The CDEP in town and country Arnhem Land: Bawinanga Aboriginal Corporation

J.C. Altman and V. Johnson

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Jon Altman is the Director of the Centre for Aboriginal Economic Policy Research at the Australian National University. Victoria Johnson is a postgraduate student at the University of Melbourne who was engaged as a consultant researcher by the Bawinanga Aboriginal Corporation in June and July 2000.

Foreword

In its Research Plan 2000, the Centre for Aboriginal Economic Policy Research (CAEPR) identified the Community Development Employment Projects (CDEP) scheme as a key area for research. This focus was driven by two broad agendas. First, in CAEPR's negotiation of research priorities with the Aboriginal and Torres Strait Islander Commission (ATSIC) late in 1999, ATSIC's then Economic Division highlighted the scheme as an important priority area. Not only is the scheme ATSIC's largest program, but it is also coming under increasing government scrutiny. This scrutiny is motivated in part by an emerging view that the scheme is predominantly about employment generation: that is, it is a labour market program. For example, the most recent definition of CDEP program objectives notes that it 'aims to provide employment opportunities for Aboriginal and Torres Strait Islander peoples to gain work experience in community managed activities'. Historically, since its establishment in 1977 and until the 1997 Spicer Review of the scheme, it has also been regarded as a flexible community development, income support, training, and enterprise development program. The scheme is also under some scrutiny by the Department of Finance and Administration which is assessing the efficacy of its associated administrative on-costs.

The McClure Committee's major review of the Australian welfare system, undertaken during 2000, was the second motivating factor. Because the CDEP scheme has a notional financial link with the welfare entitlements of participants, any McClure-based recommendations to reform welfare could have potential ramifications for the scheme. Furthermore, the McClure Committee's emphasis on the principle of mutual obligation for welfare recipients makes the CDEP scheme a potentially important precedent. While there are important differences between the CDEP scheme and the mainstream Work for the Dole Program, in most situations there are requirements that scheme participants work for their wages, and these are notionally linked to welfare entitlements. The CDEP scheme's 23-year history provides an important body of data for empirical research on how mutual obligation might operate in practice.

CAEPR staff undertook a great deal of research on the CDEP scheme in 2000, much of which was reported at the three-day conference 'The Indigenous Welfare Economy and the CDEP Scheme' convened at the Australian National University in early November 2000. The detailed proceedings of that conference are to be separately published in 2001. CAEPR researchers also undertook three detailed case studies dealing with the operation of the CDEP scheme in three very different contexts. These were:

- A case study undertaken by Matthew Gray and Elaine Thacker in the Port Augusta region on the Bungala CDEP organisation, reported in CAEPR Discussion Paper No. 208;
- A case study by Jon Altman and Victoria Johnson undertaken in the Maningrida region, central Arnhem Land on the Bawinanga Aboriginal Corporation (BAC) CDEP and reported in this Discussion Paper (No. 209); and

- A case study undertaken by Ray Madden in urban western Victoria on the operations of the Worn Gundidj CDEP organisation, reported in CAEPR Discussion Paper No. 210.

Each of these three case studies required careful negotiations to ensure a high level of collaboration with participating CDEP organisations and an appropriate level of transparency and independence in the reporting of the research findings. To varying extents, all three differ from the standard CAEPR Discussion Paper because they address two distinct audiences: the CDEP organisations that are the subjects of the research and a wider constituency that includes other CDEP community organisations, government agencies, policy makers, and academics. Consequently, each paper reads in part like a consultancy report and in part like an academic applied research report. In all three case studies though, the authors have attempted to go beyond the specifics to more general issues for Indigenous affairs policy, while also being conscious of the enormous variation in the particular circumstances of the nearly 300 CDEP schemes Australia-wide. Indeed some of this diversity is represented in these three case studies and it is suggested that CAEPR Discussion Papers 208–10 be regarded, and read, as a set.

Professor Jon Altman
Director, CAEPR
December 2000

Table of Contents

Foreword ... iii
Abbreviations and acronyms ... vi
Summary ... vii
Case study choice ... vii
Methodology ... vii
Economic and social context ... viii
Bawinanga Aboriginal Corporation ... viii
The BAC CDEP scheme ... viii
Economic and social impacts ... ix
Policy issues ... ix
The complex sociology of CDEP work ... x
Recommendations ... xi
Acknowledgments ... xii
Introduction ... 1
The case study: Why Maningrida? ... 2
Methodology and the collection of the data ... 3
Economic and social context ... 5
The origins and organisational identity of the Bawinanga Aboriginal Corporation ... 9
The BAC CDEP: An explanatory and exploratory overview ... 13
Economic and social impacts ... 18
Income effects ... 19
Employment effects ... 20
Enterprise development ... 22
Service delivery and client services ... 23
Training ... 23
Policy issues for BAC, for ATSIC, and for government ... 24
The identity of BAC CDEP scheme in town and country ... 25
Active versus passive welfare ... 25
The definition of work and the issue of substitution ... 27
Inter-organisational rivalry ... 27
Organisational vulnerability ... 28
Planning, reporting, accountability and feedback ... 28
Employment generation for whom? ... 29
Stakeholder participation ... 30
The complex sociology of CDEP work ... 30
Recommendations ... 32
The benefits and costs of the CDEP scheme ... 34
Notes ... 35
Appendix 1: Participants' views about the CDEP scheme ... 36
References ... 37

Tables

Table 1. Salient features of the regional Indigenous population in Maningrida township and outstations, 1996 Census 6
Table 2. Some salient Indigenous and non-Indigenous comparisons, Maningrida, 1996 Census 8
Table 3. ATSIC funding of BAC, 1990–91 to 1997–98 10
Table 4. BAC consolidated financial accounts and the CDEP scheme, 1995–96 to 1999–2000 12
Table 5. CDEP grant income by financial year, 1995–96 to 1999–2000 14
Table 6. CDEP Maningrida-based projects and outsourced participants, 2000 17

Abbreviations and acronyms

ATSIC	Aboriginal and Torres Strait Islander Commission
ABS	Australian Bureau of Statistics
AGPS	Australian Government Publishing Service
AIAS	Australian Institute of Aboriginal Studies (now AIATSIS)
AIATSIS	Australian Institute of Aboriginal and Torres Strait Islander Studies
ANU	The Australian National University
BAC	Bawinanga Aboriginal Corporation
CAEPR	Centre for Aboriginal Economic Policy Research
CDEP	Community Development Employment Projects
CGC	Commonwealth Grants Commission
CTP	Community Training Program
DEWRSB	Department of Employment, Workplace Relations and Small Business
HIPP	Health Infrastructure Priorities Program
IEP	Indigenous Employment Program
IHANT	Indigenous Housing Authority of the Northern Territory
JET	Jobs, Education and Training
MAC	Maningrida Arts and Culture
MPA	Maningrida Progress Association
NAHS	National Aboriginal Health Strategy
NARU	North Australia Research Unit
NTETA	Northern Territory Employment and Training Authority
ORA	Outstation Resource Agency
R&M	repair and maintenance

Summary

This Discussion Paper presents the findings of research undertaken in 2000 on the Community Development Employment Projects (CDEP) scheme administered by the Bawinanga Aboriginal Corporation (BAC). BAC is located in the township of Maningrida in central Arnhem Land, and the CDEP scheme has participants residing both in Maningrida township and at outstations in the hinterland. A feature of the research is the comparative focus on 'town' and 'country'. The primary aim of the research is to assess the net benefits generated by the operation of the scheme in these two contexts. Benefits are defined not only in terms of employment generation, but also more broadly to include social, cultural and other economic benefits. The discussion is couched in terms of current social policy debates that highlight the apparent negative impacts of welfare dependence and especially 'passive' welfare. This case study focuses on a situation where what could be termed 'active' welfare—CDEP scheme participation—has been an important option, and concludes that there is evidence of significant net benefit from the scheme in a range of areas. On balance, the positives of the scheme outweigh the negatives in the Maningrida regional context, but this does not indicate room for complacency: the workings of the scheme can be improved and some recommendations for change are made. These are summarised below.

Case study choice

BAC is an important case study for many reasons. It is located in central Arnhem Land, in a remote locality. There have been very few case studies of such localities. It is a large scheme with over 500 participants—nearly 2 per cent of all participants Australia-wide. The scheme is administered to participants based both in a township and at outstations. It has been operative for over a decade and is consequently well established.

The authors of this discussion paper have had considerable research and work experience in the region: Jon Altman has undertaken research in the Maningrida region since 1979, while Victoria Johnson worked in Maningrida between 1998 and 2000. The links that both researchers have forged with local organisations and people resulted not only in BAC and its members, but also others in the region, collaborating very openly and actively with the research project. This reflects in part the keenness both of the organisation and of its members to demonstrate the benefits of the CDEP scheme, and to highlight areas for improvement.

Methodology

Much of the research reported here was undertaken in the Maningrida region in the months of June and July 2000. Information was collected at BAC via file search and through examination of CDEP scheme records. A great deal of research was conducted by interviewing supervisors and participants in the scheme, but also by interviewing managers of all other major organisations and

service delivery agencies in the Maningrida region. Two different questionnaires were administered, one to almost all supervisors of CDEP projects in Maningrida (the results are integrated into the general findings) and the other (see Appendix 1) to about 10 per cent of all CDEP participants.

Other research methods included literature search, file search and interview of staff in ATSIC's Darwin Regional Office, and analysis of data from the 1996 Census. An unusual feature of the research is that the stakeholders' views about research findings were actively sought in three seminars, two convened by ATSIC in Darwin and one convened by BAC in Maningrida. Feedback on an earlier draft of the paper was also sought from BAC. This research is a continuation of earlier work by Altman in 1998 on BAC's role as an outstation resource agency and in 1999 on a business development plan for BAC's arts centre, Maningrida Arts and Culture (MAC).

Economic and social context

The 1996 Census estimated a regional Indigenous population of about 1,700, with 1,195 residing in Maningrida and 521 at outstations. The non-Indigenous population of Maningrida was 111. All these figures appear to be slight underestimates. The region is devoid of a commercial economic base; all told in 1996 there were only 89 non-CDEP jobs held by Indigenous people, and 87 held by non-Indigenous people. It is estimated that without CDEP, the unemployment rate at outstations, which is officially 5.7 per cent, would approach 100 per cent, while at Maningrida where it is officially 9.6 per cent it would approach 90 per cent.

Bawinanga Aboriginal Corporation

BAC was incorporated as an Outstation Resource Agency (ORA) in 1979 to provide municipal-type services to about 30 outstation communities in a 10,000 km^2 regional hinterland. From 1989, BAC has grown rapidly and its identity has changed considerably. It is now recognised as a complex regional organisation that fulfills three important roles: it remains a service delivery agency for outstations (including acting as a representative organisation on land management issues); it has become a large CDEP organisation; and it has evolved into a regional economic development agency. These three broad functions can be delineated financially: of total BAC income in 1999–2000 of $16m, $6.4m (40%) is linked to CDEP; 43 per cent is trading income from enterprises activities, and the balance (17%) is linked to its service roles.

The BAC CDEP scheme

The BAC CDEP scheme is organisationally complex: since 1997–98 it has had an annual budget in excess of $6m and just over 500 participants. Participants are distributed across 26 outstation timesheets and 31 projects, with almost all the projects being town-based. In mid 2000, the township and outstation components of the scheme were administered quite differently. In the township, participants

are recruited on a project basis and are expected to work on these projects for 18 hours per week for a standard CDEP wages entitlement. In town, a 'no work, no pay' rule is variably applied and there is potential to work longer hours for additional income. At outstations, participants are not work tested and receive a standard 36 hours CDEP pay per fortnight. The structural divide between town and country creates problems for the effective administration of the scheme, especially because the regional population is highly mobile.

BAC also administers the Maningrida Council's allocation of 115 participants, who are primarily engaged in the delivery of municipal services. Other town-based projects include employment with enterprises, with service and infrastructure providers, in provision of social and cultural services, in training, and in office administration. At outstations, a large number of CDEP participants engage in the manufacture of arts and crafts for sale to MAC, and in informal economic activities such as hunting, fishing, and gathering.

Economic and social impacts

The key focus in measuring economic and social impact is on the program goals designed to create employment, supplement incomes, encourage enterprise, provide services, and provide training. Overall, the scheme has a positive impact on participants' cash incomes, with supplementation occurring through additional work generated (universally termed 'top up') and extra wages earned, or through manufacture of art for sale while on CDEP, especially at outstations where other formal employment options are non-existent. The employment effects of the scheme are limited, with little evidence of participants exiting to mainstream full-time jobs. However, this is not surprising given that the local non-CDEP labour market is limited to less than 200 positions. A government incentive to BAC of $2,200 for every exit to non-CDEP continuing employment is ineffectual. The CDEP scheme has facilitated enterprise development under the auspices of BAC. Many of these enterprises are in the services sector and are dependent on funded CDEP labour and on recycling of government money. There are some embryonic export-oriented enterprises: the most successful is MAC, others include the commercial harvesting of wildlife and joint venture safari hunting and recreational fishing. The client services provided by BAC CDEP include financial services and especially a mechanism to facilitate saving for the purchase of vehicles, for ceremonial activity, for housing repair and maintenance, and to make payments to traditional owners of Maningrida that are deemed to be appropriate. The CDEP scheme in tandem with the Maningrida Jobs, Education and Training (JET) Corporation provides a wide range of training options that would not otherwise be locally available.

