Local Government Association of the Northern Territory

LGANT Submission to the Discussion Paper: *Remote Employment and Participation*

Via email to: cdpconsultation@pmc.gov.au

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About this Submission

The Local Government Association of the Northern Territory (LGANT) makes this submission in response to the call for submissions to the discussion paper on remote employment and participation issued by the Commonwealth Department of Prime Minister and Cabinet (PM&C).

This submission consists of the following parts:

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1.1 Local Government Association of the Northern Territory

The Local Government Association of the Northern Territory (LGANT) is established as an incorporated body under section 242 of the *Local Government Act* of the Northern Territory.

LGANT provides a united voice for local government in the Northern Territory and nationally through its membership of the Australian Local Government Association.

There are three distinct levels of local government councils in the Northern Territory which is reflected in the membership of LGANT based on their degree of urbanisation and service delivery models:

1. **Municipal Councils** (City of Darwin, City of Palmerston, Litchfield Council, Katherine Town Council and Alice Springs Town Council).
2. **Regional Councils** (Tiwi Islands, East Arnhem, West Arnhem, West Daly, Victoria Daly, Roper Gulf, Barkly, Central Desert, MacDonnell).

3. **Shire Councils** (Belyuen, Coomalie and Wagait Councils).

Local government is the appropriate sphere of government to deliver services and maintain infrastructure and facilities in local areas. Local government makes a significant contribution to the Northern Territory economy as collectively councils employ 3,500 Territorians, manages and controls assets valued at over $600 million and receives and expends over $450 million in the Northern Territory annually.

In the governance of the regional councils that cover the remote portion of the Northern Territory, eighty of the ninety-nine elected members are Indigenous (80%). Seventy percent (70%) of the two thousand five hundred council employees are also Indigenous.

1.2 LGANT policies that support this review:

LGANT is supportive that a review of the current Community Development Programme is being undertaken. LGANT is also supportive that the review is being conducted in a consultative manner with provisions for continuation of existing services whilst the review is undertaken.

LGANT policies that are relevant to this review are:

Economic and Regional Development

(a) LGANT recognises that soundly based economic and regional development is fundamental to the wellbeing of communities in the NT.

(b) LGANT supports councils fostering economic and regional development through a range of measures such as:

- supporting local business
- providing essential infrastructure and services, including through joint ventures
- identifying investment opportunities
- promoting tourism
- promoting cultural and recreational resources as an incentive for regional investment.

(c) LGANT calls on the Commonwealth and Territory Governments to recognise and support the role of Local Government in regional and economic development.

(d) LGANT recognises that where developments impact on Indigenous cultural heritage, councils must exercise leadership in ensuring that local Aboriginal needs, aspirations and cultural and spiritual values are taken into account.

(e) LGANT supports the maintenance and extension of electronic information networks as a means to facilitate and promote participation in economic and regional development initiatives.

Commonwealth Programs

(a) LGANT supports labour market programs being used more effectively to support local and regional development.

(b) LGANT believes that substantial additional Commonwealth funding is required to support effective regional development efforts.

(c) LGANT supports the Commonwealth Government introducing measures to increase the viability and competitiveness of existing industry and the encouragement of new industry in regional Australia through a range of new initiatives.

(d) LGANT supports the Commonwealth Government moving to decentralise government departments from Canberra and capital cities to promote regional development.

Northern Development

(a) LGANT supports and promotes policies aimed at safeguarding the continued viability and opportunities for development of rural regions and communities in the Northern Territory.

Unemployment

(a) LGANT supports councils playing an active role wherever possible in employment programs, either as a facilitator or employer.

Part 2 LGANT responses to the Discussion Paper

2.1 Community Development Projects in the Northern Territory

The Community Development Programme (CDP) is delivered in the Northern Territory across four Department of Prime Minister and Cabinet regions, further divided into 23 CDP regions (of the sixty covering Australia) and eighteen providers. Three providers covering five regions are Local Government councils who are members of LGANT.

The boundaries of CDP regions do not align with other administrative boundaries, including land councils, Health areas, Northern Territory government regions and local government boundaries. This can lead to challenges in engagement and jurisdiction.

