From Hand Out to Hand Up

Cape York Welfare Reform Project
Aurukun
Coen
Hope Vale
Mossman Gorge

Design Recommendations
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The Welfare Reform Project

The Welfare Reform Project is an Australian Government funded project. The Project is undertaken by the Cape York Institute for Policy and Leadership (the Institute) in conjunction with Cape York Partnerships Projects, and with support from the Queensland Government.

The four Welfare Reform communities that are involved in the development of the project are Aurukun, Coen, Hope Vale and Mossman Gorge.

This project has been undertaken with the financial support of the Australian Government. The opinions, comments and/or analysis expressed are those of the authors and do not represent the views of the Minister for Families, Community Services and Indigenous Affairs or the Australian Government Department of Families, Community Services and Indigenous Affairs, and cannot be taken in any way as expressions of government policy.

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The Cape York Institute

The Cape York Institute for Policy and Leadership is a public policy organisation that champions reform of Indigenous economic and social policies. It is focussed on issues in Cape York, but aims to have a national influence. The Institute’s Director is Noel Pearson of Hope Vale. The Institute sits in the nexus of academia, community development, and advocacy. The Institute’s goal is to be rigorous yet practical in advocating for change. The Institute is guided by the Cape York Agenda whose stated goal is to enable the people of Cape York to have the capabilities to choose a life that they have reason to value.

The Institute's work falls into three broad streams:

1. Short-to-medium-term policy/research projects across a wide range of economic and social policy issues. Projects seek to determine the first causes of the issues and develop practical solutions.

2. The Institute runs a number of programs aimed at developing the capabilities of current and future leaders. Programs are designed for current Cape York leaders as well as secondary and tertiary aged youths.

3. In addition, the Institute has an overarching Think Tank function which is responsible for idea articulation, external liaison and public seminars and conferences.
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EXECUTIVE SUMMARY

The Cape York Institute for Policy and Leadership (the Institute) is working in partnership with the Australian Government, the Queensland Government, and the Cape York Indigenous communities of Aurukun, Coen, Hope Vale and Mossman Gorge with the objective of achieving comprehensive welfare reform.

The Cape York Welfare Reform Project aims to develop reformed incentives and appropriate enabling supports at the community level which catalyse the restoration of social norms in the Welfare Reform communities and ultimately in the whole Cape York region. The future that the Institute envisages is one in which the people of Cape York Peninsula internalise a set of revitalised social norms, which mandate personal responsibility for work, education and the welfare of children, so that they become free from dependence on passive welfare and so that child neglect and abuse cease.

If the policies recommended by the Institute in this report are supported, then a trial should proceed in the four communities. The objective of the trial should be to test the policy principles described in this report. If the trial is successful, the policy principles may be used to inform policy across Cape York Peninsula and potentially in other regions.

The collapse of social norms

The starting point of the Cape York reform agenda is that the problems of Cape York Peninsula are interpreted not only as symptoms of dispossession and racism, but to a large extent are caused by a social norms deficit. It is significant that the deterioration of norms in Cape York Peninsula corresponds with the passive welfare era.

The core of the Cape York social and historical analysis is the contention that a distinction must be made between historical explanation and policy prescription in the light of such explanation. Historical explanation does not by itself confer or suggest a solution.

Epidemics of dysfunction and abuse that have historical roots may have become auto-catalytic phenomena. Therefore, they probably cannot be effectively addressed through attempts to ameliorate the circumstances that originally triggered their outbreak. In fact, deeply engrained social problems may frustrate conventional programs for social and economic development.

The core principles of Cape York welfare reform therefore seek to deal with dysfunction and poverty as behaviours. The three basic policies are:

- All welfare should be conditional.
- Further government investment in capability building is needed.
• Incentives need to be fundamentally changed to encourage people to engage in the real economy.

**Key reform concepts**

A number of reform concepts have been developed by Indigenous organisations and Cape York Peninsula leaders who have been focusing on welfare reform since 1999. The recommendations outlined in this report have been built on these concepts. The reform concepts include:

• Welfare reform is a transition from dependency to economic development.

• Economic viability in remote communities is predicated on mobility, and viability is fundamentally a question of choice for remote communities.

• The metaphor of the staircase: The foundations of progress are strong social norms. The supports underpinning the staircase are capabilities, which include for example health, education and political and economic freedoms. The third component of the metaphor is rationally aligned stairs, representing individual choice.

• Capabilities are the sum of opportunity plus responsibility.

• The metaphor of the welfare pedestal was developed by Cape York people to express the idea that incentives are skewed. The current set of incentives put many people on a pedestal below the staircase of opportunity; they first need to take a step down before the process of climbing the staircase can begin.

**Rebuilding norms and restoring indigenous authority**

To rebuild social norms in the Cape York Peninsula, incentives and laws must support the values of a community. A potentially powerful mechanism for doing this is through linking welfare payments to community members acting in the best interests of children in the community. The Institute is recommending that a number of obligations be attached to all welfare payments available in the Welfare Reform communities, and that a State statutory authority consisting of a senior legal officer and local elders be empowered to enforce the obligations.

It is recommended that four obligations to be attached to welfare payments through legislative amendments to relevant Commonwealth legislation:

• *Each adult who receives welfare payments with respect to a child should be required to ensure that the child maintains a 100 percent school attendance record.* The obligation is breached when the child records three unexplained absences per school year (including temporary absences). There are exemptions for illness or mobility-related absence.
• *All adults must not cause or allow children to be neglected or abused.* The obligation is breached by the parents or legal guardians of a child who are the subject of an investigation by the Department of Child Safety. Additionally, any other adult(s) named in an investigation or report can also be found to have breached their obligation.

• *All adults must not commit drug, alcohol, gambling or family violence offences.* The obligation is breached where an individual is convicted by a court of breaching a relevant community by-law or State law. The obligation can also be invoked where an individual is charged and a referral is made by a Magistrate as part of a bail condition.

• *All adults must abide by conditions related to their tenancy in public housing.* The obligation is breached when any signatory to an agreement: uses the premises for illegal purposes; causes or permits a nuisance; interferes with the peace, comfort or privacy of neighbours; damages the premises; or fails to pay rent.

These payment obligations were selected on the basis of three factors: (a) they are consistent with the values expressed by community members; (b) they relate to behaviour which, if allowed to continue, would have a negative impact on child wellbeing; and (c) the existing legislative and service delivery mechanisms aimed at addressing these dysfunctional behaviours in Cape York are unable to realise the desired outcomes.

In order to reach all community members who have the potential to impact the lives of children, and in order to have the greatest ability to change behaviour and accepted social norms, it is suggested that the obligations apply to all welfare payments available to community members. That is, Parenting Payment, Family Tax Benefit, Newstart, Youth Allowance and Community Development Employment Projects (CDEP). Eligibility requirements for welfare payments would remain unchanged.

A new statutory authority – the Family Responsibilities Commission (FRC) – should be established and empowered to make the determinations as to whether a breach of the obligations has occurred and determine the appropriate sanctions for a breach.

The FRC should have four main options if it determines that an individual has breached his or her obligations:

• Issue a warning to the individual.

• Direct individuals to attend support services on either a voluntary or compulsory basis.

• Determine that all or part of the welfare payments to which an individual is entitled should be redirected to conditional income management (which would result in the individual losing discretion over the expenditure of their welfare payments for a defined period).
• Determine that all or part of the welfare payments to which an individual is entitled should be redirected to another adult who is caring for the individual’s children.

Significant infrastructure and cooperation is required to support the operation of the FRC and its directives. Memoranda of Understanding need to be established to ensure that there is expeditious information flow from state providers or agencies (such as schools and child protection agencies) to enable the FRC to make decisions. Additionally, a service delivery model must be developed for the Welfare Reform communities to effect the referral to support services by the FRC of individuals who have been found to have not fulfilled their payment obligations. A panel comprised of representatives from Australian, Queensland and local governments, and regional organisations, should develop a list of approved providers of the support services required to meet needs in the four communities (eg case management, intensive counselling, alcohol and drug treatment and rehabilitation services, parenting support, money management, and alternative social and recreational programs).

It is recommended that the FRC be chaired by a retired Magistrate or someone of equivalent stature and consist of respected members of each of the four Welfare Reform communities. A statutory body of this composition would not only provide the gravitas and stature of a Crown body, but critically, would give power to local Indigenous people to take responsibility for the enforcement of the obligations and the rebuilding of social norms. The FRC should be vested with powers to make decisions (and not merely recommendations to Centrelink), so that actions occur in a timely manner and local authority is built. Appeals against decisions would initially be dealt with by the FRC by an internal review process. If an individual is not satisfied with the decision of the internal review they will have recourse to appeal to the Administrative Appeals Tribunal.

**Addressing the welfare pedestal through changing the incentives**

A ‘welfare pedestal’ exists in Cape York communities that encourages people to obtain welfare and remain on it, despite employment or education opportunities being available in or near communities. The goal of policy solutions to address the pedestal is to see individuals come off welfare (or not enter welfare) and join the real economy or undertake education or training opportunities. These solutions focus on changing the incentives to encourage people to climb off the welfare pedestal.

There are three primary factors that contribute to the welfare pedestal:

• The first is the size of the payments that a person receives on welfare versus alternative options. In some instances, a person can benefit more financially through being on CDEP rather than investing in their future through study or entry-level employment. Moreover, CDEP offers a relatively high level of hourly pay, often for activities that require very little skill or effort. The CDEP hourly rate is more than twice the
minimum wage level for 16 to 17 year olds and by the age of 21 the minimum wage hourly rate is still less than CDEP.

- The second factor contributing to the welfare pedestal is the structure of CDEP. In remote areas, CDEP has the look and feel of a real job but with few of the associated disciplines and benefits such as workplace-based training and overall alignment of skill development to labour market demands. Consequently, participation in CDEP erodes participants’ capacity to undertake real jobs. Moreover, CDEP funding arrangements encourage CDEP providers to keep their best employees on CDEP. The private sector, councils and State and Australian Governments also have a strong incentive to use CDEP participants, rather than to create real employment.

- The final factor contributing to the welfare pedestal are family payments including the Parenting Payment, the Family Tax Benefit, and lump sum payments (such as maternity payments). The net effect of these payments, when combined with CDEP, is that people may be able to reach a target level of income which they are prepared to exist on and thereby have no need to engage with the real economy.

The combination of how these three factors interact with work and study opportunities varies at key points in an individual’s life. Reforms to CDEP and the Job Network are proposed that will create a more effective framework and incentives for getting people work ready and into work. The Institute believes that adjusting Family Tax Benefit and Parenting Payment should be done in the context of broader mainstream welfare reform.

CDEP requires fundamental reform and the Australian Government has begun this process by replacing urban and some regional CDEPs with Structured Training and Employment Projects and Employment Related Services. For CDEP reform to be successful in remote Indigenous communities, it will be necessary to refocus the program on work readiness and ‘into work’ and for linkages and complementarity with the Job Network to be developed. The objectives of CDEP should be to:

- help people to become work-ready;
- help people to find employment both within and outside their communities (for example, by connecting potential employees and employers);
- improve work-related skills through education, training and work experience; and
- provide a form of mutual obligation (work activity) but one that does not act as a disincentive to taking up a real job.

Significant investments need to be made in Job Network and other employment related services (including personal support programs, training programs and job matching services). These investments need to be made before significant CDEP reforms are
implemented. CDEP participants should have access to the support services available in urban areas (particularly drug and alcohol rehabilitation and counselling services).

Key policy changes required are:

- There should be no ‘hourly rate’ for CDEP. CDEP should be a flat amount for three days per week of work preparation or work related activities. Consideration should be given to the paying of CDEP participant wages through Centrelink as with Newstart and Youth Allowance. CDEP participants should be required to take up employment where it is available in the community, and all recipients of unemployment benefits (Newstart, Youth Allowance and CDEP) should be required to meet the same work obligations through an ‘all in’ work readiness program.

- CDEP Placement Incentive payments should be increased so as to be at least equal to the Job Network or Aboriginal Employment Strategy performance-based funding, to instil the desire for CDEPs to see participants moved off the program into employment.

- Top-up should only be available through ‘Host Agreements’ (a time-limited formal agreement with employers to provide work experience and training), and the principle of ‘no work, no pay’ should be retained. In addition, repeated work obligation breaches should lead to conditional income management for a minimum period of eight weeks.

- CDEP in its current form should not be available to any person under the age of 21. In addition, people under 21 on Youth Allowance should be subject to conditional income management if they are unable to commence a traineeship or find employment within a three month period.

**Supporting engagement in the real economy**

The CDEP reforms outlined above will provide incentives and support for individuals to get off welfare and into work or study. Complementing these reforms should be the introduction of measures that will create opportunities in the real economy that people can seize.

The focus should be on initiatives to support *individual* engagement in the real economy, not merely *community* engagement. It is unlikely that there will ever be sufficient jobs for all able adults in some of the remote communities. However, there is no reason why, through mobility, able individuals from the communities cannot be engaged in the labour market at the same rate as non-Indigenous Australians.

Four initiatives are recommended. The first initiative that should occur is the conversion of many CDEP positions into real jobs, creating opportunities for local community members to be employed in a normalised employment environment. There are currently dozens of jobs in communities that are funded through CDEP, but should be normal employment
positions. The Australian Government announced in the 2007 Budget $97.2 million to begin transitioning CDEP positions into real jobs. The Queensland Government needs to show a similar commitment.

Second, initiatives should be introduced to make communities more business friendly. It is currently exceptionally difficult for businesses to operate in the communities. Three measures are necessary:

- The creation of business premises in Deed of Grant in Trust (DOGIT) communities from which businesses can rent space and operate.
- The provision of greater land tenure security in order to facilitate businesses making long-term investments.
- Investment in supporting infrastructure such as critical roads and accommodation in communities.

Third, business support mechanisms need to receive continued support and be expanded where appropriate. Balkanu Business Hubs and Indigenous Enterprise Partnerships have been critical in supporting Indigenous entrepreneurs in communities and demands for their services are likely to increase.

Finally, a series of measures to support mobility for employment and education should be introduced. This includes:

- Community-based jobs brokers to match job-ready young people in communities with employment opportunities anywhere in Australia.
- A significant expansion of the successful Work Placement Scheme.
- Trialling the use of the $5000 relocation allowance for Indigenous community members.
- Making policy changes to allow all children from the Welfare Reform communities to access Abstudy to attend a boarding school.
- Improving the education standards of Cape York schools to make the transition to mainstream schools easier. In particular, a proven remedial literacy program – MULTILIT – should be rolled out across Cape York.

Moving from welfare housing to home ownership

Housing reform is an important focus of the Cape York welfare reform agenda. Just as welfare payments dominate individual and family incomes in remote communities, the provision of very low cost (or even no cost) housing by governments is also the norm for
residents of remote communities. This situation contrasts strongly with the rest of Australia where privately owned housing (owner occupied or leased) is the norm and public housing comprises only a small percentage of total housing stock. As such, public (or community) housing must be considered as a core component of the welfare state provisioning in remote Indigenous communities. Like other forms of passive welfare over the past three decades, public housing in Indigenous communities has removed responsibility from families, and promoted dependency and passivity.

The Institute’s central recommendation is to shift from the current system of exclusively public provision of housing to a system based on home ownership, with public housing catering for exceptional circumstances only.

The transition to home ownership needs to be carefully managed to ensure that a good outcome is achieved. In particular, care needs to be taken in designing any home ownership scheme to ensure that the opportunities offered to families for home ownership are both affordable and economically rational. The essential issue in Cape York in this regard is that while the cost of construction of a three to four bedroom house is between $200,000 and $400,000, the market value of the house will possibly be only $100,000 (based on a market rental rate of $150 per week) and may not rise significantly (or at all) over time. Taking out a commercial loan to construct a house in such a situation would clearly not be a sound financial decision. In fact, families would be taking out a debt trap.

Two solutions are recommended to address this problem. First, constructed properties (particularly the existing public houses) should be sold at their market price, not their construction price (or depreciated cost value). This means that a person or family can take out a normal loan (or an existing IBA loan) knowing that their liabilities will approximate the value of their asset.

Second, a subsidy must be offered to families who wish to construct new houses on a home ownership basis in remote communities. The size of the subsidy should be the difference between the construction costs and the likely market value of the property when complete. The subsidy could take the form of an upfront voucher, a subsidised loan arrangement, a subsidised loan plus co-payments, or the Australian Government could pay for the construction costs, but sell houses at market prices.

Four steps should be taken to progress home ownership:

- Support individuals and families to build new private houses where individual title can be obtained. The availability of freehold land in three of the four Welfare Reform communities provides an opportunity for immediate progress on home ownership. The Australian Government should consider providing financial support for developing this land in order to enable houses to be immediately built.
• Resolve the land tenure issues through the creation of 99-year leases on community land (restricted to community members) so that individual ownership of public houses can occur and new houses can be built on a home ownership basis in the townships.

• Sell existing public houses on a market value basis (as opposed to a depreciated cost value).

• Support the development of very low-cost houses in rural areas through the expansion of the Balkanu Low Cost Housing Project. Opportunities should only be available on the basis of certain criteria, including that school attendance not be compromised by the location of the proposed house.

It will potentially take many years before the majority of houses in a community are privately owned. Some houses will never be privately owned. For this reason, normalising tenancy arrangements should be rapidly adopted by communities. This consists of several parts:

• Rents for community houses should be raised to market rates, or at least be consistent with mainstream public housing levels (25 percent of household income).

• Every house should have a tenancy agreement in place which outlines the normal rights and obligations.

• Management of tenancy agreements should be outsourced to third parties on a landlord/agent basis in order to bring greater professionalism and rigour into tenancy management and to depersonalise tenancy enforcement.

A ‘pride of place’ initiative should also be introduced in concert with home ownership initiatives and normalising tenancy arrangements. This would involve house and garden improvements as well as cleaning up public spaces. A clean, neat environment of which people are proud is not only important for public health reasons, but it can have a significant positive impact on social norms. Improving house and gardens would also have the carry-over effect of making the properties more attractive for private sale.
1  INTRODUCTION

The Cape York Institute for Policy and Leadership (the Institute) is working in partnership with the Australian Government, the Queensland Government, and the Cape York Indigenous communities of Aurukun, Coen, Hope Vale and Mossman Gorge with the aim to achieve comprehensive welfare reform. The four communities are working together with the Institute to formulate these reforms. This policy development phase is the Cape York Welfare Reform Project. The deliverables of the project are this Design Recommendations report, *From Hand Out to Hand Up*, and the final report due in September 2007.

If the Australian Government agrees to pilot the policies recommended by the Institute, the four communities will proceed with the trial of these reforms. The objective of the trial is to test the policy principles described in this report. If the trial is successful, the policy principles may be used to inform policy across Cape York Peninsula and potentially in other regions.

Because of the extent of the social and economic problems affecting Cape York communities, reform must be comprehensive and holistic. The objective of the Cape York Welfare Reform Project is the development of reformed incentives and appropriate enabling supports which catalyse the restoration of social norms. The future which is envisaged is that the people of Cape York Peninsula rebuild vital social norms, which mandate personal responsibility for work, education and the welfare of children, so that they become free from dependence on passive welfare and child neglect and abuse cease.

1.1  Collapse of social norms in Cape York Peninsula

A social norms deficit in Cape York Peninsula

A primary focus of the Welfare Reform Project is the wellbeing and rights of children. Children have rights to education, health and safety. Yet many parents in Cape York Peninsula currently engage in dysfunctional behaviours, thus failing to take responsibility for the rights of their children.

Responsibility for the wellbeing of one’s children and other expressions of basic social order in any community is the result of an agreed set of values and behaviours – that is, social norms. In mainstream Australian society, basic norms include respect for the rule of law, intolerance of inter-personal violence, a commitment to education, parental responsibility for, and a greater degree of control of children, respect for private property, and rules concerning the responsible consumption of alcohol. However, because these norms are deeply embedded in the mainstream consciousness, people assume they exist in all societies. As the experience of Indigenous communities in Cape York demonstrates, positive social norms do not always prevail, particularly where communities have undergone upheaval. Many Indigenous communities in Cape York now operate at a social
order deficit, where negative social norms encourage and perpetuate binge drinking, violence, passivity, humbugging and a lack of parental engagement in their responsibilities to their children. In such circumstances, societies and individuals cannot prosper.

The Cape York Agenda identifies negative social norms as a reason for the social dysfunction affecting many remote Indigenous communities. These negative norms have ceased to be just symptoms or consequences of poverty and have become causal factors in an ongoing cycle of misery and poverty. The Institute has identified seven dysfunctions which are particularly contributing to the breakdown of Indigenous communities in Cape York Peninsula. These are: abuse and neglect of children; alcohol abuse; drug abuse; petrol sniffing; problem gambling; poor school attendance; and dysfunctional housing tenancy arrangements.

While these dysfunctions may have become the norm among a large minority in the communities and tolerated by a majority, they are neither natural nor acceptable for people to endure. Basic social order needs to be restored in remote communities. A base of positive social norms must be established as a platform for building opportunity. This is a prerequisite to accessing the opportunities of the real economy.

**Indicators of the collapse of social norms**

A number of studies such as the Royal Commission into Aboriginal Deaths in Custody, the Aboriginal and Torres Strait Islander Women’s Task Force on Violence Report, the Cape York Justice Study and the Cape York Peninsula Substance Abuse Strategy, have reported on the scale of Indigenous disadvantage, which to a large extent is a consequence of the collapse of social norms. High level indicators such as those in Table 1.1 reveal poor outcomes caused in part by dysfunctional behaviour.
Table 1.1: Disadvantage caused by dispossession and breakdown of social norms

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Indigenous Australians compared with non-Indigenous Australians</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infant mortality</td>
<td>Infant mortality rates 2-3 times higher.¹</td>
</tr>
<tr>
<td>Birth weight</td>
<td>Low to extremely low birth weight twice as likely.</td>
</tr>
<tr>
<td>Literacy &amp; Numeracy</td>
<td>Proportion of children achieving year 3, 5 &amp; 7 reading, writing &amp; numeracy targets considerably lower than both State average and State Indigenous average. 72% of children in Hope Vale are in need of year 2 remedial support; more than 85% in Aurukun.²</td>
</tr>
<tr>
<td>School attendance</td>
<td>School attendance in Cape York averages 75.4%, and Aurukun community averaged 46.4% in First Term, 2006.³</td>
</tr>
<tr>
<td>Year 12 completion</td>
<td>In 2002, 18% of Indigenous adults had completed year 12, compared with 44% of non-Indigenous adults.⁴</td>
</tr>
<tr>
<td>Hospital Statistics</td>
<td>Four times as likely to be in hospital for alcohol-related mental and behavioural disorders.</td>
</tr>
<tr>
<td>Alcohol sales</td>
<td>Per capita consumption in Cape York communities is around 4 to 4.5 times the national average.⁵</td>
</tr>
<tr>
<td>Harmful drinking</td>
<td>83% of Cape York males and 84% of Cape York females have drunk alcohol at levels defined as harmful by the National Health and Medical Research Council.⁶</td>
</tr>
<tr>
<td>Children on protection orders</td>
<td>Indigenous children in Queensland are almost five times as likely to be subject to a protective order than non-Indigenous children.⁷</td>
</tr>
<tr>
<td>Housing</td>
<td>26% of people aged over 15 years in overcrowded houses. 25% community housing stock in need of replacement or major repair.⁸</td>
</tr>
<tr>
<td>Access to health</td>
<td>Markedly higher rates of preventable chronic health conditions.</td>
</tr>
<tr>
<td>Life expectancy</td>
<td>Life expectancy for Indigenous Australians, at 59 years for males and 65 years for females, was about 17 years below the life expectancy for all males and females respectively for 1998–2000.</td>
</tr>
</tbody>
</table>

Sources: Unless otherwise indicated, statistics are from *Overcoming Indigenous Disadvantage: Key Indicators 2005.*

³ Summary attendance data as provided by Education Queensland.
The collapse of social norms corresponds with the passive welfare era

A range of factors has contributed to the collapse of social norms in Indigenous Cape York Peninsula. Indigenous Australians were violently dispossessed from their land, and experienced forced co-location and long periods of living under rigid missionary rule. The lives of Indigenous people in Queensland were for several generations regulated under discriminatory State protection laws. The impact of dispossession varied in different parts of Cape York Peninsula. These events undermined or made irrelevant many of the social norms which governed Indigenous social life prior to white settlement.

However, even under oppressive circumstances, Indigenous people built socially strong families and stable communities, such as the community of Hope Vale. Forty years ago, a majority of people in Cape York Peninsula had internalised strong values in relation to personal conduct and participation in the real economy.

The belated recognition of full citizenship brought equal rights, freedom from discrimination and entitlement to welfare. Three policy shifts at the end of the 1960s and in the early 1970s were unavoidable consequences of the end of discrimination:

- The introduction of equal wages in 1965 resulted in Aboriginal stock-workers losing employment in the cattle industry and shifting to sedentary life in settlements and on the fringes of country towns. This corresponded with a more general downturn in Indigenous employment in many other rural industries;

- Equal Citizenship in 1967 carried with it the right to enter pubs and drink alcohol; and

- The Commonwealth Government providing the now idle Aboriginal men with unemployment benefits that could be used to buy alcohol.

However, introducing idle time, free money and the right to drink had the unintended consequence that the preconditions for alcohol abuse epidemics were created. In the absence of a discourse on passive welfare and the autocatalytic epidemics of addiction, there was little awareness of this risk. The three policies outlined above were followed by a wave of passive welfare service solutions to the escalating problems in the 1970s and 1980s. Across the spectrum of social and economic life, including housing, legal aid and education, policies were implemented which increasingly displaced responsibility from Indigenous people.9

It must be emphasised that the Institute does not suggest that the recent collapse in social norms can be explained simply through reference to the availability of unconditional unemployment benefits, or to any other single historical factor. Various other factors – some competing and some complementary – are well known and would have to be

considered in any serious and comprehensive historical explanation. Nonetheless, the corrosive effect of passive welfare is beyond dispute.

1.2 What needs to be done

The most important insight for designing solutions to Indigenous social and economic problems is this: we must distinguish between historical explanation and policy prescription in the light of such explanation. It is one thing to have a greater understanding and explanation of the reasons for certain problems in the present, but the explanation and the greater understanding it provides does not by itself confer or suggest a solution. There may be a history behind a problem, but illumination is not by itself a solution. We will still need to deal with dysfunction and poverty as behaviours, as much as we seek to tackle those structural dimensions that can be reformed.

There are of course many cases where the correct contemporary policy includes measures that can be described in terms of ‘correcting the wrongs of history’. However, the erroneous notion that a correct understanding of history largely suggests solutions to contemporary problems has been perhaps the most important reason why many Indigenous policies of the last three or four decades have been counterproductive. The negative effect of this incorrect analysis is twofold. Firstly, it has made public opinion and decision makers unwilling to acknowledge the fact that policies are flawed even in the face of abject failure. Modern Indigenous policies have been justified on moral grounds, and it has therefore been difficult to reconsider the policies.

Second, alternative analyses carry the burden of being perceived to ‘blame the victim’. It has taken a long time to win widespread support across the political spectrum for policies and analyses that identify contemporary, auto-catalytic epidemics of dysfunction as major problems, such as the recent breakdown of norms described in section 1.1.

The main theoretical contribution of the Cape York analysis is that it constitutes a necessary corrective to the conventional, morally justified but only partly correct policy program that has prevailed in Indigenous affairs. It would not be possible to conceive of welfare reform as a first priority in Indigenous policy without this analysis.

The first basic policy that underpins the Cape York reform agenda is that all welfare should be made conditional. The condition should be attached to welfare payouts that the recipients will be referred to support services and/or income management if they do not take responsibility for their children’s and their own wellbeing. A community-owned process where dysfunctional behaviour is confronted will rebuild social norms and

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Indigenous responsibility. Rebuilt responsibility is the key to economic and social development, since responsibility will enable people to convert opportunities into capabilities.

Second, further government investment in capability building is needed so that Cape York people are in a position to exercise meaningful choices. To combat the lack of capabilities, policy has traditionally targeted the most obvious source of incapability, namely lack of income. However, these interventions have reinforced passivity, and they have been damaging to the overall set of capabilities.

The Cape York Agenda will require more external expenditure on capabilities supports, at least in the short- to medium-term.

The third necessary policy is therefore a reformed set of incentives. Incentives need to be fundamentally reformed to encourage people to engage in the real economy. Both income sources and capabilities investments need to be priced so that people choose to improve their incomes and improve their lives. The structure of income support payments in Cape York has set up a poverty pedestal where perverse incentives encourage people to move to welfare and remain on it. Apart from depriving people of a real income, this has serious psychological and social effects that are very hard to reverse.

In essence, the Cape York Agenda is built on the conviction that we need to deal with dysfunction and poverty as behaviours, whilst also tackling the structural dimensions of passive welfare.
2 THE SOCIAL AND ECONOMIC REFORM CONTEXT IN CAPE YORK PENINSULA

2.1 The development of reforms since 1999

Indigenous leaders and organisations in Cape York Peninsula have been focusing on welfare reform ever since Noel Pearson published his critique of ‘passive welfare’ in Our Right to Take Responsibility in 1999-2000. Much policy and development work has taken place over the past seven years, which has been aimed at combating welfare dependency and its effects on the Indigenous people of Cape York.

The following key developments occurred during this period:

- In 1999-2000, Premier Peter Beattie announced the Queensland Government’s policy on ‘Cape York Partnerships’ and provided funding for an organisation led by Noel Pearson to develop partnerships initiatives.

- In 2002, Cape York Partnerships proposed to the Queensland Government that an inquiry be undertaken into the problems associated with alcohol abuse in Indigenous communities, and proposed alcohol restrictions – which led to the Cape York Justice Study by Justice Tony Fitzgerald.

- In 2002, the Australian Government supported Cape York Partnerships to develop reform initiatives.

- In 2003, the concept of a policy organisation dedicated to reform work was agreed to by the Queensland and Australian Governments – which led to the formation of the Cape York Institute for Policy and Leadership.

- In 2003, the concept of ‘Negotiation Tables’ as an interface between Indigenous communities was developed by Cape York Partnerships and accepted by the Queensland Government as a mechanism for Indigenous-government relations across the state.

- Cape York was identified as one of the Council of Australian Government (COAG) trial sites where attempts were made to coordinate state and federal government policy.

- In 2002-03, Cape York Partnerships worked with the Aurukun and Napranum communities to establish Community Justice Groups under state legislation and to develop Alcohol Management Plans.

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• Cape York Partnerships initially began as a project auspiced by the Cape York Land Council Aboriginal Corporation – in 2005 Cape York Partnerships Projects P/L was formed to continue work on various Family Development innovations.

• In 1999-2000, Indigenous Leaders from Cape York Peninsula developed ‘Indigenous Enterprise Partnerships’ together with corporate and philanthropic organisations as an interface for partnerships between Indigenous communities and these sectors. This has become the conduit for financial and human resource contributions from these sectors over the past 7 years.

• In 2004, the Cape York Institute was established with an independent board, under the umbrella of Griffith University.

In the 2006-07, Federal Budget the Australian Government allocated funding for the Institute and Cape York Partnerships Projects to work with the communities of Aurukun, Coen, Hope Vale and Mossman Gorge in the design and development of welfare reform proposals, including close community engagement. This report is the outcome of this project – and represents the next chapter in the reform journey commenced by Indigenous people in Cape York Peninsula seven years ago.

### 2.2 Role of regional organisations

Indigenous leaders in Cape York Peninsula have been successful over the past 16 years in developing a network of regional organisations that have sought to play an enabling role with Indigenous individual, family and community development in the region. The regional organisations and their roles are set out in Table 2.1:

<table>
<thead>
<tr>
<th>Cape York Land Council</th>
<th>Land and Cultural Heritage, Mining and Resource Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apunipima Health Council</td>
<td>Health Services, Upstream Health Promotion and Prevention</td>
</tr>
<tr>
<td>Balkanu Development Corporation</td>
<td>Economic Development, Digital Network, Land Management, Low-cost Housing, Traditional Knowledge Recording</td>
</tr>
<tr>
<td>Cape York Partnerships</td>
<td>Family Development (Income Management, Education), Pride of Place and Work Placement Scheme</td>
</tr>
<tr>
<td>Cape York Institute</td>
<td>Policy development and advocacy, Education and Leadership programs</td>
</tr>
</tbody>
</table>

These organisations have led and supported the reform directions which Indigenous leaders charted, particularly over the past seven years since the thinking around passive welfare emerged in 1999.
There is leadership scale which can carry and support reforms

There is now leadership scale across the network of regional organisations which can carry and support the reform agenda. There is a core of key personnel across the regional organisations (eg. Noel Pearson, Tania Major, Cleveland Fagan, Michael Ross and Gerhardt Pearson) who understand the reform agenda, and carry the necessary leadership both in terms of their roles in their respective organisations as well as their roles in respect of their communities (see Figure 2.1).

In addition to this core group of leaders who are advocates for the reform agenda, there is a larger group of community-level leaders who serve as directors on the boards of the various organisations. These people oversight the governance of these organisations, and they live in the communities of Cape York Peninsula and themselves often hold positions of leadership at the community level. This group are well-acquainted with the reform agenda, and they provide support and feedback to the key regional leaders, as well as providing leaderships back to the communities.

This group of community-level leaders, who have been exposed to the reform agenda, are critical to further roll-out of the reform agenda across the Cape. They are a group of leaders who carry cultural, political and social authority in their communities, and their participation in the governance of the regional organisations puts them in a key position to understand and advocate reforms, so that they can assist in advocating them to the grassroots.

Figure 2.1: Role of regional organisations in developing service innovations

The regional organisations have developed innovations which are crucial to the implementation of welfare reform going forward. There are many other innovations which will be required to support welfare reform, some of which are on the drawing board and some of them which require research and development.
For example, Family Income Management is now a well-developed service, developed under the aegis of Cape York Partnerships – which is now being rolled out to more and more communities across the region.

However Parenting Education is patently needed, but there is currently no service or program currently available to support welfare reform in the communities. In the absence of any parenting service being provided from another source, there is a need for a process of research and development to be undertaken to establish what parenting education might best be provided.

There are other gaps in service and program provision which will require innovation, through research and development investment from governments and/or the private/philanthropic sectors – and pilot programs testing innovations will be needed.

2.3 Key Reform Concepts

2.3.1 Welfare Reform as a transition from Dependency to Economic Development

Welfare Reform is not simply a narrow exercise in reforming rules around welfare payments by attaching obligations where there are no obligations, or where existing obligations are not effective – though this is a critical part of it. It is also not simply an exercise in work reform, though work reform is a critical aspect as well.

Rather, Welfare Reform is defined as a transition from the current state of widespread dependency and economic disengagement, to a state of economic development.

Figure 2.2 below illustrates what is meant by Welfare Reform in the Cape York context.

Figure 2.2: Welfare Reform in Cape York
At the present time only a small proportion of the working age Indigenous population in the communities of Cape York Peninsula is actively engaged in the real economy; that is they have real jobs or operate their own businesses.

A sizeable minority are unable to be engaged because of infirmity, or they have become disabled as a consequence of the dysfunctions associated with welfare dependency.

The large majority of working age people are behaviourally disengaged from the real economy because of the lack of jobs, or because welfare rules make it rational for them to not actively pursue or to keep available jobs, or because they have become behaviourally accustomed to the lifestyle of non-participation – or a combination of these reasons.

Welfare Reform is aimed at this majority. It is about transitioning the behaviourally disengaged from their current disengagement to active engagement in the real economy, either into jobs or enterprise.

Welfare Reform is about reaching a situation where the overwhelming majority of working age people are actively engaged in real economic activity. This will be economic development. Only a minority of people would remain disengaged because of disability and the legacy of dysfunction.

### 2.3.2 A holistic development approach

Given that economic development has been defined as the object of welfare reform, then a holistic development approach will be needed. On the basis of a survey of the international literature on development economics, the Institute identified a consensus set of prerequisites for economic development, as follows:

- incentives for people to benefit from work;
- incentives for people to be educated and healthy;
- good governance;
- access to financial capital to build assets;
- good infrastructure;
- social capital/order (respect, trust, accountability, enforcement of law); and
- protection of property (legal protection of individual ownership).

From this analysis a holistic development agenda for Indigenous communities of Cape York Peninsula was identified as set out in Figure 2.3 below.
The three circles in the above diagram generally correspond with three levels of development: individual development, family development and community development.

**Individual Development**

Welfare Payment Reform and Work Reform are of course the key focus of the Welfare Reform Project. It concerns the obligations and incentives that affect the behaviour and choices of individuals.

**Family Development**

Cape York Partnerships Projects developed the concept of a four-part ‘Family Development Strategy’, which is the charter of the organisation. There are four parts to family development: Income Management, Education, Health and Housing. The idea behind family development is that if disadvantaged families are supported effectively in relation to these four foundational ‘bread and butter’ issues that affect each and every family – then strong families can be rebuilt. These four issues are universal for all families. The task is to develop support and intervention strategies which result in family members taking up their normal responsibilities – those responsibilities that functional families always fulfil. These supports and interventions should be highly practical and should seek to tackle the problems of disadvantage in a primary way. Family malfunctioning should be...
fixed as a primary problem. Rather than treating the effects of family malfunctioning through the vast array of secondary supports and interventions, the Family Development strategy developed by Cape York Partnerships argues strongly for fixing up families in a primary way, through:

- supporting the re-development of responsibility through income management;
- taking responsibility for the education of children and young people in the family;
- taking responsibility for the health of all of the members of the family; and
- taking responsibility for the family home.

Cape York Partnerships has developed important innovations around income management and education, but is yet to engage with innovations around health and housing. The Health Reform Project being administered by Apunipima Cape York Health Council, offers opportunities for the health component of the Family Development strategy to be developed. The housing component is addressed by the proposals put forward in this report.

**Community development**

The outer circle of the holistic development approach involves: Governance, Physical Infrastructure, Social Order, Land Reform, Community Environment and Enterprise Development. Balkanu Cape York Development Corporation has developed innovations aimed at supporting communities with its Business Hubs network (Enterprise Development) and the Cape York Digital Network (Physical Infrastructure). Cape York Partnerships has developed innovations aimed at supporting communities with Alcohol Management Plans (Social Order) and a community beautification strategy called Pride of Place (Community Environment).

A range of other investments and actions are needed in order to generate momentum across these community development ingredients of the holistic development agenda.

**Regional projects and services are assisting the process of enabling a holistic development approach**

The regional organisations have been developing a range of projects and services which are contributing to a holistic development approach. Figure 2.4 below gives a snapshot of some of the projects and programs being delivered by the regional organisations. These projects and programs are aimed at supporting individual, family and community development.
The chief function of the regional organisations is to provide enabling supports to individual, family and community development. It is critical that governments support further innovation so that gaps in the supports available for the development of capabilities are filled.

The regional organisations are well placed to innovate because of the strong partnerships that have been developed with the private and philanthropic sectors through Indigenous Enterprise Partnerships (and through other relationships). Indeed the optimal role of the private sector is to provide highly skilled personnel to support the research and development process – to develop social, cultural and economic innovations.

The mature private sector partnerships that have been developed for Cape York Peninsula through Indigenous Enterprise Partnerships – as well as providing for the involvement of highly skilled personnel – allows business solutions to emerge, and not just traditional bureaucratic and service delivery solutions. For example, nutrition intervention to address diabetes in Indigenous communities in Cape York Peninsula actually requires solutions around food supply, markets gardens, supermarket management, transport and so on: not
‘programs’ devised by public servants. Many social problems are actually more effectively tackled through enterprise solutions.

Once innovations have been proven to work, then the question of scaling up the innovation is the next challenge. It is not necessarily the case that the regional organisation that developed the innovation should be responsible for the rollout. It may be a local level organisation that takes responsibility for rollout. Or government should change how it is currently doing things and adopt the proven innovations.

2.3.3 Economic and social viability of the four Welfare Reform communities

The viability of remote Indigenous communities has been much debated in recent years, however there has rarely been any discussion of what the benchmark for viability should be. In 2005, the Institute undertook a project, involving Institute staff, representatives from the Treasuries of the Queensland and Australian Governments, and Professor Helen Hughes of the Centre for Independent Studies, to examine the economic viability of the four Welfare Reform communities.12

The Institute proposed the following definition of viability: A community is viable when its economy produces an acceptable level of wellbeing with an acceptable level of government support.

Figure 2.5: Economic viability matrix

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Note in Figure 2.5 that our definition of viability has two axes of conditionality: wellbeing and government support. The acceptable level of wellbeing would be set by the expectations of the people living in the communities, and possibly also by expectations of the mainstream Australian community, if community expectations are initially too low. What constitutes an acceptable (maximum) level of government support is a political issue.

The points in Figure 2.5 represent some hypothetical community economies mapped against the conditionality axes of wellbeing and government support. Only economies that fall within the shaded area are economically viable.

None of the four Welfare Reform communities are currently economically and socially viable. The Institute cannot judge conclusively what is a politically acceptable level of government support, but our research has shown that all communities rate poorly or very poorly on all the capabilities that are most important for individual and community wellbeing.

However, this analysis is static; our definition of viability is based on an observation of a community at a single point in time. The definition says nothing about the potential of a community.

The question is, then, under what conditions can communities be viable? The Institute has developed a relatively simple economic model (see Figure 2.6). Each community’s economy exists within a set of contextual factors and is associated with a mix of capability outcomes. If the context of a community is known, and the desired capability outcomes are known, it is possible to determine what an economy, and hence an economically viable community, might look like.

Figure 2.6: Simple economic system

Welfare Reform Project – Chapter 2
Of the contextual factors in Figure 2.6, it is only practically possible to change the policy environment and community attitudes. For capabilities, the benchmark was adopted that Cape York people’s capabilities should be comparable to those of other Australians.

The viability project generated and examined a range of possible alternative scenarios for the economies of the four Welfare Reform communities. Three themes were common to all of the economically viable scenarios.

First, people must enhance their capabilities and they must be mobile in order to achieve this. It will be acceptable to governments to maintain a basic level of services such as primary education. In the scenarios examined by the Institute, these basic locally available institutions enabled people to develop sufficient capabilities to be mobile and access opportunities elsewhere. By accessing mainstream services, people were able to supplement their locally developed capabilities with those developed elsewhere and imported back into the community.

Second, policies and community attitudes must enable engagement with the real economy. Some depressed Indigenous communities are geographically close to significant mainstream economic activity in remote areas such as mining. This suggests that remoteness is not a sufficient explanation for capability deprivation; the explanation at least partly lies in attitudes and incentives structures created by government. Reforming government policy and changing community norms are the main objectives of the Cape York welfare reform agenda.

Third, people must be employed in both local and non-local employment. The Institute defines ‘community’ to be ‘a place and those people who feel connected with that place’. According to this definition, Cape York communities will include a significant diaspora.

In the Australian mainstream, people who leave their communities usually do not maintain economic ties with their place of birth. Many remote and rural communities have declined during the restructuring of the rural economy. However, the Institute does not believe that encouraging mobility will lead to the inevitable decline of Cape York communities. Indigenous Australians have a strong connection to ancestral lands. Arguably, it is realistic to plan for Cape York communities to include a large number of community members who are mobile through ‘orbits’ (see section 2.3.4) into the wider world and back home again.

Scenarios with high levels of local employment did occur in the Institute’s modelling. High levels of local employment were likely to be based around a single ‘anchor’ industry. Anchor industries have inherent risks associated with economic fluctuations. Consequently, mobility remained an integral component of any scenario of long-term economic viability.
A concerted effort will be needed from Indigenous community members and government decision makers in order to change the context, change community attitudes, and build the necessary capabilities. Economically purposeful mobility is a critical precondition.

The conclusion is that economic viability is a question of choice for Cape York people. In order to develop an acceptable level of capabilities at an acceptable level of government support, people must seek out local opportunities as well as opportunities in centres of economic growth. Importantly, communities have to strive to minimise the passivity impact of ongoing external support.

2.3.4 Development of people, not just place

Who or what is the subject of the proposed economic development? Is it the places or the people? Is it the ‘communities’ as places of residence, or is it communities of people who may or may not live in or near a geographical location?

This is an important question to get clear on from the outset. The answer arising out of the concept of ‘orbits’ developed by Cape York Partnerships and arising out of the Institute’s examination of the economic and social viability of the Welfare Reform communities, is that it is the people who are the subject of development, not just the places.

The future vision is for the people of Aurukun to enjoy a state of economic development. This means the people who live at the geographical location of Aurukun as well as the many people who call Aurukun home, but who are engaged in employment, educational, sporting and artistic orbits out in the wider world. In other words the people of Aurukun will include all those who are mobile – the expatriates or the diaspora.

The community or people of Hope Vale will include those who continue to reside in the place, as well as those who are on orbits, temporary and long-term. They may be working in Weipa, or Port Hedland, or Cairns, Sydney or Singapore.

Understanding communities and people in this way, allows us to see how viability can indeed be achieved. Economic and social viability requires a large measure of mobility for each of the Welfare Reform communities.

There is an imperative to maximise economic development opportunities at the place of Mossman Gorge as well. Local economic development is necessary to ensure that the home community is functional, and that those who choose not to engage in orbits have opportunities to work in real jobs and to develop enterprises in these geographical locations. Functional ‘home bases’ are critical so that children born and raised in the communities are able to fully develop their capabilities, so that they can have real choices in time, including the choice to pursue orbits.
This approach to understanding the subject of development means that we are also realistic about the difficulties facing the achievement of economic viability and job creation in remote areas. It would be a mistake to put all eggs into the ‘local economic development’ basket: opportunities beyond the communities are critical. Opportunities do exist in remote communities in Cape York Peninsula, but they require people with capabilities to develop them.

This has implications for the way governments conceive of these communities. If governments continue to view these communities as places, then it mistakes both the facts and the solutions. These communities comprise people, many of whom keep the home base running and many of whom are engaged in orbits – seeking opportunities in the wider world whilst remaining connected with their homelands and their cultural identity (what is aptly called the ‘cultural hearth’) and returning from time to time, or in retirement.

2.3.5 The Staircase

The principal metaphor encapsulating the elements of the Cape York Agenda is that of the staircase: see Figure 2.7 below.

Figure 2.7: The staircase of opportunity

The foundations for progress are strong social (and cultural) norms. All societies have normative rules, conventions and expectations around individual rights and responsibilities for oneself and for and vis-à-vis others, and group rights and responsibilities towards
individuals. Traditional Aboriginal society had norms which functioned given the nature of the hunter gatherer economy that prevailed in classical times prior to the coming of Europeans.

The arrival of Europeans resulted in tremendous social and cultural upheaval and fracture. The story of colonial survival, whether in remote northern communities relatively unaffected by colonisation or in mission and government ‘settlements’ which were the destination of people forcibly removed from their families and their traditional lands, is a story of recovery and maintenance of those social and cultural norms that enabled survival and rebuilding. People who were torn away from their own families as children, married and brought up large families – out of the ashes they rebuilt families. They did this because they took responsibility, worked hard and cared for their own. They held to social and cultural norms which served them well.

The critique developed by Noel Pearson and other Cape York leaders argues that it is the era of passive welfare that has seen the corrosion of functional social and cultural norms within Indigenous society.

After almost four decades the people of Cape York Peninsula now face the fundamental challenge to rebuild the social and cultural norms which are a necessary for their people to improve their lives.

Social norms are a societal matter. They involve the standards, expectations and values of the group. They often involve conservatism (the social standards represented by social norms must often be defended against challenges) and traditionalism. They are, by nature, prescriptive of individual behaviour. Social and cultural norms are the means by which groups guide, prescribe and proscribe the behaviour of its individual members. In order to be functional the guidance, prescription and proscription must work for the ultimate benefit of the individual members and the group as a whole. There are social and cultural norms which are deleterious and not functional, because they do not work for the benefit of the individual members and the group – or where the resolution of the (natural) tensions between individual and the group is not optimal given the group’s current circumstances.

The second component of the metaphor is the supports underpinning the staircase. These are what the Nobel Laureate Amartya Sen called ‘capabilities’. Individuals need good education, good health, access to housing and so on. Capabilities and how they are built is the subject of specific discussion in the next section (section 2.3.6).

Capabilities are a social and governmental matter: because it is societies, through government, which decide to make the investments necessary to build the capabilities of its members. Often the word ‘opportunity’ is used to describe the kinds of supports that individuals need in order to be able to function and make choices. However, in the next section the point is made that capabilities also involve individual and family responsibility. Only when individuals and families exercise responsibility can opportunities be turned into
capabilities. That is, one has to take advantage of opportunities if one is going to benefit from them, and this involves responsibility.

The third component of the metaphor is the rationally aligned stairs heading upwards. This represents individual choice. There are three important things to take from this explanation.

Firstly, choice is the most powerful engine of progress – and is indeed the ultimate objective of the welfare reform: to put individuals in the position to choose for themselves the kind of lives they value. More uplift will occur through the mobilisation of individual choice than through any other means. There is no more powerful a motor for change than individual choice.

Secondly, the alignment of prices up the staircase has to encourage rational choice. The incentives have to be right, and this means that in the lowest steps consideration must be given to any disincentive effects of the prices attached to these lowest stairs. Because these lowest prices are artificially set by government – and not the market.

Thirdly, only individuals can climb the stairs. Only individuals can take their immediate families with them in climbing the stairs to a better life. There is no communal solution to climbing stairs. Communities and community leaders cannot climb stairs on behalf of individuals. The point of policy must be to mobilise individuals to vote with their own feet to improve their lives.

2.3.6 Building capabilities through social and economic development

To combat the lack of capabilities in Indigenous communities, policy has traditionally targeted the most obvious source of incapability, namely the lack of income. This has been done primarily by providing welfare payments to those individuals who are unable to work or find employment. However, over time, as material conditions have improved to some extent in remote Cape York communities, wellbeing has actually declined.

The capabilities framework provides an explanation of this apparent paradox. First, poverty needs to be understood to be a broader issue than simply a lack of income. It is more fundamentally a lack of opportunity to exercise meaningful life choices. Under these circumstances, an approach that relies primarily on redressing the lack of income will never be wholly successful, if other constraints on opportunities remain unchanged.

Second, passivity is itself a negative capability, which undermines other positive capabilities. Thus all external interventions that have reinforced passivity, almost regardless of their direct material impact, have ultimately been damaging to the overall set of capabilities in Cape York communities.

The capabilities framework thus highlights the complex relationship between disadvantage and dysfunction in the Cape. Disadvantage is characterised by inadequate capabilities,
restricting a full range of life choices. It is undeniably one of the causes of dysfunction, leading to individual behaviours of passivity and addiction, and to a breakdown in social order. But individual dysfunctional behaviours have in turn become a causal factor in reducing other capabilities, hence pushing further disadvantage.

The only way to break this vicious cycle of disadvantage and dysfunction is to build capabilities through economic and social development based on engagement with the real economy.

In addition, economic and social development allows building of real incomes over time, higher levels of education, health and general consumption, and long term employment opportunities and economic independence. It is also the only way to enrich the choices available to people in a sustainable manner.

A final point: capabilities are more than opportunities. Capabilities are the sum of opportunity plus responsibility. Many recipients of passive welfare have many opportunities available to them, but they do not take advantage of them, or they do not take the requisite responsibility in order to convert opportunity into capability.

This explanation of capabilities – that it involves personal responsibility combined with opportunity – highlights the connection between social norms and capabilities. If social norms are strong, then it is more likely that individuals will exercise the requisite responsibilities in order to convert opportunities into capabilities. Strong social norms therefore increase the likelihood that the investments made by society – most usually through the agency of government – in individuals and families, will result in the development of capabilities. In the absence of strong social norms, much government investment can have little effect on capabilities – because individual and family (behavioural) responsibility is missing.

2.3.7 The Welfare Pedestal

In explaining the role that economic incentives play in motivating choices of Indigenous people in Cape York, and how passive welfare involves perverse incentives, the ascending staircase of ever-increasing material gain is the most effective metaphor utilised by the Institute.

Community members say “of course” when asked whether individuals in their daily lives are making calculations about prices. They have never heard of, but they get what is meant by “price signals”. They know that individuals are making calculations and making choices.

The prices as you ascend that staircase are not set by government, but by the marketplace. The only prices that are not set by the market are the lowest steps on the staircase. The prices at the bottom end are welfare prices, set by government policy. It is the prices at the
bottom of the staircase which we are concerned about when we talk about welfare reform. These prices are artificially determined by government.

In the Cape York welfare context, whilst all of the steps in the staircase rise progressively, the first step is higher than the second step. This first step is where community members dependent on welfare are located. The price on welfare is higher than the starting price of real work in the real economy: see Figure 2.8 below.

**Figure 2.8: The welfare pedestal**

Upon seeing the above illustration of this metaphor on the whiteboard at a public meeting in Hope Vale, Mrs Ailsa Woibo, a grandmother at the meeting, referred to “that pedestal that our young people are sitting on”. She dubbed what the Institute has come to call “the welfare pedestal”.

The pedestal acts as a disincentive for people to progress upwards as they must first overcome the challenge of taking a step down before the process of climbing the staircase can begin.

There is a bundle of payments which act together to form the welfare pedestal. One of these income support programs is Community Development Employment Projects (CDEP).

As part of this project the Institute has analysed the relative attractiveness of welfare and work options open to people in the four Welfare Reform communities. The Institute paid particular attention to the incentives of youth and young parents at key junctures in their lives.

The incentives for remote students to commit themselves to study, training and work are weak or negative. The first problem is that remote school students have limited knowledge
about the choices available in the modern economy. When asked what they want to do in the future, too often a child in Cape York Peninsula will answer: “I want to work on CDEP”.

In these communities everyone is guaranteed easy, relatively well-paid part-time work in CDEP. Young people on CDEP face several disincentives against taking up an entry-level real job or traineeship. Their hourly pay rate would initially fall. They would have to conform to the discipline and discomforts of mainstream work and training: they would need to triple their work hours, and perhaps need to relocate.

The welfare pedestal is not just the result of the relative price of CDEP compared to entry-level work in the real economy. Family payments (the Parenting Payment, the Family Tax Benefit part A and part B, and lump sum payments) constitute a large proportion of the pedestal.

It can be argued that the Family Tax Benefit does not contribute to setting up a welfare trap. It is the government’s intention that the Family Tax Benefits be incentive-neutral, and the benefits are therefore not income tested below $40,000. People moving from welfare to work and people on moderate wages get to keep increases in their income.

However, the absence of punitive marginal tax rates is probably not an important consideration when people in Cape York Peninsula make their decisions about how many hours of the week they allocate to work or leisure. As a general rule, as people’s income rises, you need to pay them more to take on an extra hour of work. If they reach a target level of income which they are prepared to exist on, this will obviously affect their labour supply decisions.

Indigenous parents are having large families at an earlier age. Their welfare payments add up to a significant yearly wage. This income is received without their ever having to make any active decisions about education or work. When they have started receiving family payments, they face this choice: have an income which they are prepared to exist on for minimal work obligations or work longer hours for a limited increase in income and significantly less leisure time.

The behaviour of people in the four Welfare Reform communities indicates that many people currently do not intend to increase their income by increasing their labour supply. In some remote communities, it has been difficult to find applicants for the real jobs that do exist, despite the fact that the vast majority of people are unemployed.

It is relatively straightforward to reform Indigenous unemployment and community funding policies to improve incentives. But the other major component of the welfare pedestal – family payments – would remain unconditional and discretionary. Conditions and incentives to make active and beneficial life choices should apply to family payments too, since they constitute such a large part of the flow of money to Indigenous families.
2.3.8 Laws, Incentives and Social Norms

Theory around social norms has been considered as part of preparatory work leading up to the Welfare Reform Project. This work has been concerned with understanding the nature of social norms, and the relationship between laws, incentives and norms. The salient conclusions from this work, relevant to the Welfare Reform Project’s aim of supporting the re-building of social norms within Indigenous communities in Cape York Peninsula, are:

- Social norms are a coincidence between socially accepted values and social behaviour. Norms are not just values, which may be idealistic. Rather norms coalesce where behaviour is in accord with the values, and compliance with the requisite behaviours is socially mandated.

- Laws often underpin norms and incentives support the alignment of behaviours with norms. There is a progression from laws to incentives and norms, in that there is increasingly automatic behaviour when one moves from laws to norms. There is also increasingly compelling influence (see Figure 2.9).

- A connection is made between this approach to understanding laws, incentives and norms, and the classic work of Herbert Kelman and his theory of influence: compliance, identification and internalisation. The Institute’s theoretical work proposes that laws involve compliance: people are involuntarily and directly required to comply with the law, sometimes against their own preference. Incentives on the other hand involve identification: people identify with the particular behaviours which incentives encourage. Norms involve internalisation: people have taken in the values and behaviours established by the norms, and there is internal motivation to abide by and uphold the norms. Norms are ultimately much more powerful and effective in determining behaviour than laws alone, because the people concerned have internalised the values and behaviours underpinning the norms.

Figure 2.9 below explains the conceptual model for understanding social norms.

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The above analysis of social norms has led to a high-level view of how the process of norm development might be tackled in communities where norms are sought to be built or rebuilt. There are three basic steps or stages that should form part of a process of norm building: see Figure 2.10 below.

The first step is a process of community engagement which gets community members to articulate their *values* in relation to the issues at stake. It can be expected that the values that are articulated will be conventional and normative. In any case, it is at this stage when unconventional and deleterious values need to be confronted, so that community members understand their impact on the welfare and future of their children. The aim is to achieve a consensus about the values that are needed to secure educational success for children.

The second step is a process of looking at whether and how the prevailing laws and incentives reflect, are consistent with, and support, the expressed values. Often laws and incentives do not align with the values, or they contradict and undermine the desired values. The Welfare Reform Project is particularly aimed at looking at misaligned incentives, and the project aims to align incentives with the desired norms.
The third step is a process of action/implementation – so that the relevant laws are enforced and the incentives put in place, so that behaviour is affected. When the values that have been articulated by the community are then expressed in behaviour – then norms start to coalesce.

**Figure 2.10: Moving from values to norms**

![Process for moving from values to norms](image)

- **Step 1**: Articulate values around children, parenting and education
- **Step 2**: Look at how the desired values are or should be reflected in laws and incentives
- **Step 3**: Implement the laws and incentives so that behaviour reflects the values

The work of the Institute suggests that in any social group or community there will be a mixture of ‘compliers’, ‘identifiers’ and ‘internalisers’. The internalisers are the most influential people – sometimes called ‘norm entrepreneurs’ in the literature – who play a leading role in establishing and upholding the relevant standards. They are the ‘champions’ who will exert social influence on other members of the group.

This broad outline of the nature of social norms and how they might be rebuilt or consolidated in a community informs the approach of the Welfare Reform Project.

### 2.3.9 Passive service delivery is a component of the passive welfare paradigm

Weakness in the service delivery system exists in the area of non-crisis intervention. However, improvements in service delivery alone are not the solution to dysfunctional behaviour, because passive service delivery is also part of the welfare problem in Indigenous communities. Governments cannot focus on unconditional income support as constituting passive welfare to the exclusion of passive service delivery.
One of the reasons for the failure to address the problem of passive service delivery is that there are of course many elements of service delivery in the welfare state that do not constitute passive welfare. They include legitimate public services such as infrastructure, transport, law and order, health and education services.

The problem lies in identifying those government services which do amount to passive welfare and those which are proper public services. The test for this is to ask: does this service seek to undertake or support a responsibility which would normally be assumed by individuals, families or communities?

- If the answer is “no”, then it is a legitimate public service.

- If the answer is “yes, the service undertakes such a responsibility”, then this is passive welfare that is only justified in an emergency – and the intervention must cease as soon as possible.

- If the answer is “yes, the service supports such a responsibility”, then there is a real danger of passive welfare. The problem is that such services displace responsibility from individuals, families and communities, and place it into the hands of the deliverers, thereby creating permanent dependency (and increasing dysfunction).

The ‘support’ must be carefully analysed from the following standpoint: are the intervenees genuinely being supported to take back their own responsibility for the issue? The design of this support will be critical, and its duration must also be taken into account.

Government passive service delivery has particularly emerged as a problem in the late welfare state in the social services area – in response to “social problems”. Government services aimed at tackling social problems have resulted in the further erosion of responsibilities which in the normal course should be undertaken by individuals, families and communities. Indeed the current social problems of Indigenous people are very much the result of passivity problems created by earlier interventions. Passivity, at its core, involves an abandonment of responsibility by individuals, families and communities. With the decline of responsibility comes family and community breakdown and social problems.

It is true that disadvantaged people need the support and resources from the wider society through the agency of government. However, the difficulty lies in the detail of the purpose and methods by which this support and resources are provided. The welfare state has thus far uncritically provided this support and resources as if redistribution through welfare services is self-evidently beneficial. It has often not been.
3 **RESTORING SOCIAL NORMS BY ATTACHING RECIPROCITY TO WELFARE PAYMENTS**

To rebuild social norms, incentives and laws must support the values of the communities. A potentially powerful mechanism for doing this is through linking welfare payments to community members acting in the best interests of children in the community.

As outlined in Appendix F, international and domestic experience with attaching obligations to government transfers has informed the Welfare Reform Project. It is apparent that conditional payments alone are not a panacea for damaging social norms, yet when they form part of a comprehensive strategy involving productive investment and support services, the results are likely to be positive.

The implications for social policy in Cape York Peninsula are clear:

- obligations to be attached to welfare payments need to be defined;
- there needs to be a credible community-based authority for early intervention against breaches of the obligations;
- such intervention must involve greatly improved support services that address dysfunction; and
- ultimately, support services must be underpinned by the prospect of compliance and compulsion if dysfunctional individuals are to respond to the intervention.

This chapter outlines reforms that will introduce these elements into Cape York social policy. The proposed reforms are envisaged to be a medium term intervention. They have been designed as a tool to enable the rebuilding of social norms, but are not intended to be permanent.

**3.1 Defining and attaching obligations**

*Which obligations?*

Payment obligations have been selected on the basis of three rationales:

- they are consistent with the values expressed by community members;
- they relate to behaviour which, if allowed to continue, would have a negative impact on child wellbeing; and/or
- the existing legislative and service delivery mechanisms aimed at addressing these dysfunctional behaviours in Cape York are unable to realise the desired outcomes.
Existing State and local laws are not to be superseded or substituted by the payment obligations. Rather, they operate in parallel. The obligations deliberately complement or mirror existing laws, as the core objectives of the payment obligations are not at odds with the current mechanisms. Breaching payment obligations merely provides a different consequence for the dysfunctional behaviour than would be accorded under existing mechanisms.

The proposed obligations, which are defined in detail in section 3.3, are as follows:

- Each adult who receives welfare payments with respect to a child should be required to ensure that the child maintains a 100 percent school attendance record.
- All adults must not cause or allow children to be neglected or abused.
- All adults must not commit drug, alcohol, gambling or family violence offences.
- All adults must abide by conditions related to their tenancy in public housing.

All adults in the Welfare Reform communities who receive welfare payments would therefore be subject to obligations. In the remote community context many children live in households with both parents and other family members. There is the greatest chance of ensuring the wellbeing of children if parents and adult non-parents alike are subject to payment obligations.

Which payments should be subject to obligations?

Community members from the four Welfare Reform communities receive one or more of five different payment types: Parenting Payment (PP), Family Tax Benefit (FTB), Newstart, Youth Allowance and CDEP. The Institute believes that the obligations outlined above should be attached to each payment. Moreover, as shall be explained later in this chapter, each payment should be subject to redirection if this is deemed the appropriate penalty for breach of an obligation.

Table 3.1 illustrates some of the existing payments for parents and individuals:

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15 The interaction with the State legislative framework established to deal with child safety is detailed in Figure 3.1.
Table 3.1: Maximum existing payments available to Indigenous adults – per fortnight

<table>
<thead>
<tr>
<th>Status</th>
<th>Parenting Payment</th>
<th>Newstart</th>
<th>Youth Allowance</th>
<th>Family Tax Benefit Part A</th>
<th>Family Tax Benefit Part B</th>
<th>CDEP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>$512.10</td>
<td>$455.30</td>
<td>$456.00</td>
<td>$140.84 *</td>
<td>$120.96 ***</td>
<td>$491.62 †</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$179.76 **</td>
<td>$84.28 ****</td>
<td>$444.86 ††</td>
</tr>
<tr>
<td>Partnered</td>
<td>$379.80</td>
<td>$379.80</td>
<td>$382.20</td>
<td>$140.84 *</td>
<td>$120.96 ***</td>
<td>$491.62 †</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$179.76 **</td>
<td>$84.28 ****</td>
<td>$444.86 ††</td>
</tr>
</tbody>
</table>

* Maximum rate available for each dependent child under 13 years;
** Maximum rate available for each dependent child aged 13-15 years;
*** Amount per family where youngest child aged under 5 years;
**** Amount per family where youngest child aged 5-15 years;
† Remote communities (including Participant Supplement);
†† Non-remote communities (including Participant Supplement).

Of the various payments that are available to community members, FTB and PP have the clearest case for attaching obligations. While FTB and PP are not universally considered ‘welfare payments’, they are provided with the implicit expectation that those payments be spent for the wellbeing of the child. There is thus a clearly identifiable rationale for making those expectations explicit.

Attaching obligations to just these payments, however, would not be appropriate. If the obligations were attached only to FTB and PP, it is likely that mothers, who make up the majority of recipients of both these payments, would be more affected by the obligations than fathers or other members of the community who have a negative impact on children’s lives.16

The proposed obligations should apply to all payments in order to maximise the reach in the community and have the greatest ability to change behaviour and accepted social norms. In these small communities, every person’s behaviour can have an impact on children. This means, most importantly, that CDEP must be included. Approximately 50 to 75 percent of all working age adults in the Welfare Reform communities are on CDEP.17

**How should the obligations be attached?**

Advice from the Australian Government indicates that the most effective mechanism for attaching obligations to each of the five payments is through legislative amendments to the relevant Commonwealth legislation. Eligibility requirements for welfare payments would remain unchanged.

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16 Recent discussions with the Board of Bamanga Bubu Ngadimunku (BBN) in Mossman Gorge revealed significant concern that obligations should not be effectively imposed on mothers and not fathers.

17 Department of Employment and Workplace Relations (October 2006). Calculations based on Table B.4 in Appendix B.
It is recommended that the legislative amendments should require all adult recipients of welfare payments who reside in the geographic location of the Welfare Reform communities be subject to payment obligations. All individuals living in the communities at a particular date would be subject to the obligations for the duration of the pilot, irrespective of whether they reside outside the community for a certain proportion of the pilot. The obligations will continue to be attached to individuals who leave the Welfare Reform communities and relocate within Cape York. Exemptions to the obligations could be granted to individuals who have left the Welfare Reform communities on the basis that they have either secured employment or are pursuing educational opportunities. Individuals who leave the Welfare Reform communities and relocate outside Cape York (such as to Cairns) will be subject to the obligations of the mainstream (such as job-seeking activities or Work for the Dole). Visitors to the community who remained for more than three months would be deemed to be residents and would also be subject to the pilot conditions. Visitors residing for a period of less than three months would simply have to comply with reformed tenancy arrangements detailed in Chapter 6.

A mechanism would need to be established to determine whether a community has opted in. It could be a vote of the community council (or comparable body in the case of Coen and Mossman Gorge) or a general vote of the entire community, or some other mechanism.

An alternative approach is to give individuals the option of being subject to payment obligations. That is, each person (as opposed to each community) would have to opt in. This approach is not preferred. It is likely that under this approach, only the members of the community who are clearly abiding by the obligations would opt in. It is difficult to see how this approach will reach the most troubled members of the communities. If a community is serious about rebuilding social norms, then all members of the community must be included.

Payment obligations could also be implemented more broadly across Australia simultaneously with the implementation of the Welfare Reform pilot. However, the use of the Family Responsibilities Commission (discussed later in this chapter) to enforce the obligations would be limited to the four Welfare Reform communities.

**Feedback from Cape York communities on the concept of obligations**

Initial consultations in communities reveal broad support for the concept of requiring parents receiving welfare payments to fulfil their parenting responsibilities. Some community members have suggested that parents’ requirements be extensive. For instance, the Board of BBN, an Aboriginal organisation in Mossman Gorge, demonstrated a wish to require parents to (a) ensure that their children were fed, rested and adequately clothed on arrival at school, and (b) to take their children to the health clinic for frequent check ups.

However, other community members have expressed concern that parents who meet their financial and caring responsibilities will be subject to the same obligations as parents
engaging in dysfunctional behaviour. A pilot would therefore require widespread education and reassurance that parents who are already fulfilling their responsibilities are unlikely to breach any of the obligations. It would also need to be communicated to the communities that parents who are managing their finances responsibly but are unable to make their children attend school would be offered support services in the first instance; conditional income management is unlikely to be an appropriate lever for such parents.

There is tentative support in communities for the idea of attaching certain obligations to non-parent adults living in a household with children. It was noted that many parents would welcome a tool which helps them to force the household to be alcohol-free. However, the initial support in communities was tempered by questions about how such obligations could practically be implemented. Some people commented that defining where people live is very difficult, and that it is often relatives visiting from other (non-Welfare Reform) communities who are disrupting the household.

Other participants thought that it would be more advisable to ensure that parental requirements could be adequately monitored and enforced before extending the requirements to non-parents. A Family Income Management (FIM) worker considered that the obligations would be ineffective unless all members of the household were targeted.

### 3.2 Family Responsibilities Commission: a local Indigenous body to enforce obligations and rebuild social norms

Having outlined the obligations that should be attached to welfare payments, the next question is: who should make the decision as to whether a breach has occurred and determine the appropriate sanctions for a breach? It is recommended that a new statutory authority named ‘The Family Responsibilities Commission’ (FRC) be created for this purpose. The FRC would be chaired by a retired Magistrate or someone of equivalent stature and consist of respected members of each of the four Welfare Reform communities. A statutory body of this composition would not only provide the gravitas and stature of a Crown body, but critically, would give power to local Indigenous people to take responsibility for the enforcement of the obligations and the rebuilding of social norms.¹⁸

**The functions of the Family Responsibilities Commission**

The FRC would have three specific functions:

1. It would determine whether a breach of a payment obligation has occurred. Information would be provided to the FRC to make these decisions (outlined in detail in section 3.3).

