

Remote Employment Programs

National Indigenous Australians Agency

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Canberra ACT

28 May 2024

Dear President
Dear Mr Speaker

In accordance with the authority contained in the *Auditor-General Act 1997*, I have undertaken an independent performance audit in the National Indigenous Australians Agency. The report is titled *Remote Employment Programs*. I present the report of this audit to the Parliament.

Following its presentation and receipt, the report will be placed on the Australian National Audit Office's website — <http://www.anao.gov.au>.

Yours sincerely

A handwritten signature in black ink, which appears to read 'Rona Mellor', is positioned below the 'Yours sincerely' text.

Rona Mellor PSM
Acting Auditor-General

The Honourable the President of the Senate
The Honourable the Speaker of the House of Representatives
Parliament House
Canberra ACT

AUDITING FOR AUSTRALIA

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Audit snapshot

Auditor-General Report No.29 2023–24

Remote Employment Programs



Why did we do this audit?

- ▶ Since 2015, the Community Development Program (CDP) has been the primary Australian Government remote employment program. Since 2017, successive Australian Governments have stated an intention to reform or replace the CDP due to negative impacts on participants and communities.
- ▶ The audit was conducted to provide assurance that the National Indigenous Australians Agency (NIAA) has had effective processes to design and manage the transition to a new remote jobs program.



What did we find?

- ▶ The NIAA's processes to design and transition to a new remote employment program were partly effective.
- ▶ The NIAA's management of the transition period to a new remote employment program was partly effective.
- ▶ The NIAA's implementation of trials to test new approaches was partly effective.
- ▶ The NIAA's processes to design a new remote employment program were partly fit for purpose.



Key facts

- ▶ The CDP covers 75 per cent of Australia's land mass in over 1,000 communities.
- ▶ There were 40,922 CDP participants as at June 2023, of which 86 per cent identified as Aboriginal or Torres Strait Islander.
- ▶ \$2 billion was expended on CDP provider payments between 2017–18 and 2022–23.
- ▶ The CDP contributes to Closing the Gap targets 7 and 8.



What did we recommend?

- ▶ There were eight recommendations in relation to parliamentary committee recommendations; approving grant agreement extensions; managing shared risk; performance reporting; evaluation of trials; ensuring policy advice is based on evidence; and developing an evaluation framework for the new remote jobs program.
- ▶ The NIAA agreed to all eight recommendations.

41%

of extended CDP provider grant agreements had an average performance rating across 3 reporting periods that was below requirements.

3

trials were launched in 2022 and 2023 to test new approaches to a remote employment program.

6 years

between a 2017 government commitment to reform the CDP and 2024 advice to government on the design parameters for a new program.

Summary and recommendations

Background

1. The Community Development Program (CDP) was established in July 2015. In January 2024, the National Indigenous Australians Agency (NIAA) described the aim of the CDP as to 'support job seekers in remote Australia to build skills, address barriers to employment and contribute to their communities through activities and training'.¹
2. Participation in the CDP is not exclusive Aboriginal and Torres Strait Islanders; however, the majority of CDP employment service providers and participants are Indigenous. The Department of the Prime Minister and Cabinet (PM&C) was responsible for the CDP until 2019, when the NIAA became responsible for the overall design and administration of the CDP, administering grant agreements with CDP providers and monitoring provider performance.
3. A 2017 Senate committee inquiry into the CDP concluded that the program should not continue in its current form due to negative impacts on participants and their communities. Since 2017, the Australian Government has signalled its intent to fundamentally reform or replace the CDP through various announcements and measures. On 13 February 2024, the Australian Government announced a new 'Remote Jobs and Economic Development Program', which would commence in the second half of 2024 and fund 3,000 jobs over three years.²

Rationale for undertaking the audit

4. Remote employment programs aim to assist people in thin labour markets to secure employment. Since 2015 the CDP has been the primary Australian Government remote employment program. The CDP covers 75 per cent of Australia's land mass in over 1,000 communities. In 2022–23, \$384.6 million was expended on CDP payments. As at June 2023, there were approximately 41,000 people participating in the CDP, of whom approximately 86 per cent identified as Aboriginal or Torres Strait Islander.
5. Since 2017, successive Australian Governments have stated an intention to fundamentally reform or replace the CDP.
6. This audit provides the Australian Parliament with assurance on whether the NIAA has been effectively managing the transition from the CDP to a new remote employment program, including its processes to design a new program.

Audit objective and criteria

7. The objective of the audit was to assess the effectiveness of the NIAA's processes to design and transition to a new remote employment program.
8. To form a conclusion against the objective, the following high-level criteria were adopted:

-
- 1 National Indigenous Australians Agency, *The Community Development Program (CDP)* [Internet], Canberra, 2024, available from www.niaa.gov.au/indigenous-affairs/employment/cdp [accessed 22 February 2024].
 - 2 Prime Minister, Minister for Indigenous Australians, Assistant Minister for Indigenous Australians, Minister for Social Services, Minister for Skills and Training and Minister for Communications, 'Next steps on Closing the Gap: delivering remote jobs', media release, Parliament House, Canberra, 13 February 2024. The Government announcement did not include the words 'over three years', however this was included on the NIAA website.

- Did the NIAA effectively manage the transition period from the CDP to a new remote employment program?
- Did the NIAA effectively implement remote employment program trials to inform the new remote employment program?
- Were the NIAA's processes to design a new remote employment program fit for purpose?

Conclusion

9. The NIAA's processes to design and transition to a new remote employment program, as at January 2024, were partly effective.

10. The NIAA's management of the transition period to a new remote employment program was partly effective. The NIAA partly implemented agreed recommendations from a 2017 Senate inquiry and the oversight and monitoring of agreed parliamentary committee recommendations relating to the CDP was insufficient. The identification and assessment of risks during the transition period was incomplete. Grant agreements for poor performing and high-risk providers were extended to bridge the transition period to a new program, with value-for-money unclearly articulated. Internal reporting on CDP performance is largely fit for purpose, except that longer term outcomes are not monitored. Public reporting on CDP performance is not commensurate with the materiality of the program and does not meet the NIAA's Closing the Gap commitment to provide information to support local decisions.

11. As at January 2024, four trials were being delivered or planned to test new approaches to a remote employment program: the CDP Trial; Remote Engagement Program (REP) Trial; New Jobs Program Trial (NJPT); and Ngaanyatjarra Engagement and Employment (NEE) Trial. The NIAA's implementation of trials was partly effective. As at January 2024, the NIAA did not have an evaluation plan for three of the four trials. The timing, design features and approach to evaluation of the trials meant they could not fully inform the design of a new employment program, which was meant to be brought to the government in 2023. The trials involved some consultation and co-design.

12. The NIAA's processes to design a new remote employment program were partly fit for purpose. Key governance arrangements for the reform process, including the representation of Aboriginal and Torres Strait Islander groups in decision making, were not formalised until January 2024. The NIAA did not finalise a stakeholder engagement plan until April 2024. Advice to government to support a February 2024 announcement of \$707 million in funding for the new 'Remote Jobs and Economic Development Program' was not clearly informed by evidence. There was no program logic or evaluation framework for the new remote jobs program at the time of announcement. The NIAA's processes to develop policy advice for a new remote employment program were not fully consistent with the Australian Government's expectations for best practice policy advice.

Supporting findings

Management of the transition period to a new remote employment program

13. In 2017, the government agreed to four parliamentary committee recommendations relating to the CDP and committed to reform the CDP. There was no overarching plan for the

transition period to a new remote jobs program. PM&C initially responded to recommendations agreed by government in 2017, which were partly implemented by the NIAA. In 2020, the NIAA assessed the implementation status of the 2017 recommendations; however, unimplemented recommendations were not subsequently monitored. The NIAA did not have a process or policy for monitoring or responding to parliamentary committee recommendations until December 2023. The NIAA Executive Board and Audit and Risk Committee had no specific oversight over the implementation of parliamentary committee recommendations. Given the work-in-progress status of a new program, as at January 2024, it was too early to assess if the NIAA had implemented recommendations from two later parliamentary committee inquiries. (See paragraphs 2.4 to 2.17)

14. Between 2017 and 2021, CDP program risks were not consistently identified and assessed. In 2021, the NIAA developed a CDP ‘business-as-usual’ risk register which is regularly reviewed, however this understates known legal and other risks associated with the program. A CDP ‘reform’ risk register was developed in late 2023 and as at January 2024, had not been finalised. CDP risks shared with other Australian Government entities are not collaboratively identified, assessed or treated. (See paragraphs 2.20 to 2.36)

15. Extensions of 2019 CDP provider agreements to October 2024 (originally due to cease in June 2022), to bridge the transition period to a new program, were appropriately reported on GrantConnect. In 2023, the NIAA extended 63 out of 64 existing CDP provider grant agreements, despite 41 per cent having an average performance rating of ‘below requirements’ and despite failure of some providers to ‘fully meet’ unclear selection criteria. Value for money associated with each grant agreement extension, particularly for those providers with a history of underperformance, was not clearly articulated. The NIAA did not take advantage of the opportunity presented by agreement extension negotiations to address provider performance issues in agreement terms and conditions. Assurances were made to the Minister for Indigenous Australians and delegate that existing provider performance management mechanisms would be better implemented and a new performance management strategy would be developed. Steps were taken to implement a new provider performance strategy from April 2023. (See paragraphs 2.39 to 2.69)

16. The NIAA has a framework for monitoring CDP provider performance, but no CDP program monitoring and evaluation framework. The NIAA monitors CDP data and provides regular reports with program information to a key governance committee. However, monitoring is limited to caseload and shorter-term outcomes (including 13 and 26-week job placements) that do not provide sufficient information on the achievement of CDP objectives. Data quality and availability limits analysis possibilities. Annual performance statements required under the *Public Governance, Performance and Accountability Act 2013* for NIAA Program 1.1 (Jobs, Land and the Economy) do not include CDP performance. Other reports published on the NIAA website are out of date despite the availability of recent data. The NIAA does not fully meet commitments under the *National Agreement on Closing the Gap* to make CDP information accessible. (See paragraphs 2.72 to 2.85)

Remote employment program trials

17. The stated objective of all four remote employment trials was clear: to inform the design of a new remote employment program characterised by ‘real jobs’. In the case of two trials (REP

and NEE trials), other objectives for the trials were not consistent with an effective trial design. One trial (CDP Trial) tested approaches that, while novel, were not clearly distinguishable from business-as-usual CDP because of the way the trial was designed. One trial (NJPT), while novel in some respects, was not informed by an evaluation of a previous wage subsidy program that was considered unsuccessful. All four trials were due to conclude by October 2024, the same month that a new program was to be implemented on the basis of a design that was to be brought to government in 2023. The timing meant the trials' role in informing the 2023 design process could not be fully realised. The REP Trial, NJPT and NEE Trial were delayed or undersubscribed, while the urgency associated with the CDP Trial constrained the approaches being trialled. Each of the trials involved consultation and co-design with CDP providers. Consultation with other community stakeholders primarily relied on CDP providers undertaking consultation and was not verified by the NIAA. (See paragraphs 3.3 to 3.20)

18. As at January 2024, evaluation planning was developed for the CDP Trial only. An evaluation was commissioned in May 2023 for the CDP Trial, REP Trial and NJPT, however, only the CDP Trial had been evaluated as at January 2024. The data collection, performance measurement and evaluation approach to the CDP Trial (which is a collection of community-defined projects) does not produce a clear understanding of which projects worked best to achieve the objective of 'creating real jobs'. Baseline data are not well articulated. The NIAA has worked largely effectively with CDP Trial providers to monitor and report outcomes from the CDP Trial, however this has been less effective for REP Trial providers and at January 2024 was undeveloped for the NJPT. There are insufficient mechanisms to verify provider-supplied data. (See paragraphs 3.21 to 3.41)

Design of a new remote employment program

19. A governance framework for CDP reforms and key governance arrangements (including a taskforce to support the design process, and arrangements to provide for Indigenous representation) were established late in the policy design process. Arrangements to provide cross-government input in the design process were strengthened during 2023, partly at the direction of government. As at January 2024, there was a limited role for the NIAA regional network in the design process. Internal oversight arrangements are fit for purpose. (See paragraphs 4.4 to 4.18)

20. The NIAA did not finalise a stakeholder engagement plan until April 2024. An earlier draft stakeholder engagement plan was partly fit for purpose as it did not set out clear timeframes or include co-design activities. As at January 2024, a first 'listen and learn' phase of consultation was largely completed — community consultation meetings were held in most CDP regions in the first half of 2023, consultation results were analysed and some stakeholders received feedback. The community consultations focused on general questions about remote employment and community needs that were not significantly different from consultations in prior years. In January 2024, the NIAA published a report on findings from 'listen and learn' consultations. A second consultation phase on program design ('check back/principles') had not commenced as at January 2024. (See paragraphs 4.19 to 4.38)

21. The NIAA collaborated with other government agencies in the development of draft policy advice in 2023 and 2024, however timeframes were too short to allow for effective collaboration. Design issues requiring cross-government collaboration were not resolved. In February 2024, the

government announced a 'Remote Jobs and Economic Development Program', which would commence in the second half of 2024 and fund 3,000 jobs over three years. Advice provided to government in January 2024 about high-level features of the new program drew on some findings from consultations and trials, however, the high-level features of the new program (including the number of jobs to be created) were not supported by modelling or other evidence. At the time of its announcement, there was no program logic or evaluation framework for the newly announced program. (See paragraphs 4.39 to 4.56)

22. Policy advice on the design of a new program to replace the CDP was not consistent with the core elements of the Australian Government's *Delivering Great Policy* model. (See paragraphs 4.59 to 4.64)

Recommendations

Recommendation no. 1 The National Indigenous Australians Agency ensure that its Audit and Risk Committee is providing assurance to the Accountable Authority that parliamentary committee recommendations that are agreed to, are implemented.
Paragraph 2.18

National Indigenous Australians Agency response: *Agreed.*

Recommendation no. 2 The National Indigenous Australians Agency formalise processes to manage shared risk across government to support Community Development Program delivery and the transition to a new remote employment program.
Paragraph 2.37

National Indigenous Australians Agency response: *Agreed.*

Recommendation no. 3 When approving further extensions of Community Development Program provider grant agreements, each provider's performance history is taken into account, and a clear value-for-money justification that relates to the specific provider is documented.
Paragraph 2.70

National Indigenous Australians Agency response: *Agreed.*

Recommendation no. 4 For the Community Development Program (or a replacement program), the National Indigenous Australians Agency:
Paragraph 2.86

- (a) publish performance data on its website in a timely manner; and
- (b) incorporate program performance into annual performance statements required under the *Public Governance, Performance and Accountability Act 2013*.

National Indigenous Australians Agency response: *Agreed.*

Recommendation no. 5 The National Indigenous Australians Agency finalise an evaluation plan for all remote employment trials.
Paragraph 3.27

National Indigenous Australians Agency response: *Agreed.*

Recommendation no. 6 The National Indigenous Australians Agency finalise arrangements for data collection, monitoring and reporting of the New Jobs Program Trial.
Paragraph 3.42

National Indigenous Australians Agency response: *Agreed.*

Recommendation no. 7 The National Indigenous Australians Agency ensure that future advice to government on the design and implementation of the new remote jobs program is clearly informed by evidence, including findings from previous program experience, trials and consultations.
Paragraph 4.50

National Indigenous Australians Agency response: *Agreed.*

Recommendation no. 8 To inform the design of the new jobs program, and to support its eventual evaluation, the National Indigenous Australians Agency develop an evaluation framework that is consistent with Australian Government and agency guidance, prior to finalising the program design.
Paragraph 4.57

National Indigenous Australians Agency response: *Agreed.*

Summary of entity response

The National Indigenous Australians Agency (NIAA) welcomes the audit report and agrees with all recommendations.

As the audit report describes in Chapter 1, successive governments have made different commitments to reform or replace CDP to achieve a range of policy objectives. In May 2022, the current Government made a commitment to replace the CDP with a new program with real jobs, proper wages and decent conditions, developed in partnership with First Nations people.

The NIAA has been implementing the commitment to replace CDP and on 13 February 2024, the Government announced the Remote Jobs and Economic Development program, which will commence in the second half of 2024. In achieving this milestone, NIAA consulted with more than 2,250 people across 100 remote communities about what a new program should look like. NIAA also trialled practical solutions for a new jobs program: since November 2022, more than 2,300 participants have been directly placed in jobs and the number of people placed into jobs has increased by around 10 per cent.

We are pleased that we have made significant progress to strengthen our processes as we work towards finalising the design and transition to a new program.

Key messages from this audit for all Australian Government entities

23. Below is a summary of key messages, including instances of good practice, which have been identified in this audit and may be relevant for the operations of other Australian Government entities.

Policy and program design

- Entities should be proactive and forward thinking. Entities should develop policy options ahead of being asked for them, so they are ready to provide timely advice and assist government to implement changes to policies and programs.
- Stakeholder consultation activities to inform a new policy or program should commence at an early stage and should be informed by a plan, which should identify the objective of the consultation, timeframes, key stakeholders, and the appropriate level of engagement. Stakeholder views should be presented clearly in advice to decision-makers.
- Entities should have regard to government commitments to partnership and shared decision-making in the *National Agreement on Closing the Gap*.

Performance and impact measurement

- New program design should embed evaluation at the outset. When using trials to build an evidence base for a new program or policy, the design of the trials should incorporate the requirement for evaluation and consider how relevant data will be captured.

Audit findings

1. Background

Introduction

1.1 In August 2023 the unemployment rate in remote regions of Australia was 5.1 per cent³ compared to the national average of 3.7 per cent⁴, and the youth (15–24 years old) unemployment rate was 10.1 per cent⁵ compared to the national average of 8.2 per cent.⁶ In 2018–19, the unemployment rate was higher for Aboriginal and Torres Strait Islander peoples in remote areas compared to Aboriginal and Torres Strait Islander peoples in non-remote areas.⁷

1.2 To address the longstanding issue of remote unemployment, the Remote Jobs and Communities Program (RJCP) was introduced in July 2013. The RJCP replaced four existing programs then operating in remote areas: Job Services Australia; Disability Employment Services; the Indigenous Employment Program; and the Community Development Employment Projects program. In December 2015, the Minister for Indigenous Affairs stated: ‘... the evidence shows that further reforms to the income support system is required for remote communities to drive the behavioural changes needed to get people active, off welfare and into work’.⁸ The RJCP was replaced by the Community Development Program (CDP) in July 2015.

The Community Development Program

1.3 Between 2017–18 and 2022–23, \$1.9 billion was expended on grants to CDP employment services providers⁹, and an additional \$60.2 million was provided to employers as incentive payments (see Table 1.1 and paragraph 1.8).

Table 1.1: Community Development Program caseload and expenditure

	2017–18	2018–19	2019–20	2020–21	2021–22	2022–23
Caseload as at 30 June ^a	30,380	29,968	40,825	40,928	41,552	40,922
Grants to CDP providers (million) ^b	\$295.5	\$259.6	\$287.8	\$348.5	\$373.1	\$374.6
Employer incentive payments (million)	\$9.8	\$9.9	\$8.7	\$8.8	\$13.0	\$10.0
Total CDP payments (million)	\$305.3	\$269.5	\$296.5	\$357.3	\$386.1	\$384.6

Note a: Includes pending, commenced and suspended job seekers.

Note b: Excludes expenditure on the 1,000 Jobs Program.

Source: National Indigenous Australians Agency.

3 Average calculated by the ANAO based on Australian Bureau of Statistics Labour Force Survey (as at August 2023) for the level 4 statistical areas that correspond to Community Development Program regions.

4 Australian Bureau of Statistics, *Labour Force, Australia*, ABS, 2023.

5 Average calculated by the ANAO, as for the overall remote unemployment rate.

6 Australian Bureau of Statistics, *Labour Force, Australia*, ABS, 2023.

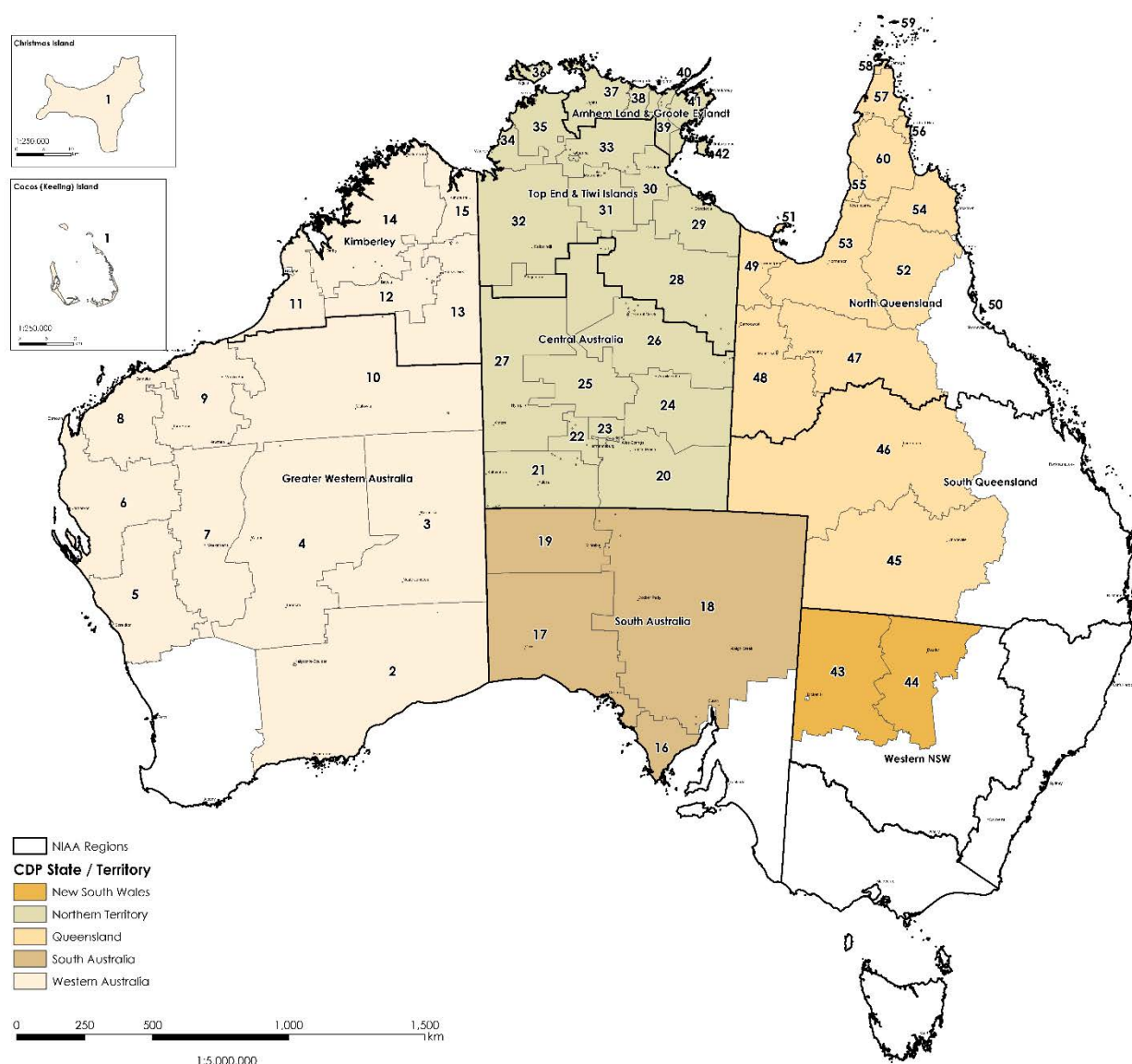
7 The proportion of Aboriginal and Torres Strait Islander peoples in non-remote regions who were full-time employed was 63.6 per cent compared to 58.6 per cent in remote regions, for 2018–19. Productivity Commission, *Overcoming Indigenous Disadvantage: Key Indicators 2020*, 2020, Table 9A.1.1.

8 Commonwealth, *Parliamentary Debates*, The Senate, 2 December 2015, Minister for Indigenous Affairs and Leader of the Nationals in the Senate.

9 Payments to providers include funding for participant training and other initiatives to address employment barriers and payments contingent on employment outcomes. The total grants expenditure does not include income support payments made to participants and administered through Services Australia.

1.4 The CDP operates across 75 per cent of Australian territory, in over 1,000 communities (Figure 1.1).

Figure 1.1: CDP regions, August 2023



Source: National Indigenous Australians Agency.

1.5 Participation in the CDP is not exclusive to Aboriginal and Torres Strait Islander people; however, the majority of CDP employment service providers and participants are Indigenous. As at 30 June 2023, there were approximately 41,000 participants (of which approximately 86 per cent identified as Aboriginal or Torres Strait Islander), supported by 47 organisations contracted by the Australian Government to deliver the program (of which 79 per cent were majority-owned by Aboriginal or Torres Strait Islanders).

1.6 When it was introduced in 2015, the intent of the CDP was to respond to the problem of welfare reliance by assisting people in remote regions to 'gain the skills, experience and commitment necessary to find paid work where it exists' and '[enable] them to contribute meaningfully to their community in the absence of paid work, through participation in continuous

CDP activities’.¹⁰ In January 2024, the National Indigenous Australians Agency (NIAA) described the aim of the CDP as to support job seekers in remote Australia to build skills, address barriers to employment and contribute to their communities through activities and training.¹¹

1.7 The CDP contributes to several Closing the Gap targets¹²:

- target 7 — by 2031, increase the proportion of Aboriginal and Torres Strait Islander youth (15–24 years) who are in employment, education or training to 67 per cent; and
- target 8 — by 2031, increase the proportion of Aboriginal and Torres Strait Islander people aged 25–64 years who are employed to 62 per cent.¹³

1.8 Key elements of the CDP include: job placement services and activities provided by contracted employment service providers; financial incentives for employers and employment service providers to place participants in employment; and participants’ mutual obligation requirements for income support.

- Job placement services and activities — Eligible jobseekers in CDP regions register through Services Australia to receive support from contracted CDP providers. Support can include: vocational and non-vocational training; work-for-the-dole¹⁴ and other work-like activities designed to increase skills and experience; involvement in activities that support cultural practices; essential skills training and assistance to overcome personal barriers to employment; job search assistance; work experience placements; support for job seekers and employers when a job seeker gains employment; and mentoring.
- Financial incentives to employers and providers — In addition to CDP provider payments, providers receive financial incentives for achievement of a 13 or 26-week employment outcome for each participant. Employer incentive funding is provided after achievement of a 26-week outcome.
- Mutual obligation requirements — Mutual obligation requirements are designed to ensure that unemployed people receiving participation payments are actively looking for work and are participating in activities that will help them into employment.¹⁵ For CDP participants, until May 2021 mutual obligation requirements included: going to appointments with their employment services provider; agreeing to or changing a job plan; actively looking for work; going to job interviews; accepting suitable job offers; only

10 Parliament of Australia, *Social Security Legislation Amendment (Community Development Program) Bill 2015: Explanatory Memorandum*, 2015, paragraph 3.

11 National Indigenous Australians Agency, *The Community Development Program* [Internet], NIAA, available from <https://www.niaa.gov.au/indigenous-affairs/employment/cdp> [accessed 8 February 2024].

12 The objective of the *National Agreement on Closing the Gap* (July 2020) is: ‘to overcome the entrenched inequality faced by too many Aboriginal and Torres Strait Islander people so that their life outcomes are equal to all Australians’. The *National Agreement on Closing the Gap* sets 19 national socio-economic targets across 17 socio-economic outcome areas, to which the parties subject to the agreement commit to meet.

13 *National Agreement on Closing the Gap* [Internet], 2020, available from <https://www.closingthegap.gov.au/national-agreement> [accessed 6 February 2024].

14 Work-for-the-dole activities provide work-like experiences and are run by CDP providers or host organisations. Participants continue to receive income support and assistance from their employment services provider while undertaking work-for-the-dole activities.

15 Australian Government, *Guides to social policy law - Social security guide - 3.11 Mutual obligation requirements*, 20 September 2022.

leaving work with a valid reason; participating in work-for-the-dole activities; and participating in training and work experience.

Reform and replacement of the Community Development Program

1.9 A 2017 Senate inquiry into the CDP concluded that the CDP should not continue in its current form due to negative impacts on participants and their communities.¹⁶ Since the 2017 Senate inquiry, the Australian Government has signalled its intent to fundamentally reform or replace the CDP through various announcements and measures.

