

Lessons from the Recent Policy Experience in the Australian Indigenous Community-Employment Sector

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Abstract

Indigenous disadvantage in Australia is persistent and includes continued low labour-force participation and employment, especially in remote areas. Government-driven employment programs respond by engaging (predominantly Indigenous) jobseekers in regional and remote Australia to improve outcomes. However, results have been mixed.

Much of the extant literature focuses on the Community Development Employment Program (CDEP)—Australia's longest-lasting community-employment program (1977–2015). There are comparatively few studies that focus on programs implemented since 2007, when CDEP began to be phased out, and no studies that trace this recent history in its entirety. This study fills this gap by exploring and comparing the key features of four employment programs from 2007 onwards—a period of relatively rapid program change. The paper discusses their key similarities and differences and argues that, despite rapid vicissitudes, the underlying policy settings remain largely stable. This offers some potential lessons for future policy approaches, which are particularly timely in the lead up to yet another new program being scheduled for implementation in early 2019.

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1. Introduction

Indigenous Australians continue to experience widespread social disadvantage, including in terms of labour-force participation and employment. They are still less likely than non-Indigenous Australians to be participating in the labour force and less likely to be employed, especially in remote communities (DPM&C, 2018). This is despite decades of employment programs, which have sought to improve outcomes for (primarily) Indigenous Australians living in regional and remote areas. These include the Community Development Employment Program (CDEP) (introduced in 1977), which continued for over 30 years, and four further programs, introduced between 2007 and 2015. In late 2017, the Commonwealth Government released a discussion paper inviting public comment on plans to create another new model—the sixth program in just over a decade (DPM&C, 2017a).

As the longest running Australian community employment program to date, much of the extant literature focuses predominantly on CDEP. Comparatively few studies explore the features of employment programs implemented since 2007 and of those that do, most tend to focus on one program at a time.

Although Fowkes (2011) did not focus specifically on remote Indigenous employment, she compared the key features of two programs introduced from 2007 to 2009 and argued that their fundamental policy objectives and frameworks were very similar. She argued that this meant both programs were unable to address fundamental underlying issues that substantially hindered progress. Since Fowkes' (2011) analysis, no similar studies could be found that consider whether this trend has continued. However, this is an important factor in informing future policy and program design. In the lead up to another new program being implemented in early 2019, it is timely to consider whether the recent program history indicates evidence of policy learning and improvement, or whether there remain underlying issues that are yet to be addressed. Unless programs are evolving and adapting to address fundamental structural and social barriers to remote Indigenous employment, there can be little hope that outcomes will improve.

This paper draws on publicly available literature to trace the full history of programmatic change in regional/remote Australia from 2007 onwards, when CDEP began to be wound up. It: 1) describes and compares the key characteristics of Australian employment programs¹ implemented during this time to determine their key similarities and differences; 2) considers available evidence of their outcomes and impacts; and 3) proposes some possible lessons from this recent history that build upon those previously offered by Fowkes (2011) and may help to guide future policymaking. The paper finds that Fowkes' (2011) argument about the similarities between the Job Network (JN) and Job Services Australia (JSA) is, seven years later, equally relevant to the Remote Jobs and Communities Program (RJCP) and the Community Development Program (CDP) and that fundamental underlying policy issues have still not been addressed. This has implications for future policy directions in this area, including the impending new employment program, scheduled to be implemented in early 2019.

¹ This paper focuses specifically on the history and impact of employment programs for Indigenous jobseekers in remote contexts. It should also be acknowledged that there have been, during the time period covered here, other policies/programs also designed to impact employment.

Although this paper focuses on employment programs from 2007 onwards, because these programs and policies are deeply embedded in and informed by the previous 30 years of community-employment policy, it begins with a brief overview of CDEP. This is not intended to be exhaustive; there are many other accounts of the history, value and administration of CDEP in the existing literature (e.g. Altman and Gray, 2000, 2005; Sanders, 2004, 2012, 2016; Hunter and Gray, 2012; Jordan, 2016).

