.2 Enterprise development

There are several small established and emerging enterprises on the APY Lands. The APY Council has approved at least six pastoral development licenses. APY Land Management also runs enterprises in feral animal control with camels, horses and donkeys mustered and sold to abattoirs (APY n.d.). Successful art centres operate at seven communities; these employ Anangu directly as well as providing income to artists through art and craft sales. Community stores also operate at 10 locations. Art centres and community stores are managed by pîrânpa (non-Anangu) but usually Aboriginal owned and governed by elected Aboriginal boards.

There are also a number of newly emerging small-scale social enterprises (including hand-made soaps and body creams, cultural tourism, second-hand clothing sales and car parts recycling) that are currently receiving financial and other support from The Australian Centre for Social Innovation, the University of South Australia and UnitingCare Wesley (The Australian Centre for Social Innovation 2010). There have been a number of attempts to establish bush foods enterprises on the APY Lands but none have so far proved sustainable on a commercial basis (see for example Paper Tracker 2010a).

Reflecting the inter-linkages between the public and private sectors of the APY economy, many of the enterprises on the Lands are supported by government funding, including through CDEP employment or wage subsidies (see Section 5). They are also underpinned by the customary sector: arts, crafts, tourism and bush products enterprises all draw on traditional cultural knowledge and practices. There is a strong argument that enterprises such as community stores are essential services that, to improve affordability while ensuring continued viability, should attract government subsidies for wages, freight or other operating costs (see Balmer 2009: 130; Nganampa Health Council 2009: 5).

3.3.3 Customary economic activity

Hunting and gathering remain important for many Anangu, providing a degree of subsistence production as well as reinforcing cultural practices, facilitating intergenerational learning, and helping to maintain social and cultural relationships (see for example Thomsen, Muir & Davies 2006: 129–30; see also similar findings in other central desert regions Moran et al. 2007; Palmer & Brady 1991). On the APY Lands the
management and customary use of wildlife has also been supported through funding from both State and Australian governments (Wilson, Knight & Liddle 2004). At the same time, the strong and vibrant arts sector on the APY Lands and surrounding regions has been integral to the international reputation of Australian Aboriginal art, and no doubt produces spin-off benefits such as increased tourist visitation—and therefore public and private revenue—at places like the nearby Uluru-Kata Tjuta National Park (see Altman 2003: 3).

The customary sector also underpins employment opportunities in land management and commercial success in producing arts and crafts for sale. These are significant income earners for the APY Lands, with the IPA and Working on Country programs bringing income to the region via Anangu wages and the art centres generating net profit as well as wages and artist commissions. Many Anangu express a desire for work that combines traditional skills and knowledge with opportunities to earn cash wages.

3.3.4 Infrastructure and services

State and/or Commonwealth governments provide funding for a wide range of services on the APY Lands, including health, housing, education and policing. Additional services are provided by numerous not-for-profit organisations that themselves receive some government funding. This contributes to a very complex institutional environment, with numerous service providers and multiple levels of government providing many important services, but also operating with sometimes limited coordination and unnecessary duplication. In addition, as Stafford Smith and colleagues argue for remote Indigenous communities across desert Australia, because policies and programs ‘are forever expanding and undergoing reform’ and the launch of new programs exceeds the closure of old ones, there is a ‘highly fragmented institutional environment with increasing regulation and escalating costs’ (Stafford Smith, Moran & Seemann 2008: 130).

Government investment in infrastructure and services on the APY Lands has increased in recent years, but there are ongoing infrastructure backlogs including a significant shortage in housing, inadequate telecommunications, and a poor road network. All roads traversing the APY Lands are unsealed and, since grading is irregular, they are often degraded. This relative lack of essential infrastructure has significant practical and economic implications. For example, the condition of roads greatly increases damage to motor vehicles and therefore the cost of living for many Anangu. The lack of access to telecommunications makes communication and collective organisation over large distances difficult and necessitates more vehicular movement (and therefore greater cost) than would otherwise be the case. In addition, the lack of access to telecommunications, including internet connections, limits the possibilities for emergent entrepreneurship.

Having detailed some of the economic, cultural and demographic context of the APY Lands, the remainder of this report turns specifically to the CDEP scheme.

4. A BRIEF HISTORY OF CDEP

The CDEP scheme is one of the most longstanding features of the Australian Indigenous policy landscape. It was introduced by the Fraser Government in 1977 as a creative response to a complex challenge—the potential for long-term welfare dependence in remote Aboriginal communities where the recent introduction of unemployment payments coincided with a lack of local jobs (Altman 1997; Altman & Nieuwenhuysen 1979; Sanders 1988, 2004; Sanders & Morphy 2001).
A radical idea for its time, the scheme sought to offer part-time publicly-funded employment to Indigenous participants, with the Australian Government providing block grants to Indigenous community councils or incorporated organisations to employ participants on a wide range of local projects (Coombs 1994: 163). Participants would be paid at a basic wage notionally approximating, at a minimum, the welfare benefits they would otherwise receive; and be expected to work around 14 to 16 hours per week in return (see Sanders 2004). Additional grants would be made to participating communities for on-costs such as workers’ compensation and capital expenditures (Altman 1997: 2; Altman & Taylor 1987: 41; Coombs 1994: 164). In these ways the scheme sought to combine job creation, income support and community development goals, and was a precursor to programs introduced much later in mainstream Australia that have emphasised the importance of ‘mutual obligation’ and ‘welfare to work’.

Although initially introduced on a trial basis in one remote community in the Northern Territory, by July 1978 trials were running in 10 communities in remote Australia, including Pukatja and Kalitji on the APY Lands (Bonner 1988: 110; see also Sanders 1993: 3). With the scheme proving popular, Indigenous communities and organisations outside of these trial areas requested its expansion. This was initially slowed by administrative problems but rapid expansion began into remote areas in 1983 and accelerated further after the introduction of the Hawke Government’s Aboriginal Employment Development Policy (AEDP) in 1987 (Sanders 2004: 1). The AEDP included the expansion of CDEP as a key strategy and allowed for its extension beyond remote communities to other locations where Aboriginal people had ‘no alternative employment prospects’ (Commonwealth of Australia 1987: 7).

While there were several subsequent changes to the scheme it continued to grow until the early years of this century, by which time it had expanded to include over 35,000 participants Australia-wide (SCRGSP 2009: 4.69). While the scheme remained concentrated in remote areas, it was delivered by around 300 Indigenous community-based organisations in remote, regional and urban areas (Sanders & Morphy 2001: 1) and had become the biggest single program in the Australian Government’s Indigenous affairs budget (Sanders 2001a: 47).

More recent years have seen a significant reversal of this growth trend. In particular, there has been a rapid decline in the number of CDEP providers and participants as both major political parties have sought to wind back the scheme. This has been associated, in part, with the shifting of CDEP from its original administrative home in Indigenous-specific agencies (first the Department of Aboriginal Affairs and later the Aboriginal and Torres Strait Islander Commission) to the Department of Employment and Workplace Relations (DEWR) in 2004 and most recently to FaHCSIA in 2008. The shift to DEWR, in particular, has been seen as a key event in the recent history of CDEP because it reinforced a growing view that CDEP should be scaled back in both its size and scope (see for example Sanders 2007a, 2007b).

Perhaps the most significant changes in this direction came in July 2007 when the Howard Government ceased funding for around 40 CDEP providers in more than 60 urban and regional areas that had ‘strong labour markets’ (Commonwealth of Australia 2007d: 2; Sanders 2007a: 6). This reduced total participant numbers by approximately 5,000 people (Commonwealth of Australia 2007a). From September in the same year some of the CDEP programs in the Northern Territory were closed as part of the Northern Territory Emergency Response (NTER). These closures occurred on a community-by-community basis and, by the time this process was halted with the election of the Rudd Government in late November, CDEP had ceased in around 30 communities in the Northern Territory, representing 16 CDEP organisations and more than 2,000 CDEP participants (Altman & Johns 2008: 10; NTER Taskforce...
As of 1 July 2008, CDEP was reinstated in these communities for an initial period of 12 months. However, not all of the CDEP positions that had been ‘dissolved’ under the NTER were reinstated (ABC 2008a; Tangentyere Council 2008: 2).

A further change that has had a profound impact on CDEP in the Northern Territory has been the introduction of a new system of local government. From 1 July 2008 large shires have replaced the many smaller remote Aboriginal community councils. Some CDEP schemes that had been run at the community level have been inherited by these new shires. Although existing participants could transfer across to the shire-managed CDEP programs, some commentators argue that the shift towards shires has had major ramifications at the local level including a loss of direct community control over CDEP as well as reduced institutional capacity and the loss of skilled and experienced staff within broader administrative structures (see for example Centre for Appropriate Technology 2008; Walker 2008).

Interestingly, when the Northern Territory CDEPs were closed in 2007, several Australian Labor Party (ALP) figures within the parliament voiced strong opposition to this aspect of the NTER. Warren Snowdon, then Shadow Parliamentary Secretary for Northern Australia and Indigenous Affairs, argued in parliament that it would see ‘Aboriginal people … moved from CDEP, where they are actually doing work, onto sit-down money’ and ‘spell the death knell’ of many positive initiatives in Indigenous communities (Snowdon, in Commonwealth of Australia 2007c: 64; Snowdon 2007: 78). Jenny Macklin, then Shadow Minister for Indigenous Affairs, went further. In announcing the ALP commitment to retain and ‘reform’ CDEP following the federal election, Macklin argued that ‘getting rid of CDEP in the remote Northern Territory communities will … make communities, parents and children more vulnerable’ (in ABC 2007).

While it did reinstate CDEP in the Northern Territory, in other respects the Rudd Government approach was perhaps surprisingly in line with that of its predecessor. Jenny Macklin—now the Minister for Indigenous Affairs—announced that in July 2009 funding would cease for the remaining CDEPs in ‘non-remote areas with established economies’, while major changes to remote CDEP programs would make new participants ineligible for CDEP wages (Macklin & O’Connor 2008). Under this plan, around 2,000 public sector jobs would be created to replace some CDEP positions in government service delivery (COAG 2008: 5). From April 2012 all remaining CDEP participants would be transitioned off CDEP wages and onto income support (Macklin, Arbib & Plibersek 2010).

The winding back of CDEP coverage in July 2009 saw it removed from 30 locations, with 1,964 participants exiting the scheme. The net effect of these and other changes under the Howard and Rudd governments meant that by October 2009 total participant numbers had declined dramatically to around 14,500 people (Commonwealth of Australia 2009c: 77; DEEWR 2009a). Participant numbers have continued to decline since that time, to just under 10,500 in February 2011. Approximately 55 per cent of these participants are in receipt of CDEP wages; the remainder work with CDEP providers but are paid income support (Senate Community Affairs Legislation Committee 2011: CA47).

4.1 SUMMARY OF CHANGES TO REMOTE AREA CDEP

The 2009 changes to remote area CDEP constitute a major modification, and are certainly among the most significant changes in the scheme's long history. Key elements are outlined below. To understand these developments the following section then briefly explores the rationale for change.
4.1.1 Cessation of CDEP wages

New CDEP participants who have joined the scheme from 1 July 2009 are ineligible for CDEP wages or ‘top up’. These participants have a participation requirement usually up to around 14 hours per week and instead of wages they receive income support payments directly from Centrelink. The most common payment is Newstart Allowance, paid fortnightly at a maximum rate of $474.90 for a single adult with no children ($237.45 per week). This compares to a standard adult CDEP wages payment (that is, with no ‘top up’) of $264.97 per week.

Continuing participants (those who joined the scheme prior to 1 July 2009 and are eligible to continue receiving CDEP wages) are also eligible for the ‘CDEP Programme Participant Supplement’ of an additional $20.80 per fortnight to help meet any costs associated with their participation. The 2011–12 Commonwealth budget introduced an equivalent payment (the ‘Approved Program of Works Supplement’) for new CDEP participants. While new participants cannot work additional hours for ‘top up’ pay, they can take on part-time employment in addition to their CDEP commitments. Additional part-time wages must be reported to Centrelink and the normal taper on their income support payments will apply. This is significant because, as detailed in Section 4.2.1, prior to these changes all CDEP participants could earn additional income up to around $20,000 per year while still being eligible for a full CDEP wages payment.

Existing CDEP participants who joined the scheme prior to 1 July 2009 are eligible to continue receiving CDEP wages and ‘top up’ ‘until at least 1 April 2012, as long as they remain eligible’ (FaHCSIA 2011b). Eligible participants are those who do not take an unapproved break of more than two weeks (FaHCSIA 2009b: 4). The FaHCSIA statement that CDEP wages will be paid ‘until at least April 2012’ indicates that wages will be progressively phased out from this date on a community-by-community basis. All wages for ‘grandfathered’ participants will be phased out by 30 June 2012.

FaHCSIA’s recent announcement of the April 2012 date is a revision on previous announcements that had indicated wages would be phased out from 1 July 2011 to 30 September 2011. In explaining this change, Minister Macklin said that ‘extending CDEP wages until April 2012 would provide stability to the program while ongoing discussions about the way services are delivered are held with local communities to ensure they reflect local needs’ (Macklin, Arbib & Plibersek 2010).

4.1.2 Cessation of CDEP jobs in government service delivery and funding of new ‘conversion’ positions

As of 1 July 2009 CDEP projects can not include the provision of services that would elsewhere be provided by government obligation and generate fully-funded jobs. This includes municipal and essential services (such as waste management), as well as services in government-operated facilities like public child care centres. This change was a response to a long-standing criticism that governments were using CDEP labour to provide services that would otherwise be delivered through fully-funded public sector jobs (see Section 4.2.3 below for further discussion).

As a corollary to this change, COAG also committed to fund 2,000 jobs in government service delivery, converting what had been CDEP positions into fully-funded jobs. These jobs attract award wages and superannuation (Macklin & O’Connor 2008). The COAG funding agreement for these positions is for five years from 2008 (COAG 2008: 11). Under the COAG agreement around 1,500 non-CDEP jobs have been created in just under two years, with 1,200 funded by the Australian Government and another 300 by the States. Of the total, 140 have been created in South Australia.
The COAG jobs package is in addition to the funding to create around 2,000 jobs from CDEP positions in government service delivery in the Northern Territory that was announced under the NTER. Under this funding around 1,600 jobs have been created supporting the delivery of Commonwealth Government services, with an additional 500 jobs created from CDEP conversions in the shires. While original funding was only until June 2010 (Commonwealth of Australia 2009a), additional funding has subsequently been secured to support the 500 shire positions until 2014 (Coady 2010; McCarthy 2010a, 2010b, 2011).