- 2017 — The 2017 Senate Inquiry report indicated that it had received a submission by the Minister for Indigenous Affairs ‘on the directions he proposes to take in transitioning to a new model for the program’.¹⁷
- 2018 — Reforms to the CDP were announced in the 2018–19 Budget, including more flexible participation arrangements, a reduction in participation hours, a revised provider payment model and community advisory boards.¹⁸ The Social Security Legislation Amendment (Community Development Program) Bill 2018¹⁹ included the introduction of the Targeted Compliance Framework²⁰ to CDP regions among other reforms. The bill provided that CDP participants would be subject to the same welfare compliance framework²¹ as non-remote welfare recipients.
- 2019 — Administrative changes were made to the CDP including reducing the number of hours certain participants had to spend on work-for-the-dole activities.
- May 2021 — The Australian Government decided to make participation in CDP activities voluntary, thus reducing mutual obligation requirements.²²
- November 2021 — The Social Security Legislation Amendment (Remote Engagement Program) Bill 2021 passed on 29 November 2021, providing a framework for piloting new approaches to delivering employment services in remote communities.²³ The explanatory memorandum stated that a new program would replace the CDP by 2023.²⁴

16 Finance and Public Administration References Committee, *Appropriateness and effectiveness of the objectives, design, implementation and evaluation of the Community Development Program*, Commonwealth of Australia, Canberra, December 2017, pp. 12, 105 and 107.

17 *ibid.*, p. 105.

18 Department of Prime Minister and Cabinet, *Annual Report 2018-19*, PM&C, 2019. p. 66.

19 This Bill lapsed on 1 July 2019 due to the 45th Parliament ending.

20 The explanatory memorandum to the bill stated that the introduction of the Targeted Compliance Framework would focus financial penalties on participants who were ‘persistently and wilfully’ non-compliant with CDP requirements.

21 The Targeted Compliance Framework commenced in regional and urban Australia in July 2018.

22 The following mutual obligation requirements for CDP participants were not removed: to agree to a job plan; to attend regular appointments and job interviews; to meet job search requirements (dependent on the strength of the local labour market); to accept suitable paid work when it is offered; and to not voluntarily leave suitable employment.

23 Parliament of Australia, *Social Security Legislation Amendment (Remote Engagement Program) Bill 2021: Explanatory Memorandum*, 2021, paragraph 1.

24 Parliament of Australia, *Social Security Legislation Amendment (Remote Engagement Program) Bill 2021: Explanatory Memorandum*, 2021, p. 3.

- August 2022 — The Australian Government announced that the CDP would be replaced by a new remote employment program that would provide ‘real jobs, proper wages and decent conditions’.²⁵
- February 2024 — The Australian Government announced a new ‘Remote Jobs and Economic Development Program’, which would commence in the second half of 2024 and fund 3,000 jobs over three years.²⁶

1.10 In 2019, a group from the Ngaanyatjarra Lands filed a class action lawsuit against the Commonwealth of Australia for allegedly breaching the *Racial Discrimination Act 1975* (Racial Discrimination Act) through CDP work-for-the-dole requirements.²⁷ A settlement was reached in September 2021, which was accepted by the Federal Court in December 2021. Under the settlement, the Commonwealth agreed to provide a \$2 million grant to the community and pilot a remote employment program in the Ngaanyatjarra Lands.

1.11 Reform of the CDP is happening in the context of broader reforms to employment services. In November 2023, the Select Committee on Workforce Australia Employment Services tabled the report *Rebuilding Employment Services*. The report made 75 recommendations, including that a new Commonwealth employment services system be developed and implemented.²⁸ Although the scope of the report was on Workforce Australia²⁹, the committee made one recommendation to review the boundaries of CDP regions.³⁰ Recommendation 53 included there should be coherence and integration between disparate incentive programs, although the report considered that the CDP should remain a separate program.³¹ The report also concluded that the approach to mutual obligations should be harmonised between mainstream services and the CDP.³²

The National Indigenous Australians Agency

1.12 The Order to Establish the National Indigenous Australians Agency as an Executive Agency (29 May 2019) specifies that the functions of the NIAA include to:

- lead and coordinate Commonwealth policy development, program design and implementation and service delivery for Aboriginal and Torres Strait Islander people;

25 Minister for Indigenous Australians, ‘Putting remote employment issues on the table’, media release, Parliament House, Canberra, 31 August 2022.

26 Prime Minister, Minister for Indigenous Australians, Assistant Minister for Indigenous Australians, Minister for Social Services, Minister for Skills and Training and Minister for Communications, ‘Next steps on Closing the Gap: delivering remote jobs’, media release, Parliament House, Canberra, 13 February 2024. The Government announcement did not include the words ‘over three years’, however this was included on the NIAA website.

27 The Ngaanyatjarra Council Group states on its website that the Ngaanyatjarra reserve is home to approximately 1,800 Yarnangu (Ngaanyatjarra People) across eleven communities covering 250,000 square kilometres in the most remote area of Australia. Ngaanyatjarra Council Group, *About the Ngaanyatjarra Lands* [Internet], 2023, available from <https://www.ngaanyatjarra.org.au/ngaanyatjarra-council> [accessed 4 January 2024].

28 Select Committee on Workforce Australia, Australian Parliament, *Rebuilding Employment Services: Final report on Workforce Australia Employment Services* (2023), recommendation 1, paragraph 4.134.

29 Workforce Australia is the Australian Government’s ‘headline’ employment service and is administered by the Department of Employment and Workplace Relations. The other programs are Disability Employment Services, administered by the Department of Social Services, and the CDP.

30 Select Committee on Workforce Australia, Australian Parliament, *Rebuilding Employment Services: Final report on Workforce Australia Employment Services* (2023), recommendation 31, paragraph 9.122.

31 *ibid.*, recommendation 53, paragraph 4.131.

32 *ibid.*, p. 420.

- build and maintain effective partnerships with Aboriginal and Torres Strait Islander people, state and territory governments and other relevant stakeholders to inform whole-of-government priorities for Aboriginal and Torres Strait people, and enable policies, programs and services to be tailored to the unique needs of communities;
- design, consult on and coordinate the delivery of community development employment projects; and
- analyse and monitor the effectiveness of programs and services for Aboriginal and Torres Strait Islander people, including programs and services delivered by bodies other than the NIAA.

1.13 The NIAA is responsible for the overall design and administration of the CDP³³, administering grant agreements with CDP providers and monitoring provider performance.³⁴

1.14 The Indigenous Advancement Strategy (IAS) is the mechanism through which the Australian Government funds and delivers a range of programs for Aboriginal and Torres Strait Islander peoples. The NIAA states that it targets IAS investment to align with Closing the Gap outcomes and priority reforms.³⁵ The IAS has six programs: 1.1 Jobs, Land and Economy; 1.2 Children and Schooling; 1.3 Safety and Wellbeing; 1.4 Culture and Capability; 1.5 Remote Australia Strategies; and 1.6 Research and Evaluation. The CDP is included under Program 1.1.

1.15 Some aspects of the CDP are administered by other Australian Government entities, comprising Services Australia (administration of income support payments to CDP participants; and data on jobseeker eligibility, employment status and income support); and Department of Employment and Workplace Relations (DEWR) (CDP IT systems; and data on CDP caseload and employment outcomes). DEWR is responsible for jobseeker policies including mutual obligations. The Department of Social Services is responsible for income support policies.

Rationale for undertaking the audit

1.16 Remote employment programs aim to assist people in thin labour markets to secure employment. Since 2015 the CDP has been the primary Australian Government remote employment program. The CDP covers 75 per cent of Australia's land mass in over 1,000 communities. In 2022–23, \$384.6 million was expended on CDP payments. As at June 2023, there were approximately 41,000 people participating in the CDP, of whom approximately 86 per cent identified as Aboriginal or Torres Strait Islander.

1.17 Since 2017, successive Australian Governments have stated an intention to fundamentally reform or replace the CDP.

33 Between July 2015 and June 2019, the CDP was administered by the Department of the Prime Minister and Cabinet.

34 Some elements of provider performance assessment are dependent on information and systems managed by other entities.

35 National Indigenous Australians Agency, *NIAA Corporate Plan 2023-24 - Key activities*, NIAA, 2023. The priority reforms under the *National Agreement on Closing the Gap* are: Priority Reform One — Formal partnerships and shared decision-making; Priority Reform Two — Building the community-controlled sector; Priority Reform Three — Transforming government organisations; and Priority Reform Four — Shared access to data and information at a regional level.

1.18 This audit provides the Australian Parliament with assurance on whether the NIAA has been effectively managing the transition from the CDP to a new remote employment program, including its processes to design a new program.

Audit approach

Audit objective, criteria and scope

1.19 The objective of the audit was to assess the effectiveness of the NIAA's processes to design and transition to a new remote employment program.

1.20 To form a conclusion against the objective, the following high-level criteria were adopted:

- Did the NIAA effectively manage the transition period from the CDP to a new remote employment program?
- Did the NIAA effectively implement remote employment program trials to inform the new remote employment program?
- Were the NIAA's processes to design a new remote employment program fit for purpose?

Audit methodology

1.21 The audit methodology included:

- an examination of NIAA records and emails between Australian Government officials;
- observation of NIAA governance meetings;
- meetings with NIAA staff, CDP providers (in the Northern Territory, South Australia and Western Australia) and other CDP stakeholders comprising a local shire, a land council, business owners, community members and CDP participants;
- site visits to four locations in CDP regions in the Northern Territory (Alice Springs, Ntaria (Hermannsburg), Ltyente Apurte (Santa Teresa) and Darwin); four locations in CDP regions in Queensland (Cooktown, Kuranda, Hopevale, and Wujal Wujal); and Cairns; and
- five submissions to the audit through the ANAO's citizen contribution facility.

1.22 The audit was conducted in accordance with ANAO Auditing Standards at a cost to the ANAO of approximately \$845,700.

1.23 The team members for this audit were Tony Varnes, Dr Ashley Stephens, Alicia Vaughan, Eliza Glascott, Benjamin Foreman and Christine Chalmers.

2. Management of the transition period to a new remote employment program

Areas examined

The ANAO examined whether the National Indigenous Australians Agency (NIAA) effectively managed the transition period from the Community Development Program (CDP) to a new remote employment program.

Conclusion

The NIAA's management of the transition period to a new remote employment program was partly effective. The NIAA partly implemented agreed recommendations from a 2017 Senate inquiry and the oversight and monitoring of agreed parliamentary committee recommendations relating to the CDP was insufficient. The identification and assessment of risks during the transition period was incomplete. Grant agreements for poor performing and high-risk providers were extended to bridge the transition period to a new program, with value-for-money unclearly articulated. Internal reporting on CDP performance is largely fit for purpose, except that longer term outcomes are not monitored. Public reporting on CDP performance is not commensurate with the materiality of the program and does not meet the NIAA's Closing the Gap commitment to provide information to support local decisions.

Areas for improvement

The ANAO made four recommendations aimed at improving processes to respond to parliamentary committee recommendations; the management of shared risk relating to the CDP or a replacement program; extending CDP grant agreements; and public performance reporting for the CDP (or a replacement program). The ANAO also suggested that the NIAA could develop a data strategy to allow for the analysis of longer-term program outcomes.

2.1 Between 2017 and 2023, there was one parliamentary inquiry into the CDP, and two parliamentary inquiries which made recommendations regarding the CDP.

- 2017 — Senate Finance and Public Administration References Committee, *Appropriateness and effectiveness of the objectives, design, implementation and evaluation of the Community Development Program (CDP)* (the 2017 Inquiry)³⁶;
- 2021 — House of Representatives Standing Committee on Indigenous Affairs, *Indigenous Participation in Employment and Business* (the 2021 Inquiry)³⁷; and
- 2023 — Joint Standing Committee on Aboriginal and Torres Strait Islander Affairs, *Community Safety, Support Services and Job Opportunities in the Northern Territory* (the 2023 Inquiry).³⁸

36 Finance and Public Administration References Committee, *Appropriateness and effectiveness of the objectives, design, implementation and evaluation of the Community Development Program*, Commonwealth of Australia, Canberra, December 2017.

37 House of Representatives Standing Committee on Indigenous Affairs, *Indigenous Participation in Employment and Business*, Commonwealth of Australia, Canberra, August 2021.

38 Joint Standing Committee on Aboriginal and Torres Strait Islander Affairs, *Inquiry into community safety, support services and job opportunities in the Northern Territory*, Commonwealth of Australia, Canberra, February 2023.

2.2 Commonwealth government entities support the Australian Government by preparing advice on parliamentary committee recommendations. Where the Australian Government agrees to action in response to a parliamentary committee recommendation, entities are responsible for setting clear responsibilities and timeframes for delivering the agreed action. The appropriate and timely implementation of agreed recommendations is an important part of realising the full benefit of a parliamentary inquiry and for demonstrating accountability to the Parliament. In August 2019, the Secretary of the Department of the Prime Minister and Cabinet (PM&C) wrote to departmental secretaries to reinforce the requirement to monitor any recommendations made by parliamentary committees and agreed to by government.

2.3 Between 2017 and January 2024, the contractual arrangements with CDP employment service providers were extended to bridge the transition period to a new program. PM&C and the NIAA were responsible for advising the Australian Government on a new remote employment program and developing an appropriate evidence base to inform this advice.

Was there an appropriate response to parliamentary committee recommendations?

In 2017, the government agreed to four parliamentary committee recommendations relating to the CDP and committed to reform the CDP. There was no overarching plan for the transition period to a new remote jobs program. PM&C initially responded to recommendations agreed by government in 2017, which were partly implemented by the NIAA. In 2020, the NIAA assessed the implementation status of the 2017 recommendations; however, unimplemented recommendations were not subsequently monitored. The NIAA did not have a process or policy for monitoring or responding to parliamentary committee recommendations until December 2023. The NIAA Executive Board and Audit and Risk Committee had no specific oversight over the implementation of parliamentary committee recommendations. Given the work-in-progress status of a new program, as at January 2024, it was too early to assess if the NIAA had implemented recommendations from two later parliamentary committee inquiries.

2.4 The November 2022 NIAA Audit and Risk Committee charter states that the committee's role is to provide independent advice and assistance to the NIAA Chief Executive Officer (CEO) and Executive on the appropriateness of the NIAA's system of internal control, including in relation to relevant parliamentary committee reports. This involves providing advice to the CEO about the implementation of agreed actions.

2.5 Prior to December 2023, the NIAA did not have policies, guidance or procedures for how to respond to and monitor parliamentary committee recommendations. In December 2023, the NIAA Executive Board noted a proposed process for monitoring recommendations of parliamentary committees in the same way as Auditor-General and internal audit recommendations are monitored.

The 2017 Inquiry

2.6 Of 22 recommendations made by the 2017 Inquiry, four were ‘agreed’ by the government, 14 were ‘noted’ and four were ‘not supported’ in November 2018.³⁹ The government made a range of commitments in its response, including in relation to recommendations that were noted or not supported. For example, in response to recommendation six⁴⁰, which was ‘noted’, the government stated that ‘On 14 December 2017, the Minister for Indigenous Affairs ... announced the commencement of a formal consultation on a new employment and participation model’.

2.7 Neither PM&C nor the NIAA developed an implementation plan for the committed actions or a plan for the transition period from the CDP to a new remote employment program. Despite no overarching plan, between December 2017 and June 2019, PM&C undertook activities to respond to the 2017 Inquiry’s recommendations.

- In December 2017, PM&C assessed each of the report’s recommendations and identified how each recommendation could be addressed through changes to the CDP, or through the development of a new model. On 14 December 2017, PM&C released a discussion paper seeking stakeholder input to options for how to respond to issues raised in the 2017 Inquiry and other reviews.
- In February 2018, PM&C sought advice from the Australian Government Solicitor (AGS) regarding legal issues arising from aspects of a proposed model.
- In August 2018, revisions to the CDP were proposed that drew on analysis of feedback to the 2017 discussion paper. The government introduced the Social Security Legislation (Community Development Program) Bill 2018 (see paragraph 1.9). The bill lapsed in July 2019, at the end of the 45th Parliament.

2.8 Both prior and subsequent to the 2017 Inquiry, PM&C commissioned or conducted research into and evaluation of the CDP, the reports for which were published in accordance with the Indigenous Advancement Strategy Evaluation Framework, which is also publicly available.⁴¹

2.9 In August 2020, as part of a process to prepare for a potential ANAO audit of *Implementation of the Community Development Program (CDP) Reforms*⁴², the NIAA documented the implementation status of the 2017 Inquiry recommendations, as well as recommendations from Auditor-General Report No. 14 2017–18 *The Design and Implementation of the Community Development Program*. In October 2020, the NIAA Policy and Delivery Committee (see paragraph 4.11) assessed the implementation status of the agreed recommendations as well as commitments relating to recommendations that were not agreed to.⁴³

39 The government senators’ dissenting report included three recommendations which were all agreed to in the government’s response in 2018.

40 Recommendation 6 was that ‘[PM&C], led by the Minister for Indigenous Affairs, engage in genuine and comprehensive consultation with remote communities, Indigenous organisations, employment providers and other stakeholders on the reforms required to be made to the [CDP].’

41 Department of the Prime Minister and Cabinet, *Indigenous Advancement Strategy: Evaluation Framework* [Internet], National Indigenous Australians Agency, 2018, available from <https://www.niaa.gov.au/sites/default/files/publications/ias-evaluation-framework.pdf> [accessed 3 January 2024], p. 8.

42 Australian National Audit Office, *Annual Audit Work Program 2020–21*, ANAO, Canberra.

43 The Policy and Delivery Committee also assessed recommendations from a 2018 Department of Finance Gateway Review of CDP reforms.

2.10 The NIAA assessed that, of the 22 2017 Inquiry recommendations: 13 required no further action; five were underway with no additional action required; and four required additional follow up ('underway and not on track' or 'not commenced').

- Completed / no further action required — The 13 recommendations requiring no further action were supported by advice that the completed actions had achieved the intent of the recommendation. In eight instances, the ANAO assessed that the decision to close was appropriate. However, five recommendations were put into this category despite the proposed action being incomplete or the underlying risk not being fully resolved (see, for example, Box 1).
- Underway / no further action required — Of the five recommendations in this category, the ANAO examined the two recommendations that were agreed to (recommendation 10 and recommendation 15) (see Appendix 3, which lists the four 2017 Inquiry recommendations agreed to by government and the ANAO's assessment of their implementation as at December 2023). Neither recommendation was implemented.
- Requiring follow-up — The four recommendations assessed as not on track and requiring follow-up were: recommendation 6 ('noted' by government)⁴⁴; recommendation 8 ('agreed', see Appendix 3); recommendation 9 ('not supported')⁴⁵; and recommendation 21 ('agreed', see Appendix 3).

Box 1: Implementation of recommendations 1 and 2 of the 2017 Senate Inquiry

Recommendations 1 and 2 of the 2017 Inquiry were that the current CDP compliance and penalty regime be immediately replaced with obligations that were no more onerous than those of other income support recipients, and that CDP requirements should be adjusted to ensure that participants were able to meet them for the majority of the time, in accordance with the general obligations and benefits of any worker.

While recommendation 1 was 'not supported' by government and recommendation 2 was 'noted', the Social Security Legislation Amendment (Community Development Program) Bill 2018 sought to make CDP participants subject to the same welfare compliance framework as non-remote welfare recipients. The bill lapsed on 1 July 2019, at the end of the 45th Parliament. The NIAA Policy and Delivery Committee's October 2020 review of the implementation of recommendations noted that the bill had lapsed, however no further action or analysis was proposed.

Changes were made to the CDP in 2019 that partly addressed recommendations 1 and 2. The number of hours per week participants were required to engage in activities (the mutual obligation requirement) was reduced from 25 to 20 per week and the mandatory reporting of participant non-compliance was removed. PM&C's analysis of responses to the December 2017

44 The committee recommends that [PM&C], led by the Minister for Indigenous Affairs, engage in genuine and comprehensive consultation with remote communities, Indigenous organisations, employment providers and other stakeholders on the reforms required to be made to the Community Development Program.

45 The committee recommends that the Australian Government implement a payment scheme for remote jobseekers with income based on participation in agreed work-like activities, and incentives for additional activities in community development programs. The committee recommends that participation in community development program work activities should be compensated at an hourly rate commensurate with the national minimum wage.

Box 1: Implementation of recommendations 1 and 2 of the 2017 Senate Inquiry

discussion paper and a publicly available evaluation report informed the changes. Changes to participant activity requirements in 2021 were also consistent with the intent of recommendation 1.

2.11 Since 2020 there has been no further evaluation of the implementation status of the 2017 Senate Inquiry recommendations, including the four 2017 Inquiry recommendations that were assessed in 2020 to be not on track. The NIAA Policy and Delivery Committee was disbanded in November 2022. The NIAA advised the ANAO that the governance body that now monitors the implementation of parliamentary recommendations is the Executive Board (see paragraph 4.11), and that the Audit and Risk Committee provides assurance on the process. There is no evidence that the NIAA Executive Board or the PM&C and NIAA audit and risk committees have had visibility of the recommendations and their implementation progress.

2.12 In May 2021, the NIAA prepared the *2019 CDP Reform Program Closure Report* (Closure Report), which recorded the development, implementation and management of reforms made to the CDP in 2019. The Closure Report did not refer to the 2017 Senate Inquiry recommendations.

The 2021 and 2023 inquiries

2.13 The August 2021 Inquiry report was focused on Aboriginal and Torres Strait Islander business and employment policy.⁴⁶ In relation to employment policy, the report concluded that there were ongoing barriers to sustainable employment pathways for Aboriginal and Torres Strait Islander peoples, that this was particularly true in remote areas, and that there was a data shortfall to help assess successful transitions into education, training and employment. The 2021 Inquiry included six recommendations which related to the CDP or its replacement program. In March 2022, the government 'noted' three of the recommendations (related to co-design, the use of police records and data); and 'supported in principle' the other three (related to training, mentoring and transport).

2.14 The 2023 Inquiry report⁴⁷, which related to the Northern Territory, included a chapter on job opportunities and CDP reform. The 2023 Inquiry report stated that it had heard multiple stakeholders describe the CDP as needing fundamental reform, which the government was progressing. The 2023 Inquiry made one CDP reform-related recommendation, which was that providers undertake community consultation to identify areas of possible employment in their region and tailor participants' work and training opportunities towards filling those future jobs, and that a mechanism is provided for participants to learn from and gain exposure to successful

46 House of Representatives Standing Committee on Indigenous Affairs, *Indigenous Participation in Employment and Business*, Commonwealth of Australia, Canberra, August 2021.

47 Joint Standing Committee on Aboriginal and Torres Strait Islander Affairs, *Inquiry into community safety, support services and job opportunities in the Northern Territory*, Commonwealth of Australia, Canberra, February 2023.

Aboriginal and Torres Strait Islander people in business (recommendation 6).⁴⁸ Recommendation 6 was ‘supported’ by the Australian Government.

2.15 Although there is monitoring of CDP reforms through the NIAA’s Economic Empowerment Implementation Committee (EEIC) (see paragraph 4.11), as at January 2024 there had been no specific analysis or oversight of progress against the 2021 and 2023 inquiry recommendations, including the CDP-related recommendations.

2.16 In its response to the 2021 Inquiry, the government made a range of commitments, including about trialling approaches and co-design ahead of implementing a new program. The NIAA undertook activities related to the government’s response, including releasing a discussion paper in August 2021 that anticipated that the CDP would be replaced by a new program in 2023, following the implementation of trials in five CDP regions. The discussion paper did not refer specifically to the 2021 Inquiry and its recommendations, however the content reflected the government commitments that had been made in response to the Inquiry around training, co-design and trials (paragraph 2.13). The 2021 discussion paper included less detail on proposed options than the 2017 discussion paper (see paragraph 2.7) and no additional risks were raised. In October 2021, the NIAA engaged Inside Policy to review responses to the 2021 discussion paper, conduct interviews with CDP providers and prepare analysis to inform a new remote jobs program.

2.17 For each of the three agreed 2021 Inquiry CDP reform-related recommendations, the ANAO was unable to fully assess the implementation status of the agreed actions as the design of the new program remained a work-in-progress as at January 2024. The ANAO’s initial assessment of the implementation of the first part of the 2023 Inquiry recommendation 6 is discussed in Chapters 3 and 4 of this report.

Recommendation no. 1

2.18 The National Indigenous Australians Agency ensure that its Audit and Risk Committee is providing assurance to the Accountable Authority that parliamentary committee recommendations that are agreed to, are implemented.

National Indigenous Australians Agency response: Agreed.

2.19 *The National Indigenous Australians Agency (NIAA) will continue to strengthen its approach to managing the implementation of agreed Parliamentary Committee recommendations. An updated approach was implemented in December 2023 which addresses this recommendation.*

48 *ibid.*, p. 54. A second recommendation (recommendation 7) was related to the objectives of the CDP: ‘the Commonwealth Government investigate potential policies to stimulate economic activity in remote communities, outside of the CDP, and that the Minister report the findings to the Parliament by the 29 February 2024’.

Were risks effectively managed in the transition period?

Between 2017 and 2021, CDP program risks were not consistently identified and assessed. In 2021, the NIAA developed a CDP ‘business-as-usual’ risk register which is regularly reviewed, however this understates known legal and other risks associated with the program. A CDP ‘reform’ risk register was developed in late 2023 and as at January 2024, had not been finalised. CDP risks shared with other Australian Government entities are not collaboratively identified, assessed or treated.

2.20 Section 16 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) requires that the accountable authority of a Commonwealth entity ‘establish and maintain an appropriate system of risk oversight and management for the entity’. The Commonwealth Risk Management Policy states that entities ‘must ensure that the systematic management of risk is embedded in key business processes’ and that considering risk is an integral element of overall management and must be included in policy development and program delivery.⁴⁹ Policy advice to the Australian Government must provide enough detail on risk and implementation challenges to ensure that the Australian Government can make an informed decision.⁵⁰

Community Development Program risk management

2.21 PM&C drafted a CDP risk plan in 2015. The draft risk plan outlined that the goal of the CDP was to develop ‘better functioning communities through increased participation’ and to end ‘passive welfare’. The draft plan identified five ‘moderate’ risks and one ‘minor’ risk, with proposed mitigations. The draft risk plan was not implemented or monitored. In 2018, PM&C developed (and in 2019 updated) a divisional risk register that included nine CDP-specific risks (one ‘very high’, three ‘high’, four ‘moderate’ and one ‘minor’). The ‘very high’ risk was ‘[c]orrupt, fraudulent and/or illegal activity by a contractor, grant recipient or provider’.

2.22 Following its establishment in July 2019, the NIAA became responsible for the implementation of the CDP and advising the Australian Government on CDP-related risk. The NIAA’s August 2020 stocktake in anticipation of a proposed ANAO audit (see paragraph 2.9) stated that reforms to the CDP were managed in line with the PM&C Risk Management Framework. The stocktake indicated that the NIAA would review and update risk plans for the CDP.

2.23 On 17 December 2020, the NIAA Executive Board endorsed a Risk Management Framework and Risk Management Policy for the entity as a whole, which was updated in December 2023. The 2020 Risk Management Policy outlined the accountabilities and requirements for managing risk in the NIAA, included a risk appetite and tolerance statement, and required that formal risk assessments were conducted, in addition to ongoing risk management activities. The Risk Management Framework defined three types of risk: external⁵¹; enterprise; and operational.

2.24 Enterprise risks and mitigations are identified at a high level in NIAA corporate plans; and in an ‘enterprise risk register’. Prior to February 2024, neither the corporate plans nor the enterprise

49 Department of Finance, *Commonwealth Risk Management Policy*, Commonwealth of Australia, Canberra, 2014.

50 Department of the Prime Minister and Cabinet, *Cabinet Handbook 15th Edition*, Commonwealth of Australia, Canberra, 2022. paragraph 69.

51 The 2020 NIAA Risk Management Framework stated that external risks are not assessed or managed by the NIAA and will likely be sources of enterprise and operational risks.

risk register assessed the risks based on their likelihood and consequence, indicated whether the risks are within the NIAA's tolerance for risk, or assigned risk owners. Auditor-General Report No. 27 2022–23 *NIAA's management of provider fraud and non-compliance* made a recommendation to the NIAA to fully implement its Risk Management Policy and Framework, including by conducting assessments of enterprise risks.⁵² The NIAA updated the enterprise risk register in February 2024 to include risk ratings and risk owners.

2.25 A CDP-specific risk register had been established by the NIAA in November 2020. However, an April 2021 KPMG Australia 'CDP Reform Health Check' found that, while the NIAA had '... identified risks and considered the implications of risk' in relation to CDP reforms, there was no complete and up to date CDP risk register.