¹⁸ Other existing bodies were assessed for their suitability in enforcing the obligations, but each had significant weaknesses. See Appendix G for details.
(2) It would determine the appropriate consequences for a breach of an obligation. Four options would be available (see section 3.4 for more detail):

- Firstly, the FRC could issue a warning to the individual.
- Secondly, the FRC could direct individuals to attend support services on either a voluntary or compulsory basis. Examples of potential support services that might be appropriate include voluntary money management and budgeting assistance, drug or alcohol rehabilitation services, or parenting skills classes.
- Thirdly, the FRC could determine that all or part of the welfare payments to which an individual is entitled should be redirected to conditional income management.
- Fourthly, the FRC could determine that all or part of the welfare payments to which an individual is entitled should be redirected to another adult who is caring for the individual’s children.

Suspending payments is not an option available to the FRC.

(3) It would be able to accept voluntary referrals by individuals or groups. For instance, individuals may voluntarily refer themselves if they are encouraged by the holistic support and case management offered by the FRC. In addition, community members would have the capacity to voluntarily enter agreements with regard to the repayment of home loans which would be effected by an order of the FRC.

It is critical that the FRC be vested with powers to make decisions (and not merely recommendations to Centrelink). There are two reasons for this. First, it is imperative that actions occur in a timely manner. Providing conclusions to Centrelink for immediate acceptance and action will be significantly more expeditious than merely providing recommendations. The second reason is the need to build local authority. If Centrelink was making the decision, the FRC would have less legitimacy (particularly if Centrelink overturned the FRC’s recommendations on a not infrequent basis).

For similar reasons, the appeals process for FRC decisions should be expeditious and involve limited steps. It is recommended that the decisions of the FRC will be subject to appeal by individuals. Appeals against decisions would initially be dealt with by the FRC by an internal review process. If an individual was not satisfied with the decision of the internal review they would have recourse to appeal to the Administrative Appeals Tribunal.

**Structure of Family Responsibilities Commission**

Having considered the various options, it is proposed that the FRC be established as a State statutory authority. A statutory authority (as opposed to any other legal entity) is the most
appropriate structure given the significant power that the FRC will have and the tasks that it will undertake. For example, the FRC will receive information from Queensland Government agencies or service providers such as school attendance data; it will provide links to Government-provided or funded services for identified individuals or families; it will have the ability to compel individuals or families to participate in specified government services and assistance programs such as drug or alcohol rehabilitation services; and it will be empowered to make decisions with regard to the conditional management or redirection of welfare payments.

These roles are largely functions or sub-functions of government (both Queensland and Australian). Given the close interaction between functions of government and the tasks of the FRC, it would be appropriate for the FRC to operate as a statutory authority, rather than as a corporation (not-for-profit or otherwise). As a body performing the roles envisaged, the greater level of government oversight offered by a statutory authority would be an appropriate safeguard relating to these powers.

In addition, a statutory authority will possess substantially more credibility and weight in the local community than a corporation. Respect and legitimacy are critical to whether the FRC will succeed.

The judicial system would also pay great regard to a FRC established as a statutory authority. The FRC is intended to be an early intervention mechanism. However, there will undoubtedly be individuals or families which appear before the FRC and who may later enter the judicial system for similar behaviour. If the individuals have previously appeared before a FRC established as a statutory authority, courts will be readily inclined (and possibly required) to pay close attention to the opinions of the FRC. Given that the FRC will be a street-level body, its comprehension and analysis of the circumstances would be a valuable source of information for a court. It is thus more likely that justice will be served for the individuals involved in any later court proceedings.

A State statutory authority is preferable to a Commonwealth statutory authority. The Queensland Government has a larger on-the-ground presence in Cape York communities than the Australian Government. Moreover, given the importance of a close link between Queensland Government service providers and the FRC – particularly in relation to child safety and education – a State statutory authority structure would allow the Queensland Government to have greater oversight of the flow of information and data on individuals. Early discussions with Queensland Government agencies (in particular the Department of Child Safety) indicate it may be easier for information to be transferred to the FRC from Queensland Government agencies if the FRC is established as a State statutory authority.

The Institute also anticipates that the FRC will be a rich source of information on the service needs of the Cape York communities. It would be inefficient (and potentially less effective) for such information to travel to the Queensland Government via a Federal authority.
The written feedback provided by Education Queensland to the Welfare Reform Project notes that whether the FRC is established as a State or Commonwealth body depends on a number of factors, including the jurisdiction to which the functions of the FRC most relate. The feedback concludes “[i]n viewing the proposed duties, functions and powers of [the FRC] it is probably most appropriate that [it] be established under State legislation.”\(^{19}\)

**Membership and administration of Family Responsibilities Commission**

The FRC would have a Family Responsibilities Panel (FR Panel) in each community. Each case referred to the FRC would in turn be referred to the relevant FR Panel, according to the community in which the individual resides.

Each FR Panel would be chaired by an external person with a demonstrated experience in judicial and/or administrative processes (for example, a retired Magistrate or legal officer). It is likely that this person would be the chair of all the FR Panels. This person would be joined by two community members in each community – a male and female – to determine the outcome of each breach.

These community-based members would be paid and engaged in permanent positions that reflect the responsibilities involved. They would need to be well supported and engaged in training and development opportunities. A pool of relief staff (e.g. four to five people) would be maintained to step in as required to cover staff leave and overcome conflicts of interest that might arise from involvement of family/clan groups. However, only two local members would sit at any one time. The local members would likely be drawn from the pool of qualified JPs and experienced or active Community Justice Group (CJG) members.

The local members of each FR Panel would be those who are ‘internalisers’, to use the language of Kelman’s theory of influence.\(^{20}\) Internalisation occurs where people have taken in the values and behaviours underpinning the norms, and there is an internal motivation to abide by and uphold the norms. Only a small number of leaders who have internalised the norms is required in order to rebuild a social norm, even though it is likely that most community members will behave in a certain way because they ‘identify’ with the alignment of incentives. The FR Panels thus plays an important role in changing behaviour in communities from simply complying with a law to rebuilding a social norm.

The finalisation of the membership structure will depend on further engagement with communities to determine whether this is appropriate for each community or whether adjustments need to be made.

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To ensure that the local members of the FRC are not subject to pressure, threats or abuse in their role on the FRC, they should be protected by a contempt power exercisable by Magistrates. Restoring Indigenous authority and law is central to the rationale for piloting the FRC. Providing explicit legislative protection to members of the FRC would send a clear message to the community that the functions of the FRC are important, and that the members are to be respected in their roles and duties.21

The FRC would also have a professional Secretariat based in Cairns. This centralised administrative unit would be required to oversee the policy and operational guidelines and provide support and training to the FRC staff. It would work closely with Queensland and Australian governments to develop agreed service protocols that articulate the roles and responsibilities of different agencies in responding to dysfunctional behaviour and providing key social services. The personnel of the Secretariat would include a Manager and support staff.

A local coordinator would be employed in each community, and would be responsible for collating relevant information and providing it to the decision-making members of the FRC. The coordinator would manage referrals into and out of the FRC and would formally monitor outcomes.

The FRC thus requires the following minimum staff: the Chair, eight local members, four local co-ordinators, the Secretariat Manager and Secretariat support staff.

**Community feedback on Family Responsibilities Commission**

Many community members are supportive of the concept of a FRC, but there is a range of opinion as to whether there will be individuals capable of filling the positions. Although some community members are confident that there are sufficiently capable individuals, they question whether those individuals would be willing to take the positions.

A Community Justice Group co-ordinator suggested that the issue of willingness could be overcome by using the local members of the FRC as advisors to the Chair of the FRC, where the Chair is the individual who actually makes the decision or recommendation. This model is analogous to the Murri Court. A FRC model which only uses elders as advisors is not the Institute’s preferred option, because it is less likely to develop the Indigenous authority which is crucial to rebuilding social norms in Cape York communities.

Community members have also suggested that the pool of active members may need to be increased such that there is a representative of each clan group within that pool, to avoid

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perceptions of bias. However, a large pool of FRC members may present training, resource, capacity and confidentiality constraints.

### 3.3 Triggers for referral to the Family Responsibilities Commission

For the FRC to be in a position to make a determination as to whether an obligation has been breached, a formal process must be established which identifies trigger points that would instigate a referral of an individual to appear before the FRC. There are five categories of triggers from which a referral to the FRC could be made. Each category will be discussed in turn.

**Trigger 1: Referral for breach of school attendance obligation**

Each adult who receives welfare payments with respect to a child should be required to ensure that the child maintains a 100 percent school attendance record. To maintain a 100 percent school attendance record, parents of a child will be referred to the FRC when the child records three unexplained absences per school year (including temporary absences – see below).

The Institute does not agree with the proposal of Education Queensland (EQ) that the threshold for a breach of this condition should be the same as conditions attached to the receipt of Abstudy, namely 85 percent of total school days. The Institute believes that the expectations placed on Indigenous children should not be lower than those placed on non-Indigenous children in mainstream communities.

Limited exemptions to the 100 percent school attendance condition are proposed to create a comprehensive school attendance policy that: supports children and families in need by investigating a high number of medical excuses; recognises the importance of mobility for high achieving students from remote communities; reduces the likelihood that responsible parents will be punished; avoids undue harm to children who may be unable to access the clinic on a given day; and provides stricter criteria than currently apply in relation to bereavement.

**Explained absences due to illness**

As it is necessary to ensure that a child can be absent from school where they are genuinely too ill to attend, the presentation of a medical certificate by the child should be an acceptable explanation for non-attendance. However, to ensure that the process of illness exemption is not being abused, and to provide support to children who are often absent due to purported illness, three explained absences per term *with* a medical certificate should trigger a process of investigation by a case manager. (Such investigation would occur
subsequent to provision of information by the school principal to the FRC, and would not be considered a breach of the school attendance condition.)

**Explained absences related to mobility**

The school attendance condition should be strictly enforced, but it should allow flexibility so as not to punish high achieving students who participate in activities which sow the seed of mobility for educational, employment or artistic reasons.

An inflexible 100 percent school attendance condition would prevent talented students in the Welfare Reform communities to be absent from school to take part in activities such as academic programs outside communities, sport, art and dance endeavours. Accordingly, discretion should be conferred upon the school principal to grant exemption from the school attendance condition for mobility explained absences – upon written application by the child’s parent/guardian.

**Absences explained by parent**

The 100 percent school attendance condition should be rigorously enforced, but the policy should also ensure that children are not unduly harmed and that responsible parents are not punished.

For example, if there is no provision for any absences which can be explained by a parent, it would result in a child who is too ill to attend the clinic and who is being looked after by their grandmother while their single mother attends work, being forced to walk from one end of town to the clinic to endure a lengthy wait at the clinic for an appointment. Consideration should given to whether it is always going to be appropriate for a sick child to be forced to leave their bed.

Furthermore, the school attendance condition should be sufficiently strict to ensure that children do not miss weeks of school by attending a funeral in another community, but the policy should allow a child to attend the funeral of an immediate relative who has passed away.

A 100 percent school attendance condition which does not allow for such situations is likely to inadvertently punish responsible parents. Accordingly, it is appropriate to allow three non-consecutive absences explained by a parent (in writing upon the child’s return to school), per child per year.

It is envisaged that a Memorandum of Understanding be established between EQ and FRC regarding the transfer of relevant attendance data on a weekly basis so that the FRC can make timely and accurate decisions. Appendix H details how the attendance information might be monitored and provided to the FRC.
**Trigger 2: Referral for breach of child safety obligation**

The FRC should not supersede the State legislative framework that has been established to deal with child safety. Rather, as Figure 3.1 below illustrates, there are three main points at which the Institute proposes cases should flow to the FRC from the Department of Child Safety (DChS): Child Concern Reports (CCRs), unsubstantiated investigations, and substantiated investigations.

Ideally, arrangements for sharing information would be established through a Memorandum of Understanding between DChS and the FRC regarding the transfer of information, although this would be subject to compliance with the terms of the *Child Protection Act 1999 (Qld)*. It is possible that a notice provision in Commonwealth legislation or amendments to the *Child Protection Act 1999 (Qld)* would be necessary for the relevant information to be supplied to the FRC. Further detail is contained in Appendix H.
Figure 3.1: Points of intersection between the Department of Child Safety and the Family Responsibilities Commission

Referral 1: Child Concern Report cases

All cases that are referred to DChS are screened during an initial process referred to as intake. Cases that may require intervention by DChS are then referred to a stage known as notification for further investigation. Those cases that are not referred to the notification stage are instead referred to a stage known as CCR. A characteristic of the CCR cases is that the level of concern about a child’s situation is not at the required legislative level for
intervention, namely, where there is the probability of significant harm or risk of harm to the child and the parent is unwilling or unable to protect the child.

The Institute understands that almost twice as many cases on Cape York are referred each month by DChS into the CCR category than to notification: of the eighty cases referred to DChS each month from Cape York communities, thirty proceed to notification, but fifty exit the statutory system as simply a CCR case.²²

Many CCR cases require an early intervention response. However, the current system is limited in its ability to refer people to available supports, particularly in remote areas. The Referral for Active Intervention program, which has recently been rolled out in ten locations across Queensland, does not cover Cape York communities. (The Queensland Department of Communities is responsible for providing these types of services.) In practice, few support services are available in the four Welfare Reform communities.

The Institute proposes that the issuing of a CCR cases will trigger a referral to the FRC for any parent/guardian of the child and for any other adult named in the CCR.

One of the main roles of the FRC is to provide referral of families to support services. The FRC aims to prevent problems from escalating to more serious cases of neglect, or other forms of abuse that later require formal child protection intervention. Options open to the FRC include providing referrals to support agencies and a case management framework. (The preferred model of service delivery is outlined in section 3.5.)

Currently, the DChS cannot compel a family who has received a CCR to attend any of the support services they have been referred to. Where the relevant conduct does not meet the high legislative threshold of ‘significant harm or risk of harm’, there is no compulsion for people to act in a certain way.

The Institute believes that there is a need for a stronger lever to drive behaviour of individuals named in a CCR. The Institute’s proposal would see the FRC refer individuals subject to a CCR to relevant support services and the discretion to recommend conditional management of their welfare payments if they fail to attend the support services. The FRC would thus be essentially capable of compelling attendance at support services; with the enforcement lying in the discretion to recommend welfare payments be conditionally managed.

It is important to note that not all CCR cases will require referral to support services. Although CCR cases will include situations which just fail to meet the high legislative threshold, there will also be CCR cases which have been referred to DChS which have no

²² Discussion with DChS, Cape Torres Office, 24 November 2006.
basis. In these cases, the Institute proposes that the FRC be advised by DChS that no further action is required.

Referral 2: Investigated and assessed but unsubstantiated

The Institute also proposes that cases be referred to the FRC which have been investigated and assessed within the DChS framework and found to be unsubstantiated yet in need of a service response. Some cases that are thought by DChS at the intake stage to involve a significant risk of harm to a child and therefore require investigation and assessment may in fact turn out to not meet the high legislative threshold for intervention by DChS.

Therefore, on the issuance of an unsubstantiated investigation and assessment, parents and legal guardians of the child, and any adult named in DChS’s report, will automatically be referred to the FRC.

As with the instances of a CCR, some unsubstantiated cases may have no basis and will not require referral to support services.

Referral 3: Substantiated cases receiving an intervention

The Institute also proposes that cases be referred to the FRC which have been investigated and assessed within the DChS framework and found to be substantiated. Therefore, on the issuance of a substantiated investigation and assessment, parents and legal guardians of the child, and any adult named in DChS’s report, the case plan or in the child protection order, will automatically be referred to the FRC.

The Institute envisages that the FRC could become involved in cases that have been substantiated and are receiving an intervention such as the implementation of a case plan. Case plans are implemented either with parental agreement or pursuant to a child protection order. Being a local authority with respect in the community, the FRC would add value to the negotiation and implementation of a case plan. The FRC could provide local information otherwise unavailable to DChS.

Direct referral of child safety matters to the Family Responsibilities Commission

Identified above are the three proposed routes for referral of matters from DChS to the FRC. However, it is also possible that the FRC will become aware of suspected child safety issues before DChS are notified. The local, visible nature of the FRC, and the participation of local people in its operations, will mean that community members are likely to be more comfortable in approaching the FRC with cases that might otherwise be communicated to DChS or not communicated at all.
Where the FRC becomes aware of a case of suspected child neglect or abuse that has not yet been reported to DChS, the FRC will be required to refer the matter to DChS if it suspects that the child is experiencing serious forms of neglect or abuse that should be referred to the notification stage for investigation and assessment by DChS. It is anticipated that FRC staff would require training and access to the tools available to those subject to mandatory reporting requirements (such as teachers and health workers) so that they can clearly distinguish what constitutes serious forms of neglect and abuse, and can understand the appropriate means of reporting the cases to DChS. The FRC should be subject to the same mandatory reporting requirements as teachers and health workers.

Community feedback

Members of the communities have expressed support for the robust process of referral from DChS to the FRC, but there were doubts expressed that the initial contact with DChS would be confidential and anonymous. There was recognition from those who are the subject of mandatory reporting requirements (health and education workers) that the FRC can provide support to the families who are presently the subject of a CCR. They indicated that they might be more inclined to contact DChS about less serious forms of abuse, given that cases which don’t meet the statutory threshold would be referred to the FRC under the proposed model.

Trigger 3: Referral by judicial body

It is proposed that all adults should be referred to the FRC for committing drug, alcohol, gambling or family violence offences. Judicial triggers are recommended as the appropriate means of referring people engaged in these behaviours because of the importance of creating a robust process of referral to the FRC which does not undermine principles of natural justice and the rule of law. These ‘judicial’ triggers should be incorporated in legislation as obligations upon all adults in the Welfare Reform communities receiving welfare payments.

Referral by Justice of the Peace Magistrates Court

This first judicial trigger relates to the potential to use Justice of the Peace Magistrates Courts (JP Courts) as a mechanism for referring parents to the FRC. Of the four Welfare Reform communities, a JP Court only exists in Aurukun, although it is anticipated that there will be a JP Court operating in Hope Vale in the near future.

For the trigger to be activated, State or community police would be required to charge an individual with a breach of a relevant community by-law, local law or certain State laws (detailed in Appendix I). Subsequent to being charged, the individual would be required to appear before the local JP Court and would need to enter a guilty plea.
Rather than imposing a fine or a prison sentence, the JP Court would have the discretion to order the individual to attend the FRC and carry out any actions required by the FRC. It would only be appropriate for such referral to occur where the community by-law, local law or State law relates to the targeted behaviour. In addition, a finding by the JP Court that the individual had breached a community by-law, local law or State law for conduct which relates to the defined targeted behaviours would also trigger a referral to the FRC. JP Courts presently have the power to refer perpetrators to services rather than impose penalties of fines or prison sentences. It is unlikely that legislative amendments would therefore need to be made to enable JP Courts to order a referral to the FRC.

Referral by Magistrates Court

The second and third judicial triggers into the FRC involve referral by the Magistrates Court post-conviction and pre-conviction respectively. For these triggers to be activated, State police would be required to charge an individual with a breach of a relevant State law (detailed in Appendix I). Subsequent to being charged, the individual would be required to appear before the Magistrates Court.

If the Magistrate found the individual guilty of the relevant offence, the Magistrate would then have the discretion to order the individual to attend the FRC and carry out any actions required by the FRC. The referral to the FRC would thus replace the imposition of a fine or a prison sentence by the Magistrate. In addition, a finding by the Magistrates Court that the individual had breached a State law for conduct which relates to the defined targeted behaviours would also trigger a referral to the FRC.

Magistrates Courts have a broad power to impose penalties other than fines or prison sentences. It is unlikely that legislative amendments would need to be made to enable Magistrates to order a referral to the FRC as a condition of sentencing. It would appear that, notwithstanding the narrow scope regarding substance inhalation and alcohol abuse, the Magistrates Court would provide a more comprehensive and authoritative source of referrals to the FRC than JP Courts.

Each of the Welfare Reform communities is equipped with video conferencing facilities. It may be feasible (although expensive) for a Magistrate to hear a matter in full by video conferencing facilities, in which case referral subsequent to conviction by the Magistrate could provide a more timely response.

A more practicable use of video conferencing technology to obtain a timely and responsive referral to the FRC would be for Magistrates to conduct an initial hearing by video conference, and then refer the individual to the FRC as a condition of bail. At the initial video conference hearing, and prior to hearing the matter in full, the Magistrate could consider the evidence presented by the police and, if the Magistrate considered it appropriate, order the individual to attend the FRC and carry out any actions required by
the FRC. A referral to the FRC could thus be made by the Magistrate prior to conviction. The individual would not need to have entered a guilty plea for the Magistrate to make this order.

The Institute understands that Magistrates have a wide discretion to require individuals to undertake certain actions as a condition of bail. Magistrates and police also have the ability to drop the charges at any time prior to conviction. It would therefore be feasible for the police or the Magistrate to review the individual’s conduct subsequent to appearing at the FRC, and dismiss the charges if the individual’s behaviour is considered satisfactory.

*Complementing other triggers*

It is possible that none of the three judicial triggers will be as effective in referring people to the FRC as the triggers in relation to school attendance, child neglect and tenancy. For instance, the involvement of the judicial system may weaken the attempts to build strong local authority and undermine the ability of the FRC to provide an early intervention response. There is also a risk that Magistrates may choose not to exercise their discretion to refer an individual to the FRC if they believe that the FRC will take inappropriate action in relation to the individual’s behaviour.

However, the FRC could still effectively intervene at an early stage in response to a referral for breach of the school attendance and child safety obligations. It is highly likely that where parents are engaging in substance abuse, problem gambling or family violence, the *outcome* of this behaviour will be observed either by a child’s school attendance or by evidence of neglect. Any parent who is engaging in substance abuse, problem gambling or family violence, and is failing to protect their child from neglect, can be referred to DChS by any individual. (Health and education workers are already subject to mandatory reporting requirements.)

Notwithstanding the likelihood that parents engaging in the targeted dysfunctional behaviours are likely to be referred to the FRC for breaching either of the obligations with regard to school attendance and child neglect, the most comprehensive coverage will be achieved by including the triggers from the judicial system. Referral by judicial body and referral for breach of the school attendance and child safety obligations are thus complementary mechanisms. Both mechanisms are probably needed for the objective of the FRC to be achieved.

*Community feedback*

Initial discussions with community members reveal support for the use of referral to the FRC as a diversionary measure for parents engaged in these behaviours. Police officers
have also indicated a willingness to embrace an approach which results in fewer convictions or instances of incarceration.

**Trigger 4: Referral for breach of conditions in relation to tenancy in public housing**

It is proposed that any adult receiving welfare payments should be referred to the FRC if they are in breach of condition in relation to their tenancy in public housing. It is proposed that the legislative conditions be imposed upon adults in the Welfare Reform communities receiving welfare payments. These conditions would be implemented in Commonwealth legislation and would only be enforceable by the FRC. The conditions are consistent with the _Residential Tenancies Act 1994 (Qld)_ and would be as follows:

Tenants must not:

- use the premises for illegal purposes;
- cause or permit a nuisance;
- interfere with the peace, comfort or privacy of neighbours;
- assign or sublet the premises;
- fail to pay rent; or
- damage the premises.

The clear rationale of these obligations is to mandate personal responsibility for the wellbeing of household members – including children – and the home. The conditions would operate in parallel to the tenancy agreement between the landlord and the tenant, and would not preclude the landlord’s ability to seek other remedies for a purported breach of the agreement. The FRC would therefore not be empowered to determine whether a tenant has breached the terms of their tenancy agreement. That issue remains within the confines of the _Residential Tenancies Act 1994 (Qld)_ . Rather, the FRC would be empowered to determine whether a tenant has breached a payment obligation (defined in social security legislation) that pertains to their behaviour as a tenant.

In the event of a finding of a breach of this obligation, the FRC would be empowered with the ability to apply a conditional income management sanction to those individuals. The conditional income management sanction would ensure that rent is continued to be paid by the individual. The landlord (or their agent) would be compelled to provide evidence to the FRC on the receipt of any complaint which may constitute a breach of this payment obligation. The determination as to whether a breach has occurred remains with the FRC.
**Trigger 5: Voluntary referral to the Family Responsibilities Commission**

Individuals can voluntarily refer themselves to the FRC without having breached any payment obligations. A number of influences may cause people to voluntarily refer themselves:

- People may voluntarily agree to refer themselves to the FRC if they have reached a point of readiness to change their dysfunctional behaviour and are encouraged by the holistic support and case management offered by the FRC.

- Voluntary referral could also occur if local authorities (such as the Community Justice Group) can encourage people to address their behaviour.

- Community professionals such as the school principal, case manager, doctor or nurse may also encourage people to attend the FRC.

- People may also be influenced to attend the FRC by family members intervening and demanding change, perhaps out of concern that a child is being neglected and that the child might be removed if the neglect escalates.

Self-referral to the FRC would not preclude the activation of compulsory triggers where the relevant criteria are met. Individuals who self-refer would be eligible to access support and case management services coordinated by the FRC, but their attendance at those services would not be enforceable.

**Legally binding Payment Plans**

A proposal that remains the subject of ongoing discussion is that adult members of the Welfare Reform communities would have the capacity to voluntarily enter agreements with regard to home loans or approved personal purchases (such as furniture or home entertainment systems). These agreements – which would be named Voluntary Approved Payment Plans – would be devised in consultation with FIM and the FRC, and would be legally binding documents which would compel signatories to contribute towards repayment for these items.

At the point of applying for a loan, the individuals would apply to the FRC for an order that a proportion of their income would be administered by Centrepay. The FRC would issue an order that the payments be debited for the duration of the loan. Limitations would be placed on the extent to which income can be committed under this arrangement. A Payment Plan in relation to a *home loan* would only be able to apply to 25 percent of the individual’s welfare payments. (The 25 percent cap represents the proportion of a household member’s income that is payable as rent in public houses owned by the Department of Housing.) A Payment Plan in relation to personal purchases would only be able to apply to 15 percent of the individual’s welfare payments.
3.4 Consequences of breach of an obligation

As outlined above, the FRC will have four main options if it determines that an individual has breached their obligations: issuance of a warning; directive to attend a service; imposition of conditional income management; or imposition of income redirection. Each of these will be discussed in detail in turn.

3.4.1 Issuance of a warning

Where the FRC finds that an individual has breached one or more of their payment obligations, the first option available to the FRC is to issue a warning to the individual. Guidelines would be established to assist the FRC in determining when a warning might be appropriate. The guidelines would indicate that it would usually be appropriate to accompany a warning with a voluntary referral to support services.

3.4.2 Directive to attend a service

The second option open to the FRC upon the finding that an individual has breached one or more of their payment obligations is to refer the individual to support services that could assist the individual to change their behaviour. It is likely that, in many cases, referral by the FRC to support services would be the most appropriate outcome. Examples of support services that might be appropriate include voluntary money management and budgeting assistance, drug or alcohol rehabilitation services, or parenting skills classes.

The FRC would be able to refer an individual to support services on either a voluntary or compulsory basis. A voluntary referral would usually be appropriate where the individual has been issued a warning. A voluntary referral does not require the FRC or any other body to monitor attendance of the individual at the support service.

Where the FRC issues a compulsory referral to support services, the consequences of non-attendance by the individual at the support service would include conditional income management or redirection of income payments to another individual.

Enforcement of obligations would not be likely to conflict with obligations that individuals may also have with regard to either work or searching for work. For instance, there is unlikely to be a conflict between two days a week of CDEP and take-up of support services. Take-up of services and potential clashes with work seeking obligations will be further investigated, and existing models will be drawn on – such as how a Magistrate refers a Newstart recipient, who is charged with an offence, to alcohol treatment as a condition of bail.

If an individual is referred by the FRC to take up a particular support service, eg to attend a parenting skills class, the Institute envisages that the FRC would be responsible for
monitoring those activities, not Centrelink. The Institute anticipates that the service provider would be required to provide attendance information to the FRC.

Evidence of attendance at required activities is one of many different types of information that the FRC will need to deal with which will be recorded, stored and kept secure and confidential.

**Case Management**

Individuals who have been found by the FRC to have breached their obligations will benefit from the appointment of case managers. Case management will be a critical tool to support people in the Welfare Reform communities to address dysfunctional behaviour. It represents a proactive approach focused on early intervention that can be viewed as an ongoing positive investment in communities. Case management that leads to healthier families will help to rebuild social norms in communities, rather than just altering the behaviour of parents in a temporary manner.

International experience shows that case management programs that operate alongside welfare payment obligations (such as school attendance) significantly increase the likelihood of the overall success of such obligations in changing behaviour. Experience from the US suggests that financial sanctions alone may not have the desired effect on school attendance without a range of support services. As explained in Appendix F detailing international and domestic experience, the effects in the US of making welfare payments for parents conditional on the attendance of their children at school are well documented in research. Programs that rely primarily on financial sanctions (or the threat thereof) have a negligible effect on attendance. On the other hand, those programs that combined sanctions with case management, supportive services, and positive financial incentives (such as bonuses for good attendance or graduation) showed more positive results.23

The Halls Creek *Engaging Families* Trial also provided some important lessons. In particular, it indicated that the use of intensive case management is unlikely to encourage Indigenous parents to change their behaviour where there are no financial sanctions for maintaining existing behaviour.

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23 The Institute believes that children who maintain excellent records of school attendance should receive non-financial rewards. The use of incentives to change behaviour is consistent with the design of the Welfare Reform pilot. Rewards for children with high attendance rates will be developed in consultation with communities. One proposal is that children who record no unexplained absences for the year be rewarded with an end of year excursion. If possible, this excursion should be linked to the content of the school curriculum, and should also focus on education and employment opportunities outside of the community. The cost of such an activity would be subsidised by government or private enterprise, but parents would be expected to make some contribution.
In addition, effective case management has been demonstrated to decrease the barriers to engagement with support services, thus increasing rates of entry and retention in these programs and leading to improved outcomes for the participants.24

Case management is a collaborative process of assessment, planning, implementation, coordination and advocacy for services to meet an individual’s needs. The principle that underpins case management is individualised service delivery based on comprehensive assessment. Under a case management approach, case plans are developed in collaboration with the client that incorporate the client’s needs and preferences for service arrangements.

Case management generally aims to achieve seamless service delivery for clients with complex and multiple needs who may require access to services from a range of providers. In the context of the Welfare Reform Project, where many children in the Welfare Reform communities may not attend school due to broader family problems with drug and alcohol abuse, family violence and income management, a holistic case management response is imperative. Further details of the case management process are located in Appendix J.

### 3.4.3 Conditional income management

The FRC should have the option to place a ‘conditional income management sanction’ upon the welfare payments of individuals who breach their payment obligations. This would be the ultimate tool available to the FRC to counter breaches of obligations and encourage individuals to take responsibility for themselves and others in their family and community. The imposition of a conditional income management sanction would result in the individual losing discretion over the expenditure of their welfare payments for a defined period. Discretion over the expenditure of the payments would pass to the FRC who would exercise that discretion within a clearly defined framework.

Intervention via a conditional income management sanction will effectively prevent the flow of welfare income to substance abuse and other behaviours that impact upon the welfare of children and dependents in the Welfare Reform communities. The conditional income management sanction will help to provide a family with a break from dysfunctional behaviour, supporting the success of other support services such as drug and alcohol counselling.

The conditional income management sanction would apply to all or part of the welfare payment to which an individual is entitled (including CDEP). (The FRC would have the discretion to determine whether all or part of the welfare payments should be subject to conditional income management.) The sanction has no impact on the size of an

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individual’s welfare entitlement. While a sanction is in place, welfare payments could only be used for the individual’s and their dependent’s ‘essential expenses’. Any residual welfare income remaining after essential expenses have been paid would be placed in a trust account for the sanction period. These aspects of the system are described in more detail below. It will also act as a deterrent to breaching welfare obligations.

To be effective, a conditional income management sanction would need to be applied for a minimum of three months. The continuous sanction period should be limited to a maximum of twelve months and the FRC should be required to review the sanction every three months. The review would determine whether the sanction should be lifted, extended or simply remain in place as ordered, according to the individuals actions during the preceding three months. The conditional income management sanction is meant to be a catalyst for behavioural change. In the longer term an individual must take personal responsibility for meeting their obligations. The prospect of sanctions being in place for an indeterminate period would undermine this outcome. Individuals should also be provided with the opportunity to have a sanction lifted once they demonstrate that they can meet their obligations.

The operational details of conditional income management are contained in Appendix K.

3.4.4 Redirection of welfare payments to another person

In many cases where parents are unable or unwilling to take responsibility for their children (usually where the parent has a drug or alcohol addiction), care of children is undertaken by grandparents or close family members. Where this is the case, payments intended to be spent on the costs associated with parenting responsibilities (FTB and PP) are rarely redirected to the actual carer. The payments cannot be redirected without the actual carer making an application to Centrelink that they should be the recipient of those payments, and redirection does not generally occur because many grandparents and other close relatives caring for children are not prepared to go to this length to get access to these funds. Detail on the existing legislative arrangements for redirection of welfare payments is contained in Appendix L.

A system to allow redirection of payments in a more responsive way could have great benefits to children in remote communities; however, this would need to be designed very carefully to ensure it did not cause more harm than good. It would necessarily involve a local authority making decisions or recommendations to Centrelink and a form of conditional income management to ensure new recipients (eg grandparents) were not then targeted for money by parents.

25 Advice from the Family Income Management (FIM) program suggests that this is the minimum time necessary for any lasting change in financial management practices.
What could an effective redirection policy look like for remote Indigenous communities?

It is proposed that the FRC be delegated the authority to appoint a payment nominee where an individual is found to have breached their payment obligations.

Where a parent provides intermittent care, and another adult is caring for the parent’s children, the adult is not considered to have legal responsibility for the day to day care of the children. Therefore, existing legislative provisions would not be sufficient to allow such an adult to request that FTB (and any PP) payments be redirected to them without the consent of the parent. However, the adult could potentially be appointed as a payment nominee. As Appendix L explains, the provisions of Commonwealth legislation allow payments to be redirected from the recipient to another person – the ‘payment nominee’. A payment nominee is required to act in the best interests of the original recipient, and is required to account for expenditure of the payments. If the existing legislative provisions are considered insufficient to allow the FRC to appoint the adult as a payment nominee, new legislative provisions should be considered which would allow such an appointment to occur.

If the circumstances of a particular case are such that there is no question that the actual carer is entitled under existing law to the FTB and/or PP that the parent is currently receiving, then the FRC offers the potential to assist in effecting redirection from the parent to the actual carer as per existing legislative provisions. The FRC could informally broker an arrangement for the actual carer to apply to Centrelink to receive the FTB and/or PP payments for the children. The FRC (or Case Managers employed pursuant to a referral to case management by the FRC) could assist the actual carer in making this application, a process that would ideally – but not necessarily – include the consent of the parent.

It is also proposed that the FRC be delegated the authority to appoint a payment nominee where a parent who receives Newstart or Youth Allowance is found by the FRC to have breached their payment obligations.

Possible protection: conditional income management

Given the possibility that humbugging and violence will result if welfare payments are redirected to another adult, it may be thought appropriate to develop laws which protect the new recipient from such behaviour. However, given the apparently low level of enforcement of existing state and local laws, it is questionable whether creating new laws

26 See Appendix L for more detail.
27 These social challenges which may result from redirection are discussed in more detail in Appendix L.
will prevent such conduct from occurring. Community leaders have also voiced their scepticism about the likelihood of such new laws being enforced.

The safest means by which welfare payments could be redirected might be to place payments in conditional income management. If a parent’s welfare payments were redirected to conditional income management, the actual carer would only be able to use the funds in accordance with the terms of conditional income management (see section 3.4.3). Managing the redirected funds in conditional income management would likely reduce the risk that the adult caring for the children would be subject to humbugging. However, the new payment recipient may not be safe from threatened or actual violence.

Notwithstanding the above, redirection of FTB to an individual without the need for conditional income management could occur where: a responsible adult is looking after the children of another adult on an ongoing basis; the responsible adult’s level of care is sufficient to be considered the primary care-giver of the children; and there is no likelihood of humbugging or violence.

**Community feedback**

Comments by community members at the Cape York Leaders Retreat in December 2006 indicate an unwillingness to support redirection due to the numerous potential social difficulties mentioned above – in particular, humbugging and violence. The leaders suggested that CIM would be the preferable outcome to a breach of payment obligations.

The Engagement Process in Hope Vale indicated that the Community Justice Group has in the past played a brokerage role in effecting redirection of FTB payments from a parent to the actual carer. This example highlights the potential for a functioning community-owned body with Indigenous authority to effect change which can contribute to the rebuilding of social norms.

In one of the Welfare Reform communities, the Engagement Process revealed the ability of Centrelink to enter into flexible arrangements. Centrelink was approached by a child and arranged for a proportion of his mother’s FTB payments to be paid into his own account that he can access for education purposes through the Family Income Management program. Further discussions with community members will be important to determine whether redirection through the FRC is feasible or could be considered if linked with conditional income management.
3.5 Funding a new service delivery model with brokerage capacity

A service delivery model must be developed for the Welfare Reform communities to effect the referral to support services by the FRC of individuals who have been found to have not fulfilled their payment obligations. The process for agreeing which services are provided to individuals should be determined in the following manner. A panel comprised of representatives from Australian, Queensland and local governments, and regional organisations, should undertake a service needs analysis for the work of the FRC. The range of support services required to meet needs in the four communities is likely to include case management, intensive counselling, alcohol and drug treatment and rehabilitation services, parenting support, money management,\(^{28}\) and alternative social and recreational programs. The panel would develop a list of approved providers of these services.

The FRC would have a pool of funds available which would be used to purchase services from the approved list. Providers of specified ‘non-core’ services would be appointed for a 12 month period. Provision of specified ‘core’ services, including case management, would occur over the term of a two year agreement. The panel would appoint the organisation to provide case management services on a competitive basis. Local organisations would be particularly encouraged to tender.

Appropriate services may not always be available or effective. In such circumstances, research and development funds should be provided to regional organisations to develop new or improved programs. While research and development is undertaken, the FRC will continue to purchase existing services. This chapter recommends reforming current welfare payment mechanisms to promote responsibility amongst recipients. As outlined in Chapter 1, service delivery should be considered in the same light. Many of the social services in Indigenous communities amount to passive welfare. Despite good intentions, their primary effect is to displace responsibility from individuals, families and communities, and place it into the hands of the deliverers. The list of approved service providers should be informed by the principle of passive service delivery (see section 2.3.9).

Similar examples of service delivery models

Two examples of market-type mechanisms in servicing offer useful insights into service delivery in the Welfare Reform communities. Job Network is a national network of private, community and government organisations contracted by the Australian Government to deliver employment services to assist unemployed people into jobs. The Jobseeker Account, a quarantined pool of funds, is provided to Job Network members based on the

\(^{28}\) See Appendix M.
numbers and disadvantage level of job seekers receiving assistance from them. This pool of funds is used at the Job Network members’ discretion to purchase services and products aimed at the individual employment needs of their job seekers giving them greater flexibility to provide tailored assistance.

The Referral for Active Intervention (RAI) initiative is a new model funded by the Queensland Department of Communities. The Department of Child Safety refers families to the non-government service provider which has successfully tendered to provide RAI services if it assesses that a child in that family has failed to meet the risk threshold which would cause them to enter the statutory child protection system, but is highly vulnerable to doing so in the future. RAI responds to the referral by providing case management and intensive family support for families and children, including outreach and home visiting; and formal agreements and/or brokerage funds to procure other specialist or support services for families.
4 ADDRESSING THE WELFARE PEDESTAL

As outlined in Chapter 2, a ‘welfare pedestal’ exists in Cape York communities that encourages people to enter welfare and remain on it, despite employment or education opportunities being available in or near communities. This chapter and Chapter 5 outline policy solutions to address this ‘pedestal’. The overarching goal is to see individuals come off welfare (or not enter welfare) and join the real economy or undertake education or training opportunities. This chapter focuses on changing the incentives to encourage people to climb off the pedestal (welfare) while Chapter 5 focuses on the creation of opportunities to start people climbing the staircase and engage in the real economy.

4.1 Climbing off the pedestal

There are three primary factors that contribute to the welfare pedestal:

(a) The price effects of CDEP and other welfare payments

The first factor contributing to the welfare pedestal is the size of the payments that a person receives on welfare versus alternative options. There are two factors at play here. First, in some instances, a person can benefit more financially through being on CDEP rather than investing in their future through study or entry-level employment. For example, the full rate of CDEP (which was applicable to all youth on CDEP until 1 July 2006) is equivalent to two and half times the rate of Youth Allowance for 16 and 17 year olds. Following the introduction of a CDEP youth rate in July 2006, the gap has been reduced, but for 16 and 17 year olds the CDEP youth rate for remote communities ($186.85) is nearly twice as high as for Youth Allowance ($95.25, under 18 and living at home).

If the person is making decisions primarily on the level of payments, he or she is likely to choose CDEP rather than receiving Youth Allowance or continuing their studies with assistance of CDEP. Of course, the payoff longer term is likely to be considerable if a person continues to study, but a short term focus (which is frequently the case in communities) leads to a decision to stay on welfare.

The second significant price factor that contributes to the appeal of CDEP for ‘employment’ is that it offers a relatively high level of hourly pay, often for activities that require very little skill or effort, particularly when compared to entry level jobs and apprenticeships. Many remote CDEPs pay a flat award rate across all activities that translates into a 15 hour standard week at $16.39 per hour. Appendix Q (Chart Q.3) compares some hourly wages and finds that:

- The CDEP hourly rate is more than twice the minimum wage level for 16 to 17 year olds (assuming a 15 hour CDEP week at $16.39 and a 38 hour week for the minimum
wage at $7.29) and by the age of 21 the minimum wage hourly rate is still more than $3 less than CDEP.

- It is only when carpenters complete their apprenticeship that their hourly award wage moves above the hourly rate of CDEP (and then by only $1.32)

The decision to go onto CDEP or Newstart is also closely linked to the pay-offs that a young person perceives from pursuing work, education or training and whether they have the capability and motivation to pursue these activities. For example, when a young person assumes the returns from education and training to be low, their rational response is to choose CDEP sooner rather than later, especially given that a CDEP participant’s level of schooling is largely irrelevant. The perception that CDEP is the ‘best’ option becomes reality when education outcomes in early school years are well below the mainstream, effectively locking young Indigenous people out from other opportunities. Therefore, the prospect of CDEP is likely to erode a young Indigenous person’s motivation for real employment or education from the moment they consider the program as a destination.

While the reduction in the rate of CDEP for under 21 year olds is a significant improvement, the new rate of $186.85 per week for two days of work is still at a level where the incentive to participate in CDEP is perverse. Related to the availability of CDEP for those under 21 is a question of whether the current financial incentive through Abstudy is adequate and whether the rules for eligibility are reasonable (see Appendix Q and Chapter 5 for further discussion). A reform that should be considered for immediate introduction is the elimination of CDEP, in its current form, as a destination for all people under the age of 21 (see section 4.2).

(b) CDEP looks like a real job but provides none of the benefits

The second factor contributing to the welfare pedestal is the structure of CDEP. Relatively high hourly wages for CDEP only partly explains its attractiveness. Of equal importance is that CDEP, in remote areas, has the look and feel of a real job but with few of the associated disciplines and benefits. The low level of employer work expectations combined with the lack of workplace based training and overall alignment of skill development to labour market demands are such that their capacity to undertake a real job is eroded, or at the very least, is not improved. Other factors that contribute strongly to the relative attractiveness of CDEP include that:

- CDEP is paid for two days work or less and is paid weekly;
- there are a variety of activities to choose from, many with very low work expectations;
- CDEP is run by a local organisation;
- top-up may be available; and
there are jobs within the CDEP structure that provide a career path (albeit limited).

Poor outcomes from some CDEP programs are not surprising when it is considered that community councils or organisations are charged with maintaining a CDEP workforce of many hundred participants, in addition to the range of other responsibilities including housing and municipal services.

Institutional reliance on CDEP labour has reinforced the pedestal

There are several institutional factors that reinforce CDEP as a destination, including that:

- CDEP funding arrangements encourage CDEP providers (particularly where these are councils) to keep their best employees and to maintain participant numbers rather than facilitating real employment opportunities for CDEP participants; and

- the private sector, councils and State and Australian Governments have a strong incentive to use CDEP participants, rather than to create real employment positions in communities.

Heavy reliance on CDEP for service delivery means almost all positions in communities, regardless of the level of responsibility, are CDEP positions. Without attachment to employers, these positions lack training and opportunities for career progression, standard expectations of output and performance and transferable experience to jobs outside communities.

(c) The effect of Family Tax Benefits and Parenting Payments

As noted in Chapter 2, the welfare pedestal is not only made up of the relative price of CDEP but it is also determined by family payments including the Parenting Payment, the Family Tax Benefit, and lump sum payments (such as maternity payments). These payments are predominantly unconditional and discretionary in the manner recipients choose to spend them. The net effect of these payments, when combined with CDEP, is that people may be able to reach a target level of income which they are prepared to exist on and thereby have no need to engage with the real economy. The approach outlined in Chapter 3 for attaching obligations to family payments will go a significant way to addressing this disincentive.

The combination of how these three factors interact with work and study opportunities is discussed in detail in Appendix Q. Case studies detail how people observe and respond to welfare and work opportunities at key points in their life. Section 4.2 addresses factors (a) and (b) above by outlining reforms to CDEP and the Job Network (work readiness and job placement of Newstart and Youth Allowance recipients) that will create a more effective framework and incentives for getting people work ready and into work.
The Institute believes that adjusting Family Tax Benefits and Parenting Payments should be done in the context of broader mainstream welfare reform.

### 4.2 Reforming CDEP and Job Network

Many remote area CDEP programs have not been successful in getting people work ready and into a job. Rather they have administered ‘make work’ programs with a limited focus on progressing people into employment. The failure of CDEP to act as a stepping stone to the real economy and real jobs is highlighted by the very high and persistent unemployment figures in remote Indigenous communities. This is in stark contrast to the Australian economy more generally where unemployment is currently at historical lows.

CDEP requires fundamental reform and the Australian Government has begun this process by replacing urban and some regional CDEPs with STEP ERS (Structured Training and Employment Projects, Employment Related Services). For CDEP reform to be successful in remote Indigenous communities it will be necessary to refocus the program on work readiness and ‘into work’ and for linkages and complementarity with the Job Network to be developed.

Working age adults in the Welfare Reform communities fall within four roughly defined categories, according to their personal circumstances, skills and capabilities. Some people are:

1. **Unemployed due to a lack of opportunities** – these are people who would like to work and have skills and the work ethic but cannot find real employment. This includes those with young children who are often unable or unwilling to leave the community, and therefore require opportunities in or near the community or assistance and support with taking up opportunities outside communities.

2. **Disabled or have similar valid reasons for why they must depend on government support** – some of these are people who will be unlikely to be able to undertake a real job but for whom activity and community engagement is likely to be beneficial.

3. **Disengaged due to irrational incentives for welfare** – these are people who make a choice to remain on welfare (or move directly onto welfare when they come of age) because the rules for welfare make it a rational or possible choice. This group will include people who have the capability to do a real job but have become conditioned to low work expectations and may be unable (at least initially) to undertake a real job because of low skills or drug and alcohol problems.

4. **Far from work-ready** – these are people who are welfare dependent and whose outlook and behaviour are reflected in significant drug or alcohol problems, little or
no recent experience in employment, and for whom the transition to a real job will
require a considerable change in lifestyle, attitudes, skills and health.

A reformed CDEP and Job Network must better account for the differing categories of
working age adults in each of the communities and deliver better outcomes.

Particular policy reforms are required for those individuals who have recently completed
school and are either work-ready but unemployed (category 1 above) or disengaged
(category 3 above), to ensure that they are ‘pushed’ to take up work opportunities. Those
‘dysfunctional’ community members (category 4) must also be assisted to engage and
participate in the workforce, and the substantial challenges involved in getting such people
into work must be acknowledged. In this regard, it is important to highlight that the
reforms discussed in this section form one part of a much larger jigsaw for helping people
in the different categories outlined above to improve their lives.

Reforms must also be able to provide solutions that prevent movement between the four
categories. For instance, it is apparent that reforms must respond to the likelihood that
around the time individuals in Indigenous communities turn 21, they are significantly more
likely to move from a state of disengagement (category 3 above) to a state of dysfunction
(category 4 above).

The approach outlined here is primarily focussed on work readiness and job placement. It
also includes a continued role for work activities but based on strengthened reciprocity
conditions. Section 4.2.1 outlines reform options for the objectives, structure and operation
of CDEP and Job Network. Section 4.2.2 discusses changes to payments, eligibility and
obligations. Finally, Section 4.2.3 discusses the interaction between the policy
recommendations and four categories of community members outlined above.

4.2.1 Reforming objectives, structure and operation of CDEP and Job
Network

CDEP objectives

The question of whether CDEP should operate as a work placement and pre-employment
work preparation program or be strengthened as an employment program is fundamental to
the design of any reform. CDEP is currently somewhere between the two – it is neither
work-like with realistic employment conditions and expectations, nor is it equivalent to
mainstream unemployment benefits with clear work-search obligations. For example, as a
two day a week employment scheme, CDEP offers a living allowance ($12,500 annually)
for potentially minimal work and limited supervision. When CDEP is added to other
payments (such as family payments), the result is a reasonably generous bundle of

29 Based on the experiences of the Work Placement Scheme.
payments with few obligations attached. Without incentives to get people into work (where available) CDEP becomes a permanent destination – CDEP must engage the participants who are a long way from taking up employment, without making CDEP more attractive than real employment for those who are close to work ready and where employment exists.

**Reassessing the objectives of CDEP**

<table>
<thead>
<tr>
<th>Current CDEP goals</th>
<th>Narrow the CDEP objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Official objectives</strong></td>
<td>• Training for employment readiness</td>
</tr>
<tr>
<td>• Job placements and financial assistance to employers</td>
<td>• Job placements and financial assistance to employers</td>
</tr>
<tr>
<td>• Work obligation in return for income support</td>
<td>• Provision of income support with work obligation</td>
</tr>
<tr>
<td>• Work aligned with community priorities</td>
<td>• Undertake activities that benefit the community</td>
</tr>
<tr>
<td>• Support of Indigenous start-up enterprises</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>De facto objectives</th>
<th>Replace CDEP with more appropriate funding arrangements</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Council funding</td>
<td>• Fully resource the provision of essential services and other council responsibilities</td>
</tr>
<tr>
<td>• Provision of basic services</td>
<td>• Provide appropriate resources to service deliverers to offer full-time non-CDEP jobs (e.g. health workers, teacher’s aide)</td>
</tr>
<tr>
<td>• Additional labour for service deliverers (e.g. health workers)</td>
<td></td>
</tr>
<tr>
<td>• Employment in communities</td>
<td></td>
</tr>
</tbody>
</table>

Current CDEP goals overburden the program and make it hard to achieve any of the objectives well

Underlying the potential changes to CDEP outlined in this section is a need for the program to focus on work readiness and job placement. The objectives of CDEP should be to:

- help people to become work-ready;
- help people to find employment both within and outside their communities (for example, by connecting potential employees and employers);
- improve work-related skills through education, training and work experience; and
- provide a form of mutual obligation (work activity) but one that does not act as a disincentive to taking up a real job.

The emphasis on employment opportunities outside of communities is very important as it significantly expands the type and range of employment that may be available to people.
Work readiness programs should help to encourage mobility by establishing close links with employers outside of communities and the availability of mobility programs and allowances (see Chapter 5 for discussion of mobility). In addition, the best way to keep effective workers in communities is, wherever possible, to employ them directly in working for council and local providers and not through CDEP.

A CDEP organisation focussed on work readiness will include community based mutual obligation activities but with a strengthened work expectation. These activities will be particularly important for people who are very long term unemployed or long term CDEP participants.

**Structure, funding and operation of CDEP and Job Network**

An alternative structure for CDEP could utilise a number of tools and resources to achieve its objectives of getting people work ready and into work while still providing activities that have a strong link to community values and projects.

**Figure 4.1: Alternative CDEP model**

**Jobs Brokers**

One possible approach to help get people work ready and into jobs would involve the development of a network of Jobs Brokers that operates in tandem with CDEPs and JNMs.
Jobs Brokers would take a ‘case management’ approach to job placement, as explained in Chapter 5.

**Role and operation of CDEP organisations**

Within the structure outlined in Figure 4.1, CDEP organisations could have a primary role in running a work activity program and through this facilitating work readiness activities and for organising and delivering training. There are obvious overlaps between the role of CDEPs and JNMs. CDEP organisations do not currently provide supervision for activities in other programs such as Work for the Dole. Nonetheless, there is the potential for contracting opportunities between JNMs and CDEPs. Certain supervisory and training responsibilities, for example, could be taken on by either type of organisation.

CDEPs should be operated at arm’s length from community councils with councils not receiving funding through CDEP either indirectly for operational purposes or directly through the use of CDEP subsidised labour to provide municipal or administrative services. The appropriate funding of councils is critical as it will create real jobs and eliminate any need for councils to rely on CDEP participants.

Where CDEP is operated separately from community councils, councils could offer CDEP participants training positions, work experience and real jobs. As with other local employers, there should be scope for councils to be host employers for training and work experience purposes (assuming that councils are funded adequately) (see above).

**Reforming CDEP funding arrangements**

At present, CDEP operators in many remote communities are almost entirely dependent on block funding and few of them have come to routinely take advantage of the performance-based funding potentially available. The CDEP Key Performance Indicator 1 concerns the number of CDEP participants who move into non-CDEP employment, with $550 paid for each job placement, and a further $1650 paid when the participant has completed 13 weeks in the job. Following recent changes, an additional payment of $825 will also be available after 26 weeks of continuous employment although this will only apply to job placements made after 1 July 2007. The CDEP organisations in the four Welfare Reform communities have had mixed success in making job placements. Between July 2006 and January 2007, one organisation had met only 5 percent of its pro rata job placement target, another had met with 21 percent success, a third organisation had managed 43 per cent, and the other organisation was exceeding DEWR expectations by achieving 171 percent of its pro rata target.

While three of the four Welfare Reform communities were therefore performing below expectations with regard to job placements, it should be emphasised that many other CDEP
organisations have fared worse. For example, in the same period, 20 of Australia’s remote CDEP organisations did not secure any CDEP Placement Incentive payments at all.\footnote{Source: DEWR (pers. comm.).}

In contrast to performance-based funding, block funds are essentially large fees that are paid by the government for various services provided by CDEP operators.\footnote{This is not to say that the funding is provided to CDEP operators in single, annual blocks. For CDEP operators that operate in compliance with DEWR’s requirements, funding release dates are quarterly. Given that many CDEPs do not run so smoothly, however, it is very common for funding to be released only one month at a time.} In and of itself, block funding does little or nothing to prompt CDEP operators to think more innovatively or to operate more efficiently. Given that this sort of funding is intended to provide each CDEP operator with the means to run a large and complex range of activities, it needs to be administered in a highly bureaucratic and closely monitored way. The submission process is therefore highly detailed and requires the setting of a number of targets (eg, the number of people who must be placed in employment).

The Australian Government’s expectation of adequate service provision is enforced simply by threatening to withhold block funds from CDEP operators that do not meet performance criteria, and to deny such operators subsequent contracts. Block funding may therefore be said to use the threat of sticks, while offering no carrots.

By contrast, performance-based funding provides CDEP operators with smaller payments for important, readily verifiable outcomes. At present, the only type of performance-based funding that CDEP operators recognise as being available to them is the CDEP Placement Incentive. Given that the relevant types of outcome are readily verifiable and the payments are relatively small, the administration of these performance-based payments is very simple. And unlike the punitive arrangements used in conjunction with block funding, performance-based payments are positive incentives and are more likely to inspire innovative thinking and energetic efforts to secure job placements.

The common lack of emphasis on performance-based funding amongst many CDEP operators can be seen as part of a work culture amongst those operators that is neither enterprising nor performance-oriented. But this failure to take advantage of performance-based funding is also partly attributable to the fact that the current performance-based funding payments available are quite low. The CDEP Placement Incentive is currently only worth $2200 at most, which is less than half the $4500 placement incentives that are available to the Aboriginal Employment Strategy or AES\footnote{The AES is an initiative developed by Richard Estens. The first office was set up in Moree and the AES now also has offices in Tamworth, Dubbo, Blacktown, Glebe and Maitland. Though initiated privately, the Australian Government has devoted $17m to it over the four year period from 2005-2009.}
and far less than the placement incentives available to Job Network Members. As noted above, where a job placement has been made after 1 July 2007 and 26 weeks of continuous employment have been completed, an additional payment of $825 will also become available.

JNMs also have access to payments such as the Job Seeker Allowance which the JNM can draw on for training and development purposes. CDEP organisations are required to provide training from the block funding they receive, though funds provided for this are limited. The difference between the adult rate and the youth rate must be used for youth training. But this figure only amounts to $58.96 per week, per youth participant. Moreover, it is not available for the training of adults, for continuing youth who were already CDEP participants before July 2006, nor for the training of youth who receive the adult rate on account of their having dependents.

Given that the CDEP Placement Incentive is quite low (even relative to the corresponding performance-based payments available to other organisations), it has also failed to overcome certain conflicts of interest. As noted above, most CDEP operators currently have an interest in retaining their best workers given that such workers help to ensure that the CDEP activities run smoothly and successfully.

The traditionally heavy reliance on block funding is highlighted by the experience of the CDEP program in one of the Welfare Reform communities, which has recently been more successful in placing participants in real jobs. For a certain period in 2006 this CDEP provider was concerned about the loss of CDEP participants and perceived a need to find new participants in order to maintain high utilisation rates. Given that the incentive to register new participants is somewhat perverse, there is reason to doubt that utilisation rates should be included amongst the Key Performance Indicators. Significantly increasing CDEP Placement Incentive payments would also help to decisively overcome the inclination to maintain an unnecessarily large CDEP organisation. The CDEP incentives and funding structure should be such that over time the program declines in size in communities, through the placement of greater numbers of people into real jobs.

With these observations in mind, CDEP organisations would potentially be improved if some of the block funding were program-based instead of participant-based. This could include fee for service funding arrangements (eg, for training and Work for the Dole programs) and greater financial incentives for work placement. Performance-based payments should be substantially increased so as to be at least equal to Job Network or

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33 For placements of Highly Disadvantaged people, JNMs receive up to $6 600, consisting of $4 400 after the job seeker stays in employment for 13 consecutive weeks and another $2 200 after 26 consecutive weeks employment.

34 More recently, the particular CDEP organisation at issue has had a waiting list for CDEP participants, and hence no concerns associated with utilisation rates.
AES performance-based funding. While the precise manner in which CDEP organisations distribute performance-based payments would be determined by the CDEP organisations, they need to be distributed so as to provide the most direct and effective incentives to individuals within the CDEP organisation to get CDEP workers into real jobs.

CDEP operators are already being encouraged to shift focus and generally seek out performance-based funding, and this should be continued. This will involve a significant change in management style, though it will not necessarily require major policy reform.

Another potential reform would be to pay all participant wages directly through Centrelink, just as is done in relation to Newstart, Youth Allowance and various other income support payments. Participant wages would thus be no longer included within core CDEP funding. As discussed in Appendix Q, it is highly likely that this reform would be necessary if it is deemed desirable to administer CDEP payments that taper off as participants earn income outside of CDEP. At this stage it is unclear, however, that this method of administering CDEP payments offers any other advantages.

CDEP organisations are required to use DEWR’s competitive ‘e-sub’ funding application process in tendering for the provision of CDEP services, and this is consistent with the tendering process that applies in relation to other government-funded services. There should be an acknowledgement, however, of the advantages in having CDEP managed by a community-based organisation. The extent of these advantages depends on the capabilities of individual organisations to deliver the scheme. If CDEP is to be effective, contracts will, at least in the initial contract period, require high supervisor-to-participant ratios. Significant resources will also be required for the provision of services such as the Personal Support Programme (PSP) and the Job Placement, Employment and Training (JPET) program, as currently provided by various employment services organisations.

**Independent CDEP operators**

Community councils should, as a first step, be encouraged and assisted to develop a separate local CDEP organisation and there is already funding available from DEWR specifically for this purpose. There may need to be rules for ensuring that there is a formal and operational separation of council and CDEP activities. For example, it may not be appropriate for councillors to hold executive positions concurrently in council and CDEP organisations.

There are significant advantages in CDEP being operated as an independent community-based organisation that is able to focus on getting people into work where possible, ongoing mutual obligation where this is not feasible, and on work readiness activities that are of benefit to the community. This could allow CDEP organisations to become specialists in community projects and job readiness without the potential conflict of interest created by the need to provide core council services. It would allow CDEP
providers to focus on and build up skills in work readiness assistance while appropriately funded councils would focus on service provision and representative roles.

There will also be some disadvantages to the separation of councils and CDEP providers. Apart from the funding gap this creates, it will also be essential to find a mechanism to ensure that the activities undertaken by CDEP providers are consistent with community needs and priorities. Assuming CDEP is separated from councils, then there could be a process of consultation between councils (as the elected body representing a community) and CDEPs about the types of activities that could be included. For example, activities could include housing projects that target housing – i.e. self-help housing projects (owner-builder programs), Pride of Place (community projects similar to those that Rotary develop in the mainstream); arts and crafts, drug and alcohol rehabilitation programs, and literacy and numeracy. Where activities overlap with council responsibilities these activities could be managed by councils taking on CDEP participants for work experience and training for limited time periods. Councils may offer better trainees real jobs where positions are available.

The loss of Indigenous-specific services

JNMs have not yet been very successful in getting Indigenous people from remote areas into employment. The nature and existence of CDEP provides one reason for this. Another is provided by the fact that it has only been with the very recent lifting of Remote Area Exemptions (RAEs) that recipients of Newstart and Youth Allowance in remote communities have been required to register with Job Network and face Mutual Obligation job search and work requirements. It may be that another important reason, however, is that there are very few JNMs that are funded to provide services that are specifically focused on Indigenous needs, especially in remote areas. In the whole of the Central and Northern Queensland region, there is currently only one JNM that has a speciality in services for Indigenous people (Employnet, Townsville), and this is one service provider fewer than in the same region in 2001. Currently there are Indigenous Employment Centres (IECs) in Cairns and Townsville, although funding for these will cease on 30 June 2007.

The problem for many employment service providers who would be willing to develop a speciality in Indigenous-specific services is that under the current funding arrangements, the competitive pressures make it difficult even for very well run businesses to survive. The major reasons for this relate to the relative job readiness of the clientele. A large proportion of Indigenous job seekers from remote communities are bound to be classified as ‘highly disadvantaged’, and this allows the JNMs with whom they are registered to claim the maximum level and range of payments. Many of these job seekers, however, are considerably more disadvantaged than most other job seekers who are equivalently classified. This makes it difficult for JNMs who offer Indigenous-specific services to compete with other JNMs. For when focusing on Indigenous clients, the costs that need to
be incurred in order to secure successful outcomes are higher than those faced by JNMs who do not specifically focus on Indigenous clients.

When JNMs and other employment service providers are able to secure funding to develop specialisations in Indigenous-specific services they have an incentive to provide themselves with the appropriate resources and to employ staff who have particular strengths in dealing professionally and effectively with Indigenous clients. While IECs may potentially be replaced by STEP ERS providers who specialise in services for Indigenous job seekers, it is not yet clear that the funding framework will allow these providers to survive the competitive pressures. JN services in the Cape York Peninsula are ‘bundled’ such that contracts may include funding for the full suite of employment related services. It is far from clear, however, that this will make it possible to deliver an adequate level of services to Indigenous job seekers in remote areas either.35

Capacity of Job Network Members to deliver services

The core business of JNMs is to get people job ready and into jobs. Most of the services provided by JNMs are geared towards this end objective. With the appointment of Jobfind, remote Cape York communities should in theory have access to the full bundle of JN services. These services include job matching of people with jobs available in the area, assistance with the preparation of CVs, career planning, training, and referrals for drug and alcohol related problems.

JNMs are entitled to receive several tranches of payments from the Australian Government to make JN participants job-ready and to place them into employment. The longer an individual is unemployed, the higher are the payment incentives available.

JNMs decide how many resources (eg, equipment and staff) they commit to achieve their objectives. Given that providers operate as commercial entities, they are generally cautious in committing resources where payoffs are uncertain. Discussions with the Cape York Peninsula providers indicate that there will be permanent staff in regional centres (Cairns, Cooktown and Weipa) but that there will be no staff based in the communities themselves in the near term. The lack of on-the-ground staffing represents a problem for communities in that the capacity of the provider to deliver the services will be limited. This is particularly acute in relation to Work for the Dole activities that require intensive supervision. This also indicates room for cross-over between CDEP and JN. In addition, a community-based case management approach to training and job placement is essential to the support services required for mobility (see Chapter 5).

35 It is worth noting that the AES is one notably successful example of an employment agency that specialises in services for Indigenous job seekers. The AES reports placing over 360 Aboriginal people into work per year. See: http://www.aboriginalemploymentstrategy.com.au/about_us_what.php.
Some of the problems of capacity could be overcome by the terms of the contract negotiated between the Australian Government and the provider. For example, the contract could contain provisions for Community Service Obligations such that providers would be committed to employing at least one agent in each community where the provider has a certain number of clients. The provider could also be given greater certainty over its investment through longer contract terms or through contracts that contain future options clauses that it may exercise.

In addition to Jobfind, two other JNMs are contracted to operate in Cape York – ITEC and CHR. These providers have previously operated in distinct regions and have not previously competed in the supply of employment-related services in remote communities. With the entry of Jobfind, there will potentially be two JNMs operating in each remote community. While competition between providers can lead to improvements in service, this assumes that there is an adequate number of clients for providers to compete for and to make their operation viable. Because existing CDEP participants will not be initially required to sign up to the JN there is a limit to the number of clients that will require access to JN services.

It is important for all people receiving benefits, including CDEP participants, to have access to the services that JNMs are able to provide in the mainstream. In particular, it is essential to ensure that these services are available to CDEP participants and that those who could benefit from these services are obliged to use them. It is not clear at this point to what degree CDEP participants will be matched with employers, required to attend interviews or offered drug or alcohol rehabilitation services.

Another issue is that the additional fees and credits available to JNMs may detract from their incentive to provide services and place people into employment, particularly where services are expensive to provide and employment placements are difficult to achieve (as is the case in remote Indigenous communities). The system of payments available to CDEPs and JNMs must avoid the situation where providers can be profitable by simply registering participants and maintaining their registration with an inadequate provision of services. Such an arrangement is also likely to undermine the working relationship between JNMs and CDEPs as JNMs will be perceived as having little to offer while CDEP organisations are expected to at least provide work activities.

**Partnership between community organisations and Job Network**

With the lifting of RAEs and the increased availability of Job Network services into remote communities there will need to be a partnership of community organisations and Job Network to ameliorate the overlap between programs and to capture comparative strengths. Particular functions that need to be considered for partnership include getting people job-ready and into work, the organisation and planning of community projects and Work for the Dole, the provision of training and mentoring services, and support for emerging enterprises. Government (and regional organisations) should play an active role in building
relationships between providers. This could include the facilitation of contracting arrangements between JNMs and CDEPs for training and work readiness.

Figure 4.2: CDEP, Job Network Member Interaction

The work activities in which income support recipients are engaged should support community goals and needs without becoming a substitute for local, state or federal government services. The activities and work expectations should assist participants to prepare for real employment by setting appropriate expectations of attendance and productivity. The work activities should, as far as possible, create projects that are seen as worthwhile and productive by the community and the participants without generating the limited outcomes of some ‘make work’ programs. The work activities are likely to be most effective where there are various projects to suit different types of people in the community.

4.2.2 Changing obligations, payments and eligibility

A summary of recommended changes to obligations, rates and eligibility for CDEP is set out in Table 4.1.
Table 4.1: Summary of Recommended Changes to CDEP Rates and Obligations

<table>
<thead>
<tr>
<th>Recommended change</th>
<th>Details</th>
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<tbody>
<tr>
<td>Increase reciprocity for mutual obligation</td>
<td>Enforce ‘no work, no pay’; introduce conditional income management; introduce participant behaviour code; introduce job refusal condition.</td>
</tr>
<tr>
<td>CDEP not available to people under 21</td>
<td>CDEP no longer available to school leavers or those unable to find a real job (people can instead access Abstudy or Youth Allowance).</td>
</tr>
<tr>
<td>Work requirement changes</td>
<td>Increase work requirement to 3-4 days for a flat participation payment that is not tied to hourly rates</td>
</tr>
<tr>
<td>Cessation of employment benefits (including leave)</td>
<td>As with other unemployment benefits, these employment benefits should not apply to an ‘into work’ program as they tie people to the program</td>
</tr>
<tr>
<td>Top-up changes</td>
<td>Top-up should be limited to host agreements with employers and that host agreements only apply as temporary work experience and training contracts</td>
</tr>
<tr>
<td>Changes to income test for CDEP eligibility</td>
<td>CDEP currently uses a hard cut-off income test, introduce a tapered reduction for CDEP payments</td>
</tr>
</tbody>
</table>

**Reciprocity and mutual obligation**

When work obligations are attached to Centrelink benefits (eg, Newstart and Youth Allowance) the terms of these obligations are separate and different to those that apply to CDEP participants. The work and other obligations attached to Centrelink benefits involve the application of breach arrangements such that recipients can potentially lose all of their payments for a period as a result of failing to attend a Work for the Dole program or training session. By contrast, CDEP participants lose a portion of their CDEP payment based on a ‘no work, no pay’ principle; participants who miss half a day’s work face half a day’s reduction in pay.

The CDEP approach to reducing payments for not meeting obligations is more appropriate in the community context, where removing payments for an extended period (as for Newstart and Youth Allowance) affects other community members. This is due to ‘demand-sharing’ within many Indigenous families. For example, if an Indigenous man were to repeatedly fail to meet his Mutual Obligation and thus lose his Newstart allowance for eight weeks, in many cases his family members would share their incomes to meet his needs and demands. In many cases family members do not gladly accept this expectation. In such cases, the requests and demands for help are described as ‘humbugging’ or ‘cadging’. Nonetheless, family members often do accede to these requests and demands. ³⁶

An issue of concern is the role that CDEPs or other local organisations play in monitoring and enforcement. There are obvious difficulties for community or council-run CDEPs that have the task of breaching community members for failure to meet reciprocity rules under

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³⁶ Welfare Reform Engagement Process.
‘no work, no pay’. Given that supervisors are sometimes closely related to the participants under their supervision, some find it difficult to provide accurate timesheets when their participants breach their work obligations. In this regard, clear guidelines on a process for dealing with this are essential as are guidelines on managing participants who habitually fail to turn up for their CDEP work. There seems little alternative but to follow through and exit the person to Newstart where this is feasible (some effective Work for the Dole programs have recently been run in certain remote communities).

