



By email: remoteemploymentservice@niaa.org.au

23 April 2025

To the NIAA Remote Employment Service team,

Feedback on the draft Grant Opportunity Guidelines for the Remote Australia Employment Service

Thank you for the opportunity to comment on the draft Grant Opportunity Guidelines (GOGs) for the new Remote Australia Employment Service (RAES).

While cautiously welcoming some aspects of the new service, overall we have serious concerns that RAES is effectively a continuation of CDP, with little to suggest in the draft GOGs that the failures and risks of that program will not be repeated.

Our key concerns are:

1. The lack of any robust provider accountability and performance framework or mechanisms.
2. Insufficient support for Aboriginal community-control.
3. The continued need to rebalance remote employment program investment towards job creation.

1. Provider accountability

There are little to no meaningful mechanisms in the draft GOGs to hold providers accountable for their performance. The draft guidelines have:

- No requirement for financial acquittals for a significant portion (up to 75 per cent) of funds (including service fees, employment placement support, employment outcome fees, and reassessment fees).¹
- Minimal specificity regarding the frequency and content of reporting requirements, indicating that they will depend on the funded activity and be contained in the grant agreement.²
- No mandatory requirement for NIAA to conduct site visits or have discussions with community members and service recipients.³
- No indication of a framework or baseline expectation for provider Key Performance Indicators (KPIs).⁴
- Only cursory mention of the monitoring and evaluation of the program as a whole.⁵

Given the findings of Australian National Audit Office (ANAO) and the direct experience of CLC on the ground, this is of serious concern.

¹ Section 10.6 How we pay the grant (p.29-30)

² Section 12.2 How we monitor your grant activity: Reporting (p.33)

³ Section 12 How we monitor your grant activity (p.32)

⁴ Ibid.

⁵ Section 12.5 How we monitor your grant activity: Evaluation (p.33)



As you are aware, the 2024 ANAO report on remote employment program reform highlighted a very high and, in the CLC's view, unacceptable tolerance by NIAA for provider underperformance. The report highlighted that:

- The potential for 'corrupt, fraudulent and/or illegal activity by a [CDP] contractor, grant recipient or provider' was identified as early as 2019, and rated as a 'very high' risk in the Department of Prime Minister and Cabinet's divisional risk register in 2019.
- In 2023, NIAA extended 63 out of 64 existing CDP provider grant agreements, despite 31 per cent having an average performance rating 'below requirements'. Furthermore, 43 per cent of providers who had their contracts extended only 'partially' met the assessment criteria.
- No robust mechanisms were put in place to manage underperformance. 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) or to support better provider performance.⁶

In the absence of a fit-for-purpose provider performance framework and robust accountability mechanisms, the CLC has seen underperforming CDP providers continue to receive significant funding while delivering little to nothing of value for people on the ground in most communities in our region. In 2022, the CLC received data from NIAA on CDP provision in our region. It showed that between 2019-20 and 2021-22, service and outcome payments to providers in Central Australia increased by 21 per cent. This corresponded with the suspension of mandatory activity requirements meaning that providers were no longer required to deliver activities. There was a marginal change to the caseload across the region during this period, and job placements actually decreased⁷ – indicating that over this period, providers were paid more to do less, for fewer outcomes for participants.

We acknowledge that the uncertainty experienced by providers in relation to contract timeframes in recent years has also not been conducive to improved service delivery.

Given the amount of money that will continue to be allocated under RAES, it is astounding that there is nothing in the draft GOGs to mitigate the risk that that such chronic underperformance will continue under a new service, or to prevent providers from drawing substantial profit from a service that is directed at some of the most impoverished people in this country.

Recommendation 1: That RAES providers be required to provide a financial acquittal annually for all funds received. Consideration should be given to a requirement for audited financial statements for providers with a grant agreement over a specified value.

Without receiving financial acquittals on these payments, it is unclear how NIAA intends to track how these funds are used (if at all) in order to understand what activities are being undertaken, services procured or the value for money it represents.

⁶ ANAO (2024) Auditor-General Report No.29 2023-24 Performance Audit: Remote Employment Programs, NIAA ([weblink](#))

⁷ Over this period, the regional caseload increased by 8.3 per cent and employment placements as a percentage of the



Recommendation 2: That the final GOGs include minimum standard reporting requirements, with the ability to add additional or bespoke reporting requirements depending on the funded activity.

While the CLC appreciates the need for a degree of flexibility and site-specific approach, minimum standards must be specified.

Recommendation 3: That NIAA make publicly accessible guidelines regarding what action will be taken when it is apparent that a provider is not meeting its obligations under the grant agreement.

Recommendation 4: That the final GOGs specify a minimum number of site visits are part of the on-the-ground monitoring regime for the new service, and that community member and service recipient feedback be an essential component of performance monitoring.