It should be noted that the process of ‘converting’ CDEP jobs under these arrangements has not always been a straightforward one in which a CDEP participant formerly providing essential services has automatically secured a fully-funded job providing the same service. Rather, in some instances CDEP providers who had held municipal or essential service contracts have lost these contracts to other agencies. These new agencies have not always drawn staff to deliver their contracted services from the pool of CDEP participants. A recent report from the Australian National Audit Office (2011) noted that additional information about job retention will be required to assess the long-term contribution of the COAG jobs package to improved Indigenous employment outcomes.

4.1.3 Work readiness and community development streams

The changes in 2009 created two separate ‘streams’ within CDEP: ‘work readiness’ and ‘community development’. CDEP providers can deliver a mix of work readiness services and community development projects. The expectation is that most participants will be assigned to the work readiness stream, although participants may also move back and forth between streams over time.

The work readiness stream is designed to help job seekers to ‘develop their skills, improve their chances of getting a job, and move to work outside of the CDEP program’ (FaHCSIA 2009b: 3). Services in the work readiness stream include both training and work experience placements. To increase the emphasis on training under CDEP, the 2009 changes introduced outcome payments for CDEP providers where they facilitate training commencements and completions. They also increased outcome payments for employment outcomes. Training facilitated by CDEP should ‘help participants develop the skills they need to take on paid work’ and can include accredited, non-accredited, pre-vocational and vocational training. Where possible, ‘training should match employment opportunities and skills shortages in the community or region’ (FaHCSIA 2009b: 5).

Work experience placements are roughly equivalent to prior arrangements in which CDEP providers had placed participants with third-party employers and contributed the participants’ CDEP payment to the total wages bill. While this can still occur for ‘grandfathered’ CDEP participants, when new income support participants are placed into work experience, the employer is responsible for paying the full wages directly to the participant. The employer can then apply for the CDEP Work Experience Subsidy administered by DEEWR. CDEP work experience placements must be for at least 7.5 hours and up to 37.5 hours each week, and for periods of at least 13 weeks but usually no more than 12 months. CDEP providers can deliver further services to those in work placements, including job-specific training and post-placement mentoring. The aim is to make participants ‘work ready’ so they can exit the CDEP scheme into non-CDEP jobs (FaHCSIA 2009b: 6).

The community development stream ‘focuses on supporting and developing Indigenous communities and organisations’ (FaHCSIA 2009b: 3). It can include ‘projects’ and ‘development and support’. The former include community work activities that focus on local needs, especially those identified in ‘Community
Action Plans’. These plans are developed for each community by CDEP providers in consultation with community members (FaHCSIA 2011b). Projects should be consistent with local job opportunities and build participants’ skills through practical experience (FaHCSIA 2009b: 7).

The ‘development and support’ services are aimed at strengthening the capacities of individuals, families and communities. Under this stream, CDEP providers can access development and support funds to employ community development officers and mentors as well as offer community support by linking people with appropriate community services (FaHCSIA 2009b: 7).

While the focus here is on community development, CDEP is primarily seen as a transition to mainstream employment. For example, participation in community development projects is seen as a way to help participants develop and maintain skills learnt in vocational training under the work readiness stream, with a view to using these skills in non-CDEP work where such an option becomes available. The key performance indicators for CDEP providers are the number of participants moving into non-CDEP jobs or accredited training as well as the quality of service, the latter measured by community satisfaction and articulation of community development projects with community priorities (FaHCSIA 2009b: 8). CDEP providers receive the same outcome payments for placing a ‘work readiness’ or ‘community development’ participant into a non-CDEP job (FaHCSIA 2009b: 14–15).

4.1.4 Coordination with Job Services Australia providers and Centrelink

Under the new arrangements from 1 July 2009 all CDEP participants are supposed to be registered with the relevant JSA provider for their area, as well as with Centrelink. In principle, CDEP and JSA providers are to work cooperatively to build the capacity of individual job-seekers. They are required to enter into a joint Service Level Agreement that sets out ‘how the two providers intend to work at a local level to maximise Indigenous work readiness and employment outcomes’ (FaHCSIA 2009c: 1).

The JSA provider should work with all CDEP participants to develop an individual Employment Pathway Plan that specifies activities they will undertake to work towards mainstream employment, including activities that meet the participation requirements associated with their income support payments where applicable. Both CDEP and JSA providers should then work in partnership to develop appropriate services for the individual, with activities in the Employment Pathway Plan able to include things that ‘participants can do under the CDEP program to help get a job’ (FaHCSIA 2009b: 3). In cases where participants do not have an Employment Pathway Plan with a JSA provider (usually because a JSA provider is not available), they develop an individual participant plan with their CDEP provider that fulfils much the same function (FaHCSIA 2009b: 21–22).

4.1.5 CDEP service fees and Average Agreed Places

Under the new arrangements, both the CDEP provider and JSA provider can claim service fees for their clients as well as ‘outcome payments’ for individuals placed into non-CDEP jobs, work experience placements or training. For CDEP providers, service fees are determined by the number of ‘Average Agreed Places’ (AAPs) which refers to the number of CDEP participant places allocated to them. Rather than being an upper limit on the number of CDEP participants a provider can have, they are an average number over a funding period (FaHCSIA 2009b: 13).

FaHCSIA can change the number of AAPs allocated to a provider, with reduced utilisation of CDEP places potentially triggering a reduction in AAPs. This can occur either during a contract or at the cessation of one contract and commencement of another. Because service fees are linked to AAPs, this has a direct
effect on the provider’s core funding, with service fees supporting operational costs as well as wages and other expenses associated with employing CDEP managers and staff.

Prior to 2009, CDEP funding arrangements were quite different (DEWR 2006). The equivalent of service fees—then called ‘management fees’—were determined for each individual provider in a Provider Funding Agreement but were not attached to AAPs (then called ‘Average Contracted Places’). The change is significant because, under the new arrangements, should the actual utilisation of CDEP places (and therefore AAPs) decline significantly, the provision of CDEP services may become unviable. In response to such concerns from CDEP providers, FaHCSIA agreed in early 2010 to place a ‘floor’ on the reduction of service fees relative to AAPs. That is, they agreed that any CDEP provider with an average utilisation of 70 per cent or less of their AAPs would still receive funding commensurate with 70 per cent (FaHCSIA 2010b). In April 2011 this floor was reduced to 50 per cent, and FaHCSIA has indicated that by the end of 2011 the floor will be removed and service fees will be paid on the basis of actual participant numbers.

4.1.6 CDEP arrangements after April 2012

Arrangements for CDEP following the removal of CDEP wages are not yet clear. While the changes signalled for 2012 have sometimes been erroneously referred to as a cessation of the CDEP program, FaHCSIA have made it clear that CDEP will continue even after CDEP wages have ceased and all participants have been transferred onto income support. This reflects the belief that while CDEP ‘should not be a substitute for employment’ it ‘does play an important role in preparing people for employment through training, mentoring and community development activities’ (Macklin in Macklin, Arbib & Plibersek 2010).

In its 2010–11 budget the Australian Government committed to allocate just over $905 million to CDEP over four years commencing 2010–11, to ‘continue to provide comprehensive access to work readiness activities and community development projects’ (Commonwealth of Australia 2010), and in December 2010 a further $6.5 million funding was announced to continue the payment of CDEP wages for ‘grandfathered’ participants to at least April 2012 (Macklin, Arbib & Plibersek 2010). The Australian Government’s contracts with current CDEP providers are valid until 1 July 2012, but the Government has recently identified that these agreements will be extended until 30 June 2013 (Commonwealth of Australia 2011b: 4). Negotiations for these extensions will commence with CDEP providers in January 2012.

4.2 THE RATIONALE FOR CHANGE

The changes to CDEP made under both the Coalition and ALP Governments have, by and large, been justified as addressing two key concerns. The first is a view that CDEP has been a disincentive to employment in the mainstream labour market. The second is a concern that many participants have been paid their CDEP wages without having to turn up to work or undertake ‘productive’ activity. Several commentators have also suggested there may be additional reasons behind the recent changes. These include a desire to bring CDEP participants within the ambit of the income management regime, a desire to address the problem of ‘cost-shifting’ in which governments have used CDEP labour inappropriately, and a perception that CDEP is part of a broader failed ‘experiment’ in self-determination. It should be noted that evaluations of the impacts of the CDEP scheme have been highly contested and in addition to criticisms of the program there are many positive appraisals.
4.2.1 CDEP and mainstream employment

The rationale for change most commonly cited by both the current and former governments is that CDEP has been a barrier to mainstream employment. This view is summed up clearly by former Minister for Indigenous Affairs Mal Brough. In arguing for the closure of CDEP under the NTER, Brough stated that:

While CDEP has been a major source of funding for many Northern Territory communities, it has not provided a pathway to real employment, and has become another form of welfare dependency for many people. Instead of creating new opportunities for employment, it has become a destination in itself (Brough, in Commonwealth of Australia 2007c: 7).

The argument that CDEP is a barrier to work in the mainstream labour market should be understood in the context of the scheme’s history. In particular, it is important to acknowledge that the original aims of the scheme included direct job creation \textit{in situ} in remote communities in ways that furthered community development. However, the period from at least as early as 1997 to 2007 saw a progressive recasting of the scheme towards an almost singular focus on transitioning participants into unsubsidised work (DEWR 2005a; Sanders 2007b; Spicer 1997).

This shifting policy focus has aligned closely with a sustained criticism of CDEP from several public commentators who have pointed to limited mainstream employment outcomes as evidence of the scheme’s failure. Critics make three main arguments as to why this may have been the case.

i. CDEP payment rules

The first relates to CDEP wage rates and the relationship of these wages to other sources of potential income. For example, some observers have suggested that the wage rate under CDEP may have encouraged young people to enter the scheme in preference for entry level mainstream jobs or vocational or tertiary education (Altman, Gray & Levitus 2005; Cape York Institute for Policy and Leadership 2007). Until 2006 the full CDEP wage was available to all participants, and persons as young as 16 could enter the scheme. This meant that young people could receive a higher hourly rate of pay on CDEP than those of equivalent age working as apprentices, working in entry level jobs at award wages, or receiving social security payments to support them to study (Cape York Institute for Policy and Leadership 2007: 73–74; see also Hudson 2008: 8).

A lower youth rate for CDEP wages was introduced in 2006 to attempt to address any disincentive to alternative work or study, but some observers have continued to identify CDEP wage rules as a deterrent to these options even where they are available. For example, under the CDEP scheme individuals in receipt of CDEP wages can earn additional gross income up to $5,166 per quarter, or up to $5,166 per quarter from CDEP wage funds, without becoming ineligible for CDEP wages (and without triggering an income taper like that which applies to recipients of unemployment payments) (FaHCSIA 2010e). In addition, changes to the Social Security Act in 2000 mean that eligible CDEP participants can claim some social security payments at the same time as they are receiving CDEP wages (Commonwealth of Australia 2011a: S118C). These features of CDEP payment rules are sometimes said to produce incomes high enough to discourage CDEP participants from looking for alternative work (Hudson 2008: 8–9).

ii. CDEP as ‘sit down money’

A second concern among critics of CDEP has been the argument that many participants have been paid their wages without having to turn up to work or undertake ‘productive’ activity. For example, several politicians and other commentators have characterised the scheme as ‘sit down money’ (ABC
This portrayal suggests that, despite the formal requirement that CDEP participants complete their minimum work hours, in practice they have been paid even if they have not turned up to work or undertaken any productive activity. Those making such characterisations tend to suggest that CDEP has in this way become a form of ‘passive welfare’ that has undermined personal agency (such as seeking alternative work) and exacerbated social pathologies through ready access to cash.

The 1997 Spicer Review estimated that up to one-third of CDEP participants were not working, and recommended that individual participants who did not fulfil the minimum work requirement be encouraged off the scheme and onto income support. Importantly, Spicer did not suggest that CDEP providers in all of these cases had failed to enforce the ‘no work no pay’ rule; indeed, he noted that precisely because this rule was being enforced in some cases, CDEP participants who failed to fulfil their work requirements were sometimes receiving as little as $30–40 per week (Spicer 1997: 2–3). Nonetheless, since at least as early as the Spicer Review the more universal enforcement of no work no pay rules has been a key policy concern.

iii. CDEP as ‘pretend jobs’

The third way in which some commentators represent CDEP as a failed employment program is to portray CDEP positions as ‘make work’ activities or ‘pretend jobs’, in contrast to what are seen as ‘real’ jobs in the mainstream labour market (Hughes & Hughes 2010: 17–18). Again, this argument needs to be understood with reference to CDEP’s origins. The original aim of direct job creation led to a liberal definition of what could constitute CDEP ‘work’. The key consideration was that CDEP jobs should aid community development and stability (see Human Rights and Equal Opportunity Commission 1997: 46). Moreover, in line with the overarching policy approach of self-determination that was dominant through the 1970s and 1980s, Indigenous people—through their local CDEP providers—had considerable autonomy to make decisions about what constituted employment in line with local circumstances. This allowed participants to deliver a range of services and undertake ‘socially useful, if not economically viable, work’ (Altman & Sanders 1991: 12).

The definition of work under the scheme has since been defined more narrowly in line with the increased focus on engendering skills necessary for mainstream employment (see Hunt 2008: 35). Nonetheless, the current CDEP rules do allow participants to undertake work on projects identified as community priorities, and there are continued claims that the kinds of jobs undertaken through CDEP contribute to low levels of participation in the mainstream labour market because ‘they do not provide experience of real work’ (Hughes & Hughes 2010: 18).

4.2.2 CDEP and income management

There has been some suggestion that a further rationale for the recent changes to CDEP has been the desire of both the Coalition and ALP Governments to bring CDEP participants within the ambit of the income management regime. First introduced as part of the NTER, income management is designed to ensure that a proportion of certain welfare payments is spent on what are deemed ‘priority needs and services such as food, rent and utilities’ (FaHCSIA 2010c). As such, it ‘quarantines’ at least half of the welfare moneys of targeted individuals so they can only be spent on these priority items. Under the NTER, compulsory income management was introduced for all welfare recipients in 73 prescribed Aboriginal communities and associated outstations. It has since been extended to other welfare recipients in the Northern Territory who have been deemed ‘vulnerable’ (Macklin & Snowdon 2010). Trials of alternative forms of income management have also commenced in several inter-state locations.
Prior to the changes to CDEP introduced in 2009, CDEP participants in the Northern Territory were not subject to the system of compulsory income management because they were regarded as earning a wage rather than receiving welfare payments. In addition, although the basic wage of CDEP participants was paid via the public purse, the additional but undifferentiated ‘top up’ components of CDEP wages were sometimes independently generated by CDEP providers; so any attempt to quarantine these wages on the basis of their public provision would have been fraught (Altman & Johns 2008: 23). When the Coalition Government began closing CDEPs under the NTER, several commentators suggested that a primary motivation was to move participants on to welfare payments so they would be subject to income management (Aboriginal and Torres Strait Islander Social Justice Commissioner (ATSISJC) 2008: 280; Siewert 2009; Toohey 2008). This view seems substantiated by attributed newspaper reports (Karvelas 2007) as well as government publications that identify the movement of CDEP participants onto income managed welfare payments as part of the strategy for protecting children and ‘stemming the flow of cash going towards alcohol and substance abuse’ (Commonwealth of Australia 2007b).