For those on Newstart or Youth Allowance, the lifting of Remote Area Exemptions (RAEs) will mean that these people have access to various employment-related services. They will be assessed and referred to a Job Network Member and will start to move along the continuum of the Active Participation Model. Within this process recipients will be subject to Mutual Obligation via CDEP, including Activity Agreements, Activity Testing and breach provisions and penalties. With regard to the four Welfare Reform communities, the RAEs have been lifted in Coen, Hope Vale and Aurukun. There were no RAEs for Mossman Gorge although it appears that in the past the obligations on Newstart and Youth Allowance recipients were not always strictly applied.

An issue related to the lifting of RAEs is that there are significant differences between the mutual obligations for Newstart and the work requirements for CDEP. For example, the Work for the Dole component of mutual obligation for Newstart and Youth Allowance is only 6 months of the year for the majority of recipients, versus year round obligations if the person is a CDEP participant. The Newstart and Youth Allowance obligations increase to 10 months once the recipient is classified as long-term unemployed. The Welfare Reform Project, through the Engagement Process, will assess how different obligations and requirements are likely to affect the decisions that individuals make about whether to participate in CDEP or Newstart (or similar programs).

Rules around reciprocity and mutual obligation need to be strengthened for CDEP to achieve its objectives. Based on discussions held as part of the Engagement Process, it appears that ‘no work, no pay’ has had limited success as a means of encouraging reciprocity. Firstly, the policy has been sporadically applied. Secondly, when people have payments deducted for not participating, they often go to other family members for money to offset the money they did not receive. CDEP operators have noted that there is a need for some additional system of ‘no work, no pay’ and conditional income management that can assist in improving participant behaviour. A simple approach would be to have a three strikes and exclusion policy where participants are bound by a code of behaviour. The community of Mossman Gorge is currently considering the merits and application of such an approach.

Where participants were excluded from CDEP they could have the option of reapplying for the program after some set period (or after being referred to deal with the cause of their behaviour). An issue for this approach is that the exclusion of participants may lead them
to apply for Newstart where they may continue with the same pattern of behaviour. Newstart will need to be sufficiently robust to also deal with the problem behaviour. This line of argument can also be applied in reverse where someone that is excluded from Newstart may try to go onto CDEP. This problem highlights an important issue in that the management of reciprocity for Newstart, Youth Allowance and CDEP will need to operate to a similar and consistent standard if there is not to be a shuffling of people that are behaviourally disengaged to the program with the weakest expectations and conditions.

An additional condition for CDEP that may be necessary for improving employment outcomes is for participants to be required to take up locally based positions where they are available. Evidence gained through the Engagement Process suggests that there are some real jobs in communities that cannot be filled despite the large number of people participating in CDEP. Participants would have to demonstrate why they could not accept a position for which they have suitable skills. A Jobs Broker or similar role (see Chapter 5) would, in the first instance, work with participants to fill such positions. It is not clear whether referral to conditional income management would be an appropriate penalty for refusing to accept a position that is suitable. It may be necessary to suspend a person’s payment to enforce this condition.

**CDEP not available to people under 21**

The incentive for young people to view CDEP as an attractive destination must be immediately addressed. From a set date in the near future, CDEP, in its current form, should not be available to any person under the age of 21. Following the resumption of the academic year after holidays, school leavers who choose not to pursue further study or are unable to find a job immediately will not be able to sign up to CDEP. They can instead access Abstudy or Youth Allowance to continue studying, take up a traineeship or to seek employment. In addition, people under 21 on Youth Allowance should be subject to Conditional Income Management if they are unable to commence a traineeship or find employment within a three month period.

**The number of required hours and level of payment**

Currently, the number of hours worked is determined by the hourly award that people receive for their activity. In most remote Indigenous communities, a standard hourly award is applied that is often too high for the level of activity undertaken – the standard is $16.39 per hour which equates to a work obligation of 15 hours a week or less (when applied to the remote adult rate of CDEP of $235).

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37 In the first week of February 2007, for example, there were the following job opportunities in Coen; one in the take-away store, one in each of the two general food and fuel stores, and one in the local garage. There were also three traineeships available in the Royal Flying Doctor Service.
In theory, different award rates are supposed to apply to different activities. But even if these were applied, it is likely that the resulting incentives to improve skills would be fairly weak. This is because the standard weekly CDEP pay rate is kept constant and the reward for skills improvement would merely come in the form of increased leisure time rather than higher income. Moreover, this increased leisure time could reduce the incentive to move off CDEP and into a real job. In practice, the most significant incentive to improve skills and performance is provided by the prospect of receiving top-up CDEP payments and progressing to a job in CDEP administration (such as that of supervisor).

An alternative is to increase the work requirement to three or four days work and pay CDEP at a flat rate that does not allow CDEPs to apply award wages. A three day week could, for example, be paid at $250 – equivalent to a $11 hourly rate – making the hourly rate of most real jobs relatively more attractive. Together with strengthened reciprocity rules, this would have the effect of narrowing the work expectation and pay gap with real jobs and may also make people more conscious of their decisions about work and education. This would also have the effect of disrupting the pattern of behaviour and social problems that are inherent in large groups of people working for two days and then having five days off.

Finding appropriate work activities for participants, particularly with an increase in the number of hours of work obligation will be an important consideration. There are a sufficient number of activities that can be undertaken that benefit the community and provide meaningful work experience without crossing the line into undertaking work that should be provided as a real (non-CDEP) job. Some of the possible activities include, art and craft activities, and Pride of Place projects, which include community clean-up and beautification projects, and cultural heritage projects. Lessons should be drawn from the Work for the Dole program.

Community projects and other activities that focus more on work readiness and training would be of great benefit to CDEP participants. Such activities could include Pride of Place, Arts and Crafts, rehabilitation, training (eg, literacy and numeracy), and self-help housing developments. There will be large numbers of people on CDEP, so activities should be broad enough to accommodate this. Self-help housing could be considered as a CDEP activity in the short-medium term.

Changes to the level of payment will also need to address the fact that under the current arrangements, CDEP participants accrue a range of employment benefits such as sick leave and long service leave. If CDEP becomes a work readiness program then these benefits should no longer be available. As the employers of the CDEP participants, CDEP organisations will need to pay out these accrued benefits.
Changes to host agreements and top-up

Host agreements help to move people into the mainstream economy and a standard employee-employer relationship. This, in turn, brings various benefits associated with training, career progression, personal esteem, and the participant’s résumé. By contrast, top-up tends to provide little more than a modest increase in income.

The use of top-up should be limited to host agreements with employers and should only apply to work experience and training. For example, through a host agreement, employers could offer a participant training or work experience for a set period, for example from a minimum of two to a maximum of six months. At the conclusion of the period, the employer may offer the worker a traineeship or job.

Top-up should not be used to pay workers who are doing real jobs in the communities. The process outlined earlier for all three levels of government to identify and fund real jobs must be undertaken to address this issue. The time limiting of host agreements with employers is important to avoid the problems that currently may occur where CDEP is used as an ongoing wage subsidy.

Changes to income test for CDEP eligibility

A further issue to consider is the present use of a ‘hard cut-off’ to determine CDEP eligibility. According to the present guidelines, CDEP participants must not earn more than $23,492 per year and their partners must not earn more than $46,984. While virtually any form of income redistribution diminishes certain incentives to work by increasing effective marginal tax rates, this use of a hard cut-off income test creates effective marginal tax rates of over 100 per cent. This means that for CDEP participants, earning $1 beyond this cut-off should result in a loss of $12,500 per year (ie all CDEP income). For potential CDEP participants, CDEP may offer the opportunity to do less work for the same income. In these ways, hard cut-offs effectively discourage CDEP participants from aspiring to employment off CDEP and encourage others to join CDEP.

The alternative to a hard cut-off income test is to require CDEP payment rates to taper off as participant incomes rise beyond certain thresholds, just as do payment rates for Newstart, Youth Allowance, Abstudy, and other welfare payments. The tapering of payment rates helps to ensure that additional work will always result in additional income.

In practice, there are reasons to suspect that the hard cut-off does not perversely affect incentives to any significant degree. First, it is unclear that many CDEP participants know about the income test. Second, it is doubtful that many CDEP organisations apply the test. Third, it appears that many CDEP participants and potential participants consider CDEP to be a scheme to which they can return at virtually any time and without any trouble (even if, for example, they find that employment off CDEP turns out to be less rewarding than they had hoped).
The administration of tapered payment rates is far more complex than the application of a hard cut-off income test to determine eligibility. Given that most CDEP organisations at present do not even take the administrative trouble to apply different hourly award wages to participants in different activities, it is doubtful that they would be both willing and able to monitor precise income levels and calculate the required taper rates. In general, tapered payment rates could only be administered through Centrelink, as per other payments.

4.2.3 Interaction between recommendations and four categories of community members

The recommended institutional and payments reforms detailed above aim to maximise the engagement and participation of those individuals categorised as job ready, disengaged or dysfunctional. (There are no recommended reforms to the Australian Government’s current policies with regard to those individuals who would fall within category 2 – ie are disabled or have similar medical reasons why they depend on government income support.)

Those who are job ready (category 1) will be assisted in finding work by the development of a network of Jobs Brokers who would work in tandem with CDEPs and JNMs. The community-based Jobs Broker and the Work Placement Scheme are both vital in this regard, and are elaborated on in more detail in Chapter 5.

For those who are disengaged (category 3), staying on welfare will no longer be a rational choice, as individuals aged over 21 will have increased Mutual Obligation requirements. Indeed, it is possible that some of these individuals might opt to participate in the Work Placement Scheme rather than undertake the enhanced Mutual Obligation requirements.

The recommended reforms provide solutions that prevent movement between the four categories that moves individuals further away from the labour market, such as the potential for individuals aged 21 in Indigenous communities to move from a state of job readiness (category 1) or disengagement (category 3) to a state of dysfunction (category 4). To address this risk, it is recommended that CDEP should not be available to school leavers who choose not to take up further education or are unable to find a real job within three months.

For those who are dysfunctional (category 4), the increased Mutual Obligation requirements may improve their job readiness and will reduce the incentive to stay on welfare. However, it is acknowledged that institutional and payments reform are likely to be insufficient – on their own – to result in greater participation and engagement by those members of category 4, who face substantial personal challenges.

It is thus crucial to understand that such reforms represent one component of a much larger jigsaw for helping people such as those in category 4 to improve their lives. The institutional and payments reforms thus need to be complemented and supported by the initiatives outlined elsewhere in this report, such as mobility programs and business
development. In addition, the proposed payment obligations and Family Responsibilities Commission to rebuild social norms (detailed in Chapter 3) are also relevant.
5 SUPPORTING ENGAGEMENT IN THE REAL ECONOMY

The previous chapter outlined recommendations to change the incentives governing welfare payments (particularly CDEP) in order to encourage able individuals to get off welfare and into real jobs or education. This chapter outlines four initiatives that encourage individuals to start climbing the staircase. That is, it outlines suggestions that provide opportunities for individuals seeking employment or study.

It is important to note that the focus of these initiatives is to support individual engagement in the real economy, not community engagement. It is unlikely that there will ever be sufficient jobs for all able adults in some of the remote communities. However, there is no reason why, through mobility, able individuals from the communities cannot be engaged in the labour market at the same rate as non-Indigenous Australians.

5.1 Creating real jobs in the community through the conversion of CDEP positions

There are dozens of positions in communities that are currently CDEP positions, but are fulfilling functions that should be considered real jobs. These include teachers aids and health care workers. Governments at all levels should identify such positions and both fund them and treat them as real jobs.

Converting these CDEP positions into real jobs is important for both the immediate and the long term engagement of individuals in the job market. As outlined in the previous chapter, CDEP has some of the characteristics of real jobs, but it frequently fails to provide the high expectations, the adequate supervision, the development opportunities and the career path that normal employment provides.

The Australian Government, in its 2007-08 Budget, announced $97.2 million funding (over four years) to begin the transitioning of CDEP jobs into real jobs. It is hoped that the Queensland Government, and other state and territory governments demonstrate a similar commitment, as they also rely heavily on CDEP labour to provide various services and programs. In the future, CDEP activities should be specified or vetted to limit the ability for CDEP to be used as a substitute for employment. Employers should be encouraged to draw on specific programs for training and trial employment to encourage greater employment of Indigenous people. There should be a clear separation between this and the general CDEP (unemployment) pool.

Local councils and representative Indigenous organisations must be appropriately funded so that CDEP can be operated separately as a work readiness and placement program, and local organisations can offer their better workers real jobs (including in core municipal services that are currently funded through CDEP). The council’s workforce should have no linkages with CDEP other than through host agreements for training.
5.2 Making communities more business friendly

Opportunities for greater Indigenous employment within the communities can occur through the creation of profitable businesses, whether they be businesses run by local Indigenous people or businesses owned by external operators. In the Deed of Grant In Trust (DOGIT) communities, however, it is very difficult for businesses to operate, and there are typically very few external businesses in such communities. Steps need to be taken to make it attractive for businesses to operate and be viable in remote communities. Three initiatives are recommended.

**Creation of business precincts**

The simplest mechanism to allow businesses to operate in DOGIT communities is through the establishment of business premises. Such premises can be established by councils without changes to existing tenure (see below).

Governments should consider providing funding support to assist in the creation of business premises. The spaces should then be rented out to any person or business on a competitive tender basis.

In concert with the creation of new business spaces, councils should consider the tendering out of existing council run businesses.

**Providing greater land tenure security**

For many businesses, the opportunity to rent space within a business precinct will be sufficient to encourage their entry. Other businesses however, may want to create purpose-built premises or develop the land. Doing so, however, relies upon secure land title. This is particularly relevant for projects that involve high up-front costs and a long time to reap the benefits. In addition, investors wanting to borrow money to develop land may need to use it as collateral to secure a loan. Lending institutions will need certainty of tenure before accepting the land as collateral.

Within the Welfare Reform communities, the land tenure issues are most complex in relation to the DOGIT communities of Hope Vale and Aurukun. This is because all township land within these DOGIT communities is held under communal title, and this creates complications that are additional to those associated with Native Title.

In these DOGIT communities, leases of up to 30 years are currently available under the *Land Act 1994 (Qld)*. However, there are significant impediments to the granting of these leases. (See case study of some of the land tenure challenges in Hope Vale in Appendix U). For example, lessees cannot create an interest under their leases in favour of a non-Aboriginal person for a period over 10 years without Ministerial consent. In effect, this means that if a lessee wants to get a loan to finance his or her business, Ministerial consent
is required. Furthermore, Ministerial approval must be based on whether the transaction is either consistent with or would not diminish the purpose of the trust (s 59, *Land Act 1994*). This creates the possibility of conflict between the aims of individuals and the communal purpose of the trust, and between the Minister and the trustees of the land. Given such complications, few if any leases have been granted for the purposes of small business development.\(^{38}\)

In order to induce certain forms of private investment (eg, a supermarket or a major accommodation facility), the possibility of allowing a 99 year lease may be required.

Land tenure issues for business development are somewhat less complicated in the two other Welfare Reform communities of Coen and Mossman Gorge, where there is already some freehold and leasehold land title available that could be used for business development. In Coen, there are already several established businesses on the main street, including a public bar, grocery store, motel and service station.

Issues relating to Native Title, however, can arise in relation to virtually any community, and the resulting complications may be similarly complex in both DOGIT and non-DOGIT communities. Some of these complications are discussed in Appendix U.

Although it is the Institute’s view that remote Indigenous communities need to be more conducive to business investment, the Institute does not accept that the appropriate legal arrangements need to come at the cost of either Native Title or traditional Indigenous relationships with the land. The Institute does recommend that business precincts be established, and that a certain normalisation of tenure arrangements occur within those zones. The changes proposed for business development, however, are entirely consistent with the inalienability of Native Title and will not affect the vast majority of tenure arrangements at all.

**Investing in other supporting infrastructure**

The creation of a business-friendly environment in the Welfare Reform communities also requires substantial investments in supporting infrastructure. Two pressing infrastructure needs are in road construction and in accommodation for business people and service providers.

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\(^{38}\) In 2004 the Queensland Government announced a review of the *Aboriginal Land Act 1991 (Qld)* (ALA). As part of the review, an Issues Paper and a Discussion Paper were released in August 2004 and March 2005, respectively. Included in the Discussion Paper were options to achieve better integration between the ALA, the *Land Act 1994 (Qld)*, and the *Native Title Act 1993 (Cth)*, and an option to create discrete parcels of normal freehold land within Aboriginal freehold land that could be used for commercial development. The findings from the review have been delayed and a paper is now expected in 2007 (see: [http://www.nrw.qld.gov.au/nativetitle/land/ilar.html](http://www.nrw.qld.gov.au/nativetitle/land/ilar.html)).
At present, the communities of Hope Vale, Coen and Aurukun are all inaccessible by road for periods of up to several months per year. In the case of Hope Vale, this is despite the fact that the community is only 46 kilometres from Cooktown; a town which features the only nearby secondary school and offers a small but rapidly growing economy. It is the Institute’s view that the road between Hope Vale and Cooktown needs to be fully sealed and made passable 365 days per year. This would allow Hope Vale residents to take full advantage of the employment opportunities in Cooktown and would ensure that every secondary school student from Hope Vale is able to maintain a 100 percent school attendance record. Importantly, it would make it easier for businesses development in the Community and support greater tourism opportunities.

The costs associated with making the roads connecting Cairns, Coen, Aurukun and Weipa passable all year will be significantly higher. There are major benefits to be gained from such upgrades, however, including business development within the communities, employment-related mobility, education-related mobility, and wider economic benefits through tourism and mining.

There is also a serious lack of accommodation available in many remote Indigenous communities. The nature of land tenure is partly responsible for this under-investment, and the lack of accommodation provides a further reason to address this issue as a matter of priority. It is likely that there is also a role for government investment in accommodation facilities in the short term.

The investment should ideally be undertaken with the cooperation of the local council or community organisation. Accommodation could be offered either through short term fees or longer term contracts. Ongoing rentals could be used to fund subsequent expansion. In addition, if the infrastructure can generate a positive yield then this could be used to leverage finance for further development.

### 5.3 Providing business support for individuals

For any business to have the opportunity to develop it requires strong networks and support services. This is particularly the case for individual entrepreneurs who may have relatively low skills. With the support of Westpac Bank, the Balkanu Business Hubs have been supporting local entrepreneurs for several years. The Business Hubs should be expanded, where appropriate, in order to continue to provide advice to local individuals seeking to establish businesses.

The types of service provided by Business Hubs include: the encouragement of entrepreneurship; the testing of ideas and business models; the provision of support and advice on finance and funding applications; the provision of general support services such as bookkeeping, training, legal advice and mentoring.
Business Hubs should be expanded to include support for Indigenous people who are qualified in a trade to help them establish as self-employed business people. Many of these people could benefit greatly from assistance in obtaining an Australian Business Number, in fully understanding the business opportunities available to them (including opportunities to secure contracts in their home communities), and in understanding basic business administration and Business Activity Statements.

Indigenous Enterprise Partnerships (IEP) and their corporate networks have been invaluable to date in providing support for individual entrepreneurs and larger scale enterprises. Dozens of business experts have been provided on a pro bono basis to support the economic and social development of the Cape. It is important that the small organisational arm of IEP continue to be supported by Government to facilitate its ongoing contribution (see Appendix R).

### 5.4 Mobility for employment and education

While the initiatives outlined above will provide opportunities for many to find employment in the communities, it is likely that a significant proportion of people will need to seek employment or education outside their community.

Noel Pearson has articulated his vision of mobility through his discussion of *orbiting*. It is a metaphor that serves to emphasize the fact that a person who becomes mobile for the sake of employment or education should not be assumed to be abandoning his or her community, homeland or Indigenous identity. To the contrary, orbitors are people who periodically return to their communities or homelands and thereby retain their cultural heritage, their languages, their hunting skills, their rituals and cultural rights. They have the confidence required to leave their communities, just as they have the confidence required to return.

When understood in this way, mobility can allow Indigenous people to take advantage of the opportunities available in the mainstream economy without losing their connection to land. It can provide various benefits with regard to education, skills, experience and expectations and may enable people to deepen their level of cultural knowledge and appreciation. It may also be noted that globalisation has generated a more widespread appreciation of the advantages that mobility can provide. As noted in the *Cape York Justice Study Report*, ‘Globalisation has made increased mobility a reality for communities and individuals everywhere’. 39

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Recommendations to improve employment-related mobility

Given a basic understanding of employment-related mobility, what inhibits it and what forms of assistance are available, several recommendations may be made about some additional forms of assistance that would be of benefit (a detailed analysis of mobility is provided in Appendix S). The recommendations outlined below involve the establishment of Jobs Brokers, the significant augmentation of the Work Placement Scheme (WPS), the need to expand the Indigenous Youth Mobility Programme (IYMP), and the need to develop other forms of accommodation.

Community-based Jobs Brokers

The role of Jobs Brokers would be to match some of the more job-ready young people in a community with the employment opportunities that are available. Many of these opportunities would be in small businesses in the regional economy. Some may be in large companies, such as those that are signatories to the Corporate Leaders for Indigenous Employment Project.

The Brokers would be based in communities and would build close contacts with a number of businesses and in a range of industries. They would also provide or arrange pre-employment and post-placement support and mentoring. They would need to have access to employment databases such as Australian Job Search and to local newspaper employment advertisements, and to establish strong communication links with various businesses and companies.

Each Jobs Broker would need to develop positive relations with people from the community in which he or she is based. Jobs Brokers would also serve as an access point for information about regional and corporate employment opportunities, mobility, and transitional issues for community members in general. Jobs Brokers would not be in competition with the WPS. Rather, they would be complementary to the scheme and may often work in partnership with the WPS to help identify suitable participants.

Perhaps most importantly, Jobs Brokers would maintain a case load of 10-15 people at any given time. This is significantly lower than that which typically applies amongst Jobs Network Members (JNMs) and Indigenous Employment Centres (IECs). Given the level of support often required, a larger case load would make it impossible to operate effectively. Appendix T elaborates upon the role of the Jobs Brokers in more detail.

Work Placement Scheme augmentation

There is little doubt that the WPS is one of the most successful work readiness initiatives of its kind in Australia. One of its most important features is that the participants are taken a great distance from their home communities. This removes them from the expectations
and peer pressures which, in many cases, encourage indulgence in alcoholism, drugs, irresponsibility, low levels of achievement, violence and crime. By contrast, the peer pressure that they experience when on the scheme is supportive of efforts to be self-reliant, healthy, productive and responsible. The distance from home is also crucial in that it creates a sufficiently strong deterrent against quitting the scheme before the participant has completed the agreed seven month period.

One of the great strengths of the WPS is that its participants come to understand what it means to live in an economically and socially independent way. The scheme prompts the participants to recognise their ability to take on regular responsibilities while fostering the confidence and self-belief required to exercise such responsibilities in the future. There are various ways in which the WPS could be augmented, although any changes should draw upon the scheme’s strengths and, where possible, encourage them to develop further.

There is scope for significantly increasing the number of participants in the WPS. As young Indigenous people in Cape York Peninsula communities have come to hear about the experiences of former WPS participants over the past two years, the scheme has become reasonably well known. Moreover, young people are showing an increasingly strong level of interest in becoming participants. At present, however, the scheme can only provide around 40 to 50 places. A significant expansion of the WPS would make a profoundly positive difference to the future of a large proportion of young Indigenous people in the Cape York Peninsula.

The WPS could also be augmented through the further development of ways in which ‘graduates’ of the scheme could be assisted into ongoing work that does not require the sort of supportive infrastructure that the WPS provides. This is likely to involve further cooperation with JNMs but it may also require additional WPS staff.

The WPS could also be further enhanced by the presence of Jobs Brokers in communities. Being based in communities, Jobs Brokers could often help to identify suitable participants for the scheme. Jobs Brokers could also help to provide direction for former participants who return to the community after participation in the scheme.

*Job search kiosks*

The Department of Employment and Workplace Relations (DEWR) provides stand-alone computers to JNMs to serve as Job search kiosks. These robustly designed computers list every available job in the country that is being advertised through the JNM and Job Placement contracts. Consideration should be given to providing these kiosks to CDEP organisations.
$5000 mobility allowance

The Australian Government recently completed a trial in which a number of job seekers from certain regions of relatively high unemployment in NSW were granted relocation allowances of up to $5000 to assist with moving to take up employment in other areas. Around 21 job seekers from Coffs Harbour and 12 from Nowra took advantage of the allowances in order to gain employment in Western Australia. The job placements were made in the hospitality, mining and construction industries and the allowances were administered by local JNMs such as Wesley Uniting Employment. By around June 2007, DEWR will be in a position to assess the results of the trial.\(^{40}\) Consideration should be given to making this type of relocation allowance available to job seekers from the four Welfare Reform communities, with a view to making it available to people from remote communities more broadly. Where applicable, the Jobs Broker, the providers of Structured Training and Employment Projects and Employment Related Services (STEP ERS) or the JNMs could be required to ensure that eligible job seekers gain access to such an allowance for essential expenses.

Expansion of the Indigenous Youth Mobility Programme

IYMP is designed to provide opportunities to young Indigenous people through assistance with accommodation and other related needs. Until recently, the total budget for IYMP was $23.1 million over three years, and this was intended to assist 600 young people.\(^{41}\) In the 2007-08 Australian Government Budget this was increased by $33.2 million so as to expand the number of places to 1500 over four years.

If Indigenous mobility is to increase dramatically over the next few years, there is little doubt that this recently announced expansion will have been necessary. It should be noted that at present, however, few people in remote communities are even aware of IYMP. There is therefore a need to not simply supply these services, but also to ensure that people in remote communities understand their nature and availability. If efforts are made to publicise the program in effective ways, the demand for it is likely to grow significantly.

The establishment of other forms of accommodation

Given that the problems associated with finding suitable accommodation for the purposes of mobility are so great, there is a need for other forms of assistance to find accommodation. In this regard, community, sporting and church groups may prove to be important as they may be able to arrange suitable, stable accommodation for job seekers

\(^{40}\) DEWR, pers. comm.

from remote communities. Many football clubs, for example, have well established arrangements by which to provide accommodation for promising young players who relocate in order to further their football careers. Given such precedents, it may be possible to adopt similar arrangements for certain job seekers from remote communities.

**Further reforms to CDEP**

As discussed in Chapter 4, the CDEP scheme is in need of further reform. At present, some of the most skilled and motivated CDEP participants are used to provide core municipal services (eg rubbish collection and policing services) as well as other important services (eg teacher’s aides, health care workers, child care workers and local policing services). In the mainstream, such services are provided by regular employees who face more rigorous work expectations, enjoy the potential for career progression and training, and gain transferable skills and experience. These problems may be addressed by having CDEP organisations focus on the provision of training, work preparation skills, and mutual obligation activities. In addition, local councils, schools and clinics need to receive funding levels that will allow those who provide such important services to be employed and paid as regular employees.

**Recommendations to improve education-related mobility**

To facilitate greater education mobility, several additional initiatives and improvements are recommended. Amongst other things, the recommendations outlined below include a way in which to make maximum rates of Abstudy more widely available, the employment of additional Centrelink officers in communities, and the augmentation of the Indigenous Youth Leadership Programme (IYLP).

**Improving performance of Cape York schools**

One of the significant barriers to education mobility to mainstream schools outside of Cape York is the education standard that students achieve in their home schools. On every educational measure, Indigenous students from Cape York are behind the mainstream levels, including the broader Queensland Indigenous levels. At every year level, students are up to four years behind the non-Indigenous average. This makes it exceptionally difficult to transfer to mainstream schools. The experience with the Institute’s Higher Expectations Program shows that even the highest achieving students on the Cape are behind normal standards.

Improving school attendance is obviously critical to improving the education levels acquired by Cape York students. Recommendations outlined in Chapter 3 will support this. However, improving school performance is also necessary. A comprehensive discussion of this topic is not the subject of this report. The Institute, however, is firmly of
the view that remedial instruction in core learning areas, particularly literacy, needs to be provided as a matter of urgency. As outlined in the Institute’s discussion paper Improving Literacy in Cape York, Macquarie University’s MULTILIT program is recommended for widespread rollout. The program has been trialled successfully in Coen and in a wide variety of other settings. It should be introduced across all Cape schools. For a comprehensive discussion of the literacy crisis in Cape York including details on MULTILIT, see http://www.cyi.org.au/education.aspx.

Expansion of the Indigenous Youth Mobility Program

Expanding IYMP would help to overcome the accommodation problems that inhibit both employment and education-related mobility. Also as indicated above, additional accommodation options may potentially be made available through community, sporting and church groups.

Additional boarding facilities

As another initiative to address concerns over accommodation, consideration should be given to the establishment of additional boarding facilities for children from remote communities who attend state secondary schools. In the 2007-08 Australian Government Budget it was announced that $50 million will be provided to assist non-government boarding schools, particularly those in remote and regional areas that accommodate Indigenous students. A further $15.3 million will be provided to upgrade existing accommodation facilities. These improvements are welcome but need to be continued. Consideration should also be given to similar facilities at certain government schools.

Further reforms associated with CDEP

As explained in Chapter 4, the Institute proposes that CDEP become unavailable to persons under 21 years of age. In this way, school leavers who choose not to pursue further study and are unable to find a job immediately may be eligible for Youth Allowance while being subject to conditional income management after a period of three months.

Abstudy augmentation

One way in which to facilitate greater mobility for the purposes of education would be through making the independent or living away from home rate of Abstudy more widely available to secondary school students. This would allow more students to attend schools away from their home communities and would thereby provide greater educational choice. At present, for students to be eligible for the independent or living away from home rate they must not live within 56 kilometres distance and 90 minutes commuting time of a
secondary school recognised as an ‘appropriate education institution’. Students who gain a place within the Institute’s Higher Expectations Program (HEP) constitute an exception to this rule; they are automatically eligible for the living away rate of Abstudy regardless of their home location. Places in HEP, however, are limited. As of April 2007, there were 25 utilised places and it is expected that in 2008 the resources required to provide 40 places will made available.

Due to a recent positive reform, students can now apply for access to the independent and living away from home rates of Abstudy on the basis of dysfunction in their community rather than on the basis of what is occurring in their particular household. It is unclear whether an exemption is only granted to the individual applicant or whether this process allows all students from an affected community to access Abstudy assistance. The Institute is seeking further information on the operation of this process and its effect.

Consideration should also be given to increased funding for mentoring and support services for students before attending boarding school, during their time away, and upon their periodic return to communities.

Centrelink officers and Abstudy administration

As noted above, Centrelink officers are employed in several remote communities to explain Abstudy and other payments. There is some doubt, however, as to whether these officers are currently resourced adequately. In particular, Centrelink officers always need access to faxes and emails, and there are times during which they need to be employed in communities full-time. Currently, several officers are employed on a part-time basis which appears to be inadequate, particularly when applications are due at the beginning and end of school terms. Client surveys conducted for a previous Abstudy review found that respondents were concerned about a lack of support available in remote areas, as well as the complexity and frequent alteration of procedures and guidelines.42

An important issue in providing more resources for program administration and coordination is that, wherever possible, this does not take away responsibility from parents in playing an active role in managing the affairs and movements of their children. This may be very difficult where children are from dysfunctional households or where parents are illiterate. There may therefore be some situations in which support officers must assume responsibility for a child’s enrolment if the student is to have a reasonable chance of pursuing and completing their education.

An issue related to the efficiency of program administration is that most Abstudy applications and paperwork for remote communities appear to be administered using a

system that relies on hard copies. Information gained through the Engagement Process suggests that this approach has led to confusion and a lack of effective administration when material has been lost by applicants and when Centrelink officers have not had access to current information or files. Although there is an electronic system for tracking Abstudy recipients, this does not appear to be in use in some regional offices or available for individual applicants to access. An option could be to develop an online application and filing system that would allow both applicants and support officers to better track and manage applications, assessments, entitlements and requirements.

The augmentation of the Indigenous Youth Leadership Programme

IYLP is largely based on HEP, and HEP has been highly successful. There is a concern, however, that with regard to young people from particularly remote communities, IYLP is not currently able to provide the same intensive assistance provided by HEP. As a result, IYLP gains the vast majority of its participants from areas that are regional but non-remote and very few young people from remote communities are currently able to participate in the program. Those from remote communities who do participate in IYLP do not receive all the assistance that they need. In the 2007-08 Australian Government Budget it was announced that $36 million is to be provided for the expansion of the Indigenous Youth Leadership Programme from the current 250 scholarships to 1,000 over four years. While this announcement is welcome, it does not provide the required increase in support that certain participants from remote communities require.
Housing reform is an important focus of the Cape York welfare reform agenda. Just as welfare payments dominate individual and family incomes in remote communities, the provision of very low cost (or even no cost) housing by governments is also the norm for residents of remote communities. This situation contrasts strongly with the rest of Australia where privately owned housing (owner occupied or leased) is the norm and public housing comprises only a small percentage of total housing stock. As such, public (or community) housing must be considered as a core component of the welfare state provisioning in remote Indigenous communities.

That the current system of public housing in Cape York communities has yielded poor outcomes in terms of health, sustainability and lifestyle, despite significant investment by governments over many years, has been extensively documented by numerous reports from both levels of government, most recently in Queensland by the Partnerships Queensland Baseline Report 2006\textsuperscript{43} and the Australian Government’s CHIP Review.\textsuperscript{44} The Institute’s analysis of this failure of the public housing model mirrors its analysis of other forms of welfare in the Welfare Reform communities: the community housing model is a form of passive welfare that requires little or no responsibility by families and provides no opportunity for individual aspiration or improvement. There is now an inter-generational expectation within Indigenous communities that governments will provide, maintain, and in the end replace their housing. Like other forms of passive welfare over the past three decades, public housing in Indigenous communities has removed responsibility from families, and promoted dependency and passivity.

The structure of the housing market in the communities is not the only problem with community housing, but it is the central problem and the focus of the Institute’s analysis. The current non-market approach to housing in the Welfare Reform communities lacks strong incentives or opportunities for individuals and families to take responsibility for their housing needs and for the appropriate care and maintenance of the houses they occupy. Consider the incentives (or lack of) that are common in many communities:

- Good behaviour is not rewarded as it is in the mainstream market through a good tenancy record or through asset growth.


• Poor behaviour such as wilful destruction or just general neglect has little or no penalty: someone else pays the repairs and maintenance bill even if the tenant causes the damage.

• Rent is frequently nominal and not systematically collected. Eviction is rare.

• If a family wants to upgrade its house because of overcrowding, it has virtually no power to take action.

Individuals and families need to be given (and must take) greater responsibility for their housing in all its forms. Housing reform needs to facilitate this process as an integral part of the welfare reform process.

6.1 A private property market

The Institute’s central recommendation with regard to housing is to shift from the current system of exclusively public provision of housing to a system based on private property markets, with public housing catering for exceptional circumstances only. Concurrently, tenancy reform should be introduced to normalise tenancies in existing public housing. (Tenancy reform is discussed in detail in section 6.2.)

Private property markets provide the only sustainable solution to housing issues, as the market counters the passive welfare problems of the public housing model. The Institute’s views on the housing market are consistent with welfare reform: the fundamental driver of reform is finding ways to achieve greater integration of people in remote communities with the mainstream economy.

The benefits of private property are clear. In a private property market based on home ownership, the power and the responsibility rests with the individual family. Issues of location, size, maintenance and condition are managed according to individual preference and the motivation to develop an asset for the family. This choice includes building new houses, buying existing property or choosing to buy a house in a location with better employment opportunities.

Public or communal provision and ownership of individual assets in communities should be rejected for the same reasons that wider society rejects across the board communal provision of housing and state ownership of other assets. As one community member said, ‘communal ownership is only as strong as the weakest link’.

Home ownership should be established in the Welfare Reform communities as a priority. In the medium to longer term, the housing market should be allowed to normalise to a point where houses have a market value (although this may be low) and people make investment decisions on the basis of this value alongside their engagement with the wider economy.
In the short term, a transition period needs to be managed to provide an appropriate process for transfer of ownership and to maximise the opportunity for residents to successfully acquire housing with the resources and capabilities they have at their disposal.

6.1.1 Principles for transitioning to home ownership

The transition to home ownership needs to be managed to ensure that a good outcome is achieved for individuals and communities. Risks associated with debt and the capability of individuals and families to maintain the asset over time need to be carefully managed, particularly in the early stages when the initial adopters will set the basis for new social norms for housing. At a broad level, three principles underpin the Institute’s approach to the transition in the Welfare Reform communities:

1. **Embedding a strong sense of responsibility and ownership which results in a real change in behaviour**

   Families’ legal ownership of their own homes is a necessary condition for responsibility, but in and of itself may not be sufficient. Simply transferring the title and converting rent into mortgage repayments may not work. Such a transfer on paper will not necessarily cause individuals or families to become more engaged in, and committed to, the maintenance and protection of their homes over the longer term.

   The experience of the ‘Katter leases’ in Cape York in the 1980s supports this view. These houses were gifted in poor condition and nearing the end of their lifespan; the families were not required to make any financial or other commitments; and no education programs were provided to inform people about their responsibilities as home owners and how to fulfil them. As a result, the families’ sense of responsibility and ownership remained unchanged and the houses continued to deteriorate.

   Many individuals and families will only develop a strong sense of ownership of their homes if they have invested significant personal effort into the acquisition or development of their home. Hence, a reasonable deposit should be required, as it is in mainstream housing markets. In many instances, providing sweat equity (in the case of new houses) into the construction of the houses will be necessary. The experience of architect Paul Haar in supporting self-built houses on Moa Island and the recent work undertaken by Balkanu Cape York Development Corporation in a Low Cost Housing Project provides compelling evidence of this. In both cases, the work involved families substituting financial capital, of which they had little, with labour capital, of which they had plenty.

2. **Providing opportunities for home ownership which are affordable and economically rational**

   Transitioning to home ownership will only be possible and sustainable if two financial preconditions are met:
(1) **It is affordable for families to own a home.** That is, the weekly loan repayments on any mortgage can be reasonably met by the family. Failure to meet this precondition will result in low home ownership take-up and/or frequent mortgage defaults.

(2) **It is financially rational for a family to own a home.** That is, the liabilities associated with acquiring a property (primarily the loan) are less than or equal to the commercial value of the property (or the likely value in the future). No property market will function well if this precondition is absent. Moreover, families who take out large loans for low value assets will be locked into a ‘dead asset’ as the proceeds from the re-sale of the property may not cover the loan liabilities. Home ownership in mainstream Australia is not only a mechanism for people to have full responsibility over their housing, but is also an important mechanism for capital accumulation. There should be the possibility for this to occur in Indigenous communities also.

Meeting these preconditions in the initial transition to home ownership in remote communities in the Cape is not straightforward. The essential issue is that the cost of construction for a three to four bedroom house is between $200,000 and $400,000, while the market value of the house will possibly be only $100,000 (based on a market rental rate of $150 per week) and may not rise significantly (or at all) over time. Taking out a commercial loan to construct a house in such a situation would clearly not be a sound financial decision. In fact, families would be taking out a debt trap.

Two solutions are recommended to accommodate this problem. First, constructed properties (particularly the existing public houses) should be sold at their market price, not at their construction price (nor a depreciated cost value). This means that a person or family can take out a normal loan (or an existing IBA loan) knowing that their liabilities will approximate the value of their asset.

Second, a subsidy must be offered to families who wish to construct new houses on a home ownership basis in remote communities. The size of the subsidy should be the difference between the construction costs and the likely market value of the property when complete. The subsidy could take one of a number of forms:

- **An upfront subsidy in the form of a voucher.** This would be administratively simple to put in place. The size of the voucher would need to be determined on a case by case basis and must take into account the construction costs and the likely market value of the property when constructed.

- **A subsidised loan arrangement.** The Australian Government already offers two subsidised loans for Indigenous people: the Home Ownership Program (for home ownership loans on freehold land); and the Home Ownership on Indigenous Lands Program (for home loans on Indigenous land). Neither of these loans, however, may have a sufficiently large subsidy embedded in them to make it financially rational for
families to take out home loans in remote communities. Community specific evaluations are required to determine appropriate financing arrangements for constructing new houses in each community.

- **Subsidised loan plus co-payments.** This option is essentially a combination of the above two options. From an administrative perspective, it may be easier to use one of the existing Indigenous loan schemes, but to increase the effective subsidy by providing co-payments for reaching certain milestones. The co-payments could be linked to both good repayment behaviour and also a good track record in meeting the legislative obligations outlined in Chapter 3.

- **Government constructs the new houses and sells them at a market value.** This is an administratively simple option, but is less attractive as it could significantly reduce the control that a family has over the design of the property. It also reduces the ability for sweat equity contributions from the family.

In the second and third options above, consideration would need to be given to how a person could exit from a loan. The subsidy is embedded in the loan over time and hence a decision to sell the property early may not provide sufficient capital to pay out the face value of the loan.

It is important to note that even with a subsidy embedded in a home ownership financing arrangement, the government’s costs per house would still be considerably less than the cost of providing additional public housing.

Providing subsidies for constructing new houses will be required in the remote communities for some time in order to ensure that there are sufficient numbers of houses built to meet overall demand.

### 3. Maximising the choices available to families

Historically, the government provision of housing to Indigenous communities significantly limited families’ abilities to make choices about their homes. Where any such choice was offered, it was limited to selecting one from a handful of designs, and perhaps for peripheral or cosmetic aspects like the colour scheme. Often these decisions were not even taken by the family, but by the community housing organisation. More recent programs have offered opportunities to customise certain elements of house design, but still only to a limited extent.

The Institute believes Indigenous families should have the same freedom as anyone in Australia to select their own house design and materials. Under a home ownership model, it is unnecessary to impose any particular style or model of housing on families. Apart from compliance with safety and quality standards, the only constraint on the choice of
house design and materials should be the availability of those materials and the families’ ability to pay for the features they want.

Architects and builders with experience in remote communities have told the Institute that families who have greater input over their house design have an enhanced sense of ownership and pride in their homes. This is consistent with the first principle of embedding a strong sense of home ownership.

6.1.2 The Reform Agenda

Home ownership solutions should be delivered in the Welfare Reform communities within the principles outlined above. Four broad steps should be taken:

1. **Support families to build new private houses where title can be obtained**

Additional housing is essential to solve the overcrowding issues in the communities which have built up over time. The availability of freehold land in three of the four Welfare Reform communities provides an opportunity for immediate progress on home ownership. The Australian Government should consider providing financial support for developing this freehold land in order to enable houses to be immediately built. New housing should be made available to individuals and families through an appropriate home ownership loan scheme (as outlined above).

An effective transition relies on an innovative and flexible approach to facilitating individual construction arrangements and the implementation of the principles described above. The evidence from the Engagement Process and the recent review of the Australian Government’s Community Housing and Infrastructure Program is that a ‘one size fits all’ public housing approach does not lead to satisfactory outcomes. The key considerations for government should not be design and construction technicalities, but affordability and maximising financial and sweat equity.

An approach to building new private housing in Cape York has been developed as a separate home ownership pilot program that would run in parallel to welfare reform implementation. A proposal has been separately submitted to the Australian Government. It consists of building new family homes in or very close to the current townships, in addition to the development of very low cost rural houses.

2. **Resolve land tenure**

Home ownership is dependent on a house being on land with secure, individual and alienable title. Community title over township land without the option of individual long term leases prevents home ownership on these lands. These constraints to individual tenure need to be removed to permit individual ownership of existing public housing and the building of additional private housing on vacant lots on township land with communal title.

The resolution of land tenure issues should be a priority for the Queensland Government and the Welfare Reform communities to permit home ownership on DOGIT land. 99 year leases (restricted to community members) should be introduced as quickly as possible. The Queensland Government is currently reviewing the *Aboriginal Land Act 1991*, and it is anticipated that such reforms will be introduced for Aboriginal Freehold land. For a roll out of home ownership to be possible in Aurukun and Hope Vale, the Queensland Government would need to complete its review of the Queensland *Aboriginal Land Act 1991*, to allow for the granting of 99 year residential leases over Aboriginal freehold. Where Native Title Act land co-exists (Hope Vale and Aurukun), Indigenous Land Use Agreements would also need to be negotiated with traditional owners to authorise these residential leases.

3. **Sell existing public houses**

As well as building new houses on securely titled land, governments and councils should start to divest existing public houses to families on a private ownership basis. There is a large number of households who already occupy a public house (and whose family may have done so for many years) whose preference would be to become homeowners.

In line with the principles outlined above, careful consideration would need to be given to match the commercial value of a low-cost loan with the market value of the house. An existing house may have a depreciated book value of $250,000, but only a market value of $70,000. Houses should either be sold at the market value or very low-cost loans (with a commercial value similar to the market value of the house) should be made available.

Once the houses have been divested, they can then be sold to other families within the community on the basis of the market price that they command.

4. **Support the development of very low-cost houses in rural areas**

Many Indigenous families are seeking to escape from the problems associated with living in an overcrowded urban environment by establishing a home on their traditional land. The Institute believes there is a role for government in helping to facilitate this in certain circumstances.

The existing Balkanu Low Cost Housing Project provides a model for developing very basic housing in rural areas. Under this project, the total cost of each house is about
$50,000. Families make a deposit of $3,000 and take out an interest free loan for $12,000 to be repaid over 3 years. They are also required to prepare the construction site and provide at least three workers full time for the construction period. Labour costs are further reduced by the use of voluntary labour supplied by Rotary in Victoria.

The Institute proposes that this very-low-cost housing model be expanded to allow the opportunity to be open to other families. The opportunity should be available on the basis of the following:

- Be available where applicants are seeking to undertake employment (eg land and natural resource management) or cultural and economic enterprises on Aboriginal-owned land (eg cattle industry, arts, tourism, horticulture);

- Is not predicated on the provision of educational and health services to the site (other than emergency health services such as the Royal Flying Doctor Service).

- Where the house is intended as a family residence, is within 45 minutes of education and health services and, in all cases, in no way compromises children’s school attendance.

- Applicants with children must provide confirmation from relevant education service providers that their children have optimal school attendance records for the previous 12 months.

- Be available where land tenure is secure.

The demand for this type of housing has already been demonstrated in Cape York. Five houses will have been completed by the end of 2007 and there are another 15 families who have submitted a genuine request to acquire a house. More interest could be expected once the product has been demonstrated near other Indigenous communities.

### 6.2 Tenancy Reform

It will potentially take many years before the majority of houses in a community are privately owned. Some houses will never be privately owned. For this reason, normalising tenancy arrangements should be rapidly adopted by communities. This consists of several parts

- **Normalising rents.** Rents for community houses should be raised to market rates, or at least be consistent with mainstream public housing levels (25 percent of household income) to ensure that the price people pay for housing more clearly reflects its cost and the ability of families to pay. Normalising rents is also important as the rental market will affect the value of private properties.
• **Tenancy agreements in place.** Every house should have a tenancy agreement in place which outlines the normal rights and obligations, including the right of the landlord to choose a contractor to provide maintenance.

• **Tenancy management.** Management of tenancy agreements should be outsourced to third parties on a landlord/agent basis in order to bring greater professionalism and rigour into tenancy management and to depersonalise tenancy enforcement.

The development of these solutions should be integrated with other welfare reform strategies. People who seriously breach tenancy agreements or are evicted from their houses should be referred to the Family Responsibilities Commission for determination as to whether they have breached their payment obligations and hence whether conditional income management should be imposed (see Chapter 3).

It should be noted Bamanga Bubu Ngadimunku (the Mossman Gorge Indigenous Community Housing Organisation) successfully improved their housing management system, demonstrating that tenancy reform can help to improve housing. In Mossman Gorge, rents are set at 75 percent of market value and are collected. The community has also developed a culture of ‘if you damage it, you pay’. These have been positive steps for Mossman Gorge, as are the Queensland Government’s incremental reforms, and provide a basis for improving the public housing system to develop some responsibility and individual incentive.

### 6.3 Pride of Place

A clean, neat environment of which people are proud is not only important for public health reasons: it can also have a significant positive effect on social norms. People tend to thrive and function in a positive way if they are amongst pleasant surroundings. The reverse is also the case.

In concert with home ownership initiatives and normalising tenancy arrangements, a ‘Pride of Place’ initiative is recommended. The initiative would target house and garden improvements as well as cleaning up public spaces. Improving houses and gardens would also have the carry-over effect of making properties more attractive for private sale. Such an initiative should embed the central themes of responsibility and reciprocity reinforcing the central message of welfare reform.

There should be three components to the initiative:

1. **Pride of Place (Public)**

The first stage of the Pride of Place initiative should be aimed at improving the presentation of the public spaces. The objective should be to achieve rapid but significant visual change in the communities so as to create an impact in the minds of residents,
developing momentum for follow up activities. The initiative should also be the beginning of a new standard in the community.

The initiative should include collection and disposal of rubbish in public spaces, cleaning dirt and graffiti from public buildings, installing minor infrastructure (eg bins), and making simple changes (eg banning plastic bags at the shop) which will assist in the maintenance of a clean community over time.

The initiative should be based on a mobilisation of the council and residents, using local council equipment and CDEP labour. External funding would be required to support the project management and some material costs.

The Pride of Place (Public) initiative has the potential to set a new standard for the community. Funding provided to support this initiative could be made conditional upon the council (or equivalent body) committing to maintaining the higher standard on an ongoing basis.

2. **Pride of Place (External)**

Pride of Place (External) would focus on improving the external features of the public houses, including house fences and the gardens within them. It is recommended that up to $2,500 per house be made available for materials and the employment of technical expertise. In concert with a Pride of Place project manager, families would determine an improvement plan for their house and garden within the budgetary constraints. Improvements might include landscaping, tree planting, minor repairs, house painting and fencing.

Families should only be able to access these improvements if they:

- provide their labour to help with the improvement effort;
- are participants in Family Income Management (a family budgeting tool); and
- are committed to the care and maintenance of the house and garden after the work is complete.

The Pride of Place methodology has been proven by Cape York Partnerships during its recent pilot program in Mossman Gorge. This project conducted renovations on five houses in the community and demonstrated the success of the model. As well as the improvement to the five houses, this pilot has led to significant additional demand for improvement initiatives.

Pride of Place (External) complements Pride of Place (Public) by significantly changing the appearance of the community. These changes would reinforce the idea that a new standard has been set and that the community is getting better. They also help to develop
aspiration by the setting of an example to others who do not participate in the first round. Most importantly they provide an opportunity for people to develop some pride in their public house, something which is not usually available in the community housing system.

3. Pride of Place (Internal)

The third component of the Pride of Place initiative is Pride of Place (Internal). This would focus on improving the interior of individual homes. It is recommended that up to $7,500 per house be made available for materials and the employment of technical expertise. (This would bring the total per house to $10,000). As is the case with Pride of Place (External), the Project Manager would work with families to determine an improvement plan with the funds available. It might include painting, kitchen or bathroom upgrades, and general improvements.

Pride of Place (Internal) would only be available to residents who:

- Had participated in Pride of Place External;
- Had maintained their participation in Family Income Management for 6 months;
- Were willing to contribute one third of the material costs (up to a limit of $1,000); and
- Are committed to the care and maintenance of the improvements once they are complete.

6.4 Community Views on Housing

The Welfare Reform Engagement Process has provided an important opportunity to develop this analysis of housing issues and measure, to some extent, the relative importance of housing to people in the Welfare Reform communities. The views provided thus far by people in the communities are summarised below.

Interviewees identified a range of housing issues during the Engagement Process. Housing was mentioned as an issue by 32 percent of respondents making it the sixth most discussed issue in the interview process. Significantly, housing was of higher significance for young interviewees. Forty nine percent of the young people interviewed mentioning housing, making it their third most discussed issue. A range of perspectives were provided by individuals on the housing situation in the Welfare Reform communities.

The most dominant concern was overcrowding. Seventy five percent of people who raised housing made reference to overcrowding and the consequences of overcrowded housing. The main consequences identified were that:
overcrowding has a negative impact on family relationships, particularly where several siblings or generations of a family live in a single house;

children are disrupted at night by noise and many choose to roam the streets rather than go home to drunk relatives, flooded rooms and leaking toilets;

it is very difficult for one family to keep a supply of food in the fridge and a clean, healthy environment when there are up to 12 people in a three bedroom house;

individual and family efforts to stop drinking, attend school and go to work are undermined by disruptive environments.

Another dominant theme of the discussions was the need for more housing. This was specifically identified by 21 percent of the people who discussed housing issues. A central concern was a perceived need for young people and young families to have greater access to housing so that they could move out of their parents’ place and become independent. Others identified a need for specialised housing for older people and single people.

Problems with the community housing system were the next most dominant issue. Consistent with the calls for more housing for sub-groups, respondents felt that young, old or single people have little chance of being allocated housing as a priority in the community housing system. One respondent mentioned that they felt that one motivation for young women to fall pregnant was that it increased their chance of getting allocated housing in the future. Other systemic issues identified included:

- generally poor house condition as a result of a lack of maintenance or maintenance taking far too long to occur when requested;
- no consequences for those who do not look after houses and no incentive for those who do;
- people who choose to work and earn a good income risk eviction from community housing, creating a disincentive to engage in work; and
- unfair or corrupt allocation systems.

Some solutions were proposed by the communities to housing issues. Most thought that more housing or specific housing targeted to the groups who are not likely to get allocated a house under current arrangements was important. Others identified the need for a ‘Pride of Place’ project or other incentive program to encourage people to take care of their houses and gardens. Some also argued for reforms to ensure that rent is collected, wilful damage is paid for and people who behave in a positive way (towards housing and in relation to broader issues such as children) are given priority for maintenance.
Home ownership was specifically identified as a solution by 10 people during the interviews. This was largely a recognition of the benefits of private property in ensuring that people take responsibility for their house and in giving people the power to determine their own housing outcome. Some felt that it was an opportunity that Indigenous people were denied because they were living in the communities. The only concern mentioned was affordability.
APPENDIX A: PROJECT DESCRIPTION

Project support
In June 2006, the Australian Government committed $3 million to fund design work on a Welfare Reform pilot in the Cape York communities of Aurukun, Coen, Hope Vale and Mossman Gorge. The Queensland Government has also committed to support the design phase by: seconding a senior officer to the Institute, establishing consultation and coordination structures, and sharing information.

Project objectives
The objectives of the project are to:

• Provide details on payment levels and obligations for five payment streams (Newstart, Community Development Employment Projects – CDEP, Abstudy, Parenting Payment and Family Tax Benefit);

• Involve community leaders in the design of changes and the decision making process;

• Inform and solicit feedback from the wider community on the concepts and rationale of the changes ahead;

• Identify the resources required to build enabling structures to the required level to adequately support on-the-ground change; and

• Identify the resources required to implement on-the-ground change.

Project deliverables
This Design Recommendations report is the project’s first key deliverable. It will be followed by a final report by September 2007. Both governments have committed to consider the reports, which will:

• Propose a new model for payment levels and obligations for five payment streams;

• Discuss consultations and community feedback;

• Identify the resources required to build enabling structures to the required level to adequately support on-the-ground change;

• Identify the resources required to implement on-the-ground change;

• Advise on the applicability of particular proposals to other locations; and
Include an evaluation plan to assess the impact of the proposals should the Australian Government subsequently agree to pilot the proposed changes.

**Project workstreams**

The Welfare Reform Project has two teams: Engagement and Design.

The Engagement team – managed by Cape York Partnerships – is engaging leaders and community members in a dialogue around social norms and payment reform. Eight engagement officers have been appointed to implement the Welfare Reform Engagement Process (two staff are based in each community to work with leaders and individuals) to ensure community involvement in the project’s design. The Engagement Process has informed the design work and the design work has informed the Engagement Process. The engagement will continue through the remainder of the project.

The Design team has focused on four streams of work.

1. The first stream of work relates to attaching obligations to welfare payments. The Design team has built on early work by the Engagement team to develop the Family Responsibilities Commission concept as a local mechanism to connect behaviours with welfare payments.

2. The second stream of work considers ‘work, study, dole’ payments. These are payments that impact on incentives for choices between work, study and the receipt of social security benefits. The team has examined the financial and structural incentives these payments provide to recipients and communities.

3. The third stream considers the mechanisms that support engagement in the real economy.

4. The fourth stream has examined housing.

Government engagement is also a critical part of the project. The project has been liaising regularly with consultative bodies established within the Australian and Queensland governments to communicate and test design concepts and obtain feedback as the project progresses. The first trilateral meeting of Australian and Queensland governments and the Institute was held in January 2007; these meetings will continue to be held for the remainder of the project. In addition, consultation has been ongoing with government representatives based in the region and responsible for service delivery to the communities.

A Steering Committee provides advice to the project. Membership comprises representatives from the Australian Government, the Queensland Government, leaders from the four participating communities, and Cape York Indigenous leaders. The Steering Committee meets on a bi-monthly basis.
A Management Committee comprising project team leaders, a regionally based representative of both the Australian and Queensland Governments, and representatives from two regional Indigenous organisations has been established to ensure project coherence. Meetings are scheduled fortnightly.
APPENDIX B: WELFARE REFORM COMMUNITIES

Outlined below are some introductory details of the Welfare Reform communities which illustrate the variation between the communities in terms of population size, land tenure arrangements, remoteness, and presence of an economic base or economic opportunities in near proximity.

1. Description of the communities

Aurukun

Aurukun, is located on the original site of a Uniting Church of Australia mission, has a population of between 1000 and 1300 people. The Shire of Aurukun covers an area of 7,500 square kilometres and is situated on the western side of Cape York Peninsula 100km south of Weipa.

The potential development of the world scale Aurukun bauxite and kaolin mineral resource presents an opportunity for economic viability for the community. The Comalco Bauxite Mine near Weipa is approximately three hours drive from Aurukun, that is, close enough
for week day employment with weekends in the community. However, low levels of work readiness present a significant barrier to local residents exploiting this opportunity. Alcoholism, illicit drugs, gambling and violence are significant issues for Aurukun. It is also the first community to have implemented an Alcohol Management Plan (in January 2003).

**Coen**

Coen is a small town in the centre of Cape York, 240km north-west of Laura. It has a population of between 320 and 400, of whom 80 percent are Aboriginal.

Coen is located within the Cook Shire, which provides services such as rubbish collection, library, water and sewerage, airport and roads depot. Its location on the north bound highway to the tip of Cape York and its proximity to the local airport provides it with a high volume of tourists during the dry season. The Coen Regional Aboriginal Corporation (CRAC) provides services to the Indigenous community – including the Homelands as well as the townspeople as a whole. CRAC administers the CDEP, housing, outstation development, arts centre and cultural centre, sport and recreation, and Home and Community Care. CRAC has an elected Board of Directors which includes Indigenous elders.

Only a small percentage of the Indigenous population are fully employed and most rely on welfare payments including community development / work for the dole schemes for their low incomes. Health statistics are similar to those experienced by other remote Indigenous communities with life expectancy and quality of life well below what is found in urban Australia.

**Hope Vale**

Hope Vale is a DOGIT community located 46 km north of Cooktown, covering an area of 1,110 square kilometres. Hope Vale – and its predecessors, the nearby Cape Bedford and Hope Valley settlements – were established as Lutheran Mission. Approximately 1200 people live in Hope Vale, a community in which gambling, drugs and violence are prominent issues. Some residents work at the Cape Flattery mine, which is located on the traditional lands of Hope Vale people. Others have moved to the local centre of Cooktown to access limited job opportunities. Most of the residents derive the majority of their income from welfare payments including community development / work for the dole schemes.

In addition to core municipal services, Hope Vale Shire Council provides: banking and postal agencies; aged persons’ home/guesthouse; day care centre; community radio;
supermarket; service station; Centrelink agency; community police; youth programs; sport and recreation program; bakery; and an arts centre.

**Mossman Gorge**

Mossman Gorge, located four km from Mossman and 20 km north of Port Douglas, is a small Aboriginal community of approximately 170 people located within Douglas Shire. The Aboriginal community of Mossman Gorge was founded in 1916 at the foot of the mountain known as Manjal Dimbi, near the present township of Mossman and at the base of the spectacular Mossman Gorge.

Bamanga Bubu Ngadimunku Inc (BBN) performs a number of roles normally undertaken by Indigenous councils: administration; CDEP scheme; housing and maintenance; grounds maintenance; community health; community education; sports and recreation; justice group; and drug and alcohol initiatives. BBN’s Board of Directors is elected by community residents.

BBN also manages the community’s business initiatives: Dreamtime Guided Tours; arts and artefacts manufacturing; art gallery, snack shop and mobile drinks trailer. BBN also manages community land, which is a combination of Aboriginal Freehold and Aboriginal Reserve land.

Alcohol, drugs and gambling are significant issues for this community. Despite their proximity to the regional centres of Mossman and Port Douglas and the fact that an estimated 600,000 tourists visit nearby Mossman Gorge each year, most residents derive a majority of their income from welfare payments including community development / work for the dole schemes. A new major tourist centre is in the process of development by the community. If successful this will provide employment opportunities for Mossman Gorge.

### 2. Age profile

The demographic profile of the Indigenous population in the four communities is very young and contrasts with Australia’s wider ageing of the population. As described by Taylor, the Indigenous population looks set to retain this profile because of large numbers of women moving in to child-bearing age, combined with high adult mortality. This clearly has implications for the needs of these communities, in terms of raising families, education, housing and jobs.

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46 Aboriginal and Torres Strait Islander Partnerships, Department of Communities. 2006. (November.) Mossman Gorge Community Profile. Queensland Government.

Table B.1: Population statistics of Welfare Reform communities

<table>
<thead>
<tr>
<th>Community</th>
<th>Total population</th>
<th>Indigenous population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aurukun</td>
<td>1168[^48]</td>
<td>1025[^48]</td>
</tr>
<tr>
<td>Coen</td>
<td>326[^50]</td>
<td>255[^51]</td>
</tr>
<tr>
<td>Hope Vale</td>
<td>1200[^52]</td>
<td>1072[^53]</td>
</tr>
<tr>
<td>Mossman</td>
<td>170[^54]</td>
<td>170[^55]</td>
</tr>
</tbody>
</table>


[^52]: Lower limit of 1200-1500 estimate given to CYI by Hope Vale Aboriginal Council, February 2007.


### Table B.2: Age profile for 2001

<table>
<thead>
<tr>
<th>Age range (years)</th>
<th>0-4</th>
<th>5-14</th>
<th>15-24</th>
<th>25-44</th>
<th>45-64</th>
<th>65+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aurukun (Indigenous)</td>
<td>111</td>
<td>192</td>
<td>166</td>
<td>275</td>
<td>148</td>
<td>27</td>
</tr>
<tr>
<td>Coen (Indigenous)</td>
<td>21</td>
<td>60</td>
<td>40</td>
<td>70</td>
<td>24</td>
<td>26</td>
</tr>
<tr>
<td>Hope Vale (Indigenous)</td>
<td>59</td>
<td>156</td>
<td>134</td>
<td>210</td>
<td>88</td>
<td>27</td>
</tr>
<tr>
<td>Mossman* (Indigenous)</td>
<td>37</td>
<td>83</td>
<td>62</td>
<td>91</td>
<td>41</td>
<td>10</td>
</tr>
<tr>
<td><strong>Aurukun (total)</strong></td>
<td>120</td>
<td>202</td>
<td>187</td>
<td>327</td>
<td>185</td>
<td>33</td>
</tr>
<tr>
<td><strong>Coen (total)</strong></td>
<td>24</td>
<td>74</td>
<td>43</td>
<td>93</td>
<td>34</td>
<td>34</td>
</tr>
<tr>
<td><strong>Hope Vale (total)</strong></td>
<td>65</td>
<td>170</td>
<td>140</td>
<td>238</td>
<td>110</td>
<td>33</td>
</tr>
<tr>
<td><em><em>Mossman</em> (total)</em>*</td>
<td>130</td>
<td>295</td>
<td>252</td>
<td>529</td>
<td>456</td>
<td>239</td>
</tr>
<tr>
<td><strong>Australian Indigenous population</strong></td>
<td>52 861</td>
<td>108 069</td>
<td>75 220</td>
<td>114 036</td>
<td>48 380</td>
<td>11 437</td>
</tr>
<tr>
<td><strong>Australian population</strong></td>
<td>1.24m</td>
<td>2.67m</td>
<td>2.57m</td>
<td>5.59m</td>
<td>4.33m</td>
<td>2.37m</td>
</tr>
</tbody>
</table>


*ABS data for Mossman combines data for Mossman Township and Mossman Gorge.

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**General note on statistics**

Some statistics provided in this Appendix must be interpreted with caution. With regard to ABS 2001 Census data, the ABS cautions that the accuracy of census data concerning Indigenous populations is limited. It cites changes in respondents’ self-classification as ‘Indigenous’ over time, migratory populations, and remoteness as key issues preventing the collection of accurate population data. This is supported by the Centre for Aboriginal Economic Policy Research’s work (Taylor and Bell, 2002) comparing census data with a variety of other forms.

The key points of concern can be summarised as:

- Undercount of population (of up to 17 percent in some communities);
- Undercount of young population (under 30 years of age) in particular;

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• Counting of Indigenous persons as resident in the urban centre in which they occasionally work, rather than in their ‘home’ community;

• Difficulty comparing numerical (rather than percentage) data across censuses;

• Remote and non-remote communities are not distinguished (for example Mossman data does not segregate between Mossman township and Mossman Gorge); and

• Aggregation of remote and urban Indigenous population statistics can paint a very misleading picture of remote community circumstances.

3. **Family structure and household size**

Across Queensland as a whole in 2001, Indigenous one-family households had an average household size of 3.9 persons (compared with 3.1 for non-Indigenous one-family households) while Indigenous multi-family households had an average of 7.2 persons (5.2 for non-Indigenous households).\(^{58}\)

When the ABS applied the Canadian National Occupancy Standard for housing appropriateness in 2001, it was found that over 6,100 Indigenous households in Queensland (16.6 percent of all Indigenous households in the State) were overcrowded. Overcrowding was found to be highest in very remote areas, with nearly 30.4 percent of Indigenous households needing one or more extra bedrooms.\(^{59}\)

The average size of Indigenous households has been shown to be larger in areas outside of Brisbane. While Indigenous households in Brisbane averaged 3.2 occupants, those in the ATSIC region of Cooktown had the highest occupancy rate with 4.8 people per dwelling.\(^{60}\)

While the 2001 Census data does not provide comparable housing figures for all four Welfare Reform communities, those with regard to Aurukun, however, are both significant and relatively detailed. Of the 104 Indigenous households in Aurukun that stated their composition, 45 had seven or more occupants and 20 had 10 or more occupants. Of those 45 households, most had only three bedrooms, and none had more than four.\(^{61}\)

Overcrowding and poor condition of housing were issues identified by all Welfare Reform communities. ABS household residency data for the Welfare Reform communities is not

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complete; however, for Aurukun it indicates that 35 percent of households contain seven or more persons usually resident. In Hope Vale approximately 20 percent of households contain six or more usually resident persons.

The Welfare Reform Project’s Engagement staff report that houses in Aurukun are very overcrowded and generally in very poor condition, and that this is contributing to the poor parenting and lack of responsibility amongst the younger parents. In 2006, the Queensland Department of Housing undertook a Property Condition and Tenancy Survey (PCATS) in DOGIT communities including Aurukun and Hope Vale. This survey also asked questions regarding household composition. The Department of Housing has committed to releasing the results of that survey to the Institute following discussion of the data with councils.

4. **Employment**

(a) **Employment outcomes**

Employment statistics indicate heavy reliance on CDEP participation in each Welfare Reform community. In comparison, the CDEP scheme accounted for 63 percent of Indigenous employment in remote areas of Australia.\(^{62}\) The reliance on CDEP in the three of the four Welfare Reform communities is far higher.

Table B.4: Employment statistics for Aurukun, Coen, Hope Vale and Mossman Gorge

<table>
<thead>
<tr>
<th></th>
<th>Indigenous working age population</th>
<th>Working age but not in the labour force</th>
<th>Number of CDEP participants*</th>
<th>CDEP participation / labour force rate**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aurukun</td>
<td>616</td>
<td>230</td>
<td>331</td>
<td>86%</td>
</tr>
<tr>
<td>Coen</td>
<td>181</td>
<td>38</td>
<td>112</td>
<td>78%</td>
</tr>
<tr>
<td>Hope Vale</td>
<td>677</td>
<td>56</td>
<td>311</td>
<td>50%</td>
</tr>
<tr>
<td>Mossman Gorge</td>
<td>106</td>
<td>24</td>
<td>78</td>
<td>95%</td>
</tr>
</tbody>
</table>

Source: Department of Employment and Workplace Relations (October 2006).

* Average contracted places
** As a percentage of the Indigenous working age population minus those of working age but not in the labour force.

A comparison of employment data between Indigenous and non-Indigenous Queenslanders reveals that:

the Indigenous unemployment rate excluding CDEP is 11-13 percent greater than the non-Indigenous unemployment rate;

- CDEP participation is artificially reducing Indigenous unemployment rates by 15-22 per cent;

- Indigenous labour force participation is approximately 8-9 percent lower than non-Indigenous labour force participation (see Figure B.1).

Figure B.1: Queensland Unemployment Rates – Indigenous and Non-Indigenous Comparison

![Unemployment Rates Graph]

Source: Queensland Aboriginal and Torres Strait Islander Population, Department of Local Government and Planning, Sport and Recreation, 2006, p 32.

**Government administration and defence employment**

In 2001, 23.8 percent of Indigenous Queenslanders over 15 and working were employed in Government Administration and Defence industries, compared to 4.4 percent of the non-Indigenous population. In ‘Very Remote’ locations, this figure was 61.3 percent for Indigenous workers, compared with the ‘Major Cities’ figure of 8.7 percent.
(b) **Employment opportunities in near proximity**

In addition to the identified private business opportunities outlined below in each community, employment with local, Queensland and Australian Government service providers has the potential to provide a far greater number of employment opportunities than at present, where the majority of these positions are filled by CDEP employees with top-up. Land and Sea Management Projects also have the potential in the future to provide a number of employment opportunities in the region.