Recommendation 5: That a robust and fit-for-purpose provider performance framework is in place prior to the commencement of the new service. The framework should be developed in consultation with the Aboriginal community-controlled sector and be publicly available.

In addition to deficiencies in NIAA's management of provider performance, the ANAO also identified the lack of an overarching framework or procedures for monitoring the performance of the program as a whole.⁸ Overall, the report found that NIAA did not collect or publish sufficient information to understand whether or not the program was achieving its objectives,⁹ and that "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."¹⁰

Recommendation 6: That a robust monitoring, evaluation and reporting framework is in place prior to the commencement of the new Remote Australia Employment Service, developed in consultation with the Aboriginal community-controlled sector.

The robustness of the framework and quality and transparency of public reporting should be commensurate with the scale and significance of the program, and consistent with the Closing the Gap *Priority Reform 4* to information sharing.

Service user feedback must be embedded to ensure the views of local people are a key source of data about whether and how the new service is meeting its objectives.

A further concern is the proposed changes to employer incentive funding. The CLC understands that under CDP, employers were eligible for a one-off 'Employer Incentive Funding' payment of up to \$10,000 for full time employees and up to \$5,000 for part time employees if a participant reached a 26 week employment outcome. The draft GOGs suggest that under the new arrangements, the maximum an employer will receive is \$5,000 per participant – with the new \$10,000 payment given to the RAES provider, who then shares this (50:50) with the employer.¹¹

⁸ ANAO (2024), pp. 9 and 44.

⁹ Ibid, pp.9 and 44-45

¹⁰ Ibid, pp.8 and 47

¹¹ Section 10.6 How we pay your grant (p.29)



The draft GOGs state that “the full details are yet to be finalised”. The suggestion that employer incentive payments may be reduced seems perverse given a) the importance of employer engagement to supporting good employment outcomes, and b) that most employers in remote communities are Aboriginal organisations who are working with limited resources. In CLC’s experience in our region, with some exceptions, it is often the employer not the CDP provider who does most of the legwork to support participants into a new job and help them keep it. Overall, the payment structure must ensure that communities are the primary beneficiaries of the program.

Recommendation 7: Outcome payments should be adequate to incentivise employer engagement and compensate for the work required to support sustained employment outcomes. A higher payment to employers, on par with that provided under existing arrangements, should be considered.

Recommendation 8: Payments to providers for employment outcomes and employment placement support should be contingent on demonstration of the provider’s role facilitating the employment outcome.

2. Support for Aboriginal community-control

Aboriginal and Torres Strait Islander people make up more than 80 per cent of the remote employment service caseload. Yet the draft GOGs for the new service walk back on the requirement under CDP that non-Indigenous providers partner with an Indigenous organisation to deliver the service¹², and there is no indication that NIAA intends to apply an Indigenous preferencing policy.

The lack of any mechanisms to prioritise or support community-controlled organisations to deliver this service that is primarily directed towards Aboriginal and Torres Strait Islander people flies in the face of the Australian Government’s commitment to Closing the Gap. It is also out-of-step with other employment programs serving Aboriginal and Torres Strait Islander people: for example, the CLC understands that the Department of Employment and Workplace Relations’ new Reconnection, Employment and Learning (REAL) fund¹³ will prioritise Indigenous-led providers.

The CLC acknowledges that delivery by an Aboriginal organisation or the involvement of an Aboriginal organisation in a joint venture has been no guarantee of quality service delivery under CDP. However for NIAA to abandon any efforts to prioritise and support Aboriginal-led delivery is very concerning.

Recommendation 9: That an Indigenous preferencing policy is applied in the grant assessment process to prioritise delivery by Aboriginal organisations.

¹² The draft GOGs state “To remove doubt: an organisation does not need to be an Indigenous Organisation to apply.” (p.12)

¹³ For projects that create new pathways to employment for Aboriginal and Torres Strait Islander people leaving the justice system



Further, while the draft GOGs require potential providers to demonstrate in their application local knowledge and connections, including their understanding and experience to engage with community governance structures to support local priorities,¹⁴ there is no indication of any ongoing mechanisms to keep providers accountable for delivering a service in line with local needs, priorities and expectations. As noted above, there are no mandatory requirements for NIAA to conduct site visits or seek the feedback from community members or service users¹⁵ – these are discretionary. As noted above, only cursory mention is made of the evaluation of the program as whole¹⁶ and there is no mention of ensuring any evaluation is informed by community and service recipient feedback. To this end, we reiterate **Recommendation 4**.

