

# **Aboriginal Peak Organisations Northern Territory**

**An alliance of the CLC, NLC, CAALAS, NAAJA and AMSANT**

**DEVELOPING STRONG AND RESILIENT REMOTE  
COMMUNITIES:**

**PROPOSAL FOR ESTABLISHMENT OF A REMOTE  
DEVELOPMENT AND EMPLOYMENT SCHEME**

May 2017

Prepared by the Aboriginal Peak Organisations NT\*

# PROPOSED REMOTE DEVELOPMENT AND EMPLOYMENT SCHEME

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### **\* Acknowledgement**

**This proposal has been developed and drafted with the expert assistance of Lisa Fowkes, and has also been informed by consultations and input from many Aboriginal organisations, national peak bodies and current CDP providers.**

## EXECUTIVE SUMMARY

### Background

Remote Indigenous communities are at a crossroad.

In recent months, both the Prime Minister and the Minister for Indigenous Affairs have acknowledged the need for Indigenous-led development of remote communities. The Government has recognised that, to succeed, initiatives must be developed and implemented with Indigenous people, not imposed upon them. However, the changes in government policies and programs necessary to enable and support this shift in approach have lagged.

At the same time, remote communities are carrying the burden of the impacts of successive Government policies that have been top-down, increasingly punitive and have largely failed to improve health and social conditions. This has resulted, amongst other things, in an expanding young population that has had limited opportunity to engage in productive activities and employment and to meaningfully contribute to their communities.

Their futures are emblematic of the broader challenges remote communities face. These challenges include expanding local economies and economic enterprise, improving services, housing and infrastructure and responding to the high and still increasing rates of chronic disease, disability and poor mental health. In addition, mainstream employment approaches in remote areas have historically failed to provide remote unemployed with meaningful activities and pathways to work, and failed to stimulate local economies and create jobs. The assumptions upon which they are built are not relevant to much of remote Australia, nor do they give weight to the cultural and social priorities and aspirations of Indigenous Australians, including the right to stay on country.

Achieving sustainable change in remote communities requires the adoption of a community development approach to ensure Indigenous people are able to determine their own priorities, and have more meaningful control over their own lives and cultural well-being. Such an approach is set out in the APO NT's Guiding Principles for our Research, Advocacy and Policy Work (2012)<sup>1</sup> and in the Central Land Council's Community Development Framework (revised 2016).<sup>2</sup>

Our work is underpinned by a commitment to the principles of Aboriginal community control and self-determination, codified within the United Nations Declaration on the Rights of Indigenous Peoples. Our work is also informed by our extensive on-ground experience operating in the remote Aboriginal context. The right conditions need to be in place to achieve strong and resilient remote communities. APO NT asserts that this requires:

*...empowering and giving responsibility to govern our communities and control our organisations in determining our futures—to control and manage the delivery of services, to build and maintain community infrastructure and to develop sustainable enterprises and livelihoods on our traditional lands, as well as on those lands that have been alienated from us.*

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<sup>1</sup> Aboriginal Peak Organisations NT, Guiding Principles for our Research, Advocacy and Policy Work, 2012

<sup>2</sup> Central Land Council, Community Development Framework 2016-2020

*It requires empowering individuals through developing self-esteem and strong cultural identity that can underpin educational achievement, enhanced capacity to obtain and remain in employment, and to avoid destructive behaviours such as interpersonal violence that all too often lead to contact with the criminal justice system.*

There is an urgent need to expand community control and engagement in remote employment programs that is aligned and encourages synergies with, the development of local Indigenous enterprises and broader community development aspirations.

This challenge is addressed in this proposal by APO NT, which seeks a new approach to remote employment and development and a realignment of government investment to maximise outcomes for remote communities.

### **This proposal**

APO NT proposes that the Australian Government's Community Development Program (CDP) be replaced by a scheme that is place based, community driven, and establishes a framework for long term collaborative effort across governments, employers and Indigenous organisations to increase economic opportunities in remote communities.

Importantly, the proposed new Remote Development and Employment Scheme seeks to increase the number of jobs in communities, drive community participation and development, and reduce the role that the welfare system plays in people's lives. In this scheme, people on income support who have the capacity to work will have obligations – but these will be in proportion to the obligations of other Australians and will be more closely aligned with their needs and those of their families and communities. Control over what people must do will rest at the community level, not remotely in Canberra.

The APONT proposal for the new scheme has two elements:

1. **Program Design:** A proposal for program design, including the range of opportunities and services that would be available to improve employment, participation and development in remote communities (Part B in this document); and
2. **Institutional Arrangements:** A proposal for the ongoing implementation, governance and management of the scheme that would support partnerships between local communities and government, long term impact, ongoing learning, and Indigenous inclusion in program, design, implementation and evaluation. (Part C in this document).

In our view, no changes to program design will make a difference if the process for making ongoing decisions about the policy and its implementation are not addressed.

### **The limitations of opportunities and services under CDP**

Currently the CDP includes two core services: Work for the Dole, and 'Basic Services' - which includes assistance to look for and prepare for work, assistance with driver's licenses and other entry level requirements. Three quarters of the approximately \$268.5million invested annually into CDP goes into payments to providers to deliver Work for the Dole.

While Work for the Dole is intended to be 'work like', it is clearly not work. Most obviously, participants are paid at a rate far less than the minimum award wage and have none of the rights of workers. The more closely Work for the Dole activities resemble work, the more likely it is that paid jobs are being replaced, and the more obvious the injustice of the obligation imposed on people to work for \$11 per hour or less.

Employment assistance provided under CDP is based on a mainstream 'activation' model. The program is designed to maintain pressure on people to 'do things' - like go to appointments – even when these activities are unlikely to lead to employment. The threat of income support penalties is the main tool to keep people active, which means that the program is highly rules based and dominated by administration. Frontline workers are tied to their computers conducting interviews, and are consumed by administrative processes rather than personalised advice or assistance.

The lifting of Remote Area Exemptions (2005 – 2009) and tightened rules for accessing the Disability Support Pension have brought many people into the CDP program who have significant physical, intellectual and/or psychological disabilities, and others who have substantial personal and family challenges. These obstacles to participation may not have been recognised and, even when they are, support may not be available. Similarly, many people have chronic health conditions that make it hard to participate. Some may be able to work with the right help, but many are not suited to a program that requires constant 'activity' and imposes harsh penalties for failure to comply. We believe that many people are being penalised because of poor assessment processes and obligations that are beyond their capacity, exacerbating hardship and distress.

Many job outcomes have been claimed under the CDP program, but it is hard to tell what the overall impact of the program is on employment rates. Many outcomes are for jobs that the person would have won anyway. The program places no greater value on a job that is higher skilled, or provides stable employment, than a job that is low skilled and only short-term. We can't tell if the program is helping reduce reliance on labour from outside the community, or if any new jobs are being created. Under the program no value is attached to efforts to pursue these goals. Support for people to stay in employment is limited to 26 weeks and is poorly resourced.

Perhaps the most substantial gap in the program is its lack of attention to youth. Heavy-handed compliance appears to be discouraging youth participation. There are no incentives for young people to engage. There is no Commonwealth remote equivalent to the Transition to Work program or the PaTH program in non-remote areas. There has been little flexibility to develop specific programs and initiatives to attract young people to the program, although we welcome the \$11m that was allocated in the 2017 Budget to support these initiatives. But even here, engagement will be made more difficult because of the inability of providers to adjust obligations and compliance measures under the CDP program itself so that young people are encouraged (rather than coerced) to engage. We note, too, that this latest initiative does not add to the job opportunities available for youth in communities. With the ending of CDEP wages in 2009, there are many young people in remote communities – seven years of school leavers – who have had very limited opportunities to earn a wage.

While many providers are doing good work and delivering positive projects, their potential is limited by the structure of the program. Community support for their efforts is undermined by the effect of

penalties, discriminatory obligations, and the failure to develop new opportunities for people to get off income support and into work.

### **Services and opportunities under the APO NT model**

APO NT's proposal would shift resources away from administration of income support obligations and into improved employment rates, participation and community development in remote communities.

APONT proposes that CDP providers be replaced by Remote Job Centres, working on a long-term basis with stakeholders in each region to try to increase the proportion of local people who have employment and/or earned income. Long-term impact on employment rates will be a key measure of success, but accountability will be shared, recognising the critical role of Government and other stakeholders in ensuring their policies and actions contribute to this goal. Other measures of success will include wellbeing measures set by the community, reflecting the critical importance of community leadership and decision making to the scheme.

Critically, we propose that a new Remote Jobs Investment Fund be established that will provide paid, part time work for around 30% of the current CDP caseload who have the capacity to work but cannot find paid employment. These new jobs would attract full entitlements and be attached to services and projects with clear value to communities— for example building/maintaining local infrastructure, provision of health and community services, work on country, cultural preservation and practice. Jobs would generally be created either by the new 'Remote Job Centres' or by other local Indigenous community organisations. Like any job, they will be able to be won or lost, and failure to attend may mean loss of pay. The number of jobs available through the fund would be adjusted with labour market conditions, and there would be continuing efforts, support and obligations for individuals to take up other suitable employment if it arises. Capacity building and appropriate training is central to this new scheme, and a training account would be attached to these jobs, encouraging provision of work based training. Importantly, the training account would allow for the provision of foundation skills, including literacy and numeracy support, and vocational training. Remote Job Centres will coordinate and support the establishment of the new waged jobs, and will provide ongoing case management to people in these jobs to build skills and move to new opportunities where they arise.

Remote Job Centres will provide individual and family based case management to people who are not in work to help them increase their capacity to work, to earn income and to lead 'the life they have reason to value'. The emphasis will be on working on strengths and opportunity, rather than applying penalties. Those who have capacity to work would have 'activity' obligations that are no more onerous to those in non-remote areas, and these would be reflected in Job Plans. Within these parameters, and within the broader framework of the national social security system, it would be for local communities to determine the way in which obligations should be determined and enforced. While the principle of 'mutual obligation' will be retained for those on income support, the formal processes – like Job Plans, the online diary, attendance reports – would be kept to a minimum. Remote Job Centres would match the formality of Job Plans and the strictness of reporting to the individual situation – so that it is only where penalties are considered likely to be appropriate that formal documentation becomes critical. Reduced emphasis on compliance and

breaching will mean frontline workers can be less desk bound. They will be flexible enough to go out and engage with individuals, families and with employers, building relationships rather than being caught up in administration and compliance.

Remote Job Centres will also work with people once they have moved into non-subsidised employment. Many jobs in remote communities are not currently filled by locals. Not enough attention is being paid to helping people progress into these jobs, or to consider opportunities to get work experience or training outside the community. Remote Job Centres will be able to provide ongoing support to stay in work and advance. Wage subsidies will continue to be available to employers who employ local unemployed people, just as they are in other parts of the country.

Remote Job Centres will have a role in identifying people who have immediate personal obstacles to participation (eg health, psychiatric, crisis), helping them to get the right sort of assistance and to stabilise their income. For example, where a person is struggling with daily activities, they might encourage them to get a health or other assessment and assist them with an application for DSP. Where an individual has a disability but is able to work, the Remote Job Centres would work with them to achieve this. Where people do not have capacity to work – even with support – Remote Job Centres would have discretion to place people in a ‘personal support’ stream without work-related obligations for up to 12 months at a time. In some cases – for example where people have ongoing chronic health problems – they may recommend to DHS that a person be allowed to exit the program altogether.

### **Social enterprise**

The new scheme emphasises supporting placed-based social enterprise organisations as the main drivers of the development of community economies. In order to achieve sustainability, jobs must be permanently incorporated into the economic fabric of communities. The establishment of viable local enterprises of various sizes will stimulate labour demand.

APO NT recognises the Government’s efforts to support enterprise development through its \$25m Indigenous Enterprise Fund. However, we believe that the fund’s impact could be improved through widening the range of projects it assists, and including investment in business support. APO NT proposes that this fund be redesigned to support social enterprise development – anything from micro-enterprises that might employ an individual or a small family, through to large enterprises that employ a large number of people – as well as sector capacity building initiatives.

In addition, any rules that might inhibit Remote Job Centres or others within the scheme from developing social enterprises – for example ‘related entity’ rules and restrictions on ‘activity generated income’ should be reviewed to maximise local income generation.

