A New Deal? Indigenous development and the politics of recovery

Delivered by
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Introduction

I thank Chicka Dixon and the Aboriginal peoples of Sydney for welcoming us here this evening.
I thank Mrs Eileen Perkins, Hetti, Rachel and Adam for inviting me to speak in this oration in memory of Dr Perkins at the University of Sydney from which he graduated in 1966. This is a great honour and challenge. Like most Aboriginal people, I am aware of his profound social and political legacy to all Australians, and of the duty to sustain the vision he gave us.
Dr Perkins was an outstanding Australian of the twentieth century in a range of fields,
especially as an advocate of Aboriginal equality. Most Australians misunderstood him. He argued tirelessly for the participation of Aboriginal people in the economic life of the nation, as well as in the social, cultural and sporting arenas. Too often, the media portrayed him as a radical critic, even though his statements were no different in intent from any other Australian leader, except that he was speaking, on most occasions, but not all, for Aboriginal Australians.

He was the most senior Aboriginal public servant throughout much of the period when the present administrative arrangements in Indigenous affairs were established. Those of us who benefited from his generosity and hard work can do no better in paying tribute to him than to engage with his legacy of ideas.

During his long career, he saw the creation of the Office of Aboriginal Affairs, the Council of Aboriginal Affairs, the Department of Aboriginal Affairs, the National Aboriginal Consultative Committee, The National Aboriginal Conference, The Aboriginal Land Fund Commission, the Aboriginal Development Commission, The Aboriginal and Torres Strait Islander Commission, and the Council for Aboriginal Reconciliation, to name the main institutions of that period. He was involved in most of these developments, in their conception and dissolution, in senior administrative positions, or holding Board positions, arguing the case for them, or criticizing their errors; he was never far from the action.

As well, his public career coincided with the establishment of thousands of Aboriginal organizations in communities, towns and cities around Australia. During his time in Sydney he was involved with the Foundation of Aboriginal Affairs, which gave Aboriginal people arriving from the country a safe haven in Sydney and a model for cooperation between Aboriginal and settler people. The Foundation was one of the Aboriginal organizations that contributed to the campaign that produced a resounding “yes” in the 1967 referendum, giving the federal government power to legislate for Aboriginal people.

These were times of great change for Aboriginal people, entering the cash economy in greater numbers and more rapidly than ever before. The media, particularly television were paying attention to the ‘Aboriginal problem’, to use the term of the day, and not only the general audience but also Aboriginal people themselves were becoming critically aware of the poverty, abuse and oppression that was the lot of most Aboriginal people wherever they lived.

Dr Perkins’ policy interests ranged across the array of governmental responsibilities and services that had been denied to Aborigines in large part. It was a sign of being connected in the right way if someone could say at one of the many meetings of Aboriginal people that were held in these heady times that Charlie had been on the ‘phone and given advice or encouragement. He influenced the development of government and non-government agencies, especially Aboriginal organizations, to deliver services to Aboriginal people and incorporate them in the political and economic infrastructure of Australian society. In increasing numbers, Aboriginal people, for the first time, enjoyed the political and economic fruits of Australian citizenship: the social welfare safety net, some aspects of economic development, political representation, support for the arts and government policy and funding to improve outcomes in health, education and sports.

Lifelong disadvantage and early death

At that time, Aboriginal thinkers were questioning the death rates, poverty and brutality of Aboriginal life as never before. They were reexamining Australian history, and fundamentally challenging racist policy and institutional control, and the
widely held belief that these conditions were inevitable for Aboriginal people. If one person could be credited with overthrowing the old idea that life for an Aboriginal person must be substandard and miserable, it was Dr Perkins whose public career began when the long night of the Menzies era ended.

However, for all the change that was instigated at that time, it would be unconscionable to suggest that life is substantially better for Aboriginal people now. In 1999, the Australian Bureau of Statistics announced:

Indigenous Australians are disadvantaged on a wide range of health and welfare measures throughout the life cycle, according to a comprehensive report released jointly today by the Australian Bureau of Statistics and the Australian Institute of Health and Welfare.

Babies born to Indigenous mothers are more likely than other babies to die around the time of birth. Those who survive are more likely than other Australians to live in poor conditions, to be unemployed, to suffer from violence, to be imprisoned, to develop a range of chronic diseases, to be admitted to hospital, and to die at a young age. More than half of the deaths among Indigenous males in 1995-97 occurred among people who had not yet reached their 50th birthday. Three out of four Indigenous males who died had not yet turned 65. Among Indigenous females, about four in ten deaths occurred before age 50 and two in three before age 65. By contrast, the majority of deaths in Australia (73% of male deaths and 84% of female deaths) occurred in people older than 65 years.

We are forced, if concern for one’s fellows is held as a mark of humanity, to ask why these conditions persist, and if possible, to identify the ways that would most effectively bring improvements in the living conditions of Australian indigenous people.

Noel Pearson delivered the 2001 Dr Charles Perkins Oration, entitled ‘On the Human Right to Misery, Mass Incarceration and Early Death,’ and addressed the question that has troubled all of us, not least Dr Perkins: why has a social breakdown accompanied this advancement in the formal rights of our people, not the least the restoration of our homelands to our people? Why, during the period of indigenous policy enlightenment and recognition and despite billions of dollars and much improved housing and infrastructure and government services, has there been a corresponding social deterioration? What is the explanation for this paradoxical result? Noel’s answer was this: ‘maybe we should confront the possibility that the policy analysis and recommendations that have informed the past 30 years of deterioration may have been wrong. Our refusal to confront this possibility is a testament to the degree to which we will insist on our ideological indulgences ahead of diminishing social suffering.’

Noel focussed our attention on the epidemic misuse of alcohol, drugs and other illicit substances; the Aboriginal community’s dependence on passive welfare and reliance on the welfare state. He said,

... when I say that the indigenous experience of the Australian welfare state has been disastrous I do not thereby mean that the Australian welfare state is a bad thing. It is just that my people have experienced a marginal aspect of that welfare state: income provisioning for people dispossessed from the real economy.