2.26 As at January 2024, there were two CDP risk registers: one for business-as-usual CDP and one for CDP reform.

- CDP business-as-usual risk register — The register was developed in 2021. Each risk is assessed against a risk tolerance. Proposed treatments are listed with due dates and an accountable officer. The register was updated on an approximately quarterly basis between June 2021 and December 2023.
- CDP reform risk register — In September 2023, the NIAA established the Remote Employment Taskforce (see paragraph 4.8), which (in November 2023) developed a draft risk register to capture risks specifically relating to the design of and transition to a new remote jobs program. As at 19 December 2023, the draft CDP reform risk register listed 33 risks against 12 themes. Of the 33 risks, 23 were rated 'high', one was rated 'medium' and nine were unrated. In February 2024, the NIAA advised the ANAO that the CDP reform risk register had not yet been finalised or approved.

2.27 Risk registers for the CDP were developed in the context of public and parliamentary commentary, and NIAA analysis, that the CDP was a failed program that carried legal, financial, social and reputational risks. The August 2020 stocktake had noted that '[s]ince the implementation of CDP, the program has received criticism that it is discriminatory, failing remote communities, racist and contributing to hunger and poverty in remote communities and contributing to an increase in crime, violence and suicide rates'. The NIAA advised the Minister for Indigenous Australians that the CDP had not been successful in achieving its objectives.

2.28 The legal risks associated with the CDP were first advised to government in 2015. The advice stated that the risk of the program being inconsistent with the *Racial Discrimination Act 1975* (Racial Discrimination Act) was medium. From 2015, legal risk was identified by multiple external stakeholders.⁵³ In December 2016, a complaint about the CDP was brought to the Australian Human Rights Commission (AHRC) by the Shire of Ngaanyajaraku, alleging a breach

52 ANAO Audit Report No.27 2022–23 *National Indigenous Australians Agency's management of provider fraud and non-compliance*, paragraph 2.12.

53 For example, in *Social Justice and Native Title Report 2015*, the Australian Human Rights Commission described disproportionate requirements and penalties being applied to people in remote areas through the proposed CDP. In February 2016, the Parliamentary Joint Committee on Human Rights stated in *Human Rights Scrutiny Report* that 'In [CDP's] case it seems clear that Indigenous people will be disproportionately affected by this measure as more than 80 per cent of people currently supported by [CDP] providers are Aboriginal and Torres Strait Islander people'. The risk of indirect racial discrimination arising from the administration of the CDP was raised in submissions to the 2017 Senate Inquiry.

of the Racial Discrimination Act. A mediation process was initiated but failed, and in July 2019 *Dawson and Ors v Commonwealth of Australia (Dawson v Cth)* commenced. In December 2021, *Dawson v Cth* was settled by the Commonwealth for a grant of \$2 million (plus GST) to the Shire and Council; the design, implementation and evaluation of the Remote Engagement Program Trial in the Shire of Ngaanyjaraku (see Table 3.1); and legal costs of \$278,897.

2.29 A commitment to reform the CDP was a component of the NIAA's negotiations and eventual settlement of *Dawson v Cth*. The complainants required that the CDP's (or future programs') mutual obligation requirements be 'on par' with requirements in non-remote areas. In January 2021, the government was presented with a single recommended option to meet settlement requirements and reduce the risk of future legal action: to make most CDP mutual obligation requirements voluntary (referred to as a compliance pause). In May 2021, the government announced that the CDP would be replaced by a new remote jobs program and that, with immediate effect, participation in the work-for-the-dole component of the mutual obligation requirements would be voluntary. After the removal of the requirement to attend activities in May 2021, CDP participation declined by approximately 50 per cent on average. In July 2021, Jobs Australia⁵⁴ wrote to the NIAA advising of concerns raised by its members, including that the 'predictable' outcomes of the changes to mutual obligation requirement had occurred, including increased domestic violence, lower school attendance, substance abuse and aggression toward frontline CDP staff.

2.30 In July 2023, the NIAA was advised that another complaint had been brought to the AHRC against the Australian Government on the same basis as *Dawson v Cth*.

2.31 Despite *Dawson v Cth* and the public discourse about legal risk, relevant legal risk was not identified in the 2018 and 2019 PM&C divisional risk registers or in the NIAA's CDP business-as-usual and draft CDP reform risk registers.

2.32 None of the risk plans or registers for the CDP appropriately recognised or treated the known risks to the achievement of CDP objectives and of possible adverse consequences from the program. A December 2023 version of the CDP business-as-usual risk register groups 17 risks into four themes — fraud and compliance (6); service delivery (5); outcomes (4); and transition (2) — each of which are rated low (8) to medium (9). Despite the NIAA's own assessment that the CDP was not achieving its objectives, an outcome risk that 'project benefits [are] not realised' is assessed as 'possible', with a 'moderate' consequence and rated 'medium'. Despite the decline in participation after the partial removal of mutual obligations requirements in May 2021, a service delivery risk that 'providers [are] unsuccessful in engaging job seekers in activities' is described to be 'possible', of 'minor' consequence and rated 'low'. Eleven of the 17 risks are 'accepted' with no further treatment required and six of the 17 risks have treatments specified. The decided action for the two outcome risks of 'project benefits not realised' and 'payment model results in perverse outcomes' was to 'accept the risk' with no further treatment required.

54 Jobs Australia is a national organisation that supports a network of not-for-profit members who provide employment services.

Shared risk management

2.33 The Commonwealth Risk Management Policy⁵⁵ requires that government entities collaborate to manage shared risks.⁵⁶ The NIAA is responsible for the overall administration of the CDP; however, other government entities administer relevant programs and legislation and are responsible for delivering some elements of the CDP (see paragraph 1.15). The NIAA 2023–24 Corporate Plan recognised shared risks as one of four risk types (the others are enterprise, operational and emerging).

2.34 The NIAA has an Administrative Arrangements document, which outlines the role of the NIAA, providers, Services Australia, the Department of Employment and Workplace Relations (DEWR), and the Department of Social Services in the delivery of the CDP. Although the Administrative Arrangements document states that responsibility for some policy aspects is shared, there is no discussion of how shared risks are to be managed. The NIAA also has bi-lateral agreements with DEWR and the Department of Finance Service Delivery Office (Finance SDO). The NIAA and DEWR Letter of Agreement (7 October 2021) outlines the services DEWR is required to provide to the NIAA. This primarily relates to IT systems and support and is in place until 30 June 2024. The NIAA and DEWR Letter of Agreement does not specifically address how shared risk will be managed between the two entities. The NIAA and Finance SDO agreement (11 January 2021) includes a shared risk section which states shared risk will be managed in accordance with the Commonwealth Risk Management Policy.

2.35 The CDP ‘business-as-usual’ and ‘reform’ risk registers do not explicitly refer to shared risks, however, they identify that some risks and/or treatments relate to other entities. The CDP risk registers list work with other entities as a control or proposed treatment. The NIAA does not share or collaborate regarding these risk registers with other Commonwealth entities.

2.36 There are several cross-government working groups concerned with CDP reform (see paragraphs 4.13 and 4.14). An Inter-departmental Committee’s and Select Working Group’s terms of reference do not include the identification and management of shared risk. However, a Remote Jobs IT Systems Project Group’s terms of reference include to ‘identify major risks and establish mitigating strategies to address these risks’. None of the cross-government working groups for CDP reform have developed a shared risk register. Although there is limited reference to the joint assessment and management of risks in governance arrangements for these cross-government groups, meeting minutes reflect discussion of risks.

55 Department of Finance, *Commonwealth Risk Management Policy*, Commonwealth of Australia, Canberra, 2014.

56 The Commonwealth Risk Policy states that ‘Shared risks are those risks extending beyond a single entity which require shared oversight and management. Accountability and responsibility for the management of shared risks must include any risks that extend across entities and may involve other sectors, community, industry or other jurisdictions.’

Recommendation no. 2

2.37 The National Indigenous Australians Agency formalise processes to manage shared risk across government to support Community Development Program delivery and the transition to a new remote employment program.

National Indigenous Australians Agency response: *Agreed.*

2.38 NIAA will formalise processes to manage shared risk by amending the Administered Arrangements document (which outlines the role of the NIAA, providers, Services Australia, Department of Employment and Workplace Relations (DEWR) and Department of Social Services (DSS) in the delivery of CDP). NIAA is also implementing a revised governance framework that will support management of shared risks with relevant portfolios during the transition to a new remote employment program.

Were provider arrangements in the transition period appropriate?

Extensions of 2019 CDP provider agreements to October 2024 (originally due to cease in June 2022), to bridge the transition period to a new program, were appropriately reported on GrantConnect. In 2023, the NIAA extended 63 out of 64 existing CDP provider grant agreements, despite 41 per cent having an average performance rating of ‘below requirements’ and despite failure of some providers to ‘fully meet’ unclear selection criteria. Value for money associated with each grant agreement extension, particularly for those providers with a history of underperformance, was not clearly articulated. The NIAA did not take advantage of the opportunity presented by agreement extension negotiations to address provider performance issues in agreement terms and conditions. Assurances were made to the Minister for Indigenous Australians (the minister) and delegate that existing provider performance management mechanisms would be better implemented and a new performance management strategy would be developed. Steps were taken to implement a new provider performance strategy from April 2023.

2.39 CDP employment services provider agreements in force at January 2024 commenced in 2019.⁵⁷ The 2019 agreements were originally due to cease in June 2022 but as at January 2024 had been extended twice.⁵⁸

- In May 2021, an extension option to June 2023 was exercised by the Minister for Indigenous Australians. The extension was meant to align with the commencement of a new remote employment program that had been announced in 2021.
- In November 2022, following the Australian Government’s commitment to replace CDP with a ‘New Jobs Program’, the minister agreed to a ‘transition’ approach that would involve the further extension of existing CDP provider contracts to October 2024. The

57 The ‘open competitive’ grant opportunity number was GO1799. The ANAO did not examine the awarding of the grants in 2019, as this was outside the scope of this audit.

58 In the 2019 provider selection process, PM&C established new CDP grant agreements with an original end date of 30 June 2022 and extension options for up to further 36 months (to 30 June 2025).

Prime Minister agreed to this in December 2022, and the extensions were implemented in February 2023.

2.40 Figure 2.1 shows a timeline of the extensions to the 2019 agreements, focusing on the key decisions involved in the second (February 2023) extension of the 2019 CDP provider agreements to October 2024.⁵⁹

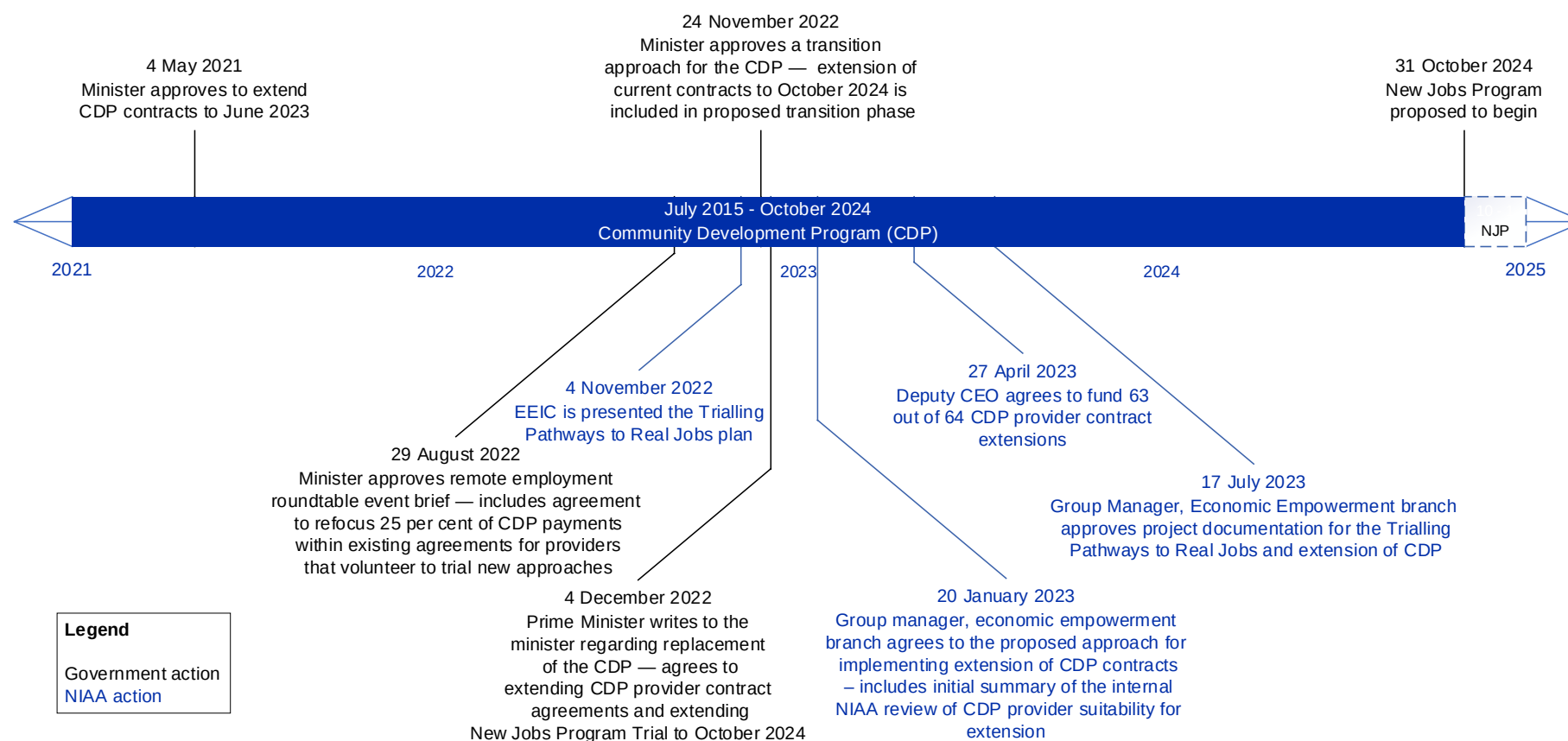
2.41 Paragraph 5.3 of the Commonwealth Grant Rules and Guidelines (CGRGs) provides that an entity must report information on individual grants on GrantConnect⁶⁰, including grant variations where those variations involve additional payments of relevant money or significant extensions.⁶¹ The NIAA appropriately reported the May 2021 and February 2023 extensions on GrantConnect.

59 In May 2024, the NIAA extended the CDP provider agreements to June 2025. The audit did not examine this third extension of the agreements.

60 GrantConnect publishes future and current Australian Government grant opportunities, and awarded grants.

61 Department of Finance, Resource Management Guide 421 *Publishing and reporting grants and GrantConnect*, December 2020, paragraph 25.

Figure 2.1: Extensions of 2019 Community Development Program provider grant agreements, as at January 2024



Note a: In May 2024, the NIAA extended CDP provider agreements to June 2025.

Source: ANAO analysis.

Consideration of extension options and risks

2.42 On 29 August 2022, the minister agreed to the NIAA's recommendation to reallocate up to 25 per cent of CDP provider payments to voluntarily trial new approaches to 'real jobs' that moved away from a mutual obligation focus, with the NIAA describing this as a 'fast and low risk first step to reforming CDP'. In its advice to the minister, the NIAA provided one option and highlighted one risk: that CDP providers will not take up the opportunity due to the limited time available.

2.43 A briefing to the NIAA's Economic Empowerment Implementation Committee (EEIC) (see paragraph 4.11) on 4 November 2022 stated that three options were considered by the CDP Branch⁶² to transition from the 'current state' (existing CDP arrangements with a 'steadily decreasing pattern of attendance') to the 'desired future state' (a new remote employment program). Option 1 was 'do nothing', Option 2 was 'cessation of the program' and Option 3 was 'changes to the CDP'. Option 3 involved trialling different approaches to remote employment using a different provider funding mechanism (CDP Trial Phase 1, see Table 3.1) until June 2023, 'with a possible extension'. The benefits, costs and risks of each option were presented to the EEIC.

2.44 Option 3 was recommended by the CDP Branch because:

- it offered significant benefits to the NIAA and job seekers and allowed CDP providers to trial 'pathways to real jobs';
- the risks were rated as low to moderate, while the risks of Options 1 and 2 were rated as high, and included high financial and reputational risks with serious consequences;
- in particular, Option 2 (cessation) 'would likely result in long term negative consequences for communities, community organisations and job seekers, and furthermore does not align with NIAA's vision to be a reliable and trusted partner';
- even if all the Option 3 risks were realised, it had more benefits than the other two options; and
- the option had already been endorsed by the minister on 29 August 2022.

2.45 The 4 November 2022 EEIC papers included a request to the EEIC to approve continued work on a project plan for the CDP Trial Phase 1, a copy of which was attached. The project plan timeframe was 1 November 2022 to June 2023, noting the possibility of an extension of the CDP Trial Phase 1 beyond that date. The project plan set out 13 'low' and four 'medium' risks associated with the trial. One of the medium-rated risks was 'inability to deliver project in timeframe', with one of four potential treatments being to prioritise approaches that could be trialled quickly. The EEIC papers included that Option 3 had 'formed the basis of a ministerial submission' to the minister in August 2022, which the minister had approved.

2.46 On 18 November 2022, the NIAA sought agreement from the minister to enter a CDP 'transition approach' that included extension of existing CDP provider agreements to 31 October 2024. The minister was advised that the extension to 31 October 2024 would 'allow time for you to bring forward a new program proposal, informed by consultation, for Government consideration as well as time to run a [provider] selection process for the new program and an IT system build'. The NIAA outlined one specific risk: that CDP providers could be critical of their funding being reduced to support the trial. The ministerial brief stated generally that the risks were 'low', that the NIAA

62 The CDP Branch was named the 'CDP Strategy Branch' at the time. The name 'CDP Branch' is used for clarity.

would manage these risks and that it would provide an update on risk management. In providing approval for the CDP provider extension on 24 November 2022, the minister indicated concern that some existing CDP providers were less than ideal, and requested further advice around providers. The minister also requested for contracts to be kept flexible, so they could be varied or ended at any time if needed. On 9 December 2022, the Prime Minister wrote to the Minister for Indigenous Australians agreeing to the request to 'extend CDP provider contract agreements' and 'extend the New Jobs Program Trial'. On 7 January 2023, the Group Manager of the Economic Empowerment Group approved the proposed approach for implementing the CDP provider extensions.

2.47 Existing provider under-performance, and the potential impacts on CDP participants or the achievement of program objectives, were not raised as a risk by the NIAA to the minister. As at January 2024, advice about providers and an update on risk management requested by the minister on 24 November 2022 had not been provided.

2.48 In advising the minister, the NIAA did not recommend testing the market or considering alternative providers. The NIAA advised the ANAO in November 2023 that the option of testing the market was considered 'at a high level', but was not progressed due to short time frames. February 2023 advice to the Deputy CEO (the delegate for provider extension decisions) also indicated that a competitive selection process was ruled out of consideration because it was too late to undertake such a process before provider agreements were due to end on 30 June 2023, and because there were few organisations that would be ready with the expertise and capacity to deliver CDP services in remote Australia within the required timeframe. However, the advice stated that 'a competitive selection process to re-test the market [was] planned to commence in December 2023'. In February 2024, the NIAA advised the ANAO that 'there was no intention to re-test the market for CDP providers, as CDP was scheduled to end on 31 October 2024 and has agreements in place until this time', and that the NIAA could 'not commence drafting a Grant Opportunity Guideline or procurement documentation without at least some high-level decisions being made by Government about a new remote employment service.'

Implementation of provider extensions

Provider assessments and recommendations for extension

2.49 To determine which provider agreements were suitable for extension, the CDP Branch conducted a review of providers in November to December 2022. The Group Manager of the Economic Empowerment Group was advised that the review was considering 'the original CDP grant opportunity criteria of need, quality, efficiency and effectiveness', including the level of First Nations ownership and control of the provider, whether providers were local to the region, and whether providers were able to deliver services to the communities in the region. The advice also stated that the CDP Branch was working closely with the Program Fraud and Compliance Branch, the CDP Performance and Assurance Section and NIAA regional offices to consider past performance.

2.50 The provider review examined for the 64 existing CDP provider agreements⁶³: provider performance review (PPR) results (see paragraph 2.73) for the prior three reporting periods; the

63 As at January 2024 there are 46 CDP providers. Some providers have more than one agreement as their responsibility spans multiple CDP regions.

average PPR result across those three periods; an organisational risk profile⁶⁴; whether the provider was majority Indigenous-owned; caseload; any sensitivities or issues; and treatments for any sensitivities or performance issues.

2.51 An ‘indicative’ or ‘initial’ summary of the review was provided to the Group Manager in January 2023. The conclusion of the ‘indicative’ or ‘initial’ review was that 63 out of 64 provider agreements should be extended. One provider agreement was not recommended for extension due to performance and contractual issues. Table 2.1 shows, for the performance review period prior to extension, the number of provider agreements that the Group Manager was advised scored above and below requirements according to NIAA calculations. When averaged across three reporting periods, of 63 provider agreements, the Group Manager was advised that 31 were rated ‘below requirements’ (that is, had an average three-month PPR score of less than 75 per cent).⁶⁵

Table 2.1: Provider performance review ratings for agreements recommended for extension, as provided to Group Manager in January 2023

NIAA provider performance review rating	PPR11 ^a	PPR12 ^b	PPR13 ^c	PPR11-13 ^d
Delivery meets requirements to a high standard (90%–100%)	0	0	7	0
Delivery meets requirements (75%–89%)	36	38	31	32
Delivery is below requirements (50%–74%)	27	21	23	31
Delivery is substantially below requirements (25%–49%)	0	3	2	0
Non-compliance/serious underperformance (0–24%)	0	1	0	0
Total number of provider agreements	63	63	63	63

Note a: Provider Performance Review period 11 was from October 2020 to March 2021.

Note b: Provider Performance Review period 12 was from March 2021 to September 2021.

Note c: Provider Performance Review period 13 was from October 2021 to March 2022.

Note d: To inform its January 2023 advice to the Group Manager, the NIAA calculated an average across the three reporting periods for each provider by adding the PPR11, PPR2 and PPR 13 percentage scores and dividing by three.

Source: ANAO summary of NIAA calculations and documentation.

64 In the grant design and establishment process, the NIAA is required to prepare an organisational risk profile (ORP) and an activity risk assessment (ARA). An ORP assigns a risk rating to a grantee based on an assessment of its governance, financial management and service delivery capability. The ARA is an assessment of risk associated with an individual activity funded under the IAS. ARAs are used to determine grant agreement and management controls to be applied as part of the NIAA’s Standardised Control Framework.

65 The NIAA advised the ANAO in May 2024 that, if using a different calculation method, on average in PPR11 to PPR13, of the 63 extended provider agreements, four per cent met requirements to a high standard, 56 per cent met requirements, 38 per cent were below requirements, three per cent were substantially below requirements and one per cent (one provider) was, on average, seriously underperforming. In summary, 41 per cent of the 63 provider agreements that were extended were, on average across three periods, delivering somewhat to seriously below requirements. Percentages do not sum to 100 per cent due to rounding.

2.52 Of the 63 provider agreements recommended for extension, one was assessed in an organisational risk profile as being 'extreme risk', 12 were assessed as 'high risk', 38 were assessed as 'medium risk' and 12 were assessed as 'low risk'. The provider that was not recommended to be extended was classified as 'extreme risk'. On 13 February 2023 the Deputy CEO (Policy and Programs) (the delegate for provider extension decisions) was asked to approve varying and extending grant agreements. A list of 63 provider agreements recommended for extension (the same as in the 'indicative' or 'initial' list) was appended.

2.53 The 'indicative' or 'initial' summary included treatments for some provider agreements. The Group Manager was told that treatments for eight of the 13 'extreme' and 'high' risk provider agreements were: 'remediation plan' (one provider agreement)⁶⁶ and 'improvement commitment plan' (seven).⁶⁷ For four (including two with a PPR of below 50 per cent in PPR12 but a score of 75 per cent or greater in PPR13), the Group Manager was told 'delivery meets requirements. No treatment required'.

2.54 For higher risk providers where some form of treatment was promised, treatments were partly implemented.

- Despite being a requirement of the remediation plan process, there were no monthly performance meetings from February 2023 onwards with the one high risk provider who was to have a remediation plan. The provider's performance results showed improvement but remained below requirements (under 75 per cent) for the two PPRs following the CDP provider agreement extensions.
- The NIAA did not complete improvement commitment plans for two of the seven provider agreements where an 'improvement commitment plan' was listed as a treatment. The performance of the two providers decreased over the two subsequent PPR periods, with one of the providers dropping to below 50 per cent in one period.

2.55 Although the minister had indicated that there was a need to strengthen performance as part of the extension approach, the treatment plans were aligned with normal arrangements for treating non-performance first outlined in a June 2020 CDP Assurance Framework (see paragraph 2.73). In January 2023, the Group Manager was advised that the 'NIAA is conscious that some lower performing providers have not consistently received sufficient guidance to improve their performance', and gave the example of one small provider that had only recently entered into a remediation plan despite repeated non-performance identified in previous PPRs.

66 The CDP Assurance Framework describes a remediation plan as appropriate to providers with an overall PPR result of less than 50 per cent (delivery substantially below requirements or non-compliance/serious underperformance). The remediation plan is to set out specific actions and milestones to address unsatisfactory performance and is used as the basis of monthly performance discussions between regional office staff and the provider to monitor implementation of improvement strategies. Failure to achieve an overall performance result of at least 75% (delivery meets requirements) in the subsequent PPR assessment, 'will result in the NIAA considering additional remedial actions on a case-by-case basis'.

67 The CDP Assurance Framework describes an improvement commitment plan (ICP) as appropriate to providers with an overall PPR result of between 50 and 74 per cent (delivery below performance requirements). ICPs are designed to encourage provider engagement and a commitment to improve service delivery, and the CDP Assurance Framework notes that 'commitments are powerful motivators to increase engagement and persuade actions to fulfil goals'. The Assurance Framework notes that regional office staff will undertake monthly meetings with CDP providers on improvement commitment plans to monitor implementation of improvement strategies.

Delegate approvals

2.56 Paragraph 4.6 of the Commonwealth Grants Rules and Guidelines (CGRGs) states that, when requesting approval to award a grant, officials must provide written advice to the minister (or delegate) that must, at a minimum, include: an outline of the application and selection process, including the selection criteria that were used to select potential grant recipients; and include the merits of the proposed grant or grants relative to the grant guidelines and the key consideration of achieving value with relevant money.

2.57 In February 2023, the Deputy CEO was asked to: agree to exercise a clause in the 2019–2022 Head Agreement for the CDP to extend CDP services from 1 July 2023 to 31 October 2024 for listed organisations; and agree to commit up to \$517 million from Indigenous Advancement Strategy Program 1.1 to 31 October 2024. For each provider, the recommendations included the: organisation risk profile; activity risk assessment; overall assessment against the assessment criteria; information about the applicant (such as whether they were an Indigenous organisation); key issues and risks; and how the proposal to extend represented value with relevant money. The advice to the delegate did not include a clear description of the selection criteria that were used in making the extension decisions, and the specific selection criteria are not listed in any other document.

2.58 The request noted that the extension was allowable under the CGRGs and that the Department of Finance had been consulted and was ‘comfortable with the approach’. Finance had advised the NIAA on 19 January 2023 that it ‘didn’t have any issues’ with the approach ‘given the provision included in the original agreements and policy authority for the extension of the program, noting that individual providers will be assessed on suitability for extension based on current performance and value for money.’

2.59 Individual extension recommendations for poorer performing providers were made despite being assessed as ‘partially meeting the assessment criteria’. Of the 63 recommended extensions, 57 per cent ‘fully’ met and 43 per cent ‘partially’ met the assessment criteria. The NIAA did not document the basis on which providers ‘partially’ met the assessment criteria, as selection criteria were not included. Analysis under each assessment focused on the providers’ recent PPR results and whether they were participating in the CDP Trial Phase 1. Reasons for recommending an extension of a provider agreement despite partial achievement of assessment criteria included: short time frames ‘compared with the time and cost required to select a new provider’; participation in an improvement plan; that ‘staffing challenges affecting performance would also apply to other potential providers’; and the provider is an Indigenous organisation.

2.60 Achieving value with relevant money is a core aspect of grants administration.⁶⁸ Paragraph 4.5 of the CGRGs provides that when approving a proposed commitment of relevant money, the approver must record in writing the basis for the approval relative to the grant opportunity guidelines and the key principle of achieving value with relevant money. Achieving

68 Paragraph 11.1 of the CGRGs provides that ‘Achieving value with relevant money should be a prime consideration in all phases of grants administration ... Grants administration should provide value, as should the grantees in delivering grant activities. This requires the careful comparison of the costs and benefits of feasible options in all phases of grants administration, particularly when planning and designing grant opportunities and when selecting grantees. It is also a means by which officials can assure the entity’s accountable authority, Ministers and the Parliament that resources are deployed in an efficient, effective, economical and ethical manner, while not imposing overly burdensome requirements on grantees.’

value for money should include consideration of price and non-financial costs and benefits, such as potential supplier's relevant experience and performance history.⁶⁹

2.61 Value for money justifications were provided for each individual grant extension recommendation. The same six value for money justifications were provided for almost all⁷⁰ 63 CDP provider extensions. Value for money justifications presented reforming the CDP as the generic rationale for extending all provider agreements (for example, '[it] will refocus the CDP from welfare and compliance to supporting job seekers into real remote jobs in remote Australia'), rather than presenting specific reasons as to why an individual provider's agreement should be extended.