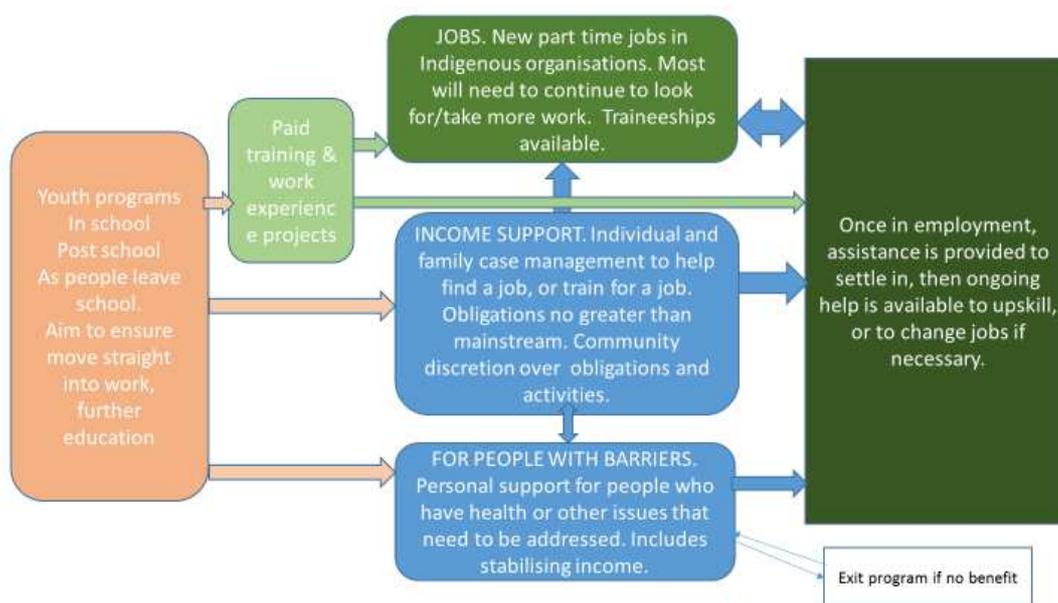
### **Youth**

Engagement of young people will be a critical priority for the proposed Remote Development and Employment Scheme and an area that should be identified locally and monitored as part of the overall framework for managing impact. CDP’s highly transactional and compliance based approach does not meet the needs of young people and there is concern that they are disengaging.

There is no ‘one model’ to work effectively with young people, but resourcing needs to be adequate to enable local organisations to implement strategies that have been found to be effective. The APO NT scheme proposes that:

- That specific funds be available on an ongoing basis for Remote Job Centres to develop – either themselves or in partnership – a range of strategies to engage with young people to support their engagement in education, training, community and work; and
- A pool of funds should be available to establish Remote Youth Projects, providing young people with 6-9 months of training and work experience on community projects.

**Figure 1 – Proposed services and opportunities**



**Institutional arrangements: governance, learning and performance management**

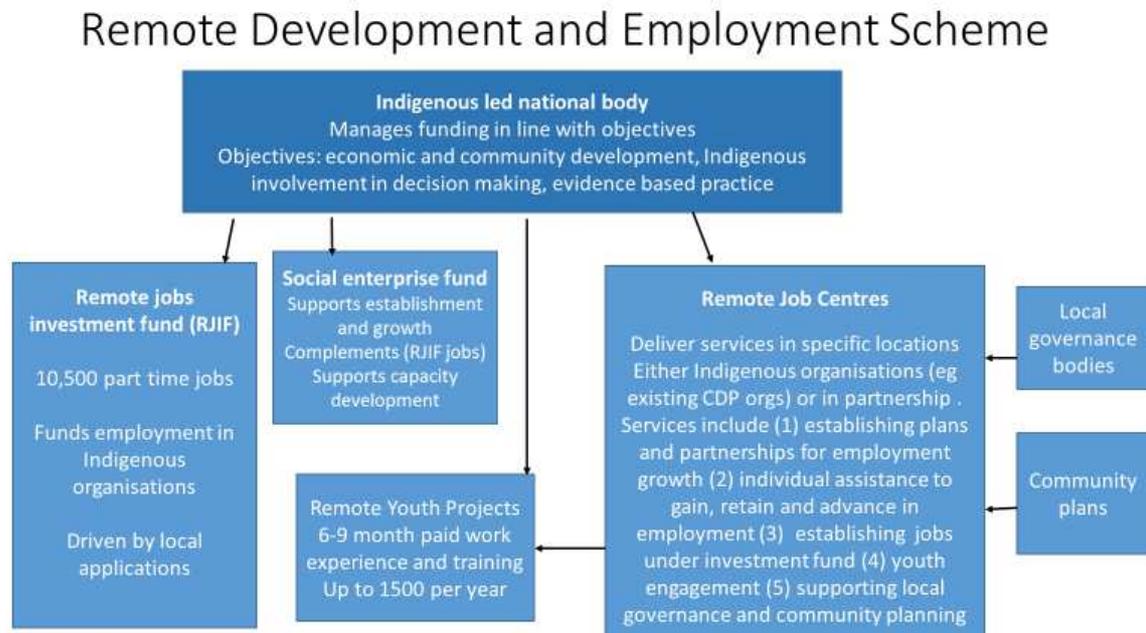
The problems with CDP arise, not just from the program design, but the way in which the program has been managed and implemented. There has been little or no opportunity for Indigenous stakeholders to be involved in the process of developing and implementing the program. Under CDP, decision-making is highly centralised in Canberra. Despite considerable involvement of Indigenous providers in delivery, they are treated as arms of government, rather than partners. Nor has authority been devolved within PM&C as was initially anticipated. While policy change has been constant, the changes do not seem to have been based on learning or evidence – at least none that has been negotiated with stakeholders. The program’s funding model and approach to performance promote short-term, transactional thinking, rather than development of long-term community strategies. They are ‘one size fits all’ in the context of very diverse regions with varying obstacles and opportunities.

A new program design will not be enough to address these issues. A wider cultural change needs to occur: from top-down to devolved decision-making; from short-term to long-term thinking; from coercive to strengths-based; from Canberra controlled to Indigenous led.

APONT believes that this cultural shift cannot occur unless new institutional arrangements are established to develop and manage the program. These proposed arrangements include:

- An independent national organisation, with majority Indigenous leadership to oversee implementation, performance and ongoing improvements in the scheme, and to support capacity development across organisations involved in delivery;
- Shared accountability between Government and organisations, with an impact management framework that is focussed on long-term improvements in employment and incomes, on achievement of community identified development objectives, and on facilitating local involvement in decision-making;
- strong local and regional governance arrangements that provide participant and community input into priorities, strategies and performance of the scheme, and provide advice to the new national oversight body;
- a funding model that provides stability and supports long-term investments, and that can evolve as the program matures.

**Figure 2 – Proposed Institutional arrangements**



### Implementation

Constant program change has placed a heavy burden on CDP providers and on the people who must participate in the program. While it is widely recognised that substantial changes to the program are needed, providers are understandably concerned about the impact of yet more upheaval on their

organisations and their frontline workers. An implementation process needs to be developed that balances the need to establish a better program with the need to sustain and strengthen local Indigenous organisations involved in delivery.

In the short-term, immediate program changes should be made to reduce the level of harm being done by discriminatory Work for the Dole requirements and penalties. These changes should include:

- Reducing the annual Work for the Dole hourly requirement in line with the annual activity requirement of participants in other programs;
- Allowing providers to arrange the hours of participation in a way that suits local conditions and participants;
- Removing the financial disincentive for providers to use their discretion (DNAD) in cases of non-compliance.

APO NT proposes a gradual roll out of the new arrangements, with implementation arrangements subject to negotiation and ongoing consultation with organisations involved in delivery and their peak bodies. These arrangements may include different timetables in different locations, giving local providers the opportunity to put forward implementation timelines that they know they can deliver.

APO NT recommends

- The implementation process must be cautious and well-managed to avoid negative consequences from rushed delivery;
- Immediate steps must be taken to address damaging aspects of the current program while the implementation process is worked through;
- Job creation measures should be piloted early to signal a change in approach and to iron out difficulties; and,
- A new agency should be established to finalise program design and to manage implementation in line with the principles of Indigenous engagement and partnership with organisations involved in delivery.

**A table comparing the current CDP to the alternative model proposed here is provided at Appendix A.**

## A - BACKGROUND TO THIS PROPOSAL

The Community Development Programme (CDP) began on 1 July 2015 after two years of Labor's Remote Jobs and Communities Program (RJCP). Before that, the former CDEP scheme operated alongside 'mainstream' employment programs like Job Services Australia.

The Aboriginal Peak Organisations NT (APO NT) provided a comprehensive submission to the 2011 RJCP consultation process and, at that time, proposed a new model for remote employment services drawing on the expertise of Indigenous organisations working in the area. While some elements of the APO NT model, such as five-year contracts and community planning, were picked up, this work was largely ignored.<sup>3</sup> In particular, the Government rejected APO NT's proposal that any system must include creation of opportunities for people to work and to earn a wage.

Still, the RJCP ushered in some changes that were welcomed and that were continued into CDP. It was acknowledged that the type of labour market program that operates in urban areas cannot succeed in the limited labour markets and vast distances of remote Australia. Rather than having many organisations competing with each other, a single provider was contracted in each region. In recognition of the fact that most program participants in most areas are Indigenous, most organisations contracted to deliver the program have been Indigenous organisations. All are required to maintain a full-time presence in each region they service.

While these aspects of the approach were (and are) positive, there were some early problems with the program. It became clear that, while there were differences between RJCP and the mainstream labour market programs, all of the complex administrative, IT and funding systems remained. Staff in the new program were desk bound. Focus on community and economic development took second place to administering the contract. The Community Development Fund, which had been presented by Government officials in community consultations as the key to new jobs growth, was closed down after the first round of applications. The program was designed around conditional welfare, not creating opportunities to work.

Then, only 2 years into the five year RJCP contract, the Government amended the contract to establish the CDP.

The centrepiece of CDP is 5 days per week Work for the Dole for most participants. Rather than reducing administration, the new scheme has increased it by linking provider payments to reported attendance. The program has also driven increased application of penalties. In the first year of the CDP scheme more than four times as many penalties were applied to participants as in the previous year, under RJCP. Over 20,000 individuals were penalised in that first year— most more than once.

APO NT convened a Forum in Darwin on 12-13 December 2016 to discuss deep concerns with the effect that the CDP is having on its participants, their families and communities.

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<sup>3</sup> Aboriginal Peak Organisations NT, *Creating and Supporting Sustainable Livelihoods: A Proposal for a New Remote Participation, Employment & Enterprise Development Scheme*, 2011

Attended by more than 20 organisations, predominantly Aboriginal organisations and CDP providers, the Forum explored the depth of the problems with the current program, concluding that the CDP is doing substantial harm to individuals and communities without generating sufficient opportunity.

The Forum identified the following fundamental flaws in the program:

- The lack of Aboriginal community control or input into the program design, or delivery;
- The lack of emphasis on sustainable gains in employment, and inability to provide career pathways and long-term 'on the job' support;
- The program does not do enough to encourage enterprise development or stimulate job creation;
- The lack of flexibility in CDP implementation resulting in a complete inability to tailor arrangements to maximise positive outcomes in different regions and communities;
- The program is punitive and fundamentally fails to understand what drives change in remote Aboriginal communities;
- The program is focused on individuals at the expense of community development and engagement;
- There is a focus on short-term outcomes with no measurement of net gain to communities;
- Under CDP, most participants are required to do many more Work for the Dole hours than others in order to receive income support – meaning that participants are being set up to fail;
- The penalty regime is disproportionately impacting on remote Aboriginal people leading to food insecurity, greater poverty, and increased disengagement from the system entirely; and,
- Thousands of CDP participants are locked into work at a rate well below award rates, with no work entitlements or protections and with little or no prospect of earning additional income or leaving income support.

Some critical program delivery and implementations challenges were identified including:

- Expensive and complex administrative and IT systems resulting in more time spent on compliance and reporting than on delivering outcomes, and preventing the employment of local people;
- Appropriate assessment processes are simply not available in remote locations; and,
- Department of Human Services systems, particularly participant access to Centrelink, are inadequate;

Based on the substantial evidence that CDP is failing, and drawing on extensive experience delivering successful programs in remote Aboriginal communities, Forum participants agreed to work together to develop an alternative model that could form the basis of negotiations with the Australian Government.

Forum participants developed the following principles to underpin any new model:

- the program must be driven by community level decision-making, not centrally imposed rules;
- it should include greater access to waged employment and emphasise incentives over punishment;

- it should foster long-term economic, social and cultural development and be measured on its success in supporting these over an extended period;
- it should include a much greater emphasis on job creation;
- it must include much greater support for job retention and career advancement; and,
- it should be much less bureaucratic, so that program resources go into individual and community impact, not into red tape.

This paper sets out the elements of this alternative model. It proposed fundamental reform to create a new remote employment and community development scheme and new governance arrangements to ensure that it works for its participants and their communities.