Table 1
CDP Regions, Providers and PM&C Networks

No.	CDP Region	CDP Provider	PM&C Regional Network
20	South East Alice	CatholicCare NT	Central Australia
21	South West Alice	Wana Ungkunytja Pty Ltd	
22	West Alice	Tjuwanpa Outstation Resource Centre Aboriginal Corporation	
23	Alice Springs	Tangentyere Council Aboriginal Corporation	
24	North East Alice	EMG Pty Ltd / My Pathway	
25	North West Alice	Central Desert Regional Council	
26	South East Barkly	Julalikari Council Aboriginal Corporation	
27	Far West Alice	Ngurratjuta-Pmara Ntjarra Aboriginal Corporation	
28	North Barkly	Julalikari Council Aboriginal Corporation	Top End and Tiwi Islands
29	Gulf	Roper Gulf Regional Council	
30	Ngukurr/Numbulwar	Roper Gulf Regional Council	
31	Katherine	Jobfind Centres Australia Pty Ltd trading as RISE Ventures	
32	Victoria River	Victoria Daly Regional Council	
33	Central Arnhem	Roper Gulf Regional Council	
34	Wadeye	Thamarrurr Development Corporation Ltd	Northern Lands/Tiwi Islands
35	Darwin Daly	Ironbark Aboriginal Corporation	
36	Tiwi	Tiwi Islands Training & Employment Pty Ltd	
37	West Arnhem	Jobfind Centres Australia Pty Ltd trading as RISE Ventures	Arnhem Land and Groote Island
	West Arnhem (Warruwi community only)	Yagbani Aboriginal Corporation	
38	Maningrida	Bawinanga Aboriginal Corporation	
39	Millingimbi/Ramingining	The Arnhem Land Progress Aboriginal Corporation	
40	Galiwin'ku	The Arnhem Land Progress Aboriginal Corporation	
41	Gapuwiyak-Yirrkala	Miwatj Employment And Participation Ltd	
42	Groote	Groote Eylandt Bickerton Island Enterprises Aboriginal Corporation (GEBIE AC)	

(**Source**: Department of the Prime Minister and Cabinet (PM&C), The Community Development Program Regions, 1 October 2017 https://www.pmc.gov.au/resource-centre/indigenous-affairs/community-development-programme-regions Retrieved 10th January 2018)

LGANT submits that councils in the Northern Territory continue to be recognised as suitable providers. Over eighty percent of the elected governance members are Indigenous, and over seventy percent of the employees are Indigenous.

The nine regional councils have sixty three local authorities established to provide community level governance.

Local authorities work with the community to find solutions to local issues. They are involved in planning, give feedback on service delivery and identify priority community projects. Regional councils help plan and deliver local projects that have been identified as priorities by each local authority. This gives community members more control over the services which affect them.

It is of concern to LGANT when multiple overlapping forums impact the ability to deliver a coordinated community plan. Divided funding and divided resources rarely bring about a successful outcome.

This does not mean that councils should necessarily always deliver their services with their own workforces. They are able to contract out works and services to other organisations however, the core work they do is their responsibility and hence they must either do it themselves or manage the work through contracts with other entities. There is often conflict if multiple organisations in remote towns are trying to do the same work and are competing for the same resources.

In remote areas, schemes such as CDP have been great enablers for councils over decades to get more of their own work done. They never have enough resources to do all that they would like to do and generally CDP has been a way of many employees getting exposure and access to council activities. CDP schemes have certainly helped in making remote towns more 'liveable' by bolstering the provision of council services, facilities and infrastructure maintenance, upgrading and renewal.

2.2 Design Principles

LGANT supports the objectives and design principles outlined in the discussion paper. LGANT has two suggestions, namely that principles focused on the following should be added:

1. on ensuring sustainable providers
2. on adequate funding to enable providers and communities to achieve meaningful outcomes

The rationale for these suggestions are expanded in the responses to selected discussion questions section below.

2.3 Responses to Selected Discussion Paper Questions

2.3.1 Which Model?

LGANT does not have a preference for any model over another. LGANT supports any model that:

- enhances local decision making
- reduces administration and compliance costs
- provides meaningful engagement in employment in remote communities
- is appropriately funded.

LGANT notes that the proposal from the Aboriginal Peak Organisations Northern Territory (APO NT), which is referenced in option 1, was endorsed by three of its member councils, namely: East Arnhem, West Arnhem and Central Desert Regional Councils.