2.62 The delegate was told that 'six organisations have been flagged with compliance concerns', noting that '... the Head Agreement currently contains stringent provisions to enable monitoring and management of compliance issues'. An outline of the specific compliance concerns was provided in the individual extension recommendations for four providers.

2.63 On 13 February 2023, the Deputy CEO approved all 63 extensions and asked to be provided with regular updates through existing governance structures. An update was provided in September 2023 (see paragraph 2.67).

Agreement terms and management of provider performance

2.64 February 2023 changes to the grant agreement included changes to provider payment arrangements and the removal of a requirement for providers to conduct activities with participants on a daily basis.⁷¹ The new head agreement specified the end date to be 31 October 2024, with a further 36-month extension allowed (that is, to 31 October 2027).⁷²

2.65 In the February 2023 memorandum seeking approval of the amended head agreement, the CDP Branch manager was told: 'Providers will be required to participate in the delivery of projects that move job seekers into real jobs, and to lift their performance as part of the extension arrangements'. The 2023 provider agreement variations did not include any new clauses allowing for the agreement to be terminated early (as had been requested by the minister in November 2022, see paragraph 2.46) or to support better provider performance. Internal NIAA correspondence from February 2023 states that internal legal advice was that the 2019 head agreement was already sufficient to address the minister's request. The NIAA was unable to locate written evidence of the internal legal advice and advised the ANAO in November 2023 that it had been verbal.

69 Department of Finance, *Achieving value for money*, 2022.

70 Value for money justifications were largely identical across the 63 provider agreements except that: two included four of the six reasons; one included five of the six reasons; and one included four of the six reasons with an additional reason of '[t]he Ngaanyatjarra – Land Trial represents an opportunity to obtain evidence about what works and does not work in remote Australia, as it will be unique to Region 3 and complement the learnings from other remote employment trials under way.'

71 The justification for the latter change was described as to improve flexibility in the provider's delivery of activities, reflecting a shift 'from work like activities to real jobs'.

72 The NIAA advised the ANAO that this was a 'clerical error' and that the allowable further extension was to 30 June 2025. This was rectified in May 2024 when agreements were further extended and the amended head agreement did not allow for further extension options beyond 30 June 2025.

2.66 In the January 2023 ‘indicative’ or ‘initial’ list of recommended extensions, nine of 63 providers were recommended extensions subject to certain conditions.⁷³ In the final recommendations to the delegate in February 2023, conditions were recommended for four providers.⁷⁴ Although ‘indicative’ or ‘initial’ conditions related to the management of under-performance (e.g. ‘subject to conditions for improving performance’ or ‘close monitoring from regional officer’), none of the listed conditions in the final extension recommendations related specifically to managing under-performance.⁷⁵

2.67 When seeking the delegate’s approval for provider agreement extensions in February 2023, the delegate was told that there would be more rigorous application of existing performance and compliance arrangements; that ‘more intensive support, feedback and accountability’ would be implemented; and that a strategy for lifting provider performance would be developed. Steps were taken to develop and implement a strategy in 2023.

- In April 2023, the CDP Branch provided an update to the EEIC on its two-part approach to strengthening provider capability (part 1 involved targeted support for consistently underperforming providers⁷⁶; and part 2 involved ‘a rejuvenation of general measures designed to enable and support good performance across the broad cohort’).⁷⁷
- In September 2023, the CDP Branch provided an update on CDP provider capability to the Group Manager, which included a draft CDP provider capability development framework. The Group Manager agreed to the draft provider capability development framework being shared with regional managers for feedback, and for the CDP team to begin working with providers who had been identified for targeted support. An overview of the draft framework was provided to regional managers in September 2023.

73 Among the six providers assessed to have at least one PPR score of less than 50 per cent over three periods, five were recommended to be extended with a condition and one was recommended without conditions. Among the 13 providers assessed as ‘high’ or ‘extreme’ risk, five were recommended to be extended with a condition and eight were recommended without conditions.

74 Among the six providers assessed to have at least one PPR score of less than 50 per cent over three periods, two were recommended to be extended with a condition and four were recommended without conditions. Among the 13 providers assessed as ‘high’ or ‘extreme’ risk, one was recommended to be extended with a condition and 12 were recommended without conditions.

75 In the four agreements recommended to the delegate to be extended with special conditions, two agreement variations included conditions, as recommended. The other two agreements’ conditions related to exploring subcontracting arrangements. As at December 2023, the NIAA had executed subcontracting conditions for one of the two providers.

76 Measures for this part were ‘enhanced performance management’, ‘business mentoring’, and ‘provider-provider coaching and mentoring’. Enhanced performance management involves NIAA staff at both the national and regional level providing ‘more tailored and intensified support as an extension of existing performance mechanisms, for a small number of providers most at risk of continued underperformance.’ Business mentoring involves the NIAA ‘co-funding arrangements’ for the identified underperforming providers to ‘access additional support and business mentoring’. Provider-provider coaching and mentoring involves a panel of CDP providers assisting lower performing providers.

77 Measures for this part were ‘CDP provider forum’, ‘face to face workshops’, virtual workshops’ and ‘improved communications and ‘on-line resources’. The EEIC paper stated that the CDP Provider Forum is an annual forum that had last taken place in December 2022 but had been on hold for several years before that. The paper stated that the NIAA planned to re-instate this to be an annual event. A provider forum was held in November 2023. Online resources refer to the CDP branch developing ways to improve the flow of communications with CDP providers, including management or the remote services mailbox, and the provision of information on the CDP provider portal.

- In October 2023, the NIAA reviewed four providers to understand reasons for underperformance.

2.68 A targeted support package for poorer performing providers had not been completed as at January 2024.

2024 extensions

2.69 In January 2024, the government agreed to the extension of the CDP, which included further extending and varying the CDP provider agreements. In May 2024, the NIAA delegate authorised further agreement extensions with an end date of 30 June 2025. The NIAA advised the ANAO that ‘testing the market months before broader reform would create uncertainty and disruption to providers, which could in turn have negative impacts for participants and outweigh any benefits of testing the market for this interim period’.

Recommendation no. 3

2.70 When approving further extensions of Community Development Program provider grant agreements, each provider’s performance history is taken into account, and a clear value-for-money justification that relates to the specific provider is documented.

National Indigenous Australians Agency response: *Agreed.*

2.71 *In providing advice to the delegate for the most recent extension of CDP provider grant agreements (April 2024), NIAA included provider specific details relating to performance and a clear value for money justification. The NIAA will enhance its guidance to emphasise that achieving value for money is a central principle of the Commonwealth Grant Rules and Guidelines (CGRGs).*

Was monitoring and reporting of program performance effective during the transition period?

The NIAA has a framework for monitoring CDP provider performance, but no CDP program monitoring and evaluation framework. The NIAA monitors CDP data and provides regular reports with program information to a key governance committee. However, monitoring is limited to caseload and shorter-term outcomes (including 13 and 26-week job placements) that do not provide sufficient information on the achievement of CDP objectives. Data quality and availability limits analysis possibilities. Annual performance statements required under the *Public Governance, Performance and Accountability Act 2013* for NIAA Program 1.1 (Jobs, Land and the Economy) do not include CDP performance. Other reports published on the NIAA website are out of date despite the availability of recent data. The NIAA does not fully meet commitments under the *National Agreement on Closing the Gap* to make CDP information accessible.

2.72 The CDP has various objectives including to: help participants in remote parts of Australia find and remain in paid work; reduce welfare dependency in remote communities; and make

positive contributions to the community.⁷⁸ The purpose of the NIAA includes to ‘analyse and monitor the effectiveness of programs and services for Aboriginal and Torres Strait Islander people.’⁷⁹ The NIAA states on its website that ‘the work of the [NIAA] is underpinned by effective data and evidence.’⁸⁰ Understanding the effectiveness of the CDP is important to designing a new remote employment program.

Internal monitoring and reporting

2.73 An August 2023 version of a 2020 CDP Performance and Assurance Framework (CDP Assurance Framework) sets out the key roles and responsibilities for CDP provider compliance and performance monitoring. The Grant Design Branch in the Program Performance Delivery Group was responsible for developing the CDP Performance and Assurance Framework, managing the provider performance review (PPR) process and undertaking assurance reviews of providers’ employment outcome claims. In addition to managing CDP policy and design, risk, and the provider selection process, the CDP Branch was responsible for managing CDP data capability, including the use of CDP data and analysis to inform program management.⁸¹

2.74 The CDP Assurance Framework states that provider performance and assurance activities ‘provide insights into the operational effectiveness of the program’. There is a CDP Provider Performance Guide (first developed in May 2020 and last updated in November 2023), which sets out the procedures for PPRs. Six provider key performance indicators (KPIs) are assessed through the PPRs. Listed remediation actions for poor performance include issuing a breach notice; requiring providers to develop an ‘improvement commitment plan’ or a ‘remediation plan’; withholding of payments; and termination or reduction of a provider’s agreement. The PPR process relies on provider-reported information, site visits undertaken by NIAA officials, and assurance reviews of providers’ 13 and 26-week employment outcome claims.

2.75 Although the CDP Assurance Framework states that provider performance and assurance activities provide insights into program effectiveness, there are no overarching framework or procedures for monitoring the performance of the program as a whole. This deficiency was noted by KPMG in a ‘CDP Health Check’ (April 2021), stating that in the absence of performance monitoring, the NIAA ‘is not able to evaluate or realise benefits’ of the CDP. Version 5.0 of the CDP Assurance Framework (August 2023) states that a whole NIAA Performance Monitoring and Evaluation Framework is under development. As at January 2024, this had not been finalised. In

78 Commonwealth, *Parliamentary Debates*, The Senate, 2 December 2015, Minister for Indigenous Affairs; the Parliament of the Commonwealth of Australia, *Social Security Legislation Amendment (Community Development Program) Bill 2015 - Explanatory Memorandum*, the Senate, 2015.

79 *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule), schedule 1, section 14(e) (National Indigenous Australians Agency).

80 National Indigenous Australians Agency, *Evaluations and Evidence* [Internet], NIAA, available from <https://www.niaa.gov.au/indigenous-affairs/evaluations-and-evidence> [accessed 13 December 2023].

81 Other branches are involved in CDP management, including the Select, Support and Report Branch (involved in automating CDP service payment calculations, PPR assessment system development and CDP report development), the Program Compliance and Fraud Branch and the Grants Management Unit (assists in administration and quality assurance of CDP payments and processes). In October 2023, the grants and CDP assurance functions moved from the Grant Design Branch to the Governance, Assurance and Risk Branch. Responsibility for CDP performance, including managing the PPR process, moved to the CDP Branch. The ICT, Data and Systems Branch was also stood up, which absorbed CDP functions from the Select, Support and Report Branch. The CDP Assurance Framework has not been updated to reflect these changes as at January 2024.

May 2024, the NIAA advised the ANAO that the Performance Monitoring and Evaluation Framework had been 'superseded' by a 'Priority Setting Framework' which had been approved by the NIAA Executive Board in February 2023. The Priority Setting Framework states that regional or sectoral strategies must have a theory of change and a performance, monitoring and evaluation plan. The NIAA advised the ANAO in January 2024 that it did not intend to develop a CDP-specific performance monitoring and evaluation framework due to 'the government's commitment to replace CDP from May 2021'.

2.76 The NIAA monitors CDP data (including provider compliance and other forms of program data) through Qlik, a data visualisation tool.⁸² There are a number of key reports. The CDP Assurance Framework states that the Grant Design Branch will brief the Senior Leadership Committee (SLC) (see paragraph 4.11) following each PPR assessment to inform operational and strategy policy direction for the Indigenous Advancement Strategy. In September 2023, the SLC was provided with a paper that detailed the PPR results for two periods (from March 2022 to October 2022, and from October 2022 to March 2023). Internal reporting on CDP data and outcomes is also provided to the Economic Empowerment Implementation Committee.

2.77 There is no internal regular reporting within the NIAA which goes to whether the CDP is meeting its intended goals to place and retain job seekers in paid work beyond 26 weeks, reduce welfare dependency in rural communities, and have participants contribute positively to community. Data is available to the NIAA from Qlik, the CDP IT system and the DEWR Data Warehouse. In February 2024, the NIAA advised the ANAO that it has on occasion analysed some CDP data to understand longer term outcomes⁸³, but that this is limited by the completeness of the data, which is predominately entered by providers, and by the fact that the average length of job placements cannot be ascertained because the job placement end date is not usually recorded.

Opportunity for improvement

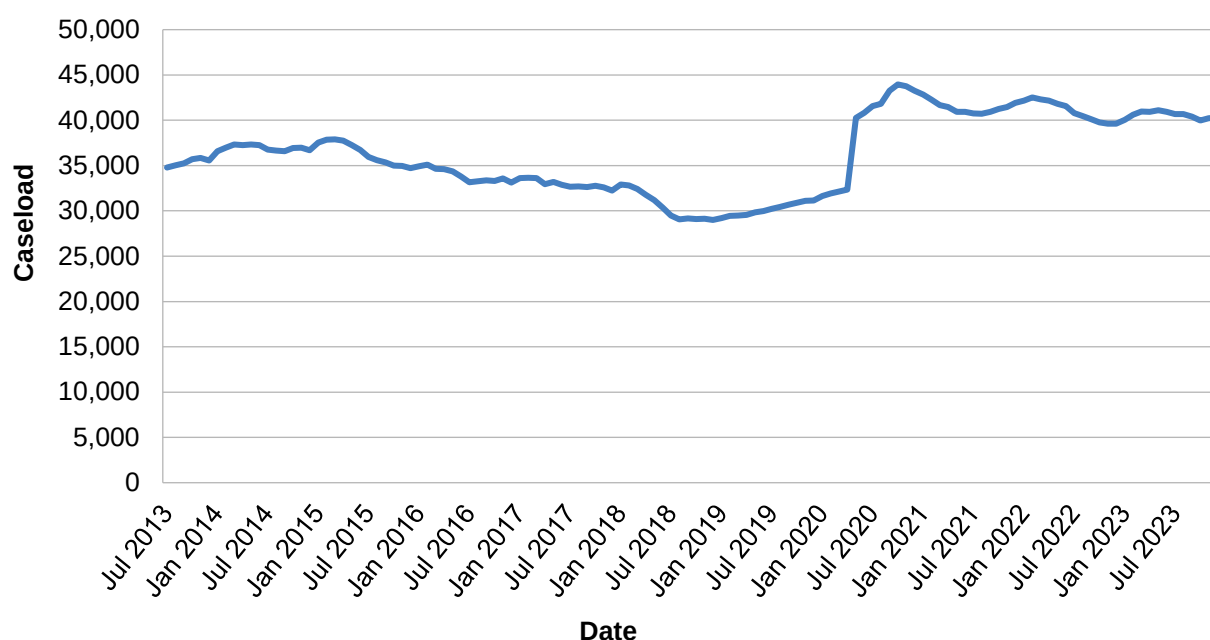
2.78 The NIAA could develop a data strategy for the CDP (or a replacement program) that considers ways to improve data quality for the analysis of longer-term outcomes.

2.79 Although caseload is classified as an 'input' by the NIAA and not identified as an effectiveness metric, the NIAA advised the ANAO that it monitors decreases in CDP caseload as an indicator of effectiveness. Papers prepared for a ministerial working group in January 2024 stated that the caseload of jobseekers on CDP has remained relatively stable over the life of the program, 'indicating that people on the CDP caseload are not moving into jobs' and provided the data shown in Figure 2.2.

82 Qlik, *About Qlik* [Internet], Qlik, available from <https://www.qlik.com/us/company> [accessed 13 December 2023].

83 For example, the NIAA analysed the percentage of CDP participants who returned to CDP within six months of leaving the program for the Australian Government's *Working Future - the Australian Government's White Paper on Jobs and Opportunities*, 2023.

Figure 2.2: Remote employment services caseload, July 2013 to July 2023



Source: NIAA.

External reporting

Annual performance statements

2.80 Under section 39 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), a Commonwealth entity must publish annual performance statements in its annual report.⁸⁴ The NIAA's portfolio budget statements, corporate plans and annual reports do not contain specific performance measures for the CDP.⁸⁵

2.81 In the 2023–24 Portfolio Budget Statements, the CDP sits under Outcome 1⁸⁶, Program 1.1 (Jobs, Land and the Economy). In 2022–23 and 2023–24, there was one performance measure for Program 1.1: 'proportion of [Indigenous Advancement Strategy] Program 1.1 activities that are assessed by NIAA Agreement Managers as having core service delivery elements which meet or exceed requirements' (with a target of 90 per cent). Although not mentioned in the Portfolio Budget Statements, the 2022–23 and 2023–24 NIAA corporate plans explain that the single Program 1.1 performance measure excludes CDP performance.⁸⁷

84 *Public Governance, Performance and Accountability Act 2013*, s. 39 (Annual Performance statements for Commonwealth entities); Department of Finance, Resource Management Guide 134 *Annual performance statements for Commonwealth entities*, 2023.

85 The ANAO reviewed the NIAA's portfolio budget statements and corporate plans for 2021–22 to 2023–24, and annual reports for 2020–21 to 2022–23.

86 Outcome 1: Lead the development and implementation of the Australian Government's agenda to support the self-determination and aspirations of Aboriginal and Torres Strait Islander peoples and communities through working in partnership and effectively delivering programs.

87 National Indigenous Australians Agency, *Corporate Plan 2022-23*, p. 32 and *Corporate Plan 2023-24*, p. 38.

2.82 The lack of representation of CDP performance in the NIAA's public performance reporting is not consistent with the level of public expenditure on the CDP, or the intended contribution of the CDP to achieving Closing the Gap outcomes and Priority Reforms.⁸⁸

Other public reporting

2.83 An annual CDP Regional Data Report contains information on CDP caseload and 13 and 26-week outcomes, by month and CDP region for the relevant financial year. As at January 2024 the NIAA website provides links to three reports: 2018–19, 2019–20 and 2020–21. The NIAA advised the ANAO that it intends to publish the 2021–22 and 2022–23 Regional Data Reports in early 2024 and that delays in public reporting are due to the focus on a replacement program for the CDP and because an Australian Public Service Framework for Governance of Indigenous Data (GID) had not been finalised. The NIAA is the responsible agency for the GID framework.⁸⁹

2.84 The NIAA publishes CDP participant compliance data on its website, however provider performance data as assessed through PPRs is not made publicly available. Since September 2018, a quarterly CDP Compliance Data report provides CDP participants' compliance with mutual obligation requirements, including appointment attendance; income support payment suspensions for non-compliance; and reasons for non-attendance.⁹⁰ There is also a yearly summary of the number of CDP participants' income support payment suspensions, short term financial penalties and nonpayment penalties by each state and territory.⁹¹ As at January 2024, the latest annual penalties and suspensions report relates to 2020–21.

2.85 Outcome 17 of the *National Agreement on Closing the Gap* is that Aboriginal and Torres Strait Islander 'people have access to information and services enabling participation in informed decision-making regarding their own lives.'⁹² Priority Reform 4 is that 'Aboriginal and Torres Strait Islander people have access to, and the capability to use, locally relevant data and information to

88 In the NIAA's 2022–23 Annual Report (p. 117), for performance measure 7.1 (proportion of the NIAA's investment through IAS grants that align with Closing the Gap outcomes and Priority Reforms), the CDP is the single greatest contributor to the reported result (which was 98.3 per cent against a target of 100 per cent). The NIAA notes that Outcome Area 8 (Strong economic participation and development of Aboriginal and Torres Strait Islander people and communities) accounts for 28.6 per cent of IAS grant approved funding, largely for the CDP. The NIAA notes that these results are in line with the Australian Government's commitment under the IAS to three priority areas of getting children to school, adults into work and building safe communities.

89 National Indigenous Australians Agency, *APS-wide Framework for Indigenous and Governance* [Internet], available from <https://www.niaa.gov.au/indigenous-affairs/closing-gap/implementation-measures/aps-wide-framework-indigenous-data-and-governance> [accessed 5 February 2024]. The website states that the GID framework was to be completed in 2023.

90 National Indigenous Australians Agency, *Community Development Program (CDP) June 2023 Quarterly Compliance Data* [Internet], NIAA, 2023, available from <https://www.niaa.gov.au/sites/default/files/publications/cdp-quarterly-compliance-june-2023-quarter.pdf> [accessed 14 December 2023]. As at January 2024 the latest available report was for the quarter ending on 30 June 2023.

91 National Indigenous Australians Agency, *Penalties and Suspensions: 2020-21*, NIAA, undated, [Internet], available from <https://www.niaa.gov.au/sites/default/files/publications/cdp-penalties-suspensions-2020-21.pdf> [accessed 17 December 2023].

92 *National Agreement on Closing the Gap*, 7B. Table B: Outcome 17 [Internet], available from <https://www.closingthegap.gov.au/national-agreement/national-agreement-closing-the-gap/7-difference/b-targets/b17> [accessed 14 December 2023].

set and monitor the implementation of efforts to close the gap, their priorities and drive their own development.⁹³ The NIAA advised the ANAO in November 2023 that:

There is no routine provision of information on CDP outcomes to community organisations, however organisations may receive this from time to time as follows: If we receive a request for information from a particular stakeholder; As part of engagement with the relevant Regional Office; A part of co-ordinated briefings/consultation processes. Additionally, community organisations can access the data published on the NIAA website; CDP providers have direct access to Qlik to review their data; NIAA is currently working through privacy assessments with the plan on increasing publicly available data on a regular cycle.

Recommendation no. 4

2.86 For the Community Development Program (or a replacement program), the National Indigenous Australians Agency:

- (a) publish performance data on its website in a timely manner; and
- (b) incorporate program performance into annual performance statements required under the *Public Governance, Performance and Accountability Act 2013*.

National Indigenous Australians Agency response: *Agreed.*

2.87 *NIAA will publish appropriate performance data for the new program on its website and in its annual performance statements, to provide a clear view of program effectiveness and achievement of program objectives.*

93 *National Agreement on Closing the Gap, Priority Reform Four* [Internet], available from <https://www.closingthegap.gov.au/national-agreement/priority-reforms> [accessed 14 December 2023].

3. Remote employment program trials

Areas examined

The ANAO examined whether the National Indigenous Australians Agency (NIAA) effectively implemented remote employment program trials to inform the design of a new employment program to replace the Community Development Program (CDP).

Conclusion

As at January 2024, four trials were being delivered or planned to test new approaches to a remote employment program: the CDP Trial; Remote Engagement Program (REP) Trial; New Jobs Program Trial (NJPT); and Ngaanyatjarra Engagement and Employment (NEE) Trial. The NIAA's implementation of trials was partly effective. As at January 2024, the NIAA did not have an evaluation plan for three of the four trials. The timing, design features and approach to evaluation of the trials meant they could not fully inform the design of a new employment program, which was meant to be brought to the government in 2023. The trials involved some consultation and co-design.

Areas for improvement

The ANAO made two recommendations aimed at finalising an evaluation plan for the trials; and finalising arrangements for NJPT data collection and reporting.

3.1 Since 2017, successive governments have stated the intention to reform or replace the CDP (see paragraph 1.9). The NIAA was responsible for designing a new jobs program. The *Guide to evaluation under the Indigenous Evaluation Strategy* states:

Pilots and trials can ... allow policy makers to experiment and/or be innovative with policies and programs that otherwise might be too risky or expensive to put in place on a larger scale ... However, pilots need to be well designed and implemented.⁹⁴

The *Guide to evaluation under the Indigenous Evaluation Strategy* specifically addresses the evaluation of pilots, noting that 'By building evaluation into a pilot, lessons on implementation and impact can be used to refine or end a policy or program before it is rolled out more widely'. The government was also required to evaluate the REP Trial as part of the *Dawson and Ors v Commonwealth of Australia (Dawson v Cth)* settlement (see paragraph 2.28).

3.2 Approximately \$200 million has been budgeted for the remote employment program trials to inform the design of a program to replace the CDP, largely within the existing CDP budget. As at January 2024, the NIAA was implementing three remote employment trials: CDP Trial⁹⁵; Remote Engagement Program (REP) Trial; and New Jobs Program Trial (NJPT). A fourth trial was planned to commence in 2024: Ngaanyatjarra Engagement and Employment (NEE) Trial. Key details of each trial are presented in Table 3.1.

94 Productivity Commission, *A Guide to Evaluation under the Indigenous Evaluation Strategy*, PC, Canberra, 2020, p. 9.

95 Phase 1 of the CDP Trial was previously called 'Trialling Pathways to Real Jobs'.

Table 3.1: Key aspects of remote employment trials, as at January 2024

Key aspect	CDP Trial	Remote Engagement Program Trial	New Jobs Program Trial	Ngaanyatjarra Engagement and Employment Trial
Delivery model	Various community-defined projects across six key themes: employer subsidies; supporting priority community projects; self-employment or establishing community enterprises; participant incentives; addressing need in the care sector; and enhanced case management. Established by amendment to existing CDP provider grant agreements.	Fortnightly income support supplement of \$190 to each participant who meets an attendance requirement of at least 15 hours per week in each week of the payment fortnight. Established by amendments to legislation and existing CDP provider grant agreements. The REP payment was legislated in 2021 through an amendment to the <i>Social Security Act 1991</i> .	Payments to employers to cover national minimum wage, superannuation, leave entitlements and other reasonable associated costs for up to 200 jobs in total. Open non-competitive grants program ^a and establishment of new grant agreements.	As at January 2024 a work plan was under development. To be established by amendment to the Ngaanyatjarra Council Aboriginal Corporation's existing CDP provider grant agreement.
Timeframe	- Phase 1: 1 November 2022 – 30 June 2023. - Phase 2: 1 July 2023 – 31 October 2024 (when grant agreements end).	1 July 2023 – 30 June 2024. ^b	Grant applications open from 18 September 2023 to 30 October 2024, or until fully subscribed, whichever is earlier	The NIAA states on its website that the trial 'runs from 1 July 2023', but the NEE Trial had not commenced as at January 2024.
Funded organisations	- On 1 September 2022 providers were invited to submit project proposals for Phase 1. Project proposals were approved between October 2022 and March 2023 for Phase 1, and June and September 2023 for Phase 2. - Phase 1 (voluntary): 42 of a population of 47 providers. - Phase 2 (mandatory): 42 of 46 providers.^c	Two CDP providers: - Ngaanyatjarra Council Aboriginal Corporation - Paupiyala Tjarutja Aboriginal Corporation	Employers (community organisations or local government, which may include CDP providers who meet eligibility criteria)	One CDP provider Ngaanyatjarra Council Aboriginal Corporation

Key aspect	CDP Trial	Remote Engagement Program Trial	New Jobs Program Trial	Ngaanyatjarra Engagement and Employment Trial
Funding	- Phase 1: \$51.0 million (over 8 months) (25% of existing provider funding). - Phase 2: \$123.0 million (over 15 months) (30% of existing provider funding). - Fully funded within existing CDP budget.	The NIAA was unable to provide an estimated amount of funding but indicated that the trial was fully funded within existing CDP budget. ^d	- Up to \$22.7m (over 15 months). - Partially funded within existing CDP budget.	The NIAA was unable to provide an estimated amount of funding but indicated that the trial was fully funded within existing CDP budget. ^d
CDP participant coverage	CDP participants in all participating CDP regions.^e	- CDP participants in CDP region 3 (Ngaanyatjarra Lands, Western Australia (WA)) - Two participants as at January 2024.	- CDP participants in CDP regions: 2, 3, 4, 5, 15 (Western Australia); 16, 17 (South Australia); 20, 21, 22, 23, 24, 25, 26, 27, 28 (NT); and 50 (Queensland). - No participants as at January 2024.	- CDP participants in CDP region 3 (Ngaanyatjarra Lands). - No participants as at January 2024.

Note a: An open non-competitive grants process is one 'under which applications may be submitted at any time over the life of the grant opportunity and are assessed individually against the selection criteria, with funding decisions in relation to each application being determined without reference to the comparative merits of other applications'. Department of Finance, Commonwealth Grants Rules and Guidelines 2017, Finance, Canberra, 2017, p. 37.