## B - PROGRAM DESIGN: SERVICES AND OPPORTUNITIES

In the past, many people in remote areas who were willing and able to work found work in the CDEP program. CDEP workers were paid award wages for part-time work, with the ability to earn more for extra hours. CDEP was managed by local organisations, often community councils, who had long term grant funding, and were able to build up community assets over time. CDEP was used as a vehicle to create innovative projects that addressed community priorities – programs like Indigenous Rangers and Night Patrols which started as local initiatives and grew to become national programs employing hundreds of people. New businesses were formed and some people used CDEP as means to progress into higher-skilled and better-paid work. However, many thought it could do better. From 2005 CDEP services were opened up for tender and the level of local control over the program decreased.

Mainstream employment programs, like Job Network and Job Services Australia, ran alongside CDEP aiming to help both non-CDEP and CDEP participants to find jobs. After Remote Area Exemptions were lifted (2005-9), and Job Services Australia introduced (2009), many people who had significant short and long-term barriers to employment (like mental illness) were required to participate in mainstream programs. Disability Employment Services also operated in remote communities, but, despite the high rates of disability within remote Indigenous communities, the reach of these services was limited. These mainstream services were often delivered by non-Indigenous providers based outside the service region.

Mainstream employment programs did nothing to address the lack of job opportunities in many remote areas, nor were they effective in helping local people access the more highly skilled jobs in their communities. Their focus was on 'light touch', short-term assistance, sometimes described as 'hassle and help'.

APO NT's proposal for a reformed remote development and employment program responds to the following critical needs:

- The need to empower local people to determine their own priorities and drive the development of their own communities;
- The need to create more opportunities for people to work in paid, purposeful, employment in their home communities;
- The need for high-quality case management support for individuals and their families receiving income support to identify potential jobs, training and income generating activities, including assistance for people to take up opportunities outside the community;
- The need for long-term support for individuals and their families to support job retention and advancement;
- The need for personal support and assistance for those with health or other barriers to employment;
- The need to focus attention and resources on young people to maximise their engagement in learning, work and community life, and to provide an experience of work immediately or soon after leaving education.

## B1 - PROVIDING AN OPPORTUNITY TO WORK

### B1.A NEW REMOTE JOBS INVESTMENT FUND

In many of the areas that CDP operates, even if every job in the community was held by a local person, there would not be enough jobs for everyone<sup>4</sup>. Some people may be willing and able to move to other locations to take up jobs (although these opportunities are limited) but most choose to stay on or near their traditional country, with the opportunity to maintain connections to land, family and to practice culture. Unless the lack of access to employment in remote areas is addressed, many Indigenous people living in remote communities will end up unemployed for years, with only occasional opportunities to earn. Entrenched long-term unemployment leads to impoverishment<sup>5</sup>. It contributes to social exclusion, diminishing the capacity of affected people to participate in broader Australian social, political and economic life. Unemployment and associated poverty is recognised as a major contributor to poor mental and physical health<sup>6</sup>. For young people, the lack of opportunity to work after leaving school leaves them vulnerable to long-term unemployment and associated problems of poverty and poor health<sup>7</sup>. Lack of employment opportunity in remote communities is one of the biggest issues that needs to be addressed in remote communities and, unless it is addressed, progress against other Closing the Gap targets will be limited.

#### Lessons from CDEP

CDEP was designed to address the problem of there being insufficient work in remote communities for those who needed it. The scheme was a job creation scheme, funded primarily by replacing unemployment benefits with part-time jobs. But it was also a means by which community organisations could identify and pursue local objectives. The scheme had many successes – including contributing to better incomes, health outcomes, enabling local enterprise development, supporting effective local Aboriginal organisations and local control over community activities<sup>8</sup>. CDEP work enabled many people to enjoy the sense of inclusion and pride that is associated with other forms of employment. Local control meant that it could provide a vehicle for activities that were meaningful and relevant to local people, not centrally determined. CDEP provided employment, on award wages, on projects determined locally. However, the scheme also had limitations:

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<sup>4</sup> PM&C Submission to the Senate Finance and Public Administration Committee Inquiry into the *Social Security Legislation Amendment (Community Development Program) Bill 2015* p3

<sup>5</sup> ACOSS & SPRC, *Poverty in Australia 2016*

<sup>6</sup> Eg National Aboriginal and Torres Strait Islander Health Plan 2013-23

<http://www.health.gov.au/internet/main/publishing.nsf/Content/natsih-plan>, Olesen, et al (2013) 'Mental health affects future employment as job loss affects mental health: findings from a longitudinal population study', *BMC Psychiatry* 2013 13:144, <https://bmcp psychiatry.biomedcentral.com/articles/10.1186/1471-244X-13-144>

<sup>7</sup> For example Wilkins (2015) *The Household Income and Labour Dynamics in Australia Survey: Selected Findings Waves 1-12*, Melbourne Institute of Applied Social and Economic Research, p36,

<sup>8</sup> Jordan (ed) (2016), *Better than Welfare? Work and livelihoods for Indigenous Australians after CDEP*, CAEPR Research Monograph 36 of 2016, ANU e-press. <http://caepr.anu.edu.au/Publications/mono/2016RM36.php>

- Some governments used the scheme to shift the cost of running important services (eg childcare, garbage collection, teachers' aides) to the Commonwealth Indigenous Affairs budget;
- CDEP workers missed out on some of the benefits enjoyed by other workers, including superannuation, access to in-house training, career paths;
- Access to CDEP jobs may have reduced efforts by individuals to access employment opportunities outside the scheme (including better quality jobs) and reduced effectiveness of Government programs to support this movement; and
- In some cases, CDEP was poorly administered resulting in inconsistent application of 'no show no pay' rules.

Many of these criticisms of CDEP – cost shifting, establishment of a second-class labour force, and that CDEP had become 'a destination' – may also be levelled at CDP. For example, there is evidence that 'Work for the Dole' can have a 'lock in' effect, decreasing efforts to search for work elsewhere<sup>9</sup>. The fact that CDP is arranged over 5 days and 25 hours means that even less time is available for active job search and work preparation than in Work for the Dole programs elsewhere in Australia.

By the time CDEP was ended in 2013, the scheme had been dramatically altered. Following contracting 'reforms' after the abolition of ATSIC, it had become increasingly centrally controlled by the public service. The abolition of CDEP wages for new participants turned what had been an opportunity to work for award wages into a government requirement to 'work for the dole'.

APO NT is not seeking to return to the past. However, the lessons from CDEP – both positive and negative – must inform the development of a new approach to remote employment.

### **Proposed establishment of a Remote Jobs Investment Fund within the new Scheme.**

There are clearly many worthwhile, meaningful jobs that need to be done across remote communities. Many of these are jobs that address gaps in local infrastructure and services available to Indigenous communities – a legacy of historical underinvestment. They are not 'make work' or 'add on' jobs, but address genuine needs of communities. Many are in the health, community services and education sectors – sectors in which employment growth is strong, and expected to continue<sup>10</sup>. Others are in areas like construction, housing and municipal services. There is also important work to be done in preserving and strengthening Indigenous culture and lands – work which requires specific skills and knowledge. This work, and these jobs, are an important part of maintaining and strengthening cultural identity – critical to 'Closing the Gap'<sup>11</sup>. These are 'real jobs'. They cannot and should not be done under 'Work for the Dole' schemes for \$11 per hour.

We propose that a Remote Jobs Investment Fund be established to enable local Indigenous organisations to employ local people part-time to work on projects and services that strengthen the

<sup>9</sup> Borland and Tseng (2011) 'Does Work for the Dole Work?', *Applied Economics*, 43:28, pp4353-4368

<sup>10</sup> See, for example, <https://australianjobs.employment.gov.au/jobs-future/industry-outlook> which identifies health care and social assistance as both the largest current employment sector, and the sector projected to add the most jobs over the next 5 years. Education is the third largest growth sector.

<sup>11</sup> For example Dockery, A.M. 2012. Do Traditional Culture and Identity Promote the Wellbeing of Indigenous Australians? Evidence from the 2008 NATSISS, in Hunter, B. & Biddle, N. (ed), *Proceedings of the Social Science Perspectives on the 2008 National and Aboriginal Torres Strait Islander Social Survey conference*, Apr 11-12 2011, pp. 281-305. Canberra, Australia: The Australian National University (ANU).

economic, social and cultural life of communities. The costs of this fund would be substantially offset by the reduced rate of income support that could be claimed by participants. Funding to organisations would include provision for superannuation and overheads, as well as access to a training account.

The number of jobs made available through the fund should be driven by the strength of the local labour market. That is, where there are good opportunities for local people to get alternative employment, the number of funded positions should be lower. In regions with very few jobs that are accessible to local people, more places would be available. At a national-level, we propose that the overall number of jobs available under the new fund be formula driven and adjusted to levels of need. The number of jobs established should be enough to substantially increase the employment rate across included communities. As a starting point, we are proposing the establishment of 10,500 jobs – about 30% of the current CDP caseload – enough to substantially increase the prospects of individuals in these communities of getting work, but not enough to absorb all available labour<sup>12</sup>.

In order to access the funds to create these new jobs, prospective employers would need to identify services, tasks and/or projects that would be performed. Funds would be committed to specific services and/or projects for period of 1 to 5 years, allowing for continuity in core services, and flexibility in shorter-term tasks. Funded employment must be connected with and contribute to delivery of social, economic, cultural or environmental outcomes identified at community level. We propose a staggered roll out of jobs, minimising the risk that people will be under-employed and their skills are under-used. There would be an opportunity for co-investment by other bodies – for example the NDIA may want to support the development of a disability services workforce, Infrastructure Australia might co-invest in remote community infrastructure projects. The Remote Jobs Investment Fund could also be used to develop transitional jobs into known opportunities (eg in disability services, education) on a co-investment basis – with the RJIF investment being able to be used to fund a part-time job ‘in training’ while the employer ‘tops up’ the wage and eventually takes over the full payment.

Jobs created under the Remote Jobs Investment Fund would be open to any unemployed person within the relevant service region. It is not expected that every unemployed person in a region would be employed under the scheme at any point in time. These new jobs may be won or lost. Decisions about who to employ would be made by the local employing organisation, however there would be scope for decisions to be made through local governance bodies to earmark some jobs for young people, or other specific cohorts.

It is expected that most jobs under the scheme will be established in local Indigenous community organisations. These could include health providers, housing organisations, childcare centres, cultural centres and youth services. Jobs could also be established in local government. It is expected that organisations delivering wider employment assistance (the Remote Job Centre) would employ a significant number of people under the fund, as well as supporting identification of opportunities in other organisations. This approach to distributing the fund to local, predominantly

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<sup>12</sup> The 10,500 figure is considered achievable as it is around the number of CDEP jobs that existed in CDP regions prior to RJCP starting. And while we are not suggesting that places should be reserved for those who have been very long term unemployed, it should be noted that, at October 2015 there were 10,366 people in CDP regions that had been on income support for 5 years or more – which provides some confidence that this number of jobs will make a substantial impact on entrenched long term unemployment.

Indigenous organisations will limit the potential ‘leakage’ of funds from the community, reduce cost shifting, increase local economic activity and enhance local involvement in decision-making. However, it is recognised that local capacity to develop and manage effective services varies across communities. Where local Indigenous organisations are unable or unwilling to deliver identified priorities, other delivery mechanisms may be used, provided that local governance arrangements are in place.

Remote Job Centres could assign their own Remote Jobs investment Fund funded employees to other employers on a ‘labour hire’ basis. They will be responsible for maximising opportunities for people to move through funded positions into higher skilled positions in the community – for example by assigning funded workers to ‘shadow’ key positions in local government, or local management roles, and by ensuring that there are opportunities to learn on the job. Remote Job Centres’ objectives will be to increase the proportion of people earning over time, so that they will be responsible for ensuring that – to the extent possible – these funded roles are a stepping stone into other opportunities where they arise.

### **Skills and training**

Capacity building and appropriate training is central to this new scheme. Casual and intermittent work is a major barrier to completion of apprenticeships and traineeships in remote communities. APO NT proposes that a proportion of jobs be earmarked for apprenticeships or traineeships with a view to moving into existing or emerging jobs. The Remote Job Centre could partner with, or itself operate as, a group training company, or as a host organisation for trainees, providing continuity of employment for people completing apprenticeships. Normal apprenticeship arrangements, including employer incentives, would apply.

In addition, a training account would be established to encourage and support delivery of training in the course of employment. Importantly, the training account would allow for the provision of foundation skills, including literacy and numeracy support, and vocational training, and would not be limited to certified training.

