

An evaluation of the first two years of the Community Development Programme

Department of the Prime Minister and Cabinet

The Community Development Programme (CDP) is the Australian Government's employment and community development program serving people living in remote Australia. There are 60 CDP regions covering more than 1,000 remote communities across Australia.

Replacing the Remote Jobs and Communities Program (RJCP) in July 2015, the CDP was designed to improve outcomes in remote communities by increasing participation in work-like activity, improving employability and sustainable work transitions among program participants.

The evaluation draws on fieldwork, undertaken by Winangali in partnership with Ipsos, and an analysis of administrative data, undertaken by the Department of the Prime Minister and Cabinet. Fieldwork was conducted in eight remote communities to better understand community views of the CDP, and included over 930 surveys with community members (over a third of whom were CDP participants), 115 qualitative discussions with stakeholders, and 24 online surveys with CDP providers. The fieldwork is complemented by analysis of administrative data which examines the extent to which the CDP increased participation in activities and improved employment outcomes over the first two years of the program. The two evaluation reports capture evidence on different aspects of the program and, read together, provide a broad understanding of the early impact of the CDP on participants and their communities.

CDP participants face high barriers to employment

- There are limited job opportunities in many CDP regions. In 2016, more than half the CDP regions recorded unemployment rates above ten per cent and approximately a third had rates above 20 per cent. In 30 of the 60 CDP regions, less than half of the working age population was employed.
- On 1 January 2016, around 35,000 people were participating in the CDP, 80 per cent of whom identified as Aboriginal or Torres Strait Islander.
- Close to three in four participants were classified as having *moderate to extreme barriers* to employment on the Job Seeker Classification Instrument. This reflects, in part, the limited work experience of many CDP participants — of those participating in the program on 1 January 2016, one in five had spent at least 70 per cent of their adult life on income support (over the past 20 years). This also reflects the high share of participants living in very remote areas with limited employment opportunities. This is particularly relevant for Aboriginal or Torres Strait Islander participants, of whom 76 per cent lived in very remote Australia, compared with 35 per cent of non-Indigenous participants.

What motivates people to attend and engage?

Participants have diverse strengths, barriers and support needs as well as different motivations for attending and engaging in employment, training and community activities.

The CDP aims to keep people active and contributing to their community through daily participation in activities, primarily through a program of Work for the Dole. CDP participants aged 18 to 49 years are generally expected to participate in Work for the Dole for 25 hours per week (or up to their assessed capacity), year round. Participation in Work for the Dole can offer both a pathway to employment and a way for participants to contribute to their community.

The share of remote income support recipients enrolled in activities steadily increased under the RJCP and increased further under the CDP. Under the CDP, Work for the Dole is the main activity, with 74 per cent of participants enrolled in Work for the Dole in June 2017. The type of Work for the Dole activities participants undertake varies. In June 2017, a little over half were enrolled in a project in the arts, community and environment, health, remote housing or schooling. Other participants were enrolled in education or training activities.

Among those enrolled in Work for the Dole activities, between 70 and 80 per cent either attend or provide a valid reason for not attending on any given day. The remaining 20 to 30 per cent do not attend and do not provide a valid reason for not attending.

The quality of activities were said to have an important influence on whether participants attended activities and their depth of engagement, often referred to as 'showing effort' or 'being active'. CDP participants and community members described considerable variation in the quality of activities provided under the program.

Participants said they were not motivated to engage when activities were not suitable to their needs. 'Good quality' activities were described as:

- community led or endorsed and making a meaningful improvement to the community (for example, made a visible improvement)
- culturally appropriate and providing opportunities for social engagement and inclusion
- providing a clear pathway to a real job or tangible skills development.

Community members noted the importance of providing a range of quality activities to engage participants with different interests and capabilities. Community members also noted engagement can be improved when providers have a good relationship with participants, and provide ongoing case management and support with follow up of those who don't attend.

What are participants' experiences with the CDP?

Many participants were reported as not having a good understanding of what is required of them under the compliance system, and difficulty communicating with the Department of Human Services (DHS) or their provider when they have a valid reason for not attending.

When CDP participants do not attend their activities or appointments, and do not provide a valid reason, they can have their income support payments temporarily suspended (until they re engage), which may also result in a financial penalty.

Since January 2016, in any one quarter, about 60 per cent of CDP participants recorded at least one suspension, and about a third of participants were penalised. Around half of those penalised lost less than five per cent of their quarterly Australian Government payments. Since the middle of 2016, however, close to one in ten penalised participants lost twenty per cent or more of their quarterly payments.

Younger participants (under 35 years old), men and some sub-groups with participation and employment barriers, were more likely to be penalised for not meeting their mutual obligation requirements.

Relatively high rates of penalties among participants with barriers to participation may, in part, be due to difficulties in navigating the CDP and compliance systems. Community members and stakeholders interviewed suggested this difficulty was contributing to increased stress, anxiety and mental health issues.

Health issues may also play a role in explaining why some, particularly Indigenous, CDP participants were more likely to be penalised for non attendance. Stakeholders reported some participants had undetected health barriers due to lack of access to medical assessments. Despite the Australian Institute of Health and Welfare reporting, in *Australia's Health 2016*, a higher burden of disease among Indigenous people and those living in remote areas, rates of medical exemptions from mutual obligation requirements by DHS were lower in CDP regions than in non-CDP regions. Medical exemption rates were lowest for those living in very remote areas who identified as Indigenous.

Community members and stakeholders noted good assessments help ensure a participant's job plan (and their attendance requirements) suit their needs. Stakeholders also noted better assessments — including better access to medical assessments — could improve the identification of potential barriers to participation.

How have outcomes changed for participants and their communities?

CDP participants and community members said they valued a program like CDP to help participants on a pathway to finding a real job. Community respondents also valued a program with greater focus on community development, where they could make a group effort to make their community a better place to live. However, participants and community members raised concerns about the quality of activities, a lack of 'top up' payments (that is, being required to undertake Work for the Dole for Centrelink money rather than being paid Centrelink money with an additional 'top up' payment for undertaking activities), and the impact of penalties on participants and the community.

There were diverse views on how the community had changed since the introduction of the CDP. Of the almost 1,000 community members surveyed across the eight remote communities, 21 per cent felt the community was better off since CDP was introduced,

32 per cent said the community was the same, and 36 per cent said the community was worse. Views varied both within and between communities.

In addition to the quality of activities, a pathway to a job was important to the perceived success of the CDP in the community. Community members who said their community was worse off frequently reported poor quality activities and training opportunities, and a lack of a pathway to jobs. Conversely, community members reporting the community was better off felt more people were working and getting real jobs, there were interesting and different activities provided, and CDP was helping their community.

The extent to which the CDP can deliver pathways to jobs will depend not only on the services and training participants receive from their provider, but also on the characteristics and circumstances of individuals and, importantly, labour market conditions.

After controlling for the characteristics of participants and labour market conditions using the administrative data, the introduction of the CDP was estimated to have increased the share of participants achieving a 26 week job outcome by around one percentage point. This is an increase from the estimated 5.7 per cent of RJCP participants who achieved a 26 week job outcome over an 18 month period. This result is consistent with the changes under the CDP to place a greater weight on consecutive 26 week employment outcomes in provider and employer incentive payments.

The CDP has only been operating for a short time, and employment effects may take a few years to be realised, particularly for participants with extreme barriers to employment and in remote communities where there are limited job opportunities. In the first two years of the CDP, as may be expected, participants with low barriers to employment had the highest estimated increase in 26 week outcomes (up 3.4 percentage points from under the RJCP).