Note b: The *Social Security Legislation Amendment (Remote Engagement Program) Act 2021*, paragraph 661D(2), stipulates: 'A remote engagement program payment is not payable to a person in respect of any period starting on or after 1 July 2024.'

Note c: For Phase 1, four providers chose not to submit proposals and one provider was unable to participate. The Phase 2 population was reduced to 46 as one provider's grant agreement was not extended to October 2024 (see paragraph 2.51). For Phase 2, although renewal of CDP grant agreements was conditional on participation in the trial, as at January 2024 three providers had submitted proposals but did not have approved projects and one provider was not required to participate (the Ngaanyatjarra Council Aboriginal Corporation, which was exempt due to its participation in the REP Trial and NEE Trial).

Note d: The NIAA advised the ANAO: 'While provision was made in 2021–22 for REP payments, separate funding is not available for providers in Region 3 to administer these trials (REP Trial and NEE Trial for Ngaanyatjarra Council Aboriginal Corporation, and REP Trial for Paupiyala Tjarutja Aboriginal Corporation).'

Note e: There are 60 CDP regions, with regional CDP caseloads ranging from 46 to 1213 participants as at January 2024.

Source: ANAO summary of NIAA records.

Were trials effectively designed?

The stated objective of all four remote employment trials was clear: to inform the design of a new remote employment program characterised by ‘real jobs’. In the case of two trials (REP and NEE trials), other objectives for the trials were not consistent with an effective trial design. One trial (CDP Trial) tested approaches that, while novel, were not clearly distinguishable from business-as-usual CDP because of the way the trial was designed. One trial (NJPT), while novel in some respects, was not informed by an evaluation of a previous wage subsidy program that was considered unsuccessful. All four trials were due to conclude by October 2024, the same month that a new program was to be implemented on the basis of a design that was to be brought to government in 2023. The timing meant the trials’ role in informing the 2023 design process could not be fully realised. The REP Trial, NJPT and NEE Trial were delayed or undersubscribed, while the urgency associated with the CDP Trial constrained the approaches being trialled. Each of the trials involved consultation and co-design with CDP providers. Consultation with other community stakeholders primarily relied on CDP providers undertaking consultation and was not verified by the NIAA.

3.3 As a mechanism to test the effectiveness of new approaches, trials should: have a clear purpose from commencement⁹⁶; test novel approaches and support the collection of relevant data that facilitates the determination of whether the novel approaches are effective; and allow enough time for trial outcomes to be realised and evaluated.⁹⁷ Priority Reform 1 of Closing the Gap is ‘Formal Partnerships and shared decision-making’.⁹⁸ The NIAA identifies co-design as one of seven elements of its Place Based Practice Framework.⁹⁹ The ANAO also examined if the trials were informed by effective consultation and co-design.

A clear purpose

3.4 The stated purpose of all of the remote employment trials was clear. The NIAA described the trials on its website as a way for the NIAA to work in partnership with remote communities to test ‘new approaches to remote employment’ and redesign the CDP.¹⁰⁰ As shown in Table 3.2, each of the four trials was also serving other objectives. The REP and NEE Trials sought to meet a settlement condition for *Dawson v Cth*. As a result, there was an exclusive focus on one very remote CDP region; this limited the REP and NEE Trials’ utility in informing the design of a new program due to low participation numbers.

96 Productivity Commission, *A Guide to Evaluation under the Indigenous Evaluation Strategy*, PC, Canberra, 2020, p. 9.

97 The Treasury, *Commonwealth Evaluation Policy: 5. Collect evidence and data*, The Treasury, Canberra, 2021.

98 Australian Government, *Closing the Gap* [Internet], Australian Government, Canberra, available from <https://www.closingthegap.gov.au/national-agreement/priority-reforms> [accessed 16 December 2023].

99 The NIAA describes ‘place based practice’ as an internal professional practice for all NIAA staff, offering a holistic approach for how it works with Aboriginal and Torres Strait Islander Australians to support community needs and aspirations and deliver government priorities in place. The Place Based Practice Framework is intended to help NIAA staff apply the practice in their day-to-day work.

100 National Indigenous Australians Agency, *Job trials: Testing new approaches to remote employment* [Internet], NIAA, Canberra, 2023, available from <https://www.niaa.gov.au/indigenous-affairs/employment/community-development-program-cdp/job-trials-testing-new-approaches-remote-employment> [accessed 16 December 2023].

Table 3.2: Purpose of trials

Trial	Purpose
CDP Trial	On 29 August 2022 the Minister for Indigenous Australians (the minister) agreed to announce the CDP Trial at an upcoming roundtable event with stakeholders. ^a Activity attendance by CDP participants had decreased by approximately 50 per cent on average following the partial removal of mutual obligation requirements in May 2021 (see paragraph 2.29). In addition to informing the design of a new jobs program, the CDP Trial had an immediate objective of addressing job seeker disengagement with the CDP and managing perceptions. The CDP Trial is identified as a control in the 'business-as-usual' CDP risk register (see paragraph 2.26) for the risk that providers are 'unsuccessful in engaging job seekers in activities or not investing sufficient effort in encouraging engagement'.
REP Trial	The stated purpose and intended outcomes of the REP Trial were: 'to test incentives for economic and community participation in a very remote region of Australia that is a significant distance from a regional centre. Specifically, whether receiving an additional \$190 a fortnight in supplementary income support payment is an incentive for jobseekers to participate in a placement for at least 15 hours per week.'^b Design of the REP Trial originated in 2021 from planning for the previously proposed Remote Engagement Program (see paragraph 1.9). Broad parameters were identified in March 2021, when the NIAA proposed a 'wage scheme' to government that would involve redirecting participants' income support payments in a 'wage-like manner' for up to 18 hours of activities. In September 2021, the NIAA identified four 'building blocks' intended to inform the design of the Remote Engagement Program: non-vocational support; vocational training; tailored assistance; and job placement. The proposed original Remote Engagement Program trial sites included six CDP regions, including the Ngaanyatjarra Lands in Western Australia (region 3). Co-design of the Remote Engagement Program began in March 2022, however five of the six sites did not proceed. The sixth site (the Ngaanyatjarra Lands) did proceed to meet a settlement condition of <i>Dawson v Cth</i> and this became the REP Trial.
NJPT	In the October 2022–23 Budget, the government announced \$9.4 million for a six-month trial to 'create up to 200 job opportunities in remote and very remote locations with thin labour markets.' ^c According to the grant opportunity published on GrantConnect on 18 September 2023, the purpose of the NJPT was to 'support up to 200 jobs in selected ... regions that have limited job opportunities', allow community organisations and local government to test local approaches and 'inform the new program that [would] replace CDP'. October 2022 advice to government when seeking funding for the NJPT was that it also sought to '[s]ignal the Government is taking action to replace the current CDP' and to 'deliver on the intent' of the <i>Dawson v Cth</i> settlement.
NEE Trial	The objective of the NEE Trial, as articulated in the relevant provider's grant agreement, is to 'test ideas to understand and overcome barriers to employment in remote areas.' The NIAA advised the ANAO in November 2023 that the NEE Trial encapsulates the remaining three building blocks of the precursor Remote Engagement Program. Like the REP Trial, the NEE Trial was established following the <i>Dawson v Cth</i> settlement.

Note a: Minister for Indigenous Australians, 'Putting remote employment issues on the table', media release, Parliament House, Canberra, 31 August 2022.

Note b: Explanatory Statement, *Social Security (Remote Engagement Program Payment) Determination 2023* (Cth), p. 1.

Note c: Australian Government, *Budget Paper No. 2: Budget October 2022-23*, Commonwealth of Australia, Canberra, 2022, p. 173. The announcement stated that the government would 'provide \$9.4 million over three years'.

Source: ANAO analysis of NIAA documentation.

Testing novel approaches and supporting the collection of relevant data

3.5 The NIAA advised the ANAO in February 2024 that the trials were developed to test approaches to deliver on the government’s commitment to ‘real jobs’ for program participants, rather than re-developing employment services. The CDP Trial, REP Trial and NJPT were all testing novel approaches (Table 3.3). However, in its design the CDP Trial did not clearly distinguish novel features from business-as-usual CDP, constraining the way in which the trial could be effectively evaluated. The NIAA committed to using lessons learned from the 1,000 Jobs Package (a wage subsidies¹⁰¹ program) in the design and delivery of the NJPT, which also involved wage subsidies, however the 1,000 Jobs Package was not formally evaluated.

Table 3.3: Trial approaches

Trial	Approach
CDP Trial	In August 2022 the NIAA considered a proposal to redirect 25 per cent of CDP provider payments to a trial for providers that opted in. The balance of CDP service payments were to be retained for normal CDP case management and activities. There was to be ‘increased focus on job readiness and maintaining activities that job seekers actually attend’. Providers that opted in would be invited to submit proposals for projects ‘reflecting the unique characteristics and work opportunities for job seekers in each community’.^a Providers’ project proposals were required to demonstrate ‘additional or expanded services’, and the requirement for the projects to ‘do something new’ was incorporated into the assessment criteria for the proposals.^b Many of the approaches adopted had been allowed and undertaken under CDP business-as-usual (for example, the establishment of community enterprises, payment of some types of participant incentives and intensive case management approaches). However, the NIAA advised the ANAO in February 2024 that two key aspects of the CDP Trial were not previously allowed (the ability for providers to use CDP funds to pay wages and the ability to pay cash incentives) and that CDP operational guidance needed to be amended to allow these approaches.^c Even where approaches were part of CDP business-as-usual, the CDP Trial was designed to encourage the uptake of such approaches more widely. Although the CDP Trial was testing some new approaches, the planning and design did not allow these to be clearly distinguishable from business as usual, to inform clear conclusions about which specific approaches were more or less successful in achieving desired program outcomes. This limitation is discussed further at paragraph 3.31.
REP Trial	The REP Trial aimed to deliver one of the four building blocks expected to be developed in the precursor Remote Engagement Program: job placements. Similar to hosted activities^d funded under previous CDP arrangements, the REP placement was undertaken by CDP participants with a ‘host’ organisation to build skills and gain work experience. The REP payment (the fortnightly income supplement) was not previously a component of the CDP program. The NIAA advised the ANAO in February 2024 that the REP Trial was testing a new approach of using a supplementary payment through social security to incentivise participation in work-like placement, as distinct from the work-for-the dole approach of the CDP.

¹⁰¹ Wage subsidies are a discretionary financial incentive to encourage employers to hire eligible job seekers by contributing to the initial costs of hiring a new employee.

Trial	Approach
NJPT	On 17 April 2023, the NIAA submitted a proposal to the minister on the design of the NJPT, including draft grant opportunity guidelines.^e The NJPT had similar high-level characteristics to an ongoing grants program, the '1,000 Jobs Package' (both involved wage subsidies), although there were differences in program features.^f In the Budget proposal for the NJPT, the NIAA committed to use lessons learnt from the 1,000 Jobs Package in the design and delivery of the NJPT, however an evaluation of the 1,000 Jobs Package was not conducted.^g Although there was no formal or comprehensive evaluation, in an October 2023 brief preparing NIAA officials for their appearance before a Senate estimates committee, the 1,000 Jobs Package was described as administratively burdensome and untimely, with placements impacted by complex barriers to employment faced by remote communities. An internal paper outlining lessons from 1,000 Jobs concluded: 'wage subsidies support businesses to retain employees by building jobseeker capabilities but do not directly create jobs'.
NEE Trial	Under the NIAA's grant agreement with Ngaanyatjarra Council Aboriginal Corporation (NCAC), NCAC was to submit an 'Engagement and Design Plan' for the NEE Trial in September 2023, followed by a work plan in November 2023, to describe the main approaches to be trialled. An Engagement and Design Plan was received by the NIAA in September 2023 and a draft work plan was received in December 2023. NCAC proposed a model for the NEE Trial in the draft work plan that would be funded by pooling income from CDP provider and other payments. Key performance indicators to enable evaluation of the NEE Trial were to be outlined in the Engagement and Design Plan and work plan but were not. The NIAA did not support elements of the draft work plan and in December 2023 requested more detail on the specific activities that would be undertaken and costings. The NIAA also requested that NCAC develop a program logic to support the proposal and provided templates. As the design of the NEE Trial was not finalised at January 2024, it was not possible to determine if the NEE Trial involves novel approaches.

Note a: Examples of potential projects included short-term employment through the delivery of community projects; intensified support for job readiness; and providers funding wages for jobs in local organisations for a temporary period.

Note b: A summary of approved projects as at 31 March 2023 was made available on the NIAA website. National Indigenous Australians Agency, *Community Development Program (CDP): Trialling Pathways to Real Jobs* [Internet], NIAA, 2023, available from <https://www.niaa.gov.au/sites/default/files/publications/cdp-trialling-pathways-summary-approved-trials-mar-2023.pdf> [accessed 7 February 2024].

Note c: However, the approaches had been previously allowed under the head agreement.

Note d: A hosted activity was a work-for-the-dole or other activity hosted by an organisation other than a provider or subcontractor.

Note e: Under the Commonwealth Grant Rules and Guidelines, grant opportunity guidelines must be developed for all grant opportunities. Grant opportunity guidelines are the authoritative documents for potential grantees to understand the purpose of a grant and how to make an application.

Note f: The 1,000 Jobs Package was allocated up to \$50.8 million over six years from 2019–20 (of which \$45.9 million was committed as at September 2023) for partial wage subsidies to organisations that employed a CDP participant. The original program was extended to 30 June 2023 due to an initially slow uptake and various implementation issues. Under the 1,000 Jobs Package, employers were required to pay leave and superannuation entitlements and top up participants' wages as required to meet the minimum wage requirements. Funding was capped at \$61,058 per employer over two years. By contrast, the NJPT provides full wage subsidies to community organisations. Unlike 1,000 Jobs, NJPT grants do not have an upper limit. Funding is awarded at the minimum wage rate and includes employees' leave and superannuation entitlements. NJPT funding is also available for relevant associated costs, such as training, supervision, consumables, acquisition of small-scale capital and hiring of vehicles, plant and equipment. NJPT does not pay in arrears and does not pay retention bonuses. NJPT involves wrap-around support activities. There are also differences in regional coverage. The 1,000 Jobs Package was available to applicants in all CDP regions, whereas the NJPT is available in 17 (of 60) CDP regions. On 1 March 2023, the minister agreed the 1,000 Jobs Package would close to new applications from 30 June 2023.

Note g: Although a draft 1,000 Jobs evaluation strategy was developed during the early stages of the program, the NIAA advised the ANAO in November 2023 that there was no plan to conduct an evaluation. During the ANAO’s consultation with relevant stakeholders for the audit, two organisations indicated that negative experiences with the 1,000 Jobs Package had influenced their decision not to apply for the NJPT.

Source: ANAO analysis of NIAA documentation.

Enough time for trial outcomes to be realised and evaluated

- 3.6 The *Guide to evaluation under the Indigenous Evaluation Strategy* states:
- The methodology, timeframe and scale of any pilot or trial needs to be such that the evaluation results produced are not misleading (for example, the outcomes of some policies will only be achieved after a policy has been in place for a certain period of time, which means too short a timeframe to test for outcomes could produce misleading or false results).¹⁰²
- 3.7 In order for the trials to meet the objective of fully informing a new remote employment program which was to be designed in 2023 and implemented by October 2024, there needed to be sufficient time for trial activities to be implemented, administrative processes to be evaluated, outcomes to be realised and outcomes/impacts to be analysed. Trial timing is shown in Table 3.4.
- 3.8 The NIAA advised the ANAO in February 2024 that learnings from the administration of the trials were continually informing its design work through 2023. However, the planned timing of the trials (which were largely to conclude by October 2024) meant that trial outcomes (that is, the effectiveness of the trials in achieving the objective of creating ‘real jobs’) could not have fully informed a design process to be undertaken in 2023, and the implementation of a new jobs program from October 2024. Additional delays or extensions to original timeframes have further weakened the trials’ potential usefulness in informing a new program. The characteristics of novel approaches that could be realistically trialled through the CDP Trial were also constrained due to compressed timeframes.

Table 3.4: Timing of trials

Trial	Timing
CDP Trial	Internal NIAA communications in August 2022 stated that the CDP Trial may be ‘too short to obtain concrete results’. The NIAA proposed to mitigate these risks by requiring providers to propose ideas that had outcomes that could be delivered within the timeframe. In January 2023, the NIAA extended the CDP Trial into a second phase (with the first phase referred to as ‘Trialling Pathways to Real Jobs’ and the second phase referred to as ‘Community Projects’) from 1 July 2023 to 31 October 2024, allowing more time for outcomes to be realised but shortening the timeframe between the trial’s conclusion (when impacts could be fully evaluated) and the planned implementation of a new program in late 2024. A September 2023 brief to the Economic Empowerment Implementation Committee (see paragraph 4.11) on CDP Trial Phase 1 results and a November 2023 interim report prepared by a ‘Monitoring, Evidence and Learnings’ provider (see paragraph 3.25) demonstrated that the timing risk had been realised, with impacts on trial success and the quality of evaluation.

102 Productivity Commission, *A Guide to Evaluation under the Indigenous Evaluation Strategy*, PC, Canberra, 2020, p. 9.

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Trial	Timing
REP Trial	Two CDP providers operate in CDP Region 3, each servicing different parts of the region: NCAC and Paupiyala Tjarutja Aboriginal Corporation (PTAC). NCAC delivered the REP Trial from 13 July 2023. As at January 2024 PTAC had not placed anyone. The trial is scheduled to end on 30 June 2024.
NJPT	Although originally announced as a six-month trial, in November 2022 the government extended the NJPT to October 2024. ^a The NJPT began on 18 September 2023 with the publication of the grant opportunity. The grant opportunity guidelines were released six months later than originally planned. An update prepared for the Economic Empowerment Implementation Committee at 4 January 2024 stated that 16 applications had been received, totalling 120 proposed jobs and that four applications (representing 48 jobs) had been approved.
NEE Trial	NCAC is required to submit an interim report by July 2024 and a final report by October 2024, when the NEE Trial is due to conclude. The NEE Trial was also to be covered in a 'Monitoring, Evidence and Learnings' provider's final report in October 2024 (see paragraph 3.25). As noted in Table 3.1, as at January 2024, the NEE Trial had not commenced.

Note a: Jobs funded under the NJPT will not operate past 30 October 2024, and all funding must be spent by that date or returned. Any expenditure beyond 30 October 2024 sits with the employer.

Source: ANAO analysis of NIAA documentation.

Informed by effective consultation and co-design

CDP Trial

3.9 The NIAA advised the minister in August 2022 that it would 'work closely with providers to develop [CDP Trial] proposals'. Although the idea behind the CDP Trial responded to earlier feedback from providers that they had been 'constrained by current program settings' when 'exploring different ways to keep job seekers engaged', the NIAA's consultation on the high-level characteristics of CDP Trial was limited. CDP providers were contacted on 31 August 2022 and invited to attend a teleconference on 5 September 2022. The minutes of the 5 September 2022 teleconference do not capture any provider feedback on the proposed trial design. Feedback on the payment model, funding, trial guidance and proposal template was requested within three days of the teleconference given the 'ambitious timeframes'.

3.10 Consultation with providers on the detail of the CDP Trial was undertaken in subsequent months. This included: regional teleconferences with providers and NIAA staff; meetings with individual providers; dedicated NIAA officers in every CDP region to support providers in developing quality innovative proposals; three iterations of Frequently Asked Questions, a provider newsletter; a dedicated email inbox; NIAA representatives attending the National Employment Services Association and Jobs Australia conferences; changes to the CDP operational guidance; and engagement from NIAA regional offices. The NIAA established a Provider Reference Group to 'support the trials and overall performance monitoring of the trial projects', which met at least monthly from September 2022 to its final meeting on 8 June 2023. Records of the Provider Reference Group meetings show that the NIAA received and actively considered feedback and queries on CDP Trial design and implementation during these meetings. The NIAA maintained an issues register for CDP and followed up on issues.

3.11 Consultation was a component of the trial's design. Participating providers were responsible for developing project proposals for their specific regions. The NIAA sought 'clarification and/or

further development' from some providers before approval was granted and a number of proposals were approved with conditions, however the proposals were provider-driven.

3.12 An annexure to the grant agreement with providers required that projects 'be developed and implemented in close consultation with community, with a focus on strengthening community led approaches'. Proposal assessment guidance stated that providers were required to demonstrate 'clear existing community support for the project and/or an approach for engaging community throughout the period of the trial'. Although provider consultation was undertaken, effective community consultation was less evident. A 'monitoring, evidence and learning' report about the CDP Trial Phase 1 (see paragraph 3.31) noted that:

- providers at 10 trial sites 'almost universally' complained that they did not have sufficient time to develop their proposals, restricting their ability to consult with the community on the most suitable local approach, and that there was too much paperwork involved in a too short period of time;
- the trial period was expected to begin towards the end of the year when 'delays are generally encountered in more remote locations' and that this was 'not well thought through'; and
- at a majority of the 10 trial sites visited, insufficient community consultation was reportedly undertaken to properly reflect community and participant needs.

3.13 The NIAA did not undertake consultation with stakeholders other than providers (for example participants, host organisations or employers) to promote participation, address implementation issues or confirm that appropriate community consultation occurred. Providers were required to inform participants about project opportunities and conditions, and engage directly with employers and other organisations. The NIAA advised the ANAO in November 2023 that 'regional offices have regular interactions with community stakeholders as part of their usual engagement work'. However, there is no evidence of planned consultation activities about the CDP Trial through the regional network, a synthesis of regional network consultation findings, or documented link to the design or implementation of the CDP Trial and its projects.

REP Trial

3.14 A trial co-design group was formed, comprised of NCAC and NIAA representatives. Four meetings were conducted in March 2022, May 2022, February 2023 and May 2023. NCAC was asked to determine the eligibility requirements, fortnightly payment rate and hours, all of which were included in the final trial design. After limited progress in 2022 a legislative instrument was made on 7 July 2023 to stipulate the fortnightly payment rate. No co-design meetings were held with PTAC, however PTAC provided feedback on the design of the REP Trial in August 2023.

3.15 The explanatory statement for the enabling legislation indicates that the fortnightly income supplement was agreed through a co-design process with residents of the Ngaanyatjarra Lands (facilitated by the two providers) in 2023.¹⁰³ REP Trial operational guidance states that providers were required to engage with communities on host organisations and activities for REP placements.

103 The explanatory statement states that NCAC and PTAC 'have engaged with communities regarding the remote engagement program and sought agreement from their respective community boards' and that 'co-design and consultation with the providers and the broader communities have informed the design of the remote engagement program, including for the purpose of this Instrument the rate of fortnightly payment.' The ANAO did not examine the co-design process undertaken by NCAC and PTAC.

The NIAA developed factsheets for jobseekers participating in the REP Trial, including information about: how they could access, change or end a placement; different scenarios in which they would or would not be eligible for a payment; and information for making complaints. Providers were required to provide and explain the fact sheets to participants. Beyond the development of the factsheets, the NIAA advised the ANAO in February 2024 that it had no direct engagement with REP Trial participants, in line with normal practice for the CDP.

3.16 As at January 2024, NCAC had two participants in the REP Trial and PTAC had none.¹⁰⁴ Neither of the two participants had met the 15-hour attendance requirement to be eligible for a REP payment. In October 2022 NCAC had raised concerns about the proposed payment model, which would require participant payments to revert back to their original rate if attendance requirements were only partially met. On 19 October 2023 NCAC reported to the NIAA that:

jobseekers are (variously) disappointed, confused and frustrated by the requirements ... consideration [should] be given to [the] value of continuing the trial ... the REP placement has been unsuccessful. There is not enough flexibility within the guidelines of the trial to allow success, and the benefits are outweighed by the negatives.

3.17 The NIAA conveyed NCAC's feedback to the Department of the Prime Minister and Cabinet (PM&C), as the Secretary of PM&C is the REP payment delegate. The NIAA advised the ANAO in November 2023 that it believed the legislation does not have sufficient flexibility to support participants to meet the attendance requirement and that it is using these learnings in the design of a new trial.

New Jobs Program Trial

3.18 In November to December 2022, the NIAA conducted information sessions and workshops with five co-design groups¹⁰⁵ to inform design of the NJPT.¹⁰⁶ In April and May 2023 feedback on the design proposal and draft grant opportunity guidelines, the minister requested greater emphasis on community control and the NIAA to consult 'widely not just service providers'. Following this feedback, the NIAA added a grant application assessment criterion for demonstrated encouragement of 'broad community understanding and ownership' of proposals. An implementation plan that detailed the consultation approach was presented to the minister in May 2023. The implementation plan involved community information sessions and 'curated support to interested applicants'.

3.19 The NIAA identified risks in relation to stakeholder engagement with the NJPT, for which it developed mitigations, including a communication strategy. Engagement activities to promote the NJPT included: a newsletter issued to subscribers (November 2022); a forecast grant opportunity on GrantConnect and a newsletter notifying of the forecast opportunity (January 2023); and social media posts, fact sheets and a communication pack for regional office staff to share with external stakeholders at peak body events (September 2023).

104 As at 31 December 2023 there were 635 CDP participants in NCAC's caseload and 49 participants in PTAC's caseload.

105 The co-design groups were originally established as part of the planning for the previously proposed Remote Engagement Program.

106 The NIAA advised the ANAO in November 2023 that other general consultation activities that informed the NJPT included: the August 2022 Remote Employment Roundtable attended by representatives of peak bodies, employer, business and community groups, and local councils; and February to June 2023 public consultation seeking input on the design of the new jobs program.

NEE Trial

3.20 NCAC's draft work plan stated that it had held facilitated co-design workshops in five communities in relation to the NEE Trial.

Were trials effectively evaluated?

As at January 2024, evaluation planning was developed for the CDP Trial only. An evaluation was commissioned in May 2023 for the CDP Trial, REP Trial and NJPT, however, only the CDP Trial had been evaluated as at January 2024. The data collection, performance measurement and evaluation approach to the CDP Trial (which is a collection of community-defined projects) does not produce a clear understanding of which projects worked best to achieve the objective of 'creating real jobs'. Baseline data are not well articulated. The NIAA has worked largely effectively with CDP Trial providers to monitor and report outcomes from the CDP Trial, however this has been less effective for REP Trial providers and at January 2024 was undeveloped for the NJPT. There are insufficient mechanisms to verify provider-supplied data.

3.21 The *Guide to evaluation under the Indigenous Evaluation Strategy* defines evaluation as:

the systematic assessment of a policy or program's design, implementation and outcomes — it is about understanding what governments are doing right, what they are getting wrong and where they can do better ... Before a policy or program is implemented, evaluation should inform policy design. While a policy or program is being implemented, evaluation should inform thinking on ways to improve the policy or program. And after the policy or program has been implemented, evaluation can provide evidence on outcomes and impacts that can be drawn on to inform future policies and programs.¹⁰⁷

3.22 Evaluation methodologies for the trials needed to be clearly defined through fit for purpose evaluation planning.¹⁰⁸ The NIAA's Place Based Practice Framework requires it work with service providers to 'monitor and report outcomes and feedback'. The overarching principle of the Indigenous Evaluation Strategy is centring Aboriginal and Torres Strait Islander people, perspectives, priorities and knowledge to produce credible, useful, ethical and transparent evaluations.¹⁰⁹ When collecting original data, evaluations should also include processes to verify results.¹¹⁰

Evaluation planning

3.23 Evaluation plans developed prior to the commencement of a program or trial help ensure that evaluation questions are clarified, the right data is collected, trials are designed in a way that supports data collection and particular evaluation approaches, stakeholders are appropriately

107 Productivity Commission, *A Guide to Evaluation under the Indigenous Evaluation Strategy*, PC, Canberra, 2020, pp. 2 and 5.

108 The Treasury, *Commonwealth Evaluation Policy*, Canberra, 2021.

109 Productivity Commission, *The Indigenous Evaluation Strategy*, PC, Canberra, 2020, p. 8.

110 The Treasury, *Commonwealth Evaluation Policy: 5. Collect evidence and data* [Internet], The Treasury, Canberra, 2021, available from <https://evaluation.treasury.gov.au/toolkit/collect-evidence-and-data> [accessed 16 December 2023].

engaged in the evaluation, and adequate resources and realistic timeframes are allocated for the evaluation.¹¹¹

3.24 A CDP Trial ‘Monitoring and Reporting Framework’ was approved in February 2023 (for Phase 1) and in December 2023 (for Phase 2). The framework included the expected benefits of the CDP Trial, provider reporting requirements and ‘data points’ to be monitored. An equivalent evaluation framework was not developed for the REP Trial, NJPT or NEE Trial. With regard to the NJPT, the NIAA advised the ANAO in November 2023 that an evaluation plan would be forthcoming and could be provided once available. No evaluation plan was provided, and in February 2024 the NIAA advised the ANAO that the ‘NIAA had been awaiting decisions from government as to any potential change to the scale of NJPT before developing a suitable evaluation approach, and will now progress this as a priority.’