### **Working arrangements in jobs established under the Remote Jobs Investment Fund**

It is proposed that jobs under the scheme have a standard 20-hour week with scope for alternative arrangements (for example an alternative distribution of job opportunities) to be initiated locally. Shorter hours would be available to accommodate people with disabilities and carers. The hours will be paid at the relevant award rate (which may include traineeship rates). Standard employment conditions will apply, including access to compulsory superannuation. Access to income support would be retained on the same basis that it is for other part-time employees – that is, until the income threshold is reached. This means that a person working in a 20-hour job established under this scheme would normally receive a partial income support payment, and would – as a consequence – be obliged to take up suitable work that may be offered. For example, a single person with no children would earn \$708 per fortnight for working 20 hours per week at the minimum wage, and, on this basis, would generally continue to be eligible for Newstart Allowance of \$206 per fortnight with continuing access to a Health Card and any supplements. They would only lose Newstart altogether once their earnings reached \$1036.34 per fortnight.

## **Top-Up**

Earning additional wages in addition to the standard 20 hours per week can be a powerful incentive to increase workforce participation. In this scheme, it is proposed that there would be limits on the ability to use unspent Remote Job Investment Funds to pay for additional hours for existing workers, so that, while workers might be asked to work for extra hours occasionally, they would not be paid to work full-time on an ongoing basis from the fund. Rather than using excess wage funds to increase hours, employers would be encouraged to try to provide opportunities to other unemployed people in the community. This would maximise distribution of job opportunities across the pool of unemployed workers, and maintain incentives for individuals to take up other opportunities where they arise. This would not, however, prevent employers from accessing commercial or fee-for-service arrangements, or other funding (for example co-investments from other Government agencies), that would enable the payment of 'top-up' wages to employees including topping up to full-time. There should be flexibility to use the funds to support transitional arrangements – for example to wind down the number of hours funded through Remote Jobs Investment Fund as a social enterprise secures more revenue, or as the worker becomes skilled enough to take over another role.

## **Maintaining incentives to take up unsubsidised work**

A criticism that was often levelled at CDEP was that it did not offer progression into unsubsidised or higher skilled jobs. This lack of progression can be largely attributed to lack of labour market opportunity. Many remote participants are highly motivated to look for and take up work and, provided strong support is in place, we believe that this will continue. However, there is a risk in any work-based program (including Work for the Dole) that participants will reduce efforts to look elsewhere for work while they are in the program.

APONT proposes that the success of this program be measured by its net impact on employment rates in included communities (see further below). In order to succeed in this, more local people must move into available jobs beyond those created under the Fund. In particular, more skilled workers need to progress into higher-level roles currently held by people from outside the community to allow new people to move into entry-level subsidised work. These objectives (employment impact, progression) would be identified, measured and monitored in the program. The reduction of numbers funded through the RJIF jobs when labour market conditions improve should limit the 'lock in' of workers who have prospects elsewhere.

In addition, most participants will not earn enough to leave income support entirely and, as a result, will continue to be subject to an obligation to take up suitable full-time work when offered. In order to encourage take up of suitable opportunities, including temporary work, people who leave a funded job should have a right to return within a certain period (say, one year).

Where participants are in a traineeship, or the work that they are doing is part of a long-term transition into a specific unsubsidised job, we would propose that the priority be placed on the longer-term outcome. For example, a worker who has been placed in a childcare traineeship would be allowed to continue in that position and complete their traineeship rather than take up a full-time unsubsidised job in a shop. These decisions would be managed at the local level in discussions

between each individual and the Remote Job Centre, in the context of the broader objective of improving overall employment rates.

It is recognised that there is a difficult balance to be struck between providing a satisfying, meaningful job to people in these new jobs and encouraging movement through them if other opportunities arise. We need to learn more about what arrangements might work best in particular settings. A range of strategies could be trialled and evaluated at the local level to determine the best ways to support people to move on from Remote Jobs Investment Fund jobs into other opportunities (where they exist). These could include:

- Development of local models that encourage travel for seasonal or temporary work, building on learning from past successes and failures in this area;
- Cash incentives to individuals to take up unsubsidised work and/or financial supplementation for a period after placement;
- Establishing a pool of time-limited transitional jobs which are linked to external job opportunities, so that, for example people may have a place for 2 years which is associated with work experience and training in a particular field, with a period of intensive job placement effort after 18 months before considering extension;
- Providing for the tapering off of Remote Jobs Investment Fund investment over time where a pathway exists into an unsubsidised job with the employer.

APONT's model recognises that there is more to be learned about what works in this area, and our proposed institutional arrangements (Part C) are designed to facilitate this.

### **A better approach to joblessness**

The current CDP program creates a terrible bind. The more that the work done under CDP resembles paid work, the more it increases the risk of exploitation of workers and displacement of paid employment. The less useful the work, the less productive its workforce, the less effective it will be in helping people compete in the wider labour force. Establishing real, paid jobs resolves this conflict and affords people who simply cannot find other work the dignity of an award wage and an occupation.

There is evidence that providing the opportunity to participate in employment that is meaningful to participants and provided on fair terms is critical to achievement, not just of Closing the Gap employment targets, but of a wider range of social, health and economic outcomes. The former CDEP, for example, was found to have positive effects on health, financial stress, experience of violence and on alcohol misuse<sup>13</sup>. Other studies have found positive effects on recidivism, and reductions in drug taking and criminal activity in young people<sup>14</sup>. Expected reductions in financial stress, violence and poor health, and improvements in self-esteem and sense of control will make a positive contribution to community wellbeing, providing the basis for people to actively pursue future employment and/or income generation. Alongside the jobs created through the Remote Jobs

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<sup>13</sup> Hunter (2016) in Jordan 2016

<sup>14</sup> MDRC (2017) Looking Forward Subsidised Employment is a Strategy for Tough Economic Times and the Hard to Employ at [http://www.mdrc.org/sites/default/files/LookingForwardMemo\\_SubsidizedEmployment.pdf](http://www.mdrc.org/sites/default/files/LookingForwardMemo_SubsidizedEmployment.pdf), . Bartlett et al (2012), *Reconnecting Disaffected Youth Through Successful Transition to Work* at . Available at <https://www.yourtown.com.au/sites/default/files/document/BT-Reconnecting-Disaffected-Youth-Through-Successful-Transition-to-Work-Report.pdf>)

Investment Fund, APO NT proposes improved, strengths based services to increase pathways into higher quality and better paid work – discussed at section B2 below.

## **Summary**

### **APO NT proposes:**

- That a Remote Jobs Investment Fund be established to enable local Indigenous organisations to employ local people part-time to work on projects and services that enhance the economic, social and cultural life of communities. Funds would be allocated to particular projects/services for periods of up to 5 years at a time.
- The number of jobs made available through the fund will be driven by the strength of the local labour market. In the first instance, 10,500 jobs would be established, representing around 30% of the current CDP caseload – enough to make a substantial impact on employment rates in target communities.
- Skills development would be promoted through establishment of a training account and the ability of Remote Job Centres to use labour hire and/or group training type arrangements to provide a range of experience, and continuity of apprenticeships.
- The ‘standard’ arrangement would be that jobs under the scheme would be an average 20 hours per week (with flexibility to accommodate people who need shorter hours), but this might be altered to suit local conditions/aspirations. Normal employment conditions would apply to the jobs. Entitlement to income support would not be affected so that many who take up these jobs will have a continuing part-payment entitlement and a continuing obligation to accept suitable work if it became available.
- The overall design and management of the scheme would place priority on fostering progression into unsubsidised, higher paid and skilled jobs where they become available.
- There would be local flexibility about the types of jobs, arrangement of hours and targeting of cohorts, driven through local plans and governance arrangements.

## **B1.2 PROVIDING AN OPPORTUNITY TO WORK - SUPPORTING ENTERPRISE DEVELOPMENT**

The Commonwealth Government has established a \$25million per annum Indigenous Enterprise Fund to assist in the development of businesses in CDP regions. There is no reported information about the success of this fund in generating jobs in CDP areas. Access to the Fund is based on an assessment that a proposal is commercially viable and can attract other support (for example, from commercial lenders). In our view, this is too narrow a focus. We note, for example, the limited success of Indigenous Business Australia which has been constrained by limited funds, strict commercial guidelines and is risk averse.

We propose that this enterprise development fund be retained but reviewed and reformed. Rather than strictly applying commercial criteria, the Fund should be able to stimulate social enterprises. By way of definition, a social enterprise organisation is one which serves the interests of a discrete group of disadvantaged people by engaging in market-based business activity with the aim of reinvesting in community benefits such as employment, housing, business development, social services, skills development, education and health. The emphasis of a social enterprise organisation

is on collective rather than individual ownership of trading operations. The organisation is owned by the community that it serves.

APO NT's model emphasises supporting place-based social enterprise organisations as the main drivers of the development of community economies. Jobs are a point of engagement and can lead to new forms of social and economic inclusion for communities when coupled with adequate service delivery. However, in order to achieve sustainability, jobs must be permanently incorporated into the economic fabric of communities. The establishment of viable local enterprises of various sizes will stimulate labour demand.

The Indigenous Enterprise Fund needs to be re-oriented towards investment in social enterprises which could be anything from micro-enterprises that might employ an individual or a small family, through to large enterprises that employ a large number of people. Rather than commercial viability as the single test, we propose that the fund should support development of enterprises that have the potential to generate social and economic returns in the short-term, with the prospect of reduced reliance on government support over time. Remote Jobs Investment Fund positions should be able to be used to develop and expand local Indigenous community-owned enterprises. At least as far as it supports remote enterprises, the Indigenous Enterprise Fund would become part of the Remote Development and Employment Scheme and fall within its governance arrangements. Funds should also be made available to build the capacity of the sector to develop and grow social enterprises, recognising some of the loss of this capacity following the abolition of CDEP.

Current CDP rules are stifling social enterprise development by contracted providers. For example, the related entity rules mean that where a CDP provider runs a housing repairs enterprise they cannot access employer incentives available to their competitors under the CDP program to employ people from their caseload. Under 'activity generated income' rules, a CDP provider wishing to develop a social enterprise that uses CDP workers must first obtain permission from PM&C, and then cannot allocate any of the revenue from this enterprise to cover its costs. While well intentioned, these rules are limiting enterprise development in circumstances where the CDP provider may be one of only a few local organisations with capacity to initiate projects.

The funding model and incentives of any new program must support the long-term development of community based social enterprises. Again, this should be seen, not just as a job for contracted organisations, but one in which government officials have a critical role in maximising the 'capture' of government spending within communities – for example, by considering how government procurement processes are managed. Job creation should be a critical focus of the new scheme, and there should be investment in development of the capacity of the Indigenous sector to generate job opportunities – through networking, training, support for joint sales and marketing efforts, building on successful support models, such as that offered by Social Traders<sup>15</sup>.

## Summary

- Beyond the direct creation of jobs through the Remote Jobs Investment Fund, there should be an emphasis on developing new social enterprises.

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<sup>15</sup> Social Traders, *Investing in Capability: new approaches to social enterprise support*, October 2013

- The existing \$25 million Indigenous Enterprise Development fund should be repurposed to support social enterprise developments which generate social and economic returns, but may not be immediately commercially viable.
- Restrictions on income generation and access to assistance by organisations delivering remote employment services should be removed.
- There needs to be investment in building the capacity of Indigenous organisations to generate enterprise opportunities.

## B2 – HIGH QUALITY CASE MANAGEMENT FOR THOSE ON INCOME SUPPORT

The jobs created under the new Remote Jobs Investment Fund would take up around 30% of the current CDP caseload. There is another group of people currently in CDP that have significant health and other challenges that need to be met before they look for work (see below B4). But there will also be a significant group of people at any given time who are capable of working, but have not ‘won’ a job under the new Remote Jobs Investment Fund, or are looking for different types of work and need some form of assistance to locate, train for, or otherwise prepare for work. Under this proposal, this cohort would continue to be covered by the social security laws that apply to all unemployed Australians. They would have obligations associated with income support, however these must not be more onerous than those that apply to other income support recipients. Within a broad framework that ensures that obligations are no more onerous overall, it would be up to local communities to determine how obligations should be arranged and what sorts of activities could be counted towards them. There would be much greater scope for local control and discretion, rather than the rules being determined from Canberra.