**Aurukun**

The Comalco Bauxite Mine is near Weipa. Weipa is approximately three hours drive from Aurukun; that is, close enough for weekday employment with weekends in the community. There are local businesses in Aurukun covering industries such as construction, retail trade, transport and storage.

Future prospects include those directly and indirectly associated with the potential development of very large bauxite and kaolin mineral resource deposits near Aurukun.

**Coen**

The highway north to the peninsula passes through Coen and the majority of businesses rely on tourism business that this brings (predominantly in the dry season when the road is more easily passable). There are some local businesses covering the food and retail, petrol and hospitality industries.

**Hope Vale**

There is limited private business activity in Hope Vale, employing no more than a handful of people in total. Approximately 50km from Hope Vale is the Cape Flattery Silica Mine (with 100 workers, 50 percent of whom are Indigenous) which has operated for over 20 years. There is significant potential for tourism in and around Hope Vale, particularly given the rapid growth of tourism in Cooktown.

Council employment is a significant source of employment in Hope Vale. Almost all ‘businesses’ in Hope Vale are council-owned, with non-managerial staff consisting almost exclusively of CDEP and CDEP top-up workers. These businesses are a service station (2 full-time staff), a food store (9 full-time staff) and a bakery (1 manager; 4 full-time apprentices). Several local tradesmen are employed by the council (5 qualified carpenters, 1 qualified electrician with 1 assistant, 1 qualified plumber with 2 full-time workers and a couple of CDEP workers). Other enterprises run by council or by government all use substantial numbers of CDEP participants.
Mossman Gorge

Access to natural resources is very high in Mossman Gorge, and there are both substantial tourism opportunities and significant agribusiness in the local area (in particular sugarcane). Local businesses managed through Bamanga Bubu Ngadimunku Inc include rainforest tours, gardening businesses and an Art Centre.

5. Health outcomes

Field research from the Welfare Reform Engagement Process indicates that alcohol abuse, marijuana use and chronic disease are prevalent in all four of the Welfare Reform communities. Excessive alcohol consumption and marijuana use have often been linked to violence, particularly domestic violence. In addition, the Engagement Process has produced the following information which is specific to each community.

Aurukun

In Aurukun, data from the Aurukun Primary Health Care Clinic indicates that the primary causes of death from 2000-2006 are multi-systems failure, cardiac arrest and heart disease, cancer and renal failure. There have been seven suicides since 2000 – six males and one female.

Coen

Through the Engagement Process in Coen it has been found that medical evacuations are most frequently due to injuries incurred as a result of domestic violence. The second most common reason for medical evacuations is gastroenteritis, which is often very serious when suffered by children.

Hope Vale

Chronic disease is the major health risk. The estimated total number of people with a chronic disease is very high, including 26 reported incidences of chronic heart disease and 159 reported incidences of diabetes. Health officials estimate diabetes prevalence at approximately 300 people. As a proportion of people living in the community, these levels are significantly higher than in mainstream Australia.

Mossman Gorge

While more information on health in Mossman Gorge is required, the Engagement Process has established that diabetes and other alcohol-related problems are prevalent. In a population of only 170, six people are on dialysis.
6. **Education outcomes**

Data provided by Education Queensland on literacy in Cape York schools comprises of average scores and the percentage above the benchmark for Years 3, 5 and 7 assessments for 2001-2005 and the Year 2 Diagnostic Net results (indicating support for these students required) for 2001-2006. This data indicates the performance of students in Aurukun, Coen and Hope Vale (see Table B.5):

**Table B.5: Aurukun, Coen and Hope Vale Indigenous Students Mean Results by School 2001-2005**
(Composite data)

<table>
<thead>
<tr>
<th>School</th>
<th>Year 2 Support Required</th>
<th>Year 3</th>
<th>Year 5</th>
<th>Year 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coen</td>
<td>n/a</td>
<td>387</td>
<td>473</td>
<td>530</td>
</tr>
<tr>
<td>Hope Vale</td>
<td>72%</td>
<td>398</td>
<td>479</td>
<td>550</td>
</tr>
<tr>
<td>Aurukun</td>
<td>&gt;85%</td>
<td>313</td>
<td>379</td>
<td>459</td>
</tr>
<tr>
<td>Notional State Indigenous Average 2001-2005</td>
<td>44%</td>
<td>474</td>
<td>549</td>
<td>616</td>
</tr>
<tr>
<td>Notional all Queensland Average 2001-2005</td>
<td>21%</td>
<td>528</td>
<td>605</td>
<td>680</td>
</tr>
</tbody>
</table>


There are several possible reasons for these poor educational outcomes. One critical reason is low attendance levels – attendance level data for schools in the Cape York region indicate average year level attendance at 75.44 percent (as a proportion of days attended to total possible enrolment days).

Attendance data has been collated for Coen and Aurukun during Semester 3, 2006 (see Figure B.2 and Figure B.3).
Figure B.2: Coen State School total possible enrolment days vs actual attendance, Term 3 2006

Source: Attendance data collated by the Institute.

Figure B.3: Aurukun State School total possible enrolment days vs actual attendance, Term 3 2006

Source: Attendance data collated by the Institute.
Community level analysis also reveals factors that prevent better educational outcomes:

**Aurukun**

Aurukun School offers P-10 education. A significant number of students in all years are not ‘effectively enrolled’ for the entire year. The Engagement Process indicates that this is caused by a combination of movement to other schools and also unexplained absences for several weeks or terms.

**Coen**

Coen State School offers P-7 education. The school is the site of several educational programs facilitated through Cape York Partnerships. These include Every Child Is Special and the 2006 MULTILIT trial. School attendance in Coen is better than in some other remote Indigenous communities. Table B.6 below shows the overall attendance figures for Coen State School in Term 4, 2006.

**Table B.6: Coen State School attendance data, Term 4 2006**

<table>
<thead>
<tr>
<th>Attendance rate (per cent)</th>
<th>No. of students</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>3</td>
</tr>
<tr>
<td>95-100</td>
<td>8</td>
</tr>
<tr>
<td>90-95</td>
<td>6</td>
</tr>
<tr>
<td>85-90</td>
<td>2</td>
</tr>
<tr>
<td>75-85</td>
<td>11</td>
</tr>
<tr>
<td>Less than 75 per cent</td>
<td>11</td>
</tr>
</tbody>
</table>

**Hope Vale**

Hope Vale State School offers P-7 education, after which continuing students must either attend Cooktown State High School (45-60 minutes by school bus) or attend boarding school. Many boarders come back to the community after a few weeks while others go bush for a period of time and tend to drop out of school again if they do go back. Students face learning difficulties outside of their community because of a lack of academic skills, confidence or social skills. Retention to Year 11 is small (approximately four students from Hope Vale are currently in Year 11 elsewhere).

**Mossman Gorge**

225 students attend Mossman State School, of whom 40-50 percent is Indigenous; this proportion drops to 20-30 percent in Mossman State High School. A range of classes are
composites: two 6/7 classes, a P/1, 1/2, 2/3, 4/5 and 5/6. Significant behavioural problems lead to Year 6 being split across three separate classes. The Engagement Process indicates that good students are not ‘made a big deal of’ in the Mossman Gorge community, and are not generally seen as role models. Students who ‘make it’ (ie to university or better jobs) lose friends and are subject to social isolation.
APPENDIX C: ENGAGEMENT PROCESS

The Engagement Process facilitates the restoration of strong and positive social norms in the Welfare Reform communities through community ownership of the reforms that are being developed. Through a process of facilitated engagement, communities envision and plan their future.

1. Objectives

The problems afflicting Indigenous people in Cape York are well documented. The Welfare Reform Project’s community engagement agenda is not to simply document these problems again but rather to build a foundation for substantial, desirable and durable change. The project is commissioned by the Australian Government and its two contracted objectives for community engagement are to:

1. Involve community leaders in the design of changes and the decision making process; and
2. Inform and solicit feedback from the wider community on the concepts and rationale of the changes ahead.

2. Project Phases

There are three distinct phases of community engagement. Each phase builds on the outcomes of the preceding phase.

The first phase is labelled ‘Views and Issues’. The purpose of this phase is to catalogue the current circumstances of the communities. Engagement with community members commenced with an open question: Tell us about your community. Individuals, families, groups and work gangs were encouraged to discuss good and bad aspects of their community, and were challenged to remind themselves of times when mutual obligation was a way of life. This process enabled people to think about how things worked well in the recent past, what is different today and how to restore strong values and functional behaviours. Interviews with community members involved the following discussion areas:

- What the community offers to respondents;
- Major issues experienced in the community and by respondents, and the respondents’ degree of concern about these;
- What, in the view of each respondent, can be done to overcome current problems; and
- Any ideas on what respondents want their community to look like.
In collecting community views and issues a register of community issues was developed. The leadership groups in each community used this register to develop the agenda of the first community meeting, the Community Engagement Forum (CEF). Views expressed individually were aggregated and replayed to the whole community at the meeting for the purpose of seeking community endorsement.

The second phase is principally concerned with articulating a common set of community values and developing a shared vision for the future. The visioning process sets out a psychological framework that will guide the community through a logical sequence of involvement and participation in engagement by identifying dysfunctions, tackling these as problems, setting a vision for what the community should look like, agreeing to turn the vision or values into action, and expressing a social preparedness to mandate this behaviour whereby new positive social and cultural norms are created.

Using the register of community issues, developed in phase one, individuals, families, groups and work gangs use the rights and responsibilities framework63 as a prism through which to envision the future in discussions with community leaders and other community members. This is important for:

- Building a sense of personal responsibility for individual and community outcomes;
- Reframing local issues so that a Welfare Reform package makes sense;
- Managing expectations of what the Welfare Reform Project is able to deliver; and
- Ensuring that progress is being made against strict timelines.

The final phase of engagement is to demonstrate community support for welfare reform and mandate its implementation. Design proposals are introduced to community members in detail as a means of realising each community’s vision. Community feedback will have a particular bearing on how the proposed package of reforms is actually implemented. Implementation will potentially differ across the four Welfare Reform communities.

3. **Project Elements**

Within each phase there are five project elements that guide the work.

1. **Leadership Development**

Leaders are strongly encouraged and supported in taking a leading role in the Community Engagement Forum and leadership of the reform agenda. The main indicator of the

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effectiveness of this active mentoring is each individual leader’s view of the extent to which their capabilities are enhanced and actively demonstrated, especially in leading the CEF and advocating for change.

2. **Communication, information and feedback**

The work streams are designed to ensure a consistent message about the details of welfare reform proposals through communication, liaison, consultation, and formal feedback loops. Consistency of message is fundamental to avoiding misinformation. Verifying the effectiveness for formal information will be achieved by monthly monitoring of relevant records.

3. **Advocacy and promotion**

For the Welfare Reform Project to succeed, it is crucial that community members have a sense of ownership, that reform responds to change in a relevant cultural context and that members understand how reform will impact on their lives. The advocacy and communications of the Welfare Reform Project are essential for its success.

The Welfare Reform Project’s advocacy and communications processes have been designed to strengthen relations of trust and interaction between community members, community leaders and the Welfare Reform Project’s Engagement and Design staff. They are premised upon participatory mechanisms, designed to ensure transparency and interactivity in the design and implementation phases of the project. The inclusion of such mechanisms will allow community, other stakeholders, and Welfare Reform Project staff to monitor, review and contribute to the development of the Welfare Reform Project in an immediate and widely understood manner. This will dramatically reduce suspicion of and antipathy towards welfare reform during implementation.

The main task areas are to:

- Ensure a team approach, especially with community Engagement officers, for consistency of message to the community on welfare reform;
- Conduct stakeholder analysis for levels of information and influencing, internals and externals;
- Effect change process at the community level;
- Formal relationships with leadership;
- Identify potential change agents for direct advocacy;
• Community saturation of Engagement and Welfare Reform issues.

In developing advocacy and promotion, the Engagement team identified four key communications objectives:

(1) Create broad awareness among community and leadership stakeholders of the welfare reform agenda;

(2) Educate community members about the ways in which welfare reform principles can be practically applied in their behaviours;

(3) Facilitate dialogue between community leaders and community members so as to encourage transparency and confidence in application of welfare reform principles;

(4) Create standardised publications to ensure consistency of message and understanding.

4. Community vision

The visioning process is a standard tool to achieve social change, especially through participation in and community ownership of change. Communities are asked to identify their core dysfunctions, to actively debate and contribute to a vision of a better life, to agree to enforce socially acceptable behaviours aimed at building new norms. The critical concepts are participation and inclusion. It is also crucial to encourage and facilitate the participation of people from all of the community’s groups: change advocates, change opposers, and the marginalised and voiceless. This approach will ensure that the widest possible range of issues is covered and develop confidence that consultation and engagement is real. Community ownership is ensured through strong participation and inclusion, and ultimately through a broad community endorsement of the proposed changes.

The Engagement team aims to support the communities in developing visions which:

• Provide a balance between what is ideal and what is realistic;

• Focus on the big picture;

• Are broad and based on values rather than a wish list;

• Inspire and challenge, rather than scare and intimidate;

• Is clear enough for people to see it in their minds; and

• Is set far enough into the future to be radically different, but near enough to be seen as achievable.
The vision process is done in parallel to the CEF. CEFs provide the formal acknowledgement and endorsement of the issues raised in the Engagement Process.

5. **Community ownership**

Community engagement is a closely interrelated set of processes; engagement, visioning and a community forum. It is the engagement process which raises the issues, the visioning process which gains community ownership of change and the CEF which acknowledges the change and gives it legitimacy. Due to the importance of community acknowledgement achieved in the CEF, a major undertaking is to keep accurate records. A secondary reason for keeping accurate records is the value of the data gathered from the CEF on community issues. It is proposed that the community itself assists in evaluating the extent to which the decisions endorsed at the CEF are representative of the community’s views. Both facilitators have responsibility for the success of the CEF, but there is a central reliance on Leadership team members.

The CEF is the culmination of preceding rounds of community consultation at the community and the leadership levels. As an ongoing check and balance, a CEF is convened in the community at the completion of each phase of the project. These playback to the community the issues and views gathered from the engagement meetings. The CEFs also present to the community a categorised synthesis of community views. This open community process is a public acknowledgement that every person’s voice is being heard, recorded and contributing to the process. The CEF will be led by community leaders with facilitation and support provided by the Engagement team. The forum will seek to gain endorsement from the community that views and issues as categorised are representative of the community’s position. This public endorsement will in effect set the agenda for the community Engagement Process to pursue.
The Community Engagement Forum process

- Each CEF meeting is open to the whole community.
- Advocates and opponents of suggested reforms should be identified and included.
- Leaders (formal and informal) facilitate CEF meetings, prepare the agenda, open and manage CEFs.
- The CEF agenda is prepared by community leaders based on issues arising from the visioning discussion groups.
- Each CEF agenda should include issues to further assist the development of design concepts.
- Each CEF will be chaired by the community Chair (i.e. Mayor or Chair of key organisation).
- The Engagement team works with the community to ensure a high level of participation amongst community members and leaders, and to avoid postponement.
- Each CEF meeting is recorded in detail, including leaders attending, demographics of participants, issues, discussion and results.
- The CEF outcome is an acknowledgement that each issue is discussed and understood and ready for sign-off.
- Sign-off of the agreed views of the community on given issues will be at the next council or corporation meeting.

4. Progress on project elements

The purpose of this section is to report on project progress against each of the areas for strategic focus after the completion of phase one.

1. Leadership Development

The involvement of community leaders varies from community to community. During the preparation for the implementation of the Welfare Reform Project, community leaders have attended leadership development workshops, and they continue to regularly attend a capacity building program through the Institute.
Leadership development facilitators have used different approaches to capacity building depending on the needs of the individuals in their communities.

In Mossman Gorge, the leadership, as well as the community people, are ready to embrace radical change. A mentoring role by the facilitator has had positive results. The Board of Directors keeps itself informed of all the related issues, from engagement issues to payment reform design options. Mossman Gorge was the first community to have a CEF. During the forum, with the Chairman governing the proceedings, the community endorsed the findings of the first round of Engagement.

Coen had a later start, but a successful CEF nonetheless. Like Mossman Gorge, Coen people also have their community interests in the hands of an organisation and its Board of Directors. Leadership in Coen welcomes reform.

Hope Vale presented some serious difficulties with leadership development. The community politics are quite volatile. Nonetheless the leadership facilitator has worked closely with supporting councillors and opposing councillors alike. Councillors continue to participate in the process, and are very well informed about all the elements and possible future directions. The Hope Vale CEF endorsed the community concerns raised during the first part of Engagement, and began to work reform changes into their own local planning.

Aurukun is the only community which has not had a CEF. While our community engagement discussions indicate that many people are quite fed-up with current conditions, and look forward to radical change for the future, progress with the leadership team is poor. Community people have showed themselves willing to reveal their heart’s concerns. The Engagement team facilitators have made great progress in building relationships of trust amongst community people.

2. Communication, information and feedback

To date, information and feedback on the case for change, the direction of community discussions and design choices has been broad rather than detailed. The outcomes of the information and feedback process to date have been:

1. The circulation of papers covering the main areas of design options.
2. The leaders in the communities have been updated regularly on the details of proposals and are involved in ongoing leadership workshops run by the Welfare Reform Team on visioning and the welfare reform agenda.
3. Leadership facilitators provide feedback on issues of reform design raised by leaders.
4. The Design team considers comments from leadership and community meetings.
(5) The output of discussions has been collated and provided to inform the work of the Design team.

(6) Regular meetings have been held between Engagement and Design team members, and a series of community visits have been conducted by the design team.

The most significant outcome has been the institution of the community consultations, of leadership and community feedback going to the Design team, and of regular meetings on given issues. Of greatest significance however is that street level conversation now incorporates the language of reform. This reflects the success of community engagement to date.

3. Advocacy and Promotion

Welfare Reform engagement staff located in the four Welfare Reform communities have ensured close working relations with formal community leadership (councils, executive administration, Justice Groups), informal community leadership (men’s and women’s groups and other community groups, CDEP workers and families), and service deliverers. This has allowed the Engagement staff to educate and inform various segments of each community with consistent messages through tailored delivery mechanisms.

By participating in regular inter-agency meetings, council meetings, informal community meetings and individual interactions, engagement staff have been able to analyse existing relations of influence in each of the four Welfare Reform communities. This documented information has been used to contribute to community profiles, and comparisons between the communities in order to identify similarities and differences in community power relations.

Each of the Engagement staff have created regular formal meeting schedules with senior council members and community Mayors/Chairpersons. These formal meetings buttress more regular informal discussions initiated by the Engagement team outside the business environment, and make possible the formal review of timelines and allow progress to be monitored.

Through regular meetings with formal and informal community leadership and stakeholders, as well as much broader interaction with community members, each member of the Engagement Team has been able to develop close working relationships with key community change agents. These change agents vary significantly in age, community status, skill-sets and influence, but have come to occupy prominent positions in encouraging community buy-in (ownership) and momentum for the the project’s work. They have become especially important in the larger communities of Aurukun and Hope Vale, where the sheer number of community members means individual information and engagement sessions are not always practical. Instead, through the cultivation of key
change agents and the development of key groups, the community is empowered to direct its own adoption of Welfare Reform principles.

4. **Community Vision**

The components of a shared community vision are being assembled in the three communities of Coen, Hope Vale and Mossman Gorge. Individual issues and concerns have been expressed in discussion with the Engagement team. These concerns and issues have been collated and have formed the basis of CEFs in each of the three communities. A statement of values is being completed currently that highlights behaviours directly linked to the concept of obligation.

The completion of a values statement provides the opportunity for the community to consider a future vision of the community. At this point, design concepts can be articulated that assist the community to achieve its future vision and reinforce their shared values.

The next cycle of CEFs is scheduled for early June in Coen, Hope Vale and Mossman Gorge. Progress in Aurukun remains a concern, with the first CEF outstanding.

5. **Community Ownership**

Coen, Mossman Gorge and Hope Vale have all held CEFs. The first CEF in each community drew formal closure to phase one, with community concerns acknowledged and catalogued. Importantly, each CEF has endorsed the consolidated concerns arising from individual discussions. Community ownership in these three communities is developing well.

Subsequent CEFs will build upon the findings of the first forum, as the project moves through its two remaining phases. While the ultimate measure of community ownership is endorsement of the final package of welfare reforms, successfully completing phase one in three of the communities represents significant progress. Considering the revolutionary nature of the proposed changes and the particular challenges of Aurukun, three CEFs in four communities is a satisfactory outcome.

5. **Reach of the Engagement Process**

By the end of the first week of March 2007, six months of community engagement had been undertaken and the first phase of the project completed.
Participation

Over the four communities, 340 individuals were consulted through the initial phase of discussion focusing on items of concern in the community. Some were consulted in small groups, but mainly as individuals.

These individuals represent significant proportions of the populations in the Welfare Reform communities (Table C.1). The two smaller communities have higher community participation than the more populous communities.

Table C.1 Proportion of Populations Participating – Phase 1

<table>
<thead>
<tr>
<th></th>
<th>Aurukun</th>
<th>Coen</th>
<th>Hopevale</th>
<th>Mossman Gorge</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number Consulted</td>
<td>120</td>
<td>60</td>
<td>98</td>
<td>62</td>
<td>340</td>
</tr>
<tr>
<td>Working Age Pop</td>
<td>650</td>
<td>180</td>
<td>680</td>
<td>105</td>
<td>1,665</td>
</tr>
<tr>
<td>% Consulted</td>
<td>17%</td>
<td>33%</td>
<td>14%</td>
<td>59%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Inclusion by gender and age group

Most consultations took place with people in the age group between 25 and 54 years of age. As the Welfare Reform Project is especially interested in the views of the younger and older members of the community, and in the differing views of women and men, these were the main inclusion categories. Table C.2 shows the categories by number and Table C.3 shows the categories by proportions.

Table C.2 Population Segments Interviewed by Number – Phase 1

<table>
<thead>
<tr>
<th></th>
<th>Aurukun</th>
<th>Coen</th>
<th>Hopevale</th>
<th>Mossman Gorge</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 – 24</td>
<td>M 10</td>
<td>F 14</td>
<td>M 7</td>
<td>F 5</td>
<td>M 11</td>
</tr>
<tr>
<td>25 – 54</td>
<td>M 52</td>
<td>F 27</td>
<td>M 18</td>
<td>F 14</td>
<td>M 21</td>
</tr>
<tr>
<td>over 55</td>
<td>M 13</td>
<td>F 8</td>
<td>M 7</td>
<td>F 5</td>
<td>M 6</td>
</tr>
<tr>
<td>Total</td>
<td>M 75</td>
<td>F 49</td>
<td>M 32</td>
<td>F 24</td>
<td>M 34</td>
</tr>
</tbody>
</table>
Overall, there is balance for the age groups across the communities. Mossman Gorge has a sound inclusion of the under 25 year old age group, but is quite low on the older age group. Conversely Coen has sound inclusion of the older group, and is also reasonable with regard to the younger group. While the overall inclusion of female to male was equitable, without the focus on women by Hope Vale, this ratio would have favoured the male population. Mossman Gorge is balanced on gender, but Aurukun and Coen have, to date, leaned towards lower inclusion of females. Young people have been much harder to engage than middle aged community members. A clear bias favours 26-55 year olds and is in contrast to the demographics of the community (see Appendix B).
APPENDIX D: EVALUATION FRAMEWORK

Purpose
An evaluation of the outcomes of the Welfare Reform pilot is necessary to inform decisions by the Australian and Queensland Governments on whether to continue with the new welfare arrangements in the four Welfare Reform communities and introduce the new arrangements in other Indigenous communities.

Evaluation questions
To make a decision on the future of the new welfare arrangements, the Australian and Queensland Governments will need to know whether the arrangements implemented under the pilot achieved their objectives and why. Therefore, the evaluation will seek to provide answers to the following:

1. Were the new welfare arrangements implemented appropriately?
   - The primary purpose of evaluating the implementation of the new arrangements is to provide information that can contribute to an understanding of the reasons for the outcomes achieved by the pilot. An understanding of the degree of success achieved in the implementation process can help to determine whether any negative outcomes from the pilot were caused by poorly designed arrangements or inadequate implementation of the arrangements.
   - A timely process evaluation may provide information to governments that will allow them to modify aspects of the administrative arrangements for the pilot if they are not operating as intended.
   - A process evaluation may also provide information that governments can use to ensure that any future reforms to welfare arrangements in Indigenous communities are implemented smoothly.

2. What happened as a result of the introduction of the new welfare arrangements?
   - A key objective of the new arrangements is the rebuilding of positive social norms. Social norms are the behavioural patterns which are based on the underlying values of a society. However, behaviours can differ from values if the values are weak and there are strong divergent influences. At present, there are many practices in Cape York Indigenous communities encouraging negative behaviour. For example, the practice of binge drinking frequently overwhelms weak values that say excess drinking is bad. The new welfare arrangements aim to turn this around. However, if the arrangements do not
also contribute to the strengthening of positive values, the commitment to the positive behaviour may be weak and unlikely to be sustained as the influence resulting from the new welfare arrangements wanes over time.

- Therefore, the evaluation should seek to assess whether any changes have occurred in people’s values as well as any changes in their behaviour.

3. **Were the new welfare arrangements successful?**

- A successful pilot will require some degree of improvement in the behaviours being targeted. The degree of improvement needed for the pilot to be considered successful will depend on factors including:
  - the extent to which the variables currently differ from recognised benchmarks;
  - the direction of existing trends in the behaviours of interest;
  - the extent to which any changes in behaviour differ from changes occurring in the behaviour of people in other communities not participating in the pilot; and
  - the duration of the pilot.

- Attitudinal change cannot be assessed as objectively as behavioural change. Therefore, qualitative assessments will need to be undertaken to understand the meaning of changes in attitudes.

- It is possible that behaviours will change but attitudes will not. This outcome may raise questions about whether the behavioural improvements can be sustained without significant ongoing (permanent) interventions.

4. **Which aspects of the new welfare arrangements were responsible for the outcomes achieved? What are the lessons from the pilot that are relevant for any extension of the new arrangements to other remote Indigenous communities?**

- The new arrangements contain a number of interventions. For governments to make decisions on whether and how to extend the new arrangements to other remote Indigenous communities, which may vary significantly from the four Welfare Reform communities in Cape York, they need to know the contribution made by each intervention to the overall outcome, to the extent this is possible. For example:
  - What value did the obligations on adults, the Family Responsibilities Commission (FRC) and the support services each add to the outcomes of the trial? Was the key
to success the obligations associated with welfare payments or the locally based institution implementing the new arrangements or the additional support services? Were all the interventions required? What could be done to improve the outcome?

Information requirements

The information required to answer these questions can be broken into four categories:

1. *The information needed to assess whether the new welfare arrangements were implemented appropriately. This includes:*

   - For the FRC to function as intended:
     - whether Commonwealth and State legislative amendments were in place;
     - whether adequate funding was allocated (including salary levels sufficient to attract appropriately qualified staff);
     - whether staff of sufficient quality and quantity were recruited, trained and provided with appropriate support;
     - whether arrangements were in place for the monitoring of compliance with payment obligations and reporting to the FRC;
     - whether Queensland/Australian Government support services were available (eg case managers to respond to poor school attendance, substance abuse, gambling, and/or family violence).

   - For the new CDEP/local services funding model to function as intended:
     - whether adequate funding was allocated to councils and state government service providers to deliver core local services.
     - whether employment readiness and search services were in place and adequately funded.
     - whether criteria were established for the activities CDEP participants could undertake to ensure they are performing only non-council / government tasks for the purpose of improving job readiness.

   - For the people in the communities to accept the new welfare arrangements:
     - whether people were fully informed about the new arrangements and aware of how the arrangements would affect them.
2. **The information needed to measure the behavioural changes resulting from the new welfare arrangements. This includes:**

- For the measures to rebuild individual responsibility, the primary information requirements are in regard to:
  - school attendance;
  - child neglect and abuse;
  - drug, alcohol, gambling or family violence offences;
  - tenancy.

- Supporting information requirements for these measures include:
  - school readiness;
  - child protection orders;
  - substance abuse by parents;
  - problem gambling by parents;
  - family violence;
  - child health outcomes that are largely determined by parental behaviour.

- For the measures to encourage greater participation in education and employment:
  - participation in years 11 and 12 schooling
  - participation in post school education and training
  - job readiness
  - employment
    : with state/local government service providers; and
    : with local private employers or non-local public or private employers.
3. **The information needed to measure changes in people’s values resulting from the new welfare arrangements.**

Information will need to be collected on attitudes to education, substance abuse, gambling, violence and employment.

- Highly disaggregated data on behaviours and values will be needed. Those members of the community that receive welfare payments and are subject to obligations will have to be distinguished from those that do not receive the welfare payments that are the subject of obligations.

- Also, data from other communities not involved in the pilot will need to be obtained as a ‘control group’ to assist in quantifying the impact of the new arrangements.

- The evaluator will need to adhere to the relevant ethical standards for the use of personal information.

4. **The information needed to assess the reasons why the behavioural and attitudinal outcomes occurred. An example of the sort of information needed is as follows:**

- The importance of the FRC to the outcomes achieved by the new welfare arrangements may be assessed by testing whether it met the criteria which the Institute has argued are necessary to address dysfunctional behaviour. That is:
  - does the community have a sense of ownership for the role of the FRC?
  - is it intervening earlier than other institutions, thus preventing problems arising?
  - is it more responsive to the demands of the community?
  - has it contributed to instilling a sense of individual and family responsibility in the community?
  - has it been able to enforce its sanctions?

**Data sources and methods**

1. **Policy implementation**

The information needed to assess the extent to which the new welfare arrangements were implemented as recommended will be held by Australian and Queensland Government
agencies, councils and private service providers. The evaluator will need to be given access to this information in a timely manner.

2. Behavioural changes

Behavioural changes need to be measured and assessed using both quantitative and qualitative data collected through surveys, record keeping or interviews.

A recent Queensland Government publication, *Partnerships Queensland: Future Directions Framework for Aboriginal and Torres Strait Islander Policy in Queensland 2005-2010 Baseline Report 2006*, identifies the existing quantitative data on Indigenous people in Queensland. However, much of this data is not sufficiently accurate at a community level and/or collected too infrequently for it to be useful for the purpose of evaluating a Welfare Reform pilot. The data which may be useful includes:

- Substantiated child protection notifications and protective orders, where there is a Department of Child Safety service centre in the community.

- Immunisations, although, for Mossman Gorge, problems with identifying usual place of residence and Indigenous status may undermine the quality of the data.

One option available for the Australian and Queensland Government to overcome the lack of quality, timely local data is to establish better collection mechanisms in Indigenous communities.

For some variables, local mechanisms currently exist. For example, schools collect attendance data which could be provided to the evaluators. Some problems still remain however. The attendance data will not allow the evaluator to determine whether the rate of absenteeism is due to a small group of children being consistently absent or a large group being occasionally absent. There is only one school in Queensland, Mornington Island, which has data on the proportion of children that are attending more than 90 percent of the time.

Greater problems exist when children from the community leave to attend school in another location. The data collection task for schools would become more onerous if they had to disaggregate the attendance data by children’s usual place of residence. Also, in the schools in Mossman, the Indigenous children usually residing in Mossman Gorge would have to be separated from the Indigenous and non-Indigenous children from Mossman.

Attaining quality local information on the other variables of interest will require the establishment of local collection mechanisms. This must be done well before the commencement of a pilot so that sufficient pre-pilot data can be obtained for comparative purposes. For some variables such as participation in post-school education and training
and employment, local surveys will not provide an accurate picture as some people will leave the community to take up education, training and employment opportunities.

Whether or not the Australian and Queensland Governments decide to establish better local collection mechanisms, case studies should be conducted to obtain quantitative and qualitative information to complement that which has been collected through record keeping and surveys. This would require a number of individuals and families in each community to volunteer to participate in regular interviews where information on behaviours would be collected.

Even if better local collection mechanisms were established, this is not going to solve the problem of how to track the activities of people that leave the community to pursue education, training and employment opportunities. As a successful pilot will be characterised by an increase in the number of people becoming mobile, it is important that this can be measured. Regular interviews with individuals and families will allow this information to be obtained.

Case studies also provide a solution to the problem of community-level data not being able to distinguish the proportion of the community’s population participating in the pilot from the proportion that is not. This is particularly relevant for the activities intended to rebuild parental responsibility. To be directly affected by the reformed welfare arrangements, community members will have to be receiving one of the transfer payments for which the new arrangements apply. Case studies will allow behavioural changes amongst those people within the pilot to be separated from those outside the pilot.

3. **Attitudinal changes**

Research using qualitative information collected through interviews or focus groups will be required to understand existing attitudes to education, health, substance abuse, gambling, violence and employment and to track changes in these attitudes during the course of the pilot.

Specialist skills will be required for this task. It may be possible to draw on the work undertaken by the Welfare Reform Engagement Team and to use the team to facilitate research activities during the course of the trial, given that they will have built up, to some extent, the relationships needed to allow this type of research to be undertaken.

4. **Understanding the reasons behind the pilot’s outcomes**

Qualitative research at the conclusion of the project will need to be undertaken to gain an understanding of what interventions worked and why. Interviews with community members as well as service providers are likely to be required.
Interpreting results

It is recommended that a reference group be established to provide advice to the evaluator on how to interpret the outcomes obtained from the evaluation of the pilot. The reference group should consist of representatives from the Indigenous communities participating in the pilot, the Institute and relevant government agencies.
# Appendix E: Summary of Government Engagement

<table>
<thead>
<tr>
<th>Project governance</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steering Committee</td>
<td>15 August 2006</td>
</tr>
<tr>
<td></td>
<td>12 October 2006</td>
</tr>
<tr>
<td></td>
<td>13 December 2006</td>
</tr>
<tr>
<td></td>
<td>21 February 2007</td>
</tr>
<tr>
<td></td>
<td>18 April 2007</td>
</tr>
<tr>
<td>Management Committee</td>
<td>Meetings scheduled fortnightly</td>
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<tr>
<td><strong>Australian Government</strong></td>
<td></td>
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<tr>
<td>Letter to Member for Leichhardt</td>
<td>7 November 2006</td>
</tr>
<tr>
<td>Reference Group and workshops</td>
<td>31 August 2006</td>
</tr>
<tr>
<td></td>
<td>23 November 2006</td>
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<tr>
<td></td>
<td>19 December 2006</td>
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<tr>
<td></td>
<td>9 February 2007</td>
</tr>
<tr>
<td></td>
<td>9 March 2007</td>
</tr>
<tr>
<td>Treasury</td>
<td>25 September 2006</td>
</tr>
<tr>
<td>Manager, Indigenous Coordination Centre (CNS/CY)</td>
<td>18 October 2006</td>
</tr>
<tr>
<td>ICC Management Committee</td>
<td>24 October 2006</td>
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<tr>
<td>ICC All Staff briefing</td>
<td>17 November 2006</td>
</tr>
<tr>
<td>Meetings with Australian Government agencies including the Departments of:</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Families, Community Services and Indigenous Affairs; Education, Science and Technology; Employment and Workplace Relations; and Treasury</td>
<td></td>
</tr>
<tr>
<td>Meeting with Minister for Families, Community Services and Indigenous Affairs</td>
<td>8 March 2007</td>
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<tr>
<td><strong>Queensland Government</strong></td>
<td></td>
</tr>
<tr>
<td>Letter to Premier</td>
<td>25 October 2006</td>
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<tr>
<td>Letter to Minister for Communities, Disability Services, Seniors and Youth</td>
<td>25 October 2006</td>
</tr>
<tr>
<td>Letter to Member for Cook</td>
<td>7 November 2006</td>
</tr>
<tr>
<td>Interagency Group meetings and workshops</td>
<td>29 September 2006</td>
</tr>
<tr>
<td></td>
<td>27 and 30 October 2006</td>
</tr>
<tr>
<td></td>
<td>1 December 2006</td>
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## Project governance

<table>
<thead>
<tr>
<th>Champions’ Reference Group</th>
<th>Date</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>16 February 2007</td>
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<tr>
<td>FNQ Regional Director, DATSIP</td>
<td>19 September 2006</td>
</tr>
<tr>
<td>A/Regional Director, ATSIP, Dept of Communities</td>
<td>19 October 2006</td>
</tr>
<tr>
<td>Cape York Strategy Unit and ATSIP staff, Department of Communities</td>
<td>24 October 2006</td>
</tr>
<tr>
<td>Regional Managers’ Coordination Network</td>
<td>14 December 2006</td>
</tr>
<tr>
<td>Meetings with Queensland Government agencies including the Departments of: Communities; Child Safety; Education, Training and the Arts; Employment and Industrial Relations; Justice and Attorney-General; State Development; and Treasury</td>
<td>Ongoing</td>
</tr>
<tr>
<td><strong>Trilateral meeting – Australian Government, Queensland Government, CYI</strong></td>
<td>29 January 2007</td>
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</tbody>
</table>

### Community

<table>
<thead>
<tr>
<th>Hope Vale – Project launch meetings</th>
<th>Date</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>July 2006</td>
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<tr>
<td>Aurukun – Project launch meetings</td>
<td>7 September 2006</td>
</tr>
<tr>
<td>Coen – Project launch meetings</td>
<td>13 September 2006</td>
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<tr>
<td>Mossman Gorge – Project launch meetings</td>
<td>8 September 2006</td>
</tr>
<tr>
<td>Hope Vale Negotiation Table</td>
<td>8-9 November 2006</td>
</tr>
<tr>
<td>Engagement officers commence in Coen, Hope Vale and Mossman Gorge – start of intensive Engagement Process</td>
<td>16 October 2006</td>
</tr>
<tr>
<td>Engagement officers commence in Aurukun – start of intensive Engagement Process</td>
<td>30 October 2006</td>
</tr>
<tr>
<td>Aurukun Negotiation Table</td>
<td>14-15 November 2006</td>
</tr>
<tr>
<td>Leadership Retreat</td>
<td>7-8 December 2006</td>
</tr>
<tr>
<td>Engagement Process Forum, Mossman Gorge</td>
<td>12 December 2006</td>
</tr>
<tr>
<td>Engagement Process Forum, Coen</td>
<td>5 March 2007</td>
</tr>
<tr>
<td>Engagement Process Forum, Hope Vale</td>
<td>7 March 2007</td>
</tr>
<tr>
<td>Project governance</td>
<td>Date</td>
</tr>
<tr>
<td>-----------------------------------------------------------------------------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td><strong>Design team consultations</strong></td>
<td></td>
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<tr>
<td>Mossman Gorge re: CDEP and employment</td>
<td>10 November 2006</td>
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<tr>
<td>Mossman Gorge BBN Board</td>
<td>21 November 2006</td>
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<tr>
<td>Mossman Gorge re: CDEP</td>
<td>6 December 2006</td>
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<tr>
<td>Hope Vale re: Work/Study/Dole</td>
<td>12 December 2006</td>
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<tr>
<td>Mossman Gorge re: Payment obligations and Family Responsibilities Commission</td>
<td>30-31 January 2007</td>
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<tr>
<td>Hope Vale re: Work/Study/Dole</td>
<td>14-16 February 2007</td>
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<td>Coen re: Payment obligations and Family Responsibilities Commission</td>
<td>20-23 February 2007</td>
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<tr>
<td>Mossman Gorge re: Payment obligations and Family Responsibilities Commission</td>
<td>26 February 2007</td>
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<tr>
<td>Hope Vale re: Payment obligations and Family Responsibilities Commission</td>
<td>27-29 February 2007</td>
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<tr>
<td>Coen re: Work/Study/Dole</td>
<td>5-7 March 2007</td>
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<td><strong>Enabling team consultations</strong></td>
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<tr>
<td>Hope Vale re: People Action Network – Councillors and Community Members</td>
<td>6-9 November 2006</td>
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<tr>
<td>Coen re: People Action Network – CRAC Board and Community Members</td>
<td>30 November 2006</td>
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<tr>
<td>Aurukun re: People Action Network – Councillors and Community Members</td>
<td>16-17 January 2007</td>
</tr>
</tbody>
</table>
APPENDIX F: CONDITIONS AND PAYMENTS: DOMESTIC AND INTERNATIONAL EXPERIENCE

Background

In response to the poor state of social norms in Cape York, the Institute has researched whether conditions could be attached to government transfers to create an incentive to undertake a certain course of behaviour. Attaching conditions to payments is not novel. Some existing benefits already have behavioural conditions attached. For instance, to be eligible for Child Care Benefits and the Maternity Immunisation Allowance, parents must have ensured that their children have received the recommended immunisations against certain diseases.

There are several examples of conditional payments both domestically and internationally. A literary review of domestic and international experience of attaching conditions to payments and other benefits has been conducted, covering: (1) attaching conditions to welfare payments in Australian pilot projects; (2) Shared Responsibility Agreements; (3) attaching conditions to cash transfers in developing countries; and (4) attaching conditions to welfare payments in the US.

Domestic examples of obligations – Truancy Pilots

Halls Creek

A project to reduce truancy started in Halls Creek during August 2005, as a result of a local agreement between the school principal and the manager of the Centrelink Remote Area Service Centre. Approximately 16 parents of students who were not attending school were required to attend an interview with Centrelink to discuss strategies focused on getting their children back to school. Those parents that did not attend these interviews had their Parenting Payment suspended until such time as they met with Centrelink. The pilot ran for two months, and during this period school attendance reportedly increased from 54 percent to 80 per cent.64

Despite this marked improvement in school attendance, there were issues around the legality of the trial. According to social security legislation, suspension of payments for not attending a Centrelink interview can only occur when the interview is about eligibility for payment or participation-related issues. In addition, the method by which non-attendance information was provided to Centrelink was probably in breach of privacy legislation. As a result of these issues, the pilot was discontinued in that form.

64 Ruse, B. 2006. (4 October.) ‘Voluntary truancy trial fails’. The West Australian.
A second pilot, officially sanctioned by the Department of Employment and Workplace Relations (DEWR), ran between February and July 2006. This pilot, named the Halls Creek *Engaging Families* trial, was voluntary and contained no threat of sanctions to participants. The *Engaging Families* trial had two aims: firstly, to increase participation in job-oriented activities among Parenting Payment recipients with children at Halls Creek School, and secondly, to encourage those parents to try to make their children attend school regularly. Thirty Parenting Payment recipients (single and partnered) commenced the trial, with 22 remaining at the end of the six month period.

This voluntary pilot was partially successful in engaging parents in labour market activities: participants took part in training, met with Centrelink social workers, participated on CDEP, and three parents gained employment. However, school attendance of their children did not improve during the trial period. In fact, just over half of the children in the trial attended school for less than 46 percent of the time.

According to DEWR’s evaluation of the trial, the parents who volunteered wanted their children to go to school, but “they did not get their children to change”. 65 According to the evaluation:

> There appears to be a conflict between parenting behaviour that allows children to decide their own time use patterns from an early age and the parents desire for their children to go to school. In an environment where children make up their minds each day as to whether to go to school or not, the significance of the parent as a ‘method of engagement’ for the children declines and the role of the school — particularly in terms of teacher quality and school culture — increases. 66

DEWR’s evaluation of the trial recommended that it not be extended in the form in which it was implemented. This recommendation was based on the findings that the voluntary method, without the threat of sanctions, was not successful, and the outcomes did not justify the cost of the intensive support provided.

**Geraldton (Geraldton Senior College and John Willcock College)**

Geraldton’s *Positive Student Attendance Strategy* began in July 2006, and is primarily designed to reduce the level of student debt incurred through non-attendance at high school. This is a significant problem, as some students accrue debts of up to $7000 while on Abstudy or Youth Allowance. These debts arise because students who record more than five unexplained absences per year have to pay back an increasing percentage of their entitlements to the Australian Government.

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Centrelink and the Western Australian Department of Education have signed a Memorandum of Agreement, and now exchange information on non-attending students on a fortnightly basis. In the past, this attendance data was only provided at six monthly intervals. Upon receipt of this information, Centrelink identifies which of the non-attending students receive Abstudy or Youth Allowance. If any of those non-attending students who receive payments have an unexplained absence in the second fortnight, they are sent a letter by the school asking them to discuss these absences at a meeting with their parents, the Principal, the truancy officer and Centrelink. Alternatively, the student can contact the school to explain their absences.

According to Centrelink, more regular monitoring has reduced the likelihood of students accruing debt, and has also addressed other issues that have resulted in non-attendance and disengagement. Of the 40 non-attending students asked to explain their absence or attend the meeting, 30 were able to explain their absences. The other ten students have been directed to the appropriate services. One student, who did not want to be at school, was assisted to write a résumé which secured her a job and enabled her to move from low attendance in school to employment.

A further improvement is the information sessions run at the start of each semester for Years 10-12 students by the school Principal, Student Attendance Officer and Centrelink. These sessions inform the students of the school’s expectations, the eligibility requirements for payments, and the consequences of non-attendance.

This trial is to be formally evaluated in the near future with a view to expanding the coverage to TAFE and university students. Joe Hockey (then Federal Minister for Human Services) and Ljiljana Ravlich (then Western Australian Education Minister) indicated their support and interest in the outcomes.

Domestic examples of obligations – Shared Responsibility Agreements

Shared Responsibility Agreements (SRAs) are voluntary agreements between federal, state and local governments, Indigenous communities and other partners to develop and deliver services and programs to Indigenous communities. SRAs detail what all partners to the agreement will contribute in order to develop reform for Indigenous communities. SRAs draw on ideas from local communities as to what changes are desired and how they might be achieved. Although there are no known instances of SRAs involving conditional transferral of money to individuals or families, it is informative to explore the challenges and outcomes involved.

Nationally, 208 SRAs have been signed to date, 34 of which are located in Queensland. Six SRAs have been signed by communities in Cape York.67

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Three types of thematic SRAs are reviewed in this paper: ‘No school, no pool’, ‘Breakfast Club’ and ‘No school, no scouts’. These SRAs intend to respond to the community priorities of:

- improving school attendance and outcomes;
- healthier and safer communities; and
- youth activities,

and therefore they attach obligations to community members in return for positive incentives.

**No school, no pool**

There are a number of SRAs that use the ‘No school, no pool’ theme. The four outlined here were signed at Bidyadanga (Western Australia), Mimili, Amata and Watarru (all in South Australia). The essence of these SRAs is that the pool can only be used by those students who attend school.

Each SRA sets out obligations for communities and families/individuals. The community obligations of ‘No school, no pool’ SRAs include supporting children to engage with their education by adhering to the ‘no school, no pool’ policy. The community agrees to maintain records of school attendance and pool usage and establish a pool management committee which in turn is to develop a community policy regarding food available at the pool canteen. In the South Australian examples, the community has planned to take full responsibility for the pool over a four year period.

The family/individual obligations include supporting the ‘No school, no pool’ policy and encouraging children to attend school regularly. Families are also obliged to encourage children to attend periodic health checks and contribute to the ongoing costs associated with the pool (in accordance with the levy set by council). Individuals will also be assessed for swimming ability, and must attend swimming lessons to improve skills. Community members are also required to work together to develop and enforce a code of conduct for the pool.

The following performance indicators have been developed for these ‘no school, no pool’ agreements:

- number of absent (Indigenous) student days per term;
- number of adults/parents at each pool session;
- number of children at each pool session per week;
• number of children and adults achieving a recognised swimming standard;

• number of children presenting at health clinics with skin infections; and

• percentage of school students meeting ‘school for pool’ criteria.

**Breakfast Club**

The goal of the ‘Breakfast Club’ SRA is the provision of a healthy breakfast and recess snack for schoolchildren. Breakfast Club SRAs have been signed in both Kalumburu (Western Australia) and Gerard (South Australia), and were developed in response to the community priorities of improving school attendance and educational outcomes, and to ensure the wellbeing of children and youth through active involvement of parents.

These communities agreed to obligations requiring them to coordinate and manage the breakfast program as a way to promote and encourage school attendance while engaging parents in their child’s education. The communities agreed to set up a bank account to hold funds for the activity. Parents are being encouraged to make direct debits to this account. Community members are also required to ensure that all breakfasts provided are nutritious and demonstrate a balanced diet.

The family and individual obligations require active participation in the breakfast program, getting children to school and reinforcing attendance requirements. Families are also required to make fortnightly contributions for food and complete training in food preparation and nutrition.

The parents thus make sure their children attend the Breakfast Club, which those parents pay for and have to run. Parents also have to make sure their children attend school. In return, the Australian Government provides equipment and helps the communities set up the direct debt scheme.

The performance indicators for the ‘Breakfast Club’ are:

• number of absent (Indigenous) student days per term;

• number of children accessing the breakfast program; and

• parents working on the program.

**No school, no scouts**

The Yalata community in South Australia has signed a ‘no school, no scouts’ SRA to address the community priorities of (a) improving school attendance and retention outcomes, (b) providing positive activities for young people that improve life and
leadership skills, and (c) developing better relations with the police. The substance of the agreement is that children who do not attend school are not allowed to participate in scouts.

The community’s obligations are to support involvement in the scout movement, provide accredited training in leadership and mentoring to scout leaders, and to provide CDEP workers to assist with the security of the scout facility. Families and individuals are obliged to volunteer time to run scout meetings and camping activities, enforce a ‘no school, no scouts’ policy, and send children who attend 85 percent of school to the National Jamboree each year. The performance indicators for the ‘no school, no scouts’ SRA are:

- number of absent (Indigenous) student days per term;
- number of children participating in scouts per term; and
- school council report on impact of SRA initiatives at the school.

**International Examples of Obligations – Conditional Cash Transfers**

Conditional cash transfers (CCTs) are demand-side programs that involve offering payment in return for fulfilment of an obligation. Since the mid-1990s, at least twelve countries in Latin America have implemented CCTs, in most cases with Inter-American Development Bank or World Bank support. The countries include Argentina, Brazil, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Honduras, Jamaica, Mexico, Nicaragua, and Peru. More recently, CCTs have spread beyond Latin America and have been adopted in Pakistan, South Africa, Turkey, Bangladesh, Burkina Faso, Mongolia, Kenya and Lesotho.

The Latin American CCTs have focused exclusively on complementary aspects of human capital development: school attendance, nutrition and preventive healthcare. This focus is partly due to the increasing recognition that developing human capital is integral to avoiding intergenerational transmission of poverty, and also that investing in education is ineffective without adequate nutrition. The expected long-term impacts of CCTs include reductions in poverty and malnutrition, and improvements in health status and school completion rates. The accumulation of human capital is in turn hoped to eventually lead to increased labour market returns and productivity.

**Education**

One of the most well known CCTs is the Mexican program named *Oportunidades*, which consists of a monthly payment to mothers of children who attend at least 85 percent of school days (as confirmed by their teacher). The program operates from Year 3 to Year 9, and is intended to cover both direct costs (such as fees, books, uniforms, and transportation) and indirect costs, ie. the opportunity cost derived from income lost as a
result of sending children to school rather than work. The grant of money aims to reduce the private economic costs of attending school by 50-75 per cent.\(^{68}\) In recognition of the fact that female enrolment decreases more sharply – relative to male enrolment – as children get older, there is a premium for girls in Year 7 onwards. The size of the grants increases as children get older, an acknowledgment that the opportunity cost of older children is greater as they become more economically useful.\(^{69}\)

The results of Oportunidades have been encouraging.\(^{68}\) *Enrolment* in Year 7 for children who have completed Grade 6 increased from 58 percent to 69 percent over a three year period. Of that particular increase, female enrolment increased 14.8 percent and male enrolment increased 6.5 per cent. The continued enrolment between Grades 6 and 7 is a particularly important time, because many drop out at this point. There was also a cumulative increase of 0.66 years in *average years of school education* (from a baseline of 6.80 years of schooling).\(^{70}\) School *drop-out rates* fell from 13 percent to 9 per cent, and grade repetition *decreased* from 37 percent to 33 per cent.\(^{71}\) There are similarly positive results in terms of enrolment, repetition and dropout in other Latin American countries where CCTs have been implemented in the education sector.

*Health*

After the success of education CCTs, policymakers have sought to complement the gains in education with improvements in health. Health care CCTs have usually taken the form of a cash grant to families (not individuals) for food consumption, conditional on household members complying with a protocol of preventative basic and reproductive health visits.

Some particular examples of conditions are as follows. In Mexico, payment is conditional on compliance by *all* household members with the required number of health centre visits *and* the mother’s attendance at health and nutrition lectures.\(^{72}\) In Colombia, parents receive payment if they undertake regular healthcare visits to monitor their child’s growth and development. In Nicaragua, parental attendance at health and nutrition lectures is mandated

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in return for payment, in addition to regular health clinic visits in order to monitor a child’s growth. 

As with the education CCTs, the attachment of health-related conditions to payments has yielded positive results. In Mexico, there has been a significant increase in nutrition monitoring and immunisation rates. Mexican infants under 3 years old who participated in monitored health clinic visits increased their growth between 30-60 per cent. Beneficiaries aged 0 to 5 had 12 percent lower incidence of illness than children who were not participating in the program. There have also been health gains in Colombia. The incidence of acute diarrhoea was reduced by 10 percentage points in urban areas and 5 percentage points in rural areas, while children participating in the program grew taller and gained more weight than those who did not participate.

Other positive results of CCTs

There thus appears to be a strong correlation in Latin America between positive outcomes in health and education and the implementation of CCTs. But it is also worthwhile to note that there are other benefits associated with CCTs that extend beyond human capital considerations. The following is a brief explanation of the small amount of documented evidence of these results.

Firstly, there may be ‘linkage effects’ in the local economy. For instance, if CCTs increase school attendance, there will be increased demand for desks and chairs. In developing countries, a local carpenter might be able to provide the supply to meet this new demand. More local teachers might be employed as enrolment rises.

Secondly, there might be multiplier effects through self-investments. The multiplier effect is the result of recipients using CCTs to overcome previous liquidity constraints to productive investment. Some beneficiaries have used the increased income to start micro-enterprise activities such as sewing clothes, making food for sale, carpentry, construction and selling handicrafts. Other beneficiaries have purchased animals for production (meat, milk, cheese, eggs) and work purposes. The increased utilisation of farming land has also been apparent where CCTs are operating. In Mexico, these investments have resulted in an estimated 22 percent increase in household consumption after 5 years of Oportunidades.

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Thirdly, there may be spill-over effects on the non-poor. A recent evaluation of Oportunidades in Mexico found that school enrolments of both eligible and non-eligible households increased as a result of the program. Secondary school enrolment rates of relatively poor ineligible households increased by 2.8 percentage points in comparison with ineligible households in villages where Oportunidades was not available. This evidence demonstrates that social interactions and/or peer pressure play a strong role in determining household behaviour.

Fourthly, CCTs provide a secure income which can be used to insure against shocks such as market failures or severe weather events. CCT programs targeting school attendance in Mexico, Nicaragua and Honduras have been quite effective in protecting the children of beneficiaries from being taken out of school when the household is subject to a shock. Without the CCT, children may have been removed from school either to be put to work or to save on school expenses. Therefore, the longer term consequences on human capital development associated with children being used as risk coping instruments is averted if a CCT is in place.

Fifthly, subsequent to the introduction of CCTs, there have been significant reductions in the incidence of child labour in developing countries. CCT programmes have reduced the probability of working amongst those aged eight to 17 years by around 10-14 per cent.

Finally, from an administrative perspective, the use of CCTs provides a means of evaluating the results of a wide-ranging program to improve the human capital of a particular community. The launch of a CCT program provides the opportunity to benchmark the community’s indicators in areas such as health and education. These benchmarks can then be monitored over time.

Problems of CCTs

Although there are many positive outcomes from the international examples of CCTs, there have been numerous problems as well. These negative consequences are also extremely important. Some of the points that follow may seem obvious at first, but they must nonetheless be borne firmly in mind when considering the implementation of CCTs or similar instruments in Cape York communities. The design of the CCTs may have to be complex in order to reduce the incidence of these challenges.

Firstly, there is the potential for the quantity of supply to be unable to meet the new demand that will hopefully result from the offering of cash in return for certain behaviour.\(^{80}\) In Nicaragua, this problem was manifested in a lack of supply of vaccines. An analogous example might be a shortfall in desks or classrooms to meet the demand of increased school enrolment, such as occurred in the Northern Territory community of Wadeye when the ‘no school no pool’ policy was introduced. It was reported that following the introduction of this policy, the school’s infrastructure could not cater for the increase in attendance, and the total number of students enrolled subsequently dropped.\(^{81}\) Critics of CCTs cite a lack of supply as the more significant issues in some countries, not a lack of demand.

Secondly, aside from the quantity of supply, there may be problems with the quality of supply. For instance, as the quality of education or healthcare is not assured, there is no guarantee that compliance with certain conditions will actually achieve the desired outcomes.\(^{82}\) The teaching personnel might be of substandard ability, the skills of the health professional could be inadequate, or the medicine available might be inappropriate or out-of-date.

Thirdly, good outcomes also rely on the quality of participation by the children and families concerned. Enrolment at school does not guarantee learning, as the child may not concentrate in class or may do no homework.\(^{83}\) Similarly, attendance at a health clinic does not guarantee good health if the family does not heed the professional advice given. Incentives for children is thus an issue that the Institute is addressing in designing obligations.

Fourthly, CCTs may create unintended negative side-effects such as an increase in fertility levels. In many developing countries, even higher fertility rates are not the desired outcomes of government policies. In Australia, the Institute is aware of anecdotal evidence that the Maternity Payment (also known as the Baby Bonus) has increased the incentive for young Australians to fall pregnant with the intent of using the $4000 to purchase a car.

Fifthly, there have been mixed results on the impact of CCTs on school attendance. Although attendance has been greatly improved in some countries, evaluations of Mexican


CCTs have revealed a more pronounced impact on enrolment than on attendance. In other words, families and children are signing up for school at the start of the year but are not following through with their intentions. This could be for any number of reasons – the teaching is poor, there are inadequate facilities, or the financial incentive is insufficient.

**Limited application of developing country experiences**

The developing country experiences of CCTs have some significant differences to the Australian Indigenous environment. The following examples illustrate the contention that some of the benefits of CCTs may have limited application in Cape York.

Firstly, CCTs are designed to cover not only the direct costs of keeping children educated and healthy, but also the opportunity cost derived from income lost as a result of sending children to school or the health clinic rather than work. However, in Cape York communities the opportunity cost of lost child labour is not likely to be an impediment to parents sending children to school in the Cape; although some older children may be taken out of school to look after their younger siblings.

Secondly, the potential for positive linkage effects might be constrained by available local resources. In order to cope with increased demand, the government will procure school supplies such as desks, chairs and blackboards, however it is unlikely that suppliers for such products will be located in Cape York communities. The supply of qualified local teachers who wish to remain in their Cape York community may also be limited. If unqualified local residents do decide to take the opportunity to meet the demand for carpenters or teachers, there is a time delay of three to four years due to training requirements.

Thirdly, although CCTs are designed to insure against external shocks such as market failure or severe weather events, Indigenous children are not usually removed from school and placed in work as a consumption smoothing mechanism to cope with external shocks. Child labour is not prevalent in Cape York communities, even in poor economic times. As mentioned above, the expense of sending children to school is not a primary reason for poor school attendance.

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International examples of obligations – US experience of conditional welfare payments

In the late 1980s, many US states began to link receipt of grants to behaviours such as job training, school attendance and work requirements. The reasons for linking welfare eligibility with school attendance in the US are similar to those of the Welfare Reform Project: the reinforcement of social norms of parental responsibility, and the hope that future welfare dependency will decrease by supporting school attendance and completion.

In 1996, the US Congress authorised the states to enter ‘individual responsibility plans’ with welfare recipients. (The Aid to Families with Dependent Children program was replaced by the Temporary Assistance for Needy Families program at the same time.) These individual responsibility plans are often the way that school attendance conditions are mandated to welfare recipients in the US. Under these plans, at least 30 states have explicit family life obligations for welfare recipients, including the following:

- ensure school participation for school age children;
- immunise their children;
- visit health clinics;
- attend life skills/parenting courses;
- undergo drug assessment; and/or
- attend family planning advice sessions.

States can also require that recipients attend money management courses or undergo substance abuse treatment.

School attendance

Each state has the discretion to determine the content of the obligation that children attend school. In Massachusetts, children are put on ‘probation’ if they miss more than 20 percent of school days in a three month period without a valid excuse. If, in the subsequent month, the child has more than three unexcused absences, the child’s parents lose about $95 per week.

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month of welfare benefits. The child remains on probation if they continue to fail the 80 percent school attendance requirement. If the child is sanctioned for three consecutive months, the family is referred to the social security authorities who may choose to provide assistance to the family.\textsuperscript{88}

In Delaware, each school is required to inform the social security authorities whether a child’s attendance is ‘satisfactory’.\textsuperscript{89} The State threshold for satisfactory attendance is 15 percent or fewer unexcused absences. If a child is reported as having unsatisfactory school attendance, the level of welfare benefits received by the family is reduced. For children under 16, the first offence results in an one-third reduction of the family’s welfare benefits, the second results in a two-thirds reduction, and the third offence results in a permanent loss of welfare benefits.

The Californian MerCAP project, which ran from 1997-2000, required that students not exceed more than 10 unexcused absences in any school year – an attendance requirement more rigorous than most other programs.\textsuperscript{90} The protocols directed schools to send a letter the child’s parents after five absences had accrued. Another letter was sent after seven absences, and a request for an interview was issued to the parents. At that interview, a corrective action plan is developed. However, if the parents failed to attend the interview or if the child reached the 10-absence limit, the social security authorities could sanction the family by reducing welfare benefits.

Campbell and Wright (2005) conducted the most recent and comprehensive literature review of the US programs. According to them, the effects of the school attendance conditions are clear. Programs that rely primarily on financial sanctions (or the threat thereof) have a negligible effect on attendance. On the other hand, those programs that combined sanctions with case management, supportive services, and positive financial incentives (such as bonuses for good attendance or graduation) showed limited but positive results.\textsuperscript{91}

\textit{Child immunisation}

Some US states reduce welfare entitlements for parents who do not immunise their children. In Delaware, failure to prove immunisation results in a $50 fine in the first

\begin{itemize}
\item \textsuperscript{88} Neighborhood Legal Services. 2004. ‘The Learnfare Rule’.
\end{itemize}
month, and increasing by $50 for every non-complying month. With 16,600 families receiving welfare benefits in 1998, there had been 1300 recorded episodes of a failure to prove that a child had been immunised.\(^\text{92}\) Unfortunately these results give no indication of the change in immunisation rates, although they do indicate a relatively high rate of breach of the condition. However, two evaluations of other US states suggest a significant increase in immunisation rates. Yet methodological problems with self-selection of families in at least one of these evaluations means that the results of the research are not necessarily representative.\(^\text{93}\)

**Parenting programmes**

Some US states also reduce welfare entitlements for parents who do not attend parenting education classes. In Delaware, failure to attend parenting education classes results in a $50 fine in the first month, and increasing by $50 for every non-complying month. As mentioned above, there were 16,600 families receiving welfare benefits in 1998 at the time research was conducted as to the rate of transgression. Of all the sanctions recorded, failure to attend parenting classes represented over 60 percent of all breaches, with over 3000 transgressions recorded.\(^\text{94}\) However, as with child immunisation, these results give no indication of the change in rate of attendance over time.

There are no other known evaluations of the impact of imposing welfare-linked conditions on attendance at parenting education classes. However, the authors of the research conducted in Delaware conclude that the major reason for non-compliance with the rules was not the lack of motivation to comply, but rather an inability to meet the requirements. Fein and Lee (1999) note that meeting all the requirements requires being able to organise schedules, arrange childcare and transportation, and complete paperwork. Welfare recipients are likely to confront obstacles such as low skills, substance abuse, mental health problems, and domestic violence, which make it difficult to consistently perform such tasks.

**Conclusion**

There is as yet no unequivocal evidence as to how conditional government transfers address the broad range of challenges facing communities with poor levels of capabilities.

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and social indicators on their own. As such, the Institute believes it is critical to view conditional government transfers as part of a holistic approach.

A holistic approach has been adopted in El Salvador, with CCTs representing one component of a three-pronged attack on poverty. CCTs are offered to mothers in return for obligations related to education and health. But there are two other elements of the anti-poverty policy: (1) investment in basic services and infrastructure, and (2) productive investment and micro-credit. As it was only implemented in 2005, there are as yet no detailed evaluations other than a 19 percent increase in school enrolment. But the Institute believes it significant that the CCTs were implemented simultaneously with the policies on infrastructure and investment.

The US evidence suggests that welfare-linked conditions should be supported by the provision of case management and other services designed to promote constructive collaboration between parents, school staff, children and social workers. Additional services might include intensive counselling, peer-group opportunities, and alternative educational, social and recreational programs.

The primary messages of this paper are thus that conditional payments have been successful in improving health and education outcomes in Latin America, but their use beyond health and education is untested. Conditional government transfers must not be seen in isolation from other policies in Cape York, nor must they be seen as a panacea to dysfunctional behaviour. They can only be viewed as one instrument in a comprehensive approach to improving capabilities.

The use of conditional government transfers in the Welfare Reform Project presents many challenges. In particular, however, an initial challenge is to confront the issue that conditional government transfers have primarily been used as a condition attached to a new and ‘discretionary’ benefit. The US case aside, conditional payments have been used in developing countries where there was no pre-existing benefit, and where there was no belief in a right to that payment, as is arguably the case in Australia. The Institute anticipates that it will be challenging to attach conditions to existing welfare payments, and that there must be some pragmatic thinking about how to package the reforms to gather political support in the communities.
APPENDIX G: ANALYSIS OF SUITABILITY OF COURTS AND COMMUNITY JUSTICE GROUPS TO REBUILD SOCIAL NORMS

In determining the appropriate body to enforce the obligations, numerous criteria were considered. An assessment of existing bodies against these criteria revealed the need for a new body to be established. The Institute identified six criteria as critical:

(1) The ability to be able to intervene early in poor behaviour;
(2) Community ownership of the entity in order to provide legitimacy and assist in the rebuilding of Indigenous authority;
(3) The ability to encourage individuals to take responsibility for themselves and also their family;
(4) The ability for the authority to provide voluntary and compulsory uptake of service supports;
(5) The ability to enforce sanctions; and
(6) The ability to provide a timely response.

The two main models that are currently available for rebuilding social norms in Cape York communities are courts (Magistrates Courts and Justice of the Peace Magistrates Courts) and Community Justice Groups (CJGs).

As discussed below, neither courts nor CJGs fulfil all of the six key criteria listed above:

- Courts meet only the fifth criterion (enforcement of sanctions).
- CJGs fail to meet two important criteria: “voluntary and compulsory uptake of service supports” and “the ability to enforce sanctions”.

Courts

The Magistrates Court is the first level in the Queensland justice system which deals with all criminal and many civil offences. A Magistrate hears all the evidence and makes all judgments and decisions alone. Cases involving domestic violence, minor family law issues and child protection orders are heard in the Magistrates Court. Magistrates have the power to order a range of sentences, including fines, unpaid community service and jail terms.

If someone has been charged with an offence and a Magistrate is not available, two Justices of the Peace (JP) can convene a court to deal with the early stages of the case. In remote Indigenous communities, the JPs have the power to conduct a committal hearing (to
send the case to a higher court), hear simple offences, and hear more serious offences where the person charged has pleaded guilty.

In some Cape York communities, the Magistrates Court operates somewhat remotely. According to a paper presented recently by two Queensland Magistrates,95 two Magistrates travel for four consecutive days once a month, visiting a different community each day. Coen is only serviced once every two months, while some of the remaining communities are serviced for two days in some months if the workload requires. Whilst the CJGs are intended to support court processes, there is reportedly often inadequate time to test assessments or submissions from the CJG and/or the Departments of Corrective Services and Communities.

Principles of linking offenders with support operate in other variations of the Magistrates Court – such as the Drug Court, the trial Indigenous Alcohol Diversion Program, and the Cairns Alcohol Rehabilitation and Remand Program. However, none of these models currently operate in Cape York.

Murri Courts also offer a variation to the Magistrates Court model. They operate in Brisbane, Caboolture, Mount Isa, Townsville and Rockhampton, and a trial was recently commenced at Cherbourg. Murri Courts deal with sentencing Indigenous offenders, and take into account cultural issues by providing a forum where Aboriginal and Torres Strait Islanders have input into the sentencing process.

The principles of the Murri Court are based on the 1991 report of the Royal Commission into Aboriginal Deaths in Custody, which found that traditional European models of justice disadvantage Indigenous people. The report recommended that Indigenous people be more involved in the justice system as decision-makers and advisors.

The Murri Court uses the natural authority of elders to condemn but also support the offender. It formalises the authority of elders, enhances respect for elders and encourages the community and different government agencies to work together.

Participants talk with each other to work out why the offender might have committed the offence – for example, their background, upbringing, abuse as a child, problems at school or alcohol abuse. The Magistrate, elders, and other participants develop a plan for the offender which targets those issues that have led to the illegal behaviour. When handing down a sentence, the Court considers sentences other than prison, such as referral to drug, alcohol, psychological and violence treatment agencies.

A recent review of the Murri Court\textsuperscript{96} found that:

- its problem solving focus assists offenders to undertake rehabilitation, stop their offending conduct and be reintegrated into the community; and

- the presence of members of the offender’s community assists the offender to develop trust in the Court, be more responsible for their offending behaviour and increases the offender’s awareness of the impact of their offending on their own community and victim.

Currently, the Murri Court in Queensland operates under the goodwill of individual Magistrates. While the law requires Magistrates to consider advice from CJGs when sentencing Indigenous offenders (under the \textit{Penalties and Sentences Act 1992 (Qld)}) the Murri Court is not expressly provided for in any legislation and does not receive any specific funding.

The Justice of the Peace Magistrates Court (JP Court) provides for training of community members, including members of council and CJGs, to become Justices of the Peace. Ongoing support is provided to JP Courts by DJAG (Qld), including visits to the community every six months.

As an alternative to the courts, the \textit{Dispute Resolution Centres Act 1990 (Qld)} provides for the establishment and operation of dispute resolution centres to provide mediation services in connection with certain disputes. Mediation enables Aboriginal and Torres Strait Islander communities to keep community ownership of disputes, to use elements of customary law and practice, and to find solutions that are in keeping with cultural values.