3.25 In May 2023, the NIAA engaged Keogh Bay People Pty Ltd (Keogh Bay Consulting), to perform two streams of work, with a total contract value of \$793,750 (GST inclusive).¹¹² The first stream was to ‘[c]apture and synthesise evidence’ to inform the new program design, including information from the trials and ‘on past implementation of CDP’. The second stream was to develop a theory of change, program logic and potential monitoring and evaluation approaches ‘for consideration in the new program’.

3.26 One of the deliverables under the May 2023 contract was a research plan for the CDP Trial, the ‘Ngaanyatjarra Lands trial’ (referring to the REP Trial and NEE Trial) and the NJPT. A research plan developed by Keogh Bay Consulting in May 2023 stated that its purpose was to provide an outline of the ‘monitoring, evidence and learnings’ approach, with a focus on understanding the outcomes of key trials. The plan identified three ‘methodological approaches’ that might be used to ensure the research questions were answered in a ‘robust manner’: (1) a multi-level ‘nested’ approach¹¹³; (2) a mixed method approach¹¹⁴; and (3) a participatory approach. A Keogh Bay Consulting report states that the NIAA’s Indigenous Evaluation Committee¹¹⁵ provided advice with respect to the project methodology.

111 Productivity Commission, *A Guide to Evaluation under the Indigenous Evaluation Strategy*, PC, Canberra, 2020, p. 7.

112 AusTender, Contract Notice CN3968672.

113 The nested approach was to involve synthesis of desktop information, literature reviews, quantitative data, information from case study site visits, consultations and interviews.

114 The mixed method approach was referring to the use of quantitative and qualitative methods, with the quantitative element including data analysis of trial activity and outcome data collected by the NIAA.

115 The NIAA’s website states that ‘through the provision of independent strategic and technical advice, the [Indigenous Evaluation Committee] supports the improvement of evaluation practices of the [NIAA] in line with the ... principles of relevance, credibility, robustness and appropriateness.’ As at January 2024 the membership of the Indigenous Evaluation Committee was Mr Jason Ardler (Associate Professor and Associate Dean, Indigenous Strategy and Services, Faculty of Medicine and Health, University of Sydney); Dr Fiona Cram (independent member); and Julie-Ann Guivarra (Deputy CEO, Policy and Programs, NIAA). (National Indigenous Australians Agency, *Indigenous Evaluation Committee members* [Internet], NIAA, 28 April 2022, available from <https://www.niaa.gov.au/resource-centre/indigenous-affairs/indigenous-evaluation-committee-members> [accessed 23 December 2023]).

Recommendation no. 5

3.27 The National Indigenous Australians Agency finalise an evaluation plan for all remote employment trials.

National Indigenous Australians Agency response: *Agreed.*

3.28 *NIAA will continue its planned approach to monitor and report on lessons learned from all remote employment trials and finalise and implement plans for monitoring and collecting evidence and learnings from each of the remote employment trials. Monitoring and reporting on trials will continue to be supported by an independent 'Monitoring, Evidence and Learnings' partner.*

Evaluation of trials

3.29 The Keogh Bay Consulting contract outlined high-level methods for data collection and analysis for the CDP Trial and NJPT but not for the REP and NEE Trials. For the CDP Trial and the NJPT, the May 2023 contract required the contractor to: visit five fieldwork sites by 30 June 2023 (to be reported by 21 July 2023) and undertake an unspecified number of case studies, surveys, focus groups and 'limited one on one consultations'.

3.30 Between May and October 2023, the provider undertook 10 site visits for the CDP Trial. Reporting notes that interviews were conducted with 83 individuals in service provider and other organisations and 62 participants and other community members. As at January 2024, the contractor had conducted no fieldwork in relation to the REP Trial, NJPT or NEE Trial. The NIAA advised the ANAO in February 2024 that this was because the REP Trial had had extremely limited participation, no contracts had been signed for the NJPT and the NEE Trial was not yet designed.

3.31 In December 2023, Keogh Bay Consulting reported its findings from the trial site visits, stating that the report presented 'an outline of the unique nature of each [CDP Trial project]'. Business-as-usual CDP elements were not clearly separated from trial characteristics in the report, making it difficult to understand the unique contribution of the CDP Trial design elements. The findings were a mix of comments about barriers to employment, the CDP in general, and general characteristics of a successful employment program. The report did not identify the specific design features that made CDP Trial projects more or less successful.

3.32 There is no quantitative analysis of trial activity or outcome data and the report's findings are based primarily on qualitative evidence. The NIAA advised the ANAO in February 2024 that this was because the site visits occurred prior to CDP providers' final trial reporting. However, the Keogh Bay Consulting report identified a range of issues that related to the trial and evaluation design, and the quality of provider data, which 'precluded any meaningful quantitative analysis to highlight the effectiveness of the relevant [CDP Trial projects]', including:

- inability to perform a 'statistically valid comparison' by reviewing 'only ten [CDP Trial] sites';
- unavailability of data for specific trial sites, with the contractor noting that 'Where [projects] did not start, or had barely commenced, reports and data were not available';
- inconsistency of data submitted by providers;

- differences in the metrics applied to different CDP Trial projects;
- self-reported service provider data with ‘assertions that were often difficult to validate’;
- a risk of selection bias due to interviewed participants being identified by the service providers; and
- an ‘incomplete evidence base’ due to the exclusion of Phase 2 of the CDP Trial, as well as the other trials.

3.33 The May 2023 contract with Keogh Bay Consulting indicated reports for ‘early and mid learnings’ would be published on the NIAA website. As at January 2024, no Keogh Bay Consulting reports were published on the NIAA website.

3.34 Commencing in November 2023, the NIAA analysed CDP provider data and reporting, insights from site visits made by NIAA regional office staff, and the Keogh Bay Consulting interim report. The NIAA published this analysis in March 2024 as a six-page ‘synthesis of early learnings’ from the CDP Trial.¹¹⁶ The synthesis states that over 1,300 participants attained paid work opportunities, which represented a 4.3 per cent increase over job placements in the same period 12 months prior. The majority of paid work opportunities were casual and short-term, however around 24 per cent of placements resulted in a 13-week outcome and around 11 per cent resulted in a 26-week outcome. Key learnings were that:

- enhanced case management, such as mentoring, (which was offered by the majority of projects to 2400 participants) is a key driver of participant employment success;
- despite being provided wage subsidies, employers were wary about taking on participants, and preferred their workload and risk to be minimised when employing participants rather than additional financial compensation;
- establishing a new community enterprise (of which 28 were sought to be established during Phase 1 of the CDP Trial but half did not have time during the trial to begin ongoing operations) requires significant support from providers as well as time for ‘proof of concept’;
- award wages and vouchers (as used in 52 trialled projects) are effective drivers of participant engagement, but participants were nervous about increased income risking social security benefits; and
- a new employment model will need to be flexible, developed in close partnership with community stakeholders.

3.35 The synthesis noted significant challenges associated with a ‘quick, large scale shift’ in CDP delivery which limited the benefits of Phase 1 of the CDP Trial. Around \$20 million of \$51 million in funding was unspent. The report states that this highlighted the importance of ‘generous lead-in times to mobilise new programs in remote areas, rather than issues with the design of the approaches’ but provides no evidence to support this assertion.

3.36 Some outcome data is reported in the aggregate in the synthesis (some of which is compared to a baseline), and the number of projects featuring specific features (such as wage

116 National Indigenous Australians Agency, *Synthesis of early learnings from Trial Pathways to Real Jobs* [Internet], NIAA, 2024, available from <https://www.niaa.gov.au/resource-centre/indigenous-affairs/synthesis-early-learnings-trial-pathways-real-jobs-0> [accessed 12 May 2024].

subsidies) are counted, with those features critically assessed. However, the report does not quantitatively link CDP Trial project features to outcomes — a potentially robust evaluation methodology. The NIAA advised the ANAO in February 2024 that:

The CDP Trial comprises over 200 individual projects across Phase 1 and Phase 2. The resources required to assess and link outcomes with each individual project would be a major diversion of resources and would likely not be able to be completed within an appropriate timeframe. We have instead sought to use Keogh Bay site visits to inform a series of case-studies sourcing projects reflecting the variety of different themes and approaches being trialled.

3.37 The NIAA advised the ANAO later in February 2024 that '[t]he projects all set out to do different things, with different amounts of money in different operating contexts, so comparing them against each other will not ever be meaningful'. Effective design and data collection planning for the CDP Trial could have precluded some of these perceived barriers to robust evaluation.

3.38 In December 2023, elements of the Keogh Bay Consulting contract were deemed 'not required' or a due date was re-negotiated (a program-level monitoring and evaluation framework, a program-level theory of change and an 'online evidence hub'). In October 2023, Keogh Bay Consulting was invited to respond to a new request for quote to extend the work 'to align with the timeframes of the various trials and design of a new remote jobs program'. A new agreement extended the Keogh Bay Consulting contract to January 2025 and increased the total value of the contract to \$1,598,619 (GST inclusive).¹¹⁷ The extension was assessed by the NIAA to represent value for money.¹¹⁸

3.39 A program level theory of change workshop was specified in the new Keogh Bay Consulting contract. A new Project Plan was due on 19 January 2024, a theory of change was due by 16 February 2024, and various reports were due between January 2024 and January 2025. A program logic was developed in March 2024 and a report titled 'Implementation Lessons Learned – Summary Report #1' was provided in April 2024.

Working with service providers to monitor and report trial outcomes

3.40 The NIAA's Place Based Practice Framework requires that evaluators support and develop a plan with service providers for how to monitor and report short-term outcomes. The government was advised in April 2023 that the NIAA had established processes to ensure core data and information was collected throughout the life of the NJPT.

3.41 Table 3.5 assesses the NIAA's approach to working with providers and other trial stakeholders to capture data, monitor and report on trial outcomes for each of the three trials underway as at January 2024. The NIAA has worked with CDP Trial providers to identify benefits, develop performance measures, articulate some baseline data, establish data collection mechanisms and generate reports. As at January 2024, work with service providers to monitor and report REP Trial outcomes was less developed, and for the NJPT was largely undeveloped.

117 AusTender, Contract Notice CN3968672-A1.

118 The new agreement specified the precise number of provider focus groups (20), lessons learned workshops (4), provider surveys (2), case studies or site visits (14, of which one was to be in the Ngaanyatjarra Lands), and stakeholder online workshops (6) to be conducted.

Table 3.5: Assessment of work with providers to monitor and report trial outcomes, as at January 2024

Element of monitoring and reporting	ANAO assessment of CDP Trial, REP Trial and NJPT
Identification of benefits	Expected benefits from the trial activities were clearly articulated in a benefits register for the CDP Trial but not for the other trials.
Performance measures	Performance measures were well developed for the CDP Trial and REP Trial, but not for the NJPT.
Baseline data	Baselines were articulated for the CDP Trial for four of 14 measures. NIAA advised the ANAO in February 2024 that some measures (for example, the 'number of job seekers in receipt of paid work as a result of the trial') did not lend themselves to baselines. Clear baselines were not established for the other two trials. Lack of a clear baseline impedes the drawing of conclusions about impact.
Data collection	There were mechanisms to collect data from providers for the CDP Trial and REP Trial. Data collection mechanisms for the NJPT were not fully defined.
Data verification	Methods to provide assurance over provider-supplied data were not fully sufficient. NIAA advised the ANAO in February 2024 that for the CDP Trial, providers are bound by their grant agreement to act with integrity and that there is a broader assurance process over providers (see paragraph 2.73). The NIAA sought feedback from regional offices through a template that included a question on whether the CDP Trial provider final reports were 'credible' — 68 responses were received and all advised that the report was generally credible. The NIAA did not undertake any further verification activities to validate the data submitted by providers, and advised the ANAO in December 2023 that Keogh Bay Consulting would 'have an ongoing role in validating the reporting (including data) presented based on their program of site visits'. The NIAA advised the ANAO in February 2024 that it considered that more rigorous data assurance work would be extremely resource intensive without adding commensurate value.
Monitoring	The CDP Trial was well supported through regular provider reporting. There were also monthly provider reports for the REP Trial although their provision was delayed. Monitoring of the NJPT had not commenced.
Guidance	There was guidance for CDP Trial and REP Trial providers on how to report, however there was a lack of clarity about how success should be measured. Guidance for the NJPT had not been developed.
Reporting	There were monthly dashboard reports for the CDP Trial, which drew conclusions about the achievement of expected benefits at an aggregate level. Monthly provider reports for the REP Trial were used to inform progress updates to a monthly Ngaanyatjarra Trials governance meeting. As at January 2024, there was no reporting for the NJPT.

Source: ANAO analysis of NIAA documentation.

Recommendation no. 6

3.42 The National Indigenous Australians Agency finalise arrangements for data collection, monitoring and reporting of the New Jobs Program Trial.

National Indigenous Australians Agency response: *Agreed.*

3.43 *NIAA will, as planned, finalise arrangements for data collection, monitoring and reporting of the New Jobs Program Trial.*

4. Design of a new remote employment program

Areas examined

This chapter examines whether the National Indigenous Australians Agency (NIAA)'s processes to design a new remote employment program to replace the Community Development Program (CDP) were fit for purpose.

Conclusion

The NIAA's processes to design a new remote employment program were partly fit for purpose. Key governance arrangements for the reform process, including the representation of Aboriginal and Torres Strait Islander groups in decision making, were not formalised until January 2024. The NIAA did not finalise a stakeholder engagement plan until April 2024. Advice to government to support a February 2024 announcement of \$707 million in funding for the new 'Remote Jobs and Economic Development Program' was not clearly informed by evidence. There was no program logic or evaluation framework for the new remote jobs program at the time of announcement. The NIAA's processes to develop policy advice for a new remote employment program were not fully consistent with the Australian Government's expectations for best practice policy advice.

Areas for improvement

The ANAO made two recommendations to the NIAA aimed at: ensuring advice to government is informed by evidence; and developing an evaluation framework for the new remote jobs program. The ANAO also made one suggestion regarding terms of reference for governance bodies.

4.1 In May 2021, the Australian Government committed to replace the CDP by 2023 with a new remote employment program 'developed in partnership with communities' (see paragraph 2.16).¹¹⁹ In May 2022¹²⁰, the government committed to replace the CDP with a new remote employment program developed in partnership with Aboriginal and Torres Strait Islander peoples.¹²¹ In August 2022, the Minister for Indigenous Australians (the minister) stated:

We are moving decisively to replace the [CDP] with a new program with real jobs, proper wages and decent conditions for Australians living in remote communities ... We are deeply committed to being transparent with our program design and bringing First Nations perspectives into Government policy making ...¹²²

4.2 The Australian Public Service Commission's 'Delivering Great Policy' model specifies that when developing policy advice, agencies should effectively engage decision makers and collaborate with the people affected by the policy; be informed by evidence and lessons learned from past policies; and follow certain principles.¹²³ Section 10 of the *Australian Public Service Act 1999* outlines

119 Minister for Indigenous Australians, 'Jobs and education to secure future for Indigenous Australians', media release, Parliament of Australia, Canberra, 11 May 2021.

120 A federal election was held in May 2022.

121 National Indigenous Australians Agency, *The Community Development Program* [Internet], available from <https://www.niaa.gov.au/indigenous-affairs/employment/cdp> [accessed 2 January 2024].

122 Minister for Indigenous Australians, 'Putting remote employment issues on the table', media release, Parliament House, Canberra, 31 August 2022.

123 Australian Public Service Academy, *Delivering Great Policy* [Internet], available from <https://www.policyhub.gov.au/model> [accessed 12 December 2023].

the APS values, which include that the APS is ‘apolitical and provides the government with advice that is frank, honest, timely and based on the best available evidence.’¹²⁴

4.3 In accordance with the Order to Establish the National Indigenous Australians Agency as an Executive Agency (see paragraph 1.12), the NIAA is responsible for leading and coordinating policy development and program design for the new remote employment program. From May 2022, the NIAA undertook activities to develop policy advice for a new remote employment program that was publicly announced in February 2024 (see Appendix 4).

- In July 2022, the NIAA advised the minister that ‘the process to implement a new program should begin as soon as possible to counter reputational and legal risks and participant disengagement in the current CDP’. Between May and August 2022, the NIAA provided advice to the minister on initial activities to progress the design of a new remote jobs program.
- In October 2022 and December 2022, the government requested advice on the detailed design of a new program in the October 2023 mid-year economic and fiscal outlook (MYEFO) Budget process.
- In June 2023, following an update from the minister to the government, the government requested advice on design parameters by August 2023, including details on implementation; financial implications; and alignment with broader employment services reforms. In July 2023 and August 2023, the NIAA circulated draft advice to other government agencies for comment, however the advice was not finalised for government consideration.
- In September 2023, following an update from the minister to the government, the government requested advice on comprehensive options for a new program by November 2023 and advice on fully costed proposals by May 2024. In November 2023, the NIAA circulated draft advice to other government agencies for comment, however the draft advice was again not finalised.
- In December 2023, following an update from the minister to the government, the government requested advice on a new program by January 2024, including detail on how the program would support remote economic development and interact with existing government services in remote communities. Advice was submitted to government in January 2024, following its circulation to other agencies for comment.
- In January 2024, the government agreed to a proposal for a ‘Remote Jobs and Economic Development Program’ (RJEDP). The government requested advice on a final design for the RJEDP, including an impact analysis (by no later than 30 June 2024) and options for a program that would sit alongside the RJEDP to provide employment services in remote Australia in place of the CDP (in the October 2024 MYEFO Budget process). The government agreed that CDP provider agreements be further extended to 30 June 2025 (see paragraph 2.69).

124 The APS Values articulate the Parliament’s expectations of public servants in terms of performance and principles of good public administration.

- On 13 February 2024, while releasing the *Closing the Gap 2023 Annual Report* and *Commonwealth Closing the Gap 2024 Implementation Plan* (Implementation Plan)¹²⁵, the government announced \$707 million in funding for the RJEDP, which would commence in the second half of 2024 and fund 3,000 jobs over three years.¹²⁶ ‘Replacing the CDP’ was listed as a key action for 2024 in the Implementation Plan.¹²⁷ On 16 February 2024, in response to questions from the Senate Finance and Public Administration Committee about the RJEDP, the NIAA stated: ‘there are consultations ongoing with a range of different organisations, including within the portfolio, about how this new program will be designed’ and ‘The detailed program design work will be done in partnership and consultation’.¹²⁸

Were there fit-for-purpose governance arrangements to support the design process?

A governance framework for CDP reforms and key governance arrangements (including a taskforce to support the design process, and arrangements to provide for Indigenous representation) were established late in the policy design process. Arrangements to provide cross-government input in the design process were strengthened during 2023, partly at the direction of government. As at January 2024, there was a limited role for the NIAA regional network in the design process. Internal oversight arrangements were fit for purpose.

4.4 In 2018, the Department of the Prime Minister and Cabinet (PM&C) documented a governance framework for CDP reforms announced as part of the 2018–19 Budget. The governance framework ceased in February 2019. A new governance framework was approved for the proposed Remote Employment Program (which did not proceed) in July 2020. A ‘2019 CDP Reforms Program Closure Report’ was endorsed on 14 May 2021. In September 2023, a Remote Jobs Program inter-departmental committee (IDC, see paragraph 4.14) agreed that the NIAA would bring to a future meeting a proposed governance structure for the new program design process. A proposed governance structure was not presented to the IDC, but a draft governance structure was presented to the NIAA’s Economic Empowerment Implementation Committee (EEIC) on 28 November 2023 and approved by the NIAA Chief Executive Officer (CEO) in January 2024. The documented framework describes roles and responsibilities of the EEIC, cross-agency Select Working Group (see paragraph 4.14), IDC, and IT Systems Project Group (see paragraph 4.14) and includes terms of reference for committees. The framework also includes an IDC on employment services and cross-agency working group on mutual obligations led by the Department of Employment and Workplace Relations (DEWR); and an Indigenous advisory body (see paragraph 4.17).

4.5 An overview of governance arrangements supporting the design of a new remote jobs program, in effect as at January 2024, is provided in Figure 4.1.

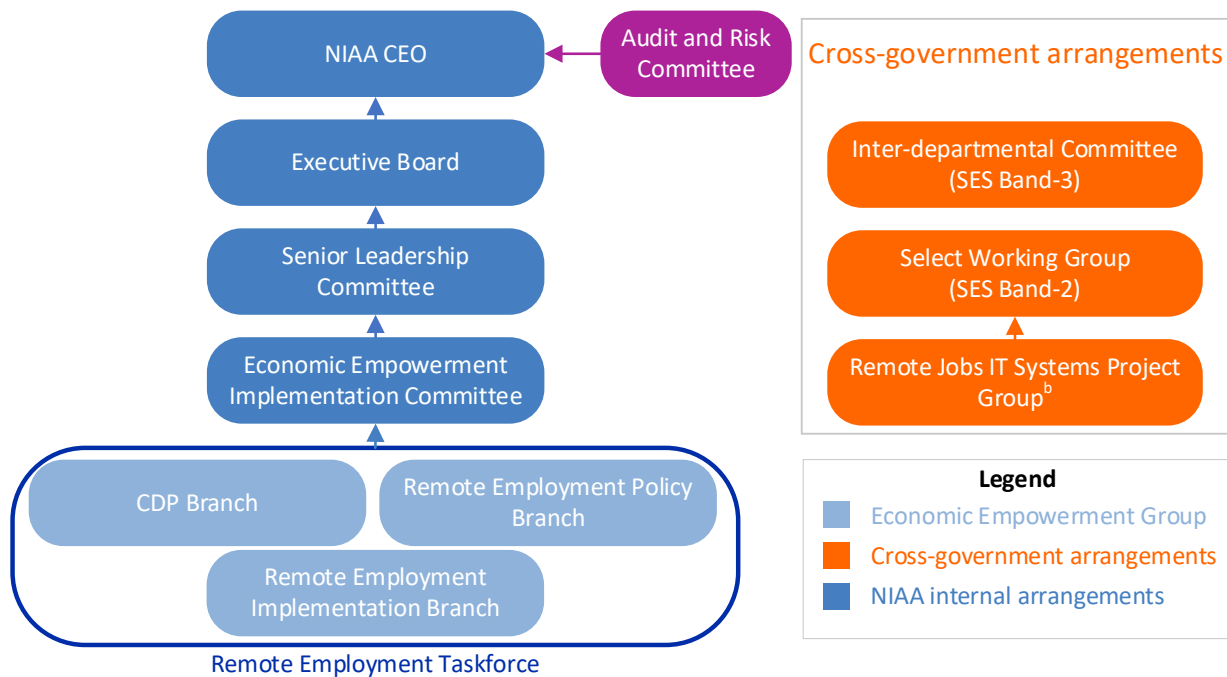
125 National Indigenous Australians Agency, ‘Commonwealth Closing the Gap 2023 Annual Report and 2024 Implementation Plan’, media release, Parliament House, Canberra, 13 February 2024.

126 Prime Minister, Minister for Indigenous Australians, Assistant Minister for Indigenous Australians, Minister for Social Services, Minister for Skills and Training and Minister for Communications, ‘Next steps on Closing the Gap: delivering remote jobs’, media release, Parliament House, Canberra, 13 February 2024. The Government announcement did not include the words ‘over three years’, however this was included on the NIAA website.

127 Australian Government, *Commonwealth Closing the Gap 2024 Implementation Plan*, 2024.

128 Senate Finance and Public Administration Committee, Committee Hansard, 16 February 2024.

Figure 4.1: Governance arrangements related to the design of a new jobs program, as at January 2024^a



Note a: The January 2024 governance framework describes reporting arrangements which were not in place as at January 2024 and are not depicted in this diagram. The governance framework depicts the IDC providing advice to the Secretaries Board and the NIAA Deputy CEO, Policy and Programs.

Note b: The Remote Jobs IT Systems Project Group is required to report to the Select Working Group and the Group Manager Economic Empowerment Group (see paragraph 4.14).

Source: ANAO analysis of NIAA records.

Internal governance arrangements

4.6 In May 2021, following the government's commitment to replace the CDP, the NIAA had established a Remote Employment Policy Taskforce (also called the Remote Engagement Program Taskforce) to prioritise work on the new program. The Remote Employment Policy Taskforce sat within the Economic Policy and Programs Group of the NIAA and reported to the EEIC. In October 2021, the minister announced that a national working group would be established to inform the design of the new program¹²⁹; however, the national working group was not established.

4.7 In August 2023, relevant line areas in the NIAA included the CDP Branch and the Remote Employment Policy Branch. The CDP Branch is responsible for implementation of the CDP and the Remote Employment Policy Branch is responsible for policy advice on a new program to replace the CDP.

4.8 From September 2023, the NIAA put in place additional arrangements to support the program design process. A Remote Employment Implementation Branch was established to coordinate and lead the design and implementation of the new program. The NIAA advised the ANAO in August 2023 that the branch would provide increased resourcing while moving from policy development to implementation. Roles and responsibilities of the branch include establishing

¹²⁹ Minister for Indigenous Australians, 'Trial sites for remote engagement program announced', media release, Parliament House, Canberra, 22 October 2021.

governance structures; planning and managing communications and stakeholder engagement; designing and implementing the monitoring and evaluation framework; and developing transition and implementation plans for the new program. The NIAA also established the Remote Employment Taskforce at the direction of government. The Remote Employment Taskforce comprised: the CDP Branch; the Remote Employment Policy Branch; the Remote Employment Implementation Branch¹³⁰; and officials from the Department of the Treasury (Treasury), DEWR and Department of Social Services (DSS) (who were seconded to the NIAA at the direction of government).

4.9 The Australian Government's *Taskforce Toolkit* specifies that a taskforce's scope should be well defined through clear terms of reference and the governance structure should be clear and well documented.¹³¹ The Remote Employment Taskforce's scope, objectives and deliverables were not clearly articulated. The NIAA advised the ANAO that the Remote Employment Taskforce was closed at the end of 2023.

Opportunity for improvement

4.10 The NIAA could ensure terms of reference are developed to support governance arrangements.

4.11 Oversight of remote jobs program design occurs through existing NIAA governance committees.

- Executive Board — The Executive Board sets the NIAA's strategic direction, policy priorities and reform agenda; manages resources; and oversees operations, the use of resources and risk management. The Executive Board comprises the CEO, Chief Operating Officer (COO), two Deputy CEOs and all group managers within the NIAA. From May 2022 to December 2023 the Executive Board met 24 times. The Executive Board discussed a new jobs program at two meetings during this period (May 2022 and June 2022).
- Senior Leadership Committee (SLC)¹³² — The SLC is an advisory body to the Executive Board whose aim is to help drive and operationalise the strategic agenda of the NIAA. The SLC comprises Senior Executive Service (SES) Band-3 officials (the COO and two Deputy CEOs) and SES Band-2 officials (all group managers). From May 2022 to December 2023 the SLC met 20 times. The SLC discussed a new jobs program at three meetings during this period (September 2022, June 2023 and December 2023).
- Economic Empowerment Implementation Committee¹³³ — The EEIC is an advisory body to the NIAA Executive formed in 2021 after a KPMG 'CDP Reform Health Check'. The EEIC's

130 The Group Manager of the Economic Empowerment Group also managed the Remote Employment Taskforce. A sub-committee comprising Executive Level (EL) 2 staff from the Remote Employment Taskforce (EL2 sub-committee) was established and met most weeks from 26 October 2023 to January 2024. The EL2 sub-committee was established to provide project planning, task coordination and risk management functions.

131 Australian Public Service Commission, *Taskforce Toolkit*, 2021.

132 The SLC replaced the Policy and Delivery Committee as part of changes to the NIAA's governance structure approved by the Executive Board in February 2023. The final meeting of the Policy and Delivery Committee was in November 2022 and the first meeting of the SLC was in March 2023.

133 Prior to March 2023, the EEIC was named the Employment Policy and Programs Implementation Committee. The EEIC is also referred to as the Economic Empowerment Group Implementation Committee. This report refers to the 'EEIC', including for actions pre-dating March 2023.

stated purpose is to provide strategic advice and cross-portfolio collaboration on the design and implementation of activities relating to economic participation and development. The EEIC's four priorities include providing advice on policy, programs and strategy (including replacing the CDP). The EEIC comprises senior officials from several NIAA groups, including Operations and Delivery, which at January 2024 was comprised of the NIAA regional network and a remote Australia project group. The EEIC met approximately monthly between May 2021 and December 2023. Internal reporting on the new remote jobs program design process was provided to the EEIC through a monthly 'project progress report'.¹³⁴ Available meeting minutes¹³⁵ reflect that the EEIC often commented on, or at least noted, the progress report. Progress reports tracked key milestones, however the presentation of risks, issues and delays lacked detail, with the same few risks being included in most reports.

