

2 September 2017

**SENATE FINANCE AND PUBLIC ADMINISTRATION  
REFERENCES COMMITTEE**

**Inquiry into the appropriateness and effectiveness of the objectives, design,  
implementation and evaluation of the Community Development Program (CDP)**

**Responses to follow up questions**

**Lisa Fowkes**

**1. Your submission stressed the value of local decision making in the design and delivery of programs for economic development, and you recommend devolution of responsibilities to local communities.**

**I'm interested in how central government would ideally interact with local organisations under your preferred approach.**

**What organisational arrangements, skills and competencies would be necessary in government agencies to effectively work with these local organisations? Should PM&C continue to lead indigenous policy? If no, which organisation would be best placed to administer policy? Do regional offices materially improve the ability of central government to work with local organisations?**

Under the current program PM&C's approach to managing the CDP funding deeds is largely based on the contracting arrangements used by Department of Employment to manage its employment contracts. The Government specifies its desired outputs and then measures performance of providers against them. These lead to standardisation and are notoriously poor at addressing more complex problems<sup>1</sup>.

Importantly, given the Commonwealth's stated commitment to working in partnership with Indigenous communities, these arrangements provide no scope for local community members to identify their own priorities or needs. For example community leaders can't determine that for certain months of the year it may be more important to them that people to participate in ceremonial business than do Work for the Dole. They can't reduce the rate of breaching even if they see that it is doing harm. There is no ability to change the rules so that early school leavers can get involved without becoming subject to rigid and punitive requirements.

In my view the relationship between the government funding body and local organisations needs to move to a 'substantive partnership' or 'relational contracting' approach. This means that within broadly agreed, long term program goals (eg net increase in income/employment rates in the region, community participation in decision making), objectives and strategies could be developed locally, with the Government as active partner in achieving outcomes (for example by facilitating linkages with other programs, helping build capacity). Parties would work on the basis of shared learning and continual adaptation

---

<sup>1</sup> Eg. Considine, Lewis, and O'Sullivan. "Quasi-markets and service delivery flexibility following a

(sometimes called 'experimentalist government') using information to improve rather than assign blame.

I do not believe that PM&C is well equipped to manage this type of approach. It requires a strong sense of 'downwards' accountability; sensitivity to specific local conditions; openness to external input and criticism; and willingness to take risks. At least in my observations of the management of PM&C, the Department is overwhelmingly focussed on its Minister/s rather than having an outward focus. That is not surprising given that PM&C is a central agency rather than one geared to delivery of direct client and community outcomes. Decision making is highly centralised within the Department. There has been little effort to listen to input from stakeholders including its own regional staff, Indigenous organisations or researchers like myself who spend time in the field. There has been substantial turnover in the personnel dealing with CDP at the national office level, and Indigenous Affairs experience appears limited. There is little willingness to allow local experimentation. Regional offices seem to be varied in their capabilities but, in any event, seem to have little ability to make decisions in relation to the CDP. Contract managers within CDP are focussed on compliance rather than removing obstacles to achievement of community goals.

The APONT model includes recommendations in relation to the institutional arrangements for a new program (refer submission 37, Attachment 1, from page 32). I had input into and agree with these proposals. Central to the proposals is the establishment of a new agency, for example a statutory authority, that would manage a redesigned remote employment scheme. This type of structure would enable Indigenous stakeholders to be represented through a national board. A statutory authority structure might also be more effective in facilitating direct relationships with other Commonwealth agencies and with relevant State and Territory Governments, allowing better co-ordination across initiatives like Indigenous procurement, remote infrastructure spending, disability workforce development and around issues like management of fines. It could create the opportunity to embed principles of innovation, shared learning and accountability to communities in the culture of the organisation – principles that appear to be incompatible with the current institutional arrangements.

**2. The committee has been told that aboriginal social ventures seeking to employ CDP participants in remote areas are unable to access any register of skills and experience for participants living in those areas. (In some instances, we are told these organisations know of individuals with relevant skills and experiences, but they are not offered for employment when the CDP provider is contacted about the opportunity)**

**Are you aware of this shortcoming, and is it common in other regions? Do you have any views about how program design ought to ensure skills and experience are captured so they can be consolidated and used to support job seekers?**

The Government IT systems that CDP providers work with are designed to manage 'mutual obligation' - things like what number of hours people must work for their dole, whether they worked them, when their appointments are – rather than improve the capacity for organisations to match people with opportunities. Some providers try to set up separate spreadsheets which include peoples' work experience and/or what 'tickets' they might have, but these take time and resources and tend to fall over when staff move on. But I would caution against expecting too much of any technological solution. Government attempts to create automatic systems to match resumes with job openings have been disappointing. There are also significant risks in any paper or IT based approach that people who have relevant skills but have not worked in a specific job will be over-looked.

Effective matching of people with jobs requires people in provider organisations who have a very good knowledge of people on the caseload and are proactive in putting them forward for work. This means spending time getting to know people's abilities and actively advocating for them with employers. But many frontline workers tell me that they are so busy just trying to get through the administration that they don't have time to talk with employers, trawl through their caseload looking at resumes, or to find people and talk with them about possible jobs. Turnover in provider organisations is high and many frontline workers only 'know' people on the caseload through what they can see on the computer. While many providers have specific employer liaison staff, these workers also tend to spend a lot of time on administration – for example lodging vacancies in the IT system and collecting evidence to support claims.

There are program design changes that could improve things:

Reduce administrative complexity so that more locals can be employed and so that people in case management roles can focus on getting to know the caseload. As you are probably aware turnover is a major problem for many CDP providers. The complex program rules and IT focus of the program mean that many providers rely on a transient, non local workforce. Most case managers spend most of their time with clients in front of a computer. They don't have the opportunity to talk with them outside the office, to see what they are doing in their 'activities' or try to match them with vacancies. Reducing red tape and re-orienting the program to case management should improve the ability of people to be matched with opportunities.

