



Wunan Foundation

Building a stronger future in the East Kimberley

12 February 2008

The Hon Brendan O'Connor MP
Minister for Employment Participation
Parliament House
CANBERRA ACT 2600

Dear Minister

I am replying to your recent letter inviting service providers to contribute ideas on the current employment services model.

The Wunan Foundation

Wunan Foundation Inc (Wunan) is an Indigenous-owned not-for-profit organisation based in Kununurra. It has a mandate to serve Aboriginal people throughout the East Kimberley. The East Kimberley is a remote region of Western Australia and one that is experiencing unprecedented labour market demand as shown in research we completed in 2007, that 1700 jobs will be available every year for the next three years, while also experiencing an Aboriginal unemployment rate of at least 25%

Wunan's purpose is to ensure that Aboriginal people in the East Kimberley enjoy the capabilities and opportunities necessary to make positive choices in life and to lead to economically independent and fulfilling lives – essentially, to have dreams and a fair chance of achieving them.

The East Kimberley, and the Aboriginal people who are part of this country, enjoy burgeoning social and economic opportunities. But the challenges and barriers faced by Aboriginal people in making the most of the opportunities are daunting – particularly for young people.

I have attached an outline of the strategies Wunan uses to support the basic capabilities that Aboriginal people and families in the East Kimberley need to build for themselves a stronger and more rewarding future and some of the outcomes that have been achieved. Wunan has an enviable, measurable, and successful track record in delivering tangible outcomes to Indigenous people.

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Current Challenges

1. Characteristics of our client group

We are finding that the clients we are working with are increasingly challenging in terms of poor incentives, very low work and life skills, and significant barriers to moving forward. Their detachment from the labour market is extreme. They have had inadequate levels of schooling (both leaving school as early as thirteen years of age and not attending on any type of regular basis). Thus there are no habits of punctuality and regularity and often no structure in their lives. Levels of literacy and numeracy are very low. Binge drinking and substance abuse is endemic. Clients come from overcrowded and dysfunctional home environments which impose a raft of associated barriers.

2. Intensity of Response required

The intensity of the response required to address these issues and work effectively with clients with these characteristics is extreme. Case managers physically wake clients to get them to attend programs. Attendance on programs or at work is erratic. Considerable time is spent nurturing employers to ensure that they remain positive towards taking Indigenous employees and to mentoring clients when placed in employment. Participants that are placed in employment may fall out for any of the reasons cited above. However, Case Managers continue their involvement as detachment and reattachment forms a repeating pattern that may finally result in permanent engagement with real work as the core for the sustainable adoption of more positive lifestyles.

3. Program Responses

- ♦ **Literacy and Numeracy** – we note with approval the decision to re-unite Education and Employment in the one portfolio and hope that this might result in a sharper focus on the relationship between effective education, training and the achievement of employment outcomes. Of fundamental and pressing importance in the Indigenous context is addressing the deficits in literacy and numeracy in the current school age population before another generation is condemned to the limited life options presenting to those currently in the 16 to 40 year age bracket. “Catch up literacy and numeracy” programs, such as Multilit and Scaffolding literacy are urgently required particularly for the younger end of this group. Importantly support of accommodation and other strategies that ensure regular attendance at school is crucial.
- ♦ **Training** – the type of training required in the East Kimberley is not that which will address national skills shortages, but rather that which will give young people the skills and attitudes to meet local employers expectations such as the ability to turn up to work on time, every day, day after day. |

have enclosed as Attachment 2 a copy of *The Real Jobs Research Project Report* commissioned by East Kimberley Job Pathways, a subsidiary of Wunan, in 2007. Section 4 identifies that employers are less interested in the skills and qualifications that employees bring to their jobs on the basis that these can be acquired, but rather that the attitudes and life skills are paramount.

- **Incentives** – we believe there is scope for incentives to be built into programs. We have had some success, particularly in the Wunan Building and Construction team, offering rewards for demonstrating positive behaviours in the workplace. This program sees people sliding up and, importantly, down a reward scale so that they learn that there are consequences for their behaviours.

Incentives also need to be inherently built into housing. Our stepping stone housing model that has become active recently provides housing to those who are working; those who are getting their kids to school or at least people who are making every effort to achieve both these outcomes. Rules that are agreed to by residents are enforced by us supporting residents to negotiate with people in their lives that may be a hindrance to them achieving their goals. If this is not possible we can, at the direction of the tenant, play "big brother" in being able to say to non tenants- "that's not on around here"

This completely changes the dynamic from "free social" accommodation to accommodation that is there to help you get on your feet, establish a life direction and be in control - now these tenants have some 'skin' in the game (ownership and responsibility). Enclosed is our paper on *Stepping Stone Housing*.

We would also see a need to change the welfare incentives. For people staying on Newstart or CDEP they are only marginally worse off than going into a job. In some cases they take a pay cut. Socially they are far better off as they have time to carry out other activities. Creating incentives to stop this ludicrous equation is paramount to help people take control of their lives.

- **Opportunities to develop good work habits** – positive outcomes have been achieved where employment opportunities can be provided to establish patterns of good work behaviours but where the business does not need to be completely profitable. In other words where there can be some tolerance of less productive workers as these patterns are being developed. Some consideration might be given to a program to develop and support such businesses as "employment incubators". Horsemanship is a Kimberley tradition and a metaphor that has been used is that of the

“break in yard”, where wild and unruly horses are gently brought to more useful habits.

- **Reduction in bureaucratic micro-management** – it is an added frustration to hard pressed service deliverers to be micro-managed in their program provision.