Setting the context

Programs from 2007 onwards were preceded by thirty years of program stability with CDEP, which was established by the Fraser Government in 1977. It was, at least partially, a response to concerns that the extension of unemployment benefits to Indigenous people living in remote communities (where local economies were weak and job opportunities were few) during the early 1970s would promote 'sit-down welfare' (Gray, Howlett and Hunter, 2014; Jordan, 2012; Sanders, 2012). Under CDEP, an amount roughly equivalent to unemployment benefits was provided in a lump-sum grant to each community (usually through the local council), which would then use the funds as wages to employ otherwise unemployed individuals in part-time 'work'.²

CDEP was gradually rolled out across Australia; at its peak from the late 1990s to 2004, there were around 35,000 participants overall, though this number had reduced to 10,692 by 2011 (Gray *et al.*, 2013). Though the outcomes and impacts of CDEP have been widely contested (e.g. Altman, Gray and Levitus, 2005; Hunter and Gray, 2012; Cape York Institute, 2007; Pearson, 2009), its ultimate demise was brought about on the (also highly contested) basis that it became a welfare 'pedestal' from which the long-term unemployed found it difficult to escape (Cape York Institute, 2007; Pearson, 2009; Department of Finance and Deregulation, 2009; Hockey in Uhlmann, 2007).

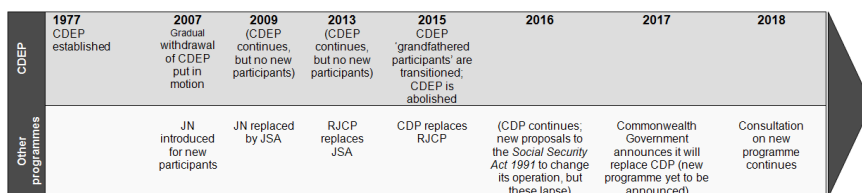
In a 2006 speech, then Minister for Families, Community Services and Indigenous Affairs, Mal Brough, set out what he called his 'blueprint for action in Indigenous affairs', which included a focus on economic development in remote areas and a nod to ensuring better management of mobility opportunities to facilitate jobseekers to take up employment beyond their communities. Later, in 2007, the Howard Government put into motion the gradual withdrawal of CDEP (Hockey in Uhlmann, 2007). This occurred against the backdrop of an increased focus on jobseeker obligations under the Working Nation (from 1994) and Welfare to Work agendas (from 2006), the latter of which increased activity and participation obligations attached to welfare payments (Jose and Burgess, 2005; Thomas and Daniels, 2010).

2 Later incarnations of the Program also included activity fees, participant payments, management fees and placement-incentive payments (Department of Finance and Deregulation, 2009).

2. Australian employment programs from 2007 onwards

The following sections describe the key characteristics, including delivery modes, funding structures and core program components, of each successive employment program from 2007 onwards. This includes the Job Network (JN), Job Services Australia (JSA), the Remote Jobs and Communities Program (RJCP) and the Community Development Program (CDP). As illustrated in **Figure 1**, these programs overlap and interrelate with CDEP from 2007 until it was completely discontinued in 2015.

Figure 1 Timeline of employment programs in remote Australia, 1977–2018



Job Network

JN was first introduced in 1998 to replace the Commonwealth Employment Service, which was abolished by the Howard Government in 1996 (Webster and Harding, 2008). The impetus was to create a quasi-privatised job-services sector, ostensibly to improve efficiency and outcomes (Webster and Harding, 2008; Wright, Marston and McDonald, 2011). From 2007, JN began to operate alongside CDEP in many areas (Altman, Gray and Levitus, 2005).

Thomas (2007) argued that, in its original format (1998–2003), JN was not much different from the previous Working Nation approach, which focused predominantly on providing job-search and job-link assistance. However, from 2003 onwards, an Active Participation Model was introduced, which increased the focus on jobseekers' mutual obligations (Thomas, 2007; DEEWR, 2007). The below sections document this latter version of JN because this is the model that existed when CDEP began to be rolled back in 2007.

The JN serviced around 724,700 jobseekers across Australia by 2006, including approximately 10.3 per cent (i.e. around 74,644) Indigenous jobseekers (DEEWR, 2007).³ It set out to "...overcome the passivity and de-motivation that may develop with long-term spells of unemployment, remove other jobseeker-specific obstacles to employment and quickly orient benefit recipients to jobs" (Productivity Commission (PC), 2002, p. 2.4). It provided support around job placements, job search and training, and customised assistance/intensive support to jobseekers who were suffering greater disadvantage, or had been unemployed for longer (Thomas, 2007; PC 2002). These elements were offered through different programs, which operated under the JN strategy (e.g. 'Job Search Support', 'Job Search Customised Assistance', 'Work for the Dole') (Department of Finance and Deregulation, 2009). Most (≥90 per cent) Indigenous jobseekers received intensive customised assistance (DEEWR, 2002).