Policy issues

There is a range of policy issues that need to be addressed to make the BAC CDEP more effective.

1. The administration of one type of CDEP scheme in a township and another in the hinterland is problematic, especially given the propensity of outstation people to reside in the township for prolonged periods.
2. The existence of an 'active' welfare CDEP scheme alongside a 'passive' welfare Centrelink regime creates a degree of difficulty in trying to apply a 'no work, no pay' rule in the township.
3. There is evidence that the CDEP scheme is operating as a substitution labour-funding scheme and that CDEP labour is undertaking a range of tasks that other agencies are, or should be, funded to provide.
4. The growth and success of the BAC CDEP scheme is creating inter-agency rivalry and tensions within the Maningrida region.
5. The growth of the BAC CDEP scheme has occurred with minimal business or participatory planning and little rigorous evaluation of outcomes.
6. There is some evidence that CDEP-scheme generated employment growth, especially in managerial and senior administrative positions, primarily involves non-Indigenous people. This is due in large part to limited aspirations for such work within the local population, and a very limited supply of appropriately qualified Indigenous people.
7. There is associated evidence of a degree of alienation within the BAC membership, resulting in a lack of participation in the management of BAC. With limited administrative resources, priority is being given to external financial accountability rather than internal accountability to, and empowerment of, members. This problem could undermine the longer-term political sustainability of the scheme.

The complex sociology of CDEP work

A combination of some of the unresolved policy issues identified above and regional political and cultural factors appears to be undermining the incentive of CDEP scheme participants to seek regular paid employment, especially in the township. These cultural and social factors are analysed within the explanatory framework of 'domain separation', drawn from anthropology, and by reference to the concept of 'income replacement ratio', drawn from labour economics. The domain separation framework allows us to put forward the hypothesis that Aboriginal people differentiate between Aboriginal and non-Aboriginal domains of work, and that this differentiation is driven by the dynamics of their kin-based society. The Aboriginal social setting, with its particular cultural form of anti-individualism, does not tolerate those with appropriate formal skills taking managerial positions if they lack other forms of authority. In the labour-economics framework, the marginal financial returns from undertaking additional work can be shown not to offset the actual or potential costs of social exclusion; nor does increased earning capacity obviate the cultural requirement to share with kin. It is unclear how appropriate mechanisms can be established to encourage people to seek full-time employment in the context of these cultural

factors, and indeed there are very few full-time jobs available locally, even for those who wish for them. The sociology of CDEP (and other) work thus remains complex, and the effects of the scheme are (and will remain) paradoxical if its aims are defined in terms of encouraging people into mainstream full-time employment and reduced dependence.

Recommendations

The BAC case study provides the basis for the following recommendations:

- program guidelines should distinguish between CDEP in 'town' and in 'country';
- the various manifestations of the scheme need to be distinguished: in some cases it operates to generate employment, training, or community development and in others it merely operates as minimum income support;
- efforts must be made to distinguish active CDEP participation from passive welfare and suitable incentives should be provided to encourage the former;
- efforts must be made to limit the substitution that is being underwritten by CDEP scheme activities;
- a whole-of-organisation and consistent implementation of the 'no work, no pay' rule is needed; and
- there is need for quarantined resourcing for more effective planning and outcomes monitoring, and a concomitant commitment by ATSIC to provide triennial funding on a rolling basis for those organisations that are implementing the scheme successfully.

Acknowledgments

Many people have assisted in the research reported in this Discussion Paper. We would like to thank the senior management and executive committee of the Bawinanga Aboriginal Corporation (BAC) for permitting, facilitating, and collaborating with this research. Furthermore, BAC provided financial support by engaging Victoria Johnson to assist on this research in June and July 2000. We would also like to thank the staff of the ATSIC Regional Office in Darwin, especially Michelle Adams and Bob Wine, but also other staff both from State and Regional Offices who participated in two seminars given in Darwin in July.

In Maningrida and its outstations many people assisted this research; indeed the level of assistance we received is a testamant to the importance of the CDEP scheme to this regional economy. The staff of many organisations in Maningrida helped us, but we would like to thank especially David Bond, Ian Munro, Rupert Manners, Fiona Salmon, and Ray Hall from BAC for their support, assistance, and hospitality; and Wyn Manners from the Maningrida Jobs, Education and Training (JET) Corporation, Bill Young from the Maningrida Progress Association (MPA) and Helen Matthews from the health clinic. Thanks are also due to all the CDEP supervisors who assisted us in frank interviews and in filling in the supervisors' questionnaire. Liam Maher and David Webb from the Djabulukgu Association in Jabiru were also very helpful and hospitable. Peter Cooke from the Northern Land Council also deserves our sincere thanks for constantly being prepared to challenge our views.

Very many Aboriginal people in the region, most of whom were CDEP participants, assisted us, with over 50 agreeing very amicably to being interviewed. We would like to thank Robert Bibora, Charles Godjowa, and Jimmy Njiminjuma for special assistance. Valda Bokmakarray assisted us enormously by translating a number of our questionnaires into local languages. In July we visited Mimanyar camp and Momega, Kuruldul, Kumurulu, Marrkolidjban, Kakodbabuldi and Jibalbal outstations, and we thank the residents of these places for their welcome.

A number of people including Dan Gillespie, Ian Munro, Rupert Manners, Matthew Gray, Ray Madden, Robert Levitus, John Taylor, and Melinda Hinkson provided comments on a draft of this paper as readers. Zaen Khan from the University of Canberra was employed to undertake the analysis of questionnaires reported in Appendix 1, and Kate Ross and John Taylor provided some comment on this. Finally, we would like to thank Frances Morphy for assisting greatly with editing (as Christmas approached) and Wendy Forster for layout.

Some readers commented that this discussion paper reads too much like a consultancy report to BAC: this may be so. We note only that we have been acutely aware while preparing this paper of a need to be accountable to a diversity of stakeholders. It is never easy to move from the empirical and particular to the general but we hope that this research is of interest and relevance to all those interested in the future development of the CDEP scheme in both 'town' and 'country'.

Introduction

The research reported in this Discussion Paper concerns the operation of the Community Development Employment Projects (CDEP) scheme administered by the Bawinanga Aboriginal Corporation (BAC). BAC is located in the township of Maningrida in north-central Arnhem Land, approximately 500 km east of Darwin, on Aboriginal land. BAC was originally established as an Outstation Resource Agency (ORA), but since 1989 it has grown as a CDEP organisation and now administers a large CDEP scheme with over 500 participants.

The CDEP scheme is a program that is controlled by the Aboriginal and Torres Strait Islander Commission (ATSIC). Under the program, individuals forego access to welfare payments and instead work part time for wages. 'Work' is generally defined by the community organisation that administers the scheme and there are often opportunities to undertake additional work for what is known, in the emerging Australia-wide CDEP lexicon, as 'top up'. The organisation is provided with funds to pay part-time wages (notionally linked to participants' welfare entitlements), to administer the scheme (so called 'on-costs'), and with funds to purchase capital equipment.

The research, undertaken by the Centre for Aboriginal Economic Research (CAEPR) during 2000, was motivated by various factors, some of which have been discussed in the Foreword. In addition, it should be noted that one of the authors has had a long-term research interest in the CDEP scheme, dating back to its beginning in 1976–77. Altman and Nieuwenhuysen (1979) used an economic model to demonstrate theoretically that the scheme may be well suited to Indigenous people who are interested in part-time work and whose cultural prerogatives make full-time work problematic. These are the so called 'leisure preferers' according to the indifference curve analysis then used (Altman & Nieuwenhuysen 1979: 201–4). This long-term interest in the CDEP scheme is matched by an interest, equally long-term, in the Maningrida regional economy (see Altman 1987). The present case study provides an opportunity to combine these two long-term research interests in collaboration with a community-based CDEP organisation.

ATSIC and CDEP organisations are keen to demonstrate that the CDEP scheme generates social, economic, and cultural benefits that exceed its explicit employment effects. Perhaps a more interesting question, given the structural difficulties faced by the nearly 300 community organisations that administer the scheme, is the extent to which CDEP scheme participation is evolving into a final job destination, at a time when broader social policy is concerned with the apparently negative impacts of 'passive' welfare dependence. These have recently been vividly highlighted by Pearson (2000). The final McClure Report on Welfare Reform, publicly released in August 2000 (McClure 2000), similarly highlights problems with passive welfare and argues for the radical restructuring of the social security system in accordance with the principle of mutual obligation and the enhanced economic and social participation associated with that principle.

Two critical issues are in need of investigation in the current social policy reform environment; both are over-arching themes throughout this paper.

1. The CDEP scheme was established as a form of 'active' welfare, sometimes termed 'workfare' (see Sanders 1988). The issue is whether some of the negative aspects of passive welfare extend to CDEP participation and if so, whether this is because of inherent shortcomings in the scheme or other environmental factors, the most obvious being the co-existence of a passive welfare regime.
2. The CDEP scheme's establishment and growth has been largely predicated on maintaining a nexus with participants' welfare entitlements (Department of Aboriginal Affairs 1990; Sanders 1988, 1993). The net cost of the scheme to government has been largely limited to administration and capital on-costs, although many of these are, arguably, offsets that government would need to pay anyhow. If the reform of the welfare system seeks more active participation from its clients, this in turn will fundamentally alter Australia's income maintenance system, and the very foundation of the CDEP scheme, the 'nexus', may be under challenge.

This paper is structured as follows. It provides a brief explanation for the choice of the Maningrida region for this case study and a description of the research methodology employed. Next it presents an overview of the regional economic and social context, mainly from secondary sources. It then gives a descriptive overview of the workings of the BAC CDEP scheme. An analysis of the major economic and social impacts of the scheme follows, and a range of policy issues are raised for BAC, ATSIC, and government. The discussion then moves to the sociology of CDEP work, an issue of crucial importance that informs the recommendations for policy and program changes which are based on this case study. Finally, the paper concludes with a consideration of the impacts of the scheme and some broader considerations.

The case study: Why Maningrida?

The choice of the Maningrida region for this case study was influenced by many factors including the following:

- Altman has undertaken research on the Maningrida regional economy since 1979;
- while the CDEP scheme is administered in both Maningrida township ('town') and at outstations in the hinterland ('country') there is also a welfare regime currently operating in both, although predominantly in the town; the Maningrida case thus provides an opportunity for some comparison of the variable impacts of welfare and CDEP;
- Altman is familiar with BAC, the ORA administering the CDEP scheme, owing to its inclusion in a national review of ORAs conducted in 1998 (Altman, Gillespie, & Palmer 1998) and following his undertaking of a

business development plan for Maningrida Arts and Culture (MAC), a part of BAC, in 1999 (Altman 1999); Johnson worked with MAC in 1998 and 1999, and returned to Maningrida in 2000;

- the Maningrida region is very remote and provides some important contrasts with the Warrnambool (Madden 2000) and Port Augusta (Gray & Thacker 2000) cases and other case studies undertaken by CAEPR (Smith 1994, 1995, 1996) in 'settled' regions; and
- the BAC CDEP is one of the nation's largest with 512 participants, about 300 of whom are classified as residing at outstations and 200 in the town; BAC's 1999–2000 CDEP budget is about $6.5m per annum.

In undertaking research such as that reported here, it can be difficult to define just who the stakeholders in, and owners of, the research really are. Initially, Altman negotiated research access with BAC and sought some funding support for the project. BAC was extremely supportive and provided a full-time research assistant, Victoria Johnson, for about five weeks at BAC expense, and all BAC staff collaborated openly in the research (see acknowledgments). Similarly, a number of Maningrida-based organisations collaborated with the project, in part because of long-standing research relationships with the researchers. It is noteworthy that some of the issues raised by this research and discussed with BAC are informing debate about possible change within the organisation and its membership.

This Discussion Paper is structured, by and large, to allow some comparison with two other studies undertaken by CAEPR researchers in 2000, in Port Augusta and Warnambool. Policy issues and recommendations are roughly divided into those of particular relevance to BAC, ATSIC, and government more generally. As with all policy-oriented academic research it is difficult to target many audiences simultaneously. Even BAC is divided into members, CDEP participants, executive board, management and other staff; and several of these categories overlap. Similarly, ATSIC incorporates both regional and national interests, and elected members and staff. It is hoped that the findings of this research are of relevance to all BAC stakeholders, as well as to other Maningrida-based organisations and to governments and their agencies beyond ATSIC.