4. Costs

Due to its remote location everything in the East Kimberley is costly – food, transport, accommodation and services. The *Goods Price Index* shows that prices in the East Kimberley are 14% higher than metropolitan Perth (Kimberley Development Commission 2001 – recent research to update this information is indicating that the *CPI* will be higher in 2007). The current funding models do not sufficiently recognize regional differences in cost of service provision and the characteristics of the target client group. Added to this is the expense of attracting and retaining quality professional staff to work in the remote region. The intensity of response required to work in this area of Indigenous affairs causes a high rate of burn out and thus staff turnover.

5. Job Network

There is no real market for the provision of employment services and therefore benefits to the client group from competitive forces. The job network providers behave erratically and there does not appear to be consistency in service provision. It sometimes appears that they are simply transaction driven with little regard to the circumstances of, or outcomes for, clients. Significant numbers of Indigenous clients are breached for failure to attend appointments that have been notified by way of letter in a town where there is no postal delivery to individual houses, high levels of itinerancy and illiteracy. The STAR systems operation in this region resulted in a Job Network provider losing its contract to provide services in Katherine but being allocated work in Kununurra – adding to the general bemusement about the way the system is supposed to work.

6. CDEP

The operation of the CDEP program has been corrupted by poor administration over many years with the following consequences:

- The reward in the system is for having participants “on program” and the incentive is to increase the numbers coming onto program in order to increase the on cost allocation rather than getting participants off into real jobs. A program response that worked towards systematically reducing the numbers of participants and rewarded organisations and communities for doing so would be preferable. Currently it works better

for the organisation to keep people on CDEP, than take the incentive for placing someone.

- ♦ There is a further disincentive built into the system that encourages organisations to retain their best workers on CDEP in order to get the work of the community done. These individuals are the very people who are most likely to be able to obtain and retain "real" jobs.
- ♦ There are limited incentives or accountabilities to support co-operation between CDEP's or with the Job Network or STEPers providers to achieve outcomes because the greater reward lying in the on cost funding rather than outcomes incentive payments.
- ♦ In remote outstation communities the allocation of small numbers for those communities from the "parent" organisation further entrenches the behaviours outlined above.
- ♦ CDEP should be removed and those currently on the program assessed and supported onto other benefits that fits their profile (e.g. DSP), or placed into real jobs.

The result of this system is the passive welfare response so destructive in so many communities. However, there remains the real challenge of creating employment in those communities where there are no jobs or labour market. This may also require programs that support mobility to where the jobs are, including having extended support, such as worker accommodation and mentoring at those locations.

7. Integration of Services

You may wish to give consideration to a case management model where packages of services are "bundled" around the needs of each client and their family and that moves across the various areas of government response including health and housing. A specialist, long term program to deliver change could be trialled in the Kimberley.

8. Housing and Accommodation

There is a chronic shortage of accommodation in the East Kimberley which leads to the overcrowding and associated issues mentioned above. It is a great testament to the determination of some young people that they actually do get up and go to work while living in three bedroom houses occupied by ten adults and ten children where late nights, "charging up" and brawling occurs on a regular basis.

Wunan Foundation has found success in the provision of "stepping stone" accommodation that links accommodation for those in work, commencing with

hostel style accommodation and moving through shared housing to independent housing and ultimately home ownership.

Linked to the above issue of incentives, provision of housing could also be used as a reward for those who are sending their children to school regularly or are maintaining regular employment.

Thank you for the opportunity to present these views. Ian Trust, Executive Director and I will be in Canberra on Friday 15th February to meet with Minister Macklin. We would welcome the opportunity to discuss some of these issues further. Please contact Ian Trust on 0419 949 856. Alternatively, we invite you to visit us in the East Kimberley.

Yours sincerely

Ralph Addis CA GAICD
Chief Executive Officer

Attachment 1

The Wunan Foundation

Key Strategies:

- to develop Indigenous economic independence by strengthening the capabilities of Indigenous individuals and families so they can unlock choices and opportunities;
- to provide practical (and affordable) access to education, meaningful employment and "stepping stone" accommodation, as the foundation for sustainable self-reliance; and
- to ensure that effort and responsibility are rewarded and that perverse incentives (i.e. those that encourage passivity and dysfunction) are progressively removed, particularly through program design, effective governance, and targeted welfare reform.

Outcomes

Since commencing in 1997, Wunan Foundation has contributed to the East Kimberley community in a number of significant ways. These include, but are not limited to:

- East Kimberley Job Pathways (EKJP), established in 2006, has placed over 75 young Aboriginal people into real jobs. Two case managers work with small caseloads of participants, providing intensive support and thereby improving successful employment placements and retention rates. EKJP is currently working with another 40 job seekers through a small CDEP and a STEPERS contract through DEEWR.
- completion of the "Real Jobs" independent research project, which has identified 1,700 real job opportunities across the East Kimberley and matched them with employer requirements and expectations;
- in conjunction with Cape York Partnerships, developed the *WorkAway* project which will assist young Aboriginal people in remote communities pursue work opportunities throughout Australia;
- provided significant investment and ongoing development support to Kimberley Group Training (an allied organisation) to ensure ongoing business success - KGT is now a strong and autonomous organisation employing over 180 Aboriginal trainees and apprentices in a range of main stream work;

- In 2003, with support from Aboriginal Hostels Limited, established Wunan House, which provides accommodation scholarships to support Indigenous trainees, apprentices and employees. Wunan House provides over 3,500 "bed nights" per annum of accommodation for young Aboriginal people in full time open employment or working as trainees and apprentices;
- Established Wunan Construction & Maintenance, which provides real jobs, real skills, and builds real houses. Wunan Construction & Maintenance currently employs 11 young Aboriginal men, 5 of whom have completed their Traineeships and are now 2nd year Apprentices. In its first 18 months of operation Wunan Construction & Maintenance completed the construction of four new houses, including the 3-unit *Pindan Place* property used as "stepping stone" accommodation for young people building a working future;