3 It is unclear what proportion of Indigenous jobseekers lived in remote or very remote locations.

Financial arrangements under JN included:

- outcome payments when a jobseeker stayed in employment for 13 and 26 weeks, or completed an education course for one or two semester/s⁴,
- interim outcome payments when jobseekers commenced education, and
- fee-for-service payments for providing jobseekers with job-search training, as well as appointments and other services (Thomas, 2007; Australian National Audit Office (ANAO), 2009).

A jobseeker account could also be drawn on to reimburse providers for costs accrued when assisting jobseekers to find employment (ANAO, 2009).⁵

Jobseekers were subject to financial penalties (e.g. percentage reductions in payment rates for fixed periods, or non-payment periods) for committing administrative breaches (e.g. missing an appointment), activity breaches (e.g. not actively looking for work) or moving to areas where there were lower employment prospects (PC, 2002). In response, payments could be suspended for up to eight weeks (PC, 2002). Over the lifespan of JN, the Department of Education, Employment and Workplace Relations (DEEWR) also gradually increased the complexity of provider contracts, and intensified its monitoring of contract compliance (Considine *et al.*, 2011; Stromback, 2008).

Early evaluations of JN found that it was more cost effective than previous programs, but employment outcomes were mixed; the overall effects were likely small, similarly to other comparable programs in Australia and elsewhere (DEEWR, 2002; PC, 2002; DEEWR, 2006). In 2008, another DEEWR study reported that those in the intensive support phases (where >90 per cent of Indigenous jobseekers were placed) were, in the first support phase, 5.8 per cent more likely to be employed, and in the second phase, 6.4 per cent more likely. However, the reasons behind early exits and the length of time it took to place people into jobs are unknown (Stromback, 2008).

DEEWR (2007) found that, under the Active Participation Model of JN, jobseekers were better engaged and employment outcomes were sustained for longer. However, DEEWR (2008) later remarked that the rate of jobseekers receiving unemployment benefits for five or more years had increased from one in ten in 1999 to nearly one in four by 2008, signalling a growing group of long-term unemployed.

Others argued that even those who found employment were often under-employed (Stromback, 2008) and that, because it was overly prescriptive in its contracting arrangements, JN contradicted its original intention of improving service flexibility. Considine *et al.* (2011, p. 827) also argued that the increased monitoring of providers resulted in some "...shifting some of their resources away from providing one-on-one assistance to jobseekers, and towards local administration".

Ultimately, the findings were mixed. JN also failed to take a broader focus on economic development or structured mobility—the things that Brough (2006) had talked about earlier. However, work was in tow (e.g. Brough and Hockey, 2007) to

4 To encourage providers to support disadvantaged jobseekers, outcome payments increased depending on the length of the jobseeker's previous term of unemployment (ANAO, 2009).

5 Although a lump-sum commencement fee was paid to providers under earlier versions of the JN, this was dropped from 2003 onwards (Thomas 2007).

bring these matters to the forefront when a change in government in late 2007 put an end to the Coalition's proposed reforms.

Job Services Australia

In the shadow cast by the Northern Territory Emergency Response, the Labor Party won the December 2007 election under the leadership of Kevin Rudd. It announced a review of existing programs and, in October 2008, released a discussion paper proposing plans for a new program (O'Connor, 2008). JN was replaced with JSA in 2009.

JSA operated in remote Australian communities from July 2009 until July 2013, though it continued to operate in urban and regional areas until 2015. In 2009, the overall JSA caseload was $\geq 700,000$ (Clare, 2009); by 2011, about 12.5 per cent of all JSA jobseekers (i.e. around 89,000 people) were Indigenous and a further 37 per cent of these (i.e. around 32,930 people) lived in remote or very remote areas (DEEWR, 2012b).

JSA jobseekers were offered differing levels of support, depending on their degree of disadvantage, and were placed into suitable support 'streams' (Australian Government, 2013a). These streams were brought under the same contract, meaning single providers had to offer support across all streams rather than specialising, as they had done under JN, though they could also sub-contract where needed (Considine *et al.*, 2014). JSA also encouraged providers to engage with employers to a greater extent than had occurred under JN (e.g. employer feedback was included, for the first time, in performance management of JSA providers by DEEWR (Considine *et al.*, 2014)).

JSA had a less punitive jobseeker compliance regime than JN (Considine *et al.*, 2014). While there was an automatic eight-week period of non-payment after three breaches (activity, administrative, or serious non-compliance) under JN, JSA jobseekers lost each day's allowance for each day of activity that they missed without a reasonable explanation (Considine *et al.*, 2014). They could also negotiate to make up the missed period.