At present, the work done by CDP organisations with individuals is largely administrative, with some ‘light touch’ assistance – for example helping with identification, drivers’ licences, and job applications<sup>16</sup>. This is modelled on a mainstream service that assumes that, if individuals are motivated and actively looking for work, then they will eventually find it<sup>17</sup>. It is an approach known as ‘help and hassle’<sup>18</sup>. This approach does not address the needs of remote communities where jobs are scarce and many jobs require higher levels of skills and experience than are locally available<sup>19</sup>. The highly administrative nature of the work of frontline staff that work with CDP participants means that most are desk bound. They do not have the flexibility to work with families or to talk with clients off site. They don’t have time to work with employers to negotiate ‘reasonable accommodations’ for local applicants’ disabilities, their cultural or family commitments or obstacles

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<sup>16</sup> For example, in the 2017 survey of CDP providers, 70% of providers agreed that ‘a lot of our work with clients is about compliance, not what they want or need. 84% agreed that ‘the CDP IT system guides a lot of our day to day work’

<sup>17</sup> Productivity Commission (2002) *Independent Review of the Job Network*, s2-4

<sup>18</sup> The phrase was initially coined by US welfare policy expert, Laurence Mead, then adopted in relation to Australian services by Tony Abbott when he was Minister for Employment Services

<sup>19</sup> It has been argued that it doesn’t meet the needs of disadvantaged jobseeker more broadly as well eg Borland, Considine, Kalb and Ribar, *What are best practice programs for jobseekers facing high barriers to employment?*, Melbourne Institute Policy Brief 4/16, June 2016.

like criminal histories. For much of the time, they are administering obligations, not providing assistance.

Our proposal would shift the emphasis away from ‘help and hassle’ and towards longer-term, strengths based case management.

Over time each individual (including those in a Remote Jobs Investment Fund job), would have a Job Plan, but the mandatory elements of these documents would be kept to a minimum<sup>20</sup>. They would not need to be recorded and updated every month in the IT system so that they can be audited by government officials.

Program participants would still have obligations and there would be a ‘standard’ or ‘default’ set of requirements that would apply that would be no more onerous and no less flexible than those that apply to income support recipients across the country<sup>21</sup>. Those who are capable of working but not in work would have to engage in some form of activity, which could include vocational training, assessments, work experience, work on homelands or group activities. The range and types of these activities would be determined at the local level through local governance groups. Attendance would not generally be monitored through online time sheets, and would not be the subject of daily data entry (although the local organisation may use sign in sheets). The default arrangements could be varied at the local level through recognised local governance arrangements, within the broader framework of equity. Compliance measures under the *Social Security (Administration) Act* would still be available to Remote Job Centres for use where appropriate.

Service delivery will no longer be driven by the IT system. Remote Job Centres would not have to record each appointment or update ‘Job plans’ on the IT system at each meeting. Administrative requirements would be kept to a minimum to ensure that frontline workers focus on relationship building with participants and with employers. Reduced administrative formality would support more holistic and family based case management, recognising the importance of family support to successful employment outcomes<sup>22</sup>. Only where a Remote Job Centre determined that compliance measures might be appropriate would more formal administrative processes, including more detailed Job Plans, notification and immediate attendance reporting, would be implemented.

We recognise that the shift away from ‘managing mutual obligation’ to genuine case management will be a cultural change and may require re-skilling – although we believe that existing CDP providers and their workers will welcome this change. To support this change and ongoing improvement in services to communities, APO NT proposes that the new agency that will manage the program (see C1) would implement an ongoing program of training and capacity building to help frontline workers develop strong case management skills, including in relation to people with

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<sup>20</sup> For example, a Job Plan may be set in general terms – with the number of hours of activities, and appointments included, and then reviewed on an annual basis or if things change.

<sup>21</sup> For example, under jobactive a 29 year old who has been in assistance for at least one year has an annual activity requirement of 650 hours each year, while under CDP they have 1150 hours per year. The jobactive participant also has more options available to meet this obligation. Under this proposal remote participants would have a similar hours requirement (although the hours might be arranged differently) and be at least as flexible in their choice of activity.

<sup>22</sup> Tiplady and Barclay, *Indigenous Employment in the Australian Minerals Industry*, Centre for Social Responsibility in Mining, for an example of family based case management see National Institute of Labour Studies, *Building Family Opportunities: Program Evaluation*, July 2014

disabilities, family-based case work and in working with employers. Skills and expertise will also be needed in community planning, and governance building.

### Summary

- This scheme shifts away from ‘help and hassle’ and towards longer term, strengths-based case management.
- Those who are capable of working but not in work would have to engage in some form of activity which could include vocational training, assessments, work experience, work on homelands or group activities, as determined at the local level. The focus would be on building long-term capacity to earn an income - through Remote Jobs Investment Fund jobs, through work in the wider labour market or other income generating activities.
- Over the course of a year, the obligations of a participant receiving income support in a remote community would be no more onerous than those in other parts of the country. There would be a substantial role for local decision-making in determining the way that these obligations are set and what activities are included.
- In line with our proposed shift towards flexible, strengths based provision, compliance measures under the *Social Security (Administration) Act* would be available where necessary, but not dominate. Detailed Job Plans would not need to be entered into the IT system – or would be entered less frequently - and frontline workers would spend more time talking with people, their families, employers and others.

## B3 – JOB ENTRY, PROGRESSION AND ADVANCEMENT

There are many jobs that are available in remote communities which local Indigenous people may want, but for which they are not considered qualified. This is not just a matter of formal qualifications – it has been argued that employed non-Indigenous people in remote areas are not substantially more qualified than their Indigenous counterparts<sup>23</sup>. A lack of qualifications combines with the lack of opportunity to practice skills, and to acquire in-work training and experience over time, so that many jobs remain out of reach for local people. This has an impact on local unemployment, but also the level of resources that stay in communities and the level of inclusion of local people in running many core activities in the community. Lack of access to more skilled, better quality jobs means that many Indigenous people cycle between short-term, unskilled work and unemployment. Low skilled jobs offer little opportunity to move out of poverty, to receive training and are extremely vulnerable to changes in the labour market.

Overall, Indigenous people have lower rates of job retention than non-Indigenous people<sup>24</sup>. One explanation is that many are in casual or seasonal work. But there are often other factors– for

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<sup>23</sup> Guenther and McRae-Williams (2014) ‘Does education and training of remote Aboriginal and Torres Strait Islander people lead to ‘real jobs’?’ Presentation to the 2014 AVETRA 17<sup>th</sup> International Conference

<sup>24</sup> Gray, Hunter and Lohar 2011, *Increasing Indigenous employment rates. Issues paper no 3*. Closing the Gap Clearinghouse, Canberra.

example challenges in balancing family and work commitments, confidence in navigating organisational structures and racism at work<sup>25</sup>. Poor retention rates contribute to lower overall employment rates as well as access to pathways into more skilled and better paid work.

The current program requires providers to provide 'post placement support' for the first 26 weeks after placement. While outcome fees may be claimed after 13 and 26 weeks of employment (where reached), service fees drop as soon as a person is placed in a job. No value is placed on job quality. Service fee structures tend to keep focus on Work for the Dole attendance rather than doing the type of work with individuals, families and employers that is likely to support long term job retention.

If we are to see local Indigenous people keep jobs and take up more of the higher-skilled jobs in communities, the program structure must promote long term job retention and skills progression. Under this proposal Remote Job Centres would support local people who are in work, but want assistance to move into higher paid and higher skilled jobs<sup>26</sup>. This could include support to take up temporary work or education opportunities outside the community and the ability for the support to 'follow' the participant, as well as working with family in the home community. As some people progress, they will open up entry level opportunities for others.

In addition, Remote Jobs Centres would provide ongoing job retention assistance, so that if a placement is at risk they could help try to resolve any issues, maintaining the person in that job, or helping them to move to another<sup>27</sup>.

Systematic investment and evaluation of retention and advancement strategies should provide insights into what works, generating improvements over time.

### Summary

- In order to make a long-term impact on rates of employment and income, greater attention must be paid to long-term retention and job quality
- It is proposed that Remote Job Centres assist local people to stay in work and to move into more skilled and/or better work over time.

## B4 - PEOPLE WITH DISABILITY AND/OR CHRONIC HEALTH PROBLEMS

Indigenous people suffer higher rates of significant health impairment including serious chronic diseases, with many experiencing more than one condition<sup>28</sup>. Indigenous people also have a higher

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<sup>25</sup> Eg Tiplady and Barclay, *Indigenous Employment in the Australian Minerals Industry*, Centre for Social Responsibility in Mining.

<sup>26</sup> The OECD recently recommended Australia consider such a scheme OECD (2017), *Connecting People with Jobs: Key Issues for Raising Labour Market Participation in Australia*

<sup>27</sup> People with disabilities in non-remote areas have access to a Job in Jeopardy service through Disability Employment Services that offers this type of support – although on a more limited basis

<sup>28</sup> Begg et al (2003) *The burden of disease and injury in Aboriginal and Torres Strait Islander peoples – policy briefing*, University of Queensland, Brisbane.

rate of disability than non-Indigenous Australians. This means that Indigenous people, as a group, are more likely to experience impairment in their ability to work and in their ability to consistently attend work and activities, particularly if appropriate specialist support is not available.<sup>29</sup>

For people with disabilities that have immediate work capacity, jobs created under the Remote Jobs Investment Fund will provide an opportunity to work and participate – just as CDEP provided this opportunity for people with a range of abilities, even though they may not have been identified as having a disability. In addition, the focus on more effective case management services should be an opportunity to upskill frontline workers so that they are better able to negotiate reasonable accommodation for people with disabilities in local workplaces, noting that providers themselves report that the current CDP does not offer effective support to people with mental illness or disabilities<sup>30</sup>.

Alongside those who have that immediate capacity, we believe that there is a substantial group currently in CDP who have major barriers to participation that are not properly recognised or accommodated under the program. While access to the Disability Support Pension (DSP) has tightened for all Australians, the Commonwealth Ombudsman has reported that Indigenous people in remote areas have substantially greater barriers to eligibility, which means that many people with significant impairments that might normally make them eligible for DSP are required to participate in the CDP program<sup>31</sup>. Elsewhere in the country, most in this group would have access to specialist Disability Employment Services but in remote areas they are in CDP.

Inadequate recognition of the health, disability and other personal factors that impact on remote Indigenous people is almost certainly one reason for the enormous rate of penalties being applied to CDP participants<sup>32</sup>. Application of penalties to this group can only be harmful, with the potential to exacerbate ill health and family stress. Rather than being penalised, unemployed people who have significant, possibly unidentified, impairments or are in crisis need support to access appropriate services and to stabilise their family incomes. Already CDP providers give assistance to clients to help them try to access DSP and/or appropriate services. It is proposed that Remote Jobs Centres be explicitly given a role in assisting people to stabilise their incomes (eg through DSP) and to access appropriate support/assessment.

Where participants have immediate health or personal factors that mean that they are unable to work in the short/medium-term, Remote Job Centres should be able to adjust their obligations accordingly, allowing them to participate in a ‘personal support’ stream without work-related obligations for up to 12 months at a time. The objectives would be to:

- Assist the participant to access proper assessment, treatment and specialised support for any health conditions and/or disabilities;

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<sup>29</sup> Closing the Gap Clearinghouse (2014) *Increasing employment rates for people with a disability, Resource sheet No 29*,

<sup>30</sup> In a recent ANU survey, 78% of CDP providers disagreed with the statement that ‘People with disabilities or mental illness get effective support to participate through CDP’.

<sup>31</sup> Commonwealth Ombudsman, *Department of Human Services : accessibility of the Disability Support Pension for remote Indigenous Australians*, December 2016

<sup>32</sup> Fowkes and Sanders, 2016, *Financial penalties under the Remote Jobs and Communities Program (WP 2016/108)*, Fowkes 2016, *Impact on income support penalties of increased remote Work for the Dole requirements (WP2016/112)*

- Assist the participant and their family members to access correct payments (eg DSP, Carers payments), to obtain exemptions or suspensions from obligations where appropriate, and to access other supports and services (eg NDIS) that might stabilise their income and living situation;
- Develop and implement an individual plan to achieve participation goals over the long term where possible and appropriate.

The current DHS system for assessing work capacity is not effective for many remote Indigenous participants. Employment Services Assessments (ESAts), which are designed to identify significant personal and/or health barriers to employment are often undertaken by phone, or simply on a review of the DHS file<sup>33</sup>. In 2012, the Department of Education, Employment and Workplace Relations (DEEWR) reported that the ESAt process appeared to have led to an under reporting of the challenges faced by remote Indigenous people, and to have restricted their access to appropriate employment assistance (what was then stream 4)<sup>34</sup>. One of the factors that they identified was the difficulty that was faced for remote Indigenous clients in accessing medical and other assessments. For these reasons, APO NT proposes that the decision to place participants in a 'personal support' stream should be able to be made locally by the Remote Job Centre, provided that they have a reasonable basis for this decision. This proposal does not mean that an ESAt should not be done by DHS. If done properly, an ESAt (which is conducted by an allied health professional) should assist the provider in identifying what support might be needed to help people participate to the extent of their ability. Under this proposal, RJsCs would help participants prepare for (face to face) ESAts and could participate in the ESAt itself where the participant agrees.