4.12 The role of the Audit and Risk Committee (ARC) is to provide independent advice and assistance to the NIAA CEO on financial and performance reporting, risk oversight and management and internal controls. From June 2022 to September 2023, reporting on the CDP to the ARC related primarily to business-as-usual CDP provider compliance and grants administration, rather than the CDP reform process. In November 2023, the Group Manager of the Economic Empowerment Group and the Branch Manager of the Remote Employment Implementation Branch briefed the ARC on the development of the new remote jobs program, stating that internal governance arrangements and project management functions were being established. A draft risk assessment (the CDP reform register) was also presented, which contained eight 'high' risks, 13 'medium' risks and one 'low' risk.¹³⁶ The ARC requested an update in June 2024.

Cross-government governance arrangements

4.13 Prior to September 2022, cross-government governance arrangements relevant to a new remote employment program comprised the following.

- The 2018 framework for CDP reforms established the 'CDP Reforms Board', which was comprised of SES Band-3 officials from PM&C, Department of Jobs and Small Business, Department of Human Services, and Department of Social Services; an SES Band-1 management committee; and working groups to manage specific components of the reforms. The last meeting of the CDP Reforms Board was in December 2018 and the governance framework was wound up in February 2019.
- In March 2021, the NIAA established a cross-agency Select Working Group comprising SES Band-2 officials to 'provide formal governance for the design and implementation' and 'coordinate perspectives across Government and share policy insights' to inform the development of the new program. The SWG met monthly between March 2021 and August 2021, met once in March 2022, and resumed meetings in September 2022.

134 These reports included a project overview, milestones, key risks, and key issues. Milestones were related to policy options; policy authority; consultations and stakeholder engagement; IT development; and monitoring, evidence and evaluation. The reports also included updates on the remote employment program trials discussed in Chapter 3.

135 Minutes were not taken between December 2022 and July 2023.

136 Draft minutes of the November 2023 ARC meeting state that the ARC 'is pleased with the risk assessment demonstrating evidence of risk management and treatments.'

4.14 The NIAA established additional cross-government structures to support the program design process from September 2022.

- Between September 2022 and December 2023, the cross-agency Select Working Group met most months to discuss the CDP and the new remote jobs program. The group is chaired by the Group Manager of the NIAA's Economic Empowerment Group and as at January 2024 comprises officials from the NIAA, DEWR, DSS, PM&C, Services Australia, Treasury, and the departments of: Agriculture, Fisheries and Forestry (DAFF); Education; Finance (Finance); and Health and Aged Care (Health).
- Advice from the minister to the Prime Minister in April 2023 identified a 'high risk' that an IT system would not be implemented to support a program rollout in November 2024. In March 2023 the Remote Jobs IT Systems Project Group (IT Systems Project Group) was established, comprising officials from the NIAA, DEWR and Services Australia. The terms of reference state the purpose of the group is 'to develop and implement the new remote jobs IT system platform'. Meetings were to be held monthly, with meeting frequency to increase 'as activity intensifies'. The group met nine times between March 2023 to December 2023. As at January 2024 the group was awaiting advice on program design before commencing initial design work. No updates had been provided to the Group Manager of the Economic Empowerment Group and the SWG as required by the Remote Jobs IT Systems Project Group's terms of reference.
- A Remote Jobs Program IDC was established in June 2023. The IDC is chaired by an NIAA Deputy CEO and comprises SES Band-3 officials from the Australian Taxation Office, DAFF, DEWR, DSS, Finance, Health, NIAA, PM&C, Services Australia, and Treasury.¹³⁷ The July 2023 terms of reference state that 'The IDC will coordinate perspectives across Government and share policy insights to inform the development of a new remote jobs program' and that it would meet monthly until the end of 2023. Meetings occurred monthly from June 2023 to November 2023.¹³⁸ There was no documented relationship between the IDC and the cross-agency Select Working Group, which has a similar function and membership.
- In August 2023, the IDC agreed to establish cross-agency working groups to consider specific aspects of the new program design (mutual obligation requirements; boundaries between remote and non-remote employment services regions; and IT). As at January 2024, the additional working groups were not established.¹³⁹

Indigenous and place-based representation in governance arrangements

4.15 In August 2023, the EEIC was advised that the most frequent feedback from consultation was that 'locals need to have more of a role in the planning, priorities and delivery of the new

¹³⁷ Officials from Department of Climate Change, Energy, the Environment and Water (DCCEEW) were also invited to attend IDC meetings from July 2023.

¹³⁸ In December 2023 a decision was made to progress business relating to the new remote jobs program at a different IDC convened by DEWR that focused on reforms to Workforce Australia employment services.

¹³⁹ The NIAA advised the ANAO in February 2024 that the IDC decision was overtaken by the creation in November 2023 of a number of cross-portfolio working groups focussed on employment services reform more broadly, initiated by DSS.

program'. Involvement of the NIAA regional network¹⁴⁰ in the remote jobs program design process occurred primarily through two mechanisms.

- Line management fortnightly meetings — A fortnightly meeting of regional network managers; managers of the three CDP branches; and the Group Manager of the Economic Empowerment Group was established in 2022.
- Representation at EEIC meetings — One regional manager attended EEIC meetings from June 2022 to March 2023. Participation of regional managers in EEIC increased from April 2023, and from November 2023 most regional managers were attending EEIC meetings.

4.16 In September 2023, the NIAA considered how to include the regional network in processes to design a new remote jobs program and develop advice for government. As at January 2024, formal involvement of the regional network in the design of the new program is through the EEIC.

4.17 The draft governance framework presented to the EEIC in November 2023 included a proposal regarding 'First Nations governance', which involved the Coalition of Aboriginal and Torres Strait Islander Peak Organisations (Coalition of Peaks)¹⁴¹ and a 'First Nations Governance Body'. The presentation stated 'A new formalised governance structure may be required to meet the commitment to design in partnership with First Nations Australians'. In December 2023, the NIAA consulted with Aboriginal and Torres Strait Islander organisations including the Coalition of Peaks and land councils on the proposed 'First Nations Governance Body'. The January 2024 governance framework included a 'First Nations Advisory Group'. The government agreed to establish the 'First Nations Reference Group' in January 2024.

4.18 Proposed terms of reference stated that the group would be established from March 2024 for an initial term of one year; comprise members nominated by organisations selected by the minister; and provide advice to government. The advice to the minister stated that 'Some stakeholders may have expectations of a joint-decision making model that results in delegated legal authority' and that the Coalition of Peaks did not consider the proposed model for the First Nations Reference Group to be a genuine in-partnership arrangement or consistent with the principles set out in the *Closing the Gap* agreement. To mitigate the risk that the First Nations Reference Group would not be perceived as a mechanism for working in partnership with community, the NIAA recommended to the minister that the members of the group include representatives of CDP participants nominated by four CDP providers that are also Aboriginal Community Controlled Organisations. The NIAA advised that establishing the First Nations Reference Group would support Priority Reform One of the *Closing the Gap* agreement related to formal partnerships and shared decision-making.¹⁴² The advice stated that the establishment of the First Nations Reference Group by March 2024 would 'be critical to ensure the [First Nations Reference Group] is able to participate in, or facilitate community consultation and engagement activities which will commence from February 2024.'

140 The regional network refers to NIAA regional offices across Australia. According to the NIAA 2023–24 Corporate Plan, the NIAA is 'on the ground in 37 locations and 14 communities' which allows the NIAA to 'maintain strong relationships with communities'.

141 The Coalition of Peaks represents over 80 Aboriginal and Torres Strait Islander community-controlled peak and member organisations. In March 2019 the Council of Australian Governments (now National Cabinet) and the Coalition of Peaks agreed the *Partnership Agreement on Closing the Gap 2019–2029*, which established a formal partnership relating to the Closing the Gap framework and targets.

142 Australian Government, *2023 Commonwealth Closing the Gap Implementation Plan*, February 2023.

Was there fit-for-purpose stakeholder engagement to inform a new design?

The NIAA did not finalise a stakeholder engagement plan until April 2024. An earlier draft stakeholder engagement plan was partly fit for purpose as it did not set out clear timeframes or include co-design activities. As at January 2024, a first ‘listen and learn’ phase of consultation was largely completed — community consultation meetings were held in most CDP regions in the first half of 2023, consultation results were analysed and some stakeholders received feedback. The community consultations focused on general questions about remote employment and community needs that were not significantly different from consultations in prior years. In January 2024, the NIAA published a report on findings from ‘listen and learn’ consultations. A second consultation phase on program design (‘check back/principles’) had not commenced as at January 2024.

4.19 The need for effective community engagement in the design of a new jobs program is explicit in Australian Government commitments for a new remote jobs program and in the NIAA’s broader mandate.

- In February 2023, as part of the *Closing the Gap* agreement, the government committed to working in partnership and shared decision-making with Aboriginal and Torres Strait Islander peoples to move beyond ‘ad-hoc engagement processes’.¹⁴³
- In announcing its intention to replace the CDP, the government committed that the new program would be designed in partnership with Aboriginal and Torres Strait Islander peoples. In August 2022, the minister stated:
It is vital we put all the issues on the table, really debate them, and then in partnership, explore models that work for each community and their social and economic aspirations.¹⁴⁴
- In addition to designing and coordinating the delivery of community development employment projects, the NIAA’s Executive Order specifies that it must consult on these projects and that it is required to:
... build and maintain effective partnerships with Aboriginal and Torres Strait Islander people, state and territory governments and other relevant stakeholders to inform whole-of-government priorities for Aboriginal and Torres Strait Islander people, and enable policies, programs and services to be tailored to the unique needs of communities.¹⁴⁵
- The NIAA’s 2023–24 Corporate Plan states that it ‘works in genuine partnership to enable the self-determination and aspirations of First Nations communities’.¹⁴⁶
- The NIAA’s Place Based Practice Framework provides guidance and tools to assist staff to apply place-based practice when designing and implementing policies and programs. Key principles underpinning the Place Based Practice Framework include that ‘we engage and

143 Australian Government, *2023 Commonwealth Closing the Gap Implementation Plan*, February 2023, p. 13.

144 Minister for Indigenous Australians, ‘Putting remote employment issues on the table’, media release, Parliament House, Canberra, 31 August 2022.

145 Commonwealth of Australia, *Order to Establish the National Indigenous Australians Agency as an Executive Agency*, 29 May 2019.

146 National Indigenous Australians Agency, *Corporate Plan 2023–24*, August 2023, p. 9.

partner with community as active participants in co-design strategies to drive transformational change’.

4.20 The *APS framework for engagement and participation* and *Taskforce Toolkit* include standards for engaging with external stakeholders, which include defining the engagement’s objectives and choosing the right engagement approach through an engagement plan; identifying stakeholders with suitable expertise, skills and knowledge; executing the engagement plan in a considered and transparent way; recording stakeholder feedback and interactions; ensuring that stakeholder views presented are fairly considered at the decision-making stage; and providing feedback to stakeholders in a timely manner.¹⁴⁷

Community consultation — 2017 to July 2022

4.21 In December 2017, PM&C released a discussion paper with options for remote employment services (see paragraph 2.7). The discussion paper received 40 written submissions. An analysis by the NIAA in 2020 stated that the themes were consistent with evidence provided to the 2017 Senate inquiry into the *Appropriateness and Effectiveness of the Objectives, Design, Implementation and Evaluation of the Community Development Program*.

4.22 In 2020, the NIAA assessed that consultation to inform CDP reforms was not on track (see paragraph 2.10). In August 2021, the NIAA released a public discussion paper which received 34 written submissions. An August 2021 consultation plan indicated that the next phase of consultations would involve publication of a second discussion paper from December 2021 to April 2022. This did not occur.

4.23 Between October and November 2021, a contracted provider (Inside Policy) conducted interviews with 43 CDP providers. A February 2022 analysis of the written submissions and interviews by Inside Policy stated that ‘key policy implications’ for the ongoing development of the new program included ensuring more time was spent engaging with stakeholders in the policy design process. A March 2022 update to the NIAA Executive Board noted outbreaks of COVID-19 in communities and stated that further consultations would prioritise jobseekers in communities when it was safe to do so, with online consultation approaches to be created in the interim. The NIAA advised the ANAO in August 2023 that feedback on these consultations was that there was insufficient in-person consultation with CDP participants and communities and that due to COVID-19 restrictions consultations were overly focused on CDP providers.

Community consultation — from August 2022

Stakeholder engagement planning

4.24 A stakeholder engagement plan should set the objective and scope of the consultations, identify stakeholders and appropriate forms of engagement, and set milestones and timeframes. Publishing a consultation plan improves the transparency of policy development and enables stakeholders to engage more effectively in the process.¹⁴⁸

147 Department of Industry Science and Resources, *APS framework for engagement and participation*, 2021 and Australian Public Service Commission, *Taskforce Toolkit*, 2021.

148 Department of the Prime Minister and Cabinet, The Office of Impact Analysis, *Best practice consultation*, 2023.

4.25 The NIAA had plans for stakeholder consultation and engagement from November 2022. The plans and draft plans set out the objective of the consultations, listed stakeholders and established milestones (phases). The various plans (and planned consultation phases) did not relate to each other and progress with consultation activities could not be fully assessed by the ANAO as timeframes were not included or were inconsistent. None of the plans were published.

4.26 The NIAA advised the minister in November 2023 that it would develop communications and stakeholder plans ‘to outline our future consultation activities to inform the design of the replacement program’. The NIAA’s advice stated the plans would ‘outline who we will speak to, for what purpose, and when, to inform the design and continuous improvement of a new remote employment program.’ In an update to the NIAA Audit and Risk Committee (ARC) in November 2023, the NIAA stated there was an ‘expectation from high profile stakeholders and community that they are engaged in the design and development of a replacement to CDP’. In a draft risk assessment provided to the ARC, the NIAA proposed to develop a ‘detailed stakeholder engagement plan’ and a ‘detailed community consultation plan’ by May 2024 as a treatment to address the risk of ineffective or inappropriate stakeholder consultation. The NIAA advised the ANAO that the reference to ‘May 2024’ in the risk assessment was a typographical error, and that it should have stated February 2024.

4.27 The NIAA’s Place Based Practice Framework describes a spectrum of community engagement approaches, from passive (providing information or obtaining feedback from communities) to empowering (involving the community in aspects of the decision-making process). The Place Based Practice Framework states that empowering engagement approaches are achieved through community advisory committees, co-design sessions¹⁴⁹, and participatory and delegated decision-making.

4.28 The ANAO examined a draft stakeholder engagement plan that was developed between May and November 2023. The November 2023 draft stakeholder engagement plan did not refer to the Place Based Practice Framework and did not include activities consistent with empowering engagement approaches. While the draft stakeholder engagement plan referred to a process ‘to test potential design principles’ for a new program, it did not document what this process would involve or how it would be used. The draft stakeholder engagement plan did not include any mechanisms for co-design, such as co-design sessions or advisory committees.

4.29 A Consultation Plan for the new program announced in February 2024 (the RJEDP) was approved in mid-April 2024. The NIAA website was updated to include community consultation dates to June 2024.¹⁵⁰

4.30 Plans should inform activities. Consultation activities on a new remote employment program undertaken to April 2024 were not guided by an appropriate and endorsed plan that was transparent to the community being consulted.

149 The Place Based Framework defines co-design as changing the role and responsibility of people who use a service, service users, from ‘passive consumers of services’ to ‘active partners’ in designing, shaping and resourcing services. General features common to co-design processes include the co-design of outcomes and processes, and testing and iteration of proposed solutions.

150 The ANAO did not assess the quality of the Consultation Plan approved in April 2024 or the extent to which it was appropriately shared with stakeholders.

Stakeholder identification

4.31 Stakeholder lists were prepared by the NIAA in August 2022, December 2022 and in the November 2023 draft stakeholder engagement plan. The list in the draft stakeholder engagement plan had seven categories¹⁵¹ across three colour-coded tiers¹⁵² and was an updated version of the December 2022 list. The list in the overview was high-level and categorised by 'impact level' (high, medium or low). While key stakeholder categories were identified, the list of individual stakeholders within these groups was partially complete.

Stakeholder consultation activities

4.32 Table 4.1 outlines the consultation activities undertaken on a new remote employment program from August 2022 to January 2024. As discussed in paragraphs 3.9 to 3.20, the NIAA also undertook consultations on the remote employment trials. As at January 2024, the NIAA had mostly completed phase 1 ('listen and learn') of the draft stakeholder engagement plan. A public discussion paper to guide further discussion with stakeholders in phase 2 ('check back/principles') was published in January 2024 in accordance with the draft plan. The draft stakeholder engagement plan did not include a date range for phase 2. In February 2024, the NIAA website was updated to state that the 'next stage of consultations will focus on the design of a new jobs program and how it should work in practice' and that this would include consultations in remote communities in the first half of 2024.¹⁵³

Table 4.1: Community consultation on remote jobs program, August 2022 to January 2024

Date	Activity
August 2022	On 31 August 2022 the minister hosted a roundtable with representatives of peak bodies; employer, business, and community groups; and local councils. Advice from the NIAA to the minister in August 2022 stated that the roundtable would 'formally begin consultation' on the commitment to replace the CDP with a new program. A media release by the minister following the roundtable stated that 'more targeted consultations' in remote communities would follow. ^a A one-page discussion paper was published on the NIAA website on 24 August 2022 to guide discussion at the round table. ^b
August 2022	A webform was launched to receive written contributions (limited to 500 words) on 'ways the new program to replace CDP can best help those in remote communities'. As at January 2024, 50 contributions had been received and the webform was still open. ^c

151 The categories were: 'Individuals and participants'; 'CDP providers and prospective/select new program providers'; 'state and territory governments'; 'jurisdictional'; 'peak bodies'; 'non-government service providers'; and 'research'. The 'state and territory governments' category included stakeholders within the NIAA, federal government agencies, and members of the Australian Parliament.

152 Tiers aligned to the planned level of engagement: 'collaborate' and 'partner' for tier one; 'consult' and 'involve' for tier two; and 'inform' for tier three. Tier one stakeholders were CDP participants, former CDP participants, 'community leaders and other interested members', East Arnhem Regional Council, Torres Cape Indigenous Council Alliance, Palm Island Aboriginal Shire Council, Empowered Communities, First Nations Workers Alliance, Torres Strait Regional Authority and 'land councils'.

153 National Indigenous Australians Agency, *Remote Jobs and Economic Development Program* [Internet], available from <https://www.niaa.gov.au/indigenous-affairs/employment/remote-jobs> [accessed 15 February 2024].

Date	Activity
January 2023	An online survey was launched to receive written responses to six questions on 'how the new program should work'. Respondents are asked to indicate whether they are a CDP participant. Paper surveys were also distributed at consultation meetings. As at January 2024, 210 survey responses had been received and the survey was still open. ^d
January–June 2023	Community consultation meetings were held in CDP regions (see paragraph 4.33).
September–December 2023	Presentations were made to stakeholders on findings from the consultation process (see paragraph 4.37).
December 2023	Meetings were held with Aboriginal and Torres Strait Islander organisations (see paragraph 4.35).
January 2024	Report, summary and video on key findings from the consultations were published on the NIAA website.

Note a: Minister for Indigenous Australians, 'Putting remote employment issues on the table', media release, Parliament House, Canberra, 31 August 2022.

Note b: NIAA, *Employment in remote Australia* [Internet], 2023, available from: <https://www.niaa.gov.au/sites/default/files/files/employment-in-remote-australia-issues-for-discussion.pdf> [accessed 22 December 2023].

Note c: NIAA, *Have your say on replacing CDP with a new remote jobs program* [Internet], available from <https://www.niaa.gov.au/indigenous-affairs/employment/have-your-say-replacing-cdp-new-remote-jobs-program> [accessed 8 February 2024].

Note d: NIAA, *CDP Replacement Program Survey* [Internet], available from <https://niaa.snapforms.com.au/form/replacing-cdp> [accessed 8 February 2024].

Source: ANAO analysis of NIAA records.

4.33 Between January 2023 and June 2023, consultation meetings involving 111 communities were held (see Table 4.2), with an average attendance of 10 to 15 people. Regional office staff were responsible for identifying stakeholders, however the process used to ensure relevant stakeholders were invited was not systematic or documented.¹⁵⁴ The meetings were held in 49 of 60 CDP regions and nine of 10 NIAA regions in which the CDP operates. The NIAA advised the ANAO that decisions about which CDP regions to hold meetings in was based on advice from regional offices. Consultation was limited in the Central Australia region¹⁵⁵ and no consultation occurred in the Torres Strait Islands or with the Torres Strait Regional Authority.¹⁵⁶

154 The NIAA advised the ANAO in February 2024: 'Regional Offices identified stakeholders predominately based on population base, CDP caseload and other factors impacting on community at the time (sorry business, wet season, community unrest etc.)' and 'Regional Offices identified relevant stakeholder (*sic*) as per their existing relationships and reach within their communities'.

155 While the NIAA advised the ANAO in September 2023 that consultation in the Central Australia region did not occur due to government's response to the community safety issues in the region, announced in January 2023, NIAA records indicate a consultation meeting was held in Alice Springs on 21 April 2023 with attendees from 'multiple Alice Springs CDP regions'.

156 A document tabled in the Senate on 27 August 2023 in response to an order for the production of documents agreed to by the Senate on 7 August 2023 stated that the consultations in the Torres Strait Islands had not occurred pending advice from the Torres Strait Regional Authority on the best method of consultation. In November 2023, the NIAA advised the Minister that it proposed consultations occur in the Torres Strait Islands and the Barkly Region in the Northern Territory in November and December 2023. As at January 2024, these consultations had not occurred.

Table 4.2: Community consultation meetings, January–June 2023

NIAA region	Number of CDP regions within NIAA region	Number (%) of CDP regions consulted	Number of communities consulted ^a
Kimberley	6	5 (83%)	13
Greater Western Australia	9	9 (100%)	18
South Australia	4	4 (100%)	7
Central Australia	9	1 (11%)	1
Top End & Tiwi Islands	8	7 (88%)	19
Arnhem Land & Groote Eylandt	6	6 (100%)	15
Western NSW	2	2 (100%)	5
South Queensland	2	2 (100%)	3
North Queensland	13	13 (100%)	30
Torres Strait	1	0 (0%)	0
Total	60	49 (82%)	111

Note a: Communities were identified by the ANAO from a report prepared by the NIAA in November 2023. There are discrepancies between the data in this report, other NIAA records, and a document tabled in the Senate in August 2023 which included a list of communities 'consulted on CDP reforms' as at 31 July 2023. The NIAA advised the ANAO that one community (Tjuntjuntjara) was 'missed' from the list tabled in the Senate.

Source: ANAO analysis of NIAA records.

4.34 The community consultation meetings were structured around questions that focused on general principles of a new program and employment opportunities in CDP communities, and did not cover potential models or design elements of a remote jobs program. Topics were broadly similar to those previously covered in a public discussion paper (see paragraph 4.22). Talking points provided to the regional network included a suggested response to the question 'Why are you consulting again on replacing CDP (I provided comments earlier in 2022)?' There were no co-design activities.

4.35 Other types of stakeholders were able to provide input in the form of a written contribution or survey response but were not similarly consulted. In August 2023, PM&C advised the NIAA that the Coalition of Peaks was seeking to be more involved in the program design process. In November 2023, the Chair of the IDC stated that the minister had received correspondence from a Northern Territory land council regarding the need for more consultation and information about program trials and new program. Discussion at the EEIC meeting in November 2023 referred to feedback that the NIAA was consulting with providers and not participants. In November 2023, the NIAA advised the minister that 'Not all relevant organisations and peak bodies were included in the consultation and may raise issue.' In December 2023, the NIAA held meetings with employment peak bodies and Aboriginal and Torres Strait Islander organisations¹⁵⁷ to discuss program design and proposed governance arrangements.

¹⁵⁷ Including the Coalition of Peaks, Aboriginal Peak Organisations Northern Territory (APONT), Anindilyakwa Land Council, Central Land Council, Ngaanyatjarra Lands Council, Northern Land Council, Tiwi Land Council and Cape York Partnerships.

Reporting of and feedback on consultation outcomes

4.36 The draft stakeholder engagement plan stated that ‘key themes’ and ‘important/characteristic quotes’ from consultations undertaken from August 2022 to June 2023 would be consolidated and would form the basis of a public paper to guide further discussion with stakeholders. In November 2023, the NIAA provided to the minister a report, a one-page summary and short video on the key findings from the consultations — with findings summarised under seven themes.¹⁵⁸ The documents were published on the NIAA website on 22 January 2024.¹⁵⁹ In September 2023 the NIAA shared the seven key themes included in the consultation report in a newsletter to CDP providers.

4.37 From September 2023 to December 2023, NIAA staff gave presentations on findings from the consultations to Empowered Communities¹⁶⁰, West Arnhem Regional Council, the National Employment Services Association, Raising the Bar¹⁶¹, and the CDP provider forum (see note to paragraph 2.67). Presentation materials included a high-level summary of themes raised in the consultations.

4.38 At an internal NIAA meeting on 1 December 2023, NIAA staff who attended the CDP provider forum described ‘frustration’ among CDP providers about a lack of information about the new program and a lack of decisions from government. However, staff suggested that consultations may have contributed to a stronger sense of collaboration compared to the previous year.

Was there a fit-for-purpose use of evidence and program logic to inform a new design?

The NIAA collaborated with other government agencies in the development of draft policy advice in 2023 and 2024, however timeframes were too short to allow for effective collaboration. Design issues requiring cross-government collaboration were not resolved. In February 2024, the government announced a ‘Remote Jobs and Economic Development Program’, which would commence in the second half of 2024 and fund 3,000 jobs over three years. Advice provided to government in January 2024 about high-level features of the new program drew on some findings from consultations and trials, however, the high-level features of the new program (including the number of jobs to be created) were not supported by modelling or other evidence. At the time of its announcement, there was no program logic or evaluation framework for the newly announced program.

158 The themes were: ‘The new program should be planned and led by communities’; ‘The new program needs to recognise roles carried out in the communities’; ‘A new approach for youth’; ‘There should be more local jobs for local people’; ‘It is fair to do something meaningful for the community or for your job prospects in return for income support’; ‘There needs to be support for people who cannot work right now’; and ‘The new program needs flexibility to invest in local priorities’.

159 National Indigenous Australians Agency, *Replacing the Community Development Program consultation report* [Internet], available from <https://www.niaa.gov.au/resource-centre/indigenous-affairs/replacing-community-development-program-consultation-report> [accessed 12 February 2024].

160 Empowered Communities is an initiative involving Aboriginal and Torres Strait Islander communities and governments working together to set priorities, improve services and apply funding effectively at a regional level. Empowered Communities is active in 10 urban, rural and remote regions across Australia.

161 Raising the Bar is a voluntary program open to member organisations of the Business Council of Australia focused on members increasing their procurement spending with Indigenous suppliers.

4.39 Policy and program design should be informed by stakeholder and expert views; and a robust evidence base, drawing on data and previous experience.¹⁶² Fit-for-purpose monitoring and evaluation arrangements should be established early in the policy cycle, and policies and programs should have clearly articulated and measurable objectives.¹⁶³ The Productivity Commission's Indigenous Evaluation Strategy provides guidance for Australian Government agencies to use when selecting, planning, conducting and using evaluations of policies and programs affecting Aboriginal and Torres Strait Islander people.¹⁶⁴

Cross-government collaboration

4.40 The need for NIAA to collaborate with other government agencies in the design of a new remote jobs program was identified by the NIAA. In February 2023 the NIAA made commitments to the government that it would undertake cross-portfolio work to mitigate risks, resolve design and implementation issues, and ensure alignment with broader work occurring across government.

4.41 Cross-government collaboration initially occurred through an existing working group. The NIAA also provided input to broader employment services reform processes coordinated by other government agencies. The NIAA developed further arrangements to embed cross-government support in the policy development process from March 2023 (see paragraph 4.14). In September 2023, the government decided that officials from Treasury, DEWR and DSS be seconded to the NIAA to support the design of a new program.

4.42 In preparing draft advice to government throughout 2023, the NIAA shared exposure drafts with other government agencies (see paragraph 4.3). The NIAA received feedback from consulted agencies that the process did not allow sufficient time for the NIAA to address key issues; and that insufficient information was provided to enable other agencies to assess costs, legal risks and implementation issues.

4.43 As at January 2024, key issues relating to the design of a new jobs program requiring collaboration with other government agencies were not significantly progressed. In January 2024, the NIAA CEO was advised by the Branch Manager of the Remote Employment Implementation Branch that delivery of the government's commitment to replace the CDP would be at risk if agreement on implementation was not secured across government agencies.