2.3.2 Funding for Employment Outcomes

There is a wealth of published research literature on the challenges faced by remote communities in achieving local employment opportunities, and differing opinions on the merits of various programmes to help address those challenges.

> McRae-Williams and Gerritsen[1] explained the unique economic and employment challenges within remote communities: "*There are limited employment opportunities with a significant gap between the size of the labour force and the number of jobs generated in the local economy as well as inadequate physical infrastructure for many economic development proposals. Low levels of education, limited opportunities for training, poor health, transport difficulties, and issues of alcohol and drug abuse are also factors affecting employment capacity*".
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> (1) E McRae-Williams, R Gerritsen, (2010). Mutual Incomprehension: The Cross Cultural Domain of Work in a Remote Australian Aboriginal Community. The International Indigenous Policy Journal, Vol. 1, No. 2, p. 1.

Opinions have been expressed that previous programmes were not leading to employable skills or jobs outside of the programme[2]; and that programmes were diverting participants from mainstream employment, or whether it was the only realistic option for employment in remote communities with limited access to jobs[3].

(2) I Spicer, Independent review of the Community Development Employment Projects (CDEP) Scheme, ATSIC, Canberra, 1997.
(3) 15 BH Hunter and MC Gray, Continuity and change in the CDEP scheme, Working paper, 84/2012, Centre for Aboriginal Economic Policy Research (CAEPR), Canberra, 2012.

Some critics expressed a view that previous programmes were being used as a Commonwealth subsidy to provide services that should be provided by other levels of government, and that the programmes were not delivering employment outcomes and were subsidising local government and state/territory responsibilities [4].

(4) James Haughton, *Social Security Legislation Amendment (Community Development Program) Bill 2015*, Bills Digest No. 93, 2015-16, Parliamentary Library, 29 February 2016.

The alternative question is whether a scheme that is the only realistic option for employment in remote communities and is a form of subsiding community development is necessarily a bad thing when it:

- has community members engaged
- supports a feeling of community involvement
- helps to make some communities more 'liveable'
- does not demand that other social services are correspondingly reduced.

The three models in the discussion paper all propose improvements to reducing compliance and providing greater flexibility to the providers as outlined in the design principles. However, none of the proposals address the fundamental challenge of whether enough productive sustainable employment is available for any programme to achieve its desired outcomes.

The Aboriginal Peak Organisations Northern Territory observed:

> "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. 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' "[5].

(5) APO NT, Submission to Senate Inquiry, http://www.amsant.org.au/apont/wp-content/uploads/2017/01/20170612-APO-NT-Draft-CDP-Submission-FINAL2.pdf 22 June 2017.

The employers of many of the jobs outlined are local government councils, and Federal/Territory/State departments. They recognise the needs of their community but lack the funding for the employment of persons and the purchase of materials. That was a strength within the old CDEP scheme. Commercial style self-funding employment opportunities are very limited, and community development style employment eventually comes from a Federal/State/Territory funding stream, and it is an academic discussion as to which budget funding allocation is ultimately utilised. Increasing local government funding should have a corresponding reduction in the employment funding via CDP. It would also place the funding via a proven community delivery organisation with an established track record and capacity.

2.3.3 Transition Arrangements

LGANT notes that a transition policy is underway to move provider contracts to Indigenous controlled organisations. LGANT is of the view that, where appropriate, local government councils are a suitable community based provider, and should have the opportunity to compete for the contract. Over eighty percent of the elected governance members of councils in the Northern Territory are Indigenous, and over seventy percent of the employees are Indigenous.

2.3.4 Capability and Capacity for Payment Systems

Models that propose a wage based system that is processed by the provider add a significant level of complexity in processing payments that may challenge the capacity of smaller providers. Option 2 (CDP-2), with payments made within the national income support scheme, but by the provider, raise concerns about the ability of providers to understand and implement the complexity of the payment entitlement within the national scheme. The option 1 (Wage-based) hybrid payment model, with a combination of a continued centralised national income support payment scheme, and a "show pay" provider payment system more aligned with wage type payroll systems is more likely to be within the capacity of providers to implement.

Therefore, LGANT favours option 1 over option 2.

2.4 Access to all Australians

LGANT submits that any programme in remote Australia should be open to all eligible job seekers.

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