The 'personal support' service would be highly flexible, with minimal requirements (eg quarterly contact), and penalties would not normally be applied. The emphasis should be on case management, including working with families, to maximise wellbeing and capacity to participate. To prevent people being 'parked' in this stream, participation of people with disabilities in employment opportunities should be tracked. It is also proposed that support for people with disabilities be a specific focus of efforts in capacity building and continuous improvement. A local RJC decision to place a person should be reviewed every 12 months. After 12 months, it should be open to the Remote Job Centre to recommend exit from the program on the basis that no further benefit can be provided, particularly in the case of older participants. This would not prevent people coming back into the program or taking up job opportunities provided at a point when they are capable of doing this.

The recent Ombudsman's report on access to DSP by remote Indigenous people lends weight to the idea that there is a significant group on activity tested benefits that should be on DSP. The report found that some of the mechanisms that could be used by DHS officers to ensure equitable access were not being used. Ideally, DHS would implement existing rules more effectively. However, if significant improvements are not achieved, APO NT is of the view that Government should consider special provisions to allow remote Indigenous to access DSP more quickly and easily, in recognition of the effects of long-term poor health and labour market exclusion on work prospects.

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<sup>33</sup> Fowkes and Sanders 2016, p7

<sup>34</sup> DEEWR (2012), *Servicing Indigenous Jobseekers in Job Services Australia*, p12

## Summary

- More people with significant impairments are required to participate in the CDP program than have been required to participate in Job Network or CDEP in the past. Assessment processes in remote areas are poor, and mean that a substantial group of people have participation obligations that they can't realistically meet.
- Remote Job Centres should be able to place people who have significant health, disability or personal factors that mean that they are unable to work in the short/medium-term in a 'personal support stream' for up to 12 months at a time aimed at ensuring quality assessment, treatment, access to correct payment, and development of a support plan.
- Some people, particularly older participants, should be able to exit from the program altogether if they cannot benefit. The Government should also consider allowing these people to more readily move onto the Disability Support Pension.

## B5 – YOUTH

According to figures released in Senate Estimates, at 26 June 2015, there were 9,848 participants under 25 in the CDP program (27% of the caseload), 1,185 of whom were under 18<sup>35</sup>. Many of these participants will never have had the opportunity to earn a wage – either in the general labour market or under the former CDEP. The gap between unemployment rates of Indigenous and non-Indigenous Australians is highest in this 15-24 age bracket (31.8% vs 16.7%<sup>36</sup>) and many more remote youth are likely to be 'not in employment education or training' than their non-Indigenous counterparts<sup>37</sup>. This problem of underemployment of remote Indigenous youth has an effect, not only on their income and future employment prospects, but on their health, safety and wellbeing. As is well known, Indigenous youth in remote Australia are substantially more likely to be in the justice system and have higher rates of suicide<sup>38</sup>.

CDP has not been effective enough in attracting, engaging and supporting young people. In fact, some providers report that the program is driving young people away. Young people are deciding not to claim income support or disengaging completely from CDP in order to avoid what may be seen as irrelevant or onerous requirements. Young people do not necessarily respond to financial incentives/penalties. More generally, young people are particularly hard to engage and assist through labour market programs, and require a range of different strategies to address their needs<sup>39</sup>.

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<sup>35</sup> Senate Finance and Public Administration Legislation Committee 19-23 October 2015, Answers to Questions on Notice No 143.

<sup>36</sup> 4714.0 - National Aboriginal and Torres Strait Islander Social Survey, 2014-15

<sup>37</sup> PM&C, 2014 Aboriginal and Torres Strait Islander Health Performance Framework 2014 Report, 2.07 – available at <https://www.dpmc.gov.au/sites/default/files/publications/indigenous/Health-Performance-Framework-2014/tier-2-determinants-health/207-employment.html>

<sup>38</sup> AIHW, *Remoteness, Socio economic position and youth justice supervision 2014-2015, Youth Justice Fact sheet No 70*. <http://www.aihw.gov.au/WorkArea/DownloadAsset.aspx?id=60129556309>

<sup>39</sup> See summary in Thomas and Vandenbroek (2016), *Measuring and improving employment outcomes for young Australians*, Parliamentary Library – available at

Supporting and engaging young people in remote communities needs to be a priority in a reformed scheme. The current approach, which is highly rules based, office bound and which rests on compliance, will simply not work to engage disadvantaged youth.

An example of the type of locally driven strategy that could be supported or delivered by Remote Jobs Centres, working with communities:

The Warlpiri Youth Development Aboriginal Corporation engages young people aged 16-25 through its Jaru, Level 2 program. Through this program, young people participate in the running of a range of activities for younger community members. Their work might include helping in the canteen, helping organise sport and bush camps with community elders. An evaluation reported that the program's informality was one of its strengths. Young people might have several 'false starts' in engaging, but they continue to be welcomed back. The 2015 evaluation found that 92% of participants from the 2006 cohort are now employed. The program has strong community support and involvement, including traditional owners allocating substantial amounts of their income generated through mining agreements to the program. Shaw (2015), *An Evaluation of the Warlpiri Youth Development Aboriginal Corporation Youth Development Program*. Available at <http://wydac.org.au/home/wp-content/uploads/2015/11/An-evaluation-of-the-Warlpiri-Youth-Development-Aboriginal-Corporation-Youth-Development-Program.pdf>

APO NT's proposed scheme will give local organisations much greater capacity to work with young people through a flexible, less compliance based approach. Jobs created through the RJIF will provide real hope for young people that they have a chance to enter the workforce.

In addition, we propose two youth-specific measures. The first is the provision of specific funds for local organisations to develop – either themselves or in partnership – a range of strategies to engage with young people to support their engagement in education, training, community and work. We propose that the program should be able to support local adoption of a range of strategies including:

- Building partnerships with schools to identify young people who have, or are at risk of disengaging, and implementation of programs to divert them from negative or harmful behaviour, and assist in development of positive pathways, including through cultural activities;
- Complementing, and providing funding support to local Indigenous youth agencies (like the Warlpiri Youth Development Aboriginal Corporation) to implement local programs;
- Establishing employer/educator partnerships to facilitate periods of employment and/or education outside the community.

Rather than centrally prescribed targets, specific objectives and strategies in relation to youth should be identified locally and monitored as part of the overall framework for managing impact. We welcome the most recent Budget announcement of an additional \$11m funding to support this type of strategy. In particular, we note that the Government appears to be proposing that local organisations be able to develop local strategies to use the funding, rather than prescribing a single

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[http://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/pubs/Briefing\\_Book45p/EmploymentYoungAustralian](http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/Briefing_Book45p/EmploymentYoungAustralian)

model – an approach that we would endorse. However, we are concerned that the continued inflexibility in overall CDP program rules (eg 25 hours per week requirements, focus on compliance) and the rushed approach to implementation may limit the effectiveness of this measure.

APO NT's second proposal in this area is the establishment of a pool of Remote Youth Project places in order to provide a bridge between school and employment. These would be modelled on successful programs like Green Army, or Boystown's social enterprise projects<sup>40</sup>. They would provide young people with an opportunity to participate in paid work experience and accredited training on community projects for a period of 6-9 months. Project activities would be determined locally and could include a wide range of environmental, cultural and vocational activities – from 'on country' programs to multimedia. We are proposing an initial pool of 1500 places. If properly supported, these projects should not only improve self-esteem, confidence and employment prospects, but decrease recidivism and improve mental health<sup>41</sup>.

The importance of engaging young people would be reflected in the impact framework adopted for the program.

### Summary

- CDP's highly transactional and compliance based approach does not meet the needs of young people and there is concern that they are disengaging.
- There is no 'one model' to work effectively with young people, but resourcing needs to be adequate to enable local organisations to implement strategies that have been found to be effective.
- A pool of funds should be available to establish Remote Youth Projects, providing young people with 6-9 months of training and work experience on community projects.
- Engagement of young people will be a critical priority for the proposed Remote Employment and Community Development Strategy and an area that should be measured the impact framework.

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<sup>40</sup> Bartlett et al (2012), Reconnecting Disaffected Youth Through Successful Transition to Work . Available at <https://www.yourtown.com.au/sites/default/files/document/BT-Reconnecting-Disaffected-Youth-Through-Successful-Transition-to-Work-Report.pdf>

<sup>41</sup> Bartlett et al (2012)

## C - INSTITUTIONAL ARRANGEMENTS TO SUPPORT A NEW APPROACH

Schedule D of the *National Indigenous Reform Agreement* sets out the approach to program delivery that successive Commonwealth, State and Territory Governments have committed to since 2004:

D9 Indigenous engagement principle: Engagement with Indigenous men, women and children and communities should be central to the design and delivery of programs and services. In particular, attention is to be given to:

- (a) recognising that strong relationships/partnerships between government, community and service providers increase the capacity to achieve identified outcomes and work towards building these relationships;
- (b) engaging and empowering Indigenous people who use Government services, and the broader Indigenous community in the design and delivery of programs and services as appropriate;
- (c) recognising local circumstances;
- (d) ensuring Indigenous representation is appropriate, having regard to local representation as required;
- (e) being transparent regarding the role and level of Indigenous engagement along a continuum from information sharing to decision-making; and
- (f) recognising Indigenous culture, language and identity.

(Service Delivery Principles for programs and Services for Indigenous Australians.)

The current CDP does not reflect these principles. The relationship between Government and service providers is not one of partnership, but of seeing organisations as instruments of government policy<sup>42</sup>. Indigenous people and organisations are not empowered through the delivery of the program, in fact it is causing distress. Program rules are inflexible and ‘one size fits all’ – particularly in the 25-hour Work for the Dole requirements. Decision-making is top down. The value of Indigenous culture, language and identity is not reflected in the scheme and recognition is limited to allowing limited ‘leave’ from Work for the Dole for cultural activities.

The experience of changes to remote labour market programs from 2005 to today leads APO NT to believe that fundamental institutional change within Government is needed in order to give effect to these Service Delivery principles in this area.

For example, while the RJCP was implemented following an extensive consultation process, a year after it was implemented 70% of providers reported that ‘much of our work with clients is about compliance, not what they want or need’ while 90% reported that Government officials were

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<sup>42</sup> Fowkes in Jordan and Fowkes (eds) (2016), *Job creation and income support in remote Indigenous Australia: Moving forward with a better system*, CAEPR Topical Issues 2/2016

‘compliance focussed’<sup>43</sup>. The flexibility and decentralisation that were hoped for by those that had input into the RJCP scheme design were derailed by the approach that the public service took to contract management, the IT systems and administration.

More recently, the changes that brought about the current CDP program were developed without consultation with affected communities or organisations. Radical changes were made only 2 years into a 5-year program, without an opportunity for organisations or participants to reflect on what was working or needed to change. These changes have led to a substantial increase in the obligations of participants and caused thousands of people to lose income support. Aside from material released periodically by the Minister, or extracted through Senate Estimates, there is no publicly available information about the program’s impact on employment, labour force participation or on incomes. Most recently, the Government has refused to release regional data on employment outcomes, even though that information might be expected to be of interest and concern to community members. While the program is described as allowing community input, this input is limited to being consulted over what types of Work for the Dole activities should be run.

Our proposed program design rests on a development approach to delivery that is long term, strengths based and inclusive, rather than rules bound and coercive. This will need a cultural change within Government and new mechanisms that enable Indigenous people and organisations to have a say in program design and delivery. New institutional arrangements are needed to drive this change, and to provide a stable operating environment for what is a long-term task.

## C1 – NEW DELIVERY AGENCY

Indigenous participants and communities are the most important stakeholders in remote employment services. These programs have the potential to contribute to positive economic, social and cultural development or to wreak damage. Consistent with the principles of working in partnership with Indigenous peoples, the proposed new program is one in which there should be national oversight from an independent body which has substantial representation from remote Indigenous community groups. While APO NT is not recommending a specific structure at this stage, it is intended that this national body will draw its strength and expertise from not only the Indigenous-led governance arrangement but from strong local and regional decision-making bodies. Its independence and authority would be reflected in legislation.

It is proposed that the national oversight body would:

- Be responsible for ensuring that the scheme makes a positive contribution to the economic, social and cultural life of affected communities;
- Manage the design and implementation of the scheme in accordance with long-term development objectives, including allocating funds for the Remote Jobs Centres, the Remote Jobs Investment Fund and the Enterprise Fund;

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<sup>43</sup> Fowkes and Sanders (2015) *A survey of Remote Jobs and Communities Program(me) Providers One Year in*, CAEPR Working Paper 97/2015

- Ensure the development of a strong and capable remote employment sector, with a primary focus on supporting regional and local Indigenous organisations and partnership arrangements where required;
- Monitor the outcomes (intended and unintended) of the program and their consistency with its principles and objectives;
- Ensure robust and inclusive evidence gathering and dissemination;
- Ensure that affected people and communities have a say in the program’s delivery, ongoing development and evaluation;
- Maximise the value of investments in the strategy through partnerships with State and Territory Governments that increase jobs, services and infrastructure in remote communities.

