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# EVALUATION OF THE CAPE YORK

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## WELFARE REFORM TRIAL

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*by Ilan Katz and Margaret Raven*

The Cape York Welfare Reform ('CYWR') trial was set up in 2008. The reform was inspired by the work of Noel Pearson, in particular the publication from his Cape York Institute ('CYI') *From Hand out to Hand up*.<sup>1</sup> According to Pearson, the main problem with Indigenous communities has been the breakdown of social norms which has been caused by welfare dependency. The overall goal of the trial is therefore to rebuild social norms, restore Indigenous authority and increase engagement in the 'real economy'. The reform was implemented in the Cape York communities of Aurukun, Coen, Hope Vale and Mossman Gorge. The trial is a joint initiative between the Australian and Queensland Governments, CYI and the four participating communities.

The CYWR trial involved a number of programs and activities that fell into the following four streams:

- Social responsibility: including money management services ('Mpower'), parenting skills and family violence prevention, social capital building programs, Wellbeing Centres offering counselling for drug, alcohol and mental health, conditional income management and the Family Responsibilities Commission ('FRC');
- Education: including case managers to improve school attendance, measures to encourage boarding school take-up and educational savings trusts for parents. The trial was also the catalyst for a new model of schooling;
- Economic opportunities: including business development, reforms to the Community Development Employment Projects Program ('CDEP') and improved employment services; and
- Housing: including removing barriers to private home ownership, normalisation of tenancy and programs to encourage home pride (Pride of Place, 'PoP').

The centrepiece in the reform is the FRC which is the key element of norm change. The FRC is an independent statutory authority comprising a Commissioner and local Indigenous Commissioners from each of the four communities. People are referred to the Commission if they breach one of four triggers. These triggers include:

- A person's child is absent from school for three full or part days in a school term without a reasonable excuse, or the person's child of school age is not enrolled in school without a lawful excuse;
- A person is the subject of a child safety report;
- A person is convicted of an offence in the Magistrates Court; and
- A person breaches his or her tenancy agreement; for example, by using the premises for an illegal purpose, causing a nuisance or failing to remedy rent arrears.

The FRC can refer people to services and has the power to impose Conditional Income Management, where a proportion of peoples income support payment is 'quarantined' for spending on specific goods.

### THE EVALUATION

The evaluation consisted of a range of different research activities conducted by different individuals and agencies. The role of the Social Policy Research Centre was to undertake an implementation evaluation and an outcomes evaluation. Methods included stakeholder interviews in the four communities, document analysis and examination of administrative data relating to education, child protection, housing, crime and employment, as well as the FRC's own database.

The findings of the evaluation were very difficult to interpret. The quantitative analysis showed overall improvements on a number of different dimensions, including school attendance and achievements and reductions in crime. However many other Indigenous communities in Queensland had also shown improvements. Drawing conclusions from official crime data is always problematic in small Indigenous communities and factors such as changes in alcohol supply and numbers of police may have a considerable impact. Other outcomes did not show any progress, but it was not clear whether this was because of the lack of impact of the trial or the fact that the evaluation took place only five years after implementation and the expected outcomes may take many years to eventuate. In addition, the trial

was relatively expensive with an estimated cost of over \$120 million over the five years. No cost effectiveness evaluation was undertaken so it is not possible to compare the costs and benefits of the welfare reforms with other programs in Indigenous communities.

Generally there was a perception that things were improving in the communities, as evidenced by a social survey, but this was not conducted in other communities, so it was not clear whether this was part of an overall trend. Another challenge was that the CYWR trial was not compared to other interventions. For example, similar outcomes appear to have been evident in communities such as Groote Eylandt in which more conventional programs were implemented. On the other hand, many initiatives in remote communities have not succeeded in creating lasting change. Another challenge for the evaluation was that many of the benefits to the communities appeared to have arisen from the Alcohol Management Plans, which, although initiated by the CYI, were not part of the reforms, and preceded them by a couple of years.

#### THE CONTRIBUTION OF THE GOVERNANCE ARRANGEMENTS UNDER THE TRIAL

The trial is underpinned by unique governance arrangements involving a tripartite partnership between the Queensland and Australian Governments and the CYI.<sup>2</sup> The governance arrangements embody the welfare reform philosophy of moving beyond passive, government-defined service delivery and instead empowering Indigenous involvement in leadership of policy and program design and delivery. The evaluation did not provide a comprehensive review of the contribution of the governance arrangements to the outcomes of the trial.

#### IMPLEMENTATION OF THE TRIAL

Implementation of the trial varied across the four streams and four trial communities. Likewise, the governance arrangements of the trial varied from those initially intended. Overall, the evaluation found that the trial had been implemented appropriately, especially considering the challenges inherent in implementing programs in remote Indigenous communities.

Some parts of the trial were implemented quickly and effectively, while others were not implemented. For instance, under the social responsibility stream, the FRC was implemented across the trial communities. In the first three and a half years of the trial, about half of the adult population in the four trial communities had direct contact with the FRC for breaching at least one of the triggers for referral to the FRC.

The planned suite of supporting services (such as Wellbeing Centres, student case managers and family violence programs) and opportunities (such as the MPower financial management planning program and parenting programs) have also been successfully established to provide referral options for the FRC in its conferencing with clients.

The key element of the education stream during the period of the trial has been the establishment of the Cape York Aboriginal Australian Academy ('CYAAA'). The CYAAA was not part of the original agreement for the trial, and was introduced later than other elements, which included school attendance case management, education trusts and encouragement for more children to attend secondary boarding schools.