I propose that we look at this set of problems in a different light. It is not that I disagree with Noel. I do not. He has explained these problems in much the same way that I did in my Report for the Royal Commission into Aboriginal Deaths in Custody in 1990, ‘Too Much Sorry Business’. The first chapter was entitled White Poison, citing the expression used by an elder who railed against the death caused by alcohol consumption by his people.
I agree with Noel Pearson in substance and in emphasis. There is another factor, a
global factor, that we cannot afford to ignore, however: underdevelopment.
Underdevelopment, the idea, was introduced to us in the 1960s by Andre Gunter
Frank, and in his 1996 autobiographical account of his global travels studying this
phenomenon, he writes:
The centripetal 'McWorld' globalism and the centrifugal 'Jihad' tribalism are not two
distinct and opposed tendencies. The future and the past, as well as East and West
Asia, Eastern Europe and Northern Ireland are all inexorably connected if not united
in the present McWorld economic and therefore political crisis. The centrifugal
national, ethnic, religious and other outbursts are the direct result of globalizing
centripetal pressures and the resultant simultaneous crisis in this process. . . .
The crisis of underdevelopment that catches up each new generation of Aboriginal
people is a global phenomenon that constantly transforms itself along with those it
sweeps up, and is not one that is easily amenable to ‘pulling the economic levers’.
Aboriginal people are enjoined with hundreds of millions of people around the world
in their poverty, hunger and short life spans. And like our brothers and sisters
elsewhere, we get poorer while ‘they’ get richer; we have cultural identity while
‘they’ have power, and things get worse. Frank explains it in this way:
For the market, resource, ecological and information-technological imperatives of
globalization themselves generate the fragmentation and Lebanonization - now
Bosnianization - of the world. The reason is that, although 'each of the four
imperatives just cited is transnational, transideological, and transcultural,' they do not
apply 'impartially' and McWorld does not 'deliver peace, prosperity and relative unity.'
On the contrary, globalization itself generates economic polarization into haves and
have-nots, both on a global scale and within particular societies. Thereby,
globalization also generates demands for particularist cultural identity in both.
Moreover, during recurrent world economic crises like the present one, the have-nots
are economically immiserated by absolute as well as relative loss of income.
Despite the explanations from Frank and others, for us, the perplexing issue is why
this should be so within our nation: why should 20 million Australians live in relative
wealth while almost half a million Aborigines live in relative poverty. Is it that the
colony is within the nation? Or is that the postcolonial dilemma is wefted and warped
into the Australian social fabric? And why should it be an ‘us’ and ‘them’ discourse?
The answers are ambiguous. This is why the one-dimensional social worker, welfarist
approach to the Aboriginal situation has made things worse. The complications arise
from history and from the social political, and cultural way of things in Australia, and
these complications are not amenable to social work practice.
Dr Perkins, and more recently, Noel Pearson, imagined a future for Aboriginal people
that most Australians resolutely believe is not possible. It is not that many Australians
of goodwill want to believe it impossible, but the social imaginary is more powerful
than the individual. And it is the social imaginary as much as economic forces that
shapes our fate.

Entrenched poverty and the so-called safety net

Aborigines have long been imagined as the ‘undeserving poor.’ How the well-fed
burghers of the nation can seriously believe that anyone would want to be poor and
hungry, and would avoid taking steps to escape this condition, is beyond my
understanding. Rather, it seems more likely that the fates that wreak high interest and
inflation rates on industrious ‘deserving’ settler Australians are just as responsible for
the hardships inflicted on Aboriginal people.
One of these malign influences is the idea of the safety net, as Noel Pearson has pointed out. Aboriginal people have been enmeshed in the conditions of poverty ever since they were caught up in the web of the safety net. Historians like to regard the Commonwealth of Australia as an innovator in the provision of social security benefits, and not just historians. The Racial Discrimination Commissioner said so in her 1997 Report on the Community Development Employment Program Scheme and Racial Discrimination. Until 1908, the Commonwealth offered its citizens no social security to ease the hardships in times of the aged and invalid. Some States had pension schemes. Seven years after Federation national aged and invalid pension schemes were enacted and in 1912, maternity allowances. However, ‘Aboriginal Natives’ were disqualified from all payments.

Throughout the Great Depression Indigenous people continued to be excluded from eligibility for any benefit. After the Second World War a comprehensive and universal system of social security existed in Australia, except for Aborigines.

The first payment to which Indigenous people had access was a child endowment payment introduced in 1941. In 1942, ‘Aboriginal Natives’ became eligible for Commonwealth pensions, but as the Racial Discrimination Commissioner points out, the 1942 amendments excluded ‘Aboriginal Natives’ who were covered by the provisions of a state or territory law relating to the control of Aboriginal natives.’ There were also exclusions for Indigenous people who were deemed ‘nomadic’ or ‘primitive’ and, despite the existence of entitlements:

.. Social Security Act continued to discriminate against Aborigines by adding amendments that restricted access to pensions and allowance payments and placing Aboriginal Australians under the control of non-Aboriginal administrated Aboriginal departments, missions, settlements and pastoral properties.

This policy of racist exclusion persisted until the late 1960s. In 1966, the Department of Social Services decided to remove all specific references to Aboriginal people from the Social Security Act including the provisions that disqualified ‘Aboriginal Natives’ who were nomadic or primitive. Despite this, the exclusion concerning Indigenous people living on government and mission stations persisted until 1976. Indigenous people living in remote communities continued to be excluded from participation in Australia’s social security system well into the 1970s.

A ‘work test’ was invented to exclude Aboriginal people in remote communities from unemployment benefits living and other social security benefits. As wards of the state or resident on missions. Aboriginal people were considered ineligible for unemployment benefits as they were considered to be in training or not looking for work.

The Racial Discrimination Commissioner’s Report on the Community Development Employment Program and racial discrimination tells us that in the case of Indigenous people working on pastoral properties, the station managers were routinely reimbursed by the Department of Social Security for their ‘maintenance’ as they were considered ‘government dependants’. For many Indigenous people up until the mid-1970s, the only income support benefit available was the training allowance. Full, effective access to social security benefits did not occur until the late 1970s and in some remote communities not until the early 1980s.

The Arbitration Commission decision that Aborigines should receive equal wages to those of white employees on pastoral properties came into effect on 1 December 1968. Many station owners could not or would not pay their Aboriginal workers equal wages and many Aborigines were forced off the stations that had been their homes for
several generations.
With the exception of labour rights, other general abuses of Aboriginal civil rights were paid little attention after the Referendum of 1967. The Referendum questions asked electors whether the Parliament should remove the Constitutional provision excluding Aboriginal people from the census and whether it should empower the Commonwealth to legislate for Aboriginal people as well as other ‘races’. What followed was more complicated.
The States gradually, but in Western Australia never completely, enfranchised Aboriginal people. The States continued to classify most Aboriginal people as wards of the State, and to subject them to claustrophobic administrative regimes, denying the right to a fair trial, removing children from their families under the assimilation policies and much else besides. These other abuses of civil and human rights that the civil rights activists had raised with governments and the community for the previous decades, such as State confiscation of Aboriginal wages for public works, received little attention. Trade unions activists played a key role in the Gurindji strike for equal wages, and with trade union support, legal counsel successfully argued the Aboriginal equal wages case before the Arbitration Tribunal. The equal wages award was a pyrrhic victory, however. Some States had long before instituted ‘training’ wages for Aboriginal people and indentured domestic servitude for Aboriginal children, and there was little likelihood of Aboriginal people being paid equal wages by either the State governments or employers in the pastoral and agricultural industries where Aboriginal people had served as rural labour. At this time, poverty was enforced rather than an accident of the safety net policies. As historian Ros Kidd demonstrates for the situation in Queensland, Aboriginal wages were confiscated, either partially or wholly, to fund state development. She has also revealed that there is overwhelming evidence that Aboriginal wards of state had been condemned to live in grossly substandard housing on reserves which were chronically starved of funds at the most basic level. Every decade, this systemic neglect has been directly responsible for scores of fatalities caused by overcrowded and unsafe living. The State governments remained intransigent with respect to Aboriginal citizenship rights, other than the right to vote, and when Aboriginal people became eligible for equal wages, the employers rejected Aboriginal labour and the State apparatus that had indentured Aboriginal people as rural labourers began to reduce the numbers of people on ‘training’ wages, causing a sharp increase in poverty and distress throughout the rural Aboriginal populations. These events, in turn, forced Aboriginal people to attempt to obtain access to social security payments, such as the unemployment benefit. The federal government responded in the mid-1970s to the massive demand from Aboriginal people for access to social security entitlements by devising a work-for-the-dole scheme for Aboriginal communities in rural and remote areas. Kidd also documented the racist practices inflicted on Aboriginal soldiers during the Second World War:
As members of the armed forces during the wars, Aboriginal Queenslanders were theoretically accorded all the standard rights of other Australians. Documents show, however, that during the second war the department applied to the Army for control of service pay. These Aboriginal soldiers then had to request permission to access their own savings; a request which was frequently withheld 'for their own good'. After the war, if servicemen returned to their home communities, they were reduced to the indignity of total loss of rights, of primitive living conditions, of chronic
The AWU successfully argued that as commonwealth employees, the hundreds of Aboriginal men working around Queensland on wartime manpower schemes must be accorded full employment equality. But the department won two concessions: there would be no access to alcohol; and the department retained control of all bank accounts. The multiple levies on the full wages provided a bonanza to the department. During 1942 the department introduced a system of 'social history' cards. This enabled head office to accumulate untested data on every Aborigine in the State, allowing for much more efficient surveillance. These cards were still operating in the 1970s.

The Left was almost completely silent on these developments, and there can be no doubt that trade union restrictive labour practices, such as the father-son rule and general adherence to frontier racism in the rural industries contributed to the failure of the Left to respond to the progressive denial of labour rights to Aboriginal people.

The Left convergence with white labour issues in rural and remote Australia remains an historical legacy throughout rural industries, to which has been added since the equal wages case two significant sectors: mining and tourism. Recent research by Gawler has shown that Aboriginal employment levels at mine sites has declined since the 1970s and she attributes this decline to racist stereotypes about Aboriginal labour that have circulated in the rural white labour force since at least the equal wages case.

The emerging demands for Aboriginal land rights in the 1970s, as Aboriginal people became increasingly reliant on subsistence activities for survival, did not conflict with white labour issues. Whether the Left support for the emerging land rights demands of Aboriginal people was coincidental with their failure to respond to the increasing exclusion of Aboriginal people from the workforce, or whether it was an expression of enamourment with the romantic image of the remote area Aboriginal hunter turned stockman on traditional territories expropriated to Lord Vestey and other absentee British landlords is a moot point.

In any case, we can see the roots of present day Aboriginal poverty in these historical events, and also at least three causes of its persistence, the racist imaginary, the postcolonial practices of labour exploitation implemented on most of the Aboriginal population and the piecemeal incorporation of Aborigines into the social security safety net.

The administration of racism

Kidd has described how the most elaborate practices of racism were executed in Queensland:

For most of this century there have been two categories of Aboriginal Queenslanders - those who were 'under the Act', and those who theoretically shared the civil freedoms of other Australians. The 'Act' was legislation initially passed in 1897, and updated in 1939 and 1965. It specifically targeted Aboriginal people and introduced the most intensive regime of surveillance and intervention ever imposed by governments. At the stroke of a pen, individuals and families could be forcibly extradited from their homes and confined to Aboriginal reserves. This was to be the fate of tens of thousands of Aboriginal people.

Her work on the government theft of Aboriginal wages has led to compensation to a group of Palm Islanders who took an action against the Queensland Government, and further to the demand by Queensland Aboriginal people for justice. The Queensland government has a paltry, nay, insulting, offer of compensation on the table at present. In a recent Information Kit, researched by Ros Kidd and published by Australians for Native Title and Reconciliation, the causes of Aboriginal poverty in Queensland over
many decades become clear. The fact sheet provides affected Aboriginal people, concerned members of the general public, and lobby groups with basic data upon which to assess the current Queensland Government campaign to shut down all litigation on unpaid, missing and misused wages, savings and trust funds during decades of government control. It states:

A glance at the underpaid wages in any one year shows clearly that this buy-off is an insult which nowhere near acknowledges the level of financial confiscation endured by Aboriginal families. A glance at the legal data shows clearly the Queensland government was constantly warned of systemic failures and of active and passive breaches of its duty as a legal trustee, but failed ever to implement the necessary checks to prevent massive financial loss to its wards over many decades. Aboriginal poverty is largely a construct of this system.