While CDEP has subsequently been reinstated in remote areas, the arrangements since July 2009 mean that new CDEP participants in the Northern Territory can have their income quarantined. Under the further changes scheduled for 2012, all remaining CDEP participants will be transitioned onto welfare payments, and therefore most of those in the Northern Territory will be subject to compulsory income management unless they are successful in seeking an exemption. If the government then presses ahead with plans to extend income management nation-wide, similar arrangements will presumably apply to CDEP participants in other States and Territories. It is not clear whether these further changes to CDEP under the ALP Government have been motivated by a desire to commit participants to income management—although such a proposition has been put forward by more than one observer (Altman in Mares 2008; Siewert 2009). What is apparent, though, is that Minister Macklin has sought to reassure the Coalition that, because of the changes to CDEP, reinstating it in the Northern Territory has not undermined the effectiveness of the income management regime (Macklin 2009).

4.2.3 CDEP, cost-shifting and underpayment for public sector jobs

A further argument that governments have employed in seeking to justify the changes to CDEP is that the scheme has been inappropriately used by successive local, State and Commonwealth government agencies to save money. There are two mechanisms by which this is said to have occurred: underpaying Indigenous participants for what would otherwise be fully-funded public sector jobs; and shifting wage costs off local budgets and onto the Commonwealth department that funds the CDEP scheme.

Using CDEP to provide essential services that would elsewhere be delivered directly by governments was originally seen as a way to engage otherwise unemployed Indigenous people in gainful work (see HREOC 1997: 46). However, for over a decade it has been seen by both supporters and critics of the CDEP scheme as a major concern. Some commentators have argued that, on equity grounds, CDEP participants undertaking municipal or essential services should be paid a wage equivalent to that received by their non-Indigenous counterparts doing similar work elsewhere (see for example Nalliah 2001). Others have argued that the appropriate response is to replace the CDEP scheme with regular public (or private) sector jobs (Hudson 2008: 12).

Both the ALP and Coalition Governments have employed the cost-shifting argument in explaining their changes to CDEP. As part of the strategy to close CDEPs under the NTER, Brough announced that around 2,000 fully-funded jobs would be created to provide public services previously delivered through CDEP.
positions (Brough & Hockey 2007). While this was welcomed by some, the plan was also widely criticised because it would create fully-funded jobs for less than a third of the 8,000 or so CDEP participants in the Northern Territory and leave the remainder unemployed (Altman 2007b; Ivrey 2007; Siewert 2009). 

Since the election of the ALP Government, Minister Macklin has also made the case that CDEP should not be used to fund municipal or essential services. Her response has been to effectively extend Brough’s proposed changes beyond the Northern Territory by changing CDEP rules so that CDEP projects can no longer include delivery of what would otherwise be government-funded services.

Like Brough, Minister Macklin announced that 2,000 fully-funded jobs would be created from CDEP positions, but these would be outside the Northern Territory (Macklin & O’Connor 2008). Again, there has been some concern that while this change has benefited the relatively small number of former CDEP participants who have secured the new public sector jobs, this has not been enough to compensate for the larger number of participants who are being transferred to unemployment payments under the changes to the scheme. There is also some concern that the funding provided has been insufficient for associated expenditures such as appropriate training, effective workplace mentoring and career development, and anecdotal evidence that in some cases wages for these positions have been lower than CDEP wages plus ‘top up’. As yet there is no published evidence about the retention of Indigenous people in these positions (see Australian National Audit Office 2011). These issues will be more fully investigated in future research.

4.2.4 CDEP and self-determination

While there is evidence that the above three concerns have influenced the recent changes to CDEP, the changes may also be associated with a broader critique of self-determination and the trend towards mainstreaming evident since the mid 1990s.

The original framing of the CDEP scheme in the 1970s and 1980s was consistent with the then dominant policy approach of self-determination, with local organisations having considerable autonomy in deciding what constituted employment in line with local priorities. For example, the AEDP highlighted the intention to use CDEP:

> to support the aspirations of Aboriginal communities to undertake development, in a way that is controlled and determined by those communities themselves and is consistent with [their] particular social and cultural circumstances (Commonwealth of Australia 1987: 1).

Communities participating in the scheme could choose to allocate their workforce entirely to cultural activities, or to include these as just one component of a broader work plan (Commonwealth of Australia 1987: 8). From this perspective, the authority vested in local CDEP organisations—as well as the funding allocated to them under the scheme—can be seen as part of a ‘program of political development’ and, according to Rowse (2001: 41), ‘one of the most significant steps ever taken in this country towards Indigenous self determination.’

More recently, just as notions of cultural work have come under criticism as ‘pretend jobs’ that fail to equip participants for ‘real’ work in the mainstream labour market, so too have community control and self-management been criticised for exacerbating social problems by reducing external authority and facilitating disengagement with the market economy (see Sutton 2009). From this perspective, the changes to CDEP are seen by some as part of the political ascendancy of arguments that Indigenous socioeconomic disadvantage will only be overcome by economic assimilation and modernisation rather than by self-determination (see Hollingshead 2007; Taylor & Gibson 2010).
4.3 COUNTER PERSPECTIVES

As already noted, evaluations of the impacts of the CDEP scheme have been strongly contested. While policy makers have sought to justify the recent changes to CDEP by drawing on some of the criticisms outlined above, other commentators have pointed to positive outcomes of the scheme and argued that many of the changes have been ill-advised. For example, while critics of CDEP point to its failure to transition many participants into mainstream work, those on the other side of the debate argue the scheme has facilitated productive and culturally appropriate work both inside and outside the formal labour market.

Some positive appraisals of CDEP point to its role in supporting work in natural and cultural resource management, with CDEP facilitating the emergence of paid Indigenous rangers and underpinning government programs like the Working on Country scheme (Morrison 2007; Ross 2011). Other observers have argued that CDEP has been fundamental to the emergence of the internationally successful Indigenous art industry by supporting Indigenous artists with a regular and reliable source of income, or facilitated the emergence and sustainability of Indigenous-owned enterprises (ATSISJC 2008: 283; Altman & Sanders 2008; Coombs 1994: 81; Kearney 2007; Nalliah 2001). Some studies suggest that the availability of CDEP wages has allowed Indigenous enterprises to employ many more people than would be the case on a purely commercial basis (Stephens 2008: 22–23). While this may be taken by some as a sign of poor productivity, it can also be seen as a rational use of resources where the alternative is increased long-term unemployment.

Even on the more limited criteria of facilitating transitions into mainstream work, a number of studies have identified positive outcomes, suggesting that many participants have taken up non-CDEP jobs where these have been available (Gray & Thacker 2000; Lewis 2001; Office of Evaluation and Audit 1997; Spicer 1997). There is also evidence that many CDEP participants have undertaken accredited training, paid apprenticeships or traineeships through the scheme, or worked for third party employers where they have received additional wages (Gray & Thacker 2001; Madden 2000; D.E. Smith 1994). While critics of CDEP have argued that its payment rules create a disincentive to find alternative work, other commentators have suggested that the less stringent income taper has been an incentive for CDEP participants to increase their work efforts and, therefore, their readiness for other jobs (see Altman 2008; Altman & Sanders 2008: 3). In addition, several observers have suggested that the ability of CDEP participants to also receive the social security benefits available to other low income earners may be justified on equity grounds (see Jonas 2001: 13–14; Race Discrimination Commissioner 1997: 9–10).

The unqualified characterisation of CDEP as ‘sit down money’ is also contested. Some studies argue that, where CDEP has been well administered, participants have been required to fulfil minimum part-time work requirements and many have also undertaken extra hours of work for additional ‘top up’ pay (Gray & Thacker 2001; D.E. Smith 1994). Data from the ABS supports this position, suggesting that over 85 per cent of CDEP participants in 2002 worked more than their required minimum hours and, in remote regions, around 20 per cent worked the equivalent of full-time hours (35 hours or more per week) (Altman 2007a: 2; Altman, Gray & Levitus 2005: 11). For this reason some have argued that where CDEP has been ‘sit down money’ it is a localised problem such as poor administration, rather than an internal problem with the scheme itself (see for example Sanders 2001b).
Some commentators have also argued that a key benefit of CDEP has been its flexibility, allowing participants to combine CDEP with other cultural and/or subsistence activities like hunting, fishing and participating in ceremonies (ATSISJC 2008: 283; Altman, Gray & Levitus 2005: 15–16). This may be by virtue of part-time employment (facilitating both increased income and adequate free time) or by virtue of specific work roles where these have been defined according to local cultural priorities. It is also argued that the flexibility of CDEP accords with the aspirations of many Indigenous people (Altman 2007a: 2; Coombs 1994: 165; D.E. Smith 1994).

With such contrary views about the benefits or otherwise of CDEP aired in public debate, it is difficult to predict from this discussion the likely outcomes of the current and scheduled changes to the scheme. To begin such analysis, the next sections gather available evidence about the operations of CDEP in the particular context of the APY Lands.

5. CDEP ON THE APY LANDS

5.1 COMMUNITY COUNCILS 1977–2007

5.1.1 Origins and assessments of CDEP on the Lands

As noted previously, although it was initially introduced on a trial basis in only one remote community in the Northern Territory, by July 1978 CDEP trials were running in 10 communities in remote Australia including Pukatja and Kaltjiti on the APY Lands (Bonner 1988: 110; see also Sanders 1993: 3). The program extended to Pipalyatjara in 1979 and then to all other major APY communities and several homelands. Many Anangu in this region preferred CDEP to unemployment payments (Coombs, Brandl & Snowden 1983: 261) and by 1987 it was operating in 10 locations on the APY Lands and employing a combined total of more than 750 Anangu (Bonner 1988: 119).

For its first 30 years on the Lands, CDEP was administered separately in each participating community by the appropriate community council, and up to 16 CDEP programs were running at any one time. Participant numbers increased through to at least the early 1990s—reaching over 1,100 in 1993 (O'Connor 2010: unpaginated). The importance of the scheme in the local economy at this time cannot be overstated. In 1994 a review by the South Australian Centre for Economic Studies estimated that CDEP participants and support staff accounted for 86 per cent of all employment on the APY Lands, and that CDEP generated more than 55 per cent of all personal cash income for local Anangu (see O'Connor 2010: unpaginated). In an earlier review, Bonner (1988: 110) found that nearly half (47%) of all Department of Aboriginal Affairs funding for the APY Lands was paid through the CDEP scheme.

There is little documented evidence of how the scheme operated in its early years, but some studies during the 1980s and 1990s pointed to the actual or potential benefits of the scheme on the APY Lands. For example, in a major strategic review of the APY Lands, Bonner (1988: 100) argued that the ‘whole concept’ of CDEP had the ‘potential to have a major and positive influence in the development of participating communities’ on the Lands. One productive way in which the scheme was being used was to support women’s craft centres, by paying the artists both an hourly rate and a bonus based on sale proceeds (Bonner 1988: 114). Similarly, a 1994 review argued that CDEP was ‘pivotal’ in supporting local artists at Ernabella Arts—then the largest enterprise at that community (see O’Connor 2010: unpaginated).
However, from relatively early in the history of CDEP on the APY Lands some problems were being identified. Bonner (1988: 110) argued as early as 1988 that the ‘principal problem’ with the scheme on the APY Lands was the incorporation of most mainstream and essential service provision into CDEP so that:

The position has now been reached that, were many of the communities to elect to withdraw from CDEP, it is highly probable that major elements in those communities' infrastructure would be unable to operate or at least suffer a major set-back.

This clearly reflects the concerns about cost-shifting identified in section 4.1.3 that continued to plague CDEP for at least the next 20 years. Bonner also argued that because community councils had limited understanding of CDEP’s potential, they were tending to operate ‘on a day-to-day basis of crisis management and as a result [using CDEP] to plug gaps, make work, and placate stirrers’ rather than developing new community development initiatives that could ‘break the current cycle’ (Bonner 1988: 113).

A further concern was raised in a 1998 study that found that while the administrative rules for CDEP were the same across all communities on the APY Lands, there was considerable variation in how they were put into practice. In particular, it suggested that ‘a policy of ‘no work no pay’ is unevenly applied across the communities’ (Tregenza & Tregenza 1998: 5). Most communities were paying a minimum payment to ‘no-shows’ who did not turn up for work. Once community deductions were taken out (for power, water, rent, sorry business and other levies), the net income for some ‘no-shows’ was $0, but for others it was up to $79 (Tregenza & Tregenza 1998: 5).

While no or low payments constituted a clear concern for individual health and wellbeing, arguably the payment of participants who did not fulfil their minimum work requirements also undermined the original intent of the CDEP scheme, which was to avoid the problems associated with ‘sit down money’, now often referred to as passive welfare. On the other hand, the savings made by CDEP providers who reduced payments on the basis of non-participation were used to ‘reward good workers’ with additional wages, ensuring some financial incentive structure was still in place (Tregenza & Tregenza 1998: 6). The 1997 Spicer Review generated increasing pressure for CDEP organisations to exit participants who failed to engage with work requirements onto unemployment payments. No formal studies have identified the extent to which this occurred on the APY Lands post-1998, but anecdotal evidence suggests that ‘no work no pay’ rules continued to be applied unevenly (see for example Vickery & Greive 2007: 23).

5.1.2 Regionalisation of CDEP on the Lands

In line with the changing policy focus of CDEP outlined in section 4, from around 2004—when overall administration of CDEP was transferred to DEWR—the government placed an increasing emphasis on transitioning CDEP participants into non-CDEP jobs. This was the case even for remote area CDEPs. Some preliminary changes were made to CDEP on the APY Lands, including the introduction of the CDEP youth wage, a tightening up of payments (such as restrictions on ‘top up’) and a reorientation of the kinds of work people could do under the scheme to focus more on mainstream job readiness. DEWR representatives argued that the reason for these changes was ‘to get people to do something’ (O’Meara in APY 2006b: 3). In 2006 DEWR representatives also flagged that they would review arrangements for CDEP and that, in general, they would like a more regional focus on the APY Lands so that issues could be addressed with a ‘Lands wide view’ (APY 2006a: 6, 2006b). Under DEWR the number of CDEP providers on the APY Lands began to decline, from 16 in 2004 to 13 in 2005 and 10 in 2006 (Sinclair Knight Merz 2005; Paper Tracker 2008a). The number of participants also fell from around 750 to under 600 (Paper Tracker 2008a).
Following its review, DEWR announced in 2007 that it would regionalise the delivery of CDEP on the APY Lands so that one provider would be responsible for all communities. The provider would be decided through competitive tender and organisations based off the Lands would be able to compete for the contract. The idea that someone off the Lands could take over delivery of CDEP was strongly opposed by members of Anangu Pitjantjatjara Yankunytjatjara (APY 2007). Four organisations applied for the CDEP contract: two local Anangu organisations—Anangu Pitjantjatjara Yankunytjatjara and Anangu Pitjantjatjara Services (now Regional Anangu Services); Jobfind, a large privately-owned employment services provider with offices in several eastern States and the Northern Territory; and Bungala Aboriginal Corporation (Bungala) based around 800 kilometres south-east of the APY Lands in Port Augusta. In June 2007 a 12 month contract was awarded to Bungala.