Methodology and the collection of the data

The choice of the Maningrida region as the case study site provided opportunity for collecting a considerable body of data in a relatively short period: more indeed than can be analysed and reported on here. Sources of research data included:

- the literature and especially the historic literature about Maningrida and its outstations, and earlier consultants' reports (e.g. Gillespie 1999; KPMG 1999a, 1999b);
- secondary statistical data from the 1996 Census;
- file material held by BAC and other Maningrida-based organisations and the ATSIC regional office in Darwin;

- information collected from a relatively random selection of CDEP scheme participants via a questionnaire and formal and informal interview;
- information collected from almost all supervisors via a questionnaire (often self-administered) and interview; and
- feedback received from both policy and program ATSIC staff and from BAC and staff of other Maningrida organisations at three seminars conducted in Darwin and Maningrida.

Altman visited Maningrida for four days early in June 2000, worked with Johnson to interview many key CDEP scheme stakeholders, including most supervisors, and negotiated a work schedule for Johnson to complete by mid July. Johnson then:

- collected time sheets for all CDEP projects to assess the extent of earned 'top up' hours worked beyond the minimum base of 18 hours per week;
- administered a questionnaire (see Appendix 1) to between 30 and 50 participants; this questionnaire was initially identical to that used in both Port Augusta and Warrnambool, but was then modified for local circumstances with assistance from BAC management and staff;[1]
- administered a second brief questionnaire to as many supervisors as possible;
- conducted a brief overview of the contemporary Maningrida economy with an emphasis on employment provided by all Maningrida-based agencies;
- obtained data from Centrelink about participants in the region and the operation of the new $20.00 per fortnight 'top up';
- obtained data on employment exits from the CDEP scheme in last 12 months, that is in 1999–2000;
- obtained information about BAC planning, administration, and performance reporting in relation to the CDEP scheme it administers;
- obtained information about the links between the CDEP scheme and artists assisted by MAC;
- assessed the extent to which the CDEP scheme payroll system was used to ensure wages deduction to meet participants' expenditure obligations like housing rent;
- assessed the extent to which the CDEP scheme was used to facilitate savings via so-called 'truck accounts' (see later); and
- investigated the links between the CDEP scheme and training.

A great deal of data had been collected by Johnson by the time Altman returned in July. This allowed the researchers then to focus on additional data collection, clarification of ambiguities, additional questionnaire-based interviews (especially at an outstation and at a seasonal camp), and visits to six outstations in western Arnhem Land. Some people at Maningrida suggested that the focus on the area west of Maningrida reflected Altman's regional research bias, and this comment is valid. However, the questionnaire (see Appendix 1) had proved very ineffective as

an instrument in the outstation context, and it was therefore considered judicious to attempt an informal discussion of CDEP issues with Aboriginal research collaborators who had known Altman for many years.

The report on these data forms the bulk of the empirical findings presented below, although the order in which information was gathered is not strictly adhered to in the presentation. Altman also had the opportunity to collect information at the ATSIC Regional Office in Darwin; indeed ATSIC provided open access to all file material, as did BAC. This willingness to collaborate in the research contributed to a strong sense that there is widespread concern about the future of the CDEP scheme—a concern born of the great significance of CDEP to ATSIC, and to many other organizations and thousands of individuals throughout Australia.

Economic and social context

The Maningrida region is an arbitrarily defined administrative area of some 10,000 km^2 in central Arnhem Land, about 500 km east of Darwin. Maningrida is a service township that was established by Northern Territory Welfare Branch fiat in 1957. The region is devoid of a commercial economic base: formal employment is largely limited to work for a small number of Maningrida-based regional service and not-for-profit organizations, and the CDEP scheme. While there are a number of embryonic enterprises in the region, some run as joint ventures, the most significant exports are cultural products marketed via MAC, now generating over $0.6m per annum. While this is not an insignificant amount, it does indicate very starkly how devoid the region is of a commercial economic base. Most foodstuffs and manufactured goods are imported from Darwin and sold through two retail outlets in the township. A feature of the regional economy, historically documented in the literature, is the regular exploitation of the relatively abundant fish and resources for domestic consumption, especially at outstations (see Altman 1987; Meehan 1982).

In formal terms, the available official statistics provide a useful, but very incomplete, snapshot of the regional population and economy. Information from the Australian Bureau of Statistics (ABS) contained in the 1996 Census appears to reflect on-the-ground economic reality fairly accurately, although the quality and utility of social data are limited. Some of the Census information that focuses on the Indigenous component of the regional population is summarised in Table 1.

Table 1 reveals some interesting features that can be summarised as follows. First, the regional Aboriginal population is said to total about 1,716, with 1,195 in Maningrida and 521 at 30 recognised outstations. It is possible that there was a degree of under-numeration at outstations: for example, in 1998 Altman (1998: 39) estimated that there was a usual outstation population of 730, with an occupation index population (usual population adjusted by proportion of the year at outstations) of 653. The population of both Maningrida and the outstations is typically youthful (>40% under 15 years old), but surprisingly the dependency

ratio (persons aged 15–64 to total population) at outstations (94%) is somewhat higher than at Maningrida (76%), reflecting the relative absence of people of prime working age at outstations.

Table 1. Salient features of the regional Indigenous population in Maningrida township and outstations, 1996 Census

	Maningrida		Outstations	
	number	%	number	%
Demography				
Total persons	1195	100	521	100
0–14	494	41	228	44
15–44	601	50	204	39
45–64	78	7	65	12
65+	22	2	24	5
Median age	19		18	
Dependency ratio		76.0		94.0
Education				
Attending an educational institution	384		191	
Never attended school	27		39	
Language				
Speak Aboriginal language(s) (aged 5+)	958		457	
Speak English only (aged 5+)	39		0	
Labour force status (aged 15+)				
Employed CDEP[a]	221	32	197	69
Employed other	89	13	3	1
Unemployed	33	5	12	4
Not in the labour force	338	50	73	26
Total	681	100	285	100
Unemployment rate		9.6		5.7
Labour force participation rate		50.4		74.4
Income				
Median individual income (weekly)	$183		$180	
Mean individual income (weekly)	$199		$166	

Note: (a) The ABS tables state that CDEP data were collected in the Census for the first time in 1996 and that these data should be interpreted cautiously (Altman & Gray 2000).
Source: Table IA3109 Maningrida and IA3110 Maningrida outstations, 1996 Census.

The labour force data probably reflect economic realities better than ever before owing to the inclusion of a specific CDEP employment question. This indicates that the bulk of employment was in the CDEP scheme. Indeed there were only 89 non-CDEP jobs held by Aboriginal people in Maningrida and three at outstations. This suggests that without CDEP employment, and assuming no substitution between mainstream and CDEP employment, the unemployment rate at outstations (which is 5.7% according to the census) would approach 100 per cent, while at Maningrida (where it is 9.6% according the census) it would approach 90 per cent.[2]

Median individual incomes for persons aged over 15 years are almost identical at Maningrida and the outstations, but according to the census do not far exceed the CDEP base rate of about $160.00 per week in 1996. However, the mean income figure is higher in Maningrida than at outstations by about $20.00 per week. This reflects the greater availability of full-time employment and CDEP 'top up' opportunities in town. Indications are, if art and craft income and access to subsistence foodstuffs are taken into account, that those at outstations are better off in economic terms than people on CDEP in Maningrida. CDEP participation rates are higher and the unemployment rate is lower at outstations. This does not reflect a more robust labour market at outstations (there is almost none) but rather a greater penetration of the CDEP scheme. This in turn is a reflection in part of the historic genesis of CDEP at outstations and its administration by an outstation-focused agency that ensures a more widespread coverage in the hinterland than in the township.

Table 2 (see over) draws some comparisons between the Indigenous and non-Indigenous components of the Maningrida population. This excercise is limited to Maningrida because, according to the 1996 Census, there were no non-Indigenous people residing at outstations.

There is a very marked difference between these two populations. The non-Indigenous population is small at 111, but its median age is much higher, the dependency ratio is abnormally low (at 17%), and its unemployment rate is zero. This population has migrated to Maningrida for employment, and many dependants are away at boarding schools in Darwin and elsewhere. Equally interesting is the extremely high non-Indigenous participation rate of 96 per cent. There is a very marked contrast in median individual incomes, with the non-Indigenous median being 3.6 times the Indigenous median. Unfortunately, because of the small number of non-Indigenous people in Maningrida, concern with issues of confidentiality means that the ABS does not release enough census data to allow the calculation of mean individual income. Nevertheless the data on the median income levels suggests that 6 per cent of the Maningrida regional population (the non-Indigenous) has about 33 per cent of regional purchasing power as measured by cash income. This point, to which we return below, is highlighted primarily to indicate a possible duality in the regional labour market.

Table 2. Some salient Indigenous and non-Indigenous comparisons, Maningrida, 1996 Census

	Indigenous		Non-Indigenous	
	number	%	number	%
Demography				
Total persons	1195		111	
Median age	19		35	
Dependency ratio		76.0		16.8
Labour force status				
Employed CDEP	221	32	0	0
Employed other	89	13	87	96
Unemployed	33	5	0	0
Not in the labour force	338	50	4	4
Total	681	100	91	100
Unemployment rate		9.6		0.0
Participation rate		50.4		95.6
Income				
Median individual income	$183		$661	

It is interesting to compare some of the 1996 Maningrida township data with data collected in a survey of the township in 1980 (Altman 1982: 431–63). At that earlier time, the population of the township was estimated at 679, with a further 660 people living at 22 occupied outstations. The regional Indigenous population has grown from about 1,340 to about 1,740 (including the 'ethnicity unstated' category) at an average growth rate of 1.9 per cent per annum, close to the Northern Territory Indigenous rate. The proportion of the regional population residing in the township appears to have increased. While both population counts were conducted at a similar time of year (July–August) different methodologies were used. The 1980 survey employed a team of Aboriginal health workers, and probably numerated population by usual place of residence more effectively than did the 1996 Census.

The employment and income statistics also make interesting comparisons. In 1980, of 147 jobs (including some that were part-time), 46 (31%) were held by non-Aboriginal people. In the 1996 Census the proportion held by non-Aboriginal people had increased to about 50 per cent, and in 2000 it is estimated that this proportion has increased again, probably to 70 per cent. The reasons for this significant decline in Aboriginal employment are complex and will be discussed further below. In 1980 it was estimated that mean non-Aboriginal income was nearly three times the average figure for Aboriginal people, and the 1996 Census suggests that this differential (at least in median income) may have increased.

The origins and organisational identity of the Bawinanga Aboriginal Corporation

BAC was incorporated as an ORA in 1979. It evolved from the Maningrida Outstation Resource Centre that had operated as an organisational arm of the Maningrida Council in the late 1970s (see Gillespie, Cooke, & Bond 1977). During its first decade, BAC's activities were focused primarily, but not exclusively, on the delivery of services to its members residing at outstations in the Maningrida hinterland. These services included primarily assistance with access to welfare income,[3] provision of rudimentary infrastructure including simple housing, bush airstrips, water reticulation and some communications, and the provision of mechanical services via a Maningrida-based workshop. BAC also assisted and represented its members in a number of cultural and land-related issues: it provided the principal mechanism for outstation people in the region to articulate their political concerns, mainly about land management issues. From the outset BAC also included Maningrida Arts and Crafts (now MAC) among its responsibilities. This arts marketing organisation served all artists in the Maningrida region, not just those at outstations. A structural weakness of BAC, in regional Aboriginal political terms, is that it is located in Maningrida on the land of local traditional owners, the Dukurrudji, while its service charter is oriented to people residing in the hinterland.

In its second decade, from 1989, BAC has grown very quickly in organisational scale, and its identity and range of activities have altered quite dramatically. It is now recognised as a significant and complex regional organisation (KPMG 1999a: 30) and over the last decade it has evolved to become the largest and most powerful administrative institution in the Maningrida region (Altman 1998: 5). This is not the appropriate context to provide a detailed analysis of the development and current structure of BAC. The organisation has prepared its first annual comprehensive narrative annual report (for 1999–2000: BAC 2000), extending for the first time beyond detailed audited financial statements. However, a synopsis that places BAC in the context of its role as a major CDEP organisation is required here, primarily because the one factor that has most fundamentally influenced BAC's growth over the last decade has been the gradual introduction of the CDEP scheme. Financial information provided by ATSIC for the eight years from 1990–91 to 1997–98 in the context of the National ORA Review indicates this growth very clearly.

The data in Table 3 (see over) clearly demonstrate the growth of BAC at least in terms of program funding income from ATSIC. Information in Table 4 (p.12) demonstrates how this grant funding has been used to expand the overall activities of BAC including its trading arm. These data also demonstrate just how significant the CDEP scheme has become in grants income terms, with 72 per cent overall deriving from CDEP. However, it should be noted that of this the bulk (53% of income) was in the form of wages grants to be paid to CDEP participants. As we shall see below, the method BAC has devised to pay participants has

resulted in much of this wages grant being paid out as income support to outstation residents.

Table 3. ATSIC funding of BAC, 1990–91 to 1997–98[a]

Funding sub-program	1990 –91 $,000	1991 –92 $,000	1992 –93 $,000	1993 –94 $,000	1994 –95 $,000	1995 –96 $,000	1996 –97 $,000	1997 –98 $,000	Total $,000	%
Business development				125					125	0.3
CDEP wages	1370	2541	3050	3052	3512	3322	3677	4849	25373	53.2
CDEP on-costs	512	575	1054	9646	1738	1460	1059	1686	9049	18.9
Training/study grants	28		191	43	13				275	0.6
Heritage protection					67				67	0.1
Art and culture	74	91	143	142	145	168	199	149	1110	2.3
Indigenous women's initiatives		3					50		53	0.1
Community housing	270	500	490	620	425	457			2762	5.8
Community infrastructure (ORA)	486	477	237	381	257	284	309	380	2810	5.9
IHANT[b]							390	390	780	1.6
NAHS/HIPP[c]							5280		5280	11.1
Public affairs					5				5	0.0
Total	$2739	$4186	$5166	$5327	$6163	$5691	$10963	$7453	$47689	99.9

Notes: (a) Some of this funding, especially NAHS/HIPP in 1996–97, was earmarked for BAC members but administered by the large project management firm Ove Arup. Financial data in this format not available for 1998–99 and 1999–2000. (b) Indigenous Housing Authority of the Northern Territory. (c) National Aboriginal Health Strategy and Health Infrastructure Priority Program.

Source: ATSIC Jabiru Regional Office, Darwin.

It is not just the growth of the CDEP scheme that has influenced the changing nature and scale of BAC. As noted in a report on ORAs in western Arnhem Land generally (Altman 1998), over the last two decades the overall quality of housing and infrastructure, roads, airstrips, and communications at outstations have all improved markedly. Twenty years ago most outstations relied on short-wave Codan transceivers for communications, whereas today most have telephones. Reticulated water was rare and ablution facilities were non-existent, whereas

today they are the norm. Houses were made of corrugated iron, and even stringybark, on simple wooden frames, and floors were earthen, whereas today houses are built on concrete slabs to cyclone-proof standards, and are constructed of locally-manufactured bricks to appropriate design specifications (Altman 1998: 28).[4] Similarly, the very seasonal regional road network then consisted of formed vehicle tracks, whereas today many roads are surveyed and engineered, river crossings are concreted, and road access to Maningrida is much less vulnerable to the vagaries of the seasons. These fundamental changes in the Maningrida region have been largely funded by government, but the funding conduit has usually been BAC; and the consultative and administrative capability to deliver such services and maintain them has also been almost entirely provided by BAC.

The service efficacy of BAC, underwritten primarily by ATSIC in the 1990s, has fundamentally altered the balance in physical quality of life between Maningrida and its outstations—between town and country. In the 1970s, when people re-occupied their traditional lands, they surrendered access to almost all the trappings of modern Australian living. The township offered better access to housing and infrastructure, even if it was allocated unevenly. Today, many outstations have housing and infrastructure that is equal to—if not better than—that of the township.

These developments, combined with the increase in organisational scale and capacity provided by the growth of the CDEP scheme, have also fundamentally altered BAC in a number of ways. First, even as a service delivery agency, it has had to develop a light industrial capacity in Maningrida to provide more sophisticated housing and infrastructure at outstations. Second, the ORA has become a CDEP organisation, with much of its administrative capacity and managerial effort focused on running this program for over 500 participants. Third, in part as a consequence of its institutional capacity and in part as a means to finance its activities, BAC has increasingly become a regional economic development agency running commercial business enterprises. There is no clear organisational delineation between these three broad categories of activity: outstation service agency (including political representation on land management issues), CDEP organisation, and development agency. And CDEP scheme administration and capital funding and CDEP labour is intertwined in each of these organisational elements.

This is very evident in BAC's consolidated income and expenditure statements for the period 1995–96 to 1997–98, and in its consolidated profit and loss statements. These are used in Table 4 to calculate the contribution of CDEP scheme income and other grant and trading income to the organisation. To some extent, Table 4 demonstrates the proportional division of BAC: its CDEP scheme income is clearly of the greatest significance (CDEP organisation), followed in turn by trading income (development corporation) and then other grant income (service delivery agency). This suggests that, at least in financial terms, BAC is primarily a CDEP organisation. This view is reinforced in part by the proportional breakdown of figures on BAC employees, with the majority being funded by CDEP recurrent grants and being engaged to supervise CDEP projects. Importantly though, as will

be shown below, a high proportion of BAC's town-based CDEP workforce is also engaged both in its trading and in its service delivery activities.

Table 4. BAC consolidated financial accounts and the CDEP scheme, 1995–96 to 1999–2000[a]

Income (Sm)	1995–96	1996–97	1997–98	1998–99	1999–2000
Grant income					
CDEP wages	3.32	3.69	4.84	4.89	4.99
CDEP recurrent	0.68	0.66	0.84	0.81	0.91
CDEP capital	0.49	0.38	0.84	0.68	0.57
CDEP total	4.49	4.73	6.52	6.41	6.47
ORA operational	0.28	0.26	0.36	0.31	0.31
MAC grant	0.15	0.15	0.18	0.18	0.15
NT Housing and Local Govt	0.24	0.18	0.22	0.13	0.13
NAHS/HIPP/IHANT	0.48	0.00	1.48	1.09	1.31
Other housing	0.84	0.03	0.00	0.00	0.00
Miscellaneous grants	0.19	0.00	0.00	0.20	0.26
Total grant income	6.67	5.35	8.52	8.24	9.06
Trading income					
Arts and culture income	0.33	0.38	0.37	0.53	0.65
BAC fuel	0.81	0.99	1.12	0.86	0.94
BAC Trust Account[b]	1.18	0.69	0.94	1.97	0.16
BAC Workshop	0.43	0.66	0.65	0.48	0.68
BAC Tucker Run				0.20	1.89
Total trading income[c]	2.75	2.72	3.08	4.53	6.97
Total income	9.42	8.07	11.74	13.15	16.03
Total expenses	8.47	8.91	10.38	12.09	15.21
Profit	0.93	-0.84	1.33	1.06	0.82
CDEP: Total income (%)	48	59	61	53	40
Trading: Total income (%)	29	34	27	34	43
Balance: Total income (%)	23	7	12	13	17

Notes: (a) Rounding errors are due to reduction to two decimal places and variability in accounting conventions owing to engagement of different staff. Totals are consistent with audited financial statements. (b) Owing to changes in accounting conventions by BAC a number of new income-earning activities are included here. (c) Some miscellaneous trading income is included here.
Source: BAC annual audited financial statements.

One important feature revealed by Table 4 is the rapid increase in total CDEP income between 1996–97 and 1997–98. This increase reflects the relocation of the Maningrida Council's CDEP scheme, with 115 participants, to BAC, increasing

the overall size of BAC's CDEP scheme by 20 per cent. This action, taken by ATSIC in close consultation with BAC, occurred as a result of financial and administrative difficulties experienced by the Council at that time. This decision, which was reviewed by ATSIC in 1999 (and endorsed at least for a further 12 months), has created residual inter-agency tensions in the township, most overtly between members of the non-Indigenous staff and management.

The changing nature of BAC as an organisation has been noted in a number of reports now including Altman (1998), ATSIC (1996), Gillespie (1999), and KPMG (1999a). KPMG (1999a) in particular has highlighted the vulnerability of BAC to any policy changes that result in a reduction in grant funding, especially of CDEP. KPMG have also noted that to comply with ATSIC grant conditions, BAC must incorporate its growing business enterprises separately, as such businesses should carried out by corporate entities other than the grantee. KPMG (1999a) assessed BAC as well-managed and it is clearly operating profitably (see Table 4). Nonetheless, using an ATSIC template, KPMG classified BAC as a high risk organisation and recommended the development of a strategy to cope with the grant income loss that will occur when the Maningrida Council component of the scheme is repatriated to that organisation.

A large number of important issues, including governance, management and incorporation structures, strategic and succession planning, and reporting and accountability, have now been comprehensively addressed for BAC in two consultancy reports by Gillespie (1999, 2000). This is not the place to comment on BAC's need to reform quickly to make its corporate structure fit its wide-ranging operations. Rather, attempts will be made below to focus, perhaps a little artificially, on CDEP issues.

The BAC CDEP: An explanatory and exploratory overview

Understanding the overall workings of the BAC CDEP scheme today is a complex task even for experienced researchers familiar with the Maningrida regional economy. This complexity is a result of a number of historical, organisational, structural and cultural factors, and their interactions.

Historically, as Table 3 demonstrates, the scheme has grown quite rapidly throughout the 1990s to a point where, since 1997–98, BAC has an allocation of 512 participants. With entries and exits (or 'churning') the actual number of participants always greatly exceeds this on an annual basis. As a program, the CDEP scheme has had a degree of dynamism, or instability, over the past five years, in part as a result of cuts to the ATSIC budget in the 1996–97 Commonwealth budget and in part as a result of ATSIC's response to the Spicer review of the scheme (Spicer 1997). The one element of the scheme that has remained relatively constant is the wages component paid at a per participant rate. This is due to the direct funding nexus with the Newstart Allowance rate, which means that it is non-discretionary. The other two components of the scheme, termed operational (or recurrent) and capital, are more discretionary as

they are allocated by ATSIC regional councils and can fluctuate from year to year. Together, operational and capital funds are referred to as CDEP 'on-costs'. In 1998, in the aftermath of Spicer and in an attempt to encourage CDEP organisations to plan, the option of triennial funding was introduced. BAC participated in this process and for the period 1998–99 to 2000–01 has negotiated a relatively stable CDEP budget with the ATSIC Jabiru Regional Office (based in Darwin) which has been endorsed by the ATSIC Regional Council. In Table 5, a proportional breakdown of CDEP grant income into wages, operational, and capital components, based on BAC financial accounts, is provided. It can be seen that in recent years there has been some fluctuation in operational and capital grants, but for the period 1998–99 to 1999–2000 this has stabilised considerably.

Table 5. CDEP grant income by financial year, 1995–96 to 1999–2000

Income ($m)	1995–96	1996–97	1997–98	1998–99	1999–2000
CDEP wages	3.32	3.69	4.84	4.89	4.99
% of total CDEP	73.90	78.00	74.20	76.30	77.00
CDEP recurrent	0.68	0.66	0.84	0.81	0.91
% of total CDEP	15.10	13.90	12.90	12.60	14.00
CDEP capital	0.49	0.38	0.84	0.68	0.58
% of total CDEP	10.90	8.00	12.90	10.60	9.00
Total CDEP	4.49	4.73	6.52	6.41	6.48

Source: BAC annual audited financial statements.

Historically, the incorporated structure of BAC precedes the introduction of the CDEP scheme, and CDEP has been integrated, by and large, into the pre-existing BAC structure. This is primarily because, as a service organisation that undertakes a range of activities, BAC engages a significant proportion of its CDEP participants across these activities. However, BAC is a dynamic, organic organisation, and consequently both the range of services it provides and the enterprises it engages in have changed over time. In its role as a CDEP organisation, it has participants distributed across 26 outstation timesheets (although some include more than one outstation) and up to 31 projects. A complicating factor here is that a number of these projects are effectively administered by other organisations, although CDEP participant schedules (now consolidated into one electronic database called CDEPManager) remain the ultimate responsibility of BAC.

Structural complexities occur at a number of levels. First, the CDEP scheme is broadly separated into outstation and township components. At outstations, participant or community activities are not planned or monitored, and participants receive a standard 36 hours CDEP pay per fortnight. Here, the CDEP scheme is operating as a minimum income support scheme, little different from Newstart Allowance or Parenting Payment (which are also available at outstations). It is assumed, and has been empirically verified, that while at

outstations participants (and others) undertake a range of formal and informal activities, predominantly the production of art and craft for sale (mainly through MAC) and the production of subsistence foodstuffs for domestic consumption. The major reason why CDEP operates in this way at outstations is that a combination of limited supervisory resources and difficult and expensive communications with scattered outstation communities makes accurate planning and monitoring impossible. It has been tried in the past, but not in the last three years. But because hunting and gathering is undertaken it is also felt to be unnecessary to monitor 'work' that is clearly occurring.

On the other hand, the township component of the scheme is administered primarily on a project basis, with participants recruited because they express an interest in a particular project. There are key differences in the administration of the scheme in the township. First, time sheets that reflect to varying degrees actual hours worked are maintained. Variation is primarily a product of how supervisors choose to interpret and negotiate the 'no work, no pay' rule with CDEP participants in each project. Second, in the township, additional hours beyond the standard 18 hours per week per participant provided by ATSIC can be worked, if the resources are available. The availability of these resources, universally termed 'top up', varies markedly between projects. Third, projects are variably defined by supervisors, participants, and funding agencies. A number of projects include significant formal training components funded by the Department of Employment, Workplace Relations and Small Business (DEWRSB) under its Indigenous Employment Program (IEP) and are regarded primarily as training. Others see participants engaged in enterprises. In yet other situations, the CDEP scheme provides a form of wage subsidy both to BAC (in part for CDEP administration) and to other agencies like the health centre and school. These organisations then 'top up' participant wages with their own discretionary funds, sometimes to create full-time jobs. As noted above, since 1997–98, BAC has also administered the Maningrida Council's CDEP allocation and a number of Maningrida-based participants who come historically from this council 'block' of 115 undertake 'municipal' activities.

This structural division between town and country creates problems for effective administration of the scheme. The main problem is the mobility of individual CDEP participants. When outstation people come to live in Maningrida they remain on outstation time sheets and continue to receive CDEP 'wages' for 36 hours per fortnight as if they were actively engaged in outstation activities. On the other hand, if a person on a Maningrida project time sheet goes to reside at an outstation for a period, they face the possibility that they will not receive any CDEP wages. Similarly, within Maningrida there are problems associated with the variable interpretation of the 'no work, no pay' rule by project supervisors which in turn result in variability in participants' commitment to work and to projects. Increasingly in Maningrida BAC has attempted to apply the 'no work, no pay' rule more rigorously and to encourage those who regard CDEP participation as income support rather than employment or training to seek 'passive welfare' from Centrelink. This strategy is also being extended increasingly to non-working

spouses in the township. For those who do not want to work at least 36 hours per fortnight on CDEP there is no financial incentive to stay on the scheme, although as we discuss later, other benefits flow from CDEP scheme participation.

Cultural complications abound and many of these will be addressed in greater detail later in the discussion of the CDEP 'sociology of work'. The main issues that require emphasis at this point are mobility, and the effects of cultural events and the seasonal weather cycle. The regional population is highly geographically mobile, both within the region, between town and country, and between the Maningrida region and elsewhere. This creates administrative problems for BAC especially as ATSIC now requires daily accounting for all CDEP scheme participants. The 1996 Census enumerated a regional 'place of residence' population of about 1,700, but health clinic records suggest that the de jure regional population that regards the Maningrida region as 'home' is larger by several hundred, and possibly numbers as many as 2,400. Migration of people in and out of the region results in constant changes in participant schedules (although outstation schedules are remarkably stable). Population movement also creates tensions between different categories of participants owing to the apparently favourable treatment of outstation participants when in town.

Cultural 'events', and especially ceremonial activities, influence people's availability for CDEP project work. While attempts are made to accommodate ceremonial participation, it creates problems for the administration of projects and training. The seasonal cycle compounds the effects of these cultural factors: during the middle of the dry and especially during school holidays in July there is an annual migration to outstations. Conversely, during the wet there is a growth in the Maningrida township population. Seasonality influences the effectiveness of particular projects: for example, the road crew does not operate during the wet and activities relating to outstation essential service maintenance and housing and infrastructure provision are severely constrained.

These complicating factors, which comprise the lived reality in the Maningrida region, mean that the nature of participation in CDEP, especially in projects, is relatively fluid. There is much participant 'churning'. This makes long-term analysis in the township extremely difficult. The projects recorded during the research visits in June and July 2000 included those listed in Table 6.

In marked contrast to outstations, people on township project timesheets had various forms of 'no work, no pay' rule applied to them. In analysing what was regarded as a typical fortnight's time sheet for February 2000 we found that in town on average people were paid a base CDEP pay of 29 hours per fortnight, but then averaged about two hours top up. Thus, they were paid for 31 hours a fortnight. In addition, a number of CDEP positions were 'topped up' to full-time administrative positions, with resources coming from CDEP savings or the CDEP operational budget.

Table 6. CDEP Maningrida-based projects and outsourced participants, 2000

Project	Participants	Actual number working	Nature of activity
BAC specific projects			
1. BAC Ranger project	19	18	Land management, wildlife harvesting, feral animal control
2. BAC Builders	1	1	Assist in housing R & M[a]
3. BAC Workshop	3	3	Assist in mechanical workshop
4. Builder's Workshop	1	1	Assist in construction of R&M infrastructure for outstations
5. BAC Tucker run	2	2	Assist in sale of goods to outstation residents and others
6. BAC Outstation builders	3	3	Assist in housing R&M at outstations
7. BAC Mud brick	14	14	Operate a mud-brick manufacturing plant
8. MAC	7	6	Assist in the documentation, display and packaging of art
9. BAC Fuel	1	1	Assist in fuel sales
10. BAC Office	13	9	Assist in the administration of CDEP especially data entry
11. BAC Road crew	2	2	Assist in outstation road maintenance
12. BAC Dependent spouses (in town)	18	18	Use of CDEP for income support
BAC-run projects			
13. Municipal services (4 teams)	38	31	Assist in town maintenance activities in a number of work crews
14. Council garbage	5	5	Collect township garbage
15. Council plant	7	7	Operate plant/maintain township tip
16. Council spouses	18	15	Use of CDEP for income support
17. Horticulture	5	4	Assist in plant propagation
18. Women's centre	8	8	Partake in a range of homemaking activities, print workshops, etc
Outsourced projects			
19. Council building	3	2	Assist Council in housing R&M

Table 6 continues on following page

Project	Participants	Actual number working	Nature of activity
20. Council painting	3	3	Assist Council in house painting
21. Sports and recreation	3	3	Maintain Maningrida Oval, recreational facilities, run sports activities
22. Council road crew	2	2	Assist in Maningrida road maintenance
23. Council	7	4	Assist Maningrida Council
24. Council workshop	4	3	Assist the Council mechanic
25. MPA[b]	3	3	Apprentices with MPA builders
26. JET Centre	2	2	Assist in providing training programs, especially driving
27. Centrelink	1	1	Assist the Centrelink Office
28. School	7	4	Assist at Maningrida school
29. Health clinic	6	6	Assist the Maningrida health workers
Total	207	174	

Note: (a) Repair and maintainance. (b) Maningrida Progress Association.

The analysis of the data presented thus far allows some summary comments about the nature of the BAC CDEP. CDEP scheme participants have penetrated all sections of the township labour market, a phenomenon also observed at other remote Indigenous communities (see Taylor, Bern, & Senior (2000) for Ngukurr). Indeed the only major employer in Maningrida that made no direct use of CDEP labour was the police force. The Maningrida Progress Association (MPA) makes no use of CDEP labour in its retail activities, preferring instead to pay people a high wage rate but maintaining a strict time sheet that records actual work. A number of Maningrida-based institutions like the school and health clinic value highly the CDEP participants that they are allocated, seeing them as an additional resource that would never be provided from mainline agencies.

There is clearly an inequity in the administration of CDEP between 'town' and 'country'. Originally, BAC attempted to run outstation CDEPs on a project basis with nominal outstation work plans, but providing supervision was heavily vehicle-dependent, expensive, and administratively impossible with the staff resources available from CDEP operational allocations.

Economic and social impacts

The economic and social impacts of CDEP scheme participation can be measured in many different ways and from a variety of perspectives. The focus here, initially, is on program goals designed to create employment, supplement incomes, encourage enterprise, and provide training. Obviously a number of these

categories overlap, both in terms of their impact and of their definition as economic or social goals. Impacts can also be measured from the perspective of individuals or of the wider community—these might be termed the private as opposed to the public benefit. These too may overlap. These conceptual ambiguities notwithstanding, we attempt an analysis of these impacts in the following discussion.

Income effects

Making sense of income supplementation for CDEP scheme participants is not an easy task, in part because the supplement is not always paid by BAC and in part because a variety of data sets exist—usually reflecting different income sources, often with different names for the same individual. One also needs to distinguish the direct income effects that flow from CDEP employment, from indirect income effects that may see benefits accrue to individuals as a result of successful CDEP enterprises in which they are not directly involved. Such indirect benefits may extend to compensation or royalties paid in recognition of rights based on tradition that may be embedded in land rights statute.

Income supplementation should emerge clearly from payrolls, but measuring it is in fact very complex. Take, for example, information provided by BAC for the month of June 2000. In that month, BAC had 38 salaried staff of whom four were Aboriginal and 34 were non-Aboriginal. None of these staff were paid CDEP. On top of this, 549 individuals were paid some CDEP wages, with 386 receiving the standard $732.00 for a nominal 72-hour month. The CDEP payroll for June indicates that 21 CDEP scheme participants received more than the standard $732.00, with a number of supervisors receiving a double allocation of $1,462.00. Furthermore, just from the BAC payroll, three additional forms of top up are in evidence.

1. People could work extra hours. For 18 of 42 individuals who worked extra hours, income increased above the standard $732.00. But there were still 24 participants whose 'top up' did not take them above the $732.00 standard suggesting that their absence from work during standard CDEP work hours was not offset by work at other times.
2. A further 26 CDEP participants earned art and craft income in June, and of these 22 were able to increase their income from $732.00. This was primarily a reflection of their location: on outstation timesheets that amount is paid as a standard.
3. Finally, 26 CDEP participants earned additional income from a variety of project accounts and in 17 cases this increased their income above the standard CDEP monthly rate.

All told, of 549 people receiving some CDEP in June 2000, 51 received more than the base of $732.00, 356 received the base, and 142 received less than the base because they were on project timesheets and worked less than 72 hours. It is probable that up to a dozen others working for the Council, the health centre,

MPA, and school earned top up that was not paid via BAC. With these additions the above-base figure would have increased to about 63 people, just over 10 per cent of CDEP scheme participants. In gross payment terms, $359,000 was paid via the CDEP account in June and an additional $25,000 by BAC via the various options outlined above. The 'notional' CDEP entitlements of 512 participants totalled $374,000 for the month of June so only an additional $10,000 was distributed, to a greater number of participants. Overall, while many had opportunities greatly to enhance their earnings, it is notable that few took advantage of such opportunities.

The problem with using only one month's data may be demonstrated with reference to arts and crafts income, which totalled $18,000 in June but averaged $40,000 over the 1999–2000 year. A focus on this sector is justified because it is the region's only significant export, with $473,000 being paid to 326 active artists in 1999–2000 and art sales of $649,000. There is a marked difference between the earnings of 103 active artists on CDEP and 223 who are not, but who work instead or receive other income support. On average CDEP artists earned $2,594.00 for the year, whereas non-CDEP artists earned $945.00. Of the 103 CDEP artists, 89 were on outstation timesheets and receiving $732.00 per month from CDEP. Earnings from art production supplemented this monthly income, over the year, by 23 per cent, which is very significant non-welfare income in a context where few other cash earning options were available.[5] It is noteworthy however that arts marketing was underwritten by an ATSIC grant of $148,500 to MAC; it is likely that some outstation artists also sold art via avenues other than MAC.

The crucial issue is whether CDEP scheme participation facilitated this income supplementation activity. It seems highly likely that at outstations, where CDEP is paid as income support, scheme participation has underwritten arts production. While a similar amount might have been produced if artists had been receiving Newstart Allowance, the more rigorous income testing requirements of welfare (if applied) would have acted as a disincentive for artists to produce. A positive feature of the CDEP scheme is that participants can earn 'top up' of about $17,500.00 per annum, whereas with Newstart Allowance a taper (of 50 cents in the dollar) applies after $60.00 is earned per fortnight. By contrast, in the case of those working on projects in the township, CDEP scheme participation may have decreased people's income below welfare entitlements because they did not work the minimum available 3.6 hours per work day.

Employment effects

The Spicer Report (1997) highlighted the CDEP scheme's shortcomings as a labour market program: CDEP scheme participation became a final job destination in too many situations, and CDEP participants were moving on to full-time employment on too few occasions. In an attempt to encourage the transition from CDEP to mainstream employment, an element of DEWRSB's IEP launched in 1999 offers CDEP organisations an incentive of $2,000 (now $2,200) for every participant that exits into a 'real job'.

In the Maningrida regional context, the CDEP scheme can hardly be regarded as a labour market program, if only because the majority of participants reside at outstations where there is no labour market. The possibility exists, of course, for outstation people to migrate to Maningrida for employment, but few of them have work experience and skilling and they are therefore disadvantaged in any competition for mainstream employment. In Maningrida itself, the 1996 Census showed that there were only 176 people in non-CDEP employment, with 50 per cent of these being non-Aboriginal. In June 2000, we quantified about 171 full-time mainstream jobs in Maningrida, but only about 30 to 40 per cent of these were held by Aboriginal people.

The employment effects of the CDEP scheme can be highly variable. At Maningrida in 2000 there have been numerous cases of people exiting CDEP, but most have gone onto welfare and some have been encouraged into situations where welfare is the more appropriate income support mechanism. There have been only two cases of people leaving CDEP to take up mainstream employment, and this has required migration away from Maningrida. Furthermore, a number of CDEP participants, as outlined above, are able to supplement their part-time work allocations to full-time work, most commonly in conjunction with a training subsidy or with resources from project funding and enterprise trading income. Such CDEP-linked full-time work often occurs on an irregular basis, with periods of full-time work alternating with periods of part-time CDEP scheme participation over the year.

Historically, it appears that in the period since the introduction of the CDEP scheme into the region in 1989, employment (including the CDEP scheme) has officially increased, but in reality participation in non-CDEP or unsubsidised jobs has declined. Taylor and Roach (1998) have documented the impact of the CDEP scheme for Aboriginal people in the Northern Territory as a whole in the inter-censal period 1991–96, noting that private sector employment growth had negligible impact on the overall employment:population ratio. The CDEP scheme was of major significance: it might be that, counter to the expectations of policy makers, the CDEP scheme may be a preferred job destination for some Aboriginal people.

In Maningrida, there are indications that with the growth of BAC as a complex organisation, the majority of job growth is for qualified non-Aboriginal labour that needs to be recruited into the region. This is paradoxical, because BAC is attempting to expand the regional economy for the benefit of its membership, but it seems at present that suitably skilled and committed Indigenous people are either unavailable or disinclined to take up the skilled managerial, administrative, and trade positions available. This is a very complex issue, and one that BAC is well aware of. It is as if an employment mobility barrier is operating. With growing demands for greater external accountability and with initiatives to establish increasingly sophisticated enterprises and services, the gap between skills held by local Aboriginal people and those required for employment is widening. The reasons for this are multi-dimensional and primarily sociological: they are discussed further below.

Enterprise development

Since the establishment of Maningrida in 1957 there have been many attempts to establish labour-intensive industries in the region, in part to create employment that is independent of government and in part to expand the regional economy and available income. To date, for a variety of locational, resource, and structural reasons, most such attempts have failed to prove commercially viable. The CDEP scheme provides BAC with some level of financial resourcing to establish enterprises, as is shown in Tables 3 and 4. These operational and capital resources are intended for ensuring the operation of the CDEP scheme, but some have been earmarked in BAC's current three-year CDEP operational plan for enterprise development. Overall, BAC has been relatively successful in establishing a number of viable enterprises, as shown by its overall organisational profitability and growth.

The enterprises established are of two main types. The majority are in the services sector, and most have been established with CDEP capital and are still underwritten by access to CDEP labour. They are thus still dependent on public subvention. A number of these enterprises, for example the mechanical workshop and arts and crafts marketing, predate the introduction of CDEP, although both these have expanded markedly since the scheme's introduction. More recently, BAC has taken over and expanded the only regional fuel outlet and the regional outstation retail supply service. Both these enterprises were taken over from the MPA. Other enterprises can be classified as import substitution. They include, for example, the BAC mud-brick enterprise that produces bricks for house construction both in Maningrida and outstations, and more recently, a horticultural project that provides plants for purchase by Maningrida and outstation residents. Finally there are the export enterprises, the most difficult to establish in this remote region. Besides MAC, these include joint-venture recreational fishing and safari hunting enterprises and an embryonic venture (undertaken by the BAC Djelk Rangers) to commercially harvest wildlife, especially crocodile, and to breed crocodile hatchlings.

These enterprises, all still supported by CDEP capital and labour, have had mixed results. In financial terms, BAC Fuel and the BAC 'tucker run' are very profitable, while the mechanical workshop makes a loss. The import substituting enterprises are successful, but are dependent, in part, on CDEP labour. This suggests that they may not be commercially viable without the scheme. The export-oriented enterprises are very much at an establishment stage and regarded by BAC management as longer-term investments. Nevertheless, while only the wildlife harvesting generates significant seasonal employment for the rangers, the other two enterprises generate income for traditional owners from fishing camp site-lease payments and visitor fees, and from trophy fees from the safari enterprise. These land-use 'royalties' are widely distributed to traditional owners; indirectly, they have been generated by CDEP scheme activities that have underwritten provision of site infrastructure. A new project for the harvesting of indigenous flora is currently under way.

Service delivery and client services

One of the critically important benefits generated by the CDEP scheme is the institutional capacity that it provides to BAC. Much of this capacity is utilised not only to represent members politically, particularly on land-related issues, but also to improve the range and quality of services. One of the ways that this is facilitated is by agreement within BAC for mandatory deductions to be made from the pay of all CDEP participants. Each participant on an outstation timesheet has fortnightly deductions for rent ($20.00), for the traditional owners of Maningrida ($4.00), for a ceremonial (including funeral) fund ($4.00), and to cover the cost of electronic banking via an ANZ agency operated by BAC ($4.00). Town-based participants have similar deductions except that rent is $40.00 per fortnight rather than $20.00.

The mandatory rental payment, a requirement IHANT that leverages in additional repair and maintenance funding, is used to maintain outstation housing. Maningrida charges are provided to the Maningrida Council. Other charges allow the provision of services on a partial cost-recovery basis. It is likely that without the CDEP payroll such mandatory charges (which are also extended to salaried staff) could not be enforced. The voluntary redistribution of $50,000 CDEP scheme income by the CDEP to the Dukurrudji traditional owners of Maningrida is also made by another institution, the MPA, from trading income.

The facility for arranging payroll deductions has allowed the current BAC accountant to institute an effective and popular savings scheme called 'truck accounts'. This is primarily utilised by outstation residents who do not have ready access to credit facilities such as the Traditional Credit Union. Truck accounts are used in one of two ways: either to save resources to purchase four-wheel-drive vehicles from a preferred supplier in Darwin, or to save to pay off truck repair bills accrued with the BAC workshop. The system is entirely transparent and while participants are not encouraged to use these accounts like the bank passbooks of a bygone era, they do have ready access to their savings if needed. The amounts that accumulate via this mechanism are significant: in 1999–2000, $360,000 was saved via truck accounts and $160,000 was repaid for up-front truck maintenance provided by BAC. Since it is mainly outstation people who use these savings services, it is possible that as much as 20 per cent of disposable CDEP income is saved in this way. The priority given to vehicles at outstations is often taken as an indicator of their value as a capital item to assist hunting, fishing, and other informal economic activities. Given that the cost of delivered bought food at outstations is higher than at Maningrida, the level of saving for vehicles suggests that people must be engaging in significant subsistence activity that reduces their need for shop-bought food.

Training

In an earlier analysis of education and training within ORAs, Altman and Schwab (1998) noted that these organisations were not specialist training providers. In the past, the CDEP scheme often ran in tandem with the Community Training

Program (CTP), but ATSIC discontinued this program in late 1996 in a round of global funding cutbacks. Since then, most CDEP organisations have run training programs on a largely opportunistic basis, either by applying to organisations like the Northern Territory Employment and Training Authority (NTETA) for one-off training programs or else by including CDEP participants in training programs provided by other organisations.

Since its establishment in 1994, the Maningrida Jobs, Education and Training Corporation (Maningrida JET Centre) has been the recognised training authority. It was registered to provide vocational education and training in 1995. Since 1998 it has been recognised as a quality endorsed training organisation. The JET Centre is a stand-alone organisation, but works closely with BAC and its CDEP scheme. However, not all participants in training courses are CDEP scheme participants and not all training in Maningrida is provided via the JET Centre. The Maningrida school also provides training and at times other organisations negotiate for specific short courses.

The range of training provided varies considerably, from non-certificate short courses (e.g. in mounting bark paintings or screen printing), to certificate courses such as operating a forklift or chainsaw, to multi-year courses currently being provided to two cohorts in construction and office administration. An important feature of the multi-year courses is that they are jointly underwritten by ATSIC (via CDEP) and DEWRSB (via Structured Training and Education Projects). Training is also provided to CDEP scheme participants on the job or in accredited short courses (Campbell 2000). The CDEP scheme is underwriting training, some of which could generate real employment (e.g. for office workers and builders seeking fully accredited qualifications). A number of Djelk Rangers are also undertaking certificates in land management from the Northern Territory University, with on-site training provided at the ranger station at Djinkarr.

Two general observations can be made about the relationship between CDEP and training. First, it is generally recognised that training participants come from a very low educational base, at least in terms of average attainment levels Australia-wide. A number of training courses are provided to participants in basic literacy, numeracy, and word processing. Second, no matter how much training is undertaken, leaving the CDEP scheme to take up 'real' jobs will be dependent on Aboriginal people's aspirations for this form of employment. This issue is discussed further below.

Policy issues for BAC, for ATSIC, and for government

The discussion so far has been largely descriptive rather than analytical. In this section, some problematic policy issues are raised for consideration. To summarise the argument to this point, the case has been made that the CDEP scheme has a range of economic and social impacts in the Maningrida region. Most are positive, but some are unintentionally perverse and negative. In this section, we attempt to address these issues as problems amenable to

amelioration. It should be noted that these issues were all raised with ATSIC stakeholders during two seminars convened in Darwin and at a BAC-sponsored seminar held with representatives of almost all agencies (bar the police) in Maningrida.

The identity of BAC CDEP scheme in town and country

Both a strength and a weakness of the CDEP scheme, noted in the past (Altman 1990), is its unclear program identity. This is a strength because it enhances flexibility, but it is a weakness for an organisation that is eager to introduce a consistent set of rules for scheme operations. In the BAC case, there is a clear distinction between CDEP in town and country, and a lack of equity in the way the scheme is administered in the two, often overlapping, domains. In the township, the scheme is generally regarded either as an employment or as a training program, whereas at outstations it is clearly viewed as income support. Even this clear distinction is not formally made by BAC, and this lack of an overarching organisational approach to the scheme can be problematic. For example, when outstation people are in Maningrida they receive their 'normal' CDEP, whereas town-based project workers have a 'no work, no pay rule' applied to them.

This lack of clarity leads different regional stakeholders to want the CDEP scheme for the wrong reasons. Outstation residents articulate a preference for the scheme because it is administratively simple: the periodic paper work required to remain on Centrelink's Newstart Allowance is not required to remain on CDEP, even for years continuously. This is likely to become an even stronger reason if government mandatory mutual obligation clauses are introduced. This would be a rational response, but it could prove problematic if the scheme were to be assessed in future as an employment program in such contexts. Town people like CDEP scheme participation when it generates a base plus 'top up' with extra hours: this allows people to earn above the welfare limits available from Newstart or pensions. But the scheme is unpopular when a strict 'no work, no pay' rule is applied and people receive less than their welfare entitlements or less than outstation residents who have no such rule applied to them. As a CDEP organisation, BAC has become highly dependent on the scheme for relatively discretionary resources and as a mechanism for facilitating the collection of moneys, like rents. Importantly, there is evidence that BAC is becoming less directly dependent on CDEP income over time as its trading activities expand. However, most of these activities remain highly dependent on CDEP workers and capital, and partially dependent on recycled CDEP revenue being used to purchase goods and services.

Active versus passive welfare

The research reported here is focused on the CDEP scheme and BAC, but information provided by Centrelink in Maningrida indicates that the passive welfare economy is of greater overall financial significance in the region than the CDEP wages economy. In total, about $6m per annum is paid to pensioners and

to Newstart Allowance, Families, and Parenting Payment customers in the region, compared to $4.9m in CDEP wages. There are clear tensions evident in Maningrida between the 'active' welfare administered by BAC and 'passive' welfare administered by Centrelink. The notional BAC rule 'no work, no pay' for CDEP projects has been variably applied and difficult to enforce in the township alongside a Centrelink welfare regime. This problem has also been noted elsewhere by Pearson (2000: 88). Somewhat paradoxically, it is the CDEP organisation that is increasingly applying a de facto activity test ('no work, no pay' in town), while Centrelink does nothing of the sort.

The existence of passive welfare in the township contributes to the lack of BAC consistency in implementing its own 'no work, no pay' rule because project supervisors are reluctant to leave CDEP participants without any cash income. There are growing difficulties in getting participants to work regularly for the base CDEP 'entitlement' in town (18 hours per week), alongside a requirement that top up will be made available from a reduction of the base payments of others. Historically, some top up was generated by the quarterly payment of CDEP wages for a set number of participants. In 2000, with the introduction of electronic acquittal of participants on a daily basis using CDEPManager, there is less 'wages savings' available for top up. The use of CDEPManager to reduce wage surpluses as a source of 'top up' has become a critical component of the scheme, and this requires careful consideration by ATSIC.

The relations between BAC and Centrelink are problematic. In particular, it is unclear why Centerlink is charged with administering the new and very confusing supplement (another 'top up') of $20.00 per fortnight to provide a degree of financial equality with the mainstream 'Work for the Dole' program. This is especially confusing for participants who have no idea why this supplement is disbursed (to date incompletely). Interestingly, in the Maningrida region the CDEPManager data set collected by BAC is far superior to the locally generated data set produced by the local Centrelink Office that opened in June 2000. Given that BAC is trying to apply payment for hours worked in Maningrida, it is a little perverse that the Centrelink top up is provided irrespective of this. It would make far more sense for a notional $20.00 per fortnight per participant (or about $266,000) to be provided to BAC to use as a 'top up for hours worked' pool.

It is important that the relationship between active and passive welfare is carefully examined in contexts where both are available. It is unlikely that the past practice of eliminating Newstart Allowances in communities participating in the CDEP scheme will be renewed, because ATSIC does not have an open-ended wages budget that will allow unrestricted recruitment of all welfare recipients into the scheme. Today, growth of participant numbers is curtailed. There also seems to be a heightened ATSIC awareness of individual welfare rights (versus community development) even though these are currently being challenged (McClure 2000). Organisations like BAC are increasingly encouraging passive welfare preferers to shift onto Centrelink payments (Manners 2000).

The definition of work and the issue of substitution

CDEP organisations are increasingly defining work in mainstream terms while paying lip service to 'culture work'. In the BAC context a distinction is maintained between the two along loose geographic lines—town versus country again. In reality, there are two types of CDEP in the region: income support or minimum income out bush and CDEP, often with top up, and often as a final job destination, in town. People out bush regard CDEP as beneficial because it provides work, but in practice there is no difference between the work done by CDEP and Newstart participants. Work is defined as 'cleaning rubbish' and 'cutting grass', not hunting, fishing, or art manufacture, which are the activities that really occur. The need to apply mainstream definitions of work in town is linked partly to the absence of sufficient alternative resources to allow for adequate service delivery, especially given the relatively low productivity of labour. In town, people really are meant to be cutting grass and clearing rubbish while engaged on CDEP, because if they do not, these activities are not undertaken.

In the Maningrida regional context it is clear that the BAC-administered CDEP scheme is operating, both directly and indirectly, as a mechanism to provide substitution service delivery. This happens directly when workers on CDEP are provided to a range of mainline agencies to top up their funded staff positions, as at the school or health centre. It also occurs when CDEP labour is used to undertake jobs like garbage collection, that other agencies (in this case the Maningrida Council), are separately funded to provide. This substitution occurs as a result of the failure of mainline Commonwealth and Territory departments and agencies to provide resources on a needs-based and rigorously calculated basis. Still other Commonwealth agencies, such as DEWRSB, are free-riding indirectly on ATSIC-funded organisations. For example, under the IEP, DEWRSB is providing some training moneys to BAC. But this provision is contingent on trainees receiving their base income from CDEP wages and on BAC accepting an additional administrative load.

Inter-organisational rivalry

The overall significance of the CDEP scheme in the Maningrida regional economy is creating some inter-organisational rivalry. This is partly in response to BAC's evolution over time into a larger organisation with greater economic and political power. On one hand, the CDEP workforce has penetrated all sections of the township labour market. On the other hand, the availability of CDEP labour and capital to BAC enterprises is making them increasingly competitive. This is evident, for example, in the current acrimonious relationship between BAC and the MPA, the organisation that arguably represents the Maningrida private sector since it receives no government funding. There is also some political friction in town between BAC and the Maningrida Council, primarily because BAC was allocated the Council's CDEP places two years ago when Council went bankrupt. The Council sees a repatriation of its 115 CDEP placements as a means to revitalise its precarious financial position, but ATSIC is reluctant to make this move until the Council is on a surer administrative and financial footing (see

KPMG 1999b). Such rivalry and tension between organisations hampers the high degree of collaborative action required to stabilise and develop what in reality is a minute regional economy. Unfortunately, such rivalry spills into the Aboriginal domain, with different groups having shifting and at times overlapping alliances to different institutions.

Organisational vulnerability

It is debatable whether BAC is over-reliant on the CDEP scheme. There are indications in Table 4 that BAC is becoming less directly dependent on CDEP income, but it is uncertain that its enterprises will be commercially viable without direct CDEP support. This is partly because demand is inelastic—hence without CDEP support prices could rise—and partly because there is limited regional competition. BAC is currently in the last year of a funding triennium that has delivered relative stability in operational and capital CDEP support. But BAC is highly vulnerable to the politics of the ATSIC Regional Council and there is some risk that its large size and relative success in recent years will make it especially liable to suffer cuts from 2001–02. It is also possible that the return of 115 places to the Maningrida Council, with pro-rata cuts in operational and capital support, will impact negatively on BAC. However, it is also possible that this would be the best institutional arrangement for the Maningrida region. It is important that ATSIC recognise the relative stability of support needed for sound economic development. The past practice of linking guaranteed triennial funding to strategic and business development planning should be maintained.

Planning, reporting, accountability and feedback

It is of some concern that BAC has experienced relatively unfettered growth from its origins as an outstation resource agency. It has become, in turn, a CDEP organisation, and, increasingly, a regional development corporation and service delivery agency. This growth has occurred with minimal business or participatory planning and with lack of rigorous evaluation of outcomes. It is only in the last two years that BAC has been developing a strategic plan (Gillespie 1999, 2000) and it is only in 2000 that it is producing, of its own volition, its first narrative annual report.

There is clearly a distinction to be made in CDEP administration between financial accountability, which is emphasised, and performance accountability that is benchmarked in some way against program goals. Clearly there is difficulty in reporting outcomes from the CDEP scheme because of its diversity of goals. As organisations like BAC become more complex and elements of its CDEP scheme become more enmeshed in its numerous and diverse corporate entities, monitoring performance becomes more difficult. But there is also an absence of ATSIC feedback when performance indicators are quantified, partly because of a lack of capacity to respond in a meaningful and timely manner. While ATSIC

flexibility in allowing considerable grant variation over the CDEP funding triennium is appropriate, it is important that milestone performance monitoring is also conducted.

Employment generation for whom?

In the aftermath of the Spicer Report there has been a growing tendency to view the CDEP scheme as an employment generating program (see e.g. the Commonwealth Grants Commission 2000: 141), something that it clearly is not—and cannot be—in some contexts. Indeed the view that CDEP is about creating jobs in the mainstream can only be maintained in the absence of reality checks on what employment is actually available and the particular structural circumstances of remote communities. Both ATSIC and BAC express disquiet, for different reasons, about the growing number of non-Indigenous people engaged to administer the scheme and supervise participants. With nearly 40 non-Indigenous staff, BAC is now the second largest employer of people in mainstream jobs after the Maningrida education centre.

ATSIC does not appear to realise that its requirements for high levels of accountability and program participant monitoring exacerbate the need to recruit people with skills levels that are not locally available. It is not just the administration of CDEP that is creating this situation: the increasing sophistication of service delivery requires highly skilled and experienced staff with entrepreneurial skills and commitment. As argued below, it is inevitable that unless local Aboriginal people acquire the qualifications, work experience, and professionalism (in non-Indigenous terms) to undertake these tasks, this situation will not be reversed for many years. But skills are only one problem: Aboriginal cultural ethics and political obligations could also seriously skew the pattern of service delivery.

The issues for BAC are somewhat different. As an organisation it is already a little vulnerable, being located on the land of the Dukurridji and paying them rent. With growth in non-Indigenous employment the organisation's management is concerned that a high proportion of organisational trading surplus is being 'invested' in housing for non-Indigenous staff. There is also concern that while appropriately qualified and committed staff are being recruited to undertake what are often technologically complex tasks, most rarely stay beyond a couple of years. This raises problems for corporate memory and for the establishment of bedded down working relations both with the BAC executive and members, and with CDEP participants. The remoteness of Maningrida makes it difficult to attract people who will stay and form longer-term workplace partnerships with CDEP participants.

There are evident differences in economic status between Aboriginal and non-Aboriginal people in the region. At one level, there is an acceptance of a need for skilled 'Balandas' to work for 'Bining'. On the other hand, there is a degree of resentment that whites seem to hold the power (and management responsibility)

in most Maningrida work places. Such resentment spills over into periodic political tensions that can in turn become manifest in inter-organisational political conflict.

Stakeholder participation

The administrative complexity of the CDEP scheme is resulting in alienation of BAC members from active participation in decision making. There is a tradeoff between external accountability for CDEP efficiency and internal accountability to increasingly alienated members. Internal accountability has suffered as a result of the unbridled growth of BAC on the back of CDEP, and the lack of strategic planning and member participation in charting the organisation's future. Organisational growth and complexity is excluding Aboriginal people—not just as full-time employees, but also as stakeholders. The external demands from ATSIC for administrative accountability (not for performance) limits the availability of organisational resources for stakeholder liaison, involvement, and engagement. This important issue needs to be addressed if BAC and its CDEP scheme are to prove politically sustainable in the long term.

The complex sociology of CDEP work

Current discussions about the CDEP scheme and welfare are permeated by the question: 'why won't people work?' This is a false question to ask in many situations but it is particularly inappropriate to the outstation situation where people receive a fixed amount of CDEP income per fortnight and are not required to undertake any structured work. In such situations (contra Pearson 2000) it is clear in any case that people do work, in the production of art and craft and subsistence foodstuffs, on maintaining social networks, and in looking after country. Without doubt, there are also forms of sociability which are destructive, such as when people engage in drinking or endless gambling bouts.

The question is more pertinent to the Maningrida township situation, where CDEP participants demonstrate an inconsistent commitment to work and where, frequently, available 'top up' hours are not taken up. In an early theoretical analysis of the CDEP scheme, Altman and Nieuwenhuysen (1979) suggested a simple tradeoff between income and 'leisure' preferers in a situation where the choice was between full-time work or part-time CDEP, and welfare was not an option. The model illustrated that the utility function of Aboriginal people, especially in remote community contexts, may be maximised via CDEP rather than mainstream work and all it entails. Today, the tradeoffs and tensions are far more complex.

Let us look first at the full-time employment option. Full-time jobs are relatively rare and require a high degree of skilling—be it in management, administration, business, or trades. They also require high levels of responsibility and internal and external accountability. They are usually in the service sector, and involve a high degree of social pressure and potential stress. In a society where kin-based

social relations of production remain dominant, full-time jobs such as these are potentially enormously burdensome. The tensions of such employment for Aboriginal people are often evident when they take on even the most junior administrative tasks. In a kin-based society, demarcations between work place and non-work contexts are not clear, and allegiance to close kin usually outweighs allegiance to employer, wider kin, the incorporated organisation or community, or outsiders. Such tensions can be analysed within the anthropological construct of 'domain separation' (Rowse 1995; Trigger 1986), which suggests that people distinguish between domains where Aboriginal and non-Aboriginal people work. Another framework, modelled in terms of the concept of income replacement ratios, suggests that the marginal returns from full-time work may be low, especially if there is a requirement for time commitment that might have high costs in terms of lost sociability. This is not to say that some Aboriginal people do not make the decision to commit to full-time work. But this type of commitment is often based on a long-term social relationship developed with a non-Aboriginal co-worker, or arises where opportunities for sociability are enhanced by the nature of the work.

In a kin-based society, exerting moral authority within the workplace can be extremely difficult, especially given the existence of competing authority structures that are often unrelated to employment requirements or formal skill levels. Young Aboriginal people may have the formal skills, but lack the complex political and social skills required to be longer-term 'bosses'. This is often evident in the dynamics of Aboriginal efforts at management. An initial striving and success (often sanctioned by a non-Aboriginal supervisor) is followed by growing frustration, a periodic fall from grace, renewed efforts, and often, finally, a sense of resignation—it is all too hard in the non-Aboriginal domain. The Aboriginal social setting, with its particular cultural form of anti-individualism, is not a fertile environment for aspiring leaders. And while some aspire for individual success and appear to succeed, this can be at a cost of social exclusion or even of violence during a drinking bout.

And then there is the everyday lived reality: disruptions associated with the distribution of alcohol every second Saturday, community pressures and endless funerals, constant workplace distractions, visitors, trainers, meetings, disappearing vehicles, and an absence of non-Indigenous patterns of work activity. It is hardly surprising that in such circumstances all these pressures are readily left for the Balandas to bear, defined as their domain, their area of expertise. And relatively well-paid and dedicated Balandas generally respond positively: they load and unload the barge, they keep the store and service station and school and health centre operating, with or without Aboriginal labour. But the dependency that is bred by such domain separation also breeds resentment, because Balandas have the good jobs, the neat houses, and the new vehicles.

The many alternatives to full-time work also lessen its significance. There is the outstation CDEP option—CDEP as income support without any activity testing, without any formal 'no work, no pay' rule and, in reality, without any income testing. This option provides the optimal individual autonomy to engage in what is

immediately defined as of importance. There is also the opportunity to enhance income levels beyond a fixed base on a 'needs' basis from art and craft manufacture or subsistence work effort.