Queensland Premier Peter Beattie's scare tactic that litigation will take many years and millions of dollars is solely determined by the Queensland Government's willingness or otherwise to provide promptly all information gathered to date for independent or judicial assessment.

As the pamphlet explains, from 1904 all employment, wages and savings were controlled by the Queensland government under compulsory labour contracts and thereafter, workers’ wages went direct to the police protector, apart from ‘pocket money’ retained by the employer for distribution during the work period. From 1910, the government took levies from wages of people living on reserves, and then, from 1919 government took levies from wages of those not living on reserves. From 1919, the government set pastoral wages at 66 per cent of the white wage and, ‘Every Aboriginal’ on a reserve was required to work for rations and shelter.

In 1943 the government set up the Aboriginal Welfare Fund to receive wages levies and profits from reserve enterprises to be used to develop enterprises on reserves. From the 1950s the government paid a few shillings to a few key workers on reserves. In 1968 the government started the wage economy on reserves: workers were paid 50 per cent of the state minimum wage. From 1968, when equal wages in pastoral industry became law, forced contracting ceased. From 1971 forced confinement of Aborigines on reserves ceased. From 1972 forced control over wages and savings account bank books ceased, although people had to request to be free from financial management. From 1979 the Queensland government knew that underpaying reserve workers was illegal. The Aboriginal wage was 72 per cent of the state minimum. In 1986 the government paid reserve workers only 75 per cent of the award. In 1985 seven Palm Island workers started an action in the Human Rights and Equal Opportunity Commission for legal wages. In 1987 the government handed control of communities to Aboriginal councils whose budgets were insufficient to cover award rates.

In 1996 the Queensland government lost the Human Rights Commission case on under award wages; and still, it refused to pay the suggested compensation of $7000 to each of six workers. The workers commenced Federal Court action. The government capitulated in 1997. In 2000 the Beattie government made $25 million available to pay all workers after losing several more cases on under award wages. But it refused to include mission workers in the proposed payout.

From 2000 the Queensland Aboriginal and Islander Legal Service Secretariat (QAILSS) collected testimony from over 2000 people who wanted to take action against the government for missing, unpaid and underpaid wages, misused trust funds, unpaid child endowment, workers’ compensation, deceased estates.

This year, in 2002, the Beattie government has offered $55.6 million to pay $4000
per person to some people and $2000 per person to others as a settlement for all
claims on any of these matters.
Aboriginal people have paid with their own wages for the oppression and
incarceration they have suffered both on and off the Aboriginal reserves, in their
workplaces in conditions not much better than slavery, and have only poverty to show
for years of indentured labour.
Kidd explains that Aboriginal reserve communities were built and operated by
Aboriginal labour:
Although 32 hours work a week was mandatory, there was no regulated payment until
the late 1960s. Those 'under the Act' who did not work on reserves, were contracted
out to employment where, when, and at whatever discounted rate of pay officials
dictated. Their earnings went directly into government hands where they were
subjected to a range of levies and taxes in addition to the standard income tax paid by
all Australian workers. Under government management, which continued until only
ten years ago, Aboriginal men and women working on missions and settlements never
received legal rates of pay.
Aboriginal workers could not use their own savings without departmental permission,
and this frequently was refused. Malpractice on Aboriginal earnings was so
entrenched that the minister centralised the savings accounts in Brisbane in 1933 in
order, as he said, to minimise fraud by police protectors. In order to intensify
surveillance, wage-earners were allotted identification numbers. And to minimise
critical inquiry, the government prevented these Queenslanders from even seeing their
bank passbooks to check on the accuracy and honesty of transactions. This remained
policy until the 1970s, and many people have found to their horror that their balances
show little return after decades of compulsory work.
The 1897 legislation had applied to all those of mixed Aboriginal/European
parentage. But in 1934, hundreds of other Queenslanders found themselves deprived
of rights and freedoms and placed under departmental controls. Anyone with any
Aboriginal ancestry was now targeted . . . .
Kidd explains that the federal government had signed the International Convention on
Civil and Political Rights and ratification depended on the elimination of all racially
discriminatory legislation in Australia. Queensland aggressively rejected federal
pressure to lift restrictions, especially controls on Aboriginal savings. Not surprising,
she writes, when documents confirm that Treasury was profiting nicely: of the total
credit pool of $1.8m of Aboriginal money, the State had invested $1.4m in high
interest ventures and in hospital building programs. None of these benefits were
returned to the account holders, most of whom were trapped in poverty.
Wages for workers on Aboriginal reserves, introduced only in 1968 at half the basic
wage, were quarantined from industrial law by the mere writing of a regulation.
During the 1970s and 1980s the government blatantly disregarded successive advice
from its own legal experts that this regulation breached State industrial law and
federal anti-discrimination legislation of the mid-1970s. While the department was
quietly settling out of court a series of union-backed litigation against the illegal
underpayment of government workers, Killoran boasted to the media that the
regulation had never been disproved at law. He maintained this charade into the mid-
1980s, when control of the communities passed to Aboriginal councils and legal rates
were paid. This matter is currently under investigation by the Human Rights
Commission, whose verdict is imminent.
The Community Development Employment Project Scheme

While what amounted to an indentured labour scheme inherited from the 19th century continued in Queensland, a new form of labour apartheid was being introduced in the Northern Territory. The Community Development Employment Program or CDEP has operated in Aboriginal communities in the Northern Territory since the early 1970s when it was introduced as a pilot program, ironically, at the request of Aboriginal people who saw the then recent introduction of Unemployment Benefits into their communities had led to social dysfunction and disincentive to work. Unemployment benefits were referred to in Aboriginal communities as ‘sit-down money’. The CDEP was designed as a ‘work-for-the-dole’ program with communities expected to design their own labour programs for residents who, as a whole, became ineligible for Unemployment Benefits when the community signed onto the CDEP program. CDEP incomes replaced Unemployment Benefits in these communities. The program was later developed in the 1980s and 1990s to encourage small-scale enterprise development with the introduction of supplementary capital and infrastructure funds calculated on a pro-rata basis. However, in the 1980s and 1990s, the number of Aboriginal communities participating in CDEP was capped. These supplementary funds were reduced in the mid 1990s as the Howard Government sought to cut the welfare budget. In 2000, ATSIC unsuccessfully lobbied the government for an increase in operational costs for CDEP as part of the Welfare Reform package.