Change the focus to long term employment impact. Providers are currently rewarded for Work for the Dole attendance and short term employment targets. There is no value placed on jobs that are more highly skilled, or on placing people that are more difficult to place. The easiest way to meet targets is to place those seen as most employable and who are easy to contact. If there was an emphasis on trying to achieve a net impact on employment rates over a longer period of time this could force organisations to look at opportunities for the whole of the caseload and to spend more time trying to work with employers on current and future skills needs.

Having said that I don't think a technological or systems based approach will help, an enormous amount of time in CDP offices is spent getting and replacing documentation (white cards, working with children checks etc). I am aware that in the past community controlled councils and/or CDEPs acted as a sort of safe place for critical documents – birth certificates, TFNs, licenses etc. Some organisations still do some of this work, but a contracting model that has seen 'providers' turn over has meant that in many places each organisation starts again from scratch. There may be a role in some communities for a central holding place for documents including qualifications and training information (not necessarily as part of an employment program). This could be a valuable service and might cut down time wasting, but it probably won't solve the problem that the Committee has uncovered.

**3. In your opening remarks you indicated that the CDP is enabling labour substitution - where jobs normally attracting award wages are instead filled by CDP participants. Can you provide examples where this takes place?**

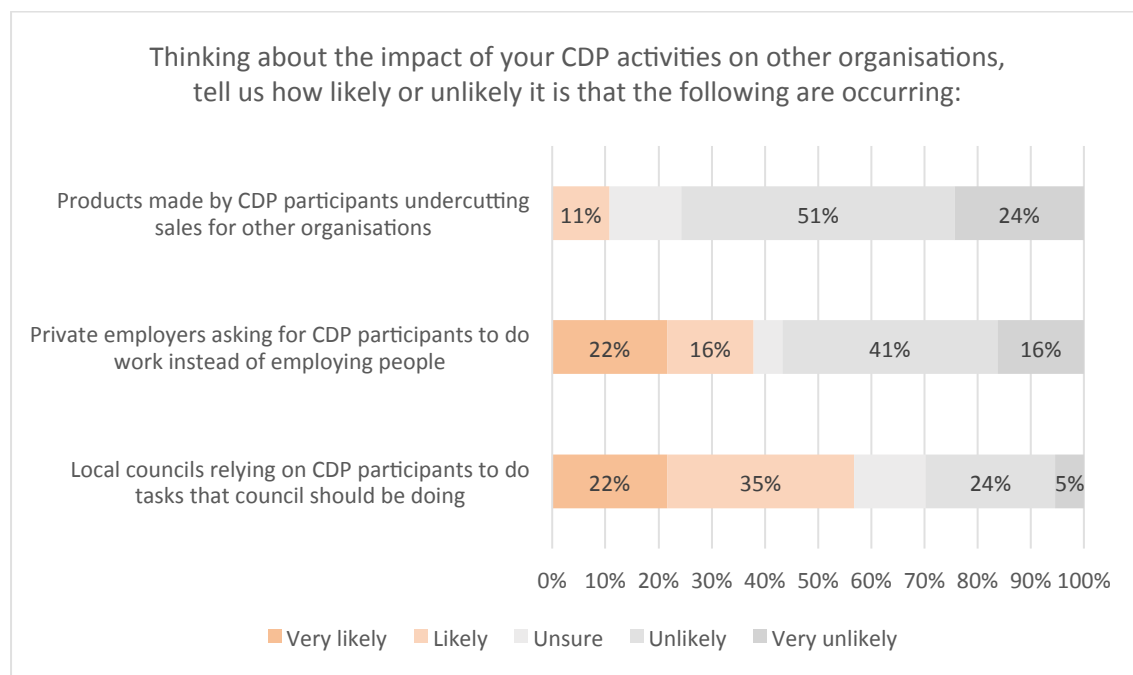
I have personally witnessed CDP participants being used in the following ways:

- Working on road works alongside paid workers from local government;
- Working in ground clearing and preparation for a private building company that had been contracted to build community houses;

- Cleaning provider premises (toilets, kitchen);
- Working in a community store alongside paid workers;
- working on landscaping or lawnmowing where the provider has a commercial contract to deliver these services.

Staff in CDP organisations have told me about occasions when they have been approached by private companies or by local government to assign CDP workers to clean up and/or prepare for major events; to work for civil construction companies; work as farm labourers and/or do stock work; perform admin/reception roles. They have told me about times when they have been asked to assign a specific person to work with them because of their skills, but have been unwilling to pay that person. I have also been told about occasions when participants have walked off projects because they discovered that they would not be paid. I have witnessed participants refuse to work on projects that they believe should be paid.

As part of our research we conducted a provider survey in February this year which included some questions about potential labour substitution. 34 (of 40) providers responded to this question. Relevant responses are in Chart 1 below. As you can see over half (57%) reported that it was likely or very likely that local councils were relying on CDP participants to do work that the council should be doing, while 38% reported private employers seeking CDP participants instead of paying workers.



I would like to make it clear that I think that CDP participants should be able to do much of this work. Participants have often told me how demoralising it is to see people from outside the community doing work that could be readily done by locals. But they should be paid award wages and have all the rights and entitlements of employees. If they had these rights there might be issues around cost-shifting between Governments as there were under CDEP. But CDP workers would be getting an equal wage for doing work that has value. As I said to the committee – the failure to afford people employment rights poisons the work that is or should be done by its participants.