JSA providers could access:

- up-front funding through the flexible Employment Pathway Fund to assist clients to overcome vocational and non-vocational employment barriers,
- job-placement fees, when a provider placed a jobseeker into a vacancy, and the jobseeker worked for a minimum number of hours over ten days, and
- tiered outcome payments, when jobseekers moved into employment for a period of 13 or 26 weeks (DEEWR, 2012a).⁶

Each JSA provider was required to have an Indigenous Employment Strategy, which had to include each provider's plan for attracting and retaining Indigenous staff (DEEWR, 2012b). However, JSA did not include a strategy for improving employment opportunities beyond its provider network. (This may have been because it was primarily targeted towards urban areas, which had stronger labour markets.)

⁶ Outcome payments were increased under JSA from 30 per cent of the total payment for each jobseeker to 50 per cent of the total payment (Considine *et al.*, 2014). Established timeframes for transitioning jobseekers into work experience and employment were also introduced (Bowman and Horn, 2010). In 2012, tiered payments were combined into two single payments made at 13 and 26 weeks after audits were conducted in response to allegations that some providers were submitting false claims (Ellis, 2012).

An evaluation of JSA for Indigenous jobseekers indicated that it had been “...reasonably successful in placing Indigenous people into employment”, but that the improvements were not occurring at a rate that would enable Indigenous employment targets set under the Closing the Gap framework (agreed by the Council of Australian Governments in 2008) to be achieved (DEEWR, 2012b, p. 61). Other outcomes, including in education and training, were mixed (DEEWR, 2012b). Modest improvements were seen in the number of Indigenous staff employed by JSA providers, though the overall impacts of this increase on Indigenous employment rates would have been minimal at best (DEEWR, 2012b).

Ultimately, DEEWR (2012b, p. 13) warned, “...any one government program, even a large program like JSA, cannot be expected in isolation to address the disparity in economic participation between the Indigenous and non-Indigenous populations, particularly over a relatively short period.” At the time of DEEWR’s report, consultations were already under way to inform a new program for remote areas (DEEWR, 2012b, p. 33).

Remote Jobs and Communities Program

The RJCP replaced JSA, CDEP and Disability Employment Services in remote areas on 1 July 2013. It introduced “major reforms” to employment services for remote Indigenous communities with a view to providing a more effective model than those seen in the past to get Indigenous people in remote communities “into jobs” and to “participate in their communities” (Macklin, 2013). RJCP carried a caseload of approximately 37,000 jobseekers in its first two years; all lived in remote areas and about 83 per cent (i.e. approximately 30,710) identified as Indigenous (Fowkes and Sanders, 2016).

RJCP was meant to intensify the focus on broader economic development and engagement. For example, the Community Action Plans (CAPs) were meant to document community-wide “...priorities for social and economic participation and development” (Australian Government, 2013b, p. i), while Workforce Development Strategies (WDS) documented the strengths and needs of the existing workforce and the types of local employment opportunities that were available, in an effort to synchronise the two. RJCP also involved a Remote Youth Leadership and Development Corps (RYLDC), which was a 9–12 month up-skilling and training program intended for youths aged ≤ 24 years.

RJCP involved a Participation Account, which enabled providers to offer individualised up-front support to jobseekers. Providers also received:

- fee-for-service payments for delivery of case management and activities,
- job-placement payments (for short-term work experience), and
- outcome payments when jobseekers commenced/completed education and/or moved into employment (at seven, 13 and 26 weeks) (ANAO, 2017).

A Community Development Fund (CDF) (\$237.5 million over five years) was also intended to “...help improve communities and support social and economic participation” (Macklin, Snowdon and Collins, 2013). The RJCP compliance

framework was the same as that employed under JSA and included no-show-no-pay activity penalties and 'serious' penalties.

The early days of RJCP were fraught. For instance, lead-in times for providers were incredibly short and confusion amongst jobseekers was high due to the quick changeover (Fowkes and Sanders, 2015). There was also administrative complexity in accessing Participation Account and CDF monies, as well as concerns that the overall level of funding was insufficient for highly-disadvantaged jobseekers.

There were a greater number of financial penalties applied per year under RJCP than under JSA (Fowkes and Sanders, 2016c). Fowkes and Sanders (2016c) argued that this was likely due to different and more onerous program requirements (e.g. starting work-for-the-dole requirements immediately, rather than after 12 months), fewer protections for remote jobseekers, and jobseeker decisions to actively disengage.