The scheme is widely regarded by informed Aboriginal leaders as the principal poverty trap for Aboriginal individuals, families and communities.

The development of the CDEP scheme was coincident with the access to Australia’s social security system afforded to Aborigines in the 1970s. It was initiated in the Northern Territory and almost two decades would pass before it was a feature of most remote northern and central Australian communities, and quite a few urban communities.

Barry Smith tells us that the first CDEP scheme was established in early 1977 in Bamyili in the Northern Territory. The main motivation for establishing this first CDEP scheme was to provide an alternative to ‘sit-down’ money. He emphasizes that the initiative arose from the community itself and was not a ‘solution’ imposed by government. It should be noted that the desire of Aboriginal people to avert the social dysfunction occasioned by sudden access to CDEP wage substitution funds dovetailed neatly with the government’s desire to reduce Aboriginal unemployment statistics by converting the Aboriginal unemployed to CDEP participants. This statistical sleight of hand has remained a feature of the statistical profile of Aboriginal unemployment ever since, disguising the extent of the problem.

On 26 May 1977, the then Minister for Aboriginal Affairs, the Hon Ian Viner MP, announced the creation of the CDEP scheme program as part of a package of measures designed to deal with the employment problems noted in the Working Group’s report. The Minister observed:

Unemployment benefits have been available to Aboriginals as to other Australians unable to obtain work. In some cases, as the working party report has revealed, the lack of activity when combined with unemployment benefit has produced serious social problems such as alcoholism and other health hazards. ... The Community Development Employment Program will provide work for all Aboriginals in a particular community who wish to work. Finance for the CDEPs will be provided to individual Aboriginal councils to enable the council to pay for work performed by
individual community members, preferably on a cooperative, part-time or contractual basis. The total monies available to a community would be determined in consultation between the community and departmental officers. In determining the amounts available, the entitlements of individual community members to unemployment benefits would be taken into account.

In the 1973-74 Annual Report of the Department of Social Security it was noted: ‘Aborigines living on missions and settlements in the Northern Territory will now become entitled to unemployment benefits under normal eligibility rules. This follows the decision to phase out training allowances to Aborigines’.

Smith reports that in 1976, the then Ministers for Aboriginal Affairs, Social Security, Employment and Industrial Affairs met to discuss some of the difficulties arising because of Indigenous peoples’ access to social security benefits. Consequently an Interdepartmental Working Party on Aboriginal Employment was established. In its Report of July 1977, the Working Group found that at the end of February 1977, 12,218 Aboriginal people were registered as unemployed with the Commonwealth Employment Service. This figure represented approximately one third of the Aboriginal labour force and six times the unemployment rate for Australia as a whole. In the view of the Working Group, many Aboriginal people were unable to register for unemployment and it was estimated that the true percentage of the Aboriginal population unemployed was closer to fifty percent.

Smith notes that, despite legal entitlement, there were numerous delivery problems and concerns about the social effect on Indigenous communities of cash incomes received as a result of social security. The Racial Discrimination Commissioners Report on her investigation of CDEP and racism noted that by August 1977, four communities were participating in the CDEP scheme program. By 1978, this expanded to approximately ten, and in the 1980s, CDEP scheme program grew both in the number of people participating and the number of schemes.

Since the mid 1990s, the Aboriginal and Torres Strait Islander Commission (ATSIC) has administered the CDEP scheme program. In 1997, the program included 268 participating communities and 30,133 participants comprising 20,501 participants in remote localities and 9,630 in non-remote areas. For many Indigenous people in remote locations the local CDEP scheme provides the only alternative to unemployment.

The CDEP scheme has undergone numerous reviews and inquiries since it was established. Despite these, there has been surprisingly little real change in the basic administration and structure of the CDEP scheme since the early 1980s.

In 1997, the Commonwealth Ombudsman found that up to 40% of Alice Springs Aboriginal people living in town camps received insufficient income support. The Commonwealth Ombudsman observed that one of the main reasons for insufficient income among Aboriginal town camp dwellers is the absence of a minimum income guaranteed by CDEP schemes. The Ombudsman noted: CDEP is causing severe poverty traps for some Aboriginal people. This is a product of the design of CDEP and the distribution of work and available funds by some participating organisations.

In 1997, when the Racial Discrimination Commissioner investigated complaints of racism inherent in the CDEP scheme, she found that the ‘CDEP scheme does not appear to raise any significant issue of racial discrimination.’ Her reasoning was as follows:

First, the CDEP scheme is designed to deal with disadvantage experienced by Indigenous communities in their access to social security and mainstream labour.
market programs and opportunities. The CDEP scheme further seeks to deal with the fact that many Indigenous communities have disadvantaged access to the social security system. The purpose of the CDEP scheme is to enhance the exercise, on an equal footing, of relevant economic, social and cultural rights of Indigenous peoples. The program is beneficial in nature and contains elements that could be described as a ‘special measure’ under the RDA.

Second, the program does not disadvantage non-Indigenous people.

Third, the program is adapted to the concrete circumstances of Indigenous communities. For example, the CDEP scheme assists in overcoming difficulties arising out of the remote location of many Indigenous communities. However, Smith’s work shows that, as early as 1993, there was compelling evidence that the CDEP scheme was not meeting any of the objectives that differentiated it from the unemployment benefit:

From the analysis, it is possible to conclude that two distinct labour markets are developing - the Active Society's conventional labour market in which non-Aboriginal people have high employment rates and a non-conventional labour market in which Aboriginal residents are represented in increasing numbers.

Smith concluded that the ‘CDEP must be used as a starting program only and not as an end position.’