\textit{Analysis of suitability of courts to rebuild social norms}

The Magistrates and JP Courts have formal authority and legitimacy, impartiality and strong internal capacity. However, they are not strong in meeting key criteria. For instance, they preclude voluntary engagement, are not strong in encouraging individual and family responsibility in behaviour change, and do not offer an early intervention and prevention focus or timely response. They also divert Indigenous people into the criminal justice system, whereas government policy aims to refer as many people as appropriate away from the system.

Whilst the Murri Court model appears to be a positive development, it still fails to address some of the key criteria, such as the early intervention and prevention focus. Moreover, the

\textsuperscript{96} Department of Justice and Attorney-General. 2006. (December.) \textit{Report on the Review of the Murri Court}. Queensland Government.
Murri Court does not have a formal place in the Queensland justice system and relies on the goodwill of Magistrates.

The dispute resolution centres operate on principles that are conducive to rebuilding social norms where issues get attended to in a proactive way involving community members taking responsibility. However, the trigger is a dispute which – as a model – may work in some situations, but would not be conducive to targeting some behavioural problems such as not sending children to school, neglecting children or engaging in problem gambling.

**Community Justice Groups**

CJGs began formally operating in Queensland in the 1990s to encourage Aboriginal leaders to be more involved with local law and justice issues. Some of the functions of the CJGs under current legislation are to:

(a) regulate the possession and consumption of alcohol in the area (‘dry places’);

(b) carry out local strategies to address justice issues affecting members of the community in the area;

(c) make recommendations to the community liquor licence board established under the *Indigenous Communities Liquor Licences Act 2002 (Qld)* about the operation of a canteen;

(d) make recommendations to the Minister administering the *Liquor Act 1992 (Qld)* about declarations (‘restricted areas’); and

(e) carry out other functions given to it under legislation such as the *Penalties and Sentences Act 1992 (Qld)* and *Bail Act 1980 (Qld)*.

Section 9(2) of the *Penalties and Sentences Act 1992 (Qld)* requires a court to “have regard to submissions made by a CJG when sentencing an indigenous person”. This may include such factors as the offender’s relationship with his or her community, cultural considerations and what rehabilitation programs are available in the particular community (including drug counselling, alcohol management and assistance with issues concerning domestic violence).

Many CJGs are also involved with preventative programs. This may involve assisting people in violent relationships to deal with their problems, or to deal with drug and alcohol related issues.

In terms of their interaction with the Magistrates Court, the CJG is generally advised of the list of people who are to appear on a particular court circuit. They can then make submissions on the person in open court so that the judge can make a more informed decision in sentencing.
A number of capacity-related issues undermine the effectiveness of the CJGs. For instance, there has been relatively low level of resources and training offered to CJGs. CJGs are often asked to undertake tasks in areas for which they are not paid and in which they are not trained or have had only minimal training. Examples include the conduct of community or individual mediations, explanation of court processes, the preparation of pre-sentence/bail reports or the supervision of community based orders. Problems relating to conflict of interest issues can also arise.

Analysis of suitability of Community Justice Groups to rebuild social norms

CJGs can play a vital role in reinforcing positive social norms where elders and those with authority identify problems early and are able to actively confront and offer limited assistance to individuals and families engaged in dysfunctional behaviour. CJGs rate better than courts against the key criteria to strengthen social norms. CJGs are strong in areas in which the courts rate weakly, such as encouraging community ownership, individual and family responsibility and responding in a timely manner.

A number of stakeholders have raised concerns about the limited capacity of CJGs, not only in terms of their administration and voluntary nature, but also in the extent of their impartiality and authority. There is also the consideration that DJAG is establishing clear boundaries around their core work of supporting the representation of Indigenous people involved in the justice system. This will improve their capacity to perform well against a more narrowly defined set of tasks, but leaves a gap that needs filling in terms of those with local authority confronting a wider range of dysfunctional behaviour found in Indigenous communities.

Given their focus is being narrowed to effectively support the criminal justice system and related issues such as Alcohol Management Plans and juvenile justice, there is scope to design a service mechanism that:

- gives authority to local people to develop community-based interventionist strategies across a broader range of issues;
- provides space to incorporate traditional decision-making processes; and
- works closely at the grass roots level with families to encourage responsibility for providing a nurturing environment for children to grow and develop.

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APPENDIX H: SHARING INFORMATION WITH THE FAMILY RESPONSIBILITIES COMMISSION

Monitoring of school attendance by teachers and school principals

Where a child is not maintaining a 100 percent school attendance record, the FRC should have the parent or family referred to it by the following method.

A school principal would be required to ensure that the roll is marked twice per day. Each child should be recorded as either present, explained absence or unexplained absence. Furthermore, any temporary unexplained absences (such as for an hour or two during the day) should also be recorded as an unexplained absence and will be eligible to be considered by the FRC as a breach of the 100 percent school attendance condition.

A school principal would be required to pass on attendance data to the FRC on a weekly basis. This data could be either the attendance records of all students at the school, or only the records of those students whose parents receive welfare payments. The FRC would then have the prerogative to examine the attendance data and take its own steps to identify the individuals or families to which it provides a Case Manager and refers to support services where appropriate. The school principal would play no role in the decision of the FRC to summon people to appear before it.

The Institute therefore does not propose that a referral to the FRC should be subject to the discretion of each school principal. The Institute endorses a collaborative approach with Education Queensland, and believes that there is a desire in schools in the Welfare Reform communities for teachers and principals to focus on their primary task of educating students. This is particularly so in Aurukun, where the Head of Western Cape College, Ian Mackie, expressed support for the FRC to assist in understanding why at least 100 children in the community do not attend on any given school day.

The FRC would be responsible for determining whether the condition has been breached and the appropriate subsequent action. The school principal would not be required to make a decision about matching families to support services or deciding whether welfare payments should be conditionally managed, although she or he would be able to make a recommendation to the FRC about the appropriate consequences for the behaviour. For instance, the school principal might be able to provide valuable information to the FRC as to the background or family circumstances of an individual (subject to privacy restrictions).

Sharing school attendance information

Recognising that early intervention is of critical importance to protecting child wellbeing, and that the FRC will fill a gap in the existing intervention continuum, the Institute
proposes that EQ and the FRC enter an agreement about the transfer of school attendance data on a regular basis from each school to the FRC.

Given that some children from Mossman Gorge attend St Augustine’s School, a Catholic school, the next phase of the Welfare Reform Project will require engagement with relevant Catholic education authorities.

The Institute envisages that a Memorandum of Understanding (MOU) would be established between EQ and the FRC regarding the transfer of the relevant information.

In particular, an MOU would include terms in relation to the following:

(1) Principals of each of the schools located in the Welfare Reform communities would be compelled to provide attendance data to the FRC, either for all students in the school, or only for those students whose parents receive welfare payments.

(2) The school principals would be required to provide the attendance data for the duration of the pilot.

(3) Attendance data would be provided to the FRC on a weekly basis.

(4) Conditions would be placed on the use to which the school attendance data could be put by the FRC, and its storage.

An MOU may need to be supported by a notice provision in Commonwealth legislation and changes to State legislation requiring information to be supplied to the FC.

EQ currently provides enrolment and attendance data to Centrelink with respect to every state school student receiving Abstudy. The release of this information is authorised under the *Social Security (Administration) Act 1999 (Cth)* and the *Student Assistance Act 1973 (Cth)*. These Acts empower Centrelink to obtain information relevant to the payments of government transfers, and are in accordance with privacy legislation.

**Sharing child safety information**

As noted with regard to school attendance, it would not be possible for the FRC to perform its functions if it did not have access to adequate information regarding the families referred to it. Certain information will therefore need to flow from DChS to the FRC. The FRC would likely require detailed information about the circumstances of the child and their family. The FRC would be restricted in its ability to make meaningful determinations to assist families and individuals if its information was incomplete. The FRC must also be provided with sufficient data to allow a robust review to be conducted of its decisions.

To enforce the requirement that individuals receiving welfare payments must ensure that children are not the subject of a CCR issued by DChS, an unsubstantiated investigation and
assessment by DChS, or a substantiated investigation and assessment by DChS, (unless DChS advises the FRC that no further action is required), the FRC must be informed as to which children are the subject of these decisions by DChS. Accordingly, where a child is the subject of such a determination by DChS, the FRC will need to be notified of a child or family referred to it by DChS.

The Referral for Active Intervention (RAI) program involves the provision of intensive support services to families with children aged 0-8 years who have had involvement in the statutory child protection system. When referring families to the RAI program, DChS provides the RAI service provider with a case profile, including demographic background, case history, and the circumstances leading to the CCR or notification.

The Institute anticipates that information provided to the FRC would mirror that provided by DChS to RAI services.

Once DChS has passed on the relevant information to the FRC, the FRC would examine the information and take its own steps to identify whether the individual or family should be provided with a Case Manager and the support services the individual or family will be referred to. The FRC is responsible for determining whether the conditions have indeed been breached, and it is also the FRC’s role to identify the appropriate support services required for each family or individual.

DChS would not be required to make a decision about matching families to support services or determining whether welfare payments should be conditionally managed, although an employee of DChS would be able to make a recommendation to the FRC about the appropriate consequences for the behaviour.

Ideally, arrangements for sharing information would be established through an MOU between DChS and the FRC regarding the transfer of information. Such an MOU could include terms in relation to the following:

1. DChS would provide information to the FRC in relation to individuals located in the Welfare Reform communities and who are subject to a determination of DChS and receive welfare payments.
2. DChS would be required to provide the information for the duration of the pilot.
3. The information provided by DChS would be modelled on that currently provided to RAI services.
4. Information would be provided to the FRC within a week of a decision being made by DChS.
5. Conditions would be placed on the use to which the information could be put by the FRC, including issues such as privacy and confidentiality.
However, section 187 of the *Child Protection Act 1999 (Qld)* (CP Act) limits the transmission of information gathered by persons involved in the administration of the CP Act. Section 187 may therefore prevent the entering into of an MOU regarding the sharing of information, unless there are amendments to the CP Act or the MOU can be considered to fall within the limited exemptions provided by section 187(3).

It is possible that a notice provision in Commonwealth and/or State legislation could require the relevant information to be supplied to the FRC.
APPENDIX I: INFORMATION RELEVANT TO JUDICIAL TRIGGERS

This Appendix provides information in relation to the judicial triggers for payment obligations. Detailed below are the various community by-laws, local laws and State laws, which relate to the targeted behaviours of substance abuse, gambling and family violence, the breach of which will trigger a referral to the FRC.

Laws within the jurisdiction of Justice of the Peace Magistrates Courts

A referral to the FRC will occur where individuals are found by Justice of the Peace Magistrates Courts (JP Courts) to have breached a community by-law, local law or State law related to the targeted behaviours.

Community by-laws and local laws

Of the four Welfare Reform communities, community by-laws only exist in Hope Vale. However, the Institute understands that by-laws are not presently operational in Hope Vale until the council re-adopts them. If re-adopted, the following by-laws would relate to some of the four targeted behaviours:

• Assault (By-law 2.07);
• Public drunkenness (By-law 2.16);
• Unauthorised consumption of liquor (By-law 2.17);
• Responsibility of caregivers to protect children from ill treatment or neglect (By-law 2.30).98

Individuals could be charged and brought before the JP Court under these by-laws. The penalties for breach of these by-laws cannot exceed a $500 fine. There are no by-laws in Hope Vale that prohibit substance inhalation.

In Aurukun, the only local law which relates to any of the four targeted behaviours is Local Law No. 2 (Control of Nuisances) which regulates noise emission. As such, in Aurukun none of the four behaviours could be directly targeted through existing local laws.

Previous attempts by the Aurukun Shire Council to adopt local laws that target gambling or non-attendance at school have been frustrated, as they do not pass ‘State interest checks’. That is, such local laws are perceived by the Queensland Government as overstepping or

98 This by-law could target instances of child neglect that might otherwise be referred to the Family Responsibilities Commission via a Child Concern Report from DChS.
conflicting with existing State laws, and as significantly increasing the resources required (such as police) to enforce the laws. The Queensland Government thus obstructs the adoption of such local laws.

Coen and Mossman Gorge lie within the Cook and Douglas Shire Councils respectively. Those Councils do not have local laws which encapsulate the targeted behaviours. The Cook and Douglas Shire Councils may not be willing or able to adopt local laws addressing the targeted behaviours because they would fail to meet the State interest checks or because of the place-based nature of local laws that would be required.

The existing transition of Aboriginal Community councils to mainstream Shire councils has coincided with a state-wide review of local laws. The outcome of the review may impact on the type of local laws that Aurukun and Hope Vale can adopt and implement in the future. The review is being conducted by the Department of Local Government, Planning, Sport and Recreation, and will cover all local laws (numbering approximately 5000) throughout Queensland. Feedback received from mainstream local councils, a public forum, a project steering committee and a stakeholder group will be incorporated into a discussion paper to be released in July or August this year. The review process will also be used to formulate six model local laws for Aboriginal Shire councils to adopt if they deem them appropriate.

A number of model by-laws have been developed for potential adoption by all Aboriginal Shire councils in Cape York. These model by-laws include provisions with regard to substance inhalation, alcohol and public gambling. However, the transition of Aboriginal Community councils to mainstream Shire councils (which will be completed in July 2008) and the review of local laws make it unlikely that the model by-laws will be implemented. This could be worked through with the Queensland Government, but may take some time to implement.

State laws

JP Courts only have jurisdiction with regard to State laws where the following criteria are met:

(a) the perpetrator must enter a guilty plea;

(b) the case must be capable of being adequately dealt with by imposing a penalty of less than six months imprisonment99 or a fine of $7500; and

99 The Institute understands that the JP Court in Aurukun elects to refer a matter to the Magistrates Court rather than impose a prison sentence on a community member.
(c) if the offence relates to the destruction of property, the value of the property or damage to or destruction of property must be less than $2500.

State offences (relevant to the targeted dysfunctional behaviours) over which the JP Courts have jurisdiction include the following:

- destruction of or damage to property;
- assault occasioning bodily harm;
- assault of a non-sexual nature; and
- stalking.

**Laws within the jurisdiction of the Magistrates Courts**

A referral to the FRC will occur where individuals are found by a Magistrates Court to have breached a State law related to the targeted behaviours. A number of State laws address many (but not all) of the targeted behaviours:

- **Alcohol**: Alcohol-related offences include the breach of Alcohol Management Plans and assault induced by alcohol abuse.

- **Drugs**: Drug-related offences include possession, use, supply, trafficking or production of drugs including cannabis, amphetamines or heroin.

- **Family violence**: The *Penalties and Sentences Act 1992 (Qld)* incorporates a wide range of charges that are relevant for family violence, such as assault and grievous bodily harm. Referral should also be made to the FRC when a person is subject to a domestic violence order made under the *Domestic and Family Violence Protection Act 1989 (Qld)*.

Gambling and substance inhalation are targeted behaviours. However, gambling-related offences are limited to participation in an unauthorised or unregulated gambling game in a public place. Some forms of gambling such as TAB and Gold Lotto are positively legislated by the Queensland government. There are no State laws prohibiting substance inhalation.

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100 Gambling is unauthorised if a person receives a fee or another consideration to conduct the game. A game of cards between friends or family members at a private dwelling where the total amount bet on each game is received by the player with the winning hand is not an unlawful game.
APPENDIX J: CASE MANAGEMENT AND FAMILY GROUP CONFERENCING

This Appendix explains the case management process that would accompany the FRC, and provides an outline of Family Group Conferencing.

Case management process

This section outlines how case management is proposed to be implemented in the Welfare Reform Project.

Case management services would be purchased by the FRC. The FRC would appoint a Case Manager to work with the individual or family for the duration of their case. The FRC would not therefore provide the case management services, but would refer the individual or family to the contracted service delivery provider to do so.

A comprehensive case management framework that encompasses all the payment obligations is necessary to ensure that tailored support services allow families to engage in broader change. A Case Plan should be developed that takes into account all matters relevant to the breach(es) of payment obligations, thus allowing Case Managers to focus more broadly on families or households, rather than single issues.

For instance, in the event that a parent is found by the FRC to have breached their obligation in relation to the school attendance of their children, the Case Manager would seek to understand all the challenges facing the family that might be causing the poor attendance, and would also offer intensive assistance to families and refer them to appropriate support services.

Holistic case management will allow more effective coordination of resources, and will also provide the FRC with a basis on which to conduct a comprehensive review of an individual’s behaviour. It will also enable independent evaluation of the services provided and give greater understanding of how to improve or change methods of service delivery.

Once the FRC makes a finding that an individual or family has breached their payment obligations, a Case Manager will be assigned to them. The Case Manager will work with the individual or family for the duration of their case. A Case Plan will be developed that responds to all issues identified (see below). The Case Plan will detail the specific actions

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101 Several possible options are open for the sourcing of a Case Manager where there is a school attendance breach, each of which involves the use of locally-based authority to create change: (1) greater use of Participation Officers (Participation Officers are employed in some Welfare Reform communities on programs funded by the Department of Education, Science and Training to encourage school attendance); (2) a restatement of Participation Officer roles to more accurately reflect a case management role; or (3) employing Case Managers to complement the work of existing Participation Officers.
of all parties required to assist the family to meet their payment obligations and the process for monitoring and reviewing those requirements.

In the first instance the FRC may determine the individual or family can voluntarily take up services identified in the Case Plan. If the support services are not taken up, or if the payment obligations continue to be broken, the FRC could compulsorily refer the individual or family to attend the identified support services. The FRC would be able to enforce this compulsory referral to support services by directing payments into conditional income management if the support services are not taken up, or if the payment obligations continue to be broken.

This process of escalation does not limit the ability of the FRC to determine that a particular case warrants compulsory referral to services or conditional income management as the appropriate sanction in the first instance.

**Development of Case Plan**

The FRC should approve and if necessary amend a tailored Case Plan developed by the Case Manager on the basis of what it considers to be the assistance necessary for the family or individual to develop improved behaviours. This Case Plan may include requirements such as to attend parenting courses or alcohol/drug rehabilitation sessions. The role of the Case Manager is to liaise with the appropriate service providers to ensure the coordinated and timely delivery of all services deemed necessary by the FRC. The Case Manager will also be responsible for monitoring attendance at sessions and reporting back to the FRC when the case is reviewed.

The FRC would also have the discretion to use a process of Family Group Conferencing to develop a Case Plan. Family Group Conferencing is a restorative justice process which would require the individual or family to take responsibility for identifying and addressing the issues that led to the referral to the FRC. (A brief outline of Family Group Conferences, containing some of positive and negative outcomes indicated by evaluations, is detailed below.)

Family Group Conferencing would involve the FRC bringing together the family and relevant service providers to discuss the issues from each party’s perspective. These views would then be incorporated into a Case Plan (which would ultimately be approved by the FRC). The Case Manager would be responsible for organising and ensuring the attendance of all necessary parties at the Family Group Conference. As above, the Case Manager would coordinate the delivery of services identified in the Case Plan and ensure the family or individual is aware of their responsibility to attend all sessions. If necessary, the Case Manager could become actively involved in ensuring attendance at all sessions.
Family Group Conferencing

Introduction

The concept of Family Group Conferencing developed in New Zealand during the late 1980s. It was influenced by the view of Maoris that European approaches to conflict resolution undermined Maori kinship structure and cultural identity.\(^{102}\) Family Group Conferencing in New Zealand attempts to resolve family matters concerned with child protection by bringing together the family, the child and professionals in a participative decision-making process to develop a case plan.

Family Group Meetings (FGM) and Youth Justice Conferencing (YJC) are restorative justice processes used in many Australian jurisdictions, and also by the Queensland Department of Child Safety (DChS) and the Department of Communities (DoCs) respectively.

This section briefly outlines how FGM and YJC operate in Queensland, and canvasses some of the positive and negative outcomes of those methods. It is not intended to be an extensive literature review. The information was prepared with the assistance of valuable information prepared by the Department of Premier and Cabinet, Queensland Government. However, this section does not necessarily represent the views of the Queensland Government.

This section was developed to help inform the Institute’s thinking about whether the Family Responsibilities Commission might use FGM as a tool to help parents take responsibility for their behaviour when they are referred there for breach of their payment obligations.

Family Group Meetings

The Child Protection Act 1999 (Qld) was amended in 2005 to include the requirement for FGMs to be held for children in need of protection. Under section 51H(1) of the Child Protection Act, FGMs are held to: develop a case plan for children in need of protection; review and develop a revised case plan; and to deal with other matters relating to the child’s wellbeing, protection and care needs. The Children’s Court cannot grant a final Child Protection Order until they are satisfied there is a case plan developed through a FGM to address the assessed needs of the child. One of the key assumptions underpinning FGM is that families are able to make competent decisions if they are provided the information necessary to engage effectively in the process.

Individuals who must be given the opportunity to be involved in FGMs include: the child and their parents, any members of the child’s family group or people the child has a significant relationship with who are likely to make a useful contribution, legal representatives, service providers, and in the case of Aboriginal and Torres Strait Islander children, a member of the relevant recognised entity.

A FGM convenor undertakes the preparatory work and facilitation of the meeting to ensure a FGM is fully effective and an agreed case plan can be developed. This preparatory work assists participants to understand the purpose, principles and process of the FGM, and ensures that the safety of the child is maintained as the overriding priority.

Effectiveness of Family Group Conferencing

Despite the current research evidence not being sufficient to reach authoritative conclusions, the literature presents a number of observations, both positive and negative, regarding the use of Family Group Conferencing (FGC) across Australia and New Zealand.

Positive findings regarding FGC include:

- high participant satisfaction with the process. Notably, children are pleased to have a voice in decisions concerning their welfare;
- workers with experience in FGC generally have a positive attitude to the process;
- high success rate of FGC in reaching agreements that meet departmental requirements (such as ensuring the safety of the child);
- FGC leads to a higher rate of child placement within extended family, in comparison with other processes; and
- some improvement in communication within families post FGC.

Negative findings regarding FGC include:

- difficulty ensuring confidentiality of sensitive information and managing disclosure during FGCs;

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103 Much of the literature uses the term ‘Family Group Conferencing’ (FGC) rather than the term ‘Family Group Meetings’ used by the DChS. The terms are essentially interchangeable, and ‘FGC’ is used here in the context of the findings of the literature.

perceived lack of clarity by parties to the FGC regarding procedures such as attendance, monitoring and implementation of approved agreements; and

staff turnover often results in disruptions to implementation and lack of follow up.

Youth Justice Conferencing

YJC is legislated for in the *Juvenile Justice Act 1996* (Qld). YJC provides police and the courts with an alternative avenue to the traditional justice system of prosecution. YJC is used as a method of implementing theories of restorative justice, ‘whereby all parties with a stake in a particular crime come together to resolve collectively how to deal with the aftermath of the offence and its implications for the future’. In Queensland, referrals to YJC can be made by police pre-trial if there is an admission of guilt by the young offender, or by the court pre-sentencing, or as a condition of the sentence. Figure J.1 shows under what circumstances YJC is used in Queensland.

Figure J.1: Youth Justice Conferencing in Queensland

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YJC provides a forum in which those most affected by the young person’s offence can gather to frankly discuss and reach agreement about how the young person will make amends for the harm caused through the offence, including: the young person and their support persons (parents or respected adult relatives), the victim (with support persons), a police officer and other relevant people (such as Community Justice Groups in the Indigenous context).

Factors that influenced or contributed to the commission of the offence are also discussed, and actions to address them are detailed in the Youth Justice Conference Agreement the represents the outcomes of the YJC. The Youth Justice Conference Agreement is a legal document signed by the young person, the victim (if present), the police office and the convener. Failure to complete or adhere to the Youth Justice Conference Agreement results in further action being taken through the justice system.

During the 2005-06 financial year 1,927 Youth Justice Conferences were held in Queensland, with 98 percent of those successfully reaching agreement.

**Effectiveness of YJC**

There has been more research undertaken into the effectiveness of YJC than is available for FGC. In summary, the findings indicate the following positive outcomes:106

- YJC is a more cost-effective way of dealing with juvenile crime than the current court process;
- most victims and offenders that take part in YJC are satisfied with the process;
- victims often report their satisfaction with being able to confront the offender and present their experience of the situation. They are also supportive of the ability to have input into the decision making process;
- offenders also support YJC processes, as it presents an opportunity to make a genuine apology, seek forgiveness and make reparation for damages; and
- YJC has also been shown to reduce recidivism rates in comparison to court processes.

Some of the negative outcomes of YJC include:

- Victims sometimes comment that they were not able to contribute sufficiently, were not supported and felt intimidated by the offender and their supporters;

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• abuse of due process (eg offender not being advised of rights at time of arrest and being intimidated by police to attend a YJC);

• perceptions of disproportionate punishment through YJC relative to court processes; and

• instances in which youth offenders are stigmatised during YJC process.

Conclusion

Restorative justice processes have the potential to play a strong role in creating Indigenous-owned outcomes in the Family Responsibilities Commission. Researchers attribute many of the negative outcomes of FGM or YJC to poor practice rather than fundamental weaknesses in the process.107 It is therefore crucial that adequate training and rigorous guidelines be prepared before the Family Responsibilities Commission implements any form of restorative justice process.

APPENDIX K: OPERATIONAL DETAILS OF CONDITIONAL INCOME MANAGEMENT

Essential Expenses

Essential expenses are those expenses that are required to sustain an individual’s dependants or meet their particular week to week needs. It is important that these expenses continue to be paid during a sanction period so that the sanction does not impact upon the welfare of the children and families whose lives welfare reform is aiming to improve.

Once a sanction had been ordered the individual would be required to meet with the FRC (or their approved service provider e.g. Family Income Management) to determine a budget of essential expenses to be paid from their welfare entitlements during the sanction period. The FRC would approve this budget and have the right to reject expenses that it does not consider essential. The amount of money able to be allocated to variable expenses such as food and petrol would be agreed with reference to accepted benchmarks for these costs in the Welfare Reform communities. Essential expenses allowable for individuals subject to a sanction should be limited to:

- food, rent, mortgages, medical expenses, rates, gas, electricity, telephone, public transport, and other reasonable and unavoidable costs;
- cost of repairs or replacement of essential white goods;
- school and other education expenses;
- essential expenses arising from birth or adoption of a child;
- expenditure to replace essential household goods lost through theft or natural disaster;
- cost of essential repairs to the person’s car or home;
- premiums for vehicle or home insurance;
- expenses for vehicle registration;
- other financial obligations in relation to debts, loans and other repayments that existed prior to conditional income management sanction being put in place; and
- other expenses that are approved by the FRC as essential to meet an individual’s or their dependent’s needs.

These essential expenses are generally consistent with those defined by the Australian Government’s Financial Case Management (FCM) program that is currently available to individuals who are subject to an eight week non-payment period. Existing financial
obligations such as debts and loans have been added to the FCM list to ensure a person does not fall deeper into financial trouble during the sanction period. It is also important that the FRC have the flexibility to approve other reasonable expenses as the design phase cannot assume to have full knowledge of every person’s personal circumstances.

In aiming to ensure that essential education costs of children are met, the FRC would also have the capacity to utilise Student Education Accounts as a tool in the imposition of a conditional income sanction.\textsuperscript{108}

\textit{Systems for Payment of Essential Expenses}

Direct electronic funds transfers or ‘BPAY’ are the preferred methods of payment for essential expenses and will be possible for a majority of the expenses. In a limited number of cases such as food and petrol expenses electronic funds transfer will not be feasible. The Family Income Management program is close to finalising arrangements for a purchase card that will be suitable for managing these expenses. This card would allow the individual to make purchases at a set of defined retailers (e.g. the local store or a supermarket chain) relevant to the particular expense. Retailers who supplied alcohol would be excluded from inclusion as a matter of policy.

\textit{Should a small amount of cash be available?}

It may be argued that an individual should have a small amount of cash available to them for incidental expenses. This could be a nominal amount such as $10-20 per week. This is not recommended as this would provide the opportunity for purchase of addictive substances, undermining the intention of the sanction. This is also unnecessary as the purchase card system allows for incidental purchases from the defined retailers.

\textit{Residual Welfare Entitlement}

It is likely that there will be a residual entitlement remaining after essential expenses have been met (i.e. total essential expenses will be less than total welfare payments). Consistent with the principle that the sanction does not reduce a person’s welfare entitlement, the individual would retain these residual funds.

During the period in which a sanction applies the individual would not be able to access this residual income. This residual entitlement would be held in a conditional income management trust account for the sanction period. An exception to the no access rule

\textsuperscript{108} Student Education Accounts (SEA) enable low income parents to support their child’s education and development needs. Through responsible income management, parents make regular contributions to their child’s SEA, which they use to meet related education expenses. SEAs are designed and managed by ECIS.
would apply to emergency circumstances, defined as a situation when a new one-off essential expense(s) arises at short notice in a manner that could not have reasonably been foreseen by the individual (e.g. medical emergency or the sudden death of a close relative). As with other essential expenses the FRC would need to approve any emergency expenditure during a sanction period. These payments are likely to be a reimbursement as councils and the Department of Health usually have a pool of funds to cover these expenses when they occur.

**Trust account arrangements**

Guidelines for trust accounts should be clearly established in legislation. The accounts themselves should be a private banking product with the account in the name of the individual but with the appropriate restrictions on its use to ensure it meets the design requirements of the sanction. Utilising a commercial banking arrangement as opposed to funds being held by the FRC or another Government Arrangement will help to minimise the perception that money is being taken away. Perceptions will be important considering the existing sensitivities resulting from the history of ‘stolen wages’. This commercial arrangement may also be more cost effective than a government trust arrangement.

**Expenditure of residual income after a sanction is lifted**

Once a sanction is lifted the individual would have the discretion to spend the residual income held in their trust account. Some on-going restrictions are necessary though to ensure that this money cannot be simply withdrawn to fuel an alcohol or drug binge or in response to humbugging. Ideally this residual account would be a savings measure and provide an opportunity for investing in assets that support a better future for the individual and the family.

It is important to recognise that the balance at the end of an extended sanction period may be the largest sum of money some residents in the Welfare Reform community have ever had available to them. The individual needs to have discretion over the expenditure and that they make a decision according to their circumstances and priorities. The FRC would enter a Residual Income Agreement Plan with the individual such that the expenditure of money in the trust account be limited to:

- home deposit or home loan repayments (supporting engagement in home ownership);
- education expenses;
- voluntary contributions to superannuation (this option may also attract co-contribution from the Australian Government under current arrangements);
- purchase of domestic durables such as white goods appliances or a car;
• a small income stream that will not be sufficient to support an alcohol, drug or gambling addiction (e.g. a weekly payment of up to $20); and

• other purchases or investments approved by the FRC.

The expenditure should not occur in a way that allows the individual to access the money as cash (with the exclusion of the income stream option). This would mean the use of electronic funds transfers and that the purchase of consumer durables and cars could not be made via a private sale.

**Non-engagement by the individual**

There may be circumstances where an individual refuses to engage in the process of implementing a conditional income management sanction. This may occur by repeated non-attendance at meetings to determine essential expenses or refusal to open a trust account for residual income. The FRC should be provided with the discretion to decide which of the following three mechanisms is most applicable in responding to an individual situation.

(1) Open a trust account on the person’s behalf and transfer all of the individual’s welfare payment into the account (most applicable in a situation where the person has no dependents);

(2) Independently identify essential expenses crucial to the welfare of any dependents and arrange for these to be paid with the balance being placed in a trust account opened on behalf of the individual; or

(3) Order that the person be subject to an 8 week non-payment period for all welfare payments and provide Financial Case Management support where dependents were involved (this option would result in the loss of residual welfare entitlement and would be a deterrent to non-participation).

**Roles and Responsibilities**

**Family Responsibilities Commission**

The FRC holds decision making power for all aspects of the conditional income management sanction system. This includes ordering a sanction to be applied and approving any expenditure of welfare payments during the sanction period. The FRC also has nominal responsibility for practical implementation of the sanction, but it is likely to delegate the majority of this role to an approved service provider.
Other Australian Government Agency (most likely to be Centrelink)

Centrelink will have a minimal role in the implementation of conditional income management sanction. Centrelink would implement pre-determined arrangements for payment of essential expenses and transfers into trust accounts; this is similar to the role they undertake for the Financial Case Management Program. Centrelink may also have an administrative role in implementing decisions made by the FRC (e.g. placing a sanction on the welfare entitlement to divert them to the conditional income management system).

Appropriate information will also need to be transmitted from the FRC to Centrelink to allow Centrelink to redirect an individual’s payments to conditional income management. Timeliness is one of the key criteria of the FRC. The legitimacy of the FRC will be strongest if there is a frequent transmission of information to Centrelink. The Institute would like to see the time between behaviour in breach of conditions and redirection of an individual’s welfare payments to be as small as possible.

Family Income Management

The FRC would engage the Family Income Management program to assist it in implementing the sanction. It is anticipated that FIM would form a sub-project called Conditional Income Management to provide the face to face contact with people subject to a conditional income management sanction during the pilot. This service would include meeting with the individuals to determine essential expenses and being the first port of call for changes to essential expenses and in emergency circumstances.

FIM would also liaise with Centrelink to arrange payment of essential expenses once they had been approved by the FRC (including arranging for a purchase card to be issued). It may also be necessary for FIM to handle the trust accounts for residual income until commercial financial organisations bring a product online as FIM has account structures that could be modified to suit trust account requirements. FIM would report to the FRC on the participation of individuals involved to enable the FRC to track participation.

FIM would provide services through a formal service agreement arrangement. This agreement would outline the agreed level of service provision FIM would provide and the agreed costs for doing so. Payment of individual fees for referrals above a base level of service availability would allow the program and the FRC to be responsive to the level of demand that is experienced over the life of the project.

Administrative Appeals Tribunal

Appeals against decisions relating to conditional income management sanctions would initially be dealt with by the FRC internal review process. If an individual was not satisfied
with the decision of the internal review they would have recourse to appeal to the Administrative Appeals Tribunal.
APPENDIX L: THE CHALLENGES PRESENTED BY REDIRECTION OF WELFARE PAYMENTS

Current arrangements for redirection of welfare payments

Family Tax Benefits

Family Tax Benefits (FTB) are available to an individual who claims that they have a dependent child in their care. In principle, therefore, FTB can be effectively ‘redirected’ from a recipient who is failing to look after their children to a person who is actually caring for those children. However, this can only occur if that person makes a successful application to the Australian Government to contend that they – and not the existing recipient – are the primary caregiver to the child.

Under section 219TB of the A New Tax System (Family Assistance) (Administration) Act 1999 (Cth) (Family Assistance Act), FTB can also be paid to another party if appointed as a payment nominee by the Secretary of FaCSIA. The payment nominee is obliged to act in the best interests of the recipient. The Secretary must not appoint a nominee without the written consent of the person to be appointed or without taking into consideration the wishes of the welfare recipient regarding the making of such an appointment.

Payment of an individual’s FTB to another person or party may also occur where: the recipient is incapable of managing their financial affairs and there is a formal guardianship order; or there is a group payment arrangement with an approved care organisation.

Under the Family Assistance Act, FTB can be split between a maximum of two carers.

Other welfare payments: Parenting Payment, Youth Allowance and Newstart

In general, Parenting Payment (PP), Youth Allowance (YA) and Newstart (NS) are inalienable: they cannot be transferred to a third party (nor sold, legally charged or subject to bankruptcy proceedings).

However, there are some express legislative exemptions to this principle. Section 123B of the Social Security (Administration) Act 1999 (Cth) (SSA Act) allows the Secretary of DEWR to appoint payment nominees and direct that the whole or part of PP, YA or NS be paid to the designated payment nominee. A nominee can only be appointed with the written consent of the person to be appointed; and after taking into consideration the wishes (if any) of the original recipient regarding the making of such an appointment.
Challenges involved with redirection of Family Tax Benefits

As the above section illustrates, the existing legislation generally gives effect to the inalienability principle, and provides that welfare payments can be redirected in very limited circumstances. This section elaborates on a number of legal challenges involved in redirection.

The following case study demonstrates the challenges presented by attempting to redirect welfare payments to another adult.

Case study

Three children aged under 10 years old are living in a household with their single mother and grandmother. The mother has a drug addiction and does not contribute to household costs or to the cost of raising the children. She continues to receive FTB for those children ($273 per week). The grandmother pays all the bills and takes responsibility for the children’s basic needs.

Is the grandmother eligible to claim the FTB for the children?

To claim eligibility for FTB under existing legislation, an adult must be capable of proving that they have legal responsibility for the day-to-day care of the child for whom FTB payments are made. Legal advice provided by the Australian Government indicates that if a relative or friend of the recipient is only responsible for the child to a limited degree, then it would be very difficult to prove that all FTB payments should be redirected to the relative or friend.

That legal advice suggested that the mother in this case study has legal responsibility for the day-to-day care, welfare and development of the children. The mother, as parent, has legal responsibility under common law and parental responsibility under family law that has not been altered by a court order.

The legal advice stated that the whole of the arrangements for the care of the child need to be considered, and that it is inappropriate to dissect overall arrangements into segments unless they are substantial enough to require separate consideration (eg, a month during school holidays). Care can be retained during short periods of access, even if those periods are frequent. (Similarly, an individual with legal responsibility may continue to have the ‘care’ of a child when the child is on an access visit, while the child is at school or staying with relatives or friends during school holidays, or is being looked after by someone else because of the individual’s illness.)

109 Includes FTB Parts A and B (paid fortnightly), but does not include not annual supplements; assumes eligibility for maximum amount of FTB.
In the circumstances of the case study above, the advice indicates that the mother would continue to be eligible for FTB in relation to the children. It would be very difficult to argue that the mother does not have ongoing care (or has delegated care to the grandmother during periods when she is too ill to provide care herself) such that the grandmother would be eligible to claim for FTB in relation to the children.

The existing legislation is thus insufficiently broad to allow the grandmother to be eligible for (and paid) FTB in these circumstances.

If the grandmother in the case study could prove that she had the legal responsibility for her grandchildren, she would be eligible to apply for FTB in relation to those children. However, this process might be lengthy and could damage the relationship between the mother and grandmother. It could also lead the mother to further abrogate her parental responsibilities and disengage from her children.

Indeed, it is not particularly likely that an Indigenous person in Cape York who has actual care and control of another person’s child would either apply for FTB in relation to those children without the parent’s consent.

Is the grandmother able to be nominated as the payment nominee for the FTB payments?

As noted earlier, the nominee provisions of the Family Assistance Act allow FTB payments to be redirected from the parent to another person. For the purposes of the case study, there is thus the capacity for the Secretary of FaCSIA to redirect some or all of the mother’s FTB payments to the grandmother, provided that the grandmother agrees to such an arrangement. The mother’s wishes need to be taken into account under the payment nominee provisions in the Family Assistance Act, but legal advice from the Australian Government indicates that it would not be absolutely necessary for the Secretary to act in accordance with the mother’s wishes. However, the Australian Government noted that, in practice, it would be unlikely to put a nominee arrangement in place without the mother’s consent.

Redirecting Parenting Payment, Newstart or Youth Allowance

The discussion above pertains to the challenges involved in redirecting FTB to another adult. Many of the comments are equally applicable to PP, as PP is also paid to those who are the primary caregiver for children aged less than six years. Redirect of PP to another adult who is caring for the current recipient’s child would increase the funds available to be spent on the child. However, the parent would still continue to have an income (albeit a
lower one), as they would revert to either NS or YA (as they would no longer be eligible for PP). There would thus be little possibility of a parent changing their behaviour unless it was stipulated that the parent could not receive NS if their PP was redirected.

Redirection of NS or YA from the current recipient to another adult (such as to the grandmother in the case study) could only occur if that other adult was appointed by the Secretary as a payment nominee.

**Potential social challenges resulting from redirection**

A number of potential difficulties might arise from redirecting welfare payments to actual carers, including increased humbugging and threatened or actual violence directed at recipients of the redirected payments. There is anecdotal evidence that parents and grandparents are presently being humbugged and threatened with violence for the payments they currently receive. There is thus a high probability that any redirection of welfare payments would increase the pressure on recipients to distribute the payments to humbuggers.

It can also be argued that redirection of welfare payments from an irresponsible parent does not advance the goal of parents taking responsibility for their behaviour. There is a delicate balance to be struck. It is necessary to have the ability to redirect payments to ensure children are sufficiently cared for and to give. However, redirection of welfare payments may also result in parents becoming disengaged from their children. Parents must continue to have expectations placed on them and be provided with support that assists them, thus developing a path for the confident and successful adoption of their parental responsibilities.

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110 If the parent had one child under 13 and transferred from PP to NS, the reduction in their income would be at least $229.94 per fortnight. If the parent transferred onto YA, the reduction in their income would be around $305.84 per fortnight. The reduction in income would be more substantial if they had more than one child.
APPENDIX M: MONEY MANAGEMENT SUPPORT SERVICES

This Appendix describes the role of money management support services in welfare reform. These support services and sanctions are intended to provide clear pathways for people to improve their money management, either before they are subject to a conditional income management sanction or following a sanction period.

Money management in the Welfare Reform communities

Money from welfare payments is a poorly used and misunderstood resource in the Welfare Reform communities. The case study below provides an insight into individual money management practices in Cape York, including the family obligations that influence the way that income is distributed and used and the unhealthy ways of thinking about finances that prevent people improving their living standards over time (despite the provision of welfare payments).

Cape York Case Study: Artists in Aurukun

Several artists in Aurukun earn between $30,000-50,000pa. They receive on average $230 per week CDEP and commission cheques from art that they have sold. On average they receive between $5000 to $10,000 commissions every three to four months. In most cases these cheques are in the vicinity of $5000.

These artists are on a relatively high income compared to other community members who may receive as little as $12,000 pa. Used wisely, this extra income should allow the artists to invest in assets for the family or save some money for later in life. At a minimum, it would be beneficial for the artists to spread the money over the 3-4 month period between cheques to reduce fluctuations in income.

Despite this, the cheques are usually spent within the first month, mainly given to other family members. Comments such as “people just live for the day” or “family is super” are often heard in Aurukun. This example of the artists illustrates how poor financial management means extra income may not lead to a better life.

The Welfare Reform communities are characterised by low incomes, poor financial literacy and limited access to banking and financial services. However, money management problems in Cape York go beyond financial literacy and access to services. An overwhelming influence on money management in Cape York is substance abuse and addiction. Large amounts of income that might be spent on essential goods and services are diverted to the purchase of addictive substances. Traditional family and cultural obligations are corrupted by addicted people who humbug money for drugs and alcohol once they have spent their own income. Often little money remains for food and basic living expenses.
despite a family’s income being more than capable (notwithstanding the additional expense of living in remote areas) of meeting these needs if it is used wisely.

**Role of the Family Responsibilities Commission**

Individuals receiving welfare payments in the Welfare Reform communities will be subject to obligations (see Chapter 3). The Family Responsibilities Commission (FRC) would be delegated power to make a recommendation or a decision about whether there had been a breach of an obligation and the appropriate consequences.

- Firstly, the FRC could issue a warning to the individual.
- Secondly, the FRC could direct individuals to attend support services on either a voluntary or compulsory basis. Examples of potential support services that might be appropriate include voluntary money management and budgeting assistance, drug or alcohol rehabilitation services, or parenting skills classes.
- Thirdly, the FRC could determine that all or part of the welfare payments to which an individual is entitled should be redirected to conditional income management.
- Fourthly, the FRC could determine that all or part of the welfare payments to which an individual is entitled should be redirected to another adult who is caring for the individual’s children.

The option that the FRC chooses to pursue in an individual case would depend on its evaluation of the seriousness of the breach (according to established guidelines). An individual who has refused or failed to complete a voluntary program may also be compelled to attend the support service or placed in a conditional income management sanction by the FRC when their case is reviewed.

Figure M.1 illustrates pathways into money management services and sanctions.
Money Management Support Service

Cape York Partnerships already provides money management support services in Cape York. The Family Income Management\(^{111}\) (FIM) program is an early intervention initiative which helps Indigenous families to budget, manage money and save for goals. FIM also aims to build new social norms regarding responsible management of money. FIM has developed the capacity of individuals in Cape York communities to effectively manage their income and to achieve improved living standards. It has been successful on a voluntary basis in reducing debt levels, increasing expenditure on food and reducing spending on alcohol and gambling.

In addition to the FIM program, options for financial management support services include:

- Centrelink services (Centrepay, the Rent Deduction Scheme and the Financial Information Service)
- private sector products (eg bill paying accounts or commercial financial advisory services); and
- financial counselling services (eg services provided by Lifeline).

\(^{111}\) FIM is sponsored by the Department of Families, Community Services and Indigenous Affairs and the Westpac Banking Corporation.
Table M.1 compares these alternatives.

Table M.1: Comparison of support service options

<table>
<thead>
<tr>
<th>Service</th>
<th>In WR comm.</th>
<th>Schedule bill payments</th>
<th>Assist with budgeting</th>
<th>Assist Family Groups</th>
<th>Counselling</th>
<th>Comm. Advice</th>
<th>Cost to recipient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family Income Management</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Free</td>
</tr>
<tr>
<td>Centrelink Services</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Free</td>
</tr>
<tr>
<td>Financial Counselling</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Maybe</td>
<td>Yes</td>
<td>No</td>
<td>Free</td>
</tr>
<tr>
<td>Commercial Financial Advice</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Maybe</td>
<td>No</td>
<td>Yes</td>
<td>$100 - 400/hr</td>
</tr>
<tr>
<td>Billpay accounts</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Minimal</td>
</tr>
</tbody>
</table>

FIM provides a complete service not otherwise available in Cape York (or elsewhere in Australia). The FIM program incorporates all of these alternatives with the exception of commercial financial advice, which is costly and unlikely to be relevant to low income families struggling to pay basic bills. The fact that FIM is already established\(^{112}\) and successful in each of the Welfare Reform communities would be a significant advantage for a Welfare Reform pilot. The acceptance by people in the Welfare Reform communities of the FIM approach and good name and reputation of the program is also an advantage, as are the practical aspects of having an office and staff already in place on the ground.

The FIM program has demonstrated it can improve financial literacy and financial management. The recently completed *National Indigenous Money Management Agenda: Community Consultations* report found that the only community where more than a few people had a weekly budget was Mossman Gorge, where FIM is well established.\(^{113}\) This report also found evidence that participation in the FIM program assisted people to avoid lending or borrowing within the community. Where this did occur it was for smaller amounts and often on a reciprocal basis.

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\(^{112}\) As of December 2006, FIM had 157 participants in Aurukun, 160 in Coen, 124 in Hope Vale and 160 in Mossman Gorge.

Family Income Management programme support services to Welfare Reform

In the context of the Welfare Reform Project, it is anticipated that FIM would provide an intensive support service to assist with implementation of decisions made by the FRC and to provide individuals with an opportunity to manage their welfare payments for the maximum benefit of their children and family and retain discretion over their expenditure. (It is important that FIM’s reputation of working cooperatively alongside people be maintained, and that other agencies are seen as responsible for implementing and enforcing welfare payment obligations.)

FIM currently provides a similar service to any community member who voluntarily joins the program. This service includes assistance in planning and budgeting, setting up accounts and periodic funds transfers, assistance to family groups and on-going mentoring and support. This investment in relationships and mentoring has been crucial to the success of the program to date.

In addition, current FIM participants are able to develop or access group purchasing arrangements that enable the purchase of household goods and services, thus increasing the efficient and effective use of individual and family resources and improving the household amenity.

The provision of services to welfare reform will change the way FIM does business. FIM may experience a significant increase in demand for its services, particularly in the early stages of the Welfare Reform pilot. This could entail a doubling or tripling in the number of customers in larger Welfare Reform communities. It is important to acknowledge and plan for any negative impact this may have on the highly successful FIM program.

The differing types of referrals from the FRC to FIM make it logical for the program to providing different services to the different types of clients the program will have under Welfare Reform. Figure M.2 illustrates a simple client segmentation approach for FIM.
The voluntary service (for both clients who come through the FRC and those who come of their own volition) would continue in the same manner that the FIM program currently successfully operates. This involves a substantial staff time investment in working with the individual to develop a good budget, personal financial goals and savings plans and ongoing individual case management.

People who voluntarily engage in the program are much more likely to have a positive attitude and motivation to change. This makes their cases worthwhile of a larger investment as the ultimate aim is that an individual becomes competent in managing their finances independently of FIM.

In contrast, individuals who are required to participate in the FIM program by the FRC are less likely to have a positive motivation towards change and may only be attending because they are compelled to do so. These are likely to be the bulk of the referrals from the FRC. Recognising this demand and the difference in orientation of this client segmentation, FIM is developing a lower cost approach to servicing these clients.

The efficient use of staff time is the key to dealing with increased demand. The compulsory FIM service would be driven by a template approach to budgeting and a lower staff investment in individual case management. While the individual would retain some discretion over their money, there would be benchmarks (eg 80 percent of funds directed to living expenses/savings) to demonstrate their commitment to the process and ensure large amounts of income were not being diverted to substance abuse or gambling.
Towards the end of an individual’s time in compulsory FIM, an effort would be made to encourage them to continue as a voluntary client. This would offer a pathway for these clients to access the more intensive case management service as well as demonstrate their commitment to change to the FRC.

Conditional income management is a new service type for FIM. The design and implementation of this component is discussed in section 3.4.3 of the report.

FIM may also offer additional services that will support individual client outcomes which would be available to welfare reform clients. These include:

- Family budgeting and planning (this involves facilitating joint budgeting so that every person in a household contributes to house expenses) which would be useful for ensuring that other members of a household are financially supporting a positive environment for children alongside a responsible parent who has been referred to the FRC.

- Financial counselling for individuals who are in serious debt or bankrupt and require assistance to negotiate agreements with debtors (FIM is currently trialling a remote counselling service).

FIM could recommend whether these additional services are necessary/desirable in an individual case or the FRC could request a family session or counselling as part of their referral, based on their knowledge of an individual case.

**Reporting**

FIM would report to the FRC on the participation of individuals who had been referred to the program on a compulsory basis. This reporting would be undertaken at intervals (eg every three months) and detail an individual’s performance in terms of attendance and against agreed quality benchmarks (eg proportion of income diverted to living expenses) to allow the FRC to monitor the extent to which a person is complying with decisions.

**Service agreement and fees**

It is envisaged that FIM would provide services through a formal service agreement arrangement. This agreement would outline the agreed level of service provision FIM would provide and the agreed costs for doing so. Payment of individual fees for referrals above a base level of service availability would allow the program and the FRC to be responsive to the level of demand that is experienced over the life of the project.
APPENDIX N: SERVICES BY COMMUNITY — QUEENSLAND GOVERNMENT

Input

<table>
<thead>
<tr>
<th>AURUKUN</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DEPARTMENT OF CHILD SAFETY</strong></td>
</tr>
<tr>
<td><strong>Services provided</strong></td>
</tr>
<tr>
<td><strong>The Cape Torres Service Delivery Model</strong></td>
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<td></td>
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<td></td>
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<td></td>
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<tr>
<td><strong>Engagement</strong></td>
</tr>
</tbody>
</table>
### AURUKUN

Specifically service the four communities in question.

<table>
<thead>
<tr>
<th>Community engagement considerations - Development of Recognised Entities in Far Northern Zone.</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Review engagement to date and effectiveness of the process.</td>
</tr>
<tr>
<td>• Identify and maintain contact with key community members.</td>
</tr>
<tr>
<td>• Identify challenges for engaging community in the work of Recognised Entities.</td>
</tr>
<tr>
<td>• Establish new working relationships and strengthen existing relationships with government, non-government and community groups, to assist in promoting Recognised Entities.</td>
</tr>
<tr>
<td>• Build on activities that strengthen the capacity and enthusiasm of residents to engage in Recognised Entity processes.</td>
</tr>
<tr>
<td>• Develop a range of methods to provide ongoing updates to stakeholders about Recognised Entities.</td>
</tr>
<tr>
<td>• Share engagement learnings and practice with colleagues from across the Child Safety Service Centre.</td>
</tr>
<tr>
<td>• Explore and develop a range of communication resources that raise awareness of Recognised Entities and the issues of child safety.</td>
</tr>
<tr>
<td>• Celebrate, acknowledge and promote positive outcomes of Recognised Entities work.</td>
</tr>
</tbody>
</table>

### COMMISSION FOR CHILDREN AND YOUNG PEOPLE AND CHILD GUARDIAN

Through its Community Visitor Program, the Commission visits and reports on children and young people in out-of-home care. One Community Visitor has serviced 17 children/young people in placement in the Aurukun community since 2004.

### COMMUNITIES

<table>
<thead>
<tr>
<th>Legislation</th>
<th>AMP restrictions commenced 30 December 2002.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engagement</td>
<td>• Community Justice Group</td>
</tr>
<tr>
<td></td>
<td>• Aurukun Aboriginal Shire Council</td>
</tr>
<tr>
<td></td>
<td>• Establishment of service delivery priorities for the 19 Meeting Challenges, Making Choices communities</td>
</tr>
</tbody>
</table>
## AURUKUN

<table>
<thead>
<tr>
<th>Services funded</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Health Action Group</td>
<td></td>
</tr>
<tr>
<td>• Alcohol and Other Substances Demand Reduction Program assists stakeholders to</td>
<td>undertake initiatives to reduce the negative impact of alcohol</td>
</tr>
<tr>
<td>and other substances:</td>
<td>and other substances:</td>
</tr>
<tr>
<td>- $217,000 for the Koolkan Early Childhood centre to provide a support</td>
<td>program for young parents.</td>
</tr>
<tr>
<td>program for young parents.</td>
<td></td>
</tr>
<tr>
<td>- $50,000 for Black Ink Press for the Aurukun Youth Writing project to</td>
<td>support local youth to write and produce a set of six to</td>
</tr>
<tr>
<td>support local youth to write and produce a set of six to eight</td>
<td>eight printed bi-lingual full colour readers for use as a</td>
</tr>
<tr>
<td>printed bi-lingual full colour readers for use as a literacy resource in</td>
<td>literacy resource in community.</td>
</tr>
<tr>
<td>community.</td>
<td></td>
</tr>
<tr>
<td>- Aurukun and Lockhart River – $3,440 for the State Library to support both</td>
<td>communities to record and preserve local knowledge and stories</td>
</tr>
<tr>
<td>communities to record and preserve local knowledge and stories to</td>
<td>build community esteem.</td>
</tr>
<tr>
<td>build community esteem.</td>
<td></td>
</tr>
<tr>
<td>- Total - $270,440</td>
<td></td>
</tr>
<tr>
<td>• Management of Public Intoxication - $104,157</td>
<td></td>
</tr>
<tr>
<td>• Remote Aboriginal and Torres Strait Islander Child Care - Child Care (Hubs)</td>
<td>$91,246</td>
</tr>
<tr>
<td>- $91,246</td>
<td></td>
</tr>
<tr>
<td>• Remote Aboriginal and Torres Strait Islander Child Care – Child Protection</td>
<td>$68,162</td>
</tr>
<tr>
<td>(Hubs) - $68,162</td>
<td></td>
</tr>
<tr>
<td>• Remote Aboriginal and Torres Strait Islander Child Care – Youth - $136,627</td>
<td></td>
</tr>
<tr>
<td>• Social and Economic Development - $51,248</td>
<td></td>
</tr>
<tr>
<td>• Vacation Care Access - $11,006</td>
<td></td>
</tr>
<tr>
<td>• Women Escaping Domestic Violence - $218,388 (jointly funded by the Aust</td>
<td>Government)</td>
</tr>
<tr>
<td>Government)</td>
<td></td>
</tr>
<tr>
<td>• Total - $681,014</td>
<td></td>
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</tbody>
</table>

## EDUCATION

<table>
<thead>
<tr>
<th>Engagement</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Parents and Citizens</td>
<td></td>
</tr>
<tr>
<td>• Western Cape College (WCC) school board</td>
<td></td>
</tr>
<tr>
<td>• Education round tables to commence in 2007 in conjunction with CYI</td>
<td></td>
</tr>
<tr>
<td>Services provided</td>
<td></td>
</tr>
<tr>
<td>• Pre prep (1-2) combined with child care</td>
<td></td>
</tr>
</tbody>
</table>
AURUKUN

- Prep- 10
- Transition support to high school
- Yachad Accelerated Learning Program

Services funded
All core services state funded. Commonwealth funds support enrichment programs.

EMERGENCY SERVICES

Services provided
- Community Safety Initiatives
  - Queensland Ambulance Service (QAS) has employed a full-time Field Officer in Coen. This officer provides Primary Health Care Training, First Aid and Injury prevention training to Aurukun and associated Homelands and outstations.
  - QAS trained 13 members of the Aurukun community in Senior First Aid and 14 members in CPR in 2005/2006.
  - QAS has provided 15 First Aid Trauma Kits to various locations, outstations and homelands surrounding Aurukun.
- Queensland Ambulance Services - Serviced by Queensland Health and Royal Flying Doctors Service.
- Rural Fire Service - Category 2 Brigade - 1 equipped vehicle.
- State Emergency Services (SES) Group with equipment
- Joint facility

EMPLOYMENT AND INDUSTRIAL RELATIONS

Services provided
- Indigenous Employment Policy for State Government Building and Civil Construction Projects (Indigenous Employment (20%) Policy)
- Indigenous Employment and Training Support Officer provides culturally appropriate mentoring and support to Indigenous Apprentices, Trainees and VET students.
- Indigenous Employment and Training Manager assist communities to match VET training with current or emerging employment opportunities.
- Officers are based in Bamaga, Weipa, Coen, Hope Vale and Cairns to service Cape York communities.
### AURUKUN

- The department delivers programs under the Breaking the Unemployment Cycle (from 07 to be known as Skilling Queenslanders for Work) following negotiation with communities. This generally relates to funded traineeship positions with councils or CBOs, or Community Jobs Plan projects which provides funding to councils or CBO to employ long term unemployed people on community based projects for 13-26 weeks.
- All positions in the Cape are permanent departmental positions. The department also funds Construction Training Queensland to employ an Indigenous Training Project Manager (based in Cairns – Bruce Gibson) to provide construction industry specific advice and support to communities.

**Engagement**

Staff located in the Cape (Bamaga, Weipa, Hope Vale) and Cairns reside in/visit and consult with communities on a regular basis.

### HEALTH

**Engagement**

- Health Action Group development through Apunipima Cape York Health council capacity development initiative.
- Individual and collective skills development through partnership with RFDS Building
- Healthy communities program (Department of Health and Ageing) funds.
- Negotiation Table

**Services provided**

- Primary Health Care services for Child Health screening and immunisation, primary clinical services, General practice sessional services RFDS.
- Fly in-fly out (Weipa based) Drug & Alcohol program and Mental Health services.
- Limited social and emotional health counselling services.

**Services funded**

Improved Primary Health Care Initiative (Aust Govt funded).

### HOUSING

**Engagement**

The regional office has a dedicated officer to work specifically with Aurukun regarding housing-related issues. A Housing Improvement Plan is being developed for Aurukun to guide housing improvement in Aurukun. The Housing Improvement Plan provides detailed information regarding council’s rental housing stock and demographic profile information regarding housing occupants. The Plan aims to identify key issues impacting on the delivery and management of housing and proposes strategies to
<table>
<thead>
<tr>
<th><strong>AURUKUN</strong></th>
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<tbody>
<tr>
<td><strong>address these issues.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Services provided</strong></td>
<td>Funding for long-term rental housing.</td>
</tr>
<tr>
<td><strong>Services funded</strong></td>
<td>Grant funding is provided to the council for the maintenance, upgrade and construction of long-term council rental housing.</td>
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<table>
<thead>
<tr>
<th><strong>JUSTICE AND ATTORNEY-GENERAL</strong></th>
<th></th>
</tr>
</thead>
</table>
| **Engagement** | • Community Justice Group  
• It is proposed to establish a State-Wide Community Justice Group Reference Group to engage with Indigenous communities on justice issues.  
• Government Champion with support from Cape York Strategy Unit  
• Negotiation Table |
| **Services provided** | • Magistrate Court Circuit  
• District Court Circuit  
• JP (Magistrate Court) Training  
• Dispute Resolution Branch |
| **Services funded** | • Community Justice Group ($85,000)  
• Dispute Resolution Branch  
• JP (Magistrate Court) Training |

<table>
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<tr>
<th><strong>LOCAL GOVERNMENT AND PLANNING</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Legislation</strong></td>
<td>Aurukun Shire Council - 6 Local Laws</td>
</tr>
<tr>
<td><strong>Engagement</strong></td>
<td>Implementation of the Community Governance Improvement Strategy and relevant legislation under Department of Local Governance, Planning, Sport and Recreation.</td>
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</tbody>
</table>
## AURUKUN

### NATURAL RESOURCES AND WATER

<table>
<thead>
<tr>
<th>Legislation</th>
<th>Pest Management Plans under <em>Land Protection Act 2002</em></th>
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</table>

| Engagement | • Regional natural resource management arrangements  
|            | • Aboriginal Land Act 1991 dealings  
|            | • Negotiation Table (and pre-NT Round Table Forum) |

| Services provided | • Native title services including resolution of claims, facilitation of Indigenous Land Use  
|                   | • Agreements, and assessment of native title implications of mining, petroleum and exploration applications  
|                   | • Tenure rationalisation including land transfers under Aboriginal Land Act 1991  
|                   | • Tenure resolution  
|                   | • Cultural heritage protection  
|                   | • Regional natural resource management planning  
|                   | • Land protection including pest and weed planning  
|                   | • Water planning and regulation  
|                   | • Vegetation management  
|                   | • Land and Sea grants project management |

| Services funded | Regional natural resource management planning (matching in kind to Commonwealth investment) |

### POLICE

| Engagement | • Nil formal  
|            | • Establishment of Indigenous Community/Police Consultative Groups by community are encouraged. |
### AURUKUN

**Services provided**
- Police Station at Aurukun (8 State Police)
- 4 Community Police employed by council

**STATE DEVELOPMENT**

**Engagement**
- Negotiation Table
- Western Cape Communities Coexistence Agreement (WCCCA) Trust Process.
- Work commencing on a Regional Partnership Agreement between levels of government, community and private sector.

**Services provided**
- Delivery Indigenous Business Establishment Program and Service
- Delivery of Indigenous Business Capacity Building program (Cape York Hub services Aurukun from Weipa Cape York Business Hub Project)
- Direct Service to individual and community groups on a project by project basis.

**Services funded**
- Sugar Bag Project - $40,000 from Department of State Development and Trade (DSDT) – CDEP support for the project
- Urban Arts – Contribution toward the Aurukun Bronze Sculpture project $24,750
- Currently processing an application for funding for upgrading the store - $300,000. A number of other are contributing including Commonwealth
- $4,225 – contribution toward Forestry Inventory
- Western Cape Projects Benefiting Aurukun:
  - $15,000 contribution toward the Wester Cape Arts Mapping initiative which included Aurukun
  - Weipa Multi Purpose Facility Pty Ltd – Aurukun Traditional Owners are share holders in company and are Directors of the business – School Hostel Upgrade -$330,000 – Commonwealth funding
  - Western Cape Earthmoving - $181,000 – Aurukun Traditional Owners are share holders in the company and are Directors of the businesses.
- Cape York Business Support that can support projects at Aurukun:
AURUKUN

- Balkanu Cape York Business Development Hubs – Business Capacity Building projects – Department of State Development and Trade has funded $1,875,750 from 2001 – 2006 and has approved further funding of $1,347,630 for 2006 – 2009. This project benefits all of Cape York and is jointly funded by the Commonwealth. The project aims to increase the capacity of Indigenous people in the Cape to participate in economic and business opportunities.
- $155,000 to Indigenous Community Volunteers (ICV) program to target working in projects which have received or are likely to receive funding from the Department. ICV receive Commonwealth funding.
- $155,000 CYI – funding from a number of state and Commonwealth agencies.

TOURISM, FAIR TRADING AND WINE INDUSTRY DEVELOPMENT

Legislation


Engagement

Liquor Licensing Division negotiates liquor licence conditions with the CJG, council and local Police.

COEN

DEPARTMENT OF CHILD SAFETY

Services provided

Responsibility for Child Protection services to Coen is with the Cape Torres Child Safety Service Centre located in Cairns. Coen is serviced in a cluster arrangement that includes Lockhart River. With regard to the service model, see above for the account of that for Aurukun.

Services funded

See comments concerning Aurukun. In addition to Remote Area Aboriginal and Torres Strait Island Child Care, the Department makes use of a number of agencies funded by other Departments (eg Child and Family Support – funded by Department of Communities).

Engagement

- In addition to the networking described above, the Cape Torres Child Safety Service Centre Manager takes part in the Negotiation Table for Coen.
- Community engagement considerations - Development of Recognised Entities in Far Northern Zone:
  - Target and recruit right people to work closely with to explain Recognised Entities.
  - Identify challenges and opportunities for engaging with the community.
**COEN**

- Develop community profile
- Identify capabilities and needs of the community to participate in Recognised Entities.
- Build on activities that strengthen the capacity and enthusiasm of residents to engage in Recognised Entity processes.

**COMMISSION FOR CHILDREN AND YOUNG PEOPLE AND CHILD GUARDIAN**

One Community Visitor has serviced 3 children/young people in placement in the Coen community since 2004.

**COMMUNITIES**

<table>
<thead>
<tr>
<th>Services provided</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Child Care Hubs - $102,805</td>
<td></td>
</tr>
<tr>
<td>• Limited Hours Care - $27,841</td>
<td></td>
</tr>
<tr>
<td>• Remote Aboriginal and Torres Strait Islander Child Care – Child Care - $7,098</td>
<td></td>
</tr>
<tr>
<td>• Remote Aboriginal and Torres Strait Islander Child Care – Child Protection - $30,193</td>
<td></td>
</tr>
<tr>
<td>• Vacation Care Access - $4,892</td>
<td></td>
</tr>
<tr>
<td>• Total - $172,829</td>
<td></td>
</tr>
</tbody>
</table>

**EDUCATION**

**Engagement**

- Parents and Citizens
- Consider expansion of WCC to include other communities

**Services provided**

- Pre prep (1-2)
- Prep- 7
- Transition support to high school
- ‘Every Child is Special Project’

**Services funded**

All core services state funded. Commonwealth funds support enrichment programs.

**EMERGENCY SERVICES**

**Services provided**

- Community Safety Initiatives:
  - QAS has employed a full-time Field Officer in Coen. This officer provides Primary Health Care Training, First Aid and Injury prevention training to Coen and associated Homelands/outstations.
## COEN

- Emergency Management Queensland have constructed a UHF repeater in this community to improve radio communications in emergencies.
- QAS trained six members of the Coen community in Senior First Aid and three members in CPR in 2005/2006.
- QAS has provided 14 First Aid Trauma Kits to various locations, outstations and homelands surrounding Coen.
  - Queensland Ambulance Services - Serviced by Queensland Health and Royal Flying Doctors Service.
  - Rural Fire Service - Category 2 Brigade - one equipped vehicle and a shed
  - SES Group with equipment
  - Joint facility

## HEALTH

### Engagement
- Health Action Group development through Apunipima Cape York Health council capacity development initiative.
- Individual and collective skills development through partnership with RFDS Building Healthy Communities program (Department of Health and Ageing) funds.
- Negotiation table

### Services provided
- Primary Health Care services for Child Health screening and immunisation, primary clinical services, General practice sessional services RFDS.
- Fly in-fly out (Weipa based) Drug & Alcohol program and Mental Health services.
- Limited social and emotional health counselling services.

### Services funded
- Improved Primary Health Care Initiative (Aust Govt funded).

## HOUSING

### Engagement
The Department of Housing participates in the Coen Negotiation Table process.

### Services provided
The Department of Housing undertakes tenancy and property management of governmental funded social housing in Coen.

### Services funded
No services are directly funded into Coen.

## JUSTICE AND ATTORNEY-GENERAL

### Engagement
- Community Justice Group
- It is proposed to establish a State-Wide Community Justice Group Reference Group to engage with Indigenous communities on
### COEN

<table>
<thead>
<tr>
<th>Services provided</th>
<th>Services funded</th>
</tr>
</thead>
</table>
| • Magistrates Court Circuit  
• Dispute Resolution Branch | • Community Justice Group - $42,000  
• Dispute Resolution Branch |

### LOCAL GOVERNMENT AND PLANNING

<table>
<thead>
<tr>
<th>Legislation</th>
<th>Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cook Shire Council - 44 Local Laws</td>
<td>Implementation of the Community Governance Improvement Strategy and relevant legislation under Department of Local Government, Planning, Sport, and Recreation.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Services provided</th>
<th>Services funded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Champion Role – Director General of the Department of Local Government, Planning, Sport, and Recreation advocates for community where possible, conducts Negotiation Tables 2-3 time per year, and is responsive to critical issues as they arise.</td>
<td>Shared Responsibility Agreement (SRA) still being discussed.</td>
</tr>
</tbody>
</table>

### NATURAL RESOURCES AND WATER

<table>
<thead>
<tr>
<th>Engagement</th>
<th>Services provided</th>
<th>Services funded</th>
</tr>
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</table>
| Regional natural resource management arrangements | • Native title services including resolution of claims, facilitation of Indigenous Land Use Agreements, and assessment of native title implications of mining, petroleum and exploration applications  
• Tenure rationalisation including land transfers under Aboriginal Land Act 1991  
• Tenure resolution  
• Cultural heritage protection  
• Regional natural resource management planning  
• Land protection including pest and weed planning  
• Water planning and regulation  
• Vegetation management | Regional natural resource management planning (matching in kind to Commonwealth investment) |
<table>
<thead>
<tr>
<th>COEN</th>
</tr>
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<tbody>
<tr>
<td>POLICE</td>
</tr>
<tr>
<td>Engagement</td>
</tr>
<tr>
<td>Nil formal</td>
</tr>
<tr>
<td>Establishment of Indigenous Community/Police Consultative Groups by community are encouraged.</td>
</tr>
<tr>
<td>Services provided</td>
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<tr>
<td>Police Station at Coen (two State Police)</td>
</tr>
<tr>
<td>One Police Liaison Officer Tracker</td>
</tr>
<tr>
<td>Services funded</td>
</tr>
<tr>
<td>Currently funding provided by ICC (Cwth) for education campaign</td>
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<table>
<thead>
<tr>
<th>STATE DEVELOPMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engagement</td>
</tr>
<tr>
<td>Negotiation Table</td>
</tr>
<tr>
<td>Working relationship with key stakeholders</td>
</tr>
<tr>
<td>Services provided</td>
</tr>
<tr>
<td>Delivery Indigenous Business Establishment Program and Service</td>
</tr>
<tr>
<td>Delivery of Indigenous Business Capacity Building program (Cape York Hub services Coen from Cairns Cape York Business Hub Project).</td>
</tr>
<tr>
<td>Direct Service to Individual and community Groups on a project by project basis.</td>
</tr>
<tr>
<td>Working with Indigenous Community but in addition working in alliance with mainstream businesses to develop opportunities to work in partnership with Indigenous Community in order to leverage increased benefits for Indigenous Residence.</td>
</tr>
<tr>
<td>Services funded</td>
</tr>
<tr>
<td>Coen Regional Aboriginal Corp (CRAC) Port Stewart and Silver Plain Infrastructure camping project - $28,434</td>
</tr>
<tr>
<td>CRAC – Coen Visitor Centre - $45,000</td>
</tr>
<tr>
<td>Cape York Business Support that can support projects at Coen:</td>
</tr>
<tr>
<td>- Balkanu Cape York Business Development Hubs – Business Capacity Building projects – DSDT has funded $1,875,750 from 2001 – 2006 and has approved further funding of $1,347,630 for 2006 – 2009. This project benefits all of Cape York and is jointly funded by the Commonwealth – The project aims to increase the capacity of Indigenous people in the Cape to participate in economic and business opportunities.</td>
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### HOPE VALE

#### DEPARTMENT OF CHILD SAFETY

**Service Delivery**
Responsibility for Child Protection services to Hope Vale is with the Cape Torres Child Safety Service Centre located in Cairns. Hope Vale is serviced in a cluster arrangement that includes Wujal Wujal and Cooktown.