5.2 BUNGALA 2007–PRESENT

5.2.1 Bungala Aboriginal Corporation

Bungala has a long history of delivering CDEP. In terms of participant numbers it is by far the biggest CDEP provider in South Australia and, in terms of area, it is one of the biggest in Australia. Between 1994 and 2007 it ran a large CDEP program in Port Augusta; it also delivered CDEP to Port Pirie from 1999 to 2007 and to Whyalla from 2003 to 2007. As well as its APY Lands contract, Bungala has current CDEP contracts for Coober Pedy and Oodnadatta, having held both of these since 2003.

In addition, from 1999 to the present Bungala has delivered CDEP to several small towns and communities in the northern Flinders Ranges (Marree, Copley, Iga Warta, Nepabunna, Yappala Station, Hawker, Beltana, Leigh Creek Station, Mount Serle and Mertyl Springs). As of March 2011 it had a current combined total of just over 100 participants in Coober Pedy, Oodnadatta, and the Flinders Ranges, as well as more than 400 participants in the APY Lands. Participant numbers in all of these locations have declined in recent years: Section 6 discusses the decline in the APY Lands.

Organisational structure

Bungala is an incorporated Aboriginal organisation with an entirely Indigenous Australian membership and board of management. The board comprises seven individuals who are elected by members for a three year term (after which they are eligible for re-election). Reflecting the origins of the organisation the board members are elected from four wards: Port Augusta, Coober Pedy, Whyalla and Flinders, but not the APY Lands. All members of Bungala are eligible to stand as candidates in board elections. The board has adopted governance principals that clearly define its role in shaping the overall direction of the organisation (Bungala 2009). Meeting at least every three months, board members are unpaid (unless also Bungala employees) but are responsible for setting the overall direction of Bungala activities as well as appointing and monitoring the performance of the Chief Executive Officer (CEO).

The CEO is responsible for day-to-day operations and reports directly to the board of management. As shown in Fig. 3, under the CEO are three directors. As the title implies, the Director CDEP APY Lands is responsible for managing Bungala’s contract for CDEP in this region. The Director Remote Operations manages Bungala’s additional CDEP contracts in Coober Pedy, Oodnadatta and the Flinders Ranges, as well as procurement and accounts payable. The Director Training, Administration and Compliance oversees office management, training, finance and special projects, as well as the Community Service Support Centre in Port Augusta. This centre is contracted by FaHCSIA to provide Indigenous clients with referrals
to appropriate Indigenous-specific and mainstream services (such as housing, welfare and legal services). The awarding of contracts to deliver community support services was designed by government to replace the provision of similar services by urban CDEP providers when they were defunded in 2007.

As a ‘corporate’ CDEP provider delivering services to a number of locations, Bungala central administration remains in Port Augusta. Staff here include an office manager, training officer and finance officer, as well as a half-time manager of special projects who is responsible for liaising with relevant JSA providers and overseeing trainees on the APY Lands. The organisation has a combined total of 48 staff: one-third (16) of these staff are Indigenous Australians, including two of the three senior managers. One-half (24) of the total staff are based permanently on the APY Lands.

Review of service provision

Bungala had significant administrative and financial difficulties in its first two years of operation, resulting in a government appointed Grant Controller taking over administration in 1996. The following year a new CEO was appointed and management improved rapidly to the point that the Grant Controller was no longer required (Gray & Thacker 2000: 7). Since that time Bungala has continued to meet the reporting standards of all its funding bodies, with the 2009–10 financial year being its thirteenth consecutive unqualified audit report.

In 2000 a comprehensive review of Bungala’s Port Augusta CDEP operations noted that it had been recognised as being ‘highly successful in having participants find unsubsidised employment’, as well as having an ‘impressive record’ in placing participants into subsidised full-time jobs with third party employers (Gray & Thacker 2000: 12, 2). In the latter scenario, Bungala would contribute the participants’
CDEP wages towards the cost of employing them full-time. Factors contributing to Bungala’s success on these measures included the facilitation of formal and informal training (with accredited training and apprenticeships leading to recognised qualifications), the enforcement of a ‘no work no pay’ rule and the creation of an ‘internal labour market’ in which industrious and reliable workers could be rewarded with promotion and the option for additional work hours. These latter factors attempted to develop a work culture that would equip participants for work in the mainstream labour market. As the review authors noted at the time:

The possibility of promotion is a critical component of the scheme as it provides participants with the incentive to work well and enhances their chances of finding employment outside of CDEP (Gray & Thacker 2000: 12).

A key component of Bungala’s Port Augusta CDEP operations was a construction program in which all participants were employed as full-time apprentices. The program delivered construction services to clients in Port Augusta on a commercial basis. Bungala’s CDEP operations also sought to facilitate broader outcomes for participants through social development programs and non-accredited training (including drug and alcohol awareness training, money management counseling, driver’s licence training and referrals to specialist services).

As well as delivering CDEP, Bungala has sought to respond to other government initiatives in Indigenous employment. For example, from 2002 to 2007 it operated an Indigenous Employment Centre (IEC) in Port Augusta, with sub-branches in its other CDEP sites at Whyalla, Port Pirie and Coober Pedy. IECs were a Howard Government initiative introduced in 2002, with urban CDEP providers encouraged to establish IECs to help both CDEP participants and the Indigenous unemployed find sustainable non-CDEP employment. They offered services including job search support and post-placement mentoring (Champion 2002).

The core function of the Bungala IEC was to provide specialised Indigenous-specific training and employment services that facilitated mainstream employment outcomes for Indigenous job-seekers. The IEC ran in tandem with Bungala’s CDEP operations and was recognised as a high achieving service: in its five years of providing combined CDEP/IEC services Bungala facilitated 1,000 placements of Indigenous job-seekers into unsubsidised mainstream employment in Port Augusta and the surrounding region. Structured practical work readiness programs offered through CDEP were coupled with formal job readiness training and post-placement support through the IEC, contributing to employment retention rates that were up to 80 per cent above the Australian average.

As a result of these outcomes Bungala has been recognised with a number of local, state and national awards. For example, in the 2005 national CDEP/IEC awards it won the ‘Employment and Training’ category for ‘consistently achieving employment retention and placement rates well above the nation average’ (DEWR 2005b). According to Bungala, the successes achieved through the IEC were only possible due to its synergy with CDEP, with CDEP exposing job-seekers to regimented and practical work experience programs within a culturally appropriate environment and allowing the payment of ‘top up’ wages to replicate a mainstream labour market.

In 2007 all CDEPs in urban areas (defined as those deemed to have ‘strong labour markets’) were defunded. At the same time, the government ceased funding for all IECs. Bungala’s Port Augusta, Whyalla and Port Pirie CDEP operations closed, as did its IEC operations in these locations. The Port Augusta CDEP had been one of the largest employers—and by far the largest employer of Indigenous Australians—in that city (Gray & Thacker 2000: 6). Its closure affected over 550 people who were CDEP participants at that time,
including over 150 who were clients of the IEC. Unfortunately, a government review of the impacts of closing CDEPs in urban areas in 2007 was terminated very shortly after it commenced, and no results have been publicly released (SCRGSP 2009: 4.71).

Bungala continues to deliver specialised Indigenous-specific training and employment services in Port Augusta that aim to facilitate mainstream employment outcomes. Training in Port Augusta is delivered under Bungala’s status as a partnered Registered Training Organisation through its purpose-built training centre. For these purposes Bungala uses contracted external trainers who are specialists in working with Indigenous people.

5.2.2 The Bungala APY contract

Like in Port Augusta, Bungala strategy in the APY Lands has focused on the transition of CDEP participants into non-CDEP jobs wherever possible. Bungala describes this as based in its ‘philosophical belief’ that the CDEP program should:

facilitate employment and training opportunities that articulate to economic independence for Aboriginal people. This can be achieved when CDEP is used as a vehicle to expose participants to the replication of a real employment situation (Bungala 2010).

In many ways, however, the local context on the APY Lands differs markedly from Port Augusta. One significant difference is the history of self-management on the APY Lands—including through the regional body corporate and local community councils—and the associated history of locally-managed CDEP. The awarding of the APY CDEP contract to Bungala was not immediately well received on the APY Lands, partly because it was perceived as ousting the local organisations involved in the tender. There were also some initial incidents that fuelled opposition to Bungala, including problems with some particular Bungala staff members (no longer with the organisation) who had been stationed on the Lands and were regarded by some Anangu as insensitive to local culture and authority (APY 2008a: 2, 2008b: 5). For example, one incident that led to significant tensions concerned damage by a Bungala staff member to a culturally significant tree (APY 2009: 21–22). There was also concern from some Anangu that CDEP work projects had been slower to get started than expected after the awarding of the contract, with some perception that communities were going ‘backwards’ in the interim (APY 2008a: 2).

The result of these concerns was that, in March 2008, APY resolved to write to FaHCSIA (by then managing CDEP contracts in place of DEWR) and ‘ask that the contract with Bungala not be renewed’ (APY 2008b: 6). FaHCSIA did not take this advice but renewed Bungala’s contract for a further 12 months on the basis of ‘the organisation’s performance and compliance with the contract’ (FaHCSIA in Paper Tracker 2008b).

On most reports the initial tensions between APY and Bungala have died down as Anangu have come to accept Bungala and its presence on the Lands and as new training and work programs have been implemented. In late 2008 APY developed contracts for service providers setting out ‘how they will work on the lands’ (Huntington in APY 2008c: 2). APY’s legal officer noted that:

One of those contracts is for Bungala which had many problems earlier this year. After offering a contract, Bungala seems to have improved. The contract means that Anangu are treated like valued customers and gives Anangu Pitjantjatjara Yankunytjatjara control over service providers. We are starting to work with Bungala as partners and how to build Anangu capacity with jobs (Huntington in APY 2008c: 2–3).
i. CDEP operations

Bungala is contracted to deliver all CDEP on the APY Lands, including to seven of the larger settlements and 30 associated homelands. Under the changes brought about in July 2009, CDEP participants are divided into two streams: ‘work readiness’ and ‘community development’. As noted, the work readiness stream includes pre-vocational training, vocational training and work experience. The aim is to ‘help job seekers to develop their skills, improve their chances of getting a job and move to work outside of the CDEP program’ (FaHCSIA 2011b). The ultimate goal of the community development stream is also to facilitate the transition of participants to mainstream work opportunities, but FaHCSIA recognises this may not be immediately possible. It is focused on ‘supporting and developing Indigenous communities and organisations’ by engaging participants in community projects that are identified as priorities in local Community Action Plans (FaHCSIA 2011b). FaHCSIA refers to the work readiness activities within CDEP as ‘services’ and the community development activities as ‘projects’ (see FaHCSIA 2011b).

Of the 412 CDEP participants on the APY Lands as of 17 March 2011, 180 were assigned to the work readiness stream (44%). Just over 250 participants were male (61%). Table 1 shows CDEP participant numbers for APY communities on 18 March 2011, including participants in the homelands associated with those communities. Participants are concentrated in several of the larger communities, especially Pukatja, Amata, Iwantja and Kaltjiti. More detailed figures identifying the number of participants in homelands are provided in Appendix Table A1. It is important to note that the participant numbers presented here are point-in-time figures, and the same individuals can enter and exit the CDEP scheme multiple times.

<table>
<thead>
<tr>
<th>Community/larger settlement</th>
<th>Community participants (No.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amata</td>
<td>76</td>
</tr>
<tr>
<td>Iwantja</td>
<td>56</td>
</tr>
<tr>
<td>Mimili</td>
<td>25</td>
</tr>
<tr>
<td>Kaltjiti</td>
<td>70</td>
</tr>
<tr>
<td>Watinuma</td>
<td>5</td>
</tr>
<tr>
<td>Pukatja</td>
<td>83</td>
</tr>
<tr>
<td>Kanpi/Nyapari</td>
<td>29</td>
</tr>
<tr>
<td>Kaika</td>
<td>19</td>
</tr>
<tr>
<td>Pipalyatjara</td>
<td>35</td>
</tr>
<tr>
<td>Watarru</td>
<td>12</td>
</tr>
<tr>
<td>Total APY</td>
<td>410</td>
</tr>
</tbody>
</table>

Table 1. CDEP participants in communities, including associated homelands

Notes

b. Kanpi and Nyapari are very close to each other and figures in this section are combined for the two locations.

Source: Bungala Aboriginal Corporation 2011.
In communities, Bungala have 24 on-site staff (see Fig. 4) who fulfil a range of functions. They include four Bungala Liaison Officers, each with responsibility for Bungala operations in 1–4 communities. Although Bungala’s CEO and Director of CDEP on the APY Lands visit the APY communities regularly throughout the year, the liaison officers are the on-site full-time managers of CDEP operations in their communities. They coordinate activities of the on-site CDEP work supervisors and Bungala Resource Officers and are the main conduit for information flows between the APY Lands and Bungala senior staff in Port Augusta. Along with the Director of CDEP on the APY Lands they also liaise between employers, other service providers and participants to identify job vacancies, match them with suitable participants and facilitate appropriate training.

Under the direction of the Bungala Liaison Officers are eight CDEP work supervisors who coordinate and oversee the activities of CDEP participants on a day-to-day basis. The supervisors work directly with participants, assigning jobs as well as monitoring participant attendance and work effort. Along with these key staff, Bungala also employs five on-site project officers who assist with supervision and training of CDEP participants working on projects. It also employs seven full-time Bungala Resource Officers: their responsibilities include post-placement mentoring of CDEP participants and other Indigenous job-seekers placed into non-CDEP employment on the APY Lands (managed under a separate IEP contract) as well as advocacy and referral for CDEP participants. Among these full-time staff on the APY Lands, three are Indigenous Australian and 10 are Māori. Bungala staff on the APY Lands also work with four Ağangu community consultants (Malpas) who are employed to help communicate and negotiate with the broader Ağangu community.
The presence of permanent staff on the APY Lands is central to Bungala’s efforts to enforce a ‘no work no pay’ policy and supports the organisation’s strong focus on participant engagement. Bungala reports that while there was initially resistance from some participants to the ‘no work no pay’ principle, over time its effect was to increase engagement from 54 per cent in July 2008 to 76 per cent of ‘grandfathered’ participants (those still in receipt of CDEP wages) in March 2011. This means that in March, 76 per cent of ‘grandfathered’ CDEP participants were regularly turning up to work or training. At the same time, average hours worked for ‘grandfathered’ participants were just over 10 hours per week: that this is less than the required minimum of 14 hours likely reflects both the particular challenges of enforcing engagement in remote areas and the contingencies for approved or explained leave. According to Bungala, in applying the ‘no work no pay’ principle the CDEP work supervisors or resource officers first seek to make contact with any participants who have failed to attend work. Participants are given an opportunity to explain their absence before any pay is deducted, and no deductions are made if legitimate reasons can be offered.

As was the case in Port Augusta, Bungala has also sought to create an internal labour market in its CDEP operations on the Lands. Some participants who have demonstrated reliability and productivity at work are rewarded with the opportunity of working additional hours for ‘top up’ pay. In March 2011 around 17 per cent of eligible participants worked extra hours for ‘top up’, up to a maximum of 28 hours. CDEP participants in receipt of income support and those on homelands are excluded from this calculation because neither can claim ‘top up’, in the former case because of program rules and the latter case because they are expected to work without supervision.

ii. Community development projects

Community development projects facilitated by Bungala have included fencing; office work; planting and maintenance of fruit orchards and vegetable gardens; a number of major landscaping projects; grounds keeping; building construction, maintenance and repairs; cooking programs; small enterprise development like cattle and camel mustering; and the fit-out of a parents and children’s centre that is now delivering family services (see Table 2). All of these projects aim to develop basic work skills and a work culture by enforcing ‘no work no pay’ and offering industrious workers additional hours so they can earn ‘top up’ pay. Participants also acquire basic skill-based competencies and, where appropriate, work with qualified tradespeople and utilise existing vocational qualifications.

While some of these projects may sound simple, in practice they often face significant operational and logistical difficulties. For example, as noted in Section 3.3.1, the region’s remoteness limits access to some essential services and major infrastructure, with the entire region subject to limited water supply, a road network in variable but often poor condition, and a very limited communications network. All of these factors can impede progress and mean that some projects introduced on a trial basis prove unsustainable. Negotiating permissions and buy-in from community councils can also significantly delay projects and, perhaps most importantly, the relative lack of literacy, numeracy and regimented work experience among CDEP participants means that direct and often constant project supervision is necessary to ensure sustainability over the life of a project. Having full-time Bungala staff on the APY Lands means that intensive supervision is possible in communities, but in practice there is a clear difference in administrative arrangements for CDEP in the communities and homelands. That is, without resourcing for full-time staff with direct responsibility for the homelands, work projects there are expected to be much more self-directed and have little if any supervision.
In addition to the projects listed in Table 2, from November 2007 to June 2009 Bungala also held the waste management contract for the APY Lands and employed an average of 65 people in waste management activities at any one time. In July 2009 the changes to funding rules meant that CDEP projects could no longer include the provision of essential services that would otherwise be delivered by governments. The waste management contract has subsequently been taken over by Regional Anangu Services, who employ around 25 Anangu to undertake municipal services. Under the Community Action Plans developed for each CDEP community on the APY Lands, plans for future work projects include, for example, upgrading of a basketball court in Nyapari, construction of a community barbecue in Mimili, development of a playground area in Kanpi and construction of school shed in Iwantja.

### iii. Work readiness services and outcomes

As well as community development projects, Bungala offers work readiness services including the facilitation of accredited training (such as certificates in land management, engineering, metalliferous
mining and business administration) and pre-vocational training (such as financial management, driver license training, machine operation and English language literacy). Accredited training is offered through TAFE SA and other Registered Training Organisations on the APY Lands such as Nganampa Health. Some pre-vocational training (such as driver licence training) is provided directly by Bungala. Bungala also holds a contract with FaHCSIA to undertake literacy and numeracy assessments for Aanggu on the APY Lands.

Unfortunately, although CDEP participants on the APY Lands did undertake accredited training pre-2009, accurate records for this period are not available (largely because training placements pre-2009 were not eligible for outcome payments). Between July 2009 and March 2011 CDEP participants on the Lands have commenced 235 accredited vocational education and training (VET) courses and completed 117. Pre-vocational training between July 2009 and March 2011 has included 446 commencements and 375 completions. Bungala has also facilitated traineeships for several of its participants, with 22 participants commencing traineeships in 2008. Of these participants, six completed the required training, eight left the training for other employment opportunities and eight left the training for other reasons. The traineeships have included office administration, child care and community work.

While training commencement and completion rates can clearly be improved, the types of VET courses facilitated do demonstrate that Bungala has sought to encourage training in areas where employment outcomes are most likely. One example is the facilitation of commencements and completions in Certificate I Resources & Infrastructure and Certificate II Metalliferous Mining. This grew out of a partnership between several stakeholders including Oz Minerals, Bungala, the APY Executive, TAFE and Complete Personnel, under which Oz Minerals agreed to employ graduates of these certificate courses in full-time trainee positions at their Prominent Hill mine around 500 kilometres south-east of the APY Lands. Offers of employment were accepted by eight graduates (Paper Tracker 2010b; OZ Minerals 2010: 18). These eight employees began at the mine as fly-in fly-out workers, returning to the APY Lands every nine days (Cleary 2010). Some, however, have since moved permanently off the Lands.

The Oz Minerals employment outcome reflects Bungala’s strategy of seeking to maximise employment placements for their CDEP participants by developing relationships with potential employers both on and off the APY Lands. In particular, Bungala’s Director for CDEP on the APY Lands has taken a proactive approach to identifying appropriate mainstream job vacancies and building ongoing relationships with employers where significant future vacancies are likely to arise. With the assistance of the on-site Bungala Resource Officers she maintains an up-to-date vacancy list for jobs on the Lands. She has also developed a recruitment strategy to encourage potential employers to recruit CDEP participants. Under this strategy Bungala Liaison Officers can work with potential employers to identify and facilitate appropriate training for identified positions and assist with logistical issues (such as securing appropriate documentation) should a CDEP participant be offered a job.

Aside from the Oz Minerals project, Bungala’s recruitment strategy has also shown promising results with other employers. For example, in 2007 Bungala transitioned 10 CDEP participants into jobs ‘negotiated with the Commonwealth Bank to improve access to banking services on the Lands’ (DEWR in Paper Tracker 2008a). In 2010, 22 CDEP participants were employed by Career Employment Group to work in construction on the APY Lands. A further 19 were employed through this project in 2011. For these 41 jobs and the eight with Oz Minerals, Bungala advises that effective recruitment required three years of intensive work with the CDEP participants, including pre-vocational training, instilling a commitment to the demands of full-time work and facilitating formal qualifications. For example, as noted in Section 3.3.1, with agreement from Housing SA and APY TAFE Bungala developed housing maintenance as a CDEP
activity at Amata, Mimili and Kaltjiti. Bungala were able to supervise Anangu participants undertaking basic maintenance tasks. Incorporated into this project was the delivery of Certificate I in Construction so that the more advanced participants would be suitable for referral to housing contractors when planned public investment in housing construction on the APY Lands commenced. The 49 young men and women employed by Career Employment Group and Oz Minerals are now seen as role models by many in their communities.

Overall, from July 2008 to March 2011 Bungala has placed 217 CDEP participants into non-CDEP jobs (Table 3) and 38 into subsidised work experience placements. Organisations taking on CDEP participants for subsidised placements include local community arts centres, schools, community stores, private building contractors, TAFE and the South Australia Department for Families and Communities, with these placements having led to 16 of the unsubsidised jobs. As discussed below in Section 6.1.1, interpreting these figures requires some care because the period since 2009 has been an unusual one in which governments have provided specific funding to create additional non-CDEP jobs for Anangu on the APY Lands.

The difficulty in transitioning CDEP participants on the APY Lands into mainstream jobs should not be underestimated. English literacy and numeracy levels are very low, opportunities for non-CDEP work are limited, and most CDEP participants enter the program with little or no experience of the formal workplace. Many individuals have physical and/or mental health problems, including some who face such significant personal barriers to employment that they may never be able to accommodate full-time or regular work. In addition, as in other parts of remote Australia, Indigenous patterns of relatedness and social obligation mean that the ongoing negotiation and maintenance of social and cultural relationships is often prioritised over employment commitments (see for example Vickery & Greive 2007). A commonly cited example is attendance at funerals or other important ceremonies which may continue over several weeks and preclude participation in paid work—or even require some work sites to be shut down—during these periods.

To facilitate its employment outcomes Bungala has worked intensively with many of those now placed into mainstream work over its three-and-a-half years on the Lands. For most participants this appears to be the minimum investment to achieve work placements, and for many Anangu such outcomes could take much longer. Intensive post-placement mentoring is also required to support sustainable outcomes, with mainstream employment likely to be a very challenging experience for many new Anangu employees.
For this reason, Bungala have sought to support long-term employment outcomes through the development of a formal Employment Retention Strategy, implemented by the Bungala Resource Officers with funding via a DEEWR Indigenous Employment Program (IEP) contract. This revolves around a three-tier mentoring process, with Tier 1 (for an initial eight weeks post-commencement) including face-to-face mentoring with the employee on at least a weekly basis, communication with the employee's family to ensure they understand the employee's new responsibilities, referrals to other services where necessary and the development of a Personalised Support Strategy in conjunction with the employee and employer. Tier 2 delivers a further eight weeks of mentoring where this is required, and Tier 3 offers intensive assistance on a daily basis where an employee is at risk of resigning or having their employment terminated (except in cases of serious misconduct). The retention strategy also advocates for changes to workplace practices where necessary, including encouraging employers to implement flexible leave and design workplace information packs or inductions appropriately for Agangu in language or pictorial form.

Bungala advises that so far 27 employers have voluntarily signed MOUs with Bungala to participate in the Employment Retention Strategy, and a total of 120 Agangu have accessed support through the strategy. The Employment Retention Strategy retention rate at Week 8 (the completion of Tier 1) has been 92 per cent, and of Agangu who have completed this first eight weeks 26 per cent have continued to Tier 2 at the request of the employer and/or the mentee. Further, of the mentees who have accessed Tier 2 services 100 per cent have still been in employment at three months.

iv. Non-contractual services

Because participant engagement is key to achieving both community development and work readiness outcomes, Bungala has also developed a broader strategy of community engagement and support beyond its contractual services. According to Bungala CEO David Pearce, this requires tailoring services to the particular needs of the community. For example, he suggests that one reason for previously low participant engagement was malnutrition, with participants either not turning up to work or leaving early in part due to physical and mental fatigue. For that reason Bungala staff have instituted lunch programs at all their major work sites. While this is clearly outside the scope of Bungala’s formal contract for service delivery, Pearce argues that it has significantly improved worker engagement and retention and is necessary to facilitate Bungala’s core business.

A further example in which Bungala has moved outside of its contractual responsibilities in order to facilitate its formal functions relates to the work it has undertaken to establish bank accounts for CDEP participants. The lack of personal bank accounts among many remote-living Indigenous Australians is a widespread and well recognised problem. On the APY Lands, prior to 2007 all CDEP wages were paid to participants in cash delivered by air. The lack of bank accounts meant that not only was the money relatively insecure but the opportunities for individuals to develop financial literacy and planning skills were also significantly compromised. Establishing bank accounts for CDEP participants on the APY Lands—something that most people in urban areas would regard as relatively simple—was extremely difficult. Few people had sufficient documentation to meet the usual ‘100 points’ of identification required by the banks, and the nearest bank branches were several hundred kilometres away. This necessitated substantial negotiation between Bungala and a major bank to ensure that Agangu CDEP participants could be accommodated. Bungala has since also facilitated financial literacy training for participants, including the development of a dedicated training program that has been used in the APY Lands.
Other out-of-contract works include a community development function through a system of ‘voluntary income management’ for CDEP participants. Upon request, Bungala will make payments for rent and essential services from CDEP wages before they are paid to participants. In addition, Bungala assists with other functions when required including emergency response, flood mitigation, essential service reporting and logistical assistance with funerals. The relative lack of infrastructure and services on the APY Lands means that Bungala staff and resources are often in demand for these functions.

While Bungala remains focused on trying to create a work environment as close as possible to that of a mainstream employer, it also recognises that positive outcomes will be compromised without sustained community engagement. For this reason, it modifies work practices to reflect the complex cultural environment. It recognises that important ceremonies and cultural events like sorry business will take precedence over work commitments and endeavours to respect local cultural norms. As elsewhere in remote Australia, sorry business often takes several weeks and, in the APY Lands, this means that many people will be at ‘sorry camp’ and unavailable for other duties for some time. When sorry camps are underway work sites in view of the camps close down, as do those that have a particular relationship to the deceased. This may be because the deceased has worked there, or because the work site is in view of the house in which they lived. At the time of sorry camps the nature of CDEP work may also change to accommodate this. For example, CDEP activities during these periods may include carting wood to sorry camp for the elders.21 While some may judge these practices as inefficient or unproductive, Bungala staff see them as integral to building trust and engagement with the community and therefore central to continued improvements in mainstream employment outcomes. That is, they are aimed at ensuring a long-term working relationship with Aṉangu and therefore ongoing worker engagement even if short-term productivity is sometimes reduced.

All of these examples of Bungala operating outside its formal contract are indicative of the very complex and challenging environments in which many remote CDEP providers work. Nonetheless, Bungala operations show that employment and training outcomes are achievable with significant investment and consistent engagement with individuals, their communities and potential employers. They also suggest that in remote locations where such complex disadvantages exist, it may be impossible to separate the pursuit of employment outcomes from the much more multifaceted tasks of community and personal development.

6. IMPACTS OF THE CHANGES TO REMOTE AREA CDEP

Section 4.2 identified that the changes to CDEP since 2009 have primarily been justified as measures to increase the transition of CDEP participants into non-CDEP jobs. This section uses available data to examine whether the changes are helping to achieve this goal on the APY Lands and whether they are likely to do so in the longer term. It also reflects on possible scenarios post-April 2012 as well as Aṉangu responses to the changes.

6.1 AṉANGU RESPONSES

One aim of this study was to identify how Aṉangu perceived the changes to CDEP. The number of Aṉangu consulted is small (15 individuals) and the views expressed are unlikely to be representative of those held by Aṉangu as a whole. Nonetheless, it includes some senior and highly respected Aṉangu selected purposefully because of their position, as well as individuals selected randomly to ensure opportunity for broader input. The research revealed perhaps a surprising uniformity of response, particularly given that
the Agangu included in the research were resident of several different communities and often randomly
selected. Before interviewing Agangu the researcher first ensured they clearly understood that while CDEP
wages were being removed, the CDEP scheme itself would remain in their communities post-2012. It is
intended that any future research on the APY Lands will further explore Agangu responses to the changes
in CDEP.

Agangu participants in this study did not see CDEP as a panacea: among some Agangu there is an expressed
desire for non-CDEP jobs that can raise incomes above either CDEP wages or unemployment payments
and help to overcome the absolute poverty often experienced. Some said that neither CDEP wages nor
unemployment payments are enough to meet their basic material needs. A number of Agangu also pointed
to ways in which CDEP could be improved, especially by offering additional services. However, most
Agangu in the study also pointed to benefits of CDEP including the pride generated by participation in the
scheme, the opportunity to undertake productive and valued activities and the facilitation of training and
experience that could lead to non-CDEP work. In addition, without exception the Agangu participants in
this study argued that the shift from CDEP wages and ‘top up’ onto income support will be detrimental
because it will encourage a return to ‘sit down money’ and undermine the incentive to turn up to CDEP
work.

6.1.1. CDEP is working

Overall the Agangu research participants were very positive about CDEP and its value in their communities.
Several pointed to ways in which CDEP supports community functioning as well as culture and individual
aspirations. Most expressed a desire that Agangu of working age should be actively engaged in productive
activities; some saw participation in CDEP as a positive outcome in itself, particularly in an environment
where non-CDEP jobs are limited; others identified it as a potential stepping stone to further employment
and an opportunity for positive role modelling to children. While some expressed an aspiration to stay
and work on country, others talked about CDEP helping younger Agangu who might want to try and find
work elsewhere.

It’s very important for us for CDEP to continue on, because we don’t have jobs available. It’s not like living
in the city where you can go and look for a job ... CDEP is important for us to stay as it is.
(Pukatja)

With Centrelink we’re not feeling proud of ourselves, but we do on CDEP ... CDEP gives people that extra
level—the routine, the pay coming in every week, and flexibility so they don’t have to use forms.
(Amata)

CDEP’s a good thing for young people to get jobs—they do training, get certificates, might find a salaried
[non-CDEP] job somewhere.
(Yunyariny)

We’re happy with CDEP now, we do work that supports culture. Anything that needs doing, needs to be
built [we do with CDEP] ... It gives people a start.
(Amata)

People with CDEP do ‘top up’, and the little ones follow the role modelling.
(Yunyariny)
I’m for Bungala. Centrelink’s good for old people and sick people. Bungala’s for people to work—we’re happy when we’re working ... [workers can] look [with pride] and see ‘that’s my work, my truck’.

(Umuwa)

CDEP we need it because ... it’s the only one who’s looking after everyone. It belongs to the young people to do something ... We want to work like píjanpa [white people] because we see sickness coming. We don’t want to see Centrelink taking away our young people. CDEP's done a good thing for our young people ... all those young people working. Before, they never done anything.

(Pukatja)

Work makes us happy. With Centrelink money, big trouble, people sit in town, get into trouble. With CDEP we come out, work hard, seven days, long hours, good to be on country. We’re happy. Good to work on country, not away in Adelaide.

(Kaltjiti)

Píjanpa come to Aṉangu lands, we want to learn píjanpa way. But píjanpa also need to learn Aṉangu way ... CDEP helps us learn ... we go to CDEP to learn, then can get other jobs.

(Watinuma)

Aṉangu strongly say we don’t want ‘sit down money’. We want CDEP.

(Pukatja)

6.1.2 Unemployment payments are ‘sit down money’

Perhaps the clearest message from the Aṉangu consulted came from their unanimous view that moving people onto unemployment payments would be a return to ‘sit down money’. None saw this as an appropriate way to facilitate movement into mainstream jobs and some were concerned that even if income support recipients had compulsory activity requirements they would not fulfil them. Their experiences with unemployment payments in the past have clearly shaped their strong opposition to it, but so too has the observation that unemployment payments are not providing a path to paid employment even in bigger towns where there are more jobs available.

Several Aṉangu were deeply concerned that returning able-bodied people to unemployment payments would exacerbate social problems on the APY Lands. Participants variously described this change as likely to lead to an increased incidence of passive welfare, substance abuse, violence and community dysfunction, including serious concerns that it would lead to an increased incidence of suicide or alcohol or drug related deaths.

This will be the end of work. Now Bungala says ‘no work no pay’ ... but if people get Centrelink, sit down. Good programs will end.

(Adelaide)

With CDEP there’s ‘no work no pay’. Centrelink money will make people sit down, go out drinking. They won’t work. Chuck it away. We don’t want Centrelink because we want people to work ... Sickness payments are OK but no unemployment benefits.

(Amata)
People on Centrelink get sick, no exercise, just sit down. Work's good for your health, it helps with your heart and kidney to be active ... if sit down, no good ... my worry is to let government know it's gonna be hard for people.

(Yunyariny)

With Bungala we know them. They have a plan for our future. Centrelink they have no plan for Agangu, people just get on Centrelink and go down the shop and buy tucker and sit down for fortnight. But I think about the future of our people.

(Umuwa)

If you can get Centrelink working right in towns first [where there are jobs], then come back to us ... People are living and dying on Centrelink in town.

(Amata)

Some young people are already sitting down. Worried for them. Causes problems, people stealing things, breaking in and stealing food. But if their parents' on CDEP program ... kids see them working and learn that way.

(Yunyariny)

People won't work on CDEP if they can get the same money for not working. They'll just say they looked for work.

(Amata)

Centrelink's pulling people away from work. For Agangu that's wrong way. I think government is making people sitting, doing no work.

(Umuwa)

I can't understand why the government's going back to 'sit down money'. At the moment people have got pride because they're working. The real value is Agangu working for community. Save the money by getting rid of the JSA because they don't add value.

(Amata)

People want to work because it brings the community up. People see Centrelink as 'sit down money'. No work brings the community down ... Want to work not just two days, more days. Work for dole's not enough, only two days.

(Umuwa)

### 6.1.3. Centrelink is the wrong way

As well as concerns that unemployment payments will contribute to social problems, several Agangu expressed other anxieties about relying on income support from Centrelink. These included practical problems like the inability of some Agangu to read Centrelink forms and the view that it can be difficult to reach Centrelink agents by telephone. Several participants also said that income support payments were insufficient to meet their basic needs including food and clothing, while one participant suggested that money management is easier on CDEP wages because they are paid weekly rather than fortnightly as is the case for most welfare payments.

With Centrelink people can't understand and read the form. Centrelink is really a big problem, [you can be] on the phone for hours trying to talk to them.

(Amata)
CDEP pays weekly, so easier to manage the money ... if paid by fortnight it's wrong. It'll make people more lazy and very sad.

(Yunyariny)

We don't like Centrelink. We want CDEP, better to work and earn money, for food and clothing and children.

(Yunyariny)

Centrelink's not enough money. Things are expensive here. Centrelink will make it harder.

(Kaltjiti)

If one person gets cut off [Centrelink payments] it strains the others for food.

(Amata)

Centrelink money is little money, little work. Wrong way. Big work, big money [is] right way.

(Watinuma)

6.1.4. Lack of consultation

Agangu participants in this study were also frustrated by the continual changes to programs and policies that affect them, including what they perceived as a lack of real consultation about the plans for CDEP. Some are highly politically engaged, with one participant recounting that he regularly watches parliamentary question time on television and is angry that issues affecting Agangu receive too little attention in that forum. A number of participants who had been involved in land rights negotiations in the 1970s believed that consultations with government at that time had been more sincere, with the government treating Agangu as equal partners entitled to negotiate and sign mutually agreed outcomes.

No-one heard our voice. No-one came and said ‘let's sign an agreement’. The government's making it really hard ... Come and listen to us. We always wait with bits of paper to sign it.

(Pukatja)

We're sick of changes. Government's always making changes.

(Adelaide)

Every year they change another rule. Maybe next time we might say ‘we've had enough’ ... we might say ‘leave us alone’.

(Pukatja)

Government should come here and talk to Agangu. We're waiting for the government.

(Watinuma)

6.2 EVIDENCE OF OUTCOMES SINCE JULY 2009

6.2.1 Employment and training outcomes

The Agangu quoted above have expressed some clear concerns that the changes to CDEP may discourage productive activity on the APY Lands and increase problems associated with passive welfare. This section seeks to assess whether available evidence provides support for these concerns.

The first point to note is that the number of CDEP participants placed into non-CDEP jobs has actually increased since the changes were introduced in July 2009. Table 4 shows that in the 2008–09 financial year 34 participants were transitioned into non-CDEP positions. Most were employed by service providers
on the APY Lands while one was employed by a Ceduna-based earthmoving company and one was employed by the South Australian National Football League (a list of employment placements is provided in Appendix Table A2). Table 4 indicates that employment outcomes in the 2009–10 financial year were substantially higher, with 88 participants placed into non-CDEP jobs. Outcomes have increased again in the 2010–11 financial year to March, with 95 participants employed in non-CDEP positions. Again, in both years most of these jobs have been with service providers operating on the APY Lands, with recent outcomes also including the eight participants employed by OZ Minerals at Prominent Hill.

However, interpreting these changes requires some care. In particular, as the following discussion will identify, it is likely that some aspects of the 2009 changes have assisted in improving employment outcomes while others have made the long-term sustainability of this trend more doubtful. In addition, it is clear that at least some of the employment outcomes achieved since 2009 are the result of much longer-term investment in, and support for, participants. It is impossible to isolate these effects using available data and, for this reason, attributing the 2009–11 employment outcomes solely to the new policy settings is inappropriate.

Nonetheless, two changes in particular have undoubtedly contributed to the increased employment outcomes since 2009. Firstly, and most obviously, as noted in Section 4.1.2 the 2009 changes to CDEP included funding from State and Commonwealth Governments for the conversion of some CDEP positions in government service delivery into fully-funded non-CDEP jobs. In 2009–10 this included funding for 61 of the 88 positions filled (69%) in the APY Lands. In 2010–11 it has included funding for 28 of the 95 positions (29%).

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<tr>
<td>Accredited training commencements</td>
<td>*</td>
<td>204</td>
<td>31</td>
<td>235</td>
</tr>
<tr>
<td>Accredited training completions</td>
<td>*</td>
<td>63</td>
<td>54</td>
<td>117</td>
</tr>
<tr>
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<td>88</td>
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<td>2</td>
<td>38</td>
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<td>Employment retention to 13 weeks</td>
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<tr>
<td>Employment retention to 26 weeks</td>
<td>16</td>
<td>58</td>
<td>18b</td>
<td>76b</td>
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</tbody>
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Notes:
* Data not available
a. 15 individuals still within 13 week period at 17 March 2011
b. 44 individuals still within 16 week period at 17 March 2011

Source: Bungala Aboriginal Corporation.
Secondly, beyond this initial investment into fully-funded jobs, perhaps the most beneficial change introduced in 2009 was the financial package to support community development activities through the commitment of $172.4 million in Development and Support Funds over three years (FaHCSIA 2010a). The initial funding release was to support the development of Community Action Plans, with subsequent releases available for proposals that seek to implement those plans. For example, the funds may be used to employ ‘specialist human resources’ (FaHCSIA 2010a) like community development officers or mentors, or to provide ‘a community support function that links and engages people with services they need’ (FaHCSIA 2009b: 7). Bungala has secured just under $2.7 million of this funding for its APY Lands contract, enabling it to employ its on-site Bungala Liaison Officers and Bungala Resource Officers (in addition to its pre-existing CDEP work supervisors). Both fulfil important roles that have no doubt strengthened Bungala’s business model and laid the basis for better employment outcomes, enabling the better enforcement of ‘no work no pay’ rules, facilitating improved links with prospective employers and enabling formal post-placement mentoring.

Because employment outcomes take some years of investment to flow through, thorough evaluation of the effects of the 2009 policy changes is likely to require ongoing review for several years. Nonetheless, some preliminary indications present cause for concern. The most obvious is the pattern of participant utilisation and engagement. Utilisation here refers to the actual number of CDEP participants compared to the AAPs for the funding period. Engagement refers to the proportion of participants regularly attending work or training. In practice, Bungala has seen these as closely related because, based on their interpretation of the funding agreement, if new participants have stopped participating in the CDEP activities agreed to in their Employment Pathway Plan, or ‘grandfathered’ participants have failed to attend CDEP work or training for more than seven weeks, Bungala has removed them from the participant schedule.22

It should be clear from the discussion in Section 5.2.2 that Bungala’s strategy for moving CDEP participants into non-CDEP jobs is centred on participant engagement and modelling of a mainstream work environment through incentive structures with ‘top up’ pay. Bungala reports that participant engagement has become increasingly difficult since July 2009. As of 17 March 2011 just over 76 per cent of ‘grandfathered’ participants (those receiving CDEP wages) and only 24 per cent of new participants (those receiving income support payments) were regularly turning up for work or training. There appear to be several factors contributing to a decline in participant engagement.

Firstly, while Bungala continues to enforce the ‘no work no pay’ rule for ‘grandfathered’ participants, it has no capacity to do so for the new CDEP participants on income support. While they are formally required to fulfil their mutual obligation requirements (usually participation in CDEP) in return for these payments, evidence to date suggests it is uncommon on the APY Lands for this to be enforced. This means that ‘no work no pay’ holds little sway over new CDEP participants as they often receive the same income whether they work up to 14 hours per week on CDEP or exit CDEP for unemployment payments and, in practice, have few if any participation obligations. In this context there is some support for the concerns of Anangu research participants documented in Section 6.1. The relative lack of engagement of new participants is shown in Table 5, which shows that although the average work hours of ‘grandfathered’ participants have declined a little to 10 hours per week in March 2011, new CDEP participants are only attending scheduled work or training for an average of less than five hours per week.23

Secondly, while Bungala has attempted to develop the equivalent of an internal labour market by offering additional work and pay to reliable workers, new CDEP participants are ineligible for ‘top up’ paid from CDEP wages.24 As Table 5 demonstrates, 17 per cent of eligible ‘grandfathered’ participants were working...
additional hours for ‘top up’ in March 2011. This option is not available to new participants. Again, this removes a key incentive to turn up to work as well as the incentive to work industriously once there. In short, a combination of this change and the lack of enforcement of mutual obligation for new participants seems to have weakened both the ‘carrot’ and the ‘stick’ that had formerly encouraged active engagement among a majority of CDEP participants.

Declining participant engagement is further complicated by the stipulation in the funding agreement that participants failing to engage in their agreed CDEP activities should be removed from the schedule: by following this condition Bungala has seen its participant numbers decline from 624 in July 2009 to 412 in March 2011. This is significant even taking into account the 183 participants transitioned into mainstream jobs in this period, because previous years would usually have seen exited positions re-filled by new participants.