The participants who start in the program must be offered conventional labour market training opportunities and program places. Such training should offer skills and qualifications which provide options to move into the conventional labour market in or outside their families' area. Taking up such options should result in the reallocation of conventional labour market jobs to local Aboriginal families. Reallocation must not become merely a buzzword but be used by planners and policy makers to set objectives to ensure the reallocation of jobs to Aboriginal families, thereby offering real opportunities of access to the Active Society.

The Racial Discrimination Commissioner apologetically offered that she was ‘setting out the relevant facts and legal principles’ in the hope that ‘human rights law can provide important standards and parameters to inform public policy and the approach of government in this area.’

The CDEP scheme is not capable of neat categorisation. . . .

. . . . The report seeks only to deal with the treatment of CDEP scheme participants in so far as their human rights may be breached. The report specifically attempts to appraise the treatment of CDEP participants as to whether any aspect of their treatment is racially discriminatory under federal human rights law.

The CDEP scheme presents a complex discrimination law problem. There are no easy answers.

The Racial Discrimination Commissioner has summarised the characteristics of the CDEP scheme its inception: the program was set up administratively with no legislative basis; the program was designed primarily to reduce the high level of Aboriginal unemployment; a secondary concern was the social effect on Indigenous communities of direct cash payments received as a result of unemployment benefits; the program was administered by the Department of Aboriginal Affairs; payments were notionally linked to unemployment benefits; and money was paid indirectly to CDEP participants through a community organisation. She observed that, to a large degree, the CDEP schemes in operation today continue to possess these characteristics.

Her reported concerns with the CDEP’s schemes structure were: the lack of access to the CDEP scheme by people with disabilities; the absence of a guaranteed minimum
income for CDEP participants; the lack of adequate review mechanisms; and the lack of consistency in the treatment of CDEP participants by the Commonwealth Government. She also found that a significant number of CDEP participants receive well below their social security entitlement and the APP rate. ‘The legislative bar means that this group cannot access ‘top-up’ unemployment benefits even if they are looking for full-time employment.’

Her findings about the efficacy of the program reflect conventional thinking about the prospects for including Aboriginal people in the mainstream economy:

In many Indigenous communities, the CDEP scheme is not a transitional program but represents the only real work available. Many individuals will only ever obtain permanent employment through a CDEP scheme. Further, in many remote and rural areas the local CDEP scheme provides ‘citizenship’ services to Indigenous people. That is, services and facilities generally delivered by governments and not charged for directly, such as road maintenance and access to clean water. Accordingly, there are compelling reasons to acknowledge that CDEP is ‘real work’.

She noted that

The current legislative arrangements appear to create a number of disincentives to participation in CDEP schemes. For example, the current arrangements for Parenting Allowance and CDEP may hinder Indigenous women’s involvement in their local CDEP scheme.

While recommending that the Commonwealth Government treat CDEP participants uniformly as ordinary wage earners and consideration the effect that section 614A of the Social Security Act has on CDEP participants, no suggestions were made as to how this might come about in financial terms.

The policy initiatives for transforming this hangover from the Aboriginal protection era were to come from elsewhere. There was simply no imagination to envision the Aboriginal population as participants in the real economy.

The impending social crisis

A range of social indicators and demographic data point to an impending social crisis within the next decade in the Aboriginal and Torres Strait Islander populations, if, as is likely, the predicted rapid population increase and the inadequate government responses to the present status of Indigenous people in relation to their health, housing, education and employment conditions occur. Despite the elaborate governmental arrangements purportedly designed to overcome these disadvantages, it is clear that fresh strategic policy thinking is required to identify and establish the arrangements that would enable effective dealings by all stakeholders to minimize the impact of the predicted crisis in Indigenous socio-economic conditions.

With the alarms ringing, it is time to reconsider how we deal with these matters of national importance.

Aboriginal men and women in key political and administrative positions are presently debating the idea of a new deal for Aboriginal people. The concept of a framework agreement and national partnership arrangement aimed at settling matters in contention between Indigenous and settler Australians is one of the key ideas under debate, catalysed by the worsening social and economic situation of many Aboriginal people.

A number of Aboriginal leaders, including myself, have proposed in the day-to-day political combat with politicians that policy and program development of the Community Development Employment Program be undertaken with the intention of identifying measures that would enable the transformation of CDEP from passive
welfare entrenchment to a means of directing Aboriginal labour into the productive economy through various appropriate labour market strategies and encouragement of enterprise development.

As I mentioned earlier, in the 1980s and 1990s, the number of Aboriginal communities participating in CDEP was capped. These supplementary funds were reduced in the mid 1990s as the Howard Government sought to cut the welfare budget.

In 2000, ATSIC lobbied the government for an increase in operational costs for CDEP as part of the Welfare Reform package (see table below). ATSIC had originally proposed an on-costs increase of $1002 per CDEP participant in 2000-01 Budget context. The increase requested by ATSIC would have cost $22.2 m over two years. In the 2001 Budget, the Government had failed to deliver any substantial increase in operating costs. The Federal government requested in March 2000 that DOFA conduct a review of CDEP on-costs for consideration in the 2001-02 Budget. As a result of the DOFA review, ATSIC conceded to a reduced increase of $300 per participant. Consequently, there is an expectation among CDEP organizations of an on-cost increase.

An across the board on-cost increase proposed in the measure would strengthen the capability of all CDEP projects to provide socially useful activities for people with limited capacity to participate in the labour market and enable CDEP projects to provide better supervision and training for participants.

In 2000, ATSIC estimated that 77,000 new jobs needed to be created to keep up with the impact of the overall indigenous population increase on Aboriginal participation rates in the labour market. This figure is conservatively estimated and represents the required increase in jobs only rather than overall increase required to move the long term Aboriginal unemployed population into the labour market.