The new body would provide funding for Remote Job Centres and would work in partnership with them. It would have a critical role in building their capacity to deliver. It would build expertise in community and economic development and in participatory decision-making practices. Its mandate would embed the COAG Service Delivery principles and embed principles of ‘learning from experience’<sup>44</sup>. External evaluation, as proposed in the 2017 Budget, would support the robustness of internal processes and ensure wider accountability for a critical area of Indigenous Affairs spending.

While a national body would be required to manage the overall scheme, we anticipate that its governance arrangements would reflect the importance of regional bodies in Indigenous Affairs. At present, these arrangements are at different stages of development but, over time, we expect that regional bodies will provide leadership and will have a primary role on holding Remote Job Centres, Government stakeholders and employers to account for delivery of the scheme.

### Summary

- That a new independent body with majority representation from remote Indigenous community groups be established to provide oversight and manage delivery of the proposed remote employment and community development scheme.
- Ensure the development of a strong and capable remote employment sector, with a specific brief to build the capacity of Indigenous organisations to deliver either on their own or in partnership arrangements.
- That this body would also foster and support regional and local bodies and ensure they have a key part in decision-making about program directions, and contribute to achieving outcomes.

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<sup>44</sup> Phillips-Brown, Reddel and Gleeson, (2012) ‘Learning from Experience? Getting governments to listen to what evaluations are telling them’, in Productivity Commission *Better Indigenous Policies: The Role of Evaluation*. Available at <http://www.pc.gov.au/research/supporting/better-indigenous-policies>

## C2 - THE ROLE OF REMOTE JOB CENTRES

Under this proposal, what are now ‘CDP providers’ would become Remote Job Centres. Wherever possible, Remote Job Centres would be Indigenous community-based organisations. Where they are not, any contracted organisation would be required to facilitate these organisations’ involvement in program delivery, for example through local partnership arrangements or sub-contracting. The APO NT Partnership Principles provide a useful guide for establishing partnerships between Aboriginal organisations and the NGO sector<sup>45</sup>. The role of the new Remote Job Centres would be to deliver long-term economic and community outcomes in specific areas, in consultation with local stakeholders.

This approach recognises that the task of delivering overall improvements in participation, employment and income levels requires co-ordination of activities across a range of different stakeholders, including community organisations, existing employers, governments, purchasers of services, schools and training providers. The task is one of supporting ‘collective impact’.

Remote Job Centres would

- Work with local stakeholders to identify opportunities for increasing local employment and incomes – for example through identifying ways to enable locals to provide services currently contracted outside, supporting existing community enterprises and businesses to grow;
- Help individuals find work, stay in work, and move into higher quality work over time;
- Identify services and projects that could be delivered through the Remote Jobs Investment Fund and Remote Youth Projects fund– either by the Remote Job Centre itself or by another local Indigenous, or other eligible, organisation;
- Assess, and provide individualised and family-based case management support to people who are not in work, to people about to enter the workforce, and people in the personal support stream;
- Work with young people who are considering leaving school or about to finish school to provide transitional support into further education, training and/or employment;
- Provide assistance to former participants in work who are at risk of losing their job and those who are in insecure or low pay jobs seeking to advance;
- Support and strengthen local community organisations and local community participation in decision-making either through the creation of a local committee to oversee implementation of the program, or through an appropriate existing governance structure;
- Coordinate the development of a local plan, including transparency about community participation and endorsement of the plan or, where a community endorsed plan already exists, set out the RJC’s contribution to that plan;
- Participate in collection and analysis of relevant data relating to the key measures with support from the national body;
- Report to community members and stakeholders on the program and progress against the local plan;

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<sup>45</sup> Aboriginal Peak Organisations NT, Partnership Principles for working with Aboriginal Organisations and Communities in the Northern Territory, revised 2017

- Establish mechanisms for evaluation and ongoing improvement, including participatory evaluation mechanisms allowing the community to assess progress and outcomes.

Remote Job Centres would work to local plans that have been developed through consultation with participants and community members, and have been endorsed by a transparent community process. Where no other appropriate and legitimate community governance structure exists, a local committee will be established with community representatives that will guide priorities and decisions<sup>46</sup>. Partnership arrangements will be established with local Commonwealth Government (and, ideally, Territory and local government) officials – either by the RJC or by regional decision-making bodies where these exist. Government stakeholders will share accountability for achieving program goals, assisting in ‘joining up’ different funding streams, maximising the employment effect of local purchasing decisions, and resolving inter and intra governmental conflicts as they arise.

It is recognised that different communities have very different levels of current governance capacity. It is important that the program should contribute to strengthening this capacity, including by creating opportunities for people to contribute to decision-making; ensuring that individuals’ involvement is supported and recognised through administration of the scheme and facilitating relevant training (eg leadership training); and developing the capacity of local Indigenous-controlled organisations to participate in and take over delivery of the scheme. Success in achieving community participation should be a measured outcome of the program.

**An example of supporting effective local decision making:**

The Central Land Council’s Community Development Program supports Aboriginal people to use their own assets to drive social, cultural and economic development. Since its inception in 2005 the program has seen \$60million of income from land-use agreements directed towards community benefit initiatives through carefully facilitated community development processes. Aboriginal governance groups are formed to plan, implement and monitor projects that benefit people at the regional, community and outstation level. With governance arrangements across every community in central Australia, and other governance structures appropriate to different sub-programs, the CLC is now highly experienced in building Aboriginal governance capacity. These processes are monitored annually and the program was subject to an independent evaluation in 2014. The evaluation found that the CLC’s CD Program plays ‘a critical role in empowering Traditional Owners and community residents across central Australia....providing multiple forums and processes through which a critical mass of Aboriginal people across central Australia are able to analyse, identify and address their self-determined needs and priorities...’ (LaTrobe University (2014), Independent evaluation of the Central Land Council’s Community Development and Governance Programmes).

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<sup>46</sup> These may be modelled on the work of the Central Land Council Community Development Program or types of arrangements in place for delivering Communities for Children.

## Summary

- That current 'CDP providers' become Remote Job Centres. Wherever possible, they would be Indigenous community based organisations. Where they are not, any contracted organisation would be required to partner with Indigenous organisations in program delivery.
- The role of the new Remote Job Centres would be to deliver long term economic and community outcomes in specific areas, in consultation with local stakeholders, through a facilitation and coordination approach. Remote Job Centres would work to local plans that have been developed through consultation with participants and community members, and have been endorsed by a transparent community process.
- Where no other appropriate and legitimate community governance structure exists, a local committee will be established with community representatives that will guide priorities and decisions<sup>47</sup>.
- Success in achieving community participation and ownership of the program would be a measured outcome.

## C3 – PERFORMANCE AND IMPACT MEASUREMENT

The current CDP scheme is managed through contracts that are highly transactional and asymmetric, and measured via narrow, short-term targets. At present, neither Government nor providers are held to account for the wider impacts of the program – for example, neither the opening up of new job opportunities to local people, nor increased overall labour force participation is valued. No attempt is made to measure the value of current activities for participants or the community more broadly – or to measure any negative consequences of people disengaging from the service or receiving penalties. This problem is not unique to remote employment services. Incentive arrangements in mainstream employment services are constantly adjusted as policy makers try to manage unintended consequences and gaming of program rules<sup>48</sup>. However, the circumstances of remote communities make it particularly difficult for any centrally driven, or narrow approach to performance to succeed. Given the long standing and complex challenges in remote communities, a wider, and longer-term view of success is needed.

A new program must be built around broad and long-term success measures, the responsibility for which is shared between communities, organisations involved in provision of services and Government.

We propose that a set of core objectives and measures be established, within a framework that also allows for local articulation of priority outcomes and performance measures. Projects like Ninti One's Interplay Wellbeing project, which has been supported by PM&C, and the Yawuru Wellbeing

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<sup>47</sup> These may be modelled on the types of arrangements in place for delivering Communities for Children

<sup>48</sup> Tomkinson, E., (2016) Outcome-based contracting for human services. Evidence Base (ANZSOG), Considine, M., 2014. The Poor Man's Experimental Governance Quasi-markets for Unemployment Services in Australia.

Project, can provide the basis for identification and measurement of improvements in wellbeing within a framework designed by and for Indigenous people<sup>49</sup>.

Within this broader framework, we argue that a specific key objective of this program should be to increase, in overall terms, the number of people in a region in work or earning income. This might be measured by looking at changes over time in:

- The number of school leavers moving into employment;
- the number of people exiting unemployment benefits into work;
- the number of people applying for benefits or moving back onto benefits (and durations);
- the number of people on benefits declaring income, and the amount of that income;
- evidence of number of local people employed (eg through surveys of major employers).

We propose that each service area establish objectives and measures in relation to:

- Increasing youth participation in work, education and community life;
- Supporting people with disabilities to achieve personal and employment goals;
- Community involvement in decision-making and the development of effective and legitimate governance mechanisms.

The Remote Job Centre might, with its local committee, identify objectives and strategies to address specific local objectives – for example in relation to strengthening cultural knowledge – and report on these objectives. Or the Remote Job Centre might report on its contribution to wider existing community plans and objectives.

The new oversight body could identify a set of core and optional measures for use by local bodies, and support implementation of participatory evaluation techniques allowing local areas to assess the performance of the Scheme.

### **Data collection and evaluation**

Critical to measuring performance against objectives and committing to an evaluative approach is access to consistent and accurate data. It is widely known that data relating to remote communities is either absent, inaccurate, or disputed. This new scheme will play a coordination role in ensuring the collection and analysis of relevant data relating to the key measures. Capacity building support would be offered to help local people engage in the data selection, collection and evaluation process.

### **Summary**

- A new program must be built around broad and long-term success measures, the responsibility for which is shared between organisations involved in provision of services and Government.

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<sup>49</sup> Information on the Interplay project at <https://crc-rep.com/interplay> Information on the Yawuru project at : <http://www.healthinonet.ecu.edu.au/key-resources/programs-projects?pid=3245>

- That a set of core set of objectives and measures be established, with scope in the framework to allow for local articulation of priority outcomes and performance measures.
- That this scheme will play a coordination role in ensuring the collection and analysis of relevant data relating to the key measures, and implementation of participatory evaluation techniques allowing local areas to assess the performance of the scheme.

## C4 – FUNDING ARRANGEMENTS

The decision to contract the RJCP for 5 years, with the possibility of a 5-year extension, reflected a welcome recognition of the need to provide stability and of the fact that the task being attempted is a long-term one. Unfortunately, this contract term has not provided stability, with frequent policy changes, increasing complexity of rules, and a major shift in program direction only 2 years after delivery started. The ability of the Government to impose changes in this way reflects the asymmetric nature of the contract.

The current funding model is designed on ‘payment by results’ principles, with the vast majority of income generated through people attending Work for the Dole. Because Work for the Dole requirements are linked to the income support status of each individual (or, in some cases, their partner), the calculation of payments is enormously complex. Across the country, providers have employed teams of people to enter data to enable payments to be made. The scheme has had perverse outcomes – particularly the extraordinary increase in penalties. Providers are required to recommend penalties for participants who fail to attend Work for the Dole or face loss of revenue, even where they know that imposing the penalty is likely to harm the individual, their family or the wider community. Provider payments drop when people are placed in employment, so that, unless a job is likely to last more than 13 weeks, the provider has a strong incentive to keep people in Work for the Dole. While there are payments for employment outcomes, many of these outcomes are in jobs that the participant would have achieved anyway. No distinction is made between an insecure unskilled job and a job that might lead to long-term increases in skills and pay.

In 2015, the UK’s National Audit Office analysed the use of Payment by Results schemes across various areas of government service delivery<sup>50</sup>. It described these schemes as a ‘technically challenging form of contracting’ and said that ‘it takes time and effort to develop a scheme so that it offers appropriate incentives to providers’. At present, in our view, CDP payment arrangements are too complex to administer properly and provide incentives for harmful behaviour. Neither Government officials nor community stakeholders have enough information about what might be effective to agree on an appropriate ‘payment by results’ scheme in the complex operating environment of remote Australia. Over time, and with experience in the program, ‘success payments’ could be considered. However, at this point, we argue that the primary means of managing effort towards achieving outcomes should be through strong local accountability mechanisms. Funding should support the development of strong and effective local organisations

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<sup>50</sup> National Audit Office (UK) (2015), Outcome based payment schemes: the Governments use of payment by results. Available at <https://www.nao.org.uk/report/outcome-based-payment-schemes-governments-use-of-payment-by-results/>

that operate with cultural competence, deliver opportunities, and offer high-quality case management to local people.