Although a formal evaluation of RJCP was planned, it was never undertaken. Not long after the Program was introduced, in September 2013, another federal election saw the demise of the Labor Government (which had been returned to Rudd's leadership from Julia Gillard, in only June of that year). Tony Abbott became Prime Minister and RJCP was targeted for change. By the end of 2013 Minister for Indigenous Affairs, Nigel Scullion, said "RJCP is a disaster. People aren't turning up for work and are returning to alcohol. That's why I'm acting quickly to re-engage people before it's too late" (Scullion, 2013). The heavy emphasis on engagement rather than job transition was telling of what was to come; in this frenzied climate, there was arguably little room for thoughtful consideration of alternative approaches that could achieve outcomes beyond mere programmatic engagement.

Community Development Program

In December 2014, Scullion announced that "The Abbott Government is to embark on a major reform of employment services in remote Australia to put an end to sit-down welfare" (Scullion, 2014). Scullion urged, "These changes will be rolled out carefully and methodically—it won't be rushed... We are committed to not disrupting communities by repeating the mistakes of the past" (Scullion, 2014). However, as the fifth new program in (at that point) only a seven-to-eight-year period, disruption was inevitable. CDP subsequently replaced RJCP from 1 July 2015 and, by September 2017, 33,000 were participating, of which more than 80 per cent (i.e. ~26,400) identified as Indigenous (DPM&C, 2017b; ANAO, 2017).

CDP's key emphasis is on work-for-the-dole activities, with comparatively little focus on intensive case management to support disadvantaged jobseekers. There are no up-front commencement payments under CDP and no equivalent to the RJCP Participation Account. Providers receive service payments to deliver jobseeker support (≤\$4,000 per jobseeker annually) and run work-for-the-dole activities (≤\$12,450 per jobseeker annually) (ANAO, 2017). Providers can also receive payments for employment outcomes (but not education outcomes) at 13 and 26 weeks (ANAO, 2017). (The seven-week category that existed under RJCP was removed.)

Outcome payments are weighted towards the 26-week employment milestone, which differs from RJCP, where providers could receive payments earlier (see Table 1). Furthermore, CDP jobseekers have to work consecutively for 26 weeks for the provider to be eligible for the 26-week payment, while under RJCP, the jobseeker could work for 26 weeks over a maximum period of 52 consecutive weeks (ANAO, 2017).

Table 1: Employment outcome payments under RJCP and CDP

<i>Payment interval</i>	<i>RJCP</i>		<i>CDP</i>	
	<i>Amount (\$)</i>	<i>Proportion of total payment (%)</i>	<i>Amount (\$)</i>	<i>Proportion of total payment (%)</i>
Job placement	550	9	0	0
7 weeks	825	13	0	0
13 weeks	2,475	39	2,250	30
26 weeks	2,475	39	5,250	70
Total	6,325	100	7,500	100

Source: ANAO, 2017, p. 30.

Under CDP, Employer Incentive Funding is also available to employers that hire jobseekers in full-time positions for at least 26 weeks (DPM&C, 2015; ANAO, 2017). CDP has involved a dramatic increase in work-for-the-dole activity requirements to five days a week: a total of up to 25 hours of weekly participation.

The Commonwealth Department of Jobs and Small Business (2018) stated that RJCP was replaced with CDP "...to deliver better opportunities for remote jobseekers and foster stronger economic and social outcomes in remote Australia". There are, however, few means through which these outcomes can be achieved. For instance, the RJCP CDF, worth \$47.5M per year, was replaced by the CDP Indigenous Enterprise Development Fund, worth only \$25M per year (to be administered under the Indigenous Advancement Strategy tendering process), which contradicted Minister Scullion's earlier argument that the CDF did not provide *enough* support (Department of Prime Minister and Cabinet, 2016b). Jobs Australia (2015, p. 21) noted that providers had only received minimal funding through the Enterprise Development Fund and that "Many community stakeholders feel let down, yet again, that the job creation activities that they identified through the CAP [Community Action Plan, under RJCP] are not being supported."

More penalties have been applied per year under CDP than RJCP (ANAO, 2017). The ANAO (2017, p. 46) attributed this to the fact that providers had to "consistently enter jobseeker attendance data" and initiate compliance action.

A review of the CDP by the ANAO (2017) found that, although the transition between RJCP and CDP “...was largely effective” (p.7):

- the CDP design was based on incomplete analysis of the RJCP data,
- the timeframe for the changeover to the CDP was inadequate,
- per-unit costs of delivering CDP are higher than RJCP, and
- the Enterprise Development Fund and Employer Incentive Funding were “...significantly undersubscribed” (ANAO, 2017).

The review made one recommendation: that the DPM&C review the CDP provider payment structure, “...particularly the incentives it creates and its alignment with the underlying policy objectives of the program changes” (ANAO, 2017, p. 31). The concern was that there were fewer incentives for providers to focus on disadvantaged jobseekers.

Other criticisms of CDP have predominantly focused on:

- its overly punitive compliance regime (Fowkes, 2016a), which has led to significant hardships (Fowkes, 2016a; Kral, 2016),
- the disproportionate focus on work-for-the-dole activities when compared with requirements under comparable urban schemes (Altman, 2016), and
- a lack of employer incentives to transition jobseekers into employment (e.g. Fowkes, 2016, p. 14).

It was reported by the DPM&C in a Senate Estimates Hearing in 2016 that the proportion of jobseekers placed in and attending activities had risen since CDP began (Williams in HANSARD, 2016, p. 82). However, the figures cited were more likely administrative artefacts than real evidence of positive change (Fowkes, 2016a, p. 15), and no evidence was provided that program engagement was translating into improved employment outcomes.

On 9 May 2017, the Commonwealth Government announced that it would begin a consultation process on a new employment program for remote Australia (DPM&C, 2017a). Minister Scullion (2017) stated, “While the CDP has had great success⁷ in delivering jobs and support for remote jobseekers, more needs to be done to break the cycle of welfare dependency and ensure jobseekers are actively engaged and contributing to their communities.” What the new program—the sixth in the last ten years—will look like remained to be seen at the time this paper was written.

3. Comparing the programs

Table 2 compares the key characteristics of the four programs described above. This includes their delivery modes, funding structures and core components. The implications of these results are then discussed in the remaining sections of the paper.

⁷ However, no rigorous evaluative evidence has been provided in the public domain to demonstrate these successes.

Table 2: Comparison of funding structure and core components of Australian community employment programs, 2007–current

Program	Approx. no. Indigenous jobseekers on caseload	Timeframe ⁱ	Delivery mode	Funding structure				Core components				
				Com-mence-ment payment	Jobseeker account/ pool of funds	Fee-for-service funding?	Placement/ outcome payments?	Economic devel- opment funding?	Work-for-the- dole?	Job- search support?	Job readiness/ training? support?	Job transition support mode ⁱⁱ
JN	74,644 (no. regional vs. remote unclear)	2007–2009	Job services contracted to non-govern- ment providers	No ⁱⁱ	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
JSA	89,000 (approx. 32,930 remote/ very remote)	2009–2013	Job services contracted to non-govern- ment providers	No	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
RJCP	30,710 (all regional/ remote)	2013–2015	Job services contracted to non-govern- ment providers	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
CDP	~26,400 (all regional/ remote)	2015– current	Job services contracted to non-govern- ment providers	No	No	Yes	Yes	Yes	Yes	Yes	Yes	No ^{iv}

i The timeframes included here refer to the duration of operation in remote communities, not overall (e.g. JN operated from 1998, but was only officially extended to remote areas in 2007).

ii Commencement payments were part of the original JN, but were removed from 2003 onwards and thus, were not present from 2007–2009.

iii Specific support protocols or services targeted at disadvantaged jobseekers.

iv Regional employment targets are intended to take into account the relative disadvantage of jobseekers in CDP regions and the availability of employment opportunities, but other than this, there is no dedicated avenue for intensive service delivery for disadvantaged jobseekers.

4. Discussion: similarities, differences and possible lessons for future policymaking

Australia has experienced five different community employment programs in just over a decade, with a sixth program on its way. This period of frenetic program shifts has confused jobseekers and dismayed providers (e.g., Nagaiya in James, 2015; Marra Worra Worra Aboriginal Corporation, 2016), who have constantly had to reapply for funds under different contracts, learn new approaches and retrain their staff. A lack of long-term funding security also contributes to job instability (Sanders, 2016), including for Indigenous staff.

Where providers have changed altogether, there has undoubtedly been a loss of knowledge and expertise on the ground and the work undertaken by caseworkers to develop relationships with jobseekers is essentially undone. On the other hand, jobseekers are frequently required to deal with new organisations, people and rules. This type of service delivery environment contradicts published standards of best practice and cannot be conducive to achieving employment outcomes. Over the same period, labour-force and employment rates have remained largely stagnant.

Although employment programs are only one of many influences on employment data, the national Indigenous employment rate actually fell from 48 per cent in 2006 to 46.6 per cent in 2016 (DPM&C, 2018). This was, in part, due to the removal of CDEP over this time, which was counted as employment. However, even where CDEP employment is separated from the 2006 and 2011 data (in the same manner as Gray, Hunter and Howlett, 2013) to measure employment outside of the Program, the national gap in employment rates between Indigenous and non-Indigenous Australians will take decades to close at the current rate of change, and even longer in remote areas (Staines, 2018). Finally, while there are few *independent* evaluations of the programs described here, those that do exist do not show particularly remarkable results. These continued poor outcomes suggest a need for policy change. However, as demonstrated in Table 2 (above), despite frenetic program shifts, the underlying policy approaches over the last decade have remained largely steady.

It is not the intention here to underplay the differences between these programs; there have certainly been changes that have had significant impacts on the ground. However, these variations have mainly involved amplifying or toning down existing elements, rather than rational policy change. For example, all models have involved outcome payments as a key financial incentive for providers. The nature (e.g. number, volume, timing) of these payments have been tweaked from program to program, but to little effect (as discussed later). All programs have also involved very similar key elements. For instance, work-for-the-dole activities have been a key component of all four programs, though the focus of this element has intensified under CDP.

Fowkes (2011) made a similar finding with respect to JN and JSA and claimed that, despite programmatic change, little had been done to address fundamental problems that lie at the core of both programs. This paper shows that, seven years on, the same argument applies to RJCP and CDP. While the features of these programs have been tweaked, the underlying principles are the same and there are core structural issues that have not yet been addressed. This is highly problematic, particularly when considered against stagnant and/or worsening employment data. The remaining sections of this paper provide some brief examples of these underlying problems.

Delivery mode

All of the programs described in this paper are based on very similar versions of the purchaser-provider model that was originally introduced under JN. The key change over time has been that all subsequent programs have adopted increasingly strict monitoring of provider performance. Simultaneously, providers have become increasingly “businesslike” and intensified their focus on financial outcomes (Considine and Nguyen, 2014).

This shift towards increased bureaucratic control over providers forces them to spend more time on administration than on supporting jobseekers (Fowkes, 2016a; Considine *et al.*, 2014; Fowkes and Sanders, 2015). It also means that they do not have the flexibility required to adapt approaches to suit local needs. For Indigenous providers in particular this means that, even if they have local knowledge and expertise about how to best deliver services within their own communities, there is little to no flexibility in the contracts to allow them to act on their expertise (e.g. see Fowkes and Sanders, 2015 regarding RJCP); bureaucracy essentially smothers local control.

This is not an empowering framework and undermines the true value that Indigenous providers can bring. Furthermore, increasing downward pressure on providers without addressing other significant structural employment barriers has not achieved the desired outcomes to date, and therefore, is highly unlikely to do so into the future.

Core program components

All four programs described here include very similar core components. For example, work-for-the-dole requirements have been a feature of all programs, but have intensified over time. Jobseekers have gone from having to participate in activities after a period of 12 months (under JSA, for example) to participating immediately under RJCP and CDP. Provider discretion under RJCP was also removed under CDP and the number of participation hours required has also dramatically increased.

Remote communities generally have weaker markets and fewer opportunities for employment than regional or metropolitan areas. In these economies, intermediate labour markets⁸, like work-for-the-dole labour, can play an important role. They present opportunities for un- or under-skilled jobseekers to develop the capabilities needed to move into an open labour market, and/or to begin to demonstrate the types of entrepreneurial behaviours and thinking that can help to *create* open markets, over time (Forrest Review, 2014, p. 155). However, this benefit can quickly be undermined when intermediate markets become too strong and entrenched, and thereby stifle opportunities for normalised markets to take root and grow.

Although CDEP was heavily criticised by some for its perverse macro-economic impacts (Pearson, 2009), these effects have also been felt to varying degrees under subsequent programs. Because all work-for-the-dole activities involve the provision of what is essentially free labour (i.e. heavily or fully subsidised through

⁸ A form of transitional employment, which produces social benefits for the local community (Marshall and Macfarlane, 2000).

welfare payments), it is inevitable that they undercut mainstream markets to some extent by undermining competition (Personal communication with Cape York Institute, 2016). In a practical sense, intensive work-for-the-dole requirements can also leave jobseekers with little spare time to pursue the kind of entrepreneurship needed to move them into employment (Altman, 2016) and may also discourage jobseekers from moving elsewhere to take up outside employment opportunities.