With regard to the service model, see above for the account of that for Aurukun.

**Services funded**
See comments concerning Aurukun and Coen.

**Engagement**
- In addition to the networking described above, the Cape Torres Child Safety Service Centre Manager takes part in the Negotiation Table for Hope Vale.
- Community engagement considerations - Development of Recognised Entities in Far Northern Zone
  - Engage a broad range of stakeholders to identify challenges for engaging with the community
  - Build on activities that strengthen the capacity and enthusiasm of residents to engage in Recognised Entity processes.
  - Develop communication and engagement tactics that inform residents of changes to Department of Child Safety (DChS) and Recognised Entity functions.

#### COMMISSION FOR CHILDREN AND YOUNG PEOPLE AND CHILD GUARDIAN

Two community visitors have serviced 19 children/young people in placement in the Hope Vale community since 2003.

The Assistant Commissioner accompanied the community visitors on a regional visit on 13-16 June 2006 and participated in the Hope Vale Negotiation Table discussions on 19-21 June 2006.

#### COMMUNITIES

**Legislation**
- AMP restrictions commenced 14 April 2004
- *The Aborigines and Torres Strait Islanders Land Holding Act 1985*

**Engagement**
- Community Justice Group

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_Welfare Reform Project – Appendix N_
### HOPE VALE

- Hope Vale Aboriginal Shire Council
- Establishment of service delivery priorities for the 19 Meeting Challenges, Making Choices communities
- Negotiation Table
- Community round table on demand reduction

### Services provided

- Alcohol and Other Substances Demand Reduction Program assists stakeholders to undertake initiatives to reduce the negative impact of alcohol and other substances.
- Remote Aboriginal and Torres Strait Islander Child Care – (for Child Care as opposed to Child Protection) - $36,414.
- Vacation Care Access - $7,338.
- Women Escaping Domestic Violence - $120,657 (jointly funded by the Aust Government).
- Total - $164,409

### EDUCATION

#### Engagement

- Parents and Citizens
- Consider expansion of WCC to include other communities

#### Services provided

- Pre Prep (1-2)
- Prep -7
- Transition support to high school
- Remote Area Teacher Education Program

#### Services funded

All core services state funded. Commonwealth funds support enrichment programs.

### EMERGENCY SERVICES

#### Services provided

- Community Safety Initiatives:
HOPE VALE

- Queensland Ambulance Service (QAS) has employed a full-time Field Officer in Cooktown. This officer provides Primary Health Care training, First Aid and Injury prevention training to Hope Vale and associated Homelands/outstations.
- Emergency Management Queensland have constructed a UHF repeater in this community to improve radio communications in emergencies.
- QAS trained 28 members of the Hope Vale community in Senior First Aid and two members in CPR in 2005/2006.
- QAS has provided 14 First Aid Trauma Kits to various locations, outstations and homelands surrounding Hope Vale.
  - QAS - Serviced by Cooktown Ambulance Station (45 min drive). QAS Paramedics cover Hope Vale in consultation with Queensland Health.
  - Rural Fire Service - Category 3 Brigade - one equipped vehicle and a shed
  - SES Group, combined SES and RFS shed, office facility and equipment
  - Joint facility

EMPLOYMENT AND INDUSTRIAL RELATIONS

| Services provided | • Indigenous Employment Policy for State Government Building and Civil Construction Projects (Indigenous Employment (20%) Policy)
|                   | • Indigenous Employment and Training Support Officer provides culturally appropriate mentoring and support to Indigenous Apprentices, Trainees and VET students.
|                   | • Indigenous Employment and Training Manager assist communities to match VET training with current or emerging employment opportunities.
|                   | • Officers are based in Bamaga, Weipa, Coen, Hope Vale and Cairns to service Cape York communities.
|                   | • The department delivers programs under the Breaking the Unemployment Cycle (from 07 to be known as Skilling Queenslanders for Work) following negotiation with communities. This is generally related to funded traineeship positions with councils, Community Based Organisations or Community Jobs Plan projects which provides funding to councils or Community Based Organisations to employ long term unemployed people on community based projects for 13-26 weeks.
<p>|                   | • All positions in the Cape are permanent departmental positions. The department also funds Construction Training Queensland to employ an Indigenous Training Project Manager (based in Cairns – Bruce Gibson) to provide construction industry specific advice. |</p>
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<tbody>
<tr>
<td>and support to communities.</td>
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**HOUSING**

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<tr>
<th>Engagement</th>
<th>The regional office has a dedicated officer to work specifically with Hope Vale regarding housing-related issues. A Housing Improvement Plan is being developed for Hope Vale to guide housing improvement in Hope Vale. The Housing Improvement Plan provides detailed information regarding council’s rental housing stock and demographic profile information regarding housing occupants. The Plan aims to identify key issues impacting on the delivery and management of housing and proposes strategies to address these issues.</th>
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</table>

**HEALTH**

| Engagement | • Development of a Health Action Group through Apunipima Cape York Health council capacity development initiative is ongoing.  
• Partnership with the Division of General Practice Building Healthy Communities program (Department of Health and Ageing) funds.  
• Negotiation table |
|---|---|
| Services provided | • Primary Health Care services for Child Health screening and immunisation, primary clinical services, General practice sessional services, Division of General Practice.  
• Drive-in-driveout (Cooktown based) Drug & Alcohol program and Mental Health services.  
• Some general social and emotional health counselling services through the family resource centre. |
| Services funded | Improved Primary Health Care Initiative (Aust Govt funded) |

**JUSTICE AND ATTORNEY-GENERAL**

| Engagement | • Community Justice Group |
### HOPE VALE

| It is proposed to establish a State-Wide Community Justice Group Reference Group to engage with Indigenous communities on justice issues. |

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</table>
### HOPE VALE

- Cultural heritage protection
- Regional natural resource management planning
- Land protection including pest and weed planning
- Water planning and regulation
- Vegetation management

#### Services funded
- Regional natural resource management planning (matching in kind to Commonwealth investment)
- Land and Sea Grants Scheme

### POLICE

#### Engagement
- Establishment of Indigenous Community/Police Consultative Groups by community are encouraged (but is not set up in Hope Vale).
- Government Community Champion Program
- Men’s/Women’s groups
- Liaison with Cape York Strategy Unit
- Community Justice Group

#### Services provided
- Police Station at Hope Vale (two State Police)
- Two Community Police employed by council

#### Services funded
Currently funding provided by Indigenous Coordination Centre (Commonwealth) for the education campaign Domestic Family Violence No Way.

### STATE DEVELOPMENT

#### Engagement
- Negotiation Table
### HOPE VALE

- Working relationship with key stakeholders

### Services provided

- Delivery Indigenous Business Establishment Program and Service
- Delivery of Indigenous Business Capacity Building program (Cape York Hub services Hope Vale from Cooktown as part of the Cape York Business Hub Project).
- Direct Service to Individual and community Groups on a project by project basis.
- Hope Vale has requested specific mentoring for council portfolio area of economic development

### Services funded

- Hope Vale Butchery - $75,140 (Commonwealth funding a STEP program & apprentices)
- Ngulan Land Trust – Tourism Management Centre - $34,400
- Cape York Business Support that can support projects at Hope Vale:
  - Balkanu Cape York Business Development Hubs – Business Capacity Building projects – Department of State Development and Trade has funded $1,875,750 from 2001 – 2006 and has approved further funding of $1,347,630 for 2006 – 2009. This project benefits all of Cape York and is jointly funded by the Commonwealth – The project aims to increase the capacity of Indigenous people in the Cape to participate in economic and business opportunities.
  - $155,000 to Indigenous Community Volunteers (ICV) program to target working in projects which have received or are likely to receive funding from the Department. ICV receive Commonwealth funding
  - $155,000 CYI – funding from a number of state and Commonwealth agencies

### TOURISM, FAIR TRADING AND WINE INDUSTRY DEVELOPMENT

### Legislation

## MOSSMAN GORGE

### DEPARTMENT OF CHILD SAFETY

**Services provided**

Responsibility for Child Protection services to Mossman George with the Cairns North Child Safety Service Centre located in Cairns. Cairns North Child Safety Service delivery to outlying areas involves regular visits to meet with clients, carers and parents. When working with Indigenous children, Child Safety Officers (CSOs) will consult with local Indigenous services. Similarly to the service model described for Cape Torres, CSOs work through formal and informal networks in Mossman George.

Funded Services. Wuchopperen Health Services Ltd is currently formally established as a Recognised Entity in the Zone and has interim funding from the Department to provide Recognised Entity services to Mossman George.

**Engagement**

In 2006, the Department of Child Safety, in conjunction with the Community Agencies Network, convened three Child Protection Planning and Partnerships Forums in the Douglas Shire – two held in Mossman and one in Port Douglas. This area includes Mossman George. The aim of the forums was to:

- Identify local child protection priorities
- Plan localised integrated service delivery models between government and non-government organisations to deliver better services to children, young people and their families;
- Build capacity of the child protection service system to better match services to the needs of children, young people and their families.

Participants in the forums included representatives from community-based services and local and state government. Mossman Gorge was represented at the second forum (15 June 2006) by Kerrie Hawkes, Sport and Recreation Officer, Bamanga Bubu Ngadimunku.

The second forum focussed on the development of Recognised Entities and the need for early intervention.

There is a negotiation Table for Mossman Gorge which the Manager Cairns North Child Safety Service Centre is available to attend.

### COMMISSION FOR CHILDREN AND YOUNG PEOPLE AND CHILD GUARDIAN

One Community Visitor has serviced 14 children/young people in placement in the Mossman Gorge community since 2003.
## MOSSMAN GORGE

### COMMUNITIES

<table>
<thead>
<tr>
<th>Services provided</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>• Counselling &amp; Support for Victims - $63,830</td>
<td></td>
</tr>
<tr>
<td>• Early Intervention and Family Support - $129,905</td>
<td></td>
</tr>
<tr>
<td>• Neighbourhood Centre - $75,300</td>
<td></td>
</tr>
<tr>
<td>• Social and Economic Development - $64,873</td>
<td></td>
</tr>
<tr>
<td>• Vacation Care Access - $7,338</td>
<td></td>
</tr>
<tr>
<td>• Total - $341,246</td>
<td></td>
</tr>
</tbody>
</table>

### EDUCATION

<table>
<thead>
<tr>
<th>Engagement</th>
<th>Parents and Citizens</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services provided</td>
<td>Prep-12 at Mossman State Primary School/Mossman State High School.</td>
</tr>
<tr>
<td>Services funded</td>
<td>All core services state funded. Commonwealth funds support enrichment programs.</td>
</tr>
</tbody>
</table>

### HEALTH

<table>
<thead>
<tr>
<th>Engagement</th>
<th>Development of Health Action Group through Apunipima Cape York Health council capacity development initiative.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Individual and collective skills development through partnership with the Division of General Practice Building Healthy Communities program (Department of Health and Ageing).</td>
</tr>
<tr>
<td>Services provided</td>
<td>Sessional bulk bill General Practitioner, outreach primary Health Care early intervention.</td>
</tr>
<tr>
<td></td>
<td>Drug and Alcohol referral program.</td>
</tr>
<tr>
<td></td>
<td>Mental Health outreach from Mossman.</td>
</tr>
<tr>
<td>Services funded</td>
<td>Improved Primary Health Care Initiative (Aust Govt funded)</td>
</tr>
</tbody>
</table>

### HOUSING

<table>
<thead>
<tr>
<th>Engagement</th>
<th>The Department of Housing participates in the Mossman Gorge Negotiation Table process.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services provided</td>
<td>The Department of Housing undertakes tenancy and property management of governmental funded social housing in Mossman Gorge.</td>
</tr>
<tr>
<td><strong>MOSSMAN GORGE</strong></td>
<td></td>
</tr>
<tr>
<td>-------------------</td>
<td></td>
</tr>
<tr>
<td><strong>Services funded</strong></td>
<td>No services are directly funded into Mossman Gorge.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>JUSTICE AND ATTORNEY-GENERAL</strong></th>
</tr>
</thead>
</table>
| **Engagement** | • Community Justice Group  
  • It is proposed to establish a State-Wide Community Justice Group Reference Group to engage with Indigenous communities on justice issues. |
| **Services provided** | • Magistrates Court Circuit  
  • Dispute Resolution Branch |
| **Services funded** | Community Justice Group - $55,000  
  Dispute Resolution Branch |

<table>
<thead>
<tr>
<th><strong>LOCAL GOVERNMENT AND PLANNING</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Legislation</strong></td>
</tr>
<tr>
<td><strong>Engagement</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>NATURAL RESOURCES AND WATER</strong></th>
</tr>
</thead>
</table>
| **Engagement** | • Regional natural resource management arrangements  
  • *Aboriginal Land Act 1991* dealings |
| **Services provided** | • Native title services including resolution of claims, facilitation of Indigenous Land Use Agreements, and assessment of native title implications of mining, petroleum and exploration applications  
  • Tenure rationalisation including land transfers under *Aboriginal Land Act 1991*  
  • Tenure resolution  
  • Cultural heritage protection  
  • Regional natural resource management planning  
  • Land protection including pest and weed planning  
  • Water planning and regulation |
### MOSSMAN GORGE

- Vegetation management

**Services funded**

Regional natural resource management planning (matching in kind to Commonwealth investment)

### POLICE

**Engagement**

- Nil formal
- Establishment of Indigenous Community/Police Consultative Groups by community are encouraged.

**Services provided**

Police Station at Mossman (11 State police: nine uniform and two Criminal Investigation Branch. There are also two Police Liaison Officers.)

### STATE DEVELOPMENT

**Engagement**

- Negotiation Table
- Working relationship with key stakeholders
- Major project underway with community and all level of government to develop opportunities around tourism.

**Services provided**

- Indigenous Business Establishment Program and Service.
- Indigenous Business Capacity Building program (Cape York Hub services Mossman Gorge from Cairns Cape York Business Hub Project).
- Direct Service to Individual and community Groups on a project by project basis.

**Services funded**

- Bamanga Bubu Ngadimunku Inc. (BBN) – Mossman Gorge Arts and Culture Feasibility Study and Business Plan - $22,727
- BBN – Mossman Gorge Arts and Artefacts Centre upgrade - $22,960
- BBN – Business Economic Development Manager - $164,594 – project being supported by Commonwealth as well – DEWR
- BBN – Mossman Gorge Snack & Drinks Trolley project - $8,000
- $35,000 contribution to the feasibility study for the Mossman Gorge Multi purpose Centre
- Cape York Business Support that can support projects at Mossman Gorge:
  - Balkanu Cape York Business Development Hubs – Business Capacity Building projects – Department of State Development and Trade has funded $1,875,750 from 2001 – 2006 and has approved further funding of $1,347,630 for 2006 – 2009. This project benefits all of Cape York and is jointly funded by the Commonwealth – The project aims to increase the capacity of Indigenous people in the Cape to participate in economic and business opportunities.
  - $155,000 to Indigenous Community Volunteers (ICV) program to target working in projects which have received or are likely to
MOSSMAN GORGE

receive funding from the Department. ICV receive Commonwealth funding
- $155,000 CYI – funding from a number of state and Commonwealth agencies
## APPENDIX O: SERVICES BY COMMUNITY – AUSTRALIAN GOVERNMENT

### Input

<table>
<thead>
<tr>
<th>AURUKUN</th>
</tr>
</thead>
</table>

**DEPARTMENT OF EDUCATION, SCIENCE AND TECHNOLOGY**

**Services provided**
The Whole of School Intervention (WoSI) Strategy involves communities and parents working with schools and other organisations to improve the educational outcomes of Indigenous school students. The WoSI Strategy is made up of two elements; the Parent School Partnerships Initiative and Homework Centres.

- **Parent School Partnership Initiative:**
  - Alliance of Aboriginal Community Schools: Hope Vale State School, Kowanyana State School, Pormpuraaw State School, Lockhart River State School and WCC – **Aurukun** Campus.
  
- **Connecting Communities - Connections for Keeps Initiative:**
  - This project is aimed at producing a DVD for communities, students and boarding schools as a resource to promote education. The project will provide opportunities for the community to send a positive message about the community itself and expectations for the students/community in the general area of education. It will also provide a source of motivation for younger students (targeted years 4-7) to engage with education in their home community and to have an understanding of the life style at the boarding school and classroom experience.
  
  - $75,325
  - 29 Jan 2007 - 27 June 2008

- **Parent School Partnership Initiative:**
  - Alliance of Aboriginal Community Schools
  
  - Bloomfield River, Bwgcolman, Cairns West, Coen Cooktown, Doomadgee, Hope Vale, Kowanyama, Lakeland, Laura, Lockhart, Mornington Island, Herberton State School, Pormpuraaw, Rossville, Western Cape College (Weipa, Mapoon and **Aurukun**), Woorabinda and Yarrabah State School.

- **Hand In Hand; Improving Attendance Through A Parent, School And Community Action Research Partnership Initiative**
  - This initiative is about improving Indigenous attendance This research initiative will run over a period of two years with a researcher assisting by providing ongoing professional support in the form of up to date literature research to assist with specific issues as they develop, collating the project information gathered, share results across the wider Alliance community.
and prepare a report for the Alliance and DEST to be presented at an Alliance conference so that all the information and strategies may be shared across all the Alliance schools.

- $145,300 ($72,650 in 2006; $72,650 in 2008)
- 1 July 2006 - 31 Dec 2008

- Parent School Partnership Initiative:
  - Aurukun Shire Council
  - Attendance Strategy
    - Under the Attendance Strategy a clan representative will work with nominated families each day by collecting children and walking them to school and then maintaining a school presence throughout the intensive morning literacy and numeracy block. The clan representative will mediate and mentor students, hold weekly meetings with clan families and work together to develop intervention strategies.
  - $46,824
  - 29 Jan 2007 - 14 Dec 2007

- Parent School Partnership Initiative:
  - Aurukun Shire Council; Koolkan Early Childhood and Family Hub
  - Aurukun Community
  - Parental Development Initiative
    - This project works with young parents, particularly those having a first child, to educate parents in the development and use of safe, healthy and developmentally appropriate child rearing and nurturing practices which benefit the child in their social, emotional, cognitive and physical lives. It is envisaged that a programme can be set up and recognised by TAFE as Cert 1 in Child Care so their learning can be continued if the students are interested in continuing in some formal study in that area.
  - $401,000 ($160,760 in 2006; $150,000 in 2007; $90,240 in 2008)
  - 1 June 2006 - 31 Dec 2008

- Parent School Partnership Initiative:
  - Brisbane Indigenous Media Association
  - Aurukun, Kowanyama, Cooktown and Weipa
  - Brisbane Indigenous Media Association Pathways Project
    - The project aims to increase Indigenous literacy, numeracy and attendance. The project is phase 2 of a broader initiative aims
### AURUKUN

- to improve Indigenous literacy and numeracy levels and increase attendance. Schools and committees will work in partnership to improve students’ access to vocational pathways.
  - $200,000
  - Jan 2006 - Dec 2006

### DEPARTMENT OF FAMILIES, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS

**Services provided**
The ‘Improving Family Payments Outcomes for Indigenous Children’ initiative is to be delivered through the Family Income Management (FIM) program in Cape York. Consultative mechanisms are currently in place between FaCSIA and the Service Provider, Cape York Partnerships (CYP). This new initiative is expected to roll out in February 2007 in six sites in Cape York. A training package is being developed to train local workers to deliver this initiative.

### DEPARTMENT OF EMPLOYMENT AND WORKPLACE RELATIONS

**Services provided**
- CDEP
- Job Network Services
- Bundled Services (JN, PSP JPET, DEN, CWC & NEIS)
- STEP
- Indigenous Small Business Fund
- Greencorp

**Engagement**
DEWR has a regional office in Cairns and dedicated officers in the Cairns Indigenous Coordination Centre (ICC) including three Solution Brokers for the region.

### COEN

**DEPARTMENT OF EDUCATION, SCIENCE AND TECHNOLOGY**

**Services provided**
The WoSI Strategy (as described above in relation to Aurukun).

- Alliance of Aboriginal Community Schools
### COEN

- Bloomfield River, Bwgcolman, Cairns West, **Coen** Cooktown, Doomadgee, Hope Vale, Kowanyama, Lakeland, Laura, Lockhart, Mornington Island, Herberton State School, Pormpuraaw, Rossville, Western Cape College (Weipa, Mapoon and Aurukun), Woorabinda and Yarrabah State School.
  - Hand In Hand; Improving Attendance Through A Parent, School And Community Action Research Partnership Initiative (As described above in relation to Aurukun.)
  - $145,300 ($72,650 in 2006; $72,650 in 2008)
  - 1 July 2006 - 31 Dec 2008

### DEPARTMENT OF FAMILIES, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS

**Services provided**
The ‘Improving Family Payments Outcomes for Indigenous Children’ initiative is to be delivered through the Family Income Management (FIM) program in Cape York. (As described above in relation to Aurukun.)

### DEPARTMENT OF EMPLOYMENT AND WORKPLACE RELATIONS

**Services provided**
- CDEP
- Job Network Services
- Bundled Services (JN, PSP JPET, DEN, CWC & NEIS)
- STEP
- Indigenous Small Business Fund
- Greencorps

**Engagement**
DEWR has a regional office in Cairns and dedicated officers in the Cairns ICC including three Solution Brokers for the region.

### HOPE VALE

**DEPARTMENT OF EDUCATION, SCIENCE AND TECHNOLOGY**

**Services provided**
The WoSI Strategy (as described above in relation to Aurukun).

- Parent School Partnership Initiative:
  - Alliance of Aboriginal Community Schools: **Hope Vale** State School, Kowanyama State School, Pormpuraaw, Pormpuraaw

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Welfare Reform Project – Appendix O

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<table>
<thead>
<tr>
<th>HOPE VALE</th>
<th>State School, Lockhart River State School and WCC – Aurukun Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Connecting Communities - Connections for Keeps Initiative (As described above in relation to Aurukun.)</td>
<td></td>
</tr>
<tr>
<td>• $75,325</td>
<td></td>
</tr>
<tr>
<td>• 29 Jan 2007 - 27 June 2008</td>
<td></td>
</tr>
</tbody>
</table>

| | Parent School Partnership Initiative: |
| | - Alliance of Aboriginal Community Schools |
| | - Bloomfield River, Bwgcolman, Cairns West, Coen Cooktown, Doomadgee, Hope Vale, Kowanyama, Lakeland, Laura, Lockhart, Mornington Island, Herberton State School, Pormpuraaw, Rossville, Western Cape College (Weipa, Mapoon and Aurukun), Woorabinda and Yarrabah State School. |
| | • Hand In Hand; Improving Attendance Through A Parent, School And Community Action Research Partnership Initiative (As described above in relation to Aurukun.) |
| | • $145,300 ($72,650 in 2006; $72,650 in 2008) |
| | • 1 July 2006 - 31 Dec 2008 |

| | Parent School Partnership Initiative: |
| | - **Hope Vale** Aboriginal Shire Council |
| | - **Hope Vale** State School and George Bowen Memorial Kindergarten (Hope Vale) |
| | Hope Vale Aboriginal Shire Council K to 7 Project |
| | • A “Community School Participation Officer” through the local council will work with the school. Parents will be ‘skilled up’ to support children in education from kindy to Year 7 and through to secondary schooling. |
| | • $45,000 |
| | • 20 Sep 2005 - 31 Dec 2006 |

| | Crèche & Kindergarten Assoc Qld - Parent & Learning Project (Hope Vale Community) |
| | • A parent and learning programme will be implemented to actively engage parents with their children in educational activities outside the constraints of school. The aim of the programme is to promote parents belief in themselves as effective contributors to the early education of their children. |
| | • $83,255 |
| | • Nov 2005 - Dec 2006 |
### HOPE VALE

**DEPARTMENT OF FAMILIES, COMMUNITY SERVICES AND INIDGENOUS AFFAIRS**

**Services provided**
The ‘Improving Family Payments Outcomes for Indigenous Children’ initiative is to be delivered through the Family Income Management (FIM) program in Cape York. (As described above in relation to Aurukun.)

### DEPARTMENT OF EMPLOYMENT AND WORKPLACE RELATIONS

**Services provided**
- CDEP
- Job Network Services
- Bundled Services (JN, PSP JPET, DEN, CWC & NEIS)
- STEP
- Indigenous Small Business Fund
- Greencorp

**Engagement**
DEWR has a regional office in Cairns and dedicated officers in the Cairns ICC including three Solution Brokers for the region.

### MOSSMAN GORGE

**DEPARTMENT OF EDUCATION, SCIENCE AND TECHNOLOGY**

**Services provided**
The WoSI Strategy (as described above in relation to Aurukun).

- Parent School Partnership Initiative:  
  - **Mossman** State High School
- Career Drive Project  
  - The project will identify pathways for year 9-12 students and provide support to these students in working towards achieving their educational and career goals. It involves community-based groups, mentors and work placements.
- $43,835
- 26 Sep 2005 - 31 Dec 2008
- Parent School Partnership Initiative:  
  - **Mossman** State School
### MOSSMAN GORGE

- **Community School Participation Officer Initiative**
  - The aim of the initiative is to increase Indigenous parents confidence and participation in the educative process of their children. This will be achieved through the employment of a Community and School Participation Officer, who will engage parents to provide the link between school and parents of Indigenous students. Home visits and workshops will be conducted for parents and community to further strengthen this relationship. These workshops will be held in partnership with the Learning Engagement Centre and the school to increase understanding of the importance of attending school, and will provide parents with strategies to assist their children in the home from an early age, and address barriers to education.
  - **$43,000**
  - 29 Jan 2007 - 14 Dec 2007

- **Parent School Partnership Initiative:**
  - St Terese’s - Ravenshoe; St Joseph’s - Atherton; St Augustine’s - Mossman; Good Counsel Primary - Innisfail; St Terese’s - Bentley Park; St Gerald Majella – Woree; Our Lady’s Help of Christians; St Joseph’s – Parramatta Park; St Francis Xavier – Manunda; Mother of Good Counsel – Cairns North; St Andrew’s – Redlynch; Holy Cross – Smithfield (Cairns)
  - Successful Learning in the Early Years - The Indigenous Factor Programme:
    - The programme will engage Indigenous parents to support 114 children in the early years of schooling. Indigenous School Officers will be engaged and trained to deliver this programme to Indigenous parents in Prep to Year 3. One parent from the target schools will train other parents in the programme.
  - **$6,763**
  - 06 Jun 2005 - 4 Nov 2005

### DEPARTMENT OF FAMILIES, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS

**Services provided**
The ‘Improving Family Payments Outcomes for Indigenous Children’ initiative is to be delivered through the Family Income Management (FIM) program in Cape York. (As described above in relation to Aurukun.)

### DEPARTMENT OF EMPLOYMENT AND WORKPLACE RELATIONS

**Services provided**
- CDEP
- Job Network Services
- Bundled Services (JN, PSP JPET, DEN, CWC & NEIS)
- STEP
| MOSSMAN GORGE          | • Indigenous Small Business Fund  
|                       | • Greencorps                     |
| Engagement            | DEWR has a regional office in Cairns and dedicated officers in the Cairns ICC including three Solution Brokers for the region. |
APPENDIX P: OTHER MECHANISMS TO REBUILD SOCIAL NORMS

The Welfare Reform Project has identified other mechanisms which are necessary for individuals and families to build the capabilities required to re-establish positive social norms and position themselves to engage successfully in the real economy: People Action Networks; creating Village Hubs; and the Every Child is Special Case Management Framework.

P.1 Establishing People Action Networks

Peoples’ Action Networks (PANs) should be established in the Welfare Reform communities as an enabler in the welfare reform process. A PAN is a non-political, non-hierarchical local network of volunteer groups that all community members can participate in. A PAN would provide funding, support and mentoring to individuals and groups in the community. The project is designed to enhance individual civic contribution, while reinforcing welfare reform principles and building social norms.

It is proposed that the initiative be implemented in the first half of 2007. This would provide an immediate tangible benefit of participation in welfare reform for the Welfare Reform communities. PANs will also provide an important opportunity for community members to become active in trying to resolve some of the issues associated with the dysfunctions identified during the Engagement Process.

The current lack of social participation and interest in cultural issues in communities has a significant negative impact on social capital or 'sense of community'. This in turn undermines the effectiveness of other incentives and laws that aim to rebuild social norms and functional, healthy Indigenous communities.

Awareness of and demand for PANs in the Welfare Reform communities has been developed over a period of time. Cape York Partnerships and CYI have been discussing the concept of a PAN with people in Cape York for several years. The project is in a position now where it can be implemented during 2007. A funding application has been submitted to the Queensland Government in an attempt to do so.

The Engagement Process and context for the project

Evidence from the Welfare Reform Engagement Process

The need for the PAN project has been highlighted in the qualitative information collected by the Welfare Reform Engagement team. Interviewees in each of the communities identified issues and solutions relevant to the PAN project.
The lack of community spirit, togetherness and communication was an important theme in some of the discussions. A lack of community spirit and poor communication skills were a key issues for Hope Vale, in Coen it was noted that the community was becoming more and more divided and a need to bring unity and harmony to the community was identified in Aurukun. Twenty one percent of interviewees mentioned issues of ‘community’ in Mossman Gorge.

Solutions proposed for improving this situation and more specific problems such as anti-social behaviour and boredom were activities such as sport and recreation, cultural activities and forums for elders to relate to younger people in the community. Sixteen percent of interviewees identified the need for more sport and recreation in Coen. One person in Hope Vale suggested a fun day once a month, another in Aurukun the procurement of horses so elders could pass on their knowledge. Others in different communities talked about the opportunity for a men’s group or youth centre as a forum for more positive community interaction.

While these solution comments demonstrated that there are ideas, they also highlighted the passivity and dependency that dominates the community discourse and individual views on how problems can be solved. The most common solution to any issue is that external people need to be employed to conduct training, oversee the community, provide infrastructure or to come in and teach people ‘how to live’.

One person explicitly identified that small communities need outside help in order to change (perhaps reflecting a feeling that nothing can be done on their own); others spoke of a need for the army or security guards to assist with discipline of children, and there were numerous calls for training of parents, kids and other community members. The passivity of people was specifically mentioned by thirty three percent of interviewees in both Coen and Hope Vale. These interviews suggest that in most cases people may not see the opportunities or may not feel capable or empowered to take responsibility and action in building stronger, more harmonious communities.

This is a summary of the main evidence that has been collected, not a universal situation. Within the data there are also clear examples where people express confidence that people can “make a difference” and “take control” if they have some assistance. These are the individuals who will make PAN a success.

*Engagement on the PAN concept*

In addition to the wider Welfare Reform Engagement Process, PAN specific community engagement and an assessment of current volunteer activity in three of the Welfare Reform communities was undertaken as part of the development of this report. This assessment involved visits by CYP to the communities to meet with leaders and active volunteers. The
PAN concept and activities already happening in the community were discussed during these visits.

Discussions with community members about the concept met with a positive response. Community members identified a need for extra support for group activities and for the PAN approach, particularly the empowerment of community members to assume full responsibility for planning and decision making in community activities. In many cases individuals quickly identified ways in which they had been considering expanding the scope of their activities or shared ideas for new groups and activities that would emerge with the program in place. This suggests that latent demand exists including many new ideas that a PAN might activate. Table P.1 details the results of the assessment of current activity.
Table P.1: Summary of volunteer activity

<table>
<thead>
<tr>
<th>Community</th>
<th>No. of Groups</th>
<th>Type of Groups Identified</th>
<th>Government/ Council Investment</th>
<th>Group Contribution</th>
<th>New Ideas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hope Vale</td>
<td>10</td>
<td>• Focus Group&lt;br&gt;• Community Justice Group&lt;br&gt;• Rodeo&lt;br&gt;• Hula and line dancing&lt;br&gt;• Rugby League Club (includes cricket and softball)&lt;br&gt;• Women’s, Men’s and Youth Groups&lt;br&gt;• Volleyball</td>
<td>• e.g. $50,000 of council, government and other external money was identified in the rapid assessment (predominantly in the Rodeo).</td>
<td>• Many groups and community members actively fund raise and contribute money to group activity.</td>
<td>• Environmental initiatives (e.g. no plastic bags, community clean up)&lt;br&gt;• Community action against graffiti and petty crime&lt;br&gt;• Youth diversion activities (camps, after school programs)</td>
</tr>
<tr>
<td>Mossman Gorge</td>
<td>4</td>
<td>• Women’s group&lt;br&gt;• Rainforest Dragons Rugby League team&lt;br&gt;• Men’s group (inactive)&lt;br&gt;• Community Justice Group</td>
<td>• e.g. Council provides $50/month for the Women’s group.</td>
<td>• Trips by the Rugby League team are generally self-financed. Recent trips have included Kowanyama and Mount Isa.</td>
<td>• Diversion programs for youth and young adults&lt;br&gt;• Sports carnivals and additional teams&lt;br&gt;• School holiday activities and camps for kids</td>
</tr>
<tr>
<td>Coen</td>
<td>10</td>
<td>• Rugby league, softball and cricket&lt;br&gt;• Health Action Group&lt;br&gt;• Men’s and Women’s group&lt;br&gt;• Parents education group&lt;br&gt;• Walking group&lt;br&gt;• Community Justice Group</td>
<td>• e.g. Approximately $90,000 of investment through the Coen Regional Aboriginal Corporation was identified (this includes government program funds) predominantly for sport and recreation</td>
<td>• Group members make contribution from their incomes as well as spending time organising events and fundraising</td>
<td>• Craft clubs&lt;br&gt;• Additional sports&lt;br&gt;• Youth camps and trips&lt;br&gt;• Ball and fete</td>
</tr>
</tbody>
</table>
In each community, sports are an important community activity. Community members spoke about the positive effect participation in sport can have in diverting people away from grog and substance abuse, particularly for some of the most at risk people such as young men. Other activities such as men’s and women’s groups have a role in dealing with social and personal issues. Community Justice Groups in each community, the Focus Group in Hope Vale (formed to deal with behavioural problems in the school) and the Parents’ Education Group in Coen are examples of existing voluntary activities with an explicit link to building positive social norms.

The level of activity differs across communities. For example, Hope Vale has experienced a relative increase in community group activity over the last few years based on several individuals becoming more active in the community. In comparison, Mossman Gorge has relatively few active groups. In each community the discussion elicited new ideas for groups and activities with a particular focus on positive group events for young people.

A Case Study of Success of the PAN approach in Cape York: Kowanyama Football and Softball Association

Kowanyama Football and Softball Association provides financial support to community sporting teams to encourage participation in sporting activities. As with other groups in Cape York, the Association had difficulty in managing governance and financial issues. For example, funds raised by the softball team were being used by the football teams without permission. In other cases, team captains who were going to compete outside of the community were purchasing food for trips and charging it to the Association without permission. This meant that viability of the Association was threatened and resulted in conflict between people in the community.

In 2002 the management of the Association was reformed when organisers became frustrated with this on-going situation. Under the reformed administration regime, financial support was guided by the following principles:

1. All sporting teams within the community are required to register with the association so they are recognised as a team and could receive support.
2. All financial support requests require an application process stating the type of activity they intend to carry out, where and when it is to be held.
3. Monetary transactions are completed only using purchase orders with no cash transfers allowed.
4. Money made during a fund raising event must be deposited into the Sports Association account. The team could then access the funds to cover their expenses (e.g. uniforms, equipments, trips etc.).
Enforcing these principles has made monetary transactions much easier for the volunteer organisers to track and people in teams found this new system easy to follow. The system was accepted by the groups resulting in money being used appropriately and more equitably by all teams.

The example above demonstrates the feasibility and importance of volunteer groups having a robust system of organisation. When the system is transparent, simple and community owned, people are more likely to accept some rigour and recognise the fairness of the system. Over time, this develops people’s attitudes and expectation of how things should be run.

Similar problems to those experienced by the Kowanyama Football and Softball Association exist for other types of community groups in Cape York Indigenous communities. A PAN provides the simple management and support structure for any group that might form. It also negates the need for different groups to go through the process of formal incorporation to develop an effective financial management and organisational structure. This way people can get on with raising money, conducting their activities and building cohesion in the community.

**PAN as an enabler in welfare reform**

*Three spheres of activity in communities and government investment*

Conceptually, there are three spheres of activity in any community (Figure P.1): the individual and family sphere where individuals live their private lives earning income and providing for their needs; the public sphere where government invests to provide public goods such as roads, infrastructure, health and education services; and the voluntary sphere where people make contributions to others and the community as a whole, beyond themselves and their own families, without expectation of being paid. The differing context for activities in these spheres requires a distinct intervention approach by governments.

*Figure P.1: The three spheres of activity in a community*
Investment in the public sphere is appropriate and consistent with intervention by government in mainstream society to provide public goods. However increasing investment by government in the individual and voluntary spheres in Indigenous communities over several decades has had negative consequences. Though this investment is a legitimate response to low incomes and the breakdown of social norms, the long-term result has been passivity and the transfer of responsibility from individuals and families to the government which exacerbates these issues.

**Passivity in the voluntary community sphere**

Volunteers provide services or benefits to others for motivations not related to financial or material reward. Volunteer work by Australians makes an enormous contribution to society in economic and social terms. In 2004 it was estimated that Queenslanders devoted 238 million hours to organised volunteer activities with an estimated economic value of $5,244 million.114

While welfare reform primarily operates in the individual and family sphere, the voluntary community sphere in Indigenous communities has also been negatively influenced by passive welfare. Government funding that does not require a strong contribution from individuals has displaced community initiative and involvement. Over time a passive attitude to community issues and an expectation of payment for participation in community initiatives has developed. Additionally, despite the existence of numerous funding opportunities, people with initiative often find it difficult to access resources unless their idea is an exact match to an existing government program.

Failing this, the only source of resources and support is the community council with its associated politics and limited resources. These factors combined have undermined a volunteer culture that is remembered by older members of the community as being vibrant prior to the rise of the welfare state. This vibrancy was the result of many members of the community actively and collaboratively contributing to community events such as rodeos, sports carnivals and cultural activities.

**Re-establishing social norms**

A social norm is an informal rule of conduct that governs individual behaviour. Norms are informally enforced via social sanctions (positive and negative) imposed by third parties (other community members) or by the individual themselves.115 The law also imposes sanctions to back up many common social norms of behaviour. Many social norms in Cape

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York communities are dysfunctional. A substance abuse epidemic, poor school attendance, child neglect, gambling and wilful damage to housing stock are recognised as issues symptomatic of a breakdown in functional social norms required for successful engagement in work and society.

The process for re-establishing norms in a community can be compared to a market where ‘norm builders’ (individuals who identify a particular issue in the community and how norms surrounding that issue, e.g. drinking or parenting, should change) compete for the attention of the social audience\(^\text{116}\) and for support from the group for behavioural change. Norms become established as increasing numbers of people, and finally a majority, enforce and internalise the behaviour. Norms become progressively easier to enforce as more people subscribe to them. This process is illustrated in Figure P.2.

PAN, as a forum for action by the community, plays host to part of the market for social norms. Under PAN, individual’s ideas vie for community commitment through active groups. PANs will host norm builders who identify where action is required and motivate others to join them in taking action. This role as a formalised intermediary in the reestablishment of social norms is how each PAN will act as an enabler in the wider welfare reform agenda. PANs will also seek to re-establish the social norm of voluntary civic contribution in the Welfare Reform communities.

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Figure P.2: Conceptual process of norm development

The involvement of change agents & PAN in developing new norms

1. Self-motivated leaders and norm entrepreneurs lobby for change (PAN).

2. Opinion leaders (OLs) notice that technical experts favour the change. OLs realise it is likely to take hold, and begin to support it (PAN).

3a. PAN, incentives and law enforcement ensure compliance including by sub-cultures.

3b. A norm cascade or tipping point occurs as ordinary people see support for new norm by technical experts (& think norm is therefore good for group), and by opinion leaders (whom it is socially risky not to follow), and finally by other people. All get on the bandwagon.

4. Transgressors must always be challenged.

Percentage of group members adopting new norm

Time

The Project

Figure P.3: People Action Network project logic

Problem: Severe decline in voluntary civic participation as a result of passive welfare incentives, substance abuse and breakdown of social norms.

Goal: Restore functional social norms by reinvigorating civic participation and developing social capital

Rationales:
- Individuals must take responsibility
- Participation builds social capital and assists norm development
- Financial incentive is necessary

Assumptions:
- Ideas and initiative exist
- Community support

Resources:
- Volunteer Community Groups and Networks
- Community Brokers
- Community Action Trust Funds
- Community Trustees
- Relationships with external organisations

Activities:
- Network events and communication
- Meetings and group formation
- Collaborative development of proposals
- Fund raising and community financial contribution

Outputs:
- Community events
- Camps
- Sports competitions and teams
- Art and cultural activities
- Mens, womens and youth groups
- Other initiatives

Outcomes:
- Larger proportion of the community actively involved in civic projects.
- Significant increase in community social capital.
- Successfully taking responsibility builds individual self esteem and confidence
- The norm of voluntary civic participation is re-established
- Progress in re-establishing social norms of behaviour related to substance abuse, care for children and community.

Community Charter

The PANs are driven by a set of principles identified as important for ensuring that the networks encourage responsibility and action. These principles will be enshrined in a Community Charter that will guide the operation of the network and the operation of Community Action Trust Fund. The key principles include:

- Activities must be a positive contribution to the community.
- All community member contributions to group activities must be voluntary (no wages).
- Participation in groups must be open to all of the community or a significant subset (e.g. men, women, youth).
- Events must not involve drugs, gambling or alcohol.
- Individuals must take responsibility for fundraising, organising groups and making events happen.
• Groups must be not result in personal profit and money raised by groups must be spent on activities that are within the Charter.

• All expenditure of PAN funds must be completely accounted for via receipts.

• Support will be provided (monetary and non-monetary) to all groups who abide by the Charter in their operation subject to availability of funds.

• Funding will only match funds raised by community groups themselves.

• Red tape must be minimised.

This Charter will be developed and agreed with the community in the establishment phase of the program.

**Community Action Trust Fund**

A Community Action Trust Fund (CATF) will provide an accessible source of additional funds to stimulate additional and more extensive group activity. Cape York Indigenous communities are characterised by low incomes.\(^{117}\) This significantly restricts the resources available from within the community to finance volunteer initiatives. Similarly, the remoteness of these communities generally increases the expenses associated with attending outside events. Together these factors can combine to effectively limit the number of groups that a community can support and the activities that are possible for groups to undertake.

A CATF can only match funds raised by groups themselves. Matching account incentive programs have advantages over traditional grant-making to community organisations as:

• They provide resources to individuals or families on the ground;

• They provide incentives to individuals or families to do good things;

• They can be done on the basis of mutual obligation or reciprocity rather than passive welfare handout; and

• Resource provisioning is not a political decision and depends on the recipient putting aside matching funds of their own.

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\(^{117}\) The median weekly income for Indigenous families in the Cooktown ATSIC region was $400-499 according to 2001 Census data from the Australian Bureau of Statistics. In contrast, the median Queensland family income in 2001 was $800-899.
The CATF model is designed to be flexible and responsive to community needs by providing funding to all groups who meet the eligibility criteria outlined in the Charter. This is a ‘demand driven’ investment model where the expenditure is determined by community participation and initiative. This is the opposite of a ‘supply driven’ model where external priorities drive the agenda and dictate the level of funding that needs to be spent over a 12 month period. Over several decades, this supply driven model has contributed to the decline in voluntary activity by displacing community initiative and responsibility.

The practical operation of the fund is described in Figure P.4. Contributions to the fund will be made by both government and external organisations. The fund will be administered by the Community Broker (their role is described below) and overseen by a group of Community Trustees. The Trustees (a group of community leaders) will have responsibility for formally approving any expenditure. Funds will be held in trust on the basis of the Charter principles. CYP is currently obtaining legal advice on the best legal arrangements for the funds. The final structure will be designed to balance accountability to investors, the liability of trustees and minimise administration and tax burdens.

**Figure P.4: Structure of the Community Action Trust Fund**

Accountability and promoting responsible money management is an important part of the framework. Anecdotal evidence suggests that the risk of funds being misspent by individuals will need to be actively managed in the program because of the prevalence of drug, alcohol and gambling addictions in the communities is significant. Each PAN will link with Cape York Partnerships Family Income Management program to provide a framework for members to contribute to group accounts and for groups to manage contributions from members, prize money and other funds raised independently. This will help to ensure that any money raised by groups is used in line with group decision making and for PAN compliant events.
Applying for matching funds from the CATF will require the groups to develop simple proposals that outline the activity, include a simple budget and confirm that the activity is consistent with the Community Charter. All expenditure will have to be fully acquitted with receipts. Electronic funds transfers, purchase orders or supervised purchases will be used wherever necessary to minimise the risk of funds being misspent.

The CATF will also be able to manage additional money with specific purposes. These funds would have additional requirements consistent with the specific aims of the investment. These requirements would be agreed between the investor and PAN trustees. Over time this facility will allow each PAN to operate independently from administrative grant funding on the basis of charging auspicing fees to manage specific and general investments for government and the philanthropic sector.

**Community Brokers**

While their primary role is the administration of the CATF, the Community Broker will assist with coordination of groups by bringing together leaders to discuss issues and develop ideas. The Community Broker will also provide guidance and mentoring to groups in getting organised, applying for funding and undertaking events. Providing this support without displacing community action or allowing community members to transfer responsibility for organising events onto the Community Broker will be a key challenge for stimulating activity without reinforcing passivity in the community.

**Leveraging non-government investment**

The PANs will leverage significant additional in-kind and monetary contributions from the community and philanthropic sectors. As outlined in the principles above, a prerequisite to accessing the seed funding is financial contribution by the community. In addition to the community contribution, the networks will actively seek links with external organisations to support community group activities that are beyond the scope of the seed funding. This will be facilitated by the Community Brokers and the Project Manager and may include relationships that are relevant to every community (e.g. relationship with Rugby League organisations) or specific relationships between a community and an organisation (e.g. the emerging group from Sydney called “Mosman Friends of Hope Vale”).

**Funding and implementation**

Cape York Partnerships has applied for funding for the project from the Queensland Government. This application included a request for resources to establish Community Action Trust Funds, employ local based Community Brokers and a Project Manager and for associated costs of delivery, with a proposed commencement in May 2007.
The establishment phase for the project is May - September 2007. During this time Cape York Partnerships will engage the communities in the development of PANs, employ locally based Community Brokers and a Project Manager and finalise governance and administrative arrangements.

Establishing PANs in the Welfare Reform communities requires a detailed engagement strategy to enable CYP and the Community Trustees to develop the concept with existing volunteer and community groups with input from the wider community. The aim of the process would be for the existing volunteer network to tailor the PAN concept to suit the situation and priorities of each community.

The operational phase for the project will be from September 2007 to June 2009. After the funding period it is expected that the networks will move to an independent footing without the need for on-going funding. This will be achieved by attracting management responsibility for funds from government programs and philanthropic organisations for which the network would charge an auspicing fee.

Some preliminary measures of success and associated indicators are described in Table P.2. An evaluation of the implementation of PANs will be broadly based around these indicators. CYP will collect information and report on these criteria during project establishment and operation.
Table P.2: Basic evaluation framework for People Action Networks in Cape York

<table>
<thead>
<tr>
<th>Measures of Success</th>
<th>Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community develops and supports the PAN.</td>
<td>- Strong community involvement in PAN development meetings and willingness to participate as trustees.</td>
</tr>
<tr>
<td></td>
<td>- Existing volunteer groups engage with the network.</td>
</tr>
<tr>
<td>Engagement in the network and associated activities is high.</td>
<td>- No. of volunteer groups registered with the PAN</td>
</tr>
<tr>
<td></td>
<td>- No. of new groups formed as a result of the PAN</td>
</tr>
<tr>
<td>A greater proportion of the community is involved in voluntary activities.</td>
<td>- % of the community involved in PAN volunteer networks.</td>
</tr>
<tr>
<td>PAN supports a diversity of activities</td>
<td>- No. of different groups registered and active with the network</td>
</tr>
<tr>
<td></td>
<td>- Trend in cultural activities</td>
</tr>
<tr>
<td></td>
<td>- Activities that create links with urban areas</td>
</tr>
<tr>
<td>Community groups are engaged in activities that support social norm formation</td>
<td>- Types of groups, activities and relationship to social norm formation</td>
</tr>
<tr>
<td>Financial contribution from community</td>
<td>- Level of financial contribution from community and ways in which this contribution is made (group member fees, fund raising events)</td>
</tr>
<tr>
<td>PAN leverages further / alternative investment and wider links between volunteers and other organisations</td>
<td>- No. and type of links with external organisations</td>
</tr>
<tr>
<td></td>
<td>- Role of the PAN in the negotiation table process</td>
</tr>
<tr>
<td></td>
<td>- Amount of additional alternative investment leveraged</td>
</tr>
<tr>
<td></td>
<td>- Viability of the PAN at end of project based on ability to leverage auspicing fees to fund operational and administrative costs</td>
</tr>
</tbody>
</table>

P.2 Village Hubs: multipurpose meeting, interaction and service precincts where social norms are taught, shared and modelled and social capital can be developed

In the final outcome social norms are shared between the *local people* of the community: between community leaders and members, between elders and the young, between aunts and nephews, uncles and nieces, godparents and godchildren – between neighbours, friends, relatives.

It is because individuals want to *comply* with the expectations and standards of people with whom they live, whom they respect, and whose approval or approbation matters to them – that they abide by social norms. Moreover, many individuals will not just be compliant
with certain behaviours, they will identify with them – because they identify with the people who hold to them. Social and peer expectation is the means by which social consensus and conformity with norms is achieved. More than identification, many individuals will internalise the norms, and will actively defend and uphold them – and proselytise about and communicate them to other members of the community. It is this latter group who are sometimes referred to in the literature as ‘norm entrepreneurs’.

It is one thing for individuals to be provided with services which teach them skills and raise their awareness, and counsel them in relation to their issues, and provide them with necessary support. But the relations between service providers and individuals will not by themselves help in the transmission and acceptance of functional social norms by individuals whose values and behaviours are not normative.

Norm modelling and transmission takes place between community members. External service providers can teach knowledge and skills but they cannot transmit and build social norms.

If the objective is to assist ‘dysfunctional’ individuals to understand and fulfil their responsibilities to themselves and to their families, it is therefore imperative to create opportunities for them to interact with and learn from ‘functional’ community members. Or where external service providers are providing educational, counselling and skills development, then the presence and participation of local role models ensures that the target individuals understand that the knowledge, skills, values and behaviours which are sought to be imparted to them are desired and supported by members of their community. These are not just externally imposed objectives, these are desired and supported by people who are important to the targeted individual.

There is an assumption that external service providers can be effective in building social norms. If there is no local ownership, identification and reinforcement, then this service provision will (continue to) be ineffective.

These are not just ‘transaction centres’ that we have in mind here. Governmental transaction centres are important, but they are principally business and government transaction focused places – not places for social interaction between community members.

The great tragedy of government ‘service delivery’ to Indigenous communities – especially in relation to the delivery of physical infrastructure – is that no thought has been (and no thought still is) given to the social layout of the infrastructure, and their relationship with other infrastructure. The silos of policy and portfolios are evident in the silos of infrastructure – carelessly ‘plonked’ around the community. When the next infrastructure facility is introduced virtually no planning takes into account the synergies that could come from the use of the facilities and the relationship of the new infrastructure to existing infrastructure.
These potential examples are only for illustrative purposes. What such precincts should be and what opportunities exist to establish people-friendly and accessible places for exchange, learning and interaction – will depend on the circumstances of each community. Smaller communities will not need so many such spaces, whilst larger communities have different considerations. Gender, age and cultural issues will be site-specific, and a process of planning and consultation will need to take these factors into account.

Persons with appropriate expertise need to be engaged – people who understand physical, social and cultural space and utility. Time has come to turn the grid with boxes into a village, to break the rigid squares with circles and hubs and meandering pathways.

This will raise questions about better use and multiple uses of infrastructure – such as schools infrastructure. Bureaucrats and government departments will need to be instructed to leave their own fixations with delivering their silo service, in favour of collaboration, synergy and adaptation.
Second and third thoughts should be given to the establishment of ‘Safe Haven’ infrastructure and ‘Domestic Violence’ shelters in communities where there is a reform agenda to rebuild social norms. Such facilities are an admission of failure and defeat. They are not needed if the community is serious about rebuilding social norms. It is the homes of women and children that should be safe havens – not some night shelter.

Bureaucrats who are single-minded about establishing such redundant facilities need to yield to the need to not waste crucial capital on unwanted and unnecessary purposes – when such facilities can be adapted to better and more positive purposes.

P.3 Every Child is Special and the Case Management Framework

Every Child is Special (ECIS) is a partnership project between Coen Regional Aboriginal Corporation, Education Queensland and Cape York Partnerships. ECIS proposes reforms which target both students, parents and community members (demanders of education) and teachers, principals and the school system (suppliers of education).

The success of the Cape York Agenda, of which welfare reform is a critical component, relies on the increasing mobility of young people to take up existing and emerging opportunities in their home communities and the wider world. To be able to successfully orbit between the two will require them to have multilingual and bicultural capabilities. Families and schools develop a child’s capabilities by fostering literacy and cognitive and social skills. The more capabilities a child has, the better equipped they are to make informed decisions and the more expanded are their later-life choices. The majority of Indigenous children in Cape York Peninsula have severely underdeveloped capabilities. As a result, their choices are severely narrowed to adolescent parenting, long term unemployment, alcohol and drug use and unending trauma.

Given the current capability deficit, significant “concerted cultivation” of children is required to overcome the barriers impeding their advancement. ECIS aims to improve the ‘supply’ of education by forming collaborative partnerships with recognised successful educationalists to achieve high quality high expectations and education that maximises learning opportunities. It also aims to build parental ‘demand’ for higher expectation teaching and learning by engaging families in education activities, providing opportunities to children and families to participate in education, and supporting parents and guardians to be more accountable for the welfare of their children.

**Education reform and family engagement**

Family engagement is central to building demand for education. The target of family engagement is to maximise the opportunity for parental/family participation in their children’s education. ECIS works to engage families by: educating families about the importance of education for their children; working with families to develop a vision for
their children’s future and to plan their development pathways; uncovering education leaders who will champion education projects; encouraging families get involved in program activities; building relationships between the education providers and family members. Critically, it also seeks to educate parents on their responsibilities to their children’s education and support them to fulfil their obligations towards their children’s education.

Family members can participate on a voluntary basis. Family engagement in voluntary participation activities allows parents, guardians and family members to get involved in education activities that parents in the mainstream enjoy, such as homework, community education events, decision making with regard to the school, parent/teacher nights, and preparing children for secondary school.

In addition to voluntary participation, embedded in the philosophy of ECIS is the notion that parents and guardians have an obligation to ensure their children attend school. Parents and guardians must fulfil this obligation to allow their child to grasp the learning opportunity. ECIS supports parents through ‘case-by-case’ management, to ensure that all children have their fundamental needs met so they can embrace education opportunities. School attendance is a core parental responsibility and is about building the right social norms around education. The philosophy of ECIS is therefore wholly consistent with, and supportive of, the objectives of the Welfare Reform Project.

**The Case Management Framework and the Welfare Reform Project**

A considerable driver behind both supply and demand building is the ECIS’ specifically designed Case Management Framework (CMF). The CMF is a solution that aims to ensure full student attendance in Cape York. The CMF centres on a parent’s obligation to their children with regard to education, and case-by-case management that both rewards good attendance and holds parents accountable for poor attendance. CMF has been developed in the project’s trial site of Coen with specific intent of a broader roll out. Initially, this is proposed to be implemented in all four Welfare Reform communities in the near future.

The CMF is designed to be adopted by the individual school as their attendance strategy, and is thus managed as part of the school’s daily activities and responsibilities. Under the CMF, parents are informed of their obligation to ensure their children attend school, and information is provided as to why this obligation is important. An expectation is set of 100 percent attendance, and the consequences (both positive and negative) of meeting and not meeting the expectation are explained.

Case-by-case management means it is possible to target intervention directly at individuals within the following set framework. Attendance is monitored on a twice daily basis. A Case Manager will be appointed under the CMF. The CMF Case Manager accesses the school roll and notes a student’s status. The CMF Case Manager’s response to each student
and their parents is based on that student’s attendance, and there are a number of incentives offered for excellent attendance.

Similarly, there are negative consequences for students and parents where the attendance requirement is not being met. After the first breach, the CMF Case Manager will visit the parents of the child on that day. It will be established whether there was an absence, and an attempt will be made to get the child to school that day. The CMF Case Manager will also remind the parents of their obligation and why attendance is important, and notify them of the positive and negative consequences of meeting these obligations. A commitment will be gained that the parents will change their behaviour. Any additional information will be provided, as the CMF allows for some individual referrals to external service providers, but its scope does not cover the provision of counselling and other support-type services.

In the event of a second breach, the CMF Case Manager will again visit the parents, discuss why they haven’t met their obligation, regain commitment to meet their obligation, and advise the parents that the subsequent breach will incur a referral to the Family Responsibilities Commission (FRC).

A third breach of the attendance requirement will simultaneously trigger a referral to the FRC under the payment obligations as outlined in section 3.3. The CMF Case Manager will be ideally placed to provide a report to the FRC which details: the CMF’s record of the student’s attendance; the actions taken by the CMF Case Manager to address parental behaviour; comments by the CMF Case Manager on parental interactions; and a recommendation from the CMF Case Manager as to the appropriate consequences. The FRC would be required to have due regard to the report in ascertaining whether a breach of the payment obligations has occurred and the appropriate consequences (see section 3.4).

**Recommendation**

Although separate from the Welfare Reform Project, the CMF has been designed to strongly complement the objectives of the Welfare Reform Project. The CMF’s objectives of developing parental responsibility and building social norms with regard to education will support the success of the FRC and will improve its outcomes. Individuals could potentially be case managed both before and after a referral to the FRC, thus creating the greatest likelihood of behavioural change. It is recommended that the CMF be implemented in all four Welfare Reform communities together as part of a Welfare Reform pilot.
APPENDIX Q: ANALYSING THE EFFECT OF WORK, STUDY AND DOLE PAYMENTS ON INDIVIDUAL AND INSTITUTIONAL INCENTIVES AND DECISION MAKING

Q.1 Analysing the incentives for individuals to enter welfare and remain on it

Four welfare payments/programs available to individuals for ‘Work, Study and Dole’ purposes are analysed here – CDEP, Newstart, Youth Allowance and Abstudy. In addition, family payments (including the Parenting Payment and Family Tax Benefit) are also included to highlight their effect on the combined level of government payments available to individuals.

The welfare payments that people receive and how people respond to the incentives that are inherent in these payments varies significantly across age groups and family types. People are generally eligible to become independent welfare recipients upon reaching 16 years of age although there are some payments available to people younger than this (eg Abstudy and Youth Allowance under certain circumstances). For most family types, the level of welfare payments available increases at different age points until people reach 21 years of age.

The combined effect of government transfers

Before analysing the effect of payments, it is important to briefly outline how government transfers can combine to influence labour supply decisions.

The bundle of welfare payments (that act together to form the welfare pedestal) affect the elasticity of an individual’s labour supply curve and the incentives for individuals to undertake work. In situations where the supply of labour is not responsive to changes in the level of payments or available wages (relatively inelastic response), non-financial factors are likely to be the main determinants. For example, in remote Indigenous communities, a lack of capabilities may act as a barrier to taking up opportunities. In addition to non-financial determinants, it is also likely to be the case that the higher are welfare payments and the lesser are obligations attached to those payments, the higher the marginal level of income will need to be to provide a sufficient incentive to get people into work (Figure Q.1).
The welfare pedestal, payments and family types

It is important to highlight the fundamental relationship that exists between incentives and pay-offs in decision-making. For example, a person who makes decisions around medium and longer term pay-offs will behave quite differently to a person who responds primarily to short-term pay-offs. The relevance of this concept for welfare reform is that people who progress up the staircase will generally be applying a medium and longer term criteria to their decision-making.

The welfare pedestal and passive welfare reinforces a choice set that focuses on short-term thinking that discounts pay-offs from work, education and training. For example, people in remote communities may perceive that further education or traineeships are too difficult or that these options will not help them to improve their lives. There may be several reasons for this perception, including the existence of the welfare pedestal, that communities are often insular and there are few role models living and working in communities that demonstrate the benefits of pursuing education or work, and that many options will require a person to leave their community and people may be unwilling or unable to do this. Further, choices will be strongly influenced by a person’s capabilities including their numeracy and literacy skills.

This section presents a series of charts for people of different family types and then discusses the potential impact of the current payments as people make decisions around these payments at different age points. For each family type, WSD and family payments (where applicable) are presented, together with a selection of indicative wages including...
minimum wages, and wages associated with particular jobs offered by government and private sector employers in close proximity to communities, and in Cape York regional centres. The chart data and assumptions are presented at the end of this section.

**Single person with no children – education and work choices**

The government assistance payments that are available to single Indigenous people from when they are under 16 years until they turn 21 years are through participation in CDEP, Youth Allowance then Newstart (from the age of 21 years) and Abstudy. Chart Q.1 shows these payments for different age groups in addition to information on wages for several jobs including a carpentry apprenticeship, a labourer position with the (Port) Douglas Shire Council (requires Open drivers licence, minimum age 20 years) and a Rio Tinto Aluminium traineeship and job.

**Chart Q.1: Single, No Children**

Sources: Centrelink (2007); Rio Tinto Aluminium (pers. comm.); DEWR (2006a); DIR (2006); Douglas Shire Council (2006).

It is important to note that there are different bases rates for CDEP (both youth and adult) depending on whether a location is remote (such as Aurukun, Coen and Hope Vale) or non-remote (such as Mossman Gorge). The remote youth and adult rate of CDEP are
$176.45 and $235.41 whereas the non-remote rates are $167.35 and $212.03 respectively.\textsuperscript{118} Only the remote CDEP rates are shown in Chart Q.1.

To aid visual inspection, continuous lines are used to track payments and wages. It is important to note that slopes between years do not represent a tapered payment or wage level progression within years but simply track the increase between years. Further, the higher wages for jobs that have a career progression, such as the Rio Tinto Aluminium Traineeship or the carpentry apprenticeship, are only available to people that have progressed through the training years. For example, a 20 year old receiving a government payment that applied to take up a Rio Tinto Aluminium Traineeship would start on the initial wage of $557 (the same as for the 16-17 year old depicted in the chart). It should also be noted that the Rio Tinto Aluminium Traineeships are set aside for those who are traditional owners of the mining area. So while many people in Aurukun are eligible for one of these particular traineeships, few people in the other Welfare Reform communities are.\textsuperscript{119}

Few youth (under 21 years old) are on Youth Allowance in communities. This is likely to be because the full rate of CDEP (which was applicable to all youth on CDEP until 1 July 2006) is equivalent to two and half times the rate of Youth Allowance for 16 and 17 year olds. Following the introduction of a CDEP youth rate in July 2006, the gap has been reduced somewhat, but for 16 and 17 year olds the CDEP youth rate for remote communities ($186.85) is nearly twice as high as for Youth Allowance ($95.25, under 18 and living at home).

Other factors that are likely to contribute strongly to the relative attractiveness of CDEP include that:

- CDEP is paid for two days work or less (for example, 15 hours in several of the Welfare Reform communities) and is paid weekly;
- there are a variety of activities to choose from;
- CDEP is run by a local organisation;
- top-up may be available; and
- there are jobs within the CDEP structure that provide a career path (albeit limited).

\textsuperscript{118} All CDEP participants, both remote and non-remote, are also entitled to a CDEP Participant Supplement of $10.40 per week.

\textsuperscript{119} Rio Tinto Aluminium does make various other jobs available, however, and all other things being equal, they hire Indigenous people from Coen, Hope Vale and Mossman Gorge, for example, in preference to non-Indigenous people. Most of these positions are professional positions.
The obligations attached to CDEP and to Youth Allowance are quite different, and these differing obligations also need to be assessed when considering incentives. In the past, welfare recipients in the four Welfare Reform communities were granted a Remote Area Exemption (RAE) for Youth Allowance and Newstart. This is because these people were considered to have no locally accessible labour market, labour market program or vocational training course. An RAE exempts a Youth Allowance or Newstart recipient from activity testing, which means that the recipient is not obliged to actively seek employment, to undertake job-training, or to become involved in any sort of work readiness scheme.

The RAEs in the four Welfare Reform communities were scheduled to be lifted by December 2006 (DEWR 2006b). Each individual’s RAE needs to be lifted on a case-by-case basis and the implementation of this procedure can be expected to take up to 12 months (DEWR 2006c). For people receiving a Centrelink payment, such as Youth Allowance or Newstart, the lifting of their RAES means that they enter into an Activity Agreement with a Job Network member and their payment becomes activity tested. This requires recipients to seek work, to undergo training or to fulfil their Mutual Obligation through some other agreed means, such as participation in work for the dole. Until RAES are lifted and Job Network Members become active in the communities, people that receive Youth Allowance and Newstart have no obligations.

There are several important choice comparisons that can be drawn from Chart Q.1 including choices about work and education. Although these are often competing choices, it is useful to discuss them separately and compare each choice set to CDEP and welfare payments.

**Education choices**

Recent research suggests that investments in Indigenous education yield ‘very high’ rates of return as represented not only by higher employment rates, but also in higher levels of nutrition, health, living conditions and longevity, and lower incarceration rates. Moreover, these social rates of return are greater than the cut-off rates recommended by the Department of Finance for government investment.120

A key decision point for young people after they finish year 10 is to decide whether they continue with their schooling or whether they apply to become a CDEP participant or access a welfare payment. A young person, if making a decision primarily on the level of payments, is likely to choose CDEP rather than receiving Youth Allowance or continuing their studies with the assistance of Abstudy (Chart Q.2).

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There are several different Abstudy Living Allowance rates applicable to different Indigenous school students – ‘standard’ or dependent student living at home; dependent student living away from home; and ‘independent’ student. The criteria used to determine whether a student is independent include whether parents are unable to exercise parental responsibility or whether it is unreasonable for the student to live at home given family circumstances. The away from home Abstudy Living Allowance payment is generally paid straight to the school where the student is studying (discussed below). A student who has a dependent child is considered independent (whether at home or away from home). Payments for people with children are discussed in following sections.

The school and study choices and the rates of Abstudy payments that apply to support these choices are dependent on whether there is schooling available in the community, particularly as children reach high school age. The schooling arrangements are different in each of the four Welfare Reform communities (see Table Q.1).

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121 Young people aged 16 to 17 who have a dependent child automatically qualify for the maximum rate of Abstudy ($228), Youth Allowance ($228), and CDEP.
Table Q.1: Schooling in the four Welfare Reform communities

<table>
<thead>
<tr>
<th>Community</th>
<th>Location</th>
<th>Primary School</th>
<th>High School</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aurukun</td>
<td>Remote, 2 hour drive to Weipa</td>
<td>Local primary school</td>
<td>High school to year 10, no other high school within commuting distance</td>
</tr>
<tr>
<td>Coen</td>
<td>Remote, Central western Cape York</td>
<td>Local primary school</td>
<td>No high school within commuting distance</td>
</tr>
<tr>
<td>Hope Vale</td>
<td>Remote, 45 minute drive to Cooktown</td>
<td>Local primary school</td>
<td>Bus service to high school in Cooktown</td>
</tr>
<tr>
<td>Mossman Gorge</td>
<td>Regional, 10 minute drive to Mossman</td>
<td>Bus service to primary school in Mossman</td>
<td>Bus service to high school in Mossman</td>
</tr>
</tbody>
</table>

For Abstudy eligibility, Aurukun High School (years 8-10) is not considered an ‘appropriate education institution’ and students are therefore eligible for full boarding school assistance.

In communities where students can remain living at home and commute to high school the Abstudy payment ($95.25 per week for 16 and 17 year olds) is significantly below what they could receive from CDEP. Of the four Welfare Reform communities, this is relevant for Mossman Gorge and Hope Vale. In these communities, there is a strong financial incentive to leave school after year 10 to become a CDEP participant. As noted above, CDEP also offers a range of other benefits including work for two days a week or less with limited expectations regarding work performance or search for real employment. This is in contrast to the effort that is required to succeed at school.

The difficulties involved in commuting between places such as Hope Vale and Cooktown are likely to add to the incentive of choosing CDEP over education. For example, although Hope Vale is within commuting distance to Cooktown High School (and within the Abstudy commuting rules), the only connecting road is impassable on occasion – usually only for a few days, but sometimes for longer periods – due to heavy rain. The road to Cooktown was closed from mid-March until the end of April 2006 and students did not have access to alternate schooling for this period.

There are other allowances and payments available through Abstudy that are relevant for students going away to boarding school (such as students from Aurukun and Coen), including allowances that cover tuition fees, books and some travel (refer to Centrelink 2007).