It is proposed that funding arrangements for Remote Job Centres be developed that reflect the need for a long-term collaborative working arrangement between local organisations and Government, built around shared objectives and accountability. Payment arrangements should also reflect the costs of delivery, so that the current 'one size fits all' payment structure would be replaced by a common underpinning cost framework, with regional loadings where costs are higher.

### **Summary**

- That five-year contracts, with capacity for rollover be maintained.
- That new contracting arrangements be developed that better reflect a collaborative working arrangement between contracted organisations and Government.
- That payment arrangements should reflect the costs of delivery.

## **C5- IMPLEMENTATION**

Constant program change has placed a heavy burden on CDP providers and on the people who must participate in the program. While it is widely recognised that substantial changes to the program are needed, providers are understandably concerned about the impact of yet more upheaval on their organisations and their frontline workers. An implementation process needs to be developed that balances the need to establish a better program with the need to sustain and strengthen local Indigenous organisations involved in delivery.

In the short term, immediate program changes should be made to reduce the level of harm being done by discriminatory Work for the Dole requirements and penalties. These changes should include:

- Reducing the annual Work for the Dole hourly requirement in line with the annual activity requirement of participants in other programs;
- Allowing providers to arrange the hours of participation in a way that suits local conditions and participants;
- Removing the financial disincentive for providers to use their discretion (DNAD) in cases of non-compliance.

APO NT proposes that job creation via the Remote Jobs Investment Fund and Remote Youth Projects could be piloted early, in order to create tangible opportunities for individuals and to demonstrate the Government's commitment to a more positive approach in remote communities.

APO NT proposes that a new interim body be established to develop the detailed program model and to manage implementation. This may become the basis for the new managing agency. In keeping with the proposed approach to delivery of the new scheme, this body would be responsible for ensuring Indigenous stakeholder involvement throughout the process and would be led by an Indigenous-led board.

APO NT proposes a gradual roll out of the new arrangements, with implementation arrangements subject to negotiation and ongoing consultation with organisations involved in delivery and their peak bodies. These arrangements may include different timetables in different locations, giving local providers the opportunity to put forward implementation timelines that they know they can deliver. Some measures, like jobs under the Remote Jobs Investment Fund and Remote Youth Projects, should be rolled out gradually, allowing lessons learned from early implementation to be captured.

As in any area of complex policy, it is important to recognise that the initial policy design will almost inevitably have flaws. Learning and adjustment is inevitable. What is critical here is transparency and participation of those affected in decisions.

### **Summary**

- The implementation process must be cautious and well-managed to avoid negative consequences from rushed delivery.
- Immediate steps must be taken to address damaging aspects of the current program while the implementation process is worked through.
- Job creation measures should be piloted early to signal a change in approach and to iron out difficulties.
- A new interim body should be established to finalise program design and to manage implementation in line with the principles of Indigenous engagement and partnership with organisations involved in delivery.

## APPENDIX A

TABLE 1 SUMMARY TABLE – EXISTING AND PROPOSED PROGRAMS COMPARED

	Existing Community Development Programme	Proposed remote employment and community development scheme
<b>Job opportunities</b>	<p>No direct employment creation.</p> <p>Incentives for employers.</p> <p>Indigenous enterprise development funding available for commercially viable business ideas.</p>	<p>A new Remote Jobs Investment Fund will be established to directly create part-time jobs in communities where long term unemployment is very high. Initially around 10,500 jobs, with numbers to be adjusted with labour market conditions according to funding formula.</p> <p>Most jobs will be created within Indigenous community based organisations working on identified services and projects. Labour hire or group training type arrangements can be used to enable employees to be assigned to traineeships and/or other temporary work assignments with a range of employers, facilitating long term skills development. A training account will be attached to the jobs to encourage work related and foundation skills training on the job.</p> <p>Jobs will have normal employment conditions. Superannuation will be paid, leave will be available, and jobs can be ‘won’ or ‘lost’. Applicants must be local unemployed.</p> <p>Job creation will also be supported through re-designing the current enterprise development fund to support social enterprises. Rules that restrict income generating activity will be relaxed and simplified.</p> <p>Wage subsidies available to employers.</p>
<b>Work preparation, individualised case management assistance for those on income support</b>	<p>CDP providers offer two sets of services.</p> <p>People who are 18-49 are required to Work for the Dole – usually 5 days per week, 25 hours</p> <p>Basic services provided to all participants - principally monthly appointments, usually office based and focussed on IT/administrative tasks, daily reporting to Government</p>	<p>CDP providers would be replaced with Remote Jobs Centres which will provide strengths based case management for individuals and families, focussed on personal and family goals</p> <p>Obligations of participants would be no greater than those of other unemployed Australians. ‘Default’ structure for obligations, with capacity to change at the community level.</p>

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	that obligations are being met, including daily submission of compliance reports.	Current IT/admin tasks of providers will be minimised, including eliminating daily reporting. Reporting on participant activities is by exception (for example because compliance action is being considered) or as necessary to track progress to outcomes.
<b>Use of income support penalties</b>	Mandatory reporting by provider of non-attendance at appointments and Work for the Dole Failure to recommend penalty for non-attendance at Work for the Dole means provider loses revenue	Those in work positions created under the new Remote Jobs Investment Fund would be subject to the normal employment arrangements set by their employer. For those people who remain on income support, the local organisation (Remote Job Centre) will have discretion to decide, in each case, whether applying a penalty is the best approach. Local governance committees to have input into local approach to obligations and penalties within framework of national Social Security rules.
<b>Education and training</b>	No recognition of education or training as valuable outcomes in themselves (except drivers' license and Language Literacy Numeracy) Training must be linked to a specific job or to a specific Work for the Dole activity	Training, education and related work experience will be able to be recognised and supported as part of a long term plan to improve the number of local people in local, quality jobs, as well as contributing to individual and community wellbeing. A training account would be attached to jobs established under the Remote Jobs Investment Fund to encourage foundation and/or vocational training on the job. RIJF jobs could also be used to establish traineeships and apprenticeships, and can be used to provide continuous employment over the full length of an apprenticeship through a group training type arrangement. The Remote Youth Projects will provide training in the context of paid work experience as a stepping stone to future jobs.
<b>Employment focus</b>	Providers can claim outcome payments when people have been in work for 13 weeks and for 26 weeks, regardless of job quality or level of assistance provided by provider Employers can claim an incentive payment after 26 weeks of employment - \$7,500 for full time employment, \$3750 for part time	Funding will be available for new jobs to be created – both directly through the jobs fund (RJIF), and indirectly through social enterprise development funding. The focus of the work of the Remote Job Centre (and the scheme more broadly) will be on net employment impact, with success measured on the basis of long term improvements in (1) the proportion of local

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		people in work, (2) movement into higher level jobs in the community (3) the proportion of people earning some income (eg: through sales, intermittent work). There will be additional measures in other areas, including governance and youth participation. Wage subsidies will be available to employers.
<b>Support after work placement</b>	Support must be provided to stay in employment for up to 26 weeks. Funding level drops after placement. People who relocate must change provider	Remote Job Centre provides initial support to employer and employee, but then can continue to provide assistance when needed and requested – for example support for an individual to move into more stable, or higher skilled employment and assistance where job is ‘at risk’. Remote Job Centre can also provide support where participant takes up work or training outside the community.
<b>People with substantial impairments, psychological, or other health impediments to employment</b>	Where DHS has identified the issue/s, a person may have part time Work for the Dole requirements, or only be accessing ‘Basic Services’ Temporary exemptions are available through DHS There is widespread concern that DHS is not identifying serious health and other issues	Remote Jobs Centre will provide assistance for people to get proper assessment and treatment by relevant health/other experts wherever possible. RJC will assist participants (and family members, for example carers) to get onto the correct income support payment. Remote Jobs Centre provides individual support to achieve income stability, personal goals and employment where appropriate. Where people do not have capacity to work – even with support – Remote Job Centres would have discretion to place people in a ‘personal support’ stream without work-related obligations for up to 12 months at a time. Annual review of whether the participant is benefiting from assistance, with opportunity for some participants to ‘exit’ from program and go to minimum DHS reporting requirements if no benefit. Special rules for access to DSP for people in remote areas to be considered
<b>Youth</b>	No specific services for young people, including under 18s who have left, or are considering leaving school Emphasis on getting Early School Leavers (under 22) to go back to education, but limited options in most areas	Remote Job Centres deliver or partner to deliver local strategies and programs to engage young people, including school to work transition support

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	<p>Young people who do not claim benefits are outside the program.</p> <p>2017 Budget includes \$11m for local strategies to engage youth</p>	<p>New Remote Youth Projects to provide temporary (6-9 months) paid work experience with training for young people as a stepping stone into employment</p> <p>Remote Jobs Investment Fund able to be used to provide traineeships and paid work opportunities for young people.</p> <p>Ability to provide long term retention and advancement support to young people while they are in work or education, including when they temporarily relocate.</p> <p>Specific targets and outcome measures in relation to young people to be set</p>
<b>Social and Indigenous enterprise development</b>	<p>Generation of income from Work for the Dole is restricted and has complex requirements</p> <p>Enterprises run by CDP providers are restricted in access to incentives available to other employers because of 'related entity' rules</p> <p>\$25million per annum is available in an Indigenous Enterprise Development Fund. Grants for businesses assessed as financially viable.</p>	<p>Remote Jobs Investment Fund provides major stimulus to new Indigenous social enterprises</p> <p>Rules promote generation of 'top up' income by RJC's and others involved in the scheme</p> <p>\$25 million revised to support a wider range of projects, and to build capacity for social enterprise development and expansion</p>
<b>Institutional arrangements</b>		
	<b>Existing CDP</b>	<b>Proposed remote development and employment scheme</b>
<b>Approach to policy decision making and implementation</b>	<p>Centralised, top down</p> <p>No arrangements for inclusion of Indigenous stakeholders in decision making process</p> <p>Lack of transparency in relation to program operations and outcomes</p> <p>Frequent rule changes</p>	<p>Scheme based on principles of Indigenous leadership and participation, and of community development</p> <p>Substantial scope for flexibility at local level</p> <p>Role of Indigenous stakeholders embedded both in national structure and in local and regional governance mechanisms</p> <p>Stakeholders involved in identifying and tracking program measures</p> <p>Program changes based on testing ideas, learning from experience, negotiation</p>

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<b>Local 'providers' role</b>	Majority of CDP providers are Indigenous organisations, although non Indigenous providers deliver in around half of all regions Providers are considered to be the 'delivery arm' of Government and operate under close direction	Locally controlled Indigenous organisations are funded (wherever possible) to be the Remote Jobs Centres on a 'co-production' basis. Work towards agreed program goals and within broad rules, but directed by community members. Community participation is a goal of the program. Remote Jobs Centres work together and with Government to learn from experience and to deliver continual improvements.
<b>Commonwealth Government role</b>	Program administered by PM&C, accountable to Minister Issues directions to providers and judges their performance on the basis of centrally determined measures Local contract managers monitor provider performance but any contribution (negative or positive) to outcomes is not acknowledged	Program to be administered by new organisation with Indigenous led Board One national organisation, but working through existing regional governance structures where they exist and have capacity The new body shares accountability for program success with local organisations Rather than policing local organisations, local government officials support program objectives and 'join up' government investments, participate in identifying and harnessing opportunities
<b>Capacity building</b>	Appears focussed on assistance to manage the contract (eg finances, rules IT system). PM&C design and set agenda for provider forums.	More systematic capacity building investment focussed on improving long-term impact and outcomes, including for specific groups (eg people with disabilities). Transparent processes for delivery of support. Collaboration with RJC's and regional decision-making bodies to develop and focus sector capacity building efforts.
<b>Measuring impact</b>	Success appears to be measured on the number of people attending Work for the Dole and the number of people achieving 13 and 26 week employment outcomes in each 6 month period Provider performance framework is 'one size fits all' (aside from employment targets) and largely assessed on administration. Providers held to account for things outside their control (eg actual attendance)	Move to long term impact framework, shared accountability Communities at the forefront of establishing goals and measures, and tracking progress Core framework of common impact areas to include: <ul style="list-style-type: none"> <li>• Long-term improvements in proportion of people in work or earning some additional income.</li> <li>• Community participation in decision making and building of effective and legitimate governance structures;</li> <li>• Measure of youth participation</li> </ul>

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	There is no local input into desired outcomes or reporting of outcomes / impact to communities, Government contribution (negative or positive) is not assessed	Transparency in performance reporting. Negative impacts and emerging problems identified, responded to
<b>Funding and contracting</b>	Asymmetric contract, altered by Government frequently and at will Payment arrangements are complex and have some perverse outcomes	Long term partnership based contracting arrangements Funding applied to support capacity of organisation to deliver long term outcomes, not short term 'results' Recognition of very different cost structures in different regions Consideration of 'success payments' once program is bedded down