Additional advice from FaHCSIA suggests that although the CDEP funding agreement stipulates that new participants failing to engage in their agreed CDEP activities should be removed from the schedule, this process need not occur. Rather, FaHCSIA advises that new (income support) participants who fail to engage in the CDEP activities agreed to in their Employment Pathway Plan need only be reported to the JSA, who should then investigate whether the participant has a reasonable excuse, allow an opportunity to resume participation and, if deemed necessary, notify Centrelink of a participation failure. The JSA or Centrelink should then ‘advise the CDEP provider when the New Participant needs to be exited for a participation failure’ (FaHCSIA 2009a). To further understand the issue of participant engagement it is therefore necessary to also reflect on the articulations between CDEP, JSA and Centrelink services.

Table 5. Participant engagement and hours of work, 2008–11

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<tbody>
<tr>
<td></td>
<td>Wages</td>
<td>Wages</td>
<td>Wages &amp; Income support</td>
<td>Wages &amp; Income support</td>
</tr>
<tr>
<td>Number of participants</td>
<td>584</td>
<td>624</td>
<td>365 &amp; 85</td>
<td>314 &amp; 98</td>
</tr>
<tr>
<td>Average hours worked per week</td>
<td>12.9</td>
<td>12.6</td>
<td>12.6 &amp; 6.1</td>
<td>10.1 &amp; 4.5</td>
</tr>
<tr>
<td>Eligible participants working above min. hours for ‘top up’ (%)a</td>
<td>17</td>
<td>19</td>
<td>19</td>
<td>–</td>
</tr>
</tbody>
</table>

Notes:
a. These figures exclude CDEP participants on homelands because they are expected to work without supervision and cannot claim ‘top up.’

Source: Bungala Aboriginal Corporation 2011.
6.2.2 Articulation with Job Services Australia and Centrelink

The new CDEP arrangements from July 2009 place significant emphasis on a working relationship between CDEP and JSA providers. Under these arrangements Complete Personnel is contracted to work with Bungala to assist CDEP participants into mainstream employment, as well as to work independently with the unemployed (including those who have exited CDEP) to facilitate employment and training outcomes. All CDEP participants on the APY Lands are supposed to register with a JSA provider and Centrelink. According to DEEWR (2011c, 2011d), as of December 2010 there were 656 individuals living on the APY Lands who had registered with Complete Personnel, including 246 who were also CDEP participants. A very small number of individuals (around 10) who are registered as living on the APY Lands have chosen to register with alternative JSA providers such as those operating in Alice Springs.

When the changes were first introduced in 2009, CDEP providers were no longer able to recruit new participants directly: participants had to first register with Centrelink, then be referred to a JSA provider who could refer them to Bungala. This process created significant difficulties for Bungala and prospective CDEP participants. Even though CDEP is the principal form of ‘mutual obligation’ available on the APY Lands, from July 2009 to January 2010 only nine Aṉangu were referred to Bungala by Complete Personnel. Bungala created a waiting list of Aṉangu who had completed ‘expressions of interest to join CDEP’ but were unable to proceed because they lacked a JSA referral. In response to these concerns Bungala negotiated with DEEWR and FaHCSIA a three month trial allowing direct registrations of CDEP participants on the APY Lands. Bungala report that in this period 79 Aṉangu joined CDEP. With similar concerns about the referral process also being expressed elsewhere, the guidelines were subsequently changed to allow CDEP providers to pursue direct registrations of prospective participants (see FaHCSIA 2010b).

At the time of writing, Complete Personnel has not established a permanent presence on the APY Lands but pursues its service contract for the Lands from offices in Adelaide. Its staff make short visits to the APY Lands; reports from the APY Lands suggest that in the period September 2010 to March 2011 this averaged at around one day per month for the most frequently visited communities. The level of service Complete Personnel is contracted to provide to individual clients depends on each client’s level of ‘disadvantage’, ranging from Stream 1 for ‘the more work-ready job seekers’ to Stream 4 for ‘the most highly disadvantaged job seekers with severe non-vocational barriers’ to employment (DEEWR n.d.).

Most JSA clients on the APY Lands require either Stream 3 or Stream 4 services. Complete Personnel is contracted to provide all of its clients on the APY Lands with basic services including face-to-face interviews and the development of a résumé and personalised Employment Pathway Plan. Complete Personnel should also monitor client attendance at appointments and participation in agreed activities. According to the tender document, face-to-face contacts should occur at least once per month unless there are exceptional circumstances. The Employment Pathway Plan should set out ‘the timing and details of mandatory vocational and non-vocational activities’ as well as any voluntary activities agreed to (DEEWR 2009b: 16).

Because most of the JSA clients on the APY Lands are in Streams 3 or 4, there is some flexibility in the timing of producing résumés and/or Employment Pathway Plans, as well as the level of job search effort required by clients. The JSA may also provide more intensive assistance for Stream 4 clients which might include organising counseling or professional support, providing referral and advocacy, or other support services. Complete Personnel also has access to an Employment Pathway Fund, with the total pool of
funds determined by the number of fully eligible clients it has and their level of disadvantage. It can use these funds to purchase goods and services that will assist its clients in gaining employment, such as driving lessons, travel assistance, work uniforms and text books (DEEWR 2009b: 18).

The requirement that CDEP participants on the APY Lands are also registered with a JSA provider means that there appears to be some overlap between CDEP and JSA services. The relationship between Bungala and Complete Personnel is managed through a Service Level Agreement that sets out their various responsibilities, and in theory they should both service CDEP participants with the JSA provider referring clients to CDEP because it is an opportunity for training and work readiness activities. Indeed, under agreement reached in March 2010, JSA providers should have been referring their clients to CDEP ‘where CDEP is the only participation activity in a location’ (FaHCSIA 2010b). In practice, though, the relationship between Bungala and Complete Personnel has been fraught. This is, in part, evidenced by the fact that as of March 2011 there were 179 CDEP participants on the APY Lands (43% of total participants) who had not been registered with Complete Personnel.

In general, the nature of CDEP and JSA contracts means that there are several ways in which the specified roles of providers can lead to tensions. One is that when a new CDEP participant’s Employment Pathway Plan expires they are exited from the CDEP scheme. While the extension of an Employment Pathway Plan is the responsibility of the JSA, it is the CDEP provider that potentially incurs a penalty if the reduced utilisation of CDEP places leads to a reduction in AAPs and service fees. Further, employment outcomes claimed by a JSA provider may have, in practice, been facilitated by a CDEP provider or vice versa. Under their various contract agreements both providers are able to claim outcome payments for each individual regardless of which agency has provided the most assistance. Both organisations also have to dedicate staff time and resources to managing this complex and difficult relationship.

The new CDEP arrangements since July 2009 also require articulation with Centrelink: as noted, all new participants are paid income support directly from Centrelink rather than CDEP wages. These income support recipients are required to fulfil mutual obligation requirements, which can be met by participation in CDEP where participants complete the number of hours of CDEP activities agreed to in their Employment Pathway Plan (up to a maximum compulsory period of 14 hours). As detailed in Section 3.3.1, income support recipients who fail to meet their mutual obligation requirements can be penalised by Centrelink through either a ‘no show, no pay’ penalty or a non-payment period. These arrangements are intended to operate somewhat akin to the CDEP ‘no work no pay’ principle by creating a strong disincentive to miss work. However, both JSA and Centrelink staff have some discretion in how they manage participation problems.

For example, if a JSA client fails to participate in an activity agreed in their Employment Pathway Plan, the JSA may first attempt to contact the client to ascertain whether they have a reasonable excuse. The JSA then has three options: they may decide to lodge a participation report with Centrelink which could result in a breach being applied; submit a contact request to Centrelink that seeks to re-engage the client rather than apply a penalty; or simply ask the client to make up the time they have missed.

When a participation report is lodged with Centrelink, the relevant legislation requires that before any penalty is imposed ‘the decision maker must establish whether the job seeker had a reasonable excuse for failing to meet their requirements’ (Commonwealth of Australia 2009b). Most investigations regarding
the non-compliance of Indigenous income support recipients in remote communities are referred to a Centrelink ‘Participation Solutions Team’ which includes specialist staff such as social workers. DEEWR (2011a) advises that where an individual’s explanation for non-compliance:

suggests that cultural reasons may impact on the determination, consultation with Indigenous specialist staff may occur to inform the assessment of whether a job seeker has a reasonable excuse.

Centrelink clients may also be assigned a ‘Vulnerability Indicator’ for reasons such as significant caring responsibilities, significant limits to literacy or language skills, mental illness or drug and alcohol dependence. This is taken into account by the Participation Solutions Team when deciding if a penalty should be applied. In addition, if Centrelink deems that imposing an eight week non-payment penalty on an income support recipient would place that person in ‘severe financial hardship’ then Centrelink must reinstate their payment. Severe financial hardship is here defined to include individuals who have less than $2,500 in liquid assets or parents or couples with less than $5,000 (Commonwealth of Australia 2009b). Under these guidelines, many remote Indigenous income support recipients could be deemed vulnerable and/or in severe financial hardship and, in practice, new CDEP participants on the APY Lands may not experience any financial penalty for failing to attend work or training. Where financial penalties are imposed, they are often incurred some time after the original participation breach. Enforcing penalties for participation problems may also be made more difficult where Employment Pathway Plans for individual JSA clients do not include clear and measurable participation requirements.

Given the very low average incomes and multiple disadvantages of many Anangu on the APY Lands, concerns about vulnerability and financial hardship are very real. Nonetheless, a relative lack of financial penalty for non-participation in mutual obligation activities generates a perverse incentive for new CDEP participants to either not turn up to CDEP or exit the scheme in favour of registering for unemployment payments or other forms of income support for which they may be eligible. It should be noted that there is scope under social security legislation for those subject to an eight week non-payment penalty for serious failure to undertake a compliance activity such as Work for the Dole in lieu of financial penalty. It should also be acknowledged that data available for the Northern Territory show a recent increase in the number of ‘no show, no pay’ penalties and eight week non-payment penalties being applied for income support recipients in prescribed Aboriginal communities (FaHCSIA 2011a: 45). No similar data are publicly available for the APY Lands.

In response to concerns about the difficulties of enforcing breaches, the Australian Government has recently introduced revised compliance measures under the Social Security Legislation Amendment (Job Seeker Compliance) Act. From 1 July 2011 income support payments can be suspended ‘when job seekers do not attend appointments or activities without providing a reasonable excuse beforehand’ (DEEWR 2011g: 2). Further changes to compliance measures are scheduled for July 2012 which aim to improve communication between Centrelink and employment service providers (DEEWR 2011g).

6.2.3 Other changes

As well as these potential problems with the 2009 changes to CDEP there are also some changes that appear more positive. For example, the availability of outcome payments for training commencements and completions creates a clear incentive to CDEP providers to focus on these objectives. In addition, the creation of two streams for ‘work readiness’ and ‘community development’ are clear recognition that there are important community development functions of CDEP aside from its role in facilitating mainstream employment outcomes where these are possible. The instruction that CDEP providers should
work with communities to develop ‘Community Action Plans’ setting out their priorities for locally valued projects is also commendable, although an independent assessment of the extent and effectiveness of these community consultations would be welcome.

In addition, because the 2009 changes require that CDEP participants register with JSA providers and Centrelink and be assessed for Stream Services, there is some formal recognition of the difficulties involved in moving CDEP participants into alternative employment. That is, the allocation of clients to different streams recognises that achieving sustainable employment for those in Streams 3 and 4 is a major challenge and will remain so regardless of whether services are provided by CDEP, JSA or some other model.

6.3 POSSIBLE IMPACTS OF REMOVING ALL CDEP WAGES

It is always difficult to posit clear causal connections between policy changes and complex socioeconomic phenomena, let alone make accurate predictions of likely future outcomes. In this instance, analysis is also complicated by the lack of detail about how CDEP will operate into the future, with DEEWR and FaHCSIA conducting a review of CDEP and remote employment services in September and October 2011[30] (DEEWR 2011f). While it is impossible to draw firm conclusions about the effect of removing all CDEP wages, some necessarily speculative inferences can be drawn about a likely scenario for the APY Lands. Current patterns suggest that outcomes may well include further decreases in participant engagement and increasing numbers of participants exiting CDEP for unemployment payments or other forms of income support administered through Centrelink.

It may be that the low and declining engagement of new CDEP participants on the APY Lands is associated with the new arrangements for CDEP under which they only receive income support payments and remain ineligible for ‘top up’ payments from CDEP wages. While this cannot directly explain the declining work hours of ‘grandfathered’ participants during the same period, the data presented above are significant cause for concern. This is particularly so because there is evidence that CDEP elsewhere is currently experiencing similar problems (see for example Aboriginal Peak Organisations of the Northern Territory & Altman 2011; Central Land Council 2011).

Some commentators, of course, would see declining participation in CDEP as a positive result. However, it is pertinent to examine the appropriateness of current alternatives for assisting otherwise unemployed Apangu into formal training or paid work. It appears that the removal of all CDEP wages will see CDEP effectively transformed into a Work for the Dole type activity within a mainstream approach to employment services. In principle, in this new environment CDEP participants in remote Australia will be treated in the same way as job-seekers elsewhere, with the key difference being the inclusion of CDEP as an option for fulfilling mutual obligation requirements. Presumably, this inclusion reflects some recognition of the particular characteristics of Indigenous people in remote labour markets.

It is far from clear, though, how such a system would better accommodate remote realities—and have better employment results—than the old system of CDEP wages. In particular, while most supporters of CDEP acknowledge that the scheme’s mainstream employment outcomes have been limited, they often point to both its broader community development impacts and the complex socioeconomic environments in which CDEP tends to operate. As in the APY Lands, in many cases CDEP providers have faced significant difficulties including low literacy levels, lack of mainstream work experience, alternate value paradigms and extreme poverty among participants as well as logistical problems, remoteness and a relative lack of
local jobs. Such challenges place real limits on the possibilities for transitioning people into mainstream work, and it is inevitable that any alternative employment scheme operating in remote areas, including a mainstream approach through JSA and Work for the Dole, would encounter the same difficulties.

Moreover, by undermining the ability to use ‘top up’ pay it is unclear how the new model will encourage participant engagement. Without the ‘carrot’ of ‘top up’ wages it seems that CDEP will rely almost singularly on the ‘stick’ of reduced welfare payments for participation breaches. Even if these penalties are strictly enforced, there is no evidence that the mutual obligation requirements of the Indigenous unemployed will be better able to facilitate mainstream employment outcomes than the same activities formerly undertaken for CDEP wages. This is particularly so given the reduced opportunity for additional paid work hours (without the threat of income taper) to model the incentive structure of non-CDEP work. Of course, an increased incidence of participation breaches for income support recipients would also raise difficult ethical issues, with one possible effect being to further reduce the incomes of those already in poverty and experiencing profound structural (not just individual) barriers to employment. This effect might be reduced in the medium term if enforcing participation breaches encourages renewed engagement with mutual obligation. However, such an outcome is not guaranteed in environments like the APY Lands where there is a widely acknowledged tendency to rely on the incomes of other family members in times of financial need, and ‘rationality’ in responding to the conditionality of welfare payments might be quite different to what policy makers expect. Any trend towards the enforcement of participation breaches would therefore need to be monitored carefully.