Future policymakers must be acutely attuned to this problem and recognise the paramount importance of striking a balance between using intermediate labour markets to benefit jobseekers, versus stifling and monopolising opportunities for economic growth. Part of this balancing exercise is also about ensuring that appropriate funding, resources and support are directed to grassroots enterprise development, as well as attracting investment from external private enterprise. Although this occurred to some extent under previous programs, CDP is marked by a dramatic reduction in funding to support economic development. Other strategies outside of CDP (e.g. Indigenous Procurement Policy and Indigenous Business Australia) *have* sought to bolster Indigenous enterprise, but have had mixed success (e.g. Jacobs, 2017; Piesse, 2016). However, if Indigenous entrepreneurship and businesses are to thrive, greater support is needed to address social barriers and develop capacity (Spencer et al., 2017; Howard and Foley, 2006).

Although intermediate labour markets can be useful stepping stones, their real benefits are more likely to be felt when they are transitory and encourage the longer-term growth and strengthening of open markets. Ultimately, the employment programs considered in this paper have not included, nor been supplemented with, successful strategies for overcoming this core structural issue.

Funding structure

Funding structures have remained very similar across the programs. One of the main ‘tweaks’ has been to the timing and volume/magnitude of outcome payments. For instance, payments were available at 13 and 26 weeks under both JN and JSA, and were paid gradually over time. This was similar under RJCP, where payments were available at earlier intervals (e.g. a seven-week category was added) and were made incrementally (ANAO, 2017). However, this changed under CDP, where payments are now only made at 13 weeks (30 per cent of the overall payment) and at 26 weeks (where the remaining 70 per cent of the fee is paid) (ANAO, 2017).

Ideally, programs will incentivise providers to move jobseekers off their books and into employment. However, at different times, well-intended funding structures have actually created perverse economic incentives for providers to ‘cream’ (i.e. pay disproportionate attention to less disadvantaged jobseekers who are more likely to move into employment) and ‘park’ (i.e. pay less attention to disadvantaged jobseekers who are less likely to be employed) jobseekers (Carter and Whitworth, 2015; ANAO, 2009). The practice of creaming increases providers’ chances of collecting outcome payments, while parking enables them to claim ongoing activity and administration payments to keep jobseekers on their books and ‘busy’.

One Indigenous provider (in Fowkes, 2016a) described that, under CDP, they had a choice between keeping jobseekers on work-for-the-dole activities for an annual

income of over \$12,450 versus moving them into employment where, *if* the jobseeker makes it to the 26-week mark, the provider may receive a \$7,500 employment outcome fee. The latter is a risk while the work-for-the-dole income is guaranteed (Fowkes, 2016a). This incentive to park disadvantaged jobseekers is also greater under CDP because of a lack of additional up-front funding to address complex barriers to employment (Dockery and Lovell, 2016).

Targeted funding for disadvantaged jobseekers was available under JN, JSA and RJCP, though these funding pools were found to be too small and the administrative burdens too high, at least under JN (Thomas, 2007) and RJCP (Fowkes and Sanders, 2015). Under CDP, this funding is simply not available. This increases the level of risk providers must take on in preparing disadvantaged jobseekers for employment; ultimately, it is a smarter business move to park them and focus on creaming less disadvantaged jobseekers.

It is surprising that, even after these issues were repeatedly raised with previous programs, the CDP model has arguably led to even more perverse incentives than existed previously—perhaps a further indication that policy learning in this space is lacking.

5. Conclusion

Indigenous labour-force participation and employment remains low despite decades of intervention from employment programs. This paper describes and discusses programs that have been implemented from 2007 onwards, when CDEP, began to be rolled back. It argues that, despite rapid program shifts in the last decade, which have dismayed service providers and jobseekers alike, the underpinning policies have remained very similar. In this regard, Fowkes' (2011) argument about JN and JSA is, seven years later, equally relevant to RJCP and CDP; fundamental policy issues that prevent greater traction and progress towards outcomes have still not been addressed.

The fact that the programs from 2007 onwards have failed to address these core issues, and in some cases worsened them, indicates evidence of either severe incrementalism, where policy learning has been minimal at best, or an intentional use of programming as a political veneer to disguise negligible progress (Althaus, Bridgman and Davis 2018, p. 183; Quiggin, 2006). However, despite the impetus, the reality is that mere 'tweaking' of program content and emphases has not yet produced the desired results, and is unlikely to produce these into the future. Radical change is needed.

A starting point might be to consider alternative models proposed in the literature (e.g. Fowkes, 2011; Carter and Whitworth, 2015; Jordan and Fowkes, 2016). However, there needs to be strong political will to change. Whether or not the new program, due to replace CDP in late 2018, will take a different approach remains to be seen. However, the recent history described in this paper indicates that it is sadly unlikely.

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