Use of evidence to inform program design

4.44 Since the implementation of the CDP in 2015, evidence to inform the development of a remote employment program to replace the CDP was generated through parliamentary and Auditor-General reports; and other reviews of the CDP and remote employment. In May 2023, the NIAA undertook a preliminary literature review, which analysed 50 sources from 2015 to 2023, including academic papers; consultation documents and stakeholder feedback; parliamentary

162 Australian Government, Australian Public Service Academy, *Delivering Great Policy* [Internet], available from <https://www.policyhub.gov.au/model> [accessed 12 December 2023].

163 Australian Government, Australian Centre for Evaluation, *Evaluation planning for new policy proposals* [Internet], available from <https://evaluation.treasury.gov.au/toolkit/new-policy-proposals> [accessed 21 December 2023].

164 Productivity Commission, *Indigenous Evaluation Strategy* [Internet], available from <https://www.pc.gov.au/inquiries/completed/indigenous-evaluation/strategy> [accessed 21 February 2024].

committee and Auditor-General reports; and government strategies, reviews, and evaluations. The review identified key themes in the literature, evidence gaps, and options for consideration in the development of a new program. One of the Keogh Bay Consulting deliverables (see paragraph 3.25) was to undertake an evidence synthesis, which would translate key literature and evidence sources into ‘initial directions’ for the new program. Keogh Bay Consulting provided the NIAA with an ‘Early Evidence Summary Report’ in July 2023, a draft ‘Early Learnings Synthesis’ report in November 2023, a presentation in December 2023, and an ‘Implementation Lessons Learned Summary Report’ in April 2024.

4.45 In August 2023, the NIAA commissioned Deloitte Access Economics to undertake research on the cost of remote employment in services sectors and to identify models to generate jobs in remote areas, based on a case study of three to five CDP regions, with a total contract value of \$392,901 (GST inclusive).¹⁶⁵ A draft interim report provided in October 2023 included a framework to assess the costs and benefits of employment models; analysis of largely publicly available data on the workforce and service profile of CDP regions; and a preliminary assessment of one potential model. The NIAA subsequently extended the contract twice: on 1 November 2023 the end date was changed from 30 October 2023 to 31 December 2023; and on 19 December 2023 the end date was changed to 30 June 2024.

4.46 In November 2023, the NIAA provided to the minister a report on the key findings from community consultations held from August 2022 to June 2023.

4.47 Draft policy advice circulated by the NIAA to other agencies in 2023 and early 2024 included limited detail on how specific options were informed by evidence (including stakeholder consultation feedback). For example, draft advice included three options for the number of jobs to be funded by the new program, however the rationale for these options was not explained and the options were not supported by modelling or other evidence. PM&C had provided feedback to the NIAA that the numbers of jobs appeared to be ‘arbitrary’.

4.48 In January 2024, the government agreed to a proposal for a ‘Remote Jobs and Economic Development Program’, which would commence in the second half of 2024 and fund 3,000 jobs over three years. The proposed model was similar to the New Jobs Program Trial (NJPT, see Table 3.1). The January 2024 advice to government provided information on how high-level features of the proposed program were informed by consultations and trials, however did not include evidence from experiences of the CDP, 1,000 Jobs Package (see paragraph 3.5) or NJPT. The advice to government noted that around 15,000 CDP participants were estimated to be job ready and identified the risk that a new program that only provides funding for jobs for a proportion of CDP participants may not meet some stakeholder expectations. To mitigate this risk, the advice referred to broader economic development measures to provide employment opportunities in remote communities, however this work was at a preliminary stage.

4.49 In developing advice for government, the NIAA received feedback from the Treasury in August 2023 on the need to address how the new jobs program would support remote economic development. This advice was requested by government in December 2023 (see paragraph 4.3). The January 2024 advice to government included general information on how the program could

165 AusTender, Contract Notice CN4005949.

support remote economic development. No modelling or other evidence of the expected economic impacts of the new program were provided.

Recommendation no. 7

4.50 The National Indigenous Australians Agency ensure that future advice to government on the design and implementation of the new remote jobs program is clearly informed by evidence, including findings from previous program experience, trials and consultations.

National Indigenous Australians Agency response: *Agreed.*

4.51 *NIAA will mature its approach to developing an evidence base for remote employment, informed by advice of the First Nations Reference Group, findings from previous program experience, trials and consultations.*

Program logic and evaluation framework

4.52 A program logic is a visual representation of the relationships between inputs, activities, outputs and outcomes to show how a program is intended to work to achieve outcomes and to support program evaluation.¹⁶⁶ The NIAA has internal guidance on developing program logics, which states they are an important part of program design because they ‘unpack how an initiative is intended to achieve results’.

4.53 A program logic was first developed for the CDP in 2015 by PM&C and revised in 2018 to reflect planned reforms to the program, which partially proceeded in 2019. As part of its May 2023 engagement, Keogh Bay Consulting was to develop a program logic, theory of change¹⁶⁷ and draft evaluation framework for the new remote jobs program (see paragraph 3.25). A preliminary theory of change was developed at a workshop in July 2023, however the NIAA advised the ANAO in September 2023 that the workshop was a high-level process and the program logic was not further progressed in 2023.

4.54 In a risk register presented to the Audit and Risk Committee in November 2023, a medium risk was ‘The recommended design for a new employment program does not have a clearly articulated program logic and an evaluation framework that does not define success’. Risk ‘sources’ were described as lack of planning, limited resources, inadequate capabilities and limited timeframes. The NIAA’s draft risk assessment stated that the NIAA intended to implement the treatment (another workshop) to reduce the risk by June 2024. An extended contract with Keogh Bay Consulting (see paragraph 3.39) included a theory of change to be delivered by 16 February 2024 and a program logic workshop. A workshop and program logic was delivered in late March 2024.¹⁶⁸

4.55 The importance of effective evaluation has been raised in reviews and parliamentary inquiries relating to the CDP since at least 2017. One of four parliamentary committee

166 Australian Institute of Family Studies, *How to develop a program logic for planning and evaluation* [Internet], 2016, available from <https://aifs.gov.au/resources/practice-guides/how-develop-program-logic-planning-and-evaluation> [accessed 14 December 2023].

167 A theory of change is a description of how and why a change is expected to happen in a particular context. A theory of change is often developed in conjunction with a program logic.

168 The ANAO did not assess the quality of the program logic approved in March 2024.

recommendations assessed by the Policy and Delivery Committee in 2020 as requiring follow-up (see paragraph 2.10) was recommendation 21 (that a rigorous, transparent and impartial evaluation process be developed to guide implementation and delivery). The Policy and Delivery Committee also considered that a 2019 Gateway Review's recommendations relating to monitoring and evaluation¹⁶⁹ were not implemented. In December 2019, the NIAA procured advice from Anne Markiewicz and Associates on the development of an evaluation strategy for the CDP reforms that were introduced in 2019.¹⁷⁰ The contractor provided a program logic on how the reforms were expected to deliver outcomes and proposed an evaluation methodology, however the NIAA decided not to progress the evaluation at that time.

4.56 The May 2023 Keogh Bay Consulting contract required the contractor to develop a monitoring and evaluation framework to support the new jobs program by 9 September 2023, however this was not done. The NIAA considered the design of a new remote jobs program to be insufficiently developed to progress a monitoring and evaluation framework, and the NIAA determined that this deliverable was no longer required of the contractor as at December 2023.

Recommendation no. 8

4.57 To inform the design of the new jobs program, and to support its eventual evaluation, the National Indigenous Australians Agency develop an evaluation framework that is consistent with Australian Government and agency guidance, prior to finalising the program design.

National Indigenous Australians Agency response: *Agreed.*

4.58 *NIAA will finalise a program logic and evaluation framework consistent with Australian Government and agency guidance as part of completing the design of the Remote Jobs and Economic Development Program. This will include consultation with the NIAA's Indigenous Evaluation Committee and First Nations Reference Group.*

Did policy advice reflect the core elements of the *Delivering Great Policy* model?

Policy advice on the design of a new program to replace the CDP was not consistent with the core elements of the Australian Government's *Delivering Great Policy* model.

4.59 The function of policy advice is to provide decision-makers with the information they need to make the best possible decision. The Australian Public Service Commission's 'Delivering Great Policy' model articulates four core elements of great policy advice:

- Clear on intent — 'We are clear on the policy intent and what our role is, so our advice is relevant and focused on the outcome we're trying to achieve.'

¹⁶⁹ These were recommendation 6 (assign clear accountability for the coordination of benefits management, monitoring and evaluation for the CDP Reforms) and recommendation 7 (develop a clear approach to, and detailed planning of, benefits realisation, monitoring and evaluation).

¹⁷⁰ AusTender, Contract Notice CN3642851.

- Well-informed — ‘We are forward looking and learn from the past. We actively seek multiple and diverse perspectives including from those affected by the policy, so we have a robust evidence-base.’
- Practical to implement — ‘We work with those involved in implementation and try out multiple options, so we have a practical solution and a plan for evaluation.’
- Influential — ‘The right people have been engaged along the way, and your advice is tailored to the audience and context so it has the best chance of landing well.’¹⁷¹

4.60 In January 2024, the NIAA provided advice to government on the high-level features of a new remote jobs program, and the government announced a new program in February 2024.

4.61 The government had signalled its intention to fundamentally reform or replace the CDP from 2017. No overarching plan was developed to support implementation of the government’s commitments to reform the CDP or transition to a new program, and a formal assessment of CDP reform risks was not developed until late 2023 and remained a work-in-progress as at January 2024.

4.62 As at January 2024, at the time of its advice to government, the NIAA had not developed a program logic or evaluation framework to articulate the announced program’s intended outcomes, how proposed program features would achieve outcomes, and how those outcomes would be measured.

4.63 In 2023, the NIAA undertook activities to build an evidence base for a new program, which included synthesising previous reviews, contracting experts, conducting trials and undertaking some stakeholder consultation. However, at the time that a high-level program design was provided to government in January 2024:

- previous programs such as the CDP and 1,000 Jobs Package had not been not systematically evaluated, and the NIAA did not use CDP data to inform the design of a new program;
- the NJPT’s and other trials’ timing, design and/or limited evaluation weakened their usefulness in informing a new program design;
- community consultations had not moved beyond high level ‘phase 1’ questions and did not test design options; and
- the evidence base was not clearly linked to proposed design features of a new remote jobs program.

4.64 The NIAA was responsible for meeting the government’s clear and repeated commitment to design the new program in partnership with Aboriginal and Torres Strait Islander people. Designing and implementing a new program to replace the CDP required the NIAA to engage with stakeholders across government and community.

- The NIAA established governance arrangements to support program reform, however these arrangements were formalised through a documented governance framework weeks before a new program was announced.

171 Australian Public Service Academy, *Delivering Great Policy* [Internet], available from <https://www.policyhub.gov.au/model> [accessed 12 December 2023].

- A consultation plan was not finalised until several months after the program's announcement.
 - Arrangements for the formal involvement of Aboriginal and Torres Strait Islander people in the design and implementation of a new program, were not finalised at the time of announcement.
 - Collaboration across government did not involve the identification and management of shared risks.
-

A handwritten signature in black ink, appearing to read 'Rona Mellor', with a large, stylized initial 'R'.

Rona Mellor PSM
Acting Auditor-General

Canberra ACT
28 May 2024

Appendices

Appendix 1 Entity response



Australian Government
National Indigenous Australians Agency

EC24-000566

CHIEF EXECUTIVE OFFICER
JODY BROWN

Ms Rona Mellor PSM
Acting Auditor-General
Australian National Audit Office
officeoftheauditorgeneralperformanceaudit@anao.gov.au

Dear Ms Mellor

Thank you for your letter of 8 April 2024 and the opportunity to provide a response to the Australian National Audit Office (ANAO) *Proposed Report – Remote Employment programs*.

The National Indigenous Australians Agency (NIAA) supports the Australian Government to achieve its objectives of strengthening First Nations jobs and economic opportunities. We do this through building key partnerships with Aboriginal and Torres Strait Islander communities, organisations, peak bodies and other strategic stakeholders to support the design and delivery of policy and programs for First Nations people and communities. This includes employment programs in remote Australia.

Employment is critical to the health and prosperity of Aboriginal and Torres Strait Islander people. For all Australians, employment offers social and economic benefits that flow to individuals, families, communities and the economy as a whole. The NIAA and previous iterations of the agency have delivered employment services in remote Australia under the Community Development Program (CDP) since July 2015. The NIAA is committed to the Government's objective to build the First Nations community controlled sector; this is a critical element of our approach to CDP and the delivery of employment services in remote communities.

As the audit report describes in Chapter 1, successive governments have made different commitments to reform or replace CDP to achieve a range of policy objectives. In 2018, the then Government committed to reform CDP and implemented reform in 2019. Separately, in 2021 the then Government announced its intentions to replace CDP.

In May 2022, the current Government made a new and substantially different commitment to replace the CDP with a new program with real jobs, proper wages and decent conditions, developed in partnership with First Nations people.

From mid-2022, the NIAA began implementing the Australian Government's commitment to replace CDP with real jobs, proper wages and decent conditions. On 13 February 2024, the Government announced the Remote Jobs and Economic Development program, which will commence in the second half of 2024.

In achieving this milestone, NIAA consulted with more than 2,250 people across 100 remote communities about what a new program should look like. NIAA also trialled practical solutions for a new jobs program: since implementing the first remote employment trial in November 2022, more than 2,300 participants have been directly placed in jobs and the number of people placed into jobs has increased by around 10 per cent. Implementing the Remote Jobs and Economic Development program is a substantial step towards replacing CDP and a new remote employment service is being designed and is expected to start in the second half of 2025.

This performance audit was undertaken while the design and transition to a new remote employment program is in progress; that is, the audit is not a retrospective review but ran in parallel with design and transition work that will continue until mid-2025.

The NIAA welcomes the opportunities for improvement identified in the Audit Report, and I am pleased that we have made significant progress to strengthen our processes as we work towards finalising the design and transition to a new program. Following the Government's February 2024 announcement to implement the Remote Jobs and Economic Development program we have established the First Nations Reference Group, finalised a stakeholder engagement plan for the next phase of community consultations beginning late April 2024, and have enhanced the integration of the NIAA regional network in design processes.

The NIAA agrees with all recommendations made by the ANAO, and notes that the majority of recommendations have already been implemented or are close to being fully implemented.

Please find attached the Agency's summary response to the proposed Audit Report (Attachment A), responses to the Individual Recommendations (Attachment B), and Editorial Comments and evidence for your consideration (Attachment C).

Yours sincerely



JODY BROUN
Chief Executive Officer
6 May 2024

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Appendix 2 Improvements observed by the ANAO

1. The existence of independent external audit, and the accompanying potential for scrutiny improves performance. Improvements in administrative and management practices usually occur: in anticipation of ANAO audit activity; during an audit engagement; as interim findings are made; and/or after the audit has been completed and formal findings are communicated.
2. The Joint Committee of Public Accounts and Audit (JCPAA) has encouraged the ANAO to consider ways in which the ANAO could capture and describe some of these impacts. The ANAO's Corporate Plan states that the ANAO's annual performance statements will provide a narrative that will consider, amongst other matters, analysis of key improvements made by entities during a performance audit process based on information included in tabled performance audit reports.
3. Performance audits involve close engagement between the ANAO and the audited entity as well as other stakeholders involved in the program or activity being audited. Throughout the audit engagement, the ANAO outlines to the entity the preliminary audit findings, conclusions and potential audit recommendations. This ensures that final recommendations are appropriately targeted and encourages entities to take early remedial action on any identified matters during the course of an audit. Remedial actions entities may take during the audit include:
 - strengthening governance arrangements;
 - introducing or revising policies, strategies, guidelines or administrative processes; and
 - initiating reviews or investigations.
4. In this context, the below actions were observed by the ANAO during the course of the audit. It is not clear whether these actions and/or the timing of these actions were planned in response to proposed or actual audit activity. The ANAO has not sought to obtain assurance over the source of these actions or whether they have been appropriately implemented.

Table A.1: Actions observed during the course of the audit

Report paragraph no.	Actions observed during the course of the audit
2.5	In December 2023 the NIAA Executive Board noted a proposed process for monitoring recommendations of parliamentary committees in the same way as ANAO and internal audit recommendations are monitored.
2.9	In August 2022 the NIAA undertook a general stocktake of CDP reforms in anticipation of a proposed ANAO audit.
2.24	In February 2024 the NIAA updated its enterprise risk register to include risk ratings and risk owners.
2.25	In April 2021 KPMG Australia delivered a 'CDP Reform Health Check' to assist the National Indigenous Australians Agency (NIAA) prepare for a potential ANAO audit of the Community Development Program (CDP).
2.64	In a May 2024 extension of CDP provider agreements to June 2025, the NIAA corrected an earlier error in agreements which had allowed for an extension option to 2027.
2.67	In September 2023 the CDP Branch provided a draft CDP provider capability development framework to the Group Manager, Economic Empowerment Group.

Report paragraph no.	Actions observed during the course of the audit
Table 3.3	In December 2023 the NIAA requested that Ngaanyatjarra Council Aboriginal Corporation develop a program logic to support a proposal for one of the trials and provided templates.
3.25	In May 2023 NIAA engaged Keogh Bay People Pty Ltd (Keogh Bay), to perform two streams of work related to evaluation of the trials, including to develop a theory of change, program logic and potential monitoring and evaluation approaches 'for consideration in the new program'.
3.34	In November 2023 the NIAA commenced analysis of the full set of CDP provider data and reporting, insights from site visits made by NIAA regional office staff, and a Keogh Bay interim report. The NIAA published this work as a six-page report in March 2024.
4.8	In September 2023 the NIAA established the Remote Employment Taskforce at the request of government. A Remote Employment Implementation Branch was also established to coordinate and lead the design and implementation of the new program.
4.11	In November 2023 the Group Manager of the Economic Empowerment Group briefed the NIAA Audit and Risk Committee on the status of CDP reform, stating that internal governance arrangements and project management functions were being established.
4.12	In August 2023 meeting minutes for the Economic Empowerment Implementation Committee were reinstated.
4.15	In November 2023 involvement of NIAA regional network managers in the Economic Empowerment Implementation Committee (a key governance committee with oversight of CDP reforms) increased.
4.17	In January 2024 a First Nations Reference Group as part of the governance structure for CDP reform was proposed to and agreed by government.
4.26	In November 2023, in a draft risk assessment provided to the Audit and Risk Committee, the NIAA proposed to develop a 'detailed stakeholder engagement plan' and a 'detailed community consultation plan' by May 2024 as a treatment to address the risk of ineffective or inappropriate stakeholder consultation. The NIAA later advised the ANAO that the reference to 'May 2024' in the risk assessment was a typographical error, and that it should have stated February 2024. In November 2023 the NIAA advised the minister that it would develop communications and stakeholder plans 'to outline our future consultation activities to inform the design of the replacement program'.
4.29	In April 2024 the NIAA finalised a consultation plan to support the design of a new program.
4.53	In July 2023 a preliminary theory of change for the new remote employment program was developed. A program logic for the new program announced in February 2024 was finalised in March 2024.
Appendix 3	In December 2023 the NIAA assessed the implementation status of Recommendation 21 of the 2017 inquiry by the Senate Finance and Public Administration References Committee into the CDP. Recommendation 21 was that 'the Australian Government, in designing the new program, ensures that a rigorous, transparent and impartial evaluation process be developed to guide implementation and delivery. This evaluation function may be considered as part of the role for the planned Indigenous Commissioner in the Productivity Commission.'

Appendix 3 Implementation status of agreed 2017 parliamentary committee recommendations

Agreed recommendations ^a	Key elements of the government response ^b	ANAO assessment	Result
Recommendation 8: The committee recommends that the [PM&C] provide practical support to local remote and Indigenous organisations to build governance and service delivery capacity in areas that enables these organisations to successfully tender for the new community development program.	The Government is committed to supporting Indigenous organisations to deliver CDP. The minister requires CDP providers to meet Indigenous eligibility requirements in order to maximise outcomes for Indigenous job seekers and communities in remote locations. Local Indigenous organisations are building capacity to take on CDP service delivery in future through the requirement for large national providers to have strong partnerships with local providers from July 2018.	The 2020 Policy and Delivery Committee review of recommendations noted that CDP providers need to meet Indigenous eligibility requirements and that an Indigenous Business Sector Strategy was supporting more start-up businesses in CDP regions. As at December 2023, 39 of CDP's 46 service providers are majority Indigenous-owned.	
Recommendation 10: The committee recommends that [PM&C] carefully consider and, where appropriate, minimise the administrative processes required of providers engaged in the new community development program.	As part of CDP reforms, CDP will move to a modern IT platform currently used by other employment programs.	The broader reforms referenced in the government response did not proceed and budget allocated to reform IT platforms was subsequently not made available to the NIAA. The CDP continues to use the same ICT platform that pre-dates this recommendation. The 2020 Policy and Delivery Committee review of recommendations noted that 'The NIAA continually liaise with the Department of Education, Skills and Employment (DESE) to ensure alignment with other national employment programs, however due to the unique nature of the CDP, some legacy systems remain in place.' There is no evidence that other substantive aspects of administrative processes required of providers were re-considered.	

Agreed recommendations ^a	Key elements of the government response ^b	ANAO assessment	Result
Recommendation 15: The committee recommends that [PM&C] mandate that all service providers delivering the new community development program, in consultation with the local community and potential employers, develop a local jobs plan taking into consideration the job-readiness of the community. The local jobs plan would seek to transition service delivery staffed by non-local personnel, apart from highly specialised professionals, to local employment in a staged manner. In addition, the local jobs plan should ensure that paid work experience and training positions are created to enable young people to gain employment experience on leaving school.	Current arrangements require providers to work with employers to understand existing opportunities and potential opportunities in the pipeline, including paid work experience and training positions. Under CDP reforms, providers will be required to work directly with community boards and leaders to set work-like activities, and identify the pipeline jobs and training opportunities in their region. Additionally, the Government is supporting 6000 subsidised jobs across remote Australia. This provides more pathways to employment and opportunities for job seekers, including young people, to transition into work.	The 2020 Policy and Delivery Committee review of recommendations noted that grant agreements require providers to liaise and work with communities, including Community Advisory Boards, and that CDP reforms would require providers to work directly with communities to set work-like activities. The review also made reference to the '6,000 Jobs' package. The Policy and Delivery Committee was not advised whether the local advisory boards were developing plans to use local workforces in place of non-local personnel or that the grant agreements did not specifically require this of them. While the CDP provider grant agreements require providers to establish local advisory boards, there is no requirement that the boards are involved in the development of jobs plans, that the plans seek to replace non-local personnel, or that paid work experience and training positions are created for young people. CDP operational guidance requires that CDP work does not displace 'real jobs' and that work experience be unpaid. The proposal to support 6,000 subsidised jobs did not proceed when proposed legislation was not passed. A 1,000 Jobs package was subsequently implemented in September 2019. In August 2023, to prepare for a proposed new remote jobs program, the NIAA engaged a consultant to, among other tasks, quantify the extent to which local workforce could replace non-local CDP staff. Local jobs plans (as envisaged by the 2017 Inquiry recommendation) were not provided to support that analysis. The terms of reference for the contract noted that the current service delivery model for remote communities 'largely relies on bringing workers into remote communities'.	

Agreed recommendations ^a	Key elements of the government response ^b	ANAO assessment	Result
Recommendation 21: The committee recommends that the Australian Government, in designing the new program, ensures that a rigorous, transparent and impartial evaluation process be developed to guide implementation and delivery. This evaluation function may be considered as part of the role for the planned Indigenous Commissioner in the Productivity Commission.	The Australian Government has introduced a specific program focused on evaluation and research, and will undertake evaluation to assess the impact of reforms to the CDP, including the impact of the wage subsidy program.	An evaluation process was undertaken in 2018 by PM&C, which informed changes to the CDP (see paragraph 2.7). No comprehensive program evaluation has been undertaken since 2018 and there has been no evaluation of CDP reforms. A 'Monitoring, Evidence and Learnings' provider was commissioned in 2023 to evaluate trials to inform a new remote jobs program (see paragraph 3.25). The NIAA monitors CDP caseload and 13 and 26-week employment outcomes, and providers are assessed on the quality of the activities and engagement they facilitate.	 ^c

Key:



Not implemented



Partly implemented



Fully implemented

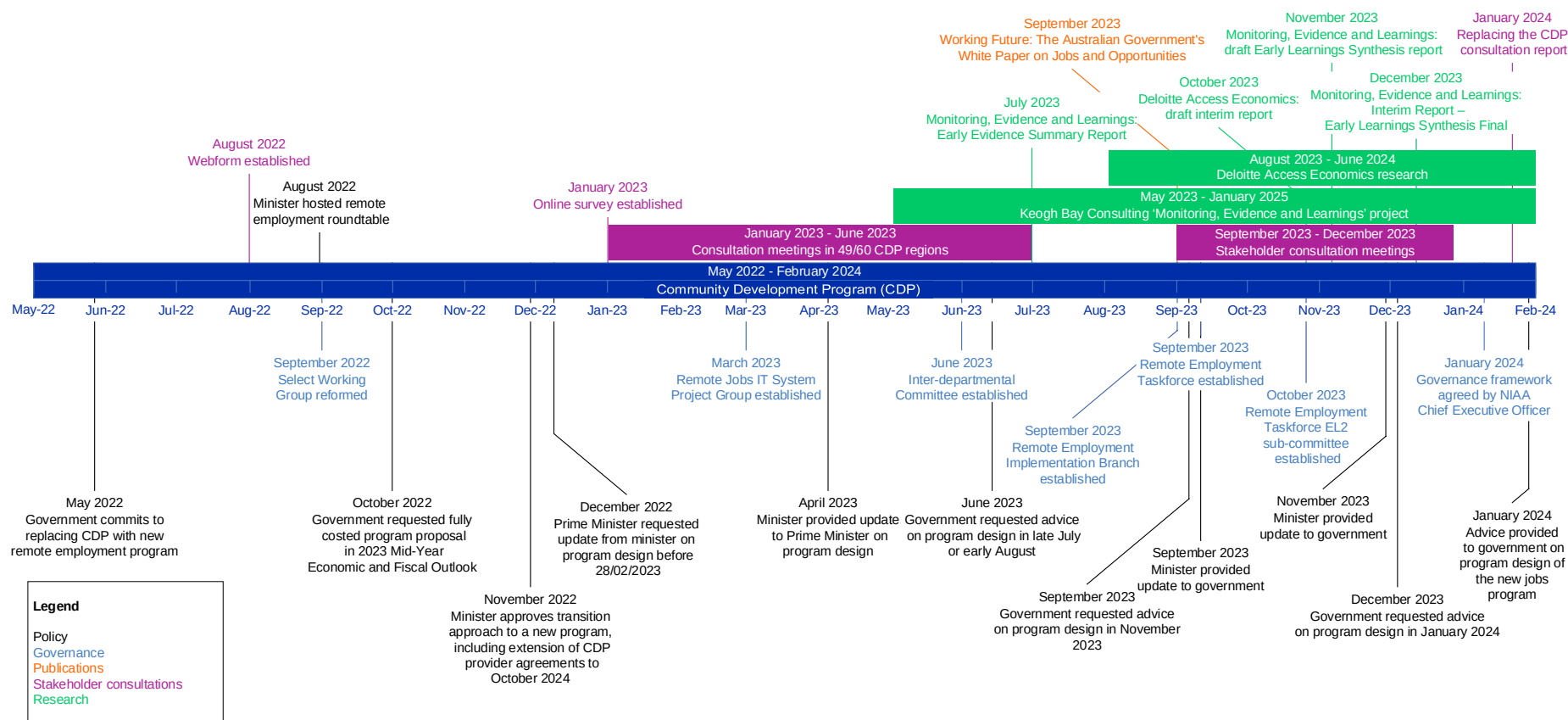
Note a: Finance and Public Administration References Committee, *Appropriateness and effectiveness of the objectives, design, implementation and evaluation of the Community Development Program*, Commonwealth of Australia, Canberra, December 2017, pp. xii–xiv.

Note b: Australian Government, *Australian Government response to the Senate Finance and Public Administration References Committee inquiry report: The appropriateness and effectiveness of the objectives, design, implementation and evaluation of the Community Development Program (CDP)*, November 2018, pp. 10, 11, 13 and 17.

Note c: As at December 2023 the NIAA assessed Recommendation 21 as 'implemented'.

Source: 2017 Inquiry report, government response to the 2017 Inquiry and ANAO analysis.

Appendix 4 Timeline of program design process, May 2022–January 2024



Source: ANAO analysis of NIAA documentation.