Abstudy ‘away from home’ allowances (including the Living Allowance) are in most cases paid directly to the school attended by the student. Young people are likely to view these hypothecated payments quite differently to payment streams such as CDEP. For example, depending on their perception of the value of education, a young person may perceive the benefits of CDEP as being greater than the value of Abstudy assistance because they have discretion over CDEP payments whereas Abstudy assistance is paid directly to the school.
Further, continued education will require more effort (hours, homework) than CDEP and will also require students to leave their community. The extent to which parents perceive education as valuable is also an important factor, as is the potential contribution of CDEP to household income (which is foregone if the child leaves the community to study).

The choice made by many young Australians is to earn less now by participating in secondary and tertiary education and traineeships and to earn more later, often with the expectation that these later earnings will more than compensate for the earnings foregone during education and training. In remote communities where education outcomes and employment prospects outside of CDEP are currently limited, the question is whether young people perceive benefits (including future earnings) as likely to be above CDEP and whether they have the capability and motivation to pursue these benefits.

Indigenous people in remote communities make their education choices in a very different social context, and face different perceived and real opportunities. The existence of CDEP offers Indigenous people in remote communities an opportunity to gain very low-skilled (but relatively well paid) employment at a young age (typically 16 years) and with limited education requirements.

When people assume their returns from education and training to be low, their rational response is to choose CDEP sooner rather than later, especially given that a CDEP participant’s level of schooling is largely irrelevant. Furthermore, it can be argued that the prospect of CDEP erodes a young Indigenous student’s motivation for school or training from the moment they consider the program as a destination.

The perception that CDEP is the only option then becomes reality when education outcomes in early school years are well below the mainstream, effectively locking young Indigenous people out from other opportunities. This may go some way to explaining why only around 10 percent of Indigenous people in the four Welfare Reform communities identify themselves as having completed the equivalent of year 11 or 12. Therefore, improvements in base education levels are crucial if they are to progress up the staircase.

With regard to encouraging young Indigenous people to continue with school, there is a question of whether the current financial incentive through Abstudy is adequate and whether the rules for eligibility are reasonable. For example, while the reduction in the rate of CDEP for under 21 year olds is a significant improvement, the new rate of $186.85 per week for two days of work is still at a level where the incentive to participate in CDEP is

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perverse. The 16-17 year old students who are dependent and living at home will receive $95.25 per week, which is $91.60 less than they can receive on CDEP. Students of that age who are independent or living away from home will receive $174.05. This is only marginally lower but it is for five days of schooling. Moreover, many of these students will incur costs associated with upheaval and relocation. Either the obligations, the rates of payment, or both, will need to be altered if incentives for Indigenous students to participate in training and secondary and tertiary education are to be improved.

A reform that should be considered for immediate introduction is the elimination of CDEP, in its current form, as a destination for all people under the age of 21 (see section 4.2.2).

It is important to note that education facilitation programs such as Abstudy should not be viewed as a means to correct other policy problems such as those associated with CDEP. For example, the problems with CDEP (including low work expectations, above award rates of pay for low skilled work) must in the first instance be targeted directly through welfare reform. There may also be scope to increase the incentives associated with Abstudy but the objective of such a change should be to target education incentives rather than to attempt to counter a disincentive associated with another government payment (such as CDEP).

Work choices

As shown in Chart Q.1, the new CDEP remote youth rate of $186.85 per week is $90.24 lower than what a 16-17 year old person earns while employed on the minimum wage ($277.09). For CDEP participants on the continuing youth rate (ie, that which applies to youths who became CDEP participants before 1 July 2006), CDEP pays only $32 less than the Queensland minimum wage. Although CDEP is below the minimum wage, the base rate of CDEP may be paid for less than two days work, is paid weekly, provides a choice of activities (some with limited supervision), and there is the potential for top-up to be paid.

A significant issue for the incentives associated with CDEP is how CDEP organisations administer pay rates. Many remote CDEPs pay a flat award rate across all activities that translates into a 15 hour standard week at $16.39 per hour (based on the Queensland local government award). An implication of this payment structure for the new youth rates is that, based on the prevailing award, the number of hours required reduces from 15 hours to 11 hours and 24 minutes, increasing the perverse incentives associated with the program. An alternative approach for CDEPs is to apply a standard 15 hour week to the new youth rates and thereby reduce the effective hourly rate from $16.39 per hour to $12.41 per hour. The issue of awards and hourly rates is considered further below.

The financial incentive to choose CDEP over certain types of employment becomes stark when the hourly rates are compared (Chart Q.3):
• The CDEP hourly rate is more than twice the minimum wage level for 16 to 17 year olds (assuming a 15 hour CDEP week at $16.39 and a 38 hour week for the minimum wage at $7.29) and by the age of 21 the minimum wage hourly rate is still more than $3 less than CDEP.

• It is only when carpenters complete their apprenticeship that their hourly award wage moves above the hourly rate of CDEP (and then by only $1.32)

• Assuming a 15 hour week is applied to the new youth rate (reduces the effective hourly rate to $12.41), the hourly minimum wage only overtakes the youth rate when a person turns 21. Similarly, only a third year apprentice carpenter begins to earn an hourly wage above the youth rate of CDEP.

An increase in the standard Federal Minimum Wage has recently been announced by the Australian Fair Pay Commission. The new minimum is $13.47 per hour, which results in a weekly standard wage of $511.86 for workers aged 21 and over. The Commission intends for this pay increase to flow on to junior and training wages in ways ‘that preserve existing relativities to the extent this is possible’ (Australian Fair Pay Commission 2006, p. 63). How this change will flow through to the Queensland awards (and the relevant data in the charts shown here) will be determined by the Queensland Department of Industrial Relations after the end of November 2006 when the new award comes into effect.123

An important fact to consider when comparing hourly rates is that many people in remote Indigenous communities have in the first instance chosen CDEP over Newstart or Youth Allowance and they are likely to have made this decision for reasons other than the financial reward CDEP offers. For example, in hourly terms, the rate of payment for a person on the full rate of Newstart is only $2.36 less than CDEP (assuming 15 hours of mutual obligation activities on Newstart). In addition, until the recent changes to Remote Area Exemptions, there were no obligations attached to Newstart at all and people could choose to not do any activity and still receive their full payment without any threat of sanction. Despite the availability of ‘sit down’ money, a large proportion of working age people in remote Indigenous communities have chosen to participate in CDEP.

As noted earlier, the relative attractiveness of CDEP is partly due to the conditions under which CDEP is administered and paid, including the range of activities available and the potential for top-up to be paid. Further, people participating in CDEP draw satisfaction from being employed in a program that it is operated for the benefit of their community. The combination of these factors and the financial incentive helps to explain why people may choose CDEP over other government payments. These factors also need to be kept in mind when confronted with the fact that many people have chosen CDEP over some of the employment opportunities based in communities, such as the cleaning or maintenance

123 There was no change to the Queensland award as of March 2, 2007.
positions. These positions, however, do offer hourly wages that are significantly below the level at which CDEP is paid.

**Chart Q.3: Work choices: hourly pay rates**

![Chart Q.3: Work choices: hourly pay rates](image)

Sources: Rio Tinto Aluminium (pers. comm.); DEWR (2006a); DIR (2006).

The wage gap between the Rio Tinto Aluminium traineeship and the welfare payments (Chart Q.1) suggests a strong financial incentive for young people to pursue this opportunity, although in hourly terms there is only a positive wage incentive after the second year (when compared to the full rate of CDEP) (Chart Q.3). The extent to which this opportunity is being taken up is an important question for the Institute’s work.

Where people are not pursuing work opportunities that offer significant financial incentives, there is likely to be an interrelated mix of capabilities and motivation that is causing this to happen. A non-financial barrier that has been highlighted in communities is that mining job applicants have difficulty passing the requisite drug test before they can be considered for any position. The test can be re-taken but if the failure is a result of addiction, first the addiction must be overcome if the person is to secure and retain employment. Other non-financial barriers to gaining real jobs include a lack of confidence or self-belief, racism, the perception of racism, and the need to leave the community.

Beyond any explanation offered by the effect of non-financial barriers, the interaction of welfare payments and obligations is also likely to be significant in influencing an individual’s labour supply curve. For example, a CDEP participant’s labour supply curve is likely to be inelastic at wage levels that are at or above the minimum wage (including trade
apprenticeships) (Chart Q.1). An individual on the full rate of CDEP may require a wage rate significantly above CDEP to encourage a permanent shift out of the program as the influence of CDEP is explained by both the level of payment as well as the attached conditions and benefits, as noted above.

**Single person with children**

Once a person has children, the level and type of payments that are available change significantly. As well as regular payment streams, people also receive annual and one-off lump sum payments when they have children. The sections below outline the financial incentives faced by families with one and two parents and children in different age brackets – the sections are split into whether a child is under five or five or over to reflect the differing rules and obligations attached to payments. It is important to highlight that many families will have more than two children and therefore will receive a proportionally higher level of payments.

**Single person with one child – child under five**

The payments available to a single person with one child under five years (Chart Q.4)) are:

- the Parenting Payment ($262.60 per week); and
- Family Tax Benefit part A ($82.84 per week) and Family Tax Benefit part B ($66.52 per week). Both of these figures incorporate the annual supplement of $646.05 per child and $313.90 per family respectively).

All single parents receive the maximum rate of the Family Tax Benefit (FTB) part B, regardless of their income or assets. For those whose child is under the age of five, their FTB part B is $66.52 per week. The welfare and wage payments in Chart Q.4 include FTB parts A and B. For most of the jobs examined, the full rate of FTB part A ($82.84 per week) is available and there is only a marginal reduction in part A for higher paying jobs (ie, a slow taper). For example, for employment with Rio Tinto Aluminium for 20 and 21 year olds that have completed their traineeships, FTB part A reduces from $82.84 to $80.69 and $66.69 respectively. The income threshold before FTB part A starts to be reduced is relatively high ($40 000).

Single parents in communities are likely to receive close to the maximum rate of FTB (parts A and B) whether they work or receive a government payment. It could be argued

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124 The average yearly income in remote communities is generally low reflecting unemployment and the reliance on government payments. For example, in 2001, average annual income for people in Hope Vale (who stated their income): was $13,341. ABS. 2002. ‘2001 Census Community Profile Series: Hope Vale (L) (UCL 327800)’. Catalogue No. 2001.0. Basic Community Profile. Commonwealth of Australia.
that FTB is incentive-neutral for people moving from welfare to work, because working 5
days a week on average wages will not reduce the rate of FTB. Yet from the perspective of
someone who has a ‘target’ level of income (i.e., a level of income on which they are
prepared to live) and an appreciation of the minimal work expectations attached to
government payments (particularly CDEP), receiving FTB payments may have an effect
on labour supply decisions. In other words, one needs to pay people more as their income
rises in order to induce them to take on an extra hour of labour.

A 16 to 17 year old person in a community who has a child potentially goes from receiving
Youth Allowance ($95.25 per week), the youth rate of CDEP ($186.85) or the continuing
youth rate of CDEP ($245.81) to receiving $405.41 per week (consisting of $262.60
Parenting Payment and $149.36 in FTB parts A and B). In addition, the new parent will
receive a one-off maternity payment of $4100. At the end of each financial year, people on
a low wage or government payment also receive an FTB part A supplement of $646.05 per
child and an FTB part B supplement of $313.90 per family (note that these amounts have
already been included in the weekly FTB parts A and B amounts presented above).
Information from the Welfare Reform communities gained through the Engagement
Process suggests that people are responding to this combined incentive and having
children. It should be noted, however, that there is no obvious increase in birth rates
evident in the latest data that is available (ABS 2005).

Chart Q.4: Single, one child under five (FTB included in all payments and wages)

Sources: Centrelink (2007); Rio Tinto Aluminium (pers. comm.); DEWR (2006a); DIR (2006); Douglas
Shire Council (2006).
Chart Q.4 indicates that welfare payments are quite bunched with only relatively small differences between them. The rate of Abstudy (with FTB) is roughly equivalent to the rates of Youth Allowance, Newstart and CDEP. While there are other payments available through Abstudy, including education supplements and allowances, these only apply where study costs are incurred.

The gap between the Parenting Payment and the minimum wage is quite small and is unlikely to be sufficient to offset the additional costs and difficulties of organising full time care for a child under the age of five, particularly where the young parent is 19 or younger and the minimum wage is relatively low. Further, the wage incentive is unlikely to motivate a young parent to seek low paid employment outside of the community, given the potentially higher cost of living, relocation costs, and other associated challenges. With regard to relocation costs, a relocation allowance of up to $5 000 was recently trialled. This allowed some job seekers from regions of high employment in New South Wales to take up employment opportunities in areas of labour shortage in Western Australia. This allowance and other mobility incentives are discussed in detail in Chapter 5.

To help facilitate work or study amongst parents with young children, the government offers a 30 percent Child Care Rebate which pays up to $4000 per year for the cost of Child Care for children whose parents are participating in employment and training. The childcare facilities available in remote communities, however, are generally limited.

*Single person with one child - child five or over*

Chart Q.5 shows the payments available to single parents over the age of 21 that have one child over the age of five.

The level of Abstudy is slightly lower than that available for CDEP and the amount of work required on Abstudy is likely to be considerably higher. For a 21 year old, CDEP usually requires 15 hours work per week whereas the Abstudy living allowance and schooling payments require the student to be studying full-time. CDEP could therefore be a relatively attractive option, particularly for a person who does not perceive significant benefits from further education.

If the child is over five but under eight, a parent may be still be eligible for the Parenting Payment and this offers a slightly higher level of payment than CDEP. Where RAEs are lifted and when the child reaches school age (five or over), Parenting Payment recipients will be required to enter into an Activity Agreement which may require participation in a Work for the Dole or a similar program.
Chart Q.5: Single with one child five or over

<table>
<thead>
<tr>
<th>Age</th>
<th>$ per week</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abstudy</td>
<td></td>
</tr>
<tr>
<td>CDEP</td>
<td></td>
</tr>
<tr>
<td>Newstart</td>
<td></td>
</tr>
<tr>
<td>Full-time on Qld. minimum wage</td>
<td></td>
</tr>
<tr>
<td>First year apprentices carpenter</td>
<td></td>
</tr>
<tr>
<td>Labourer (Douglas Shire)</td>
<td></td>
</tr>
<tr>
<td>Comalco traineeship</td>
<td></td>
</tr>
</tbody>
</table>

Sources: Centrelink (2007); Rio Tinto Aluminium (pers. comm.); DEWR (2006a); DIR (2006); Douglas Shire Council (2006).

**Single person with two children – children under five**

Single parents with two children have payment incentives that are very similar to single parents with one child. The main difference is the level of difficulty associated with being a single parent to two children and the manner in which this affects a person’s capacity and motivation to seek and maintain employment.

For single parents, having a second child when their first child is five or under doubles the amount of FTB part A to which they are entitled (assuming their level of income is below the taper threshold of $40 000). While FTB part A is paid per child, FTB part B is paid per family (additional children do not increase the amount of FTB part B). The maternity payment ($4100) applies equally to additional children.
An important question is whether single parents who want to work or study but have children under the age of five have options with regard to the care of their children while they are pursuing these activities. As noted above, the government offers a 30 percent rebate for child care in an approved centre but there is likely to be a lack of these services available in many remote communities. Rio Tinto Aluminium, a large employer, operates its own approved child care facility for employees although there is a long waiting list.

Single person with two children – children over five

Where children are of school age there is potential for a person to be able to take up some employment, typically during school hours. The availability of additional care options such as through family members or after school care may determine the number of hours a person can commit to employment.
Partnered with Children

One child under five

For people who are partnered and have one child under five, the financial incentive to move off welfare is not very different to that faced by a single person with children. What is clearly different is that the responsibility for parenting and care is shared and that it may be possible for at least one parent to pursue employment or training.

Where child care is available, both parents may choose to apply to be CDEP participants. It can be argued that the level of payment and obligation of CDEP is compatible with parenting responsibilities and thereby encourages partnered parents in this activity. CDEP payment levels and obligations provide a clear incentive to pursue this activity over other options.
In calculating FTB entitlements for this chart it is assumed that the partners of the individuals represented in the chart are CDEP participants.

Given that the Parenting Payment for people with a child under five comes with no activity requirements, it is likely to be seen by many people in communities as the most attractive option. In some cases, however, if care is available for the child it may be that both partners will seek to be CDEP participants.

Another important comparison is for the higher paying Rio Tinto Aluminium traineeship and job. The starting wage of $557 reduces the Parenting Payment of the partner by $116.10 from $189.90 to $73.80 (the rate of partnered Parenting Payment reduces by 60 cents for every dollar that the other partner’s wage is over $363.50 per week). This steep taper could act as a disincentive although the wage progression after two years may effectively offset this payment reduction. Depending on an individual’s aspirations, the working partner will get a significantly higher daily wage (at least initially) for CDEP rather than the Rio Tinto Aluminium job with no reduction in the Parenting Payment.
**Partnered with one child – child over five**

For partnered parents with one child over five, the difference between being on Abstudy and being on CDEP is greater than that faced by single parents. This is because Abstudy is higher for single parents than for partnered parents, whereas the adult CDEP rate remains the same regardless of whether the CDEP participant is a single parent or a partnered parent. Therefore, although partnered parents with children of school-age are more likely (than single parents) to have the time available to continue or resume education, they actually face a stronger relative financial incentive to remain on CDEP.

**Chart Q.9: Partnered with one child over five**

![Chart Q.9: Partnered with one child over five](image)

Sources: Centrelink (2007); Rio Tinto Aluminium (pers. comm.); DEWR (2006a); DIR (2006); Douglas Shire Council (2006).

CDEP participants are exempt from the Abstudy parental income test regardless of the income of a partner (see DEST 2006, section 58.1). This may encourage some parents to remain on CDEP, particularly those people whose partners earn over the current income thresholds. Consideration should be given to removing this exemption and for CDEP income, in its current form, to be treated as employment income. Setting aside the issue of assessibility of CDEP income for eligibility, this issue highlights how the level of potential Abstudy assistance (ie. level and number of children) can influence the financial trade-offs people consider in assessing their employment options as opposed to welfare.
Partnered with two children – children under five

Chart Q.10 indicates the payments available to partnered parents of two children under five. In calculating the FTB to which they are eligible, it was assumed that partners of the individuals represented are receiving $12,782 (equal to the full CDEP annual payment).

FTB part A is calculated on the basis of family income and when one partner is on CDEP ($245.81 per week) the family receives the maximum rate of FTB part A ($82.84 per child) until the other partner earns $523.42 per week. As such, all of the individuals represented in this chart who are on Abstudy, CDEP, Youth Allowance, Parenting Payment or the minimum wage are entitled to the maximum rate of FTB part A for their families ($165.69 per week for two children).

FTB part B is paid per family and is calculated on the basis of the income of the lower earner. When the lower earner earns more than $4234, payments are reduced by 20 cents for each additional dollar of income earned. FTB part B payments received by the families of those represented in the chart range from $33.64 to $45.75 per week.

Chart Q.10: Partnered with two children under five (FTB included in all payments and wages)

Sources: Centrelink (2007); Rio Tinto Aluminium (pers. comm.); DEWR (2006a); DIR (2006); Douglas Shire Council (2006).
**Partnered with two children – children over five**

Chart Q.11 indicates the payments available to partnered parents of two children over five. Again, the level of Abstudy is lower than that available for CDEP even though the amount of work required on Abstudy is likely to be considerably higher.

In calculating the FTB to which these parents are eligible it was assumed that the partners of the individuals represented in the chart are on CDEP. The chart indicates that FTB part B is fairly small for partnered parents of children of five or over. Even when the lower earner of the couple is only on CDEP, the family receives an FTB part B payment of only $15.30. All single parents, by contrast, automatically receive $48.18.

**Chart Q.11: Partnered with two children over five**

![Graph showing payments for partnered parents with two children over five](image)

Sources: Centrelink (2007); Rio Tinto Aluminium; DEWR (2006a); DIR (2006); Douglas Shire Council (2006).
### Chart Data and Assumptions

The levels of payments are based on Centrelink’s *A Guide to Australian Government Payments* for the period 1 January to 19 March 2007 (Centrelink 2007).

**Data for Chart Q.1: Single, no children**

<table>
<thead>
<tr>
<th></th>
<th>U16</th>
<th>16-17</th>
<th>18</th>
<th>19</th>
<th>20</th>
<th>21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abstudy 'standard' (i.e., dependent)</td>
<td>13.10</td>
<td>95.25</td>
<td>114.55</td>
<td>114.55</td>
<td>114.55</td>
<td>210.45</td>
</tr>
<tr>
<td>Abstudy dependent but away from home</td>
<td>95.25</td>
<td>174.05</td>
<td>174.05</td>
<td>174.05</td>
<td>174.05</td>
<td>210.45</td>
</tr>
<tr>
<td>Abstudy independent</td>
<td>174.05</td>
<td>174.05</td>
<td>174.05</td>
<td>174.05</td>
<td>174.05</td>
<td>210.45</td>
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<tr>
<td>CDEP, youth rate</td>
<td>186.85</td>
<td>186.85</td>
<td>186.85</td>
<td>186.85</td>
<td>186.85</td>
<td>245.81</td>
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<tr>
<td>CDEP, continuing youth</td>
<td>245.81</td>
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<td>245.81</td>
<td>245.81</td>
<td>245.81</td>
<td>245.81</td>
</tr>
<tr>
<td>Youth Allowance, then Newstart</td>
<td>95.25</td>
<td>95.25</td>
<td>114.55</td>
<td>114.55</td>
<td>114.55</td>
<td>210.45</td>
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<tr>
<td>Full-time on Qld. minimum wage</td>
<td>277.09</td>
<td>277.09</td>
<td>327.47</td>
<td>377.85</td>
<td>428.23</td>
<td>503.80</td>
</tr>
<tr>
<td>Apprentice Carpenter, then Carpenter</td>
<td>N.A.</td>
<td>342.42</td>
<td>436.22</td>
<td>491.70</td>
<td>585.50</td>
<td>672.98</td>
</tr>
<tr>
<td>Labourer (Douglas Shire)</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
<td>666.30</td>
<td>666.30</td>
</tr>
<tr>
<td>Comalco Traineeship, then job</td>
<td>N.A.</td>
<td>557.00</td>
<td>557.00</td>
<td>721.00</td>
<td>780.00</td>
<td>850.00</td>
</tr>
</tbody>
</table>

(i) For the CDEP, continuing youth to apply the participant must have commenced on CDEP before 1 July 2006.

(ii) Youth in Queensland who are under 16 as of 1 January 2007, must remain in school until they reach 16 or finish year 10, which ever comes first. They may then eligible for CDEP, even under the newly introduced legislation (see [http://education.qld.gov.au/etrf/legis.html](http://education.qld.gov.au/etrf/legis.html) (last accessed 23 October)).


(iv) The income figures for first and second year apprentice carpenters (i.e., the 16-17 year olds and the 18 year olds) includes a certain amount of Youth Allowance. The 16-17 year old figure is made up of an earned wage of $272.80 and $69.62 in Youth Allowance per week (the Youth Allowance rate used is for an under 18 single person, no dependants, living away from home). The 18 year old figure is made up of an earned wage of $366.60 and $69.62 in Youth Allowance per week. No Youth Allowance can be received when weekly earnings exceed $414.75. For the award rates, see: [http://www.wageline.qld.gov.au/aol/summary_docs/current/bconst3.pdf](http://www.wageline.qld.gov.au/aol/summary_docs/current/bconst3.pdf) and [http://wageline.qld.gov.au/aol/summary_docs/current/bconstclass.pdf](http://wageline.qld.gov.au/aol/summary_docs/current/bconstclass.pdf).

(v) With regard to the labouring position, experience and an open driver's licence are required.

(vi) With regard to the Comalco Traineeships and jobs, the figures for the first three years are simply base rates which include no super or benefits such as cheap housing, travelling allowance or free children's education (though such benefits are available as part of the employment package). Comalco traineeships in Weipa, however, are set aside for Indigenous people who are traditional owners. As these traineeships are available to many people in Aurukun but not to many in the other three Welfare Reform communities. The Comalco income
figures for those of age 20 and 21 are only estimates. Actual figures vary greatly but are not below $780 per week as a base rate.

Data for Chart Q.2: Education choices: Youth Allowance, Abstudy and CDEP

<table>
<thead>
<tr>
<th></th>
<th>U16</th>
<th>16-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Youth Allowance, at home</td>
<td>95.25</td>
<td>95.25</td>
</tr>
<tr>
<td>Youth Allowance, away from home</td>
<td>174.05</td>
<td>174.05</td>
</tr>
<tr>
<td>Abstudy, dependent, at home</td>
<td>13.10</td>
<td>95.25</td>
</tr>
<tr>
<td>Abstudy, independent, at home</td>
<td>95.25</td>
<td>95.25</td>
</tr>
<tr>
<td>Abstudy, dependent, away from home</td>
<td>95.25</td>
<td>174.05</td>
</tr>
<tr>
<td>Abstudy, independent, away from home</td>
<td>174.05</td>
<td>174.05</td>
</tr>
<tr>
<td>CDEP youth rate</td>
<td>186.85</td>
<td>186.85</td>
</tr>
<tr>
<td>CDEP adult rate</td>
<td>245.81</td>
<td>245.81</td>
</tr>
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</table>

Data for Chart Q.3: Work choices: hourly pay rates

<table>
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<th>19</th>
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<th>21</th>
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</thead>
<tbody>
<tr>
<td>CDEP Youth per hour</td>
<td>12.46</td>
<td>12.46</td>
<td>12.46</td>
<td>12.46</td>
<td>12.46</td>
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<tr>
<td>Queensland minimum wage per hour</td>
<td>7.29</td>
<td>8.62</td>
<td>9.94</td>
<td>11.27</td>
<td>13.26</td>
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<tr>
<td>Apprentice carpenter per hour</td>
<td>9.25</td>
<td>10.85</td>
<td>12.94</td>
<td>15.41</td>
<td>17.71</td>
</tr>
<tr>
<td>Comalco traineeship per hour</td>
<td>14.66</td>
<td>14.66</td>
<td>18.97</td>
<td>20.53</td>
<td>22.37</td>
</tr>
</tbody>
</table>

(i) With regard to both the CDEP youth rate and the CDEP adult rate, the assumption is that the youth is required to work 15 hours per week.
(ii) The Queensland minimum wage rate here is based on a 38 hour week and the weekly minimum figures for each respective age group are 277.09, 327.47, 377.85, 428.23, 503.8.
(iii) The apprentice carpenter hourly rate is based on a 38 hour week and the following weekly minimum figures for each respective age group: 351.42, 412.42, 491.70, 585.50, 672.98.
(iv) The Comalco traineeship rate is based on a 38 hour week and the following weekly figures for each respective age group: 557, 557, 721, 780, 850.
## Data for Chart Q.4: Single, one child under five (incl. FTB)

<table>
<thead>
<tr>
<th>Under 16</th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Base</td>
<td>FTB A</td>
<td>FTB B</td>
<td>under 16</td>
</tr>
<tr>
<td>(a) Abstudy/Youth Allowance then Newstart</td>
<td>228.00</td>
<td>82.84</td>
<td>66.52</td>
<td>377.36</td>
</tr>
<tr>
<td>(b) CDEP</td>
<td>245.81</td>
<td>82.84</td>
<td>66.52</td>
<td>395.17</td>
</tr>
<tr>
<td>(c) Parenting Payment</td>
<td>256.05</td>
<td>82.84</td>
<td>66.52</td>
<td>405.41</td>
</tr>
<tr>
<td>(d) Full-time on Qld. minimum wage</td>
<td>277.09</td>
<td>82.84</td>
<td>66.52</td>
<td>426.45</td>
</tr>
<tr>
<td>(e) Apprentice Carpenter, then Carpenter</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>(f) Labourer (Douglas Shire)</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>(g) Comalco Traineeship, then job</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
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</tbody>
</table>

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</thead>
<tbody>
<tr>
<td></td>
<td>Base</td>
<td>FTB A</td>
<td>FTB B</td>
<td>16-17</td>
<td>Base</td>
<td>FTB A</td>
<td>FTB B</td>
</tr>
<tr>
<td>(a)</td>
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<td>82.84</td>
<td>66.52</td>
<td>377.36</td>
<td>228.00</td>
<td>82.84</td>
<td>66.52</td>
</tr>
<tr>
<td>(b)</td>
<td>245.81</td>
<td>82.84</td>
<td>66.52</td>
<td>395.17</td>
<td>245.81</td>
<td>82.84</td>
<td>66.52</td>
</tr>
<tr>
<td>(c)</td>
<td>256.05</td>
<td>82.84</td>
<td>66.52</td>
<td>405.41</td>
<td>256.05</td>
<td>82.84</td>
<td>66.52</td>
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<tr>
<td>(d)</td>
<td>277.09</td>
<td>82.84</td>
<td>66.52</td>
<td>426.45</td>
<td>327.47</td>
<td>82.84</td>
<td>66.52</td>
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<tr>
<td>(e)</td>
<td>351.42</td>
<td>82.84</td>
<td>66.52</td>
<td>500.78</td>
<td>412.42</td>
<td>82.84</td>
<td>66.52</td>
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<td>(f)</td>
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<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
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<td>82.84</td>
<td>66.52</td>
<td>706.36</td>
<td>557</td>
<td>82.84</td>
<td>66.52</td>
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<table>
<thead>
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</thead>
<tbody>
<tr>
<td></td>
<td>Base</td>
<td>FTB A</td>
<td>FTB B</td>
<td>19</td>
<td>Base</td>
<td>FTB A</td>
<td>FTB B</td>
</tr>
<tr>
<td>(a)</td>
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<td>82.84</td>
<td>66.52</td>
<td>377.36</td>
<td>228.00</td>
<td>82.84</td>
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<td>66.52</td>
<td>395.17</td>
<td>245.81</td>
<td>82.84</td>
<td>66.52</td>
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<tr>
<td>(c)</td>
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<td>82.84</td>
<td>66.52</td>
<td>405.41</td>
<td>256.05</td>
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<td>66.52</td>
<td>527.21</td>
<td>428.23</td>
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<td>66.52</td>
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<tr>
<td>(e)</td>
<td>491.70</td>
<td>82.84</td>
<td>66.52</td>
<td>641.06</td>
<td>585.50</td>
<td>82.84</td>
<td>66.52</td>
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<tr>
<td>(f)</td>
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<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
<td>666.30</td>
<td>82.84</td>
<td>66.52</td>
</tr>
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<td>(g)</td>
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<td>66.52</td>
<td>870.36</td>
<td>780.00</td>
<td>80.69</td>
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**Data for Chart Q.4: Single, one child under five (incl. FTB) (Cont.)**

<table>
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<td>Base</td>
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<tr>
<td>(a)</td>
<td>227.65</td>
</tr>
<tr>
<td>(b)</td>
<td>245.81</td>
</tr>
<tr>
<td>(c)</td>
<td>256.05</td>
</tr>
<tr>
<td>(d)</td>
<td>503.80</td>
</tr>
<tr>
<td>(e)</td>
<td>672.98</td>
</tr>
<tr>
<td>(f)</td>
<td>666.30</td>
</tr>
<tr>
<td>(g)</td>
<td>850.00</td>
</tr>
</tbody>
</table>

(i) The child needs to be under five in order for these amounts of FTB B to be applicable. With regard to the Parenting Payment, for partnered parents the child need only be six years old; for single parents the child need only be under eight years old. With regard to the FTB A, the child need only be under 13. If the child is five or more, a lower rate of FTB B applies (only $48.18 instead of $66.52). All single parents receive the maximum amount of FTB B.

**Data for Chart Q.5: Single with one child five or over (inc. FTB)**

<table>
<thead>
<tr>
<th>Welfare payment/wage</th>
<th>FTB A</th>
<th>FTB B</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abstudy</td>
<td>227.65</td>
<td>82.84</td>
<td>48.18</td>
</tr>
<tr>
<td>CDEP</td>
<td>245.81</td>
<td>82.84</td>
<td>48.18</td>
</tr>
<tr>
<td>Newstart</td>
<td>227.65</td>
<td>82.84</td>
<td>48.18</td>
</tr>
<tr>
<td>Full-time on Qld. min wage</td>
<td>503.80</td>
<td>82.84</td>
<td>48.18</td>
</tr>
<tr>
<td>First year apprentice carpenter</td>
<td>342.42</td>
<td>82.84</td>
<td>48.18</td>
</tr>
<tr>
<td>Labourer (Douglas Shire)</td>
<td>666.30</td>
<td>82.84</td>
<td>48.18</td>
</tr>
<tr>
<td>Comalco traineeship</td>
<td>557.00</td>
<td>82.84</td>
<td>48.18</td>
</tr>
</tbody>
</table>

(i) Given that the recipients featured in this table have a child of at least five years old, it is assumed that they are at least 21 years old.

(ii) The maximum amount of FTB A is given to all singles with a base income of no more than $40 000 per year ($769.23 per week).
Data for Chart Q.6: Single with two children under five (incl. FTB)

<table>
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<th>Under 16</th>
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</tr>
</thead>
<tbody>
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<td></td>
<td>Base</td>
<td>FTB A</td>
<td>FTB B</td>
<td>under 16</td>
</tr>
<tr>
<td>Abstudy/Youth allowance then Newstart (a)</td>
<td>228.00</td>
<td>165.69</td>
<td>66.52</td>
<td>460.20</td>
</tr>
<tr>
<td>CDEP (b)</td>
<td>245.81</td>
<td>165.69</td>
<td>66.52</td>
<td>478.01</td>
</tr>
<tr>
<td>Parenting Payment (c)</td>
<td>256.05</td>
<td>165.69</td>
<td>66.52</td>
<td>488.25</td>
</tr>
<tr>
<td>Full-time on Qld. minimum wage (d)</td>
<td>277.09</td>
<td>165.69</td>
<td>66.52</td>
<td>509.29</td>
</tr>
<tr>
<td>Apprentice Carpenter, then Carpenter (e)</td>
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<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>Labourer (Douglas Shire) (f)</td>
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<td>N.A.</td>
<td>N.A.</td>
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<tr>
<td>Comalco Traineeship, then job (g)</td>
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<td>N.A.</td>
<td>N.A.</td>
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<tr>
<td>16-17</td>
<td></td>
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<tr>
<td></td>
<td>Base</td>
<td>FTB A</td>
<td>FTB B</td>
<td>16-17</td>
</tr>
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<td>(a)</td>
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<td>165.69</td>
<td>66.52</td>
<td>460.20</td>
</tr>
<tr>
<td>(b)</td>
<td>245.81</td>
<td>165.69</td>
<td>66.52</td>
<td>478.01</td>
</tr>
<tr>
<td>(c)</td>
<td>256.05</td>
<td>165.69</td>
<td>66.52</td>
<td>488.25</td>
</tr>
<tr>
<td>(d)</td>
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<td>66.52</td>
<td>509.29</td>
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<td>(e)</td>
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<td>(f)</td>
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<td>N.A.</td>
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<tr>
<td>(g)</td>
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<td>165.69</td>
<td>66.52</td>
<td>789.20</td>
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</tr>
<tr>
<td></td>
<td>Base</td>
<td>FTB A</td>
<td>FTB B</td>
<td>18</td>
</tr>
<tr>
<td>(a)</td>
<td>228.00</td>
<td>165.69</td>
<td>66.52</td>
<td>460.20</td>
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<tr>
<td>(b)</td>
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<td>(c)</td>
<td>256.05</td>
<td>165.69</td>
<td>66.52</td>
<td>488.25</td>
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<tr>
<td>(d)</td>
<td>277.09</td>
<td>165.69</td>
<td>66.52</td>
<td>509.29</td>
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<td>(f)</td>
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<td>N.A.</td>
<td>N.A.</td>
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<tr>
<td>(g)</td>
<td>557.00</td>
<td>165.69</td>
<td>66.52</td>
<td>789.20</td>
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Data for Chart Q.6: Single with two children under five (incl. FTB) (Cont.)

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<td>FTB A</td>
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<td>(a)</td>
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<tr>
<td>(b)</td>
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<td>165.69</td>
</tr>
<tr>
<td>(c)</td>
<td>256.05</td>
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<td>(d)</td>
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<td>491.70</td>
<td>165.69</td>
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<td>(f)</td>
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<td>(a)</td>
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<tr>
<td>(b)</td>
<td>245.81</td>
</tr>
<tr>
<td>(c)</td>
<td>256.05</td>
</tr>
<tr>
<td>(d)</td>
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</tr>
<tr>
<td>(e)</td>
<td>672.98</td>
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<tr>
<td>(f)</td>
<td>666.30</td>
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Data for Chart Q.7: Single with two children over five (inc. FTB)

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<th>Total</th>
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<td>48.18</td>
<td>441.51</td>
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<td>CDEP</td>
<td>245.81</td>
<td>165.69</td>
<td>48.18</td>
<td>459.67</td>
</tr>
<tr>
<td>Newstart</td>
<td>227.65</td>
<td>165.69</td>
<td>48.18</td>
<td>441.51</td>
</tr>
<tr>
<td>Full-time on Qld. minimum wage</td>
<td>503.80</td>
<td>165.69</td>
<td>48.18</td>
<td>717.66</td>
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<td>First year apprentice carpenter</td>
<td>342.42</td>
<td>165.69</td>
<td>48.18</td>
<td>556.28</td>
</tr>
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<td>Labourer (Douglas Shire)</td>
<td>666.30</td>
<td>165.69</td>
<td>48.18</td>
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<td>Comalco traineeship</td>
<td>557.00</td>
<td>165.69</td>
<td>48.18</td>
<td>770.86</td>
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</table>

(i) Given that the recipients featured in this table have a child over six years old, it is assumed that the recipients are at least 21 years old.
### Data for Chart Q.8: Partnered with one child under five (inc. FTB)

<table>
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<tr>
<td></td>
<td>Base</td>
<td>FTB A</td>
<td>FTB B</td>
<td>under 16</td>
</tr>
<tr>
<td>(a) Abstudy/Youth allowance then Newstart</td>
<td>191.10</td>
<td>82.84</td>
<td>44.58</td>
<td>318.52</td>
</tr>
<tr>
<td>(b) CDEP</td>
<td>245.81</td>
<td>82.84</td>
<td>33.64</td>
<td>362.29</td>
</tr>
<tr>
<td>(c) Parenting Payment</td>
<td>189.90</td>
<td>82.84</td>
<td>45.75</td>
<td>318.49</td>
</tr>
<tr>
<td>(d) Full-time on Qld. minimum wage</td>
<td>277.09</td>
<td>82.84</td>
<td>33.64</td>
<td>393.57</td>
</tr>
<tr>
<td>(e) Apprentice Carpenter, then Carpenter</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>(f) Labourer (Douglas Shire)</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>(g) Comalco Traineeship, then job</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td></td>
<td>16-17</td>
<td>18</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Base</td>
<td>FTB A</td>
<td>FTB B</td>
<td>16-17</td>
</tr>
<tr>
<td>(a)</td>
<td>191.10</td>
<td>82.84</td>
<td>44.58</td>
<td>318.52</td>
</tr>
<tr>
<td>(b)</td>
<td>245.81</td>
<td>82.84</td>
<td>33.64</td>
<td>362.29</td>
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<td>45.75</td>
<td>318.49</td>
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<td>(d)</td>
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<td>82.84</td>
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<td>393.57</td>
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</tr>
<tr>
<td>(f)</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>(g)</td>
<td>557.00</td>
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<td>33.64</td>
<td>666.76</td>
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<td></td>
<td>19</td>
<td>20</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Base</td>
<td>FTB A</td>
<td>FTB B</td>
<td>19</td>
</tr>
<tr>
<td>(a)</td>
<td>191.10</td>
<td>82.84</td>
<td>44.58</td>
<td>318.52</td>
</tr>
<tr>
<td>(b)</td>
<td>245.81</td>
<td>82.84</td>
<td>33.64</td>
<td>362.29</td>
</tr>
<tr>
<td>(c)</td>
<td>189.90</td>
<td>82.84</td>
<td>45.75</td>
<td>318.49</td>
</tr>
<tr>
<td>(d)</td>
<td>377.85</td>
<td>82.84</td>
<td>33.64</td>
<td>494.33</td>
</tr>
<tr>
<td>(e)</td>
<td>491.70</td>
<td>82.84</td>
<td>33.64</td>
<td>608.18</td>
</tr>
<tr>
<td>(f)</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>(g)</td>
<td>721.00</td>
<td>30.89</td>
<td>33.64</td>
<td>797.96</td>
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</table>
Data for Chart Q.8: Partnered with one child under five (inc. FTB) (Cont.)

<table>
<thead>
<tr>
<th>21</th>
<th>Base</th>
<th>FTB A</th>
<th>FTB B</th>
<th>21 and over</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
<td>189.90</td>
<td>82.84</td>
<td>45.75</td>
<td>317.32</td>
</tr>
<tr>
<td>(b)</td>
<td>245.81</td>
<td>82.84</td>
<td>33.64</td>
<td>362.29</td>
</tr>
<tr>
<td>(c)</td>
<td>189.90</td>
<td>82.84</td>
<td>45.75</td>
<td>318.49</td>
</tr>
<tr>
<td>(d)</td>
<td>503.80</td>
<td>82.84</td>
<td>33.64</td>
<td>620.28</td>
</tr>
<tr>
<td>(e)</td>
<td>672.98</td>
<td>40.50</td>
<td>33.64</td>
<td>759.55</td>
</tr>
<tr>
<td>(f)</td>
<td>666.30</td>
<td>41.83</td>
<td>33.64</td>
<td>754.20</td>
</tr>
<tr>
<td>(g)</td>
<td>850.00</td>
<td>5.09</td>
<td>33.64</td>
<td>906.32</td>
</tr>
</tbody>
</table>

(i) For this entire table it is assumed that the partner of each base payment recipient is on CDEP. This affects both the FTB A (because FTB A amounts depend on family income) and the FTB B (because FTB B amounts depend on the income of the lower earner). Given this assumption, when the base payments for a family total $523.42 per week, the family receives less than the maximum FTB A payment. When the lower income earner is on CDEP, their FTB B would be $33.64 per week. Note, of course, that the partner on CDEP, however, is not necessarily the lower income earner of the couple.

(ii) With regard to the Parenting Payment, it is assumed that the recipient earns less than $31 per week. Given this assumption, the maximum rate of Parenting Payment applies.

Data for Chart Q.9: Partnered with one child over five (inc. FTB)

<table>
<thead>
<tr>
<th>welfare payment/wage</th>
<th>FTB A</th>
<th>FTB B</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abstudy</td>
<td>189.90</td>
<td>82.84</td>
<td>27.41</td>
</tr>
<tr>
<td>CDEP</td>
<td>245.81</td>
<td>82.84</td>
<td>15.30</td>
</tr>
<tr>
<td>Newstart</td>
<td>189.90</td>
<td>82.84</td>
<td>27.41</td>
</tr>
<tr>
<td>Full-time on Qld. minimum wage</td>
<td>503.80</td>
<td>82.84</td>
<td>15.30</td>
</tr>
<tr>
<td>First year apprentice carpenter</td>
<td>342.42</td>
<td>82.84</td>
<td>15.30</td>
</tr>
<tr>
<td>Labourer (Douglas Shire)</td>
<td>666.30</td>
<td>54.26</td>
<td>15.30</td>
</tr>
<tr>
<td>Comalco traineeship</td>
<td>557.00</td>
<td>76.12</td>
<td>15.30</td>
</tr>
</tbody>
</table>

(i) Given that the recipients featured in this table have a child over five years old, it is assumed that the recipients are at least 21 years old.

(ii) Again, it is assumed that the partner of each base payment recipient is on CDEP.
## Data for Chart Q.10: Partnered with two children under five (inc. FTB)

<table>
<thead>
<tr>
<th>Under 16</th>
<th>welfare payment/wage</th>
<th>FTB A</th>
<th>FTB B</th>
<th>under 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abstudy/Youth allowance then Newstart (a)</td>
<td>191.10</td>
<td>165.69</td>
<td>44.58</td>
<td>401.37</td>
</tr>
<tr>
<td>CDEP (b)</td>
<td>245.81</td>
<td>165.69</td>
<td>33.64</td>
<td>445.14</td>
</tr>
<tr>
<td>Parenting Payment (c)</td>
<td>189.90</td>
<td>165.69</td>
<td>45.75</td>
<td>401.34</td>
</tr>
<tr>
<td>Full-time on Qld. minimum wage (d)</td>
<td>277.09</td>
<td>165.69</td>
<td>33.64</td>
<td>476.42</td>
</tr>
<tr>
<td>Apprentice Carpenter, then Carpenter (e)</td>
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<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>Labourer (Douglas Shire) (f)</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>Comalco Traineeship, then job (g)</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>16-17</th>
<th>18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base</td>
<td>FTB A</td>
</tr>
<tr>
<td>(a)</td>
<td>191.10</td>
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<tr>
<td>(b)</td>
<td>245.81</td>
</tr>
<tr>
<td>(c)</td>
<td>189.90</td>
</tr>
<tr>
<td>(d)</td>
<td>277.09</td>
</tr>
<tr>
<td>(e)</td>
<td>342.42</td>
</tr>
<tr>
<td>(f)</td>
<td>N.A.</td>
</tr>
<tr>
<td>(g)</td>
<td>557.00</td>
</tr>
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</table>
Data for Chart Q.10: Partnered with two children under five (inc. FTB) (Cont.)

<table>
<thead>
<tr>
<th></th>
<th>19</th>
<th></th>
<th>20</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Base</td>
<td>FTB A</td>
<td>FTB B</td>
<td></td>
</tr>
<tr>
<td>(a)</td>
<td>191.10</td>
<td>165.69</td>
<td>44.58</td>
<td>401.37</td>
</tr>
<tr>
<td>(b)</td>
<td>245.81</td>
<td>165.69</td>
<td>33.64</td>
<td>445.14</td>
</tr>
<tr>
<td>(c)</td>
<td>189.90</td>
<td>165.69</td>
<td>45.75</td>
<td>401.34</td>
</tr>
<tr>
<td>(d)</td>
<td>377.85</td>
<td>165.69</td>
<td>33.64</td>
<td>577.18</td>
</tr>
<tr>
<td>(e)</td>
<td>491.70</td>
<td>165.69</td>
<td>33.64</td>
<td>691.03</td>
</tr>
<tr>
<td>(f)</td>
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<tr>
<td>(g)</td>
<td>721.00</td>
<td>86.64</td>
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<td>841.28</td>
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</table>

21 & over |

<table>
<thead>
<tr>
<th></th>
<th>Base</th>
<th>FTB A</th>
<th>FTB B</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
<td>189.90</td>
<td>165.69</td>
<td>45.75</td>
<td>400.17</td>
</tr>
<tr>
<td>(b)</td>
<td>245.81</td>
<td>165.69</td>
<td>33.64</td>
<td>445.14</td>
</tr>
<tr>
<td>(c)</td>
<td>189.90</td>
<td>165.69</td>
<td>45.75</td>
<td>401.34</td>
</tr>
<tr>
<td>(d)</td>
<td>503.80</td>
<td>165.69</td>
<td>33.64</td>
<td>703.13</td>
</tr>
<tr>
<td>(e)</td>
<td>672.98</td>
<td>105.86</td>
<td>33.64</td>
<td>812.48</td>
</tr>
<tr>
<td>(f)</td>
<td>666.30</td>
<td>108.52</td>
<td>33.64</td>
<td>808.46</td>
</tr>
<tr>
<td>(g)</td>
<td>850.00</td>
<td>45.36</td>
<td>33.64</td>
<td>929.00</td>
</tr>
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</table>

(i) It is assumed that the partner of each base payment recipient is on CDEP.

Data for Chart Q.11: Partnered with two children over five (inc. FTB)

<table>
<thead>
<tr>
<th></th>
<th>welfare payment/wage</th>
<th>FTB A</th>
<th>FTB B</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abstudy</td>
<td>189.90</td>
<td>165.69</td>
<td>27.41</td>
<td>383.00</td>
</tr>
<tr>
<td>CDEP</td>
<td>245.81</td>
<td>165.69</td>
<td>15.30</td>
<td>426.80</td>
</tr>
<tr>
<td>Newstart</td>
<td>189.90</td>
<td>165.69</td>
<td>27.41</td>
<td>383.00</td>
</tr>
<tr>
<td>Full-time on Qld. minimum wage</td>
<td>503.80</td>
<td>165.69</td>
<td>15.30</td>
<td>684.79</td>
</tr>
<tr>
<td>First year apprentice carpenter</td>
<td>342.42</td>
<td>165.69</td>
<td>15.30</td>
<td>523.41</td>
</tr>
<tr>
<td>Labourer (Douglas Shire)</td>
<td>666.30</td>
<td>108.52</td>
<td>15.30</td>
<td>790.12</td>
</tr>
<tr>
<td>Comalco traineeship</td>
<td>557.00</td>
<td>152.24</td>
<td>15.30</td>
<td>648.42</td>
</tr>
</tbody>
</table>

(i) Given that the recipients featured in this table have a child who is at least over five years old, it is assumed that the recipients are 21 years of age or older.
Q.2 Reliance on CDEP funding by remote Indigenous councils and the incentive to retain CDEP participants

Under the current arrangements, CDEP organisations, such as community councils, receive funding based on their number of CDEP participant places. These organisations in turn rely on these funds (and CDEP labour) to deliver a range of community services as well as being charged with running CDEP as an employment and into work scheme.

CDEP organisations make CDEP participants available to councils and other service providers to use as a subsidised labour resource. The CDEP scheme allows the base rate of $235 per week to be paid at the hourly rate as determined by the award that is applied. In addition, the employer also pays ‘top up’ to some participants and this draws on CDEP funds, council funds, state revenue or other government grants. Councils and CDEP organisations also use some of their more effective participants in CDEP administrative and supervisory roles, despite this being contrary to the CDEP Specific Conditions. 125

Representative community organisations such as Bamanga Bubu Ngadimunku (BBN) Inc (in Mossman Gorge) and Coen Regional Aboriginal Corporation also rely on CDEP to provide activities of social and economic benefit to the Indigenous communities they represent. As the only representative Indigenous bodies in these communities they play an important role in articulating community needs and provide some services. They also each run the CDEP program and rely heavily on this funding and the labour provided through CDEP.

CDEP organisations do have access to a placement payment which they receive for placing a participants into a job for a minimum period. The CDEP Placement Incentive is currently worth $2200 (which is significantly less than the placement payments available to Job Network Members). Given that a council or community organisation may employ the most ‘work ready’ CDEP participants through top-up arrangements, the current placement payment may be insufficient for the organisation to facilitate or encourage CDEP workers to gain real employment off CDEP (as this would mean the loss of a valued worker). The current system is one in which CDEP organisations have a clear incentive to hoard valuable labour, and this produces undesirable outcomes for those participants who would otherwise have good employment opportunities beyond CDEP.

Recent government changes to CDEP have reduced the discretion of CDEP organisations and councils to use CDEP as a source of employment for council services. Given many councils’ reliance on CDEP as a source of funding there is a need for further reform to CDEP to incorporate a review of council funding arrangements for Indigenous councils.

Improving business development and the use of CDEP

The issue of business development is closely related to the issue of appropriate council funding and use of CDEP and creating real (and viable) job opportunities. CDEP organisations are expected provide business development expertise without many of the skills required to do this effectively. What they do often have is cheap CDEP labour and a small amount of capital (provided to fund CDEP work activities).

In many cases the local businesses that are created are not viable in a business sense although some do provide something of a training ground (eg, market gardens). There is no concern with CDEPs operating such activities with these types of objectives. In other cases, however, CDEP can crowd out the development of independent and small-scale businesses (eg, mechanics) and thereby inhibit economic development in communities. CDEP labour should still be available for independent businesses through a host agreement. Communities would also benefit significantly from the application of a well designed and funded business development program.

Enterprise development does not fit comfortably in the ambit of a job-readiness program, nor is enterprise development likely to fit the skills of local CDEP providers. Labour subsidies do assist with business development and expertise and advice on establishing and running businesses are essential. Even capital subsidies should not be ruled out if they are what is required for business to get off the ground in remote communities. These should be run through a program that is separate to CDEP, however, and should be allowed to develop as independent business units.

As noted in Balkanu (2006), CDEP should not be used as a source of funds for business development for commercial enterprises. New enterprises should have very clear commercial goals (including timelines) and should be managed separately from Work for the Dole or similar programs (any training and work experience in new enterprises would not be ongoing and would not be relied upon as a primary source of labour).

The use of CDEP labour for service delivery

Of similar concern to council reliance on CDEP is that many of the activities undertaken by CDEP workers assist state and federal government service providers to deliver services in communities (for example, teacher’s aides, health care workers, child care workers and local policing services). While those jobs remain as CDEP positions or as CDEP top-up positions, they lack the employment rigour, access to training and potential for career progression that would otherwise be available to Queensland Government employees.

Non-profit Indigenous organisations also use CDEP workers to assist with projects undertaken in communities. This raises the question of whether such projects would be able to employ as many community members without the CDEP subsidy.
Under the current approach, CDEP ‘employment’ has some of the appearances of a real job, but is lacking in significant and fundamental ways. For example, unlike a ‘real employer’, a CDEP organisation is unable to offer real career progression, training and skills development, proper supervision, accountability and opportunities outside communities through transferable skills.

A significant improvement in the transition to a reformed CDEP and Job Network would be for governments to convert certain CDEP positions to real jobs. 126 This would have a number of positive outcomes. First, people employed by schools, clinics, and other service providers tend to have clear opportunities for training and career progression. Second, given that some CDEP participants are not required to work as productively and effectively as standard employees, CDEP participants who do face strong work expectations and yet are not recognised as standard employees can easily feel under-valued and dispirited. Third, experience in a non-CDEP job gives a clearer indication to other potential employers of the worker’s skill and productivity.

It is possible that some government departments would choose to employ fewer people for these activities if they were employed as fully-funded government positions. Nonetheless, if even a portion of the numerous positions in service delivery were funded appropriately, this would increase the number of ‘real employment’ options available in these communities and would allow more scope for people to be employed in work that is unsubsidised, more highly paid, and off CDEP. In the future, organisations that apply for funding should be asked to factor in the cost of engaging local people in normal employment arrangements, rather than through CDEP.

Service providers and councils should be forming proper employer-employee relationships with their staff, rather than a relationship based on the allocation of staff through a CDEP program. In addition, some of the activities undertaken by council employees may be commercialised (ie, local people would provide contracted services to the council). Part of the genesis of economic viability is likely to be in the provision of such services through small scale local commercial activity.

126 The Australian Government, in its Budget for 2007-08, has committed $97.2 million over the next four years to begin converting CDEP positions into real jobs for people who have been delivering certain services on behalf of the Australian Government or through joint funding arrangements. Areas referred to in the 2007-08 Budget include education, childcare, environment and heritage protection and Indigenous community policing.
APPENDIX R: DETAILS ON IEP AND BUSINESS HUBS

Indigenous Enterprise Partnerships

IEP is a network of corporate and philanthropic supporters that engages with Indigenous organisations with the aim of fostering economic and social development in Indigenous Australia. IEP recognises that there is a considerable amount of good will amongst many Australian business corporations and they seek to draw on the experience, expertise, and other resources that corporations can provide so as to transform this good will into real contributions. Various corporations\textsuperscript{127} and philanthropic foundations\textsuperscript{128} are part of the IEP network, and some important direct financial support is provided by OIPC and the Department of Victorian Communities to support the IEP’s administrative functions.

IEP, through its corporate networks, primarily provides support in the form of secondees to work with regional Indigenous organisations. The corporate secondees have been critical in progressing key projects in the areas they work as well as building the capacities of the Indigenous organisations they work with.

The organisation has been crucial to the success of the Cape York Digital Network, the Traditional Knowledge Recording Project, the Weipa Multi-Purpose Facility, Family Income Management (FIM), Alcohol Management Plans, the development of Business Hubs, community controlled health care, and welfare reform.

IEP employs three full time staff (two in Sydney, one in Shepparton) and one part time staff member (in Cairns). The staff provide the critical link between the corporate partners and the Indigenous organisations, helping to navigate precisely what resources are required to have the greatest impact.

Funding is provided by OIPC to support the IEP staff. (See Table R.1).\textsuperscript{129}

Table R.1: IEP funding from OIPC

<table>
<thead>
<tr>
<th>Financial year</th>
<th>OIPC annual support</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-07</td>
<td>$360 000</td>
</tr>
<tr>
<td>2007-08</td>
<td>$240 000</td>
</tr>
<tr>
<td>2009-2010</td>
<td>$180 000</td>
</tr>
</tbody>
</table>

\textsuperscript{127} Current corporate supporters include Westpac, ANZ, The Body Shop, Boston Consulting Group, Cisco System, Designworks, Gilbert & Tobin, Right Management.

\textsuperscript{128} Philanthropic support is provided by the Colonial Foundation and the Myer Foundation.

\textsuperscript{129} IEP (Pers. comm.), 11 May 2007. The Department of Victorian Communities now provides $50 000 in annual funding.
Business Hubs

Business Hubs are business support offices that have been developed by the Balkanu Cape York Development Corporation. Business Hubs are designed to provide a wide range of support and referral services to people who aspire to start a new business or to improve an existing business in the Cape York Peninsula. There are operational Hubs in both Weipa and Cooktown (each has a full-time support manager), and a Cairns Hub that has two full-time staff specialising in the provision of support services for tourism and art enterprises. The Hubs service all regional and remote Cape York communities.

The types of support services provided by Business Hubs include: encouragement of entrepreneurship; testing ideas and business models; provision of support and advice on finance and funding applications; provision of general support services, including bookkeeping, training, and legal advice; and mentoring. The level of support provided by Balkanu through these Business Hubs can be shown through its Key Performance Indicators for the 2005-2006 financial year, as provided in Table R.2.

Table R.2: Balkanu's business support services

<table>
<thead>
<tr>
<th>Services provided</th>
<th>Number of clients (2005-2006 financial year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business support</td>
<td>105</td>
</tr>
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<td>Ongoing businesses</td>
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<td>Skills development</td>
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<td>Business planning</td>
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<td>Employment</td>
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<td>Marketing</td>
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Some of the more conspicuous successes facilitated through these Business Hubs have been the Weipa Multi Purpose Facility, Western Cape Earthmoving company, and Cape York Digital Network (CYDN).

The Multi Purpose Facility provides accommodation for 32 secondary school students, and a post-school work-readiness and training facility designed to help Indigenous people take advantage of the local employment opportunities. The Earthmoving company is owned by local Indigenous communities around Weipa and is staffed with a combination of Indigenous and non-Indigenous employees. CYDN is a fully operational digital technology provider that services 16 remote locations throughout the Cape York Peninsula.

Balkanu and IEP (and their government and non-government partners) will play an increasingly important role in helping potential business operators to tap into business opportunities within and external to communities. For example, there are current
opportunities for local people to establish private businesses in service industries such as tourism and food. It is also likely that there are significant opportunities for franchisees to operate certain businesses, particularly in the food industry. Some private businesses may be spun off from services currently provided by councils and community organisations, which would then compete with businesses that are currently imported into communities, including road construction, building construction and maintenance services.

It is vital that business development and support services be focussed on facilitation and the creation of the right environment for business. Such services should not provide ongoing subsidies or take over decision making for individual businesses. CDEP should not be used as an ongoing source of funding for business development as any business funded through this program is likely to be reliant on the subsidy and therefore unsustainable, passive, and unlikely to grow. The approach of Balkanu and IEP is to assist in the creation of viable, self sufficient businesses that are not dependent on subsidies or hand-outs.
APPENDIX S: DETAILED ANALYSIS OF MOBILITY

The need for mobility

Employment-related mobility

Mobility is going to be crucial for the health, education and prosperity of many Indigenous people from remote communities on Cape York Peninsula. Work undertaken at the Institute has articulated a variety of compelling reasons for this. The reasons discussed in this section particularly concern the importance of mobility for the purposes of employment.

The limits of the economic base in communities

For the foreseeable future at least, few of the remote Indigenous communities in the Cape York Peninsula will have an economic base that could allow large numbers of people to be employed locally. The reasons for this are many and various.

The first problem is that skill levels amongst the working age population are for many, relatively low. A sizable percentage of the workforce in each community is not functionally literate or numerate, and many have little or no work experience except on CDEP. While there is a strong demand for relatively unskilled labour in various other places (as outlined below), there is a definite excess of supply in remote communities. Moreover, without substantial improvements in skill levels amongst a reasonably wide range of community members, few local enterprises are ever likely to flourish. In other words, the problem of low skill levels affects not only the opportunities for waged employment, but also the likelihood of successful self-employment in small businesses.

A second and related type of problem is that for various historical reasons, many Indigenous people in remote communities have come to believe that business is not their forte. Judy Bennett, a tourism entrepreneur who has spent several years in a mentoring role in Hope Vale explains in her PhD dissertation that, ‘the barriers to Indigenous entrepreneurship have been widely reported, yet the psychological constraints most evident during this project are the least recognised in the literature.’ Bennett, J. 2004. Indigenous Entrepreneurship, Social Capital and Tourism Enterprise Development: Lessons from Cape York. PhD Thesis, La Trobe University, p. 215.

There is also third set of problems associated with land tenure. In most remote Indigenous communities, there is no freehold land available for purchase by businesses. Instead, most

of the land within the community itself is collectively owned by the council. A business person may therefore need to lease land from the local council. This, in turn, may require ‘in principle’ approval from the Minister and endorsement of the lease. Even in many non-DOGIT communities, there is only a very limited amount of freehold land available (see Appendix U for a case study of these difficulties).

In most remote areas the issue of whether Native Title exists is yet to be legally determined. It certainly may exist in some, and is thought to exist in many. Native Title claims raise important legal issues and in theory, they can give the traditional owners the freedom to develop the land in ways of their own choosing. Native Title, however, is typically understood to be both communal and inalienable. In practice, these qualities may hinder and discourage business development. Communal ownership hinders development because of the potential for disagreements over the appropriate uses for the land. In addition, all owners would stand to gain from improvements, rather than simply those who pay the costs of making those improvements. Communal ownership thereby creates a disincentive to invest in improvements to the land as a standard kind of ‘free rider’ problem. Inalienability discourages business development because inalienable land is of limited (if any) resale value and is worthless as collateral for loans.\(^{131}\) Business people will therefore tend to find other locations to develop their enterprises than those in which land title is inalienable. (See section 5.2 and Appendix U for further discussion.)

**Mobility and community dysfunction**

It is well recognised that in many remote Indigenous communities there are widespread problems of social dysfunction. Expressed in less euphemistic language, this means that there is widespread alcoholism, drug addiction, rape, assault, child abuse, child neglect, truancy, theft, vandalism and unemployment. There are also relatively high rates of murder, teenage pregnancy, juvenile delinquency, depression and suicide.\(^{132}\) Such problems appear to be self-perpetuating, and quite apart from being extremely serious in themselves, they tend to induce low expectations, insularity and other barriers to employment and individual achievement.

Evidence gained through the Welfare Reform Engagement Process suggests that crime in one of the Welfare Reform communities has become extremely prevalent, and a number of people interviewed by the Welfare Reform Engagement Team have since been sent to prison. In that particular community, the breakdown in basic social norms is such that

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some young men have come to see a prison term not as rightful punishment for shameful and criminal conduct, but rather as a way in which to become ‘hard’ and ‘tough’ and to gain respect. Given that some of them regard their employment prospects as very poor, they tend to consider a criminal record to be of little consequence. The routine, discipline, and nutritious food provided in prison are also regarded as beneficial. Prison will provide many of these offenders with a room of their own for the first time, and all are permitted a television.\textsuperscript{133} Such attitudes towards prison have long been familiar from some of the academic literature in other remote Indigenous communities.\textsuperscript{134}

It may be argued that these attitudes bring into question the conventional assumption that the threat of imprisonment helps to deter crime. Similarly, it has been noted in the literature that by September 2002, of the young male Indigenous offenders in Queensland on supervised juvenile justice orders in 1994 and 1995, 89 percent had subsequently ‘progressed’ to the adult corrections system, and 71 percent had served at least one prison term. Among male non-Indigenous young offenders in Queensland during the same period, 45 percent subsequently served a prison term.\textsuperscript{135} As such figures show, recidivism is ‘extremely high’ among both the Indigenous and non-Indigenous offenders, and is particularly high among young Indigenous males.\textsuperscript{136}

Social norms in some of the remote communities undermine a conventional kind of respect for law and order. In some of the communities, for example, when those convicted of criminal offences are flown out of the community to spend time in prison, a sizable contingent of friends and relatives normally assembles to see them off at the airstrip. On their return to the community after completing their sentences, the occasion is normally celebrated. This is in stark contrast to the treatment of those engaged in mobility for the purposes of education or employment. Based on the experiences gained through various programs and initiatives in the Cape York Peninsula, young people who leave the community for the purposes of education or employment are not given a prominent ‘send off’, nor are their returns widely celebrated.\textsuperscript{137} Furthermore, many of those who become

\textsuperscript{133} Televisions can be rented, with rental costs deducted from prisoner trust accounts. Source: Custodial Operations Directorate, Queensland Corrective Services (pers. comm.).

\textsuperscript{134} Ogilvie, E. and A. Van Zyl. 2001. (April). ‘Young Indigenous Males, Custody and the Rites of Passage’ \textit{Trends and Issues in Crime and Criminal Justice}. No. 204.


\textsuperscript{136} The corresponding rates of recidivism among young Indigenous females are also high, with 68 percent having progressed to the adult corrections system. Only 28 percent of Indigenous females, however, subsequently served a prison term. See Lynch, M., J. Buckman and L. Krenske. 2003. (September). ‘Youth Justice: Criminal Trajectories’ in \textit{Trends and Issues in Crime and Criminal Justice}. No. 265, p. 4.

\textsuperscript{137} Welfare Reform Engagement Process; Cape York Institute’s Higher Expectations Program (HEP) and Youth Talent Development Program (YTDP); Cape York Partnerships’ Work Placement Scheme.
mobile for the purposes of education suffer an Indigenous form of the ‘tall poppy’ syndrome.\textsuperscript{138}

The fact that these problems and social norms currently tend to be worse in remote communities highlights the social benefits of mobility for young people from communities. When young people gain experience of life outside the community, they are less likely to be in danger of becoming victims of crime and are also somewhat removed from the pernicious influence of certain peers. Education mobility programs run by the Institute have found that parents often consider sending their children away to school to keep them from becoming pregnant at 16, getting into drugs, or being injured by violence. Higher expectations tend to be placed upon them, and they can expect to encounter positive role models. In a remote community, living a healthy, productive, law-abiding, independent and fulfilling life requires some people to \textit{defy} the expectations and influences that surround them. Outside of the community, however, the living of such a life is \textit{supported} by the surrounding expectations and influences. While the avoidance of community dysfunction need not be the purpose of any mobility programs, it is important to recognise that time spent outside of the community environment can bring broader social benefits and change expectations.

\textbf{Education-related mobility}

While the section above pertains to the importance of mobility for the purposes of employment, there are also several reasons to support mobility for the purposes of education.

The current problems of community dysfunction (as described above) also provide strong reasons for education-related mobility. Quite independently of that rationale, however, quality education for people in remote Indigenous communities, particularly beyond the primary level, often requires mobility. Very small schools are not able to provide students with the broad range of subjects and activities offered at large metropolitan schools. This is particularly true with regard to secondary schools.\textsuperscript{139} Moreover, small schools in remote locations invariably struggle to attract and retain quality staff, and this problem is particularly acute in communities that suffer from serious social problems. As a result, the quality of teaching is often poorer, the relationship between teachers and the community tends not to be as strong, and it is more difficult for students to reach their potential. Furthermore, given the current education standards of many students in remote schools, teachers are faced with a majority of students that require remedial attention, rather than a small proportion of the class as in mainstream schooling environments.

\textsuperscript{138} In some Indigenous circles people in remote communities are likened to \textit{crabs in bucket}; those who make an effort to get out are dragged back down to the bottom.

\textsuperscript{139} Note that of the four Welfare Reform communities, only Aurukun has a secondary school (up to year 10).
It must be emphasised that on the Cape York Peninsula, there are some promising signs with regard to education in remote communities. The *Computer Culture* and *Every Child is Special* projects have achieved some very strong results, as has the MULTILIT program trialled in Coen in 2006.\footnote{The strong results of the MULTILIT program are well recognised. In 2002 the House of Representatives Standing Committee on Education and Training reported that “The knowledge and practical instructional techniques developed in MULTILIT by the researchers at Macquarie University should inform and enhance initial and remedial literacy instruction throughout Australia and form the core of remedial reading programs in primary and high schools.” House of Representatives Standing Committee on Education and Training. 2002. (October.) *Boys: Getting it right. Report on the inquiry into the education of boys.* Canberra: Commonwealth of Australia, p. 114. See also: Wheldall, K., and R. Beaman. 2000. *An evaluation of MULTILIT: ‘Making Up Lost Time In Literacy’.* Canberra: Department of Education, Training and Youth Affairs.}

For the reasons just indicated, the provision of quality education in very small, remote schools is limited, particularly at the secondary school level. It is therefore only realistic to accept that in the future, more students rather than fewer should be given both the encouragement and the opportunity to become mobile for the purposes of education.

**The desire for mobility**

The extent to which Indigenous people in remote communities desire mobility is a delicate issue. Without prompting, 29 of the local people interviewed by members of the Welfare Reform Engagement Team have raised the idea of moving away from their home communities for the purposes of employment, education or training.\footnote{340 interviews have been conducted. It is important to emphasise that thus far, interviewees have not specifically sought to elicit community attitudes towards mobility.} People expressed different views, and the issue does require further exploration. Thus far, however, many people in the communities do appear to be open to the idea of mobility, and there even appears to be an appreciable degree of enthusiasm for it.

**Employment mobility**

The following comments are reasonably representative of the views expressed. A number of men have spoken of their thoughts about ‘chasing money’ outside of their home community. One of the comments was that the Job Network Member ‘is not pushy enough’ in making people take on the work that is locally available. A young woman explained that she would like to go to Cairns to finish school, get a job, and secure a flat, but she does not know who to turn to for support. A young teenage boy said that he does not like living in his home community and that he wants to get out and work away when he grows up. A young man said that he would like to move outside his home community to work. He explained that when young people return to the community after boarding school they find themselves faced with a lot of peer pressure to drink and take drugs and that it is...
easy to get ‘side-tracked’. A middle aged man said that people should work ‘down South’ and just come to the community to retire or spend their holidays.