Of the four streams, economic opportunity and housing had not been fully implemented, or were just beginning to be implemented in the trial communities. Under the economic opportunity stream, the business precincts were not operational by the time the evaluation was conducted. However, the conversion of CDEP positions into 'real jobs' and the reforms to the CDEP scheme were implemented as planned under this stream. The housing stream included the move towards home ownership. Under the trial this proved challenging because each of the communities operates under different land tenure systems. Although a lot of work had been done to 'normalise' tenancies, the evaluation found that no-one had bought homes in the four communities.

The trial included governance mechanisms such as local program offices, local Indigenous planning agreements, and local implementation committees ('LICs'). The LICs were not established in all of the trial communities as originally designed. There were however, interagency meetings in each of the communities which operated to overcome this gap in implementation.

There was some indication that despite extensive consultation before it was implemented, the trial was not adequately 'sold' during its implementation, and many community members did not feel adequately consulted. However, community support for the trial grew over time, with the exception of Hope Vale, where views were very divided, with the local council resolutely opposing the trial.

There were both barriers and facilitating factors associated with the implementation. One of the common findings across the trial communities was that some of the

initiatives of the trial did not interact well with other services. This was found to be because they were not set up to facilitate interactions, because of competition and tension between services, and because of different working perspectives about whether compulsion should be used to force people to attend services or whether attendance should be voluntary.

## OUTCOMES

Measuring the trial's intended outcomes—changed social norms and behaviours—is inherently difficult, but a range of evidence was collected in the evaluation, including statistics, survey data and qualitative feedback.

The evaluation framework for the trial conceptualised a theory of change comprising a continuum from putting in place foundations and enablers, bringing about short to medium-term behaviour change, and finally achieving sustainable improvements in the communities in the longer term.

There were some early signs that people were taking on greater personal responsibility and raising expectations, particularly in areas such as sending kids to school, caring for children and families and their needs, and accessing supported self-help measures to deal with problems.

There has been a differential level of 'buy-in' and commitment across the four communities, with the strongest response evident in Aurukun and the lowest support for the trial in Hope Vale. Aurukun was in crisis in the years before the trial started and the welfare reforms along with the introduction of the Alcohol Management Plan has significantly improved life in the community.

The trial has had different impacts on the various population segments within each community. The greatest impact has been on individuals who have been before the FRC and have accessed support services. The residents exhibiting the least improvement are in a 'harder to reach' category of individuals who are being repeatedly called before the FRC but are not accessing any of the support services or opportunities that might improve their lives. Young people who left the communities to go to boarding school but then dropped out were another group not reached by the trial.

In Aurukun and Mossman Gorge, there were statistically significant improvements in school attendance, reflected in falls in students' unexplained absences from school during the trial. Coen and Hope Vale have historically had higher rates of school attendance.

The greatest improvement in school attendance occurred in Aurukun, where attendance rates had been lowest before the trial. The school attendance rate at Aurukun increased from 46.1 per cent in the first term of 2008 to 70.9 per cent in 2012. The improvement was greatest in 2009 and was generally sustained during the subsequent years of the trial. This improvement appeared to be due to the introduction of the FRC rather than case management or changes in the school itself. Analysis of records for individual students in Aurukun showed a statistically significant reduction in unexplained absences from school following an FRC conference with the student's parents or caregivers in 2009 and 2010. The statistical analysis suggests however, that after successfully changing the behaviour of a significant number of families in 2009 in Aurukun, the numbers of people affected by the FRC has stabilised and there are many families who are not willing or able to send their children to school despite the various interventions of the Welfare Reform.

Improvements in school attendance in the trial communities were not part of a broader trend in Indigenous communities in Queensland.

More high-school-aged children from Aurukun were attending boarding school than before the trial. While this is consistent with the trial's philosophy and objectives, it is not clear whether the trial's activities were contributing to this outcome. The retention of students at high school remained a significant challenge; a high proportion of students returned to their home communities within six months of starting boarding school.

There were some positive early signs about improvement in educational attainment by students in the communities where the CYAAA has been implemented, but it is too early for a definitive finding and an independent evaluation of the CYAAA will be completed in 2013.

The trial has had an impact in encouraging and assisting community members to better meet the needs of their children and families. The FRC has had an impact in this regard, not only through the effective use of Conditional Income Management, but also through the support and guidance provided by the Commissioners in FRC conferences. Community members perceive that people are generally taking more responsibility for their families and children and trying to be better parents.

In survey responses and qualitative feedback, improved money management is seen as an important outcome of the trial, with community members reporting a greater

capacity to meet the needs of their families and children through the BasicsCard (issued under Conditional Income Management), the MPower financial management assistance service and Student Education Trusts ('SETs').

Residents of the communities report that, compared to three years ago, children are happier, more active and eating healthier food, and life is on the way up generally.

The FRC, operating in conjunction with a suite of support services such as the Wellbeing Centre and parenting and family violence programs, MPower, SETs and PoP (a program in which people who save a certain amount will get their homes refurbished or additions built) enabled many individuals and families to identify and start to address problems that affect their lives. The evaluation has found evidence of greater self-awareness about problems affecting individuals and families, and a greater preparedness to seek opportunities for supported self-help.

It is not possible to attribute any uniform trends in levels of crime and alcohol abuse in the trial communities to the implementation of welfare reform. There have been improvements in several indicators of crime and offending in the trial communities, particularly in Aurukun. Attributing this improvement directly to projects delