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The First Assistant Secretary
Community and Economic Development Division
Department of the Prime Minister and Cabinet
PO Box 6500
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Via email: cdpconsultation@pmc.gov.au

Dear First Assistant Secretary,

I thank you for the opportunity to provide a submission in response to the Department of the Prime Minister and Cabinet's Discussion Paper: Remote Employment and Participation.

The Northern Territory Government welcomes and looks forward to working with the Commonwealth Government on implementing an informed and meaningful new remote employment and participation program, which advances and enhances the lives of Aboriginal Territorian's.

Yours sincerely

ANDREW COWAN

19 February 2018

Discussion Paper: Remote Employment and Participation

The First Assistant Secretary
Community and Economic Development Division
Department of the Prime Minister and Cabinet

The Northern Territory Government (NT Government) welcomes the opportunity to make this submission on a new employment and participation model in response to the Department of Prime Minister and Cabinet's Discussion Paper – Remote Employment and Participation.

Overview

It is timely that the Commonwealth Government reviews the current Community Development Program (CDP), as the *Closing the Gap* framework marks its 10 year anniversary. Only two of the *Closing the Gap* targets are on track to be met, with the majority not on track. In addition, some of those targets are due to expire this year such as the target to halve the gap in employment outcomes between Aboriginal and non-Aboriginal Australians within a decade (by 2018).

The *Closing the Gap* refresh currently underway, along with the NT Government's commitment to a significant Aboriginal Affairs agenda, aims to empower Aboriginal people and communities and advance self-determination; collectively all of these initiatives present the right environment to make changes through the delivery of new approaches that are place-based. These changes will be driven through key policy priorities such as, local decision making, which will transfer, where agreed, government service delivery to Aboriginal people and organisations based on their community aspirations. Along with local decision making, the NT Government is progressing discussions around the possibility of entering into a Treaty, as well as ensuring land and sea ownership reforms delivers on economic and social aspirations of Aboriginal people.

It is well recognised that Aboriginal people are an untapped workforce in the Northern Territory. At the same time, the Territory experiences one of the tightest labour markets.
Through experience and inadequate results, it is acknowledged that simply stimulating demand or supply in isolation has not been successful in driving economic growth. Because of this, the NT Government is working towards the integration of demand and supply policies/initiatives to greater support Aboriginal economic growth.

The Discussion Paper outlines proposed new objectives, design principles and three potential new models as options for the future delivery of employment and participation services in remote Australia.

Much of the CDP framework, and specifically the mutual obligation requirements appears to be in direct conflict with the realities of living in remote and very remote communities in the NT.

Currently, CDP participants are required to meet almost twice the amount of requirements as JobActive participants, for the same social security wage per week. The more onerous requirements make it much more difficult for CDP participants to comply. A failure to meet the mutual obligation requirements results in a financial penalty. As stated previously, the NT Government is concerned about the significant impact the current financial penalty for a breach of the mutual obligation requirements, may have on individuals, their families and their communities.

People living in remote NT communities already face a higher cost of living, as evidenced throughout the NT Council of Social Services numerous Cost of Living Reports. The cost of basic items, food and fuel in remote communities is considerably higher compared to urban areas. Often, such financial strain has an overflow effect onto other members of communities. This effect should be kept in mind when designing penalties for breaches of requirements.

The financial penalty system within the current CDP model risks exacerbating financial and household stress, with the potential of increasing risks relating to child neglect.

The United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) provides the guiding principles, which the NT Government believes all governments at all levels should commit to when addressing Aboriginal issues.

Reconsidering the remote employment program provides an opportunity for the implementation of an appropriate, non-discriminatory remote employment program to set a positive example for younger generations and improve quality of life for those living in remote communities. It is imperative that, in order to achieve direct and indirect broad societal outcomes through any new program, there is genuine and meaningful consultation with Aboriginal communities, at all levels. This includes at the design, the delivery and the evaluation stages of any remote development and employment scheme or program.

Without any real consultation, the NT Government based on the information within the Discussion Paper, recommends further exploration of option 1, a new wage-based model. This model draws on elements of previous variations of the CDP, as well as the proposed APO NT model.

Option 1 – New Wage-Based Model

This is a model that is placed based, community driven and establishes a framework for long-term collaborative efforts across Governments and Aboriginal organisations to increase economic opportunities, increase jobs in remote communities and reduce the reliance on the welfare system.

The model proposes to offer an incentivising focus and supports job seekers along a genuine pathway to work, ensuring greater community control and decision making, and building the remote economy through subsidised jobs. This model correlates to the policy priorities and direction of the NT Government, with its place-based approach to support the transfer of government services to the community, and in particular Aboriginal community controlled organisations, if desired.

For far too long, governments and community have heard of "training for training sake" or "Aboriginal people in remote are one of the most trained". It is evident that the best outcomes from training are achieved where there is a sight of a job at the end. Training should be focussed around industries, the organisations, the business and the individuals, who derive value from the training. Training for the sake of training provides very little benefit to industry, organisations or the individuals who utilise it.

Under the current CDP model, there has been significantly less federal investment in vocational focused training and jobs. The NT Government suggests that investment into vocational training and jobs is an integral part of any new model for remote employment.

The NT Government supports a new model to provide job seekers access to award rates, an ability to earn additional income and to exit from income support. Previously, CDP included locked in work rates well below award rates with little to no prospect of exiting from the welfare system, which included a financial penalty system for breaches of participation and client reporting. This system has had a significant impact on individuals, families and the NT economy more broadly, through reduced income as a result of those financial penalties.
The option 1 model shifts away from a compliance and administration focus, towards a model that is place-based, with community development as a focus and reflects long-term support through case management.

CDP in its current form cannot provide long-term solutions to unemployment rates in remote communities. Unless jobs are created with long-term prospects, which are meaningful to people and community, then the status quo will remain. There is no exit strategy from CDP to employment.

Localised business, private sector investment and community service delivery opportunities will need to be established if the program is to create the relevant long-term, culturally and community appropriate employment prospects into which CDP participants have the opportunity to transition into.

The "jobs" outcome in the current model is narrowly defined and does not recognise the extent of economic participation engaged in by CDP participants. This is particularly so in remote communities where there are impediments to accessing government services and for communities to fill the gap themselves. Economic participation includes a range of activities that contribute to productivity but are not necessarily paid jobs, such as caring for the environment, providing cultural and early education of children and carer responsibilities.

There is limited capacity building and skills development in Aboriginal communities, transient or thin markets and economies in the Northern Territory, along with a chopping and changing of policy and support programs, which undermine the ability to provide positive and meaningful outcomes.

The lack of engagement with young people (16-18 year-olds) is a serious gap that should be addressed in any redesign/review of the current CDP.

The NT Government supports the proposition that there should be capacity for fixed-term 'top up' opportunities for CDP participants to develop team leadership skills and further build mainstream job readiness.

The current CDP system does not take into consideration the complexities faced in remote communities where the job market is thin and/or limited and communication challenges are a daily issue. It is a blunt instrument for a complex issue and there is no evidence that current arrangements have improved outcomes on the ground.

The NT Government proposes that in addition to the Option 1 model, consideration and review of the remote boundaries be had. It is our belief that regions with a strong labour market should be excluded from the application of a remote employment program.

Further, the NT Government believes there is scope to keep people in a cycle of work, where training becomes both on the job and upskilling, in order to take on local employment opportunities. This could and should include focused funding within the model to support social enterprise activity to grow not only employment but the market and subsequently generate revenue.

The NT Department of Trade, Business and Innovation has seen some success with the labour hire service which have been developed in recent years by CDP providers, Aboriginal

organisations and businesses wanting to provide greater access to a local Aboriginal workforce to respond to contractors and other employers who are seeking an available, local and skilled workforce.

The Discussion Paper signals an intent for a transition of the delivery of remote employment services to Aboriginal or local community organisations. Any new model should ensure there is a clear direction and blueprint to achieving this within a realistic timeframe and in consultation with Aboriginal people. The key to success will be adequate investment in governance and leadership.

There is capacity under the NT Government's local decision making framework for the Commonwealth government to work with the NT Government in its attempt to achieve this goal of greater community control.