The capacity of the CDEP to act as positive measure for increasing Aboriginal participation rates in the labour market has been degraded by the reduction in operational costs over the last six years. No policy or program development has occurred in that time to enable the capacity of the CDEP to be fulfilled in this regard. At the present time, the CDEP is operated through Aboriginal community councils in most remote areas and a three-day workweek is offered to CDEP participants. There are no incentives for Aboriginal Community Councils to extend the workweek from the present three days to five, nor to redirect CDEP participants into the productive economy. On the contrary, the CDEP income to Aboriginal Community Councils through the operating costs (as low as these are) acts as a disincentive to the Councils to redirect the unemployed into training, education and the labour market. Strategies need to be developed that would require CDEP organisations, such as the Aboriginal Community Councils, to reduce CDEP participation rates through increasing job opportunities for their participants. A combination of disincentives for sustaining CDEP projects as core funding for CDEP organisations, particularly Councils, and incentives for redirecting participants into the workforce are required to be developed.

I propose, that the CDEP scheme requires radical transformation into a genuine labour market strategy that brings Aboriginal people into the workforce in sufficient numbers to enable them to escape the poverty trap. As part of the new deal I propose, this would entail:

- The identification of effective incentives for redirecting participants in the CDEP to the labour market, such as pro-rata incentive payments for transfer of CDEP personnel to education and training programs to increase their ability to participate in the workforce and to the labour market;
q The identification of effective performance indicators which local CDEP programs could meet as benchmarks for calculating incentives;
q The identification of labour market entry points for CDEP personnel, such as local and regional large and small scale industries, including mining, tourism, local government services, infrastructure development and maintenance (construction, roadworks, etc);
q The identification of local enterprise initiatives in which CDEP participation could be calculated as an enterprise investment and which would provide long term labour market opportunities for CDEP personnel.
q Seeking union, private enterprise and government agreement on preferential recruitment of CDEP participants into new government and private enterprise contract work;
q The identification of measures for involving Aboriginal enterprises and organisation in the employment of CDEP participants by both offering substantive job opportunities and supplementing the present three-day CDEP work week by employing participants for an additional two days as part of a program to train CDEP participants in workplace skills to be work-ready for the labour market.
q Strategies need to be developed that would require CDEP organisations, such as the Aboriginal Community Councils, to reduce CDEP participation rates through increasing job opportunities for their participants.
q Identification of a combination of disincentives for sustaining CDEP projects as core funding for CDEP organisations, particularly Councils, and incentives for redirecting participants into the workforce are required to be developed.

This proposal further envisages that such measures be trialled in communities and the performance of the trials be evaluated against the performance of CDEP program performance in the region. The pilot program would enable further development of this proposal based on present capacities of participant communities.

The engagement of Federal and State governments and the partnership of private enterprise corporations are essential to further this proposal. Companies such as Rio Tinto and its subsidiaries, notably Comalco in Cape York, Hammersley in the Pilbara and the Argyle Diamond Mine in the east Kimberley have had unusual success in their Aboriginal employment initiatives. Others in the industry and union sectors, should properly understand the work of these companies, led by imaginative people in the Rio Tinto Community Relations section, who deserved the award made by The Hon Tony Abbott, Minister for Workplace Relations for their efforts in Indigenous employment in September this year.

These reforms would entail articulation with other policy and program initiatives if success is the goal.

Many Aboriginal leaders have taken the initiative in providing the structural changes that would enable Aboriginal workers to participate in the real economy: The First Nations Credit Cooperative initiated by Yorta Yorta people such as Paul Briggs is one successful scheme. The Arnhem Land Progress Association also established the Traditional Credit Cooperative, while the Yothu Yindi Foundation is likewise investigating a micro-credit scheme for Yolngu people in Arnhem Land. Noel Pearson, various Cape York Aboriginal organizations, and Cape York Partnerships have also established micro-credit schemes and the Family Income Management System.

The Hon Tony Abbott, Minister for Employment and Workplace Relations has finally joined us in applying creative thinking and enabling transformative initiatives to be undertaken. In a speech entitled, Grass Roots Capitalism, at the Corporate Leaders for
Indigenous Employment Conference, 25 September, 2002, he stated:
The 2001 ABS figures put Aboriginal unemployment, at 24 per cent, or nearly four
times the national average. This suggests significant improvement since 1994 (when measured indigenous unemployment was 28 per cent) but significant deterioration since 2000 (when measured indigenous unemployment was 18 per cent). These statistics need to be treated with caution: first, because of the comparatively small survey sample used; second, because of the problems associated with surveys based on self-identification: and third, because too much Aboriginal employment has an element of “make work”.

. . . Aboriginal unemployment is disastrously high even after three decades of well-funded, well-meaning attempts to give Aboriginal people more participation in a modern economy. More so than with general unemployment, bringing Aboriginal unemployment down involves new attitudes as well as new jobs. It’s too common to find very high unemployment in remote Aboriginal communities even when there’s a mine with high staff turn-over just down the road. Boosting Aboriginal employment means persuading employers to abandon old prejudices. It also means persuading Aboriginal people to leave what’s sometimes the comfort zone of working with indigenous organisations.

He also admits that in many remote areas, the challenge is to create an economy rather than place Aboriginal people into existing jobs. The Government’s Indigenous Employment Programme, Abbott tells us, ‘is designed for labour markets with a handful of employers where the Job Network can’t effectively operate on its own’ and ‘Other components of the programme are designed to help CDEP to become a transition to mainstream employment, provide expert professional and volunteer advice to Aboriginal business ventures, and develop Aboriginal managerial ability.’

Much of Abbott’s thinking and government policy responses are inspired by Noel Pearson’s critique of the deleterious impact of passive welfare in Aboriginal communities. In announcing major initiatives in Cape York, Abbott gave credit to Noel, stating,

The “whole of government” initiative to be announced today is an important change prompted by the Pearson critique. Rather than a range of government departments all hyper-actively pursuing their own portfolio initiatives, the Federal Government will give specific departments lead agency status for programmes in Aboriginal communities in designated parts of Australia.

Cape York is one of ten regions selected to pilot this initiative. On the Cape, the Department of Employment and Workplace Relations will be the lead agency with the Secretary of the Department responsible for ensuring that Federal programmes complement each other and the communities they are supposed to serve. As Aboriginal people know, . . .that the segmented service delivery unavoidable in a complex pluralist society can easily miss its target in small communities without much social capital. In Cape York, the Employment Secretary will have authority to co-ordinate federal resources and manpower according to local needs and to make operating guidelines suit communities rather than the other way round.