As will be elaborated below, the CLC cautiously welcomes the inclusion of ‘Community Projects’ as a component of RAES. The draft GOGs indicate providers will be required to engage with communities to develop these projects. While it is appropriate that methods of engagement may vary, we urge a high threshold of evidence of community engagement (in particular with existing governance groups such as – in the CLC region, CLC Community Development working groups, Local Authorities, or groups with a Local Decision-Making Agreement) to determine successful applications.

Recommendation 10: That a high threshold of evidence is required of providers to demonstrate community input into and support for proposed Community Projects.

It bears mentioning that providers are the same organisations administering government’s participant compliance framework (‘mutual’ obligations) – a role that can be at odds with the facilitation of community-led projects. In many of our communities, we anticipate a significant amount of work may be required to establish the necessary trust and goodwill for successful projects.

3. Balance of investment in job creation

As highlighted above, the CLC continues to seek a fundamental reorientation of remote employment services policy and programs towards job creation and strengthening community-control. These twin pillars, coupled with program longevity, were the key strengths of the former Community Development and Employment Projects (CDEP) scheme.

As NIAA is aware, during 2024, the CLC undertook extensive consultation with community members and employers in the community of Ltyentye Apurte. These consultations affirmed the need for a ‘job-first’ approach, recognising that in the thin markets of remote communities there is a legitimate and necessary role for government in direct job creation.

Without further investment in job creation, we are continuing to try to case-manage and train people into jobs that simply don’t exist – an expensive and ultimately futile exercise. The 2024 ANAO report indicated that between 2017-18 and 2022-23, \$1.9 billion was expended on grants to CDP employment service providers, and an additional \$60.2 million to employers as incentive payments.¹⁷

¹⁴ Section 6.2 Criterion 2: Local Knowledge and connections

¹⁵ See Section 12. How we monitor your grant activity (p.32)

¹⁶ Section 12.5 (p.33)

¹⁷ ANAO (2024) p.16



For all of this expenditure, longer term (26 week) employment outcomes for program participants hover at around 5 per cent. It is impossible to see how this represents value for money for either taxpayers or communities who are crying out for jobs.

It is therefore positive to see a rebalancing of employment services towards job creation, through the introduction of Remote Jobs and Economic Development (RJED) program and the possibility of creating community-directed flexible employment options as part of RAES Community Projects. However, at this stage, the rebalancing can be described as tentative at best. While the RJED investment of 3,000 jobs is very welcome, it is modest: by NIAA's own estimation there are 15,000 'job ready' CDP participants (and as at June 2024) almost 42,000 CDP participants in total. There are no targets for job creation under Community Projects.

We urge continued work by NIAA to reorient remote employment policy towards job creation.

Recommendation 11: That NIAA continues to work with the Aboriginal community-controlled sector, in greater partnership, to progress further reform that more substantially reorients remote employment policy towards job creation.

Way forward

While disappointed that only modest changes are being made to a program that needs a fundamental overhaul, the CLC is committed to continuing to work with NIAA to ensure both RJED and RAES can achieve the best possible outcomes for constituents. To this end, despite the short timeframes, we urge NIAA to take on board feedback on the draft GOGs and, prior to the commencement of the new service, to work with the Aboriginal community-controlled sector including through the Coalition of Peaks (COP) on two critical pieces of work necessary for the program's success – specifically the provider performance framework (**Recommendation 5**) and monitoring, evaluation and reporting framework (**Recommendation 6**).

We understand the Economic Policy Partnership is being negotiated with the COP and this work should be integrated with the CDP reform process.

Recommendation 12: As a priority, as part of refreshed and strengthened governance arrangements for remote employment reform, that NIAA work with the Aboriginal community controlled sector to develop a robust, fit-for-purpose and transparent:

- a) Provider performance framework
- b) Monitoring, evaluation and reporting framework

We understand that NIAA has agreed with all of the recommendations of the 2024 ANAO report¹⁸ and urge the agency to make visible its progress towards the implementation of these recommendations, in addition to the implementation status of the multiple CDP-related recommendations of previous inquiries and audits. This is essential to instilling confidence for Aboriginal communities and the organisations that represent them that NIAA is committed to delivering genuine change in this critical



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policy area – which has, for more than a decade, been defined by discrimination, significant expenditure, an unacceptable tolerance for poor outcomes, and a lack of courage to reform in the best interests of Aboriginal people.

Recommendation 13: That NIAA publish and maintain visibility of the implementation status of the recommendations of the 2024 ANAO report on Remote Employment Programs, as well as previous CDP-related inquiries and audits.

We acknowledge the work of your department in recent years to change this. Despite our concerns, we remain committed to working in partnership with you. If we have misunderstood any aspects of the draft GOGs, we would welcome clarification. Thank you for considering this feedback. We would be happy to meet to discuss these concerns in person.

Yours sincerely,

Josie Douglas

ACTING CHIEF EXECUTIVE OFFICER