NT Government Direction to stimulate jobs in the Bush

The NT Government has a number of new programs and incentives aimed at supporting, growing, and retaining the Aboriginal workforce with real employment. The Aboriginal Employment Program is one example of this, providing year-round support for employers to develop and retrain their Aboriginal workforce. This year, the program is expected to support 75 businesses to help 800 Aboriginal Territorians gain employment, stay in employment, or advance their career.

Government spending provides a way to support Aboriginal economic and employment opportunities and the NT Government is undertaking a comprehensive consultation process in developing a new Aboriginal contracting framework. In developing the framework, the NT Government will work closely with Aboriginal people and organisations to ensure a place-based approach supports increasing local Aboriginal businesses capacity and ability and to ensure jobs are supported and created through government investment in remote communities.

In June 2017, the NT Government released its Economic Development Framework, which highlights the NT's long-term commitment to economic development and job growth in the Territory. The Framework includes key projects and actions which will benefit multiple and varying sectors, including 'investment on Aboriginal land'.

The NT Government is committed to working in partnership with Aboriginal people, organisations, all levels of government and the private sector to drive opportunities that will enable increased employment and training opportunities tailored to the needs of communities throughout the NT.

A Step in the Right Direction

The NT Government has made commitments to Aboriginal employment targets, these include 500 more Aboriginal people being employed in teaching, police, or nursing positions by 2026.

There are more than 100 Aboriginal languages and dialects spoken in the NT and therefore a valuable service provided through the NT Government in partnership with the Commonwealth Government, is the Aboriginal Interpreter Services (AIS). The AIS has 352 registered interpreters, covering a total of 48 languages. Use of this service is imperative in moving forward in the design of a new remote employment program.

Previously there has been a lack of consultation with Aboriginal communities regarding the design and implementation of CDP over the years, which has contributed largely to its failing. All variations of the CDP, including the present model, have been reflective of a one size fits all approach. This does not work for Aboriginal communities as it does not take into consideration the varying and at times stark, differences in markets and communities.

The UNDRIP provides Indigenous people the right to self-determination.[1] In exercising their rights, Indigenous peoples have the right to autonomy or self-government in relation to their internal and local affairs including ways of financing their autonomous functions.[2]

Any imposition of a program or scheme onto an Aboriginal group or community, without consultation reduces their input into program design and diminishes Aboriginal people's opportunity for self-determination and autonomy.

The APO NT Model

The Aboriginal Peak Organisations of the Northern Territory (APO NT) has voiced its concern about the lack of commitment to consult with Aboriginal people and communities on any reforms to CDP and to negotiate a meaningful pathway forward. The NT Government supports a focus on engagement and contribution from Aboriginal people affected and involved in programs such as CDP.

The NT Government through its agency, the Department of Housing and Community Development (DHCD), has provided a support role in the implementation of the CDP through the NPRH and through its regional staff.

[1] UN Declaration on the Rights of Indigenous Peoples, Article 3
[2] Ibid, Article 4

Under the NPRH and the Remote Australia Strategies, the NT provides the Australian Government with details of a contract once awarded (including the name of the contractor and the point of contact). The purpose of providing this information is for the Australian Government to pass on the details to its CDP providers and the Government Engagement Coordinators in the regions.

The APO NT proposed alternative model to CDP is an alternative model that the NT Government would support further exploring with the Commonwealth Government and key Aboriginal stakeholders.

Conclusion

The NT Government supports the further exploration of Option 1 as an alternative model for delivery of remote employment services.

Where a program significantly impacts upon Aboriginal people, it is the NT Government's position that genuine Aboriginal community and organisation engagement and consultation takes place at the design and implementation levels, as well as contribution to its ongoing monitoring and evaluation.

The impact of social determinants on health and well-being is significant and has to be a key consideration in any programs addressing job readiness and employability. Without addressing these, improvements in jobs are not going to be achieved. Improving housing, health and education is central to this.

The NT Government is committed to both improving services and job opportunities in remote parts of the Northern Territory. This includes a commitment to build Aboriginal participation in the delivery of key Government services, particularly in remote and regional areas. The NT Government is also working with the business community to build opportunities for enterprise and commercial activity to create more job opportunities for Aboriginal Territorians.

We will make every effort to engage and work with the Commonwealth Government to further develop an improved Community Development Programme or any future equivalent remote employment programmes.