As a result of the Engagement Process in Aurukun, a particularly detailed understanding of attitudes towards mobility has emerged. One point worth emphasising is that many of the local people in Aurukun think of the world beyond the community in a largely undifferentiated manner; they conceive of the world as consisting of Aurukun, on the one hand, and of all other places, on the other. This type of view helps to explain some particularly serious difficulties associated with mobility for people from Aurukun. For the view appears to correspond to a division between Aurukun (where many things are troublesome but everything is familiar), and the rest of the world (where many things are desirable, but there is much that is unfamiliar, unwelcoming, highly demanding and difficult to negotiate). As an analogy, the difficulties associated with leaving Aurukun to successfully participate in the mainstream economy are akin to those which many people in Australia’s mainstream would fear if asked to move to France and successfully participate in French life.

So while there is evidence to suggest that many people from Aurukun have the desire to move away from the community, it appears that they will need a great deal of support. One local person from Aurukun suggested that the difficulties associated with helping people from Aurukun adjust to work and life in the mainstream are akin to the difficulties associated with adjusting to life outside prison. Just as prisoners have a parole officer, her suggestion was that people from Aurukun should have access to a ‘transitions officer’.

It should be acknowledged that historically, forced relocation has been a common feature of Aboriginal life, and many of the memories associated with forced relocation are extremely sad for people directly and indirectly affected. For several generations in the nineteenth and twentieth centuries, a total of up to 10 000 Aboriginal people worked in the pastoral, mining and fishing industries across the north of Australia. While there are bitter memories of forced relocation and humiliation, it has been found that many of the older members of the four Welfare Reform communities actually have very fond memories of voluntary mobility for the purposes of employment. For example, when a 58 year old Aboriginal stockman from one of the Welfare Reform communities reflected on the days before the introduction of welfare payments, he emphasised that in the 1950s, 60s and 70s his people worked hard and that as a result, they were healthy, robust and vital. With regard to mobility, he explained that, ‘we just moved to wherever there was work’.

A particularly strong understanding of contemporary mobility has been developed at Cape York Partnerships through the development of the Work Placement Scheme (WPS), which is particularly focused on people aged 15-22 years old. Based on the experiences gained

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through the WPS it appears that many young people do show a desire to take up employment outside the community, especially when the possibility is explained to them in a certain way. The WPS often appeals to their sense of adventure and their desire to be different from many of those they see around them. The young people are informed that the scheme will allow them to travel, to see more of the country, to make it in the wider world, and to thereby stand out from those who sit back on welfare payments and develop bad habits. The prospect of earning $600-$1000 per week also appeals to their desire for material success.

**Education mobility**

Through the Engagement Process it has been found that a number of elders in the communities would like to see more opportunities for young people to attend schools outside the communities.

The Institute has also developed an understanding of the desire for education-related mobility through the development of a number of education programs. The Higher Expectations Program (HEP) facilitates secondary students from remote Cape York communities attending boarding schools in Cairns, Townsville, Rockhampton and Brisbane. When seeking suitable participants for HEP, the idea is first discussed with the parents of the children, from whom there is generally, ‘huge enthusiasm’.\(^{143}\) As a result, HEP has become highly popular, with 150 applications received since its inception in January 2005. The program provides various kinds of personal assistance to the students including weekly private tutoring, the ongoing support of a Program Administrator and a Student Support Officer, and an annual vacation camp to assist with study skills, career planning, motivation and leadership development.

**Employment opportunities available through mobility**

Although skill levels amongst the working age population in Indigenous communities are generally low, there are significant opportunities for employment available, especially for those willing to relocate. As outlined below, there are various types of employment opportunity that people in Cape York Indigenous communities should be aware of. These types of employment opportunity are of course additional to opportunities available to those in remote communities who are willing to be mobile to take up opportunities for education.

\(^{143}\) John Wenitong, Project Manager, Higher Expectations Program, Cape York Institute.
The Harvest Trail

There has been a persistent shortage of labour in the fruit and vegetable picking industry for many years. This industry has therefore long been recognised as one way in which significant numbers of low skilled people may be able to gain paid employment. The work is hard and mostly itinerant in nature but the remuneration available (circa $600-$1000 per week) is far higher than the minimum wage. Moreover, the work is widely available throughout Australia. The work is now described as the Harvest Trail and has been widely publicised.

Most of the Cape York Partnerships WPS participants are in employment on the Harvest Trail. In total, however, this only amounts to around 40 to 50 participants at a time, and it appears that few other Indigenous people from remote communities are currently employed in such work. The WPS is explained in more detail below.

The Corporate Leaders for Indigenous Employment Project

As of 2 April 2007, there were 86 signatories to the Corporate Leaders for Indigenous Employment Project. These signatories are all major companies who are willing and able to provide employment opportunities to Indigenous people from remote communities. Through the Engagement Process it has become evident that few of the employment opportunities available through these corporate work placement schemes are being taken up. It should be noted, however, that for many of the 86 signatories to the project, the adoption of an Indigenous work placement scheme is only a recent initiative. To help encourage and improve such schemes, the Department of Employment and Workplace Relations recently put together a guidebook to explain what various signatories to the project have learned from their experiences so far. Some major companies provide not only employment, but also pre-employment training.

The mining industry

Some remote Indigenous communities have reached agreements with mining companies that offer benefits to those communities. In March 2001, for example, the Western Cape Communities Co-Existence Agreement was signed by 11 Traditional Owner Groups, four councils, the Cape York Land Council, the Queensland Government and Rio Tinto Aluminium. Amongst other things, this agreement secured $500 000 annually for Aboriginal employment and training. Rio Tinto Aluminium in Weipa has also since

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adopted a target of 35 percent Indigenous employment by 2010 (their current workforce is approximately 12 percent Indigenous).\textsuperscript{146}

Through the work of the Welfare Reform Engagement Team, it is clear that people in Aurukun generally are aware of the employment opportunities available with Rio Tinto Aluminium, and many are expecting a large number of similar opportunities to become available with the proposed Chalco development.\textsuperscript{147} At present, however, few of the opportunities with Rio Tinto Aluminium are being taken up by local Indigenous people. Moreover, many of the local people do not presently have the kind of work experience or job-readiness that makes likely their employment in the near future. The Engagement Process has confirmed that many applicants for the Rio Tinto Aluminium jobs fail the drug test which they must pass in order to be considered for any position. Many others currently consider themselves unable to take up such opportunities because they do not currently have a driver’s licence.

There is no doubt that the Rio Tinto Aluminium pre-employment program is very important for the recruitment of local Indigenous people. In order to prompt more people to take up the employment opportunities, however, members of the Aurukun Engagement Team have expressed the view that there is a strong need for Community-based Jobs Brokers (a role outlined in Appendix T).

\textit{Other opportunities within the regional economy}

Even in many remote communities, various employment opportunities exist in small and medium sized businesses, councils, and other organisations. There are opportunities for Hope Vale residents in Cooktown businesses, while residents of Aurukun may be able to take advantage of some of the opportunities in Weipa (two hours drive from Aurukun). Coen is more isolated and has a limited number of local or regional businesses.\textsuperscript{148} Mossman Gorge is located five minutes from Mossman and 15 minutes from Port Douglas.

Notwithstanding the importance of mobility generally, given that locally available jobs sometimes go unfilled, it is important to have stringent work-search and employment-acceptance conditions attached to various income support payments, including Newstart, Youth Allowance and CDEP. In this way, people will be more strongly encouraged to take up locally available positions where they are suitably qualified.


\textsuperscript{148} Given Coen’s small size, it is not likely to ever have a large number of employment opportunities. Nonetheless, the Engagement Team has reported that there are persistent vacancies. In the first week of February 2007, for example, there were at least seven job opportunities; one in the take-away store, one in each of the two general food and fuel stores, one in the local garage, and three traineeships in the Royal Flying Doctor Service.
Job Network, employment websites and newspapers also provide information on work offered in the regional economy. It should be recognised that until recently, however, few people in remote Indigenous communities have had ready access to information about these employment opportunities. Job Network Members have started to offer a full range of services in remote communities within the past year, as Remote Area Exemptions have been lifted. Before that time, however, Job Network Members only provided their services in remote communities on a very limited basis. Historically, access to newspapers and the internet has also been poor.

**Various travel arrangements for employment**

Different people who become mobile for the purposes of employment may need to develop different travel or orbiting arrangements. Some of the more significant types of arrangement are as follows.

*Daily commuting*

In some communities, it may be possible for some people to remain living in the community and to commute daily to and from work. For example, workers who live in Mossman Gorge may be able to commute to Mossman, Port Douglas or even Cairns. Similarly, workers who live in Hope Vale may be able to commute to Cooktown.

*Weekly travel*

In relation to certain other communities, such as Coen and Aurukun, the isolation of the communities makes daily commuting impractical. In both cases, however, a return to one’s home community on weekends may often be possible, especially if the individual’s workplace is in Weipa, for example. (Weipa is a two hour drive from Aurukun and a three to four hour drive to Coen). In the wet season, the road to Weipa is sometimes impassable for weeks at a time and would therefore require travel by aircraft.

*Fly-in/fly-out*

In many places, mining company employees adopt a ‘fly-in/fly-out’ approach to work. Many workers, for example, fly in and work for 14 days and then return home for seven days. It is somewhat doubtful that many workers from remote Cape York communities would be able to fly home to their communities on such a frequent basis due to the expense of the special charter flights that would be required. By contrast, it is practical for many of the fly-in/fly-out mining workers in the Southern Gulf of Carpentaria to fly home on a frequent basis because many of them live in Townsville. If, however, a number of individuals from the one community were to both secure work in the same mine and
harmonise their work schedules, regular fly-in/fly-out arrangements may become affordable.

Complete relocation

Complete relocation will typically require an individual (or perhaps a whole family) to accept that only occasional returns to the home community are going to be possible. Some Indigenous people from Cape York Peninsula communities could choose to relocate to the Bowen basin, for example, to take advantage of the job opportunities available in the coal mining industry. It is likely that many of these people would be able to return to their home communities three or four times per year, or perhaps with less frequency but for longer periods. Similar arrangements may be most appropriate for many of those who relocate to Mount Isa or Brisbane. Those who relocate to Cairns, for example, may be able to return home with greater frequency.

Trades contractor mobility

For as long as the labour market demand remains strong for contract positions in the trades, tradespeople will have a considerable degree of freedom over where they choose to work and for how long they choose to do so. As the demand for labour contracts, individuals may have less choice over where and when they work, although the willingness to be mobile will tend to become even more important. After gaining a certain amount of experience, some tradespeople may choose to become self-employed, and thereby become as mobile as they please.149

Youth mobility

The WPS run by Cape York Partnerships has developed a highly successful approach to youth mobility for the purposes of work-readiness and employment.

Various travel arrangements for education

For people in remote communities, various types of travel arrangement are required for education. Weekly travel and fly-in/fly-out arrangements (as described above) seldom apply in relation to education. Daily commuting, however, is common and has long been experienced by both primary and secondary school students from communities such as

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149 Under the Queensland Indigenous Employment Policy, Queensland Government building and construction contracts in Hope Vale and Aurukun must allocate a minimum of 20 percent of the deemed on-site labour hours to the employment of local Indigenous people. Tradespeople from those communities are therefore more likely to be able to find work in their home communities.
Mossman Gorge and Hope Vale. There are also many Indigenous youth from Cape York Peninsula communities who have completely relocated. This is partly due to the fact that communities such as Coen do not have a secondary school, and that young people from such communities therefore have no choice but to relocate for the purposes of education. Relocation for the purposes of boarding school and tertiary education is also facilitated through programs such as HEP and YTDP.

**What inhibits employment-related mobility?**

The Institute has held various discussions with Job Network personnel, Job Placement and Training Coordinators, community councillors, corporate employers, Youth Support Officers and community members about the circumstances facing people in remote communities and their efforts to gain employment outside of the community. These discussions have highlighted the fact that many Indigenous people from remote communities have some good reasons to be reluctant about mobility. The main reasons relate to accommodation, transport, a lack of community encouragement, CDEP, racism, the perception of racism, alcohol and drug addiction, and a general lack of confidence about living outside the community.

**Accommodation**

There are several aspects to the accommodation problem for Indigenous people who wish to leave home for the sake of employment. The first and most obvious worry concerns the need to find and secure suitable accommodation in the area to which the individual or family needs to relocate. There are various reasons for this kind of worry, including specific concerns about affordability and about real estate agents who may be inclined to reject Indigenous applicants. It should also be noted that the rental rates for housing in remote Indigenous communities are generally well below the market rates that apply in regional centres. In some communities, weekly rates are well below $100 per house, and where this is shared between four adults, for example, the individual weekly rates are especially low.\(^{150}\) By comparison, the private rental rate for a reasonably modest two bedroom unit in Cairns is around $180 per week. With the help of rent assistance, a couple with one or two children would effectively pay around $120 per week for such a dwelling.\(^ {151}\)

\(^{150}\) In Aurukun, the median household weekly rent at the time of the 2001 Census was $50-100 per dwelling. In Hope Vale, the majority of households were paying only $0-$49 per week per dwelling. See: ABS. 2002. ‘2001 Census Community Profile Series, Aurukun & Aurukun os. (IARE 12015)’. *Catalogue No. 2002.0*. Indigenous Profile. Commonwealth of Australia. ABS. 2002. ‘2001 Census Community Profile Series: Hope Vale (L) (UCL 327800)’. *Catalogue No. 2001.0*. Basic Community Profile. Commonwealth of Australia.

\(^{151}\) While rent assistance is not available to those in public housing, rental rates for public housing in Queensland are set at 25 percent of income. As a result, low income earners face similar overall rental costs
A second type of fear stems from the fact that many people who wish to relocate would need to abandon their entitlement to a house in the community. Many of these people will not be confident that their efforts to establish themselves in employment outside the community will be successful, and if they do find it necessary to return to the community, they will find themselves at the end of a long queue for community housing.

Transport

One of the issues that emerges most consistently from discussions about employment-related mobility concerns the difficulties associated with transport. More specifically, many job seekers would benefit from driver-training and a licence; possess a licence but are in need of a vehicle; are in need of a licence after having had it rescinded due to a driving offence or breach of an AMP,\textsuperscript{152} or need information on transport options in the place to which they are contemplating relocation. Without any clear awareness of how to overcome such transport problems, some people are likely to be discouraged from seeking employment beyond their home community.

Lack of community encouragement

As explained above, through the Engagement Process it has been found that many people in the four Welfare Reform communities do have a desire to become mobile. It has also been found, however, that many of those who do not wish to become mobile do not encourage others to do so. As noted above, young people who leave the community for the purposes of employment are not given a prominent ‘send off’, nor are their returns widely celebrated. There is also some evidence of active discouragement: in some communities, those who do consider leaving are led to understand that they will not be welcomed back.

This lack of encouragement to become mobile for the purposes of employment and skills development contrasts with some long-standing traditions and practices in various Torres Strait communities. Given the very small populations and economic bases of many of the islands, mobility for the purposes of marriage and various kinds of trade was always essential. Following European settlement on the Australian mainland, large numbers of Torres Strait Islanders became involved in road and rail construction, cane farming and agriculture, pearling, and in the bêche-de-mer (sea cucumber) and trochus shell and standards of living regardless of whether they are in public housing or the (subsidised) private rental market.

\textsuperscript{152} A breach of an Alcohol Management Plan (restrictions on bringing alcohol into some communities) can currently result in the loss of a drivers’ license if the fine is unpaid.
industries.\textsuperscript{153} To a significant extent, these highly-developed practices of mobility are still evident amongst Torres Strait Islanders.

The lack of encouragement found in some of the Welfare Reform communities also contrasts with the strong encouragement of employment-related mobility found in certain other remote Aboriginal communities. The WPS has attracted and accepted some participants from Kalumburu in Western Australia and in so doing it has been found that local community leaders and families are highly supportive of the scheme and of the general need for employment-related mobility, especially for young people. There has invariably been a contingent of Kalumburu community members to see the WPS participants off at the airport.

\textit{Community Development Employment Projects}

It has become fairly widely recognised that the CDEP scheme is in need of significant reform (as argued in Chapter 4). The scheme offers little in the way of career progression, the work obligations are often poorly enforced, and it has not been successful in placing participants into unsubsidised employment. It provides a cheap, subsidised labour force for local councils and Indigenous corporations. As a result, such organisations have come to rely on it heavily for a large variety of administrative and small business functions. Given that these organisations often suffer from a relatively inefficient work culture and generally provide few opportunities for career progression, the CDEP scheme has become a welfare trap.\textsuperscript{154} Moreover, because these organisations are particularly reliant on the most skilled and motivated CDEP participants, they tend to be very reluctant to encourage or assist such participants into unsubsidised employment.

While the establishment of the CDEP scheme does appear to help explain the lack of mobility amongst people in remote communities in recent decades, it must be recognised that in and of themselves, reforms to CDEP will not necessarily lead to significantly greater mobility in the future.

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\begin{itemize}
\item[\textsuperscript{153}] Singe, J. 1979. \textit{The Torres Strait: People and History}. St. Lucia: University of Queensland Press.
\item[\textsuperscript{154}] Bob Gregory notes that ‘To be thinking of poverty and employment problems in economic terms alone is clearly inadequate’. Importantly, however, he also explains that ‘In financial terms, and in the short run at least, the CDEP scheme puts in place incentives that encourage people not to be employed in the mainstream economy and not to move from traditional locations. Gregory, Bob. 2005. “Asking the Right Questions?” in Hunter, B.H. (ed.) 2005. \textit{Assessing the evidence on Indigenous socioeconomic outcomes: A focus on the 2002 NATSISS CAEPR No. 26 Research Monograph}. W.S. Arthur points out that getting CDEP participants into mainstream employment has not always been one of its main objectives. Nonetheless, he appears to accept that if this is taken as CDEP’s criterion of success, then it has been ‘an abysmal failure’. Arthur, W.S. 2002. \textit{Autonomy and the Community Development Employment Projects Scheme}. CAEPR Discussion Paper No. 232/2002. Centre for Aboriginal Economic Policy Research.
\end{itemize}
\end{footnotesize}
Racism

Racism can reduce opportunities in employment, as well as in education, politics and social life. Moreover, both racism and the perception of racism can easily discourage people from seeking out such opportunities. The desire to work for and with other Indigenous people acts as a strong disincentive to people taking up work outside of communities.

Alcohol and drug addiction

Problems of alcohol and drug addiction are prevalent in remote communities and obviously help to explain why some people have little interest in employment-related mobility. A great many alcoholics and drug addicts in remote communities are unemployed or only employed on CDEP, and relocating would not readily facilitate their employment. In many cases it would only make them socially isolated and deepen their sense of failure.

The confidence required to live outside the community

Through the Engagement Process as well as through the Institute’s wider discussions it has become clear that some people in remote communities have a fear and anxiety about living and working in the mainstream economy and society. For example, one Indigenous woman whose experiences have provided her with an unusual degree of insight into this issue (previously as a CDEP participant and now as an experienced Job Placement professional) explained that the main barriers to employment for people from Indigenous communities could be summarised in one word: confidence. These low levels of confidence generally appear to be largely a result of very limited exposure to the mainstream economy and life outside of communities.

Family responsibilities and mobility

Given the difficulties associated with securing suitable accommodation outside the community, and given the additional costs associated with relocating with children, parents of young children are often perceived as being immobile for employment purposes. Nonetheless, access to employment-related mobility programs should not be limited people without children. Especially given that many parents wish to see their children educated outside the community, it may be that this is a group that would benefit from an appropriately designed mobility initiative.

Another related issue concerns the care of relatives who are aging, disabled or unwell. In some families in at least some communities, women are expected to be willing to help in the raising of their sisters’ children. Through the Engagement Process it has become clear that many Indigenous women feel a particularly strong obligation to accept all such family
responsibilities, even if so doing requires a return to the home community and a significant cost to one’s own career. This highlights the importance of a welfare payments system that supports mobility, but does not force mobility.

**Current assistance available for employment-related mobility**

This section serves to identify and recognise some of the most significant initiatives that currently address some (or several) of the factors that inhibit employment-related mobility.

**Assistance with accommodation**

For some young people, the new Indigenous Youth Mobility Programme (IYMP) is of considerable benefit in overcoming accommodation problems. The program was established in 2006 by the Australian Government following the success of the Institute’s Youth Talent Development Program (YTDP). Its purpose is to arrange accommodation for Indigenous youth who wish to take up training or employment in certain regional centres. The accommodation provided is typically within a large (eg, five or six bedroom) conventional house and often features a live-in house manager. Where necessary, the house manager familiarises the tenants with responsibilities associated with shopping, meal preparation, laundry, household order and cleanliness.

Each IYMP house is fully furnished and has a set of strictly enforced rules. All houses are alcohol and drug free and no visitors are permitted to stay overnight. The visitors policy is said to be particularly important as it helps to ensure that relatives and friends do not visit the tenants too frequently, ‘humbug’ them or ‘freeload’ off them, and thereby inhibit their ability to work, study, and live independently. The Cairns IYMP project officer has explained that all of these problems have occurred when Indigenous youth have relied upon standard, non-IYMP accommodation.

As of late 2006, there were four IYMP houses in Cairns. There are also IYMP houses in Townsville, Toowoomba, Darwin, Adelaide, Perth, Canberra, Shepparton, Dubbo and Newcastle. To be eligible for IYMP participants need to be Indigenous, aged between 16 and 24 years upon commencement, and their families must be supportive of their efforts to relocate.

While IYMP is still a new program, early indications suggest that it helps its participants to lead lives that are responsible, independent and more confident. Given that IYMP houses are privately owned and the participants pay rent at the market rate, IYMP is not a form of public housing. Rather, it is a program that closely manages a form of private

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155 The then Federal Minister for Education, Science and Training, Dr Brendan Nelson acknowledged the importance of YTDP for the development of IYMP in a letter to the Cape York Institute in 2005.
accommodation, while also providing certain other forms of assistance required by young people in transition. IYMP participants are required to find their own accommodation once they turn 24 years old, unless they have not yet completed their training. In general, after finishing their training and leaving IYMP, their chances of establishing themselves in the workforce and securing alternative accommodation should be very strong.

In the 2007-08 Australian Government Budget it was announced that the Department of Families, Community Services and Indigenous Affairs (FaCSIA) will establish three new boarding hostels and expand two existing boarding hostels over the next four years. While these announcements are welcome, the relevant locations are unclear at this stage.\textsuperscript{156}

Accommodation may occasionally be available with the extended family of the job seeker. The experiences gained through HEP, however, suggest that this is not always advisable. Some parents of HEP children specifically request that their child not stay with their extended family because of concerns about the quality of the care that their child would receive.

\textit{Assistance with transport}

Job seekers sometimes receive help to resolve their transport problems from the Job Network Member (JNM) with whom they are registered. For example, some JNMs have arranged driver training and licence testing, facilitated car pooling or provided petrol vouchers. In some circumstances, some JNMs have driven their clients around in order to make appointments or commence employment. Nonetheless, a JNM who has provided all this assistance has emphasised to the Institute that transport remains a very serious barrier to employment.

The Queensland Aboriginal and Torres Strait Islander Driver Licensing Program run by Queensland Transport is also important for the provision of written tests and driving assessments in remote communities.

\textit{Reforms to CDEP}

Some significant changes to CDEP have recently been implemented, many of which are designed to make the system more effective at getting participants into unsubsidised employment. In particular, the Department of Employment and Workplace Relations (DEWR) has introduced lower pay rates for commencing participants aged under 21; encouraged or required (depending on location) participants to be registered with Job

\footnote{Based on a Ministerial Press Release on 8 May 2007 it appears that one hostel will be in Kununurra, Western Australia. See: \url{http://www.facs.gov.au/Internet/Minister3.nsf/content/budget07_indigenous_youth_218million8may07.htm}}
Network; time-limited new participants to 12 months; required the development of participant plans; encouraged the use of host employers; and adopted a more competitive and performance-based tendering process. More detail on these reforms is provided in Chapter 4. While these changes are not forms of assistance per se, many of them do change various incentives so as to make CDEP a less attractive option relative to unsubsidised employment.

Responses to racism

It may be that government initiatives and programs are only ever going to be of very limited value in overcoming the problems associated with racism. Nonetheless, the Institute notes that Noel Pearson has consistently advanced a particular point of view with regard to racism, and a specific way in which to overcome the problems associated with it. Pearson fully recognises the prevalence of racism, and naturally regards all social and economic exclusion on the basis of race an affront to human dignity. Yet he also notes that ‘Racism is a barrier and a problem, but it’s not our disability’.157 Rather than finding racism debilitating, he thus consistently emphasises the importance of strength and resilience when faced with it. As indicated above, regardless of whether many workplaces truly are racist, the mere assumption that they are could make Indigenous people reluctant to apply for employment. Increased mobility and orbiting will, over time, build an awareness that racism and the fear of racism need not be barriers to employment.

Assistance with alcohol and drug addiction

At present, Queensland Health provides the four Welfare Reform communities with alcohol and drug addiction counsellors on a ‘fly-in/fly-out; drive-in/drive-out’ basis through the Alcohol, Tobacco, and Other Drugs Services (ATODS). These counsellors normally spend one or two days in each community around twice every month and appointments need to be made in advance.

There is little doubt that many people with drug or alcohol problems would also benefit from the Personal Support Programme (PSP) and other counselling and support services available through JNMs and complementary service providers. JNMs have generally only begun to offer their services in remote Indigenous communities within the past year, as Remote Area Exceptions have been lifted. The level of support services will need to change if there is a genuine effort to improve the ability of people in communities to take up work opportunities.

Responses to problems of confidence

It may be that there is typically no simple remedy for those who lack confidence. Genuine confidence in a particular activity or environment can usually be developed only through successful experience in that activity or environment, and success cannot always be developed easily or fast.

As demonstrated by the WPS, HEP and YTDP, however, initiatives to encourage mobility can be remarkably successful. It must be noted that most of the participants in these schemes have visited cities and regional centres many times before. Many have never before lived in such places, however. Moreover, many of them have never before been required to take on so much individual responsibility. This latter point is especially true of those on the WPS and YTDP.158

The Work Placement Scheme

The WPS is currently perhaps the most significant Cape York initiative to facilitate employment mobility. Young people from remote communities are flown down to Victoria and South Australia and set up with work in various locations, mostly as fruit and vegetable pickers.

Participants are assessed for suitability before they are accepted for the scheme. After working for seven months, participants are also entitled to a free flight home. If they quit before that time, however, they are required to arrange their own return. Given that the participants are a great distance from home, this particular condition provides a significant incentive to remain in work and has proven to be crucial in achieving the scheme’s objective of getting the participants to take responsibility for their actions.

The scheme organises flights, accommodation (mostly in caravans), transport between accommodation and workplace, and 24 hour supervision of the participants. The scheme also employs a cook at one of the work sites. In this way, meals are provided at cost price and the participants learn certain basics about the problems associated with junk food and the benefits of good nutrition. Participants who are willing and able to cater for themselves are free to do so, and in some locations self-catering is essential. A combination of self-catering and supervisor-catering has also been used in some locations.

The scheme also helps the participants with their social lives and their personal development. For example, the supervisors generally encourage and assist the participants

158 YTDP is a program that helps young people from remote communities in the Cape York Peninsula to study at university. Many participants find themselves required for the first time to adopt highly structured approach to living each day (eg getting out of bed at a certain time, attending lectures on time) and this is said to constitute a serious challenge.
to develop hobbies and to pursue involvement in sporting activities and clubs. Given that many of the participants are illiterate and cannot tell the time, the supervisors also often help them to develop some basic literacy and numeracy skills. Assistance with shopping and income management is also provided. Where necessary the supervisors have also sometimes given some advice on human relationships and basic life skills.

The participants are mostly aged between 15 and 25 years old, with 15 years being the minimum. Through experience, it has been found that the highest rates of success are amongst the teenage participants. This appears to be largely because amongst the older participants the problems associated with low self-reliance, a poor worth ethic and a reluctance to accept authority all appear to be more deeply entrenched and more widely prevalent.

**What inhibits education-related mobility?**

Many of the factors that inhibit employment-related mobility also inhibit education-related mobility. Some of the more significant factors are as follows.

*Accommodation, transport, racism*

Concerns over accommodation, transport and racism are all factors which inhibit education-related mobility, much as they inhibit employment-related mobility. In many cases, both parents and children will have such concerns.

*Alcohol and drug addiction*

Alcohol and drug addiction inhibits the relocation of adults more than it does children. It is therefore a factor which does not affect education-related mobility as severely as its does employment-related mobility.

*Lack of community encouragement*

Based on the experiences gained through the Engagement Process, it appears that a lack of encouragement from communities does inhibit education-related mobility to some extent. The problem is most recognisable in the fact that some students from remote communities are somewhat ostracised by their peers whenever they return to their home communities. At the same time, however, there is very strong encouragement for education-related mobility within some families.
CDEP
CDEP inhibits education-related mobility in an indirect way. As explained in Chapter 4, participation in CDEP requires very little education and the fact that young people in remote communities recognise this affects adversely their incentive to study effectively and to remain in school.

The confidence required to live outside the community
Through its experiences with various education-related mobility programs, the Institute has found that many young people are not particularly confident about their ability to live and thrive outside the community. This highlights the need to make a high level of support available for many of the students who become mobile for the purposes of education.

Family responsibilities and mobility
The assumption of parenting responsibilities is likely to be a significant inhibitor of education-related mobility. While teenage pregnancy in Australia as a whole has decreased markedly since 1971, the figures for the Indigenous population (69 babies per 1 000 female teenager in 2004) remain higher than the official national averages have ever been. The figures for Indigenous female teenagers in 2005 were more than four times higher than those for all female teenagers. Furthermore, between 1988 and 1997, teenagers living in disadvantaged areas had 10 to 20 times higher rates than those from affluent areas. Evidence gained through the Engagement Process also strongly supports the thesis that many Indigenous girls and young women are becoming pregnant at an extraordinary rate and subsequently dropping out of school.

As noted with regard to the factors that inhibit employment-related mobility, there are also certain commonly accepted obligations to remain in the community to care for relatives who are aging, disabled or unwell.

Current assistance available for education-related mobility

This section serves to identify and recognise some of the most significant initiatives that facilitate education-related mobility. As is noted, some of the initiatives outlined above for employment-related mobility also facilitate education-related mobility.

Assistance with accommodation

IYMP can help to meet the accommodation needs of young Indigenous mobile students, just as it can help those who become mobile for the purposes of employment or training (see above for more information).

Accommodation may occasionally be available with the extended family of the student. As noted above, the experiences gained through HEP, however, suggest that this is not always advisable.

Two programs developed by the Institute assist in overcoming the accommodation difficulties faced by young Indigenous people who wish to become mobile for the purposes of education. The Flight Path program allows young Indigenous people from Cape York communities to take a brief tour of various universities before actually commencing tertiary study. The program introduces them to the various accommodation options, and team leaders facilitate discussions about other important issues such as those associated with culture shock, support networks, enrolment procedures, personal finances and career pathways. YTDP provides long-term support for students from Cape York communities throughout their tertiary studies, and this support includes assistance with accommodation, together with leadership training and career development assistance.

Like HEP, the Australian Government’s Indigenous Youth Leadership Programme (IYLP) helps bright young Indigenous people from remote communities attend high-performing secondary schools and the assistance provided includes assistance with accommodation. While HEP is focused on young people from communities in the Cape York Peninsula, IYLP is available to young people from remote communities throughout Australia. In the 2007-08 Australian Government Budget it was announced that IYLP will be expanded from 250 to 1 000 scholarships over the next four years.

Commonwealth Accommodation Scholarships are available to selected students whose backgrounds are Indigenous or of low socio-economic status. These scholarships assist those who are relocating for the purposes of higher education and are specifically intended to assist with accommodation costs. Each is worth approximately $4 000 per year for up to four years and 13 620 of these scholarships have been allocated since 2004. Of this total, 209 (1.5 per cent) have been granted to Indigenous students. Commonwealth Education Costs Scholarships are also available to such students. These are intended to assist with education costs and each is worth approximately $2 000 per year for up to four years.
Since 2004, 17,678 scholarships have been allocated, with 540 (3 per cent) granted to Indigenous students. In the 2007-08 Australian Government Budget it was announced that Indigenous Access Scholarships will also be made available for up to 1000 Indigenous students to assist with university costs. These are each worth $4,000 annually and are particularly targeted at students who wish to relocate from rural and remote areas.

**Assistance with transport**

Programs such as IYMP, IYLP, HEP, Flight Path and YTDP (all described above) are all able to provide some assistance in overcoming the transport difficulties faced by young Indigenous people who wish to become mobile for the purposes of education. The Queensland Aboriginal and Torres Strait Islander Driver Licensing Program described above can also be of help through the provision of written tests and driving assessments in remote communities.

**Reforms to CDEP**

Various reforms to CDEP have been implemented recently, as described in Chapter 4 and reiterated above. While these changes are not forms of assistance per se, many of them do change various incentives so as to make education and education-related mobility more attractive relative to CDEP.

**Responses to racism**

As noted above, it may be that government initiatives and programs are only ever going to be of limited value in combating racism. The various education-related mobility programs run by the Institute, however, do emphasise the importance of individual strength and resilience in order to deal with racist attitudes, and have met with some success.

**Assistance with alcohol and drug addiction**

As indicated above, ATODS provides alcohol and drug addiction counsellors in the four Welfare Reform communities on a ‘fly-in/fly-out; drive-in/drive-out’ basis. Indigenous people from remote communities who manage to relocate to cities, towns and regional centres for the purposes of education, despite an addiction to alcohol or drugs, thereby become able to take advantage of the level of services available in the mainstream.

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163 Source: Commonwealth Learning Scholarships Higher Education Group DEST (pers. comm.).
**Abstudy**

Abstudy is a type of government payment that provides income support for Indigenous people who are either studying an approved course at an approved education institution or are undertaking a full-time Australian Apprenticeship. There are various possible rates of payment that can apply depending on whether the individual is living at home or living away from home. The recipient’s age is also taken into account, as is the availability of financial support from a parent or guardian. For example, the standard living at home rate for a child aged under 16 is $13.10 per week; the living away from home rate for a child aged 16 to 20 is $174.05 per week.

Centrelink officers are employed in several remote communities to explain Abstudy and other payments. The role of these officers is extremely important, especially given that many of the parents of the students have low literacy and numeracy skills and would therefore otherwise find it difficult to understand information packs, to complete application forms or to respond to requests.

**Responses to problems of confidence**

As noted above, genuine confidence in an activity or environment can usually be developed only through successful experience in that activity or environment, and success cannot always be developed easily or fast. Programs such as the WPS, HEP and YTDP, however, all of which provide a suitable introduction to certain new activities and environments, have been remarkably successful in boosting the confidence of their participants.

**The need for Jobs Brokers**

**The current labour market**

Conditions in the labour market are currently very strong, both in Far North Queensland and in Australia more generally. Employment vacancies are widespread, wages are growing, and there are bright career prospects in a variety of areas. Employment mobility from Indigenous communities is still limited, however, and people in communities often express a desire to leave communities for work, ‘if they had contacts down south’. Jobs Brokers would play a vital role in ensuring that Indigenous people from remote communities are able to take advantage of employment opportunities.

Some indication of the employment opportunities available in the Cape York economy can be gained from the Australian Job Search database. As indicated in Table S.1, in the present labour market conditions, the Australian Job Search database typically lists around

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164 Welfare Reform Engagement Process.
800 vacancies in the Cape York regional economy (this includes Cairns). It is important to note that these vacancies are not inclusive of all the employment opportunities available. A large number of additional employment opportunities can be found on the Harvest Trail (i.e., fruit picking, vegetable picking and other farm work), through private recruitment firms, and through local newspaper advertisements.\textsuperscript{165} There are also various unadvertised employment vacancies that are only filled via ‘word-of-mouth’. Although there are significant defence force bases in Cape York Peninsula, the employment opportunities available in defence force services are also additional to those included in Table S.1.\textsuperscript{166}

Table S.1: Employment opportunities in the Cape York economy

<table>
<thead>
<tr>
<th>Type of work</th>
<th>Vacancies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Apprenticeships</td>
<td>30</td>
</tr>
<tr>
<td>Accounting, Finance and Management</td>
<td>13</td>
</tr>
<tr>
<td>Building and Construction</td>
<td>42</td>
</tr>
<tr>
<td>Cleaning</td>
<td>71</td>
</tr>
<tr>
<td>Clerks, Receptionists and Secretaries</td>
<td>29</td>
</tr>
<tr>
<td>Computing and IT</td>
<td>1</td>
</tr>
<tr>
<td>Drivers and Transport</td>
<td>22</td>
</tr>
<tr>
<td>Electrical and Electronics Trades</td>
<td>17</td>
</tr>
<tr>
<td>Engineering, Science and the Environment</td>
<td>5</td>
</tr>
<tr>
<td>Food, Hospitality and Tourism</td>
<td>132</td>
</tr>
<tr>
<td>Gardening, Farming and Fishing</td>
<td>71</td>
</tr>
<tr>
<td>Government and Defence</td>
<td>4</td>
</tr>
<tr>
<td>Health, Fitness, Hair and Beauty</td>
<td>7</td>
</tr>
<tr>
<td>Labourers, Factory and Machine Workers</td>
<td>30</td>
</tr>
<tr>
<td>Marketing and Sales Representatives</td>
<td>39</td>
</tr>
<tr>
<td>Media, the Arts and Printing</td>
<td>1</td>
</tr>
<tr>
<td>Metal and Engineering Trades</td>
<td>17</td>
</tr>
<tr>
<td>Motor Vehicle Service and Repair</td>
<td>24</td>
</tr>
<tr>
<td>Sales Assistants and Storepersons</td>
<td>49</td>
</tr>
<tr>
<td>Social, Welfare and Security</td>
<td>207</td>
</tr>
<tr>
<td>Teaching, Child Care and Library</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: http://jobsearch.gov.au (these are figures accurate on 12 April 2007)

\textsuperscript{165} Since 1 July 2004, \textit{The Cairns Post} has featured an average of 760 job advertisements per week and since 1 July 2006, an average of 875 per week. It must be noted, however, that these figures do not precisely represent the number of positions available. In some cases, for example, the one position may be advertised four or five times (in recent years this has been relatively common with regard to advertisements for tradespeople). At the same time, there are some advertisements that advertise multiple positions. (Source: \textit{The Cairns Post}, pers. comm.)

\textsuperscript{166} The naval base in Cairns has 800 personnel while the Far North Queensland Regiment of the Army has over 500 personnel in total with companies located in Cairns, Weipa, Thursday Island and Mt. Isa.
Given that many of the people from remote Indigenous communities have relatively low education and skill levels, some of the types of work of particular interest are those listed in Table S.1 as apprenticeships; building and construction; cleaning (this includes employment in car detailing); drivers and transport; food, hospitality and tourism; gardening, farming and fishing; labourers, factory and machine workers; social, welfare and security.

While databases such as Australian Job Search provide some indication of the current unmet demand for labour in the regional economy, it is also important to understand the current Indigenous labour supply. The 2001 ABS Census data indicates that in the former ATSIC region of Cooktown (which includes Hope Vale, Coen and Aurukun), 79 percent of the employed Indigenous people (1879 of the 2384 total) are employed in the Government, Administration and Defence sector. In the same geographic region, only 8 percent of the employed non-Indigenous people (296 of the 3828 total) are employed in that industry. As this shows, despite the unmet labour demand, Indigenous labour in the region is seriously under-represented in the private sector.

The Indigenous Employment and Training Support Program (IETSP) run by the Queensland Government, provides strong evidence of the importance of providing mentoring and support for Indigenous apprentices and trainees. Before the IETSP commenced on a trial basis in 2001, the completion rates for Indigenous apprentices and trainees were 11 percent lower than those of their mainstream counterparts. The trial, which provides extensive ongoing support and mentoring for apprentices and trainees from Indigenous communities, was gradually expanded such that by 2003 it employed a combined total of 10 people on Palm Island, in Cunnamulla, Bundaberg, and a number of Cape York communities. By 2004, the difference in completion rates had been reduced to 4.4 per cent, and by June 2006 it was only 0.2 per cent.

Small businesses and the regional economy

In general, the majority of employment opportunities are in small businesses, and this is especially so in the regional economy of Cape York. The Jobs Broker would focus on placements in regional centres with small and medium sized enterprises. The Australian Bureau of Statistics reports that 96.5 percent of all businesses in Queensland are small businesses and 50.2 percent of Queensland employment is in small business. Small businesses are defined as those with less than 20 employees. For the years 1983-84 to

ABSTRACT


168 Since July 2004, the program has been further expanded under the Breaking the Unemployment Cycle initiative. There are now 42 Indigenous Employment and Training Support Officers throughout Queensland. Personal communication, Indigenous Initiatives, Department of Employment and Industrial Relations.

2000-01, employment in Queensland’s non-agricultural small businesses grew by 4 percent as an annual average.\textsuperscript{170} The role of the Jobs Broker would go beyond that of Job Network providers in that it would focus on facilitating mobility.

**Corporate Leaders for Indigenous Employment Project**

As noted above, very few of the opportunities available in these large companies are being taken up by people in remote communities. Evidence gained through the Welfare Reform Engagement Process suggests that the primary reason for this is that few people in remote communities have any awareness of such opportunities. It is unlikely, however, that many signatories will commit the resources required to search communities for possible employees. Thus, there is scope to bridge this gap with a broker who is able to match potential employees with corporations.

Given that some of the signatories to the Corporate Leaders for Indigenous Employment Project operate as franchises, Jobs Brokers would work with regional franchises as well as company headquarters to pursue employment opportunities for remote community job seekers.

**Potential Employees**

As was articulated in Chapter 4, it can be helpful to understand the composition of a labour force in terms of ‘job readiness’. At one end of the continuum are those who are fully job-ready, ie, those capable of immediately taking on some regular form of unsupervised, unsupported mainstream employment (ie category 1). At the opposite extreme are those who are deeply dysfunctional and who require extremely intensive or specialised forms of assistance (ie category 4). Jobs Brokers will need to be skilled in assessing the different degrees of job readiness that different individuals possess and they will primarily work with those who are reasonably close to being fully job-ready.

The number of young people who are fully job ready will differ from community to community. Given the limited information on skills in communities, it is difficult to provide a precise estimate of the number of people who are currently both fully job-ready and keen to commence employment. There is, however, a good deal of information that suggests that there is a sufficient number to warrant the role of the Jobs Broker.

The Welfare Reform Engagement Process has encountered a number of young people who have expressed an interest in taking up work outside the community, though they lack contacts and information. The number of suitable people is likely to increase if CDEP

\textsuperscript{170} ABS. 2001. ‘Small Business in Australia’. Catalogue No. 1321.0. Commonwealth of Australia, p. 31
organisations are separated from councils and such organisations thus become more willing to encourage their better workers to take up employment off CDEP.

Through the Engagement Process it has also been found that in communities, such as Hope Vale, there are a reasonably large number of young people who have been to boarding school and who are relatively skilled and job-ready.

While Jobs Brokers would primarily target people who are close to being fully job ready, the young people selected for the WPS can generally be situated roughly in the middle of the job-readiness continuum. While not being particularly close to full job readiness, they are not thoroughly dysfunctional either. Clearly there is scope for interaction between Jobs Brokers and the WPS. While the Jobs Broker may be able to direct some individuals to the WPS, the WPS may identify some individuals ready for the sort of work placements that can be arranged by the broker. Despite many of the WPS participants having drug or alcohol problems, very poor education levels, and little or no work experience, since the scheme commenced in April 2005, at least 37 WPS participants have been successfully placed in continuous work for six months or more. Retention rates are also showing a strong tendency to improve over time. There is little doubt that a significant percentage of those who successfully complete their standard seven month placement are sufficiently job-ready to take advantage of the job-matching services offered by a Jobs Broker.

The total number of job placements that DEWR expects of the four CDEP organisations in the Welfare Reform communities in the 2006-07 year is 81. This figure is less than 10 percent of the total number of CDEP participants in the four communities and the extent to which these job placement targets are met is now one of the CDEP Key Performance Indicators. Nonetheless, the results in the four Welfare Reform communities have been mixed. As noted above, between July 2006 and January 2007, one organisation had met only five percent of its pro rata job placement target, another had met with 21 percent success, a third organisation had managed 43 percent, and the other organisation was exceeding DEWR’s expectations by achieving 171 percent of its pro rata target.

At present, some JNMs are reluctant to actively encourage young people in remote communities to relocate in order to take up employment. Some have indicated that they are concerned that such suggestions could prompt hostility in remote communities and damage their prospects for future business in the communities concerned. The Institute expects, however, that Jobs Brokers could help to assuage this sort of concern. Each broker would get to know the local community leaders and would be able to help provide a better understanding of JNMs and complementary service providers. Job Brokers should therefore also be able to assist communities to work cooperatively with the relevant service providers.

171 This draws on conversations in March 2007 with Milton James, Director of the WPS.
A Jobs Broker who is based in a community would more effectively work with local youth and CDEP participants to ascertain and develop their skills and thereby maximise their chances of being able to take up employment where this becomes available. The establishment of Jobs Brokers in communities would be consistent with ongoing calls by community leaders who believe that people who are purporting to help them should spend time in their community, get to know the local people and understand the way in which their community operates.
APPENDIX T: COMMUNITY-BASED JOBS BROKERS

Overview

As indicated in Chapter 4, one of the Institute’s proposals is the establishment of community-based Jobs Brokers. These Jobs Brokers would be based in remote Indigenous communities and would work to place people from the community into employment, often outside of the community. Some placements would be in the regional economy – generally in small to medium sized businesses – and some would be further afield with larger businesses.

In order to bring job seekers up to full job readiness, Jobs Brokers would develop and maintain strong relationships with local CDEP organisations, JNMs, complementary service providers, and the WPS. Jobs Brokers could potentially operate as subcontractors to STEP ERS providers. Similarly, they could be employed by JNMs. From a participant’s perspective, the role would be roughly akin to that of the CDEP Training and Placement Coordinators who currently work in some communities. The Jobs Brokers would, however, have an exceptionally thorough understanding of the various ways in which to place people into jobs, mobility programs and services, relevant training organisations, and JNM services. They would also be skilled in addressing personal issues and other barriers to employment, including those associated with mobility. To make possible the level of assistance required, Jobs Brokers would maintain a case load of 10-15 people at any given time.

Detailed description of the role

Understanding the opportunities, establishing the relationships

Each Jobs Broker would need to establish positive relations with a number of businesses and companies across a range of industries. They would also need to link into information available to JNMs and be aware of all relevant employment vacancies as advertised in newspapers.

Jobs Brokers would also need to have a good understanding of how to select suitable job seekers for employment. In this respect, the lessons learned from the WPS are likely to be of some importance. Milton James, the director of the WPS, emphasises that it is important to not simply ask potential participants whether they are willing to work hard and accept authority. Rather, one also needs to contact the school teachers, CDEP supervisors, past employers and family members of the individuals in order to determine their suitability for placement. James emphasises that each potential participant for the WPS needs to be

172 Note that some STEP ERS panel members, such as Jobfind, are also JNMs.
assessed with regard to maturity, social skills, and addictions. Without proper individual assessments, Jobs Brokers could damage their relationships with valuable employers, and perhaps even threaten the long-term viability of certain employment and pre-employment schemes.\footnote{James explains the importance of suitability assessments for the WPS at: \url{http://www.capeyorkpartnerships.com/WPS/notes/note02.htm}.}

Each Jobs Broker would need to develop positive relations with people from the community in which he or she would be based. The Jobs Broker would seek to identify the people (e.g., CDEP participants and school leavers) who have the most interest in gaining employment, even where this requires relocation. The Broker would then work intensively with those people in order to them become successfully established in long term employment.

**Preparing for the transition**

The Jobs Broker could be expected to maintain a case load of around 10-15 people, depending on particular job seeker needs. Some job seekers would be job-ready and could be placed in employment within a matter of days or weeks. Even in relation to some of the job seekers who are relatively job-ready, however, it may be appropriate for the broker to work through various transition issues. In many cases the job seekers will, for the first time, be moving from welfare to employment, from community to city, from friends and family to social isolation, and from dependence to full responsibility.

In some cases, an entire family or household may be interested in relocating for the purposes of employment, and such cases may often involve the provision of assistance for more than one job seeker. The accommodation arrangements may also be more complex, especially given that IYMP is not suitable for couples or families. The additional complications may also concern, for example, enrolment in a new school for the children of certain job seekers.

**Clarifying aspirations, planting the seeds of ambition**

Given the difficulties associated with leaving home and moving into employment, a strong sense of ambition and motivation is very important. The Jobs Broker would therefore spend time with each job seeker to discuss available jobs and career paths, including programs such as the WPS. By providing positive and realistic directions as to how such possibilities may be realised and by generally building up a strong sense of self-belief, the required ambition and motivation is likely to take hold. Suitable pamphlets and other such material could also be used to help plant the seeds of ambition, and in some cases job
seekers could be encouraged to take such materials away with them and to discuss the employment possibilities with their families.

**Group mobility**

At times, it may be both possible and desirable for the Jobs Broker to help organise employment and relocation arrangements for a whole group of job seekers and their families, all of whom would re-establish themselves together in a particular new location. By relocating in this way, new employees and their families could continue to enjoy a high level of peer support despite being outside the home community. In many cases, it may be difficult for the Jobs Broker to secure employment for the whole cohort with the one employer. Nonetheless, it will generally be possible to find at least some kind of employment for job seekers who are prepared to relocate to areas of high labour demand.

**Advancing careers, creating new opportunities**

Through the Engagement Process it has been found that a number of local positions in the communities that require a moderate level of skill are currently filled by Indigenous people who clearly have the potential to successfully take up various other job opportunities, whether within the community or beyond.

One of the tasks of the Jobs Broker could be to get to know these people, to ensure that they themselves recognise their potential, and to ascertain whether they aspire to positions that would better utilise their abilities. The Jobs Broker could then assist those who do aspire to other positions by helping them to move into a different form of employment. For instance, an employee of the Coen Regional Aboriginal Corporation may aspire to a position with the Cook Shire Council. In so doing, the Jobs Broker would be providing particular individuals with a form of employment that they would likely find more rewarding, while also creating a local vacancy that could provide new skills to another local job seeker. In other words, by making the effort to help certain local people fulfil their potential, the Jobs Broker would also be removing one of the local ‘blockages’ to the training and employment of others.

**Assistance with accommodation**

Finding and securing suitable accommodation can be a major concern for Indigenous people who wish to leave a remote community for the sake of employment. There are various reasons for this, including specific concerns about affordability and about real estate agents who are generally inclined to reject Indigenous applicants.

Jobs Brokers would be able to assist participants to utilise government programs such as IYMP, and where necessary should be willing to provide encouragement and assistance to
people who wish to apply for a place in the program. Given that places in IYMP are limited, Jobs Brokers would also often need to provide assistance in arranging other forms of accommodation. This could include assistance to apply for accommodation through a real estate agent. Accommodation may also occasionally be available with the extended family of the job seeker.¹⁷⁴

The Jobs Brokers may also find it helpful to contact community, sporting and church groups (eg Rotary and the Lions club) which may be able to arrange suitable accommodation for job seekers from remote communities.

When Jobs Brokers work not simply with individual job seekers but with entire families or households who wish to relocate, the organisation of accommodation and support may often be more complicated. The accommodation and assistance provided by IYMP is not suitable for couples or families who wish to live together. When the family or household is strong and mutually supportive, however, the prospects for success with this form of relocation are good, and the services required to facilitate it should be available.

In this context, is worth noting that there are various resettlement services available to refugees and new migrants. Some of these are provided by government agencies (eg Migrant Settlement Services in Cairns; the Migrant Resource Centre in Townsville) and some are provided by volunteer organisations. Given that some of the difficulties associated with relocating from a remote Indigenous community are similar in both kind and magnitude, a similar level of support should be available to people relocating from remote Indigenous communities.

Assistance with transport

The Institute has held various discussions with Job Network personnel, Job Placement and Training Coordinators, Community Councillors, corporate employers, Youth Support Officers and community members to understand the circumstances facing people in remote communities and their efforts to gain employment outside of the community. Some of the most consistent issues to emerge from these discussions relate to difficulties and concerns associated with transport. For example, job seekers may:

- benefit from driver-training and a licence;
- possess a licence but be in need of a vehicle;

¹⁷⁴ The experiences gained through the Higher Expectations Program (HEP), however, suggest that this is not always advisable. HEP assists talented students from Cape York Indigenous communities to take up opportunities in elite boarding schools in Brisbane. Expensive support is provided to students, the schools and families. See section 5.1 for more detail.
• be in need of a licence after having had it rescinded due to a driving offence;

• need to commute between the community and the new workplace;

• anticipate a need for transport in and around a new city, especially to and from work; or

• present transport issues as a perceived impediment, when actually they need not affect their employment prospects.

In the vast majority of cases, such problems will be surmountable. When a job seeker simply needs driver-training and a licence, the Jobs Broker should be able to help arrange the required training and testing. By ensuring that the job seeker is registered with a JNM, the broker should also be able to secure funding for this through the JNM’s job seeker training account.

For job seekers genuinely in need of a vehicle, the prudent suggestion is likely to be that they should, within the community, take on whatever work they can for a few months and thereby save up for a relatively cheap car, perhaps through Family Income Management (FIM). The need for a vehicle is particularly acute for job seekers who stand to gain employment outside the community but in places that allow them to commute each day between their community and their place of employment (eg, between Mossman Gorge and Cairns; between Hope Vale and Cooktown). In many cases, however, a car is will not be immediately essential to employment outside the community. Provided that suitable accommodation is found for newly employed people, a bicycle or public transport will typically provide a viable solution. When a job seeker is anxious about transport arrangements, the broker should provide information and advice on options.

Possible $5000 relocation allowance

The Australian Government recently carried out a trial in which certain job seekers from certain regions of high unemployment were eligible for a relocation payment of up to $5000 to assist with moving to another part of the country. An allowance of this sort in the four Welfare Reform communities could be of great benefit in facilitating employment mobility. Where applicable, Jobs Brokers could be required to ensure that eligible job seekers can access this allowance to help cover essential relocation costs.

Basic vocational training

Before commencing work, some of the job seekers who are less job-ready may require some basic vocational training. Organisations to help arrange such training may include CDEP, JNMs, and complementary service providers. Jobs Brokers should ensure that job seekers are registered with a JNM so that they can take advantage of the Job Seeker
account or training account. The development of strong, cooperative relationships between Jobs Brokers and local JNMs will be important. While Jobs Brokers would not be involved in all of the organisational work associated with the provision of training and support for job seekers, they would be required to ensure that the training and support provided is appropriate.

Jobs Brokers would generally work with job seekers who are close to being job ready. The training required would therefore not be intensive or long-term. Some required training may be in, for example, basic literacy, numeracy, telephony or hospitality skills. Such preliminary training may often be useful before commencing a traineeship, an apprenticeship or another form of employment.

**Employment preparation activities**

Some of the final steps towards full job readiness may involve résumé preparation, interview preparation, relevant work experience, and experience with certain basic life skills such as cooking and laundering.

The ability to write and maintain a résumé is an important skill for almost any job seeker and certain personnel from both CDEP and Job Network organisations should be able to provide assistance in this regard. Given that the Jobs Broker will have been working closely with the job seeker to help clarify his or her aspirations and organise employment opportunities, however, the broker would be expected to provide résumé assistance.

Jobs Brokers could also organise mock interviews for job seekers. Some major employers of Aboriginal and Torres Strait Islanders (eg Ergon Energy, Qantas) have recently come to recognise that many young and inexperienced job applicants perform very poorly in their interviews simply because the situation is so unfamiliar to them. The role of Jobs Brokers in organising some practice at job interviews could therefore be very important, as would be the Broker’s role in discussing with potential employers the various skills and qualities of particular job seekers.

Jobs Brokers may arrange for job seekers to gain relevant work experience with the WPS before they leave to commence employment with a major company. In other cases, it may be possible to arrange for relevant work experience within the community. In preparation for work in the mining industry, for example, some recent experience in the community’s mechanics’ workshop may be valuable. Similarly, before starting work in the tourism industry, some recent experience in the local aged care facility may be worthwhile (eg, to

\[175\] There are also other significant sources of funding for training (such as that provided for under the Cape York Training Strategy by the Queensland Government’s Department of Employment, Training and the Arts). Such funding is normally only available for accredited courses.
provide cooking and housekeeping services). There will be limits to the kinds of experience available in communities. The requirement that CDEP or other Work for the Dole programs have appropriate work expectations (e.g., attendance and participation) will be of greatest assistance in preparing people for employment.

Some job seekers may lack certain basic life skills that are essential to independent living. Yet even when job seekers do completely lack the ability to cook or launder clothes, for example, it may often be possible to arrange for them to spend time with local friends or relatives who are able to impart the skills required. Clearly enough, this should generally occur before such job seekers leave their home communities.

**Personal support**

The Jobs Broker would be expected to be available to discuss the issues and problems that the participants are likely to face when leaving their home community. In some cases, however, a job seeker may benefit from the sorts of personal support provided by a professional Job Placement, Employment and Training (JPET) consultant. The consultant may provide help with problems associated with, for example, mild alcohol or drug abuse, anger management, depression, self-confidence or gambling. Such professional support would typically require the job seeker to be registered with a JNM.

**Income management**

Given that many job seekers are likely to enjoy a considerable increase in fortnightly income once placed in a real job, some careful planning with regard to income management could be crucial to their long-term financial stability. The services provided by the FIM personnel are likely to be of importance for this. The Jobs Broker would be familiar with FIM and arrange appointments for job seekers with FIM personnel. Given that FIM personnel are unlikely to be readily accessible once the job seeker has left the community, this would take place before the participant leaves.

**Dealing with humbugging**

Humbugging can be both a problem in itself and a disincentive to strive for a career that offers a progressively increasing level of income. Participants should therefore be encouraged to think clearly about the challenges posed by humbugging, and could also be talked through various possible ways in which to take decisive steps to deal with it.
Dealing with the ‘crabs in a bucket’ syndrome

The crabs in the bucket syndrome is the Indigenous equivalent of the tall poppy syndrome, and feedback from the Engagement Team suggests that it is a serious problem in some, if not all, of the four Welfare Reform communities. The behaviour involved concerns the comments, attitudes and expectations that those who are not willing and able to take up opportunities outside the community direct towards those who do seek such opportunities. In this way, would-be high-achievers are dragged down before they manage to fully escape from the welfare trap. Through the Engagement Process it has been found that some people have managed to develop the personal strengths and qualities required to overcome this problem. The Jobs Broker could assist by discussing this issue and engaging family members on the benefits of the move.

Dealing with racism

Some job seekers may fear that they would be uncomfortable in a work or home environment that is otherwise largely or even entirely non-Indigenous. In preparation for work in a mainstream workplace, some Indigenous people from remote communities may find it useful to further develop their individual qualities of strength and resilience so as to be able to deal confidently and calmly with racism outside communities. The Jobs Broker may therefore find it worthwhile to solicit the help of a local Indigenous person to run a few sessions in which effective ways to deal with racism are discussed. Good assistance will serve to assuage rather than exacerbate fears of racism.

Many of the signatories to the Corporate Leaders for Indigenous Employment Project have taken a serious interest in the issue of workplace racism and in ways to prevent it. They have emphasised the importance of ensuring that all employees are free to ask questions and raise concerns about the firm’s Indigenous employment policy and that managers at all levels of the company are supportive of it. Making Indigenous job seekers aware of these details may help to ensure that they feel confident about a company’s approach and integrity.

Follow-up and ongoing support

While it is expected that most of those placed into work will become independent fairly quickly, regular post-placement contact would be beneficial to most participants. In many cases, the Jobs Broker should be able to secure funding for this sort of ongoing support from the JNM Job Seeker account. The broker would also endeavour to ensure that job seekers receive consistent support from family members. In order to encourage such

support, the broker would liaise with the family members of each job seeker from the outset, solicit their views about such a move, emphasise the benefits of real employment, and the importance of familial support.

Based on the experiences of those associated with HEP, it will be important for the Jobs Broker to provide follow-up support and guidance for some of those placed in employment, even after they have commenced employment. In some cases, it may also be possible for the Broker to arrange for the job seeker to have a mentor in his or her new location. When Jobs Brokers are dealing with entire families or households who wish to relocate for the purposes of employment, there may sometimes be a need for additional ongoing support. Given that Jobs Brokers are based in communities, they are not usually going to be well placed to provide this ongoing support. They should, however, be able to help arrange the required support through JNMs and other government and non-government-funded organisations.

Information ‘access point’ for the wider community

The Jobs Broker could also serve as an access point for information about regional and corporate employment opportunities, mobility, and transitional issues for other members of the community, including those that are employed. The broker would not actively seek to arrange work for such people given that this could potentially create staffing difficulties for the local community.

Models of funding and institutional support

There are various possible models of funding and institutional support for the role of the Jobs Broker, each of which has advantages and disadvantages. The three models are for Jobs Brokers to be in a subcontracted arrangement from STEP ERS (ie built into the STEP ERS program); employment or subcontracted through Job Network providers; or alternatively funded as a free standing service. While in the medium and longer term it would be preferable for work to be undertaken by existing programs, the third option would allow for a trial program funded in one or all of the Welfare Reform communities.

As subcontractors to STEP ERS panel members

In the long term, the employment of Jobs Brokers as subcontractors to STEP ERS panel members is a promising possibility. One advantage associated with this model is that many STEP ERS panel members will be highly skilled in establishing enhanced STEP contracts and using Wage Assistance packages. Furthermore, beyond July 2007, many of the STEP ERS panel members will have evolved from former Indigenous Employment Centres, all of which are highly experienced with the particular needs of Indigenous job seekers. The STEP ERS panel, however, has been formed very recently (successful tenders were
announced on 14 February 2007). Moreover, the recent DEWR Request for Tender was primarily focused on urban and regional labour markets that have relatively low rates of unemployment. CDEPs and Indigenous Employment Centres (IECs) in areas of less than seven percent unemployment will be abolished as of July 2007, but it is only the CDEPs and IECs in those areas that are currently being actively encouraged to become members of the STEP ERS panel. Most of the labour markets in remote communities, however, have extremely high unemployment rates (especially when CDEP numbers are included in the unemployment figures); it appears that the remote communities are unlikely to be well serviced by STEP ERS in the near term.

As employed by Job Network Members

The main advantage of employing Jobs Brokers through JNMs is that JNMs are experienced providers of a range of employment services, all of which are relevant to the role of the Jobs Broker. One of the difficulties associated with this model is that JNMs have only recently begun to establish themselves in remote communities and in general, current JNM funding does not appear to be sufficient to support a Jobs Broker who could provide the sort of ‘case management’ service to job seekers. JNMs currently have a staff to job seeker ratio of around 1:80, and they have no full-time community-based staff in any of the remote Indigenous communities in the Cape York Peninsula. As noted above, however, the role of the Jobs Broker as envisaged here is community-based and would involve working with only around 10-15 job seekers at any given time.

A free-standing program funded as a trial

The main advantages associated with this option are that it would allow a trial of the intensive support to be provided by Jobs Brokers very quickly. There would be no need to wait until a STEP ERS panel is formed, nor for JNMs to become fully established in remote communities. In addition, this would be a simple way of positively ensuring the provision of Jobs Brokers in particular communities, even if only on a trial basis.

Trialling the Jobs Broker role

A trial of the Jobs Broker role should be run in one of the communities to test the approach and determine the benefits. Hope Vale is one promising possibility given the level of skills in the community and the availability of housing in Cooktown. A pilot of this could take place as early as the second six months of the design phase and could be run as part of the Welfare Reform Project.

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APPENDIX U: CASE STUDY: LAND TENURE AND BUSINESS DEVELOPMENT IN HOPE VALE

Assume a resident of Hope Vale wants to set up a business within the township – a bakery. In addition to the ordinary legal and administrative steps required to set up a business, that person would have additional hurdles because of the multiple layers of law under which their community holds the land. The complexity of the legal structures and the number of ambiguous legal questions that arise out of these structures introduce uncertainty which is, in itself, a barrier to participation in a transactional economy.

In order to set up a business, and to be able to gain finance, the individual needs a most basic building block: security of tenure. They could not buy a piece of community owned land to set up a business on, so they would have to lease it from the trustees of the land, in the case of Hope Vale, those appointed by the Minister under the DOGIT (Deed Of Grant In Trust).

Securing a lease

Under the Land Act 1994 (Qld) which governs DOGIT land, the trustees would require ‘in principle’ approval from the Minister and then her endorsement of the lease. Once endorsement is given the lease must be registered under the Act (s 57, Land Act 1994). If the lessee wants to mortgage the land in order to raise capital, they need both trustee and ministerial approval (s 58, Land Act 1994). This approval is given based on whether the transaction is consistent with, and would facilitate or enhance, the purpose of the trust (s 59, Land Act 1994). This creates the possibility of conflict between the aims of individuals and the communal purpose of the trust, or between Minister and the trustees.

For example, Canadian courts have held leases to be invalid where Ministerial consent was given but the concerns of the land council were not adequately addressed by the Minister.179 This is not to mention the fact that a mortgage on a lease, even a long-term lease, is less valuable than freehold and that the lessee may find it difficult in practice to secure a mortgage over the property.180 Research in Canada has shown that Native Americans living on reserves have struggled to secure mortgages on leases within the reserve, even where the government has set up a bank ‘of last resort’.181 The situation in Australia is not entirely analogous – the legislative regimes are not identical – but there are

sufficient similarities (underlying inalienable title, limited permitted dealings with land) to suggest that similar problems may be faced in Australia.

While DOGIT land was meant to be transferred to communities under the *Aboriginal Land Act 1991 (Qld)* (ALA), thirteen years later, this transfer has not occurred. The eventual transfer of the land could create further legal uncertainty for anyone attempting to set up a business today – while the requirements under the ALA are similar to those under the Land Act, they are not identical.

If the land is held by the community in trust under the ALA, a lease may be granted by the trustees, but what the lessee may do with that land is limited (ss 39, 76, ALA). In all cases, where a lease is granted by the trustees, the interests that may be created under that lease are limited. Crucially, a lessee cannot create an interest under that lease in favour of a non-Aboriginal person for a period over 10 years without Ministerial consent. That means, effectively, that if the lessee wants to get a mortgage, they need Ministerial consent. If the land is transferred as an Aboriginal lease under the ALA, further requirements are entailed: the trustees need Ministerial approval in order to mortgage or sublease the land, including approval of the specific terms and conditions (s 76(4), ALA).

**Native Title**

Then the erstwhile Hope Vale baker would have to consider the implications of native title over the land. Does native title exist over the land? If there has been no determination, might it exist? Even in Hope Vale, where there has been a consent determination in relation to native title, the township area was excluded from that determination, and the question of whether native title exists is a live one. Thus, native title is an issue, and the lease must be valid under the *Native Title Act 1993-1998* (NTA) if it is an act ‘affecting’ native title (s 227, NTA). Given that a lease grants exclusive possession, it is likely to affect native title. If this is so, they would then have to consider whether setting up the bakery is a past or future act under the terms of the NTA.

Although the lease of land for the bakery occurs well after 1 January 1994, it is possible that the lease, or the legislation enabling the lease, could be a past act within the definitions in the NTA (ss 228-232) – a negative check would have to be done in order to exclude this possibility. If it is a past act, compensation is most likely payable by the government (s 17, NTA), but the act will be valid (s 14, NTA).

It is more likely that, if the lease affects native title, it will be a future act, in which case the act provides different options to pursue (Part 2, Division 3, NTA). It may be, for example, that the act in question falls under the freehold test (s 24MA-MD, NTA), in which case the

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procedural requirements under the right to negotiate will be enlivened (s 25-44, NTA). The
Minister may decide that the expedited procedures may be followed (s 32, NTA), but even
these procedures require a 4 month notice period. If the regular procedure is followed, a far
longer period of negotiations, including arbitration, may ensue (s 35, NTA).

In light of the above, or if none of the specific future act provisions of the NTA apply, the
negotiation of an ILUA may be advantageous – or necessary. Assuming that there is no
registered agreement in place outlining procedures to be followed (which in this case there
is not), the process will depend on whether there has already been a finding of native title.
If there has been a finding and a prescribed body corporate (PBC) created, the PBC can
negotiate the agreement (under s 24BA-BI, NTA), following its own rules about
consultation and consent with native title holders under the Native Title (Prescribed Body

Where there is no PBC, the burden on the individual in proving that the agreement was
made with the correct parties before registration is permitted is onerous: they must meet
the notification requirements (leaving 3 months for objection) (s 24CH, NTA) and either
have the agreement certified by the relevant Land Council or provide a statement that
authorisation followed proper procedures under the act (s 24CG(3), NTA). The
authorisation procedures have themselves been the source of significant litigation over the
past 5 years.\textsuperscript{183} There are also significant administrative requirements under the Native
Title (Indigenous Land Use Agreements) Regulations 1999, which contribute to the length
of time required to prepare a registration application.

This case study does not factor in a consideration of the politics or length of time that
might be required to actually negotiate the agreement, the cost of legal advice, and the
availability of legal advice for the community. Where a land council is overwhelmed with
work on claims, they may not prioritise the negotiation of an ILUA – particularly where, as
is likely, it falls outside the scope of its specific funding. Moreover, Hope Vale is in many
senses a simple example. In an area where there is no claim underway, the native title
group would first have to be identified – a process which typically takes 6–9 months of
anthropological work and may involve legal challenges prior to engaging in the steps
mentioned above.

\textsuperscript{183} See eg Moran v Minister for Land and Water Conservation for the State of NSW [1999] FCA 1637;
Strickland v Native Title Registrar (1999) 168 ALR 242; Daniel v State of Western Australia (2002) 194
ALR 278; Lawson on behalf of the ‘Pooncaré‘ Barkandji (Paakantyi) People v Minister for Land and Water
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<th>Acronym</th>
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<td>ABS</td>
<td>Australian Bureau of Statistics</td>
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<td>AES</td>
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YTDP  Youth Talent Development Program