A continued decline in CDEP participation would of course be a commercial concern for Bungala because it would see service fees falling along with participant numbers. However, the key concern of this paper is that a reorientation towards income support payments could, in practice, lead to increased welfare dependence and income poverty for Anangu if CDEP participants are shifted on to unemployment payments or other forms of income support but do not transition into other jobs.

The possible impacts of policy change can sometimes be best understood by those who will be immediately affected. For that reason, this study sought the views of Anangu about the policy changes. The concerns raised by these individuals highlight the need to closely scrutinise the impacts of the changes to CDEP to ensure they benefit Anangu as intended.

7. CONCLUSIONS

An earlier section of this paper identified that among the most strident criticisms of CDEP are the claims that it has been ‘sit down money’ and/or deterred engagement with the market economy by paying (overly generous) wages for ‘pretend jobs’. This paper draws attention to contrary evidence that, at least in the context of Bungala’s operations, CDEP has been an effective model for engaging and skilling up some of the most disadvantaged job seekers while actively seeking and securing their mainstream employment. This model has had proven success in Bungala’s Port Augusta operations and shown emerging results in the much more difficult environment of the APY Lands, especially with the recent placement of 49 CDEP participants into full-time private sector jobs.

While Bungala’s approach to CDEP has also contributed to broader social outcomes—including through non-contractual services—its effectiveness in achieving mainstream training and employment outcomes over the last decade demonstrates that blanket characterisations of CDEP as ‘sit down money’ are inappropriate. In addition, contrary to arguments that CDEP positions are ‘pretend jobs’ disassociated
from productive activity or work discipline, there is evidence that CDEP on the APY Lands is highly valued by at least some local Agangu for its facilitation of individual and community development as well as personal pride. Moreover, Bungala’s efforts to encourage work effort through a system of rewards and conditional payment can be seen as modelling a mainstream work environment perhaps as closely as possible given the local realities.

Most, if not all, commentators would argue that passive welfare is counterproductive. However, the emerging evidence presents cause for concern that attempts to alter incentive structures by removing CDEP wages may in fact undermine the scheme’s ability to facilitate mainstream employment and, instead, encourage a return to welfare passivity. In this context the compatibility of the new CDEP arrangements with the government’s stated aim of ‘closing the employment gap’ should be further interrogated.

While further research is required, preliminary conclusions can be drawn from available administrative data and the clear concerns of Agangu identified above. This report suggests there is growing evidence that some of the changes to CDEP introduced in July 2009 are undermining the demonstrated potential of CDEP to produce positive results. Several of the changes—especially the increased focus on training and new funding for on-site staff—have the capacity to augment training and employment outcomes for CDEP participants. However, the combination of the removal of CDEP wages, the reduced incentive to work additional hours for ‘top up’ pay and the ineffective income support arrangements appears to be creating a disincentive for Agangu to participate in productive work and develop their capacities for non-CDEP employment. At the same time, these changes appear to be encouraging a return to passive welfare. This is ostensibly what the government and commonsense seek to curtail and indeed what the CDEP scheme itself was designed to minimise. Further, there is significant risk that the scheduled removal of all CDEP wages will exacerbate this trend and add to, rather than ameliorate, the multiple disadvantages experienced by Agangu on the APY Lands.
NOTES

1. It should also be noted that because the population of the APY Lands is relatively small, some census data are randomly adjusted to ensure confidentiality of individuals. Census data reported in this paper refer to the Apângu Pitjantjatjara Local Government Area.

2. In presenting the census population count, persons who did not state their Indigenous status are included in the Indigenous total. Unless otherwise indicated, percentages derived from census data have been calculated after excluding the responses ‘not stated’ and ‘not applicable’ from totals.

3. Interestingly, using data from the 2002 National Aboriginal and Torres Strait Islander Social Survey, Altman & Gray estimated that if CDEP participants were counted as unemployed the unemployment rate in very remote areas would increase to 76%, a finding very similar to the one reported here (see Altman & Gray 2005: 6).

4. It should be noted here that many regions, including the Northern Territory as a whole, are not financially independent. Fiscal equalisation—which aims to ensure standardisation of services by compensating some State and Territory jurisdictions for greater costs of service provision or their limited revenue raising capacity—is a widely accepted principle of Australian federalism (see Commonwealth Grants Commission n.d.). Some local governments also operate in ways that are independently unsustainable over the long term (Local Government and Shires Associations of NSW 2007: 5), and state support for all kinds of remote communities—including pastoral and mining settlements as well as Aboriginal ones—is common (Stafford Smith, Moran & Seemann 2008).

5. This arrangement has allowed the non-time critical elements to be delivered by Apângu with minimal previous experience even though it may take longer than would normally be accommodated in a construction contract. That is, completed housing can be occupied by tenants even if the non-time critical elements are not yet complete.

6. A further 18 locations had their coverage reduced.

7. The participation requirement is determined on a case-by-case basis with a Job Services Australia Provider. An individual’s income support obligations may consist entirely of CDEP activities, or may comprise some hours of CDEP in conjunction with other approved activities.

8. Continuing adult CDEP participants must be given the opportunity to earn this Average Per Participant rate.

9. Under the previous arrangements over 2005–09 there had been three streams of CDEP: employment, community activities and business development (DEWR 2005a).

10. Instead, a change in Average Contracted Places led to a change in ‘Activity Fees’. These funded items necessary to run day-to-day operations, including insurance, equipment and materials (DEWR 2006).

11. The rate for youth participants in receipt of CDEP wages is $200.60 per week. A Youth Participant is a participant who commenced after 1 July 2006 but before 1 July 2009, aged 20 years or younger who is not a custodial parent or legal guardian.

12. Unless they have a partner who is not a participant in the CDEP scheme but whose gross quarterly income exceeds $10,332 (FaHCSIA 2010e).
13. These include payments such as the CDEP Participant Supplement, Family Tax Benefit, Rent Assistance and the Pharmaceutical Allowance. Despite some reports to the contrary (Hudson 2008: 6), those in receipt of CDEP wages cannot simultaneously be in receipt of Newstart Allowance (Personal communication, FaHCSIA staff, 20 May 2011).

14. In effect Bungala also managed CDEP in Whyalla for two years prior to 2003. From 2001 Bungala provided management services to Buttlingarra Aboriginal Corporation which was funded to deliver CDEP in Whyalla, and Bungala’s role included direct management and supervision of the CDEP program. In December 2002 Buttlingarra members voted at a Special General Meeting to amalgamate with Bungala.

15. Bungala’s association with Oodnadatta CDEP also extends to the period immediately prior to 2003: in 2000 Bungala was appointed as Grant Controller to Oodnadatta’s Dunjiba Community Council Inc. At the expiry of this contract Bungala was appointed by Dunjiba to manage its day-to-day activities. This relationship continued until 2003 at which time a government decision transferred the CDEP contract from Dunjiba direct to Bungala.

16. This figure includes roughly 250 individuals placed into jobs through CDEP in addition to those claimable through the IEC, or placed into jobs during the preceding employment trial.

17. Bungala advises that since 2009 they have facilitated 719 entries to work readiness services. Of these, 235 have been for accredited training, 446 for non-accredited training and 38 for work experience placements.

18. Project Officers are differentiated from CDEP Work Supervisors because they are not community specific and do not have delegated responsibility for participants on a day-to-day basis. Project Officers are usually employed in their specific trade. For example, they may be employed as Project Officer—Mechanical, Project Officer—Building, or Project Officer—Transport/Logistics.

19. Bungala advises that the number of accredited VET completions in the 2009–10 financial year was relatively low mainly due to a lack of clarity about what constituted the 100 nominal hours necessary for formal accredited completions. Many of the participants achieved 100 hours of VET but failed to fulfil the FaHCSIA criteria that all 100 hours had to be in the same vocational field to claim a completion outcome. According to Bungala, it was some time into their 2009–10 CDEP contract with FaHCSIA before this ruling was made. Completions in the 2010–11 financial year have been higher and include some completions of courses commenced in the previous year.

20. While the formal mentoring strategy is time limited, Bungala advises that they continue providing mentoring on an ongoing basis as required by clients.

21. Bungala also regularly undertakes additional non-contractual services to support sorry camps, including waste management, digging of graves, cementing and preparing memorials and headstones and, where requested, assisting in sourcing funding for funeral costs such as transporting the deceased.

22. The wording of the contract agreement is quite clear. It states that where a participant ‘ceases to participate in their approved CDEP Services or CDEP Projects’ or, in the case of grandfathered participants, ‘does not participate in their CDEP Services or CDEP Projects for more than two consecutive weeks, and is not taking an Allowable Break’ the CDEP provider ‘must exit the [grandfathered or new] participant immediately from the CDEP Program’ (FaHCSIA 2010d: 19–20). Bungala have an agreement with FaHCSIA that grandfathered participants who cease to participate in their CDEP activities for up to seven weeks may stay on the participant schedule as long as they are on specified leave.
23. One possible reason for the decline in average work hours among grandfathered participants is that the 180 CDEP participants transitioned into non-CDEP work since July 2009 have been the most motivated and job-ready individuals, leaving the CDEP program with a higher proportion of participants with major barriers to work such as poor health, low skills or lack of motivation. While this premise requires further investigation, what is most significant in the context of this paper is the large difference in average work hours between grandfathered and new CDEP participants.

24. New CDEP participants can work additional hours off CDEP such as in a work experience placement or part-time job. In the latter case their CDEP income will be reduced commensurate with income taper rules for social security payments.

25. JSA clients can be reclassified into different Stream Services where there is a change in their circumstances.

26. For example, over 95% of JSA clients in Amata and Mimili are eligible for Stream 3 or Stream 4 services. Personal communication, DEEWR staff, 7 June 2011.

27. CDEP and JSA providers can both claim outcome payments for employment placements and retention to 13 and 26 weeks. Both can also claim additional outcome fees and/or bonuses based on different performance measures. During the calendar year 2010 there were 77 job placement outcomes recorded by JSA providers for Indigenous clients on the APY Lands. Of these, 13 achieved retention to 13 weeks (DEEWR 2011b). Data identifying the proportion of these clients who were also CDEP participants are not available.

28. JSA outcome payments are higher if the employment placement is 'provider brokered' (where the JSA sources and secures the job vacancy) rather than 'provider assisted' (such as where a job seeker sources the vacancy themselves). Arguably if a CDEP provider is the key agency involved in matching, referring and placing a participant into a job the JSA would only be eligible for the 'provider assisted' payment. Depending on the employment services stream of the job-seeker, their length of unemployment and the type of employment secured, the difference between a provider brokered and provider assisted payment ranges from $104 to $627 (DEEWR 2009b: 44–5).

29. It should be noted that some CDEP providers are also JSA providers. Having both contracts may prove a more effective and/or profitable business model but this requires further investigation.

30. CDEP and JSA provider contracts have recently been extended for 12 months to 30 June 2013. The review of remote 'participation and employment services' is intended to inform future arrangements after July 2013.

31. It should also be noted that in some remote contexts Aboriginal people are effectively beyond the reach of state oversight.
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Jordan Centre for Aboriginal Economic Policy Research


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## APPENDIX

### Table A1. CDEP participants in communities and associated homelands¹, 18 March 2011

<table>
<thead>
<tr>
<th>Communities and larger settlements</th>
<th>Community participants (No.)</th>
<th>Associated homelands</th>
<th>Homeland participants (No.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amata</td>
<td>41</td>
<td>Alpara, Amaraltja, Angatja, Cave Hill, Happy Valley, Kutjikuta, No.16, Rocket Bore, Tupul, Ulaipa, Wallany</td>
<td>35</td>
</tr>
<tr>
<td>Iwantja</td>
<td>49</td>
<td>Umaroona, Tjiwuru Bore</td>
<td>7</td>
</tr>
<tr>
<td>Mimili</td>
<td>22</td>
<td>Sandy’s Bore</td>
<td>3</td>
</tr>
<tr>
<td>Kaltjiti</td>
<td>56</td>
<td>Walaklara, Shirley Wells, Centre Bore, Apwertje</td>
<td>14</td>
</tr>
<tr>
<td>Watinuma</td>
<td>0</td>
<td>Tjilpi, West Bore</td>
<td>5</td>
</tr>
<tr>
<td>Pukatja</td>
<td>62</td>
<td>Aeroplane 1, Aeroplane 2, Balfours, Blackhill 3, Eagle Bore, New Well, Ngarutjara, Racecourse, Turkey Bore, Yunyarinyi, Youngs Well</td>
<td>21</td>
</tr>
<tr>
<td>Kanpi / Nyapari ²</td>
<td>28</td>
<td>Angatja</td>
<td>1</td>
</tr>
<tr>
<td>Kalka</td>
<td>19</td>
<td>N/A</td>
<td>–</td>
</tr>
<tr>
<td>Pipalyatjara</td>
<td>35</td>
<td>N/A</td>
<td>–</td>
</tr>
<tr>
<td>Watarru</td>
<td>12</td>
<td>N/A</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total APY</strong></td>
<td><strong>324</strong></td>
<td></td>
<td><strong>86</strong></td>
</tr>
</tbody>
</table>

**Notes:**
1. The figures relating to homeland participants fluctuate regularly with movement between community and homeland occupancy.
2. Kanpi and Nyapari are very close to each other and figures in this section are combined for the two locations.

**Source:** Bungala Aboriginal Corporation 2011.
<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Art centres, community stores &amp; community councils</td>
<td>1</td>
<td>–</td>
<td>28</td>
<td>10</td>
<td>54</td>
</tr>
<tr>
<td>Schools, health services &amp; government agencies</td>
<td>5</td>
<td>4</td>
<td>6</td>
<td>6</td>
<td>55</td>
</tr>
<tr>
<td>Other services</td>
<td>11</td>
<td>13</td>
<td>42</td>
<td>25</td>
<td>93</td>
</tr>
<tr>
<td><strong>Total (positions)</strong></td>
<td><strong>37</strong></td>
<td><strong>34</strong></td>
<td><strong>88</strong></td>
<td><strong>95</strong></td>
<td><strong>254</strong></td>
</tr>
<tr>
<td><strong>Total (persons)</strong></td>
<td><strong>36</strong></td>
<td><strong>34</strong></td>
<td><strong>88</strong></td>
<td><strong>95</strong></td>
<td><strong>253</strong></td>
</tr>
</tbody>
</table>

Source: Bungala Aboriginal Corporation 2011.