There is the welfare option which also provides a high degree of autonomy, but greater administrative restrictions and, surprisingly, lower status except for the old and infirm and single. Newstart Allowances or 'sitdown' money carries some negative stigma compared to CDEP participation. Such apparent incorporation of mainstream Australian values suggests that domains may not be quite as neatly separated as the analytic tool and emphasis on cultural difference might suggest: an overlap between domains is clearly emerging, where Aboriginal and non-Aboriginal values mesh.

And finally, there is the 'town' CDEP option—project employment—where if one is unfortunate the supervisor applies the 'no work, no pay' rule rigorously and if one is fortunate the rule is applied loosely and 'top up' hours are regularly available. Practice is at the discretion of non-Aboriginal supervisors who regularly come and go, and who all too often have 'bright' new ideas and approaches to entrenched problems.

It could be argued that such a diversity of income earning options is positive; but it generates uncomfortable tensions and inconsistent practices. There is no doubt that, if properly constituted, the CDEP scheme could provide an opportunity to expand the regional economy and to make people less dependent and more politically engaged. But this is not happening at present for a range of cultural, historical, structural and political reasons. At one level, ATSIC views the CDEP scheme at Maningrida as a success because it is accountable and things are 'happening'. At another level, there is little questioning of who is responsible for this activity—Bining or Balanda—and whether the current system is sustainable in the longer term.

Recommendations

In undertaking this research, we were challenged to come up with concrete recommendations that would improve the workability of, and outcomes from, the CDEP scheme. This is not an easy challenge, in part because there is great diversity in the running of CDEP schemes even in remote regions. There are also some long-standing issues in CDEP administration that have been highlighted now for nearly a decade (see Altman 1990; Deloitte Touche Tomahtsu 1993). Many of these have never been properly addressed, and many, such as the policy issues highlighted above, will need concerted action on three levels—community, ATSIC, and governmental—if they are to be resolved or ameliorated. Another part of the problem is that the CDEP choices people are making may accurately reflect their aspiration to achieve an amalgam of cultural continuity and economic incorporation. Nevertheless, there are elements of the BAC CDEP scheme that could be improved with better policy and it is with a focus on such elements that we now move from the particular to the general.

First and foremost, it is important to make a clear program distinction between CDEP scheme participation in town and country, between situations where CDEP operates as employment, training, and community development, and situations where it operates as income support. A recommendation was made to government over a decade ago to establish a minimum income support program for outstation residents (Altman & Taylor 1989) and this proposal should be reconsidered. Similarly, every effort should be made to untangle 'active welfare' (in the form of CDEP participation) from 'passive welfare' (Newstart Allowance). An obvious corollary to such a recommendation is that the outstation services currently underwritten by the CDEP scheme will still need to be funded by government.

BAC itself recognises existing inconsistencies and, in consultation with ATSIC, is exploring options to pay differential amounts to people working for CDEP, people receiving CDEP as income support at outstations, and people receiving CDEP as income support in the township (Manners 2000). A concerted effort is under way to encourage town-based people who do not want to work for welfare (generally non-working spouses) to seek Centrelink assistance, not CDEP. Outstation people will be expected to reside at outstations while receiving CDEP as income support. The novel aspect of such a proposal is that place of residence will need to be monitored more closely by supervisors, and this will have resource implications: it will not happen unless it is funded.

'Top up' (at $20.00 per participant per fortnight), provided by Centrelink, is designed to create equity with mainstream work for the dole. However, it is clear that this supplement is sending CDEP participants mixed messages: active welfare also has a passive welfare component. It would make far better policy sense if this 'top up', the disbursement of which is primarily reliant on information maintained by BAC's CDEPManager database, were paid as a block grant to CDEP organisations and used by them to 'top up' work hours available. The introduction of CDEPManager may suit government, but the associated payment of CDEP wages on a daily basis operates as a short-sighted and punitive measure that undermines the organisation's ability to offset the non-work of some participants some with increased work for others. It is suggested that block grants for CDEP participants in total be maintained, and paid on a quarterly basis.

Such a restitution of CDEP wages will require organisations like BAC to convince government that it is applying the 'no work, no pay' rule across the organisation, not differentially at the discretion of individual supervisors. A consistent whole-of-organisation approach will be required. and an enhanced capacity to generate increased hours (and income) for those who seek work.

This in turn suggests the need for better monitoring of planning and outcomes. The recent practice of providing CDEP organisations with triennial funding is positive because it facilitates planning. But such planning will be contingent on the availability of earmarked resourcing. It is also critical for governments to ensure that successful CDEP organisations are not penalised with the burden of undertaking additional services and administration that are the primary

responsibility of other agencies. This is a major and intractable problem in Indigenous affairs generally, and not just limited to CDEP scheme organisations. But it is very evident in the role that CDEP organisations like BAC play in providing unremunerated training activities, in assisting Centrelink with data, in enterprise development, and in inappropriate service delivery activity.

The benefits and costs of the CDEP scheme

An overarching question that underlies the research reported here is whether the CDEP scheme generates positive net benefits for participating organisations and individuals. While the benefit–cost calculations here are informed by the specifics of the Maningrida case study, it is likely that these observations have wider applicability. The CDEP scheme, as currently constituted, delivers benefits in the following ways:

- it provides employment and training options and opportunities that would be non-existent without the scheme;
- it provides autonomy and more regular (than welfare) income support for outstation residents, who are in turn able to supplement their incomes by manufacturing art for sale or by producing import-substituting foods;
- it provides opportunities for income supplementation in the township beyond the income tested limits set by Newstart Allowances and pensions;
- it provides resources and economies of scale that have allowed an Aboriginal organisation to evolve into a strong institution, with enhanced capacity, which in turn means that the organisation can deliver better services including the construction and repair and maintenance of housing and infrastructure (including roads, airstrips, water reticulation and sanitation), land management and development opportunities;
- in particular, it provides the opportunity to establish an embryonic regional development agency, participating in commercially viable enterprises that generate trading profits that can in turn be committed as venture capital, that is, 'private' not public money; this venture capital activity and risk taking is a potentially important avenue for regional investment;
- in the manner in which it operates it also provides options for participants to save, borrow, and invest via a CDEP mechanism that operates as a de facto bank, allowing participants to purchase important capital items such as vehicles for outstation living; and
- its options for enforced rent collection and other deductions via CDEP payrolls allow collection of moneys for housing and infrastructure repair and maintenance, and this also leverages in additional grants from other agencies.

The growth in the CDEP scheme examined here has also had some negative aspects, including:

- the emergence of political tensions between the CDEP organisation and other community-based institutions, sometimes fuelled by the politics of envy associated with rapid expansion and relative success;
- the tension that arises from the inherent inequity in the administration of town and country CDEP schemes;
- organisational complexity that has resulted in management and administration being undertaken primarily by non-Indigenous staff; this in turn has raised problems of membership disempowerment and entrenched economic inequality between Aboriginal and non-Aboriginal sectors of the organisation's workforce and regional populations; and
- difficulties in recruiting and training committed Aboriginal staff to positions of responsibility and, in the current mixed passive and active welfare environment, difficulty in getting town-based CDEP participants to work.

On balance, the positives of the CDEP scheme in the Maningrida region appear by far to outweigh the negatives. But the working of the scheme can be improved, and some recommendations for change have accordingly been made above. Nor can the CDEP organisation, ATSIC, or governments be complacent. The BAC CDEP scheme is working well at present and current management is investing for better and more independent futures for the regional population. But the BAC CDEP is operating in a potentially politically volatile environment, with a membership that appears somewhat disengaged from the organisation, arguably as a consequence of effective service delivery. It will be important therefore for current senior management to re-engage the membership, so that their participation in the organisation is enhanced, and to promote effective succession and strategic planning to ensure the future sustainability of the organisation.

Notes

1. Indeed the questionnaire became a BAC instrument for overcoming any ethical issues about informed consent.
2. In 2000 the unemployment rate in Maningrida would be higher because Centrelink data indicate that there are now more than 100 Newstart Allowance participants in the town.
3. Initially in the form of child endowment (Family Allowance) and pensions, and then from about 1979–80 in the form of unemployment benefits.
4. See also the discussion in Fisher (1999).
5. It should be noted that just because artists were on outstation timesheets does not mean that all art was produced at outstations. Nevertheless, most art in the region is produced at outstations, as has been previously documented (Altman 1983); this is partly due to an absence of other income options, but also to the ready availability of raw materials.

Appendix 1: Participants' views about the CDEP scheme

As part of the research undertaken in the Maningrida region, a questionnaire including 28 questions was administered in both Maningrida and its outstations. The questionnaire instrument was intended to provide a degree of comparability between the three CAEPR case studies (Maningrida, Port Augusta, and Warrnambool) undertaken in 2000. However it proved to be an ineffective instrument and survey results are not fully reported in Gray and Thacker (2000) and Madden (2000).

In the Maningrida region, 40 questionnaires were administered in the town, sometimes with the assistance of interpreters and 13 at outstations. Of these, the majority (36) were administered by Victoria Johnson, and the balance of 17 by Altman and Johnson together. Preliminary analysis indicated that the outstation questionnaire responses were of very limited value, while those administered in Maningrida (to about 20% of town-based participants) were of some value and generated some meaningful results.

A research assistant, Zaen Khan, was employed in Canberra to tabulate outputs. Since the survey was administered under the auspices of BAC, these results have been provided to BAC. In this brief appendix, we do not analyse responses to all 28 questions, but rather highlight some issues of pertinence to the discussions in the body of the paper.

Questionnaire respondents worked on a wide variety of projects in Maningrida and nearby, including the Ranger project (8), as MPA builders (4), for the Maningrida Council (4), for MAC (3), in the nursery (3), in the BAC office (5), in the Women's Centre (5) and elsewhere (8). The sample included 26 males and 14 females and most (33) resided in Maningrida. Of the sample, 24 had been on CDEP for more than three years, nine for between one and three years, and seven for less than one year.

When asked why they were on CDEP, 23 (57.5%) respondents identified employment (a job) as the primary reason, 11 nominated income support (27.5%), and two specified training. The majority of responses under the 'a job' category said that they like the work and/or want to work rather than being idle. Despite the fact that only two identified training as the primary reason for being on CDEP, 26 (65%) reported receiving skills training and 7 (17.5%) on-the-job training.

When asked what they were doing before CDEP, 16 (40%) said work and 5 (12.5%) said school, with a significant 17 (42.5%) saying 'other' which included receiving welfare, being outside the labour force, and living out bush.

A question on hours worked provided poor results, but when asked if they got any work or income outside CDEP, 25 (62.5%) said no, 11 (27.5%) said yes, and the balance (4) made no response.

When asked a qualitative question about some of the good things about CDEP, responses included 'like the work', 'good to work', 'the money, and can save',

'working with friends', 'going out meeting people' (on the tucker run), 'improving people's houses', 'helping people', and 'learning' (BAC Office Trainees). When asked a qualitative question about some of the not so good things about CDEP, the response was poor. Comments included 'being criticised', 'pushy people', 'doing nothing', occupational health issues (cutting steel—'bad for ears', garbage truck smells), people asking for money, and concern about letting people down when sick. No-one identified poor wages as a bad thing about CDEP.

Of participants, most (62.5%) agreed that the 'no work, no pay' rule was good, 25 per cent thought it was unfair and 12.5 per cent had no opinion. Of those on CDEP, 18 (45%) wanted to move to full-time work, but 15 (37.5%) were happy to stay on CDEP.

When asked what they would do if there were no CDEP, most (19 of 36 respondents) said they would look for other work, seven said they would stay home, six said they would go 'bush' for shorter or longer periods, and two said they would go back to welfare.

When asked if CDEP had made life better or worse, 32 (80%) said 'better', three (7.5%) said 'worse' and five (12.5%) saw no difference. When asked what life in Maningrida would be like without CDEP, 12 (30%) said that life would be 'boring, terrible, no work'; five (12.5%) said that people would go onto Unemployment Benefit; five said that funding would come from elsewhere; eight (20%) were unsure, and four (10%) said they would find a job, possibly elsewhere.

When asked how CDEP could be improved, qualitative responses emphasised the need for more work, more money, getting young people involved, getting people working together in the community, making the 'no work, no pay' rule stronger, stopping people arguing about money, and increasing pay to get more people working.

Finally, when asked an administrative question about the Centrelink $20.00 per fortnight 'top up', 11 (27.5%) said they were receiving this, 13 (32.5%) said they were not, eight (20%) said they had signed up and were waiting, and eight made no response or were unsure. Only six (15%) had received the retrospective payment, 13 (32.5%) had not, 12 (30%) had signed up and were still waiting and nine (22.5%) made no response or were unsure.

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