An important breakthrough has been the co-operation of State Governments. In Cape York, the Federal Employment Secretary’s State lead agency counterpart will be the head of the Queensland Department of Aboriginal and Torres Strait Islander Policy. He is also considering some form of tax bread for indigenous venture capital funds and a micro-credit system will soon commence for local business enterprises which are too small to qualify for ATSIC loans and whose principals would not attract commercial finance.
Despite the breakthrough he has achieved, Abbott insists on old Right dogma and targets Aboriginal demons much as he always has in public life, with statements such as ‘Aboriginal communities are still largely socialist enclaves in a free society’, and ‘many other Aboriginal leaders are now thinking beyond pieties and truisms’. The old hatreds die hard, and the scales fall from the eyes slowly. Far from being ‘socialist enclaves’, Aboriginal communities are postcolonial prisons where the incarcerated would surely enjoy a famous Kafka novel. Free the prisoners! Nevertheless, important changes are afoot.

We can be encouraged that the responsible Minister has responded well to Pearson’s vision and taken up the challenge rather than the cudgels, as politicians are want to do, even if, with a few Northern Territory and Western Australian exceptions, the cudgels are metaphoric.

However, the bright future imagined could run aground in the inexorable mire of underdevelopment. And thus I urge that comprehensive changes to the CDEP scheme, linked to large scale, long term capital injection to the Aboriginal sector, be considered so that there is an end in sight to the old Australian habit of indentured labour for blacks.

Rather than wheel out the Liberal party version of the Hawke government’s AEDP or Aboriginal Employment Development Program, committed capitalists like Tony Abbott ought to be thinking about injecting capital into the incipient entrepreneurship in the Aboriginal community. If the dries and the hard right, persist in their mantra that capital flows to the market and ought not to be channelled away from it into artificially sustained enterprise, then one of them should explain the extraordinary level of subsidy to Australian agriculture and the present influx of financial assistance to the ‘drought stricken bush’. If Abbott and his colleagues have tired of truisms and pieties, then perhaps it is because his traditional constituency in the bush is their most fertile ground. We’ll all be rooned, said Hanrahan. While the farmer’s plight and complaint is heard with sympathy and subsidies, the Aboriginal grievance and protest is held in contempt. This double standard is usually called racism.

A new deal

Is a new deal for indigenous people possible? It strikes me that if someone as hard right as Abbott can deliver better policy and strategically targeted finance to expand Aboriginal participation in the real economy, it might be possible to halt the racialist political football that has been Aboriginal affairs for three decades. It might be possible to have genuine bipartisan agreement that Aboriginal poverty is not the political property of any party but an historical legacy that brings no honour to those who suffer it nor to those who play politics with it.

Urgent efforts are required to prevent the impending social disaster that will result as the Aboriginal population increases markedly and the inadequate service provision to Aboriginal people continues at present rates. Economic reform is the key area of policy and program delivery that would avert the intensity of the social crisis that must result from what is essentially underdevelopment. A new deal, encompassing radical economic reform in the Aboriginal sector, would also revitalize the rural and remote areas where Aboriginal populations constitute significant majorities. That area is significant, and much of it is under various forms of title owned by Aboriginal trusts and corporations, as traditional land, various commercial leases, pastoral leases, national parks and freehold.

A generous investment in the Aboriginal sector, by which I mean at least several times the annual budget in Aboriginal affairs, targeted towards industry research and
development, genuine labour market strategies, employment, education and training initiatives, and infrastructure investment would substantially transform the poverty trap of Aboriginal dependence on government transfers, CDEP and social security. In conjunction with a fiscal investment strategy of this kind, if Aboriginal community leaders had access to genuine economic advice, rather than social engineering and policy tinkering, and genuine collaboration between the sectors, government, industry, union, and Aboriginal, some present Aboriginal assets could be converted to fungible and therefore commercial assets enabling Aboriginal people to participate in the marketplace and accumulate wealth. The propositions I have made about transforming the CDEP scheme would form part of this strategy, offering incentives for participation in the economy and disincentives for remaining in the welfare trap. Capital investment would create the labour market entry points for CDEP personnel in the industries, such as grazing, forestry and sylvaculture, aquaculture and fishing, mining and tourism, government services, such as the Defence Forces, and infrastructure development and maintenance. Capital investment would enable local enterprise initiatives and CDEP participation could be calculated as an enterprise investment and provide long-term labour market opportunities for CDEP personnel. This strategy would not mean that Aboriginal people should sacrifice their culture or their homelands. Rather, diversification of present assets would provide a future for the next generation and a future for Aboriginal culture. It would also mean that much that is important in Aboriginal culture would be more highly valued, precisely because commercialization of Aboriginal cultural assets would maintain them, just as the high regard for Aboriginal art in the global art market has enabled its cultural foundations to flourish. This will be increasingly the case in a number of industries and government services, such as land-based industries, where the permanent Aboriginal presence brings experience and expertise to the labour market that enriches the workplace. The permanence of the local Aboriginal population in the sparsely populated areas of Australia is also an economic benefit to industries in rural and remote Australia with the potential to overcome costly labour recruitment from the urban areas.

Economic justice is the new frontier in Aboriginal and settler relations. It is more than what the present government means by ‘practical reconciliation’. It involves imagining Aboriginal people participating in Australian economic life and, for their efforts, living as well as other Australians do for the same effort. That would involve real wages not the CDEP scheme, commercially viable ventures not welfare projects, and an educated and trained workforce contracted by industries and government for the sound economic reasons.

Dr Perkins was a driving force for several decades in the development of policies and institutions aimed at bringing Aboriginal people out of the poverty that colonialism and the so-called policies of protection and assimilation constructed. His legacy falls to a new generation of Aboriginal people, many with the education that so many in his generation were denied, to realize. The new deal under discussion now in Aboriginal policy circles builds on the gains won by Dr Perkins and his generation, and by the proponents of reconciliation between indigenous and settler Australians. Economic justice should be at the heart of the new deal and sufficiently brave in its vision to fundamentally alter the destructive and so often fatal circumstances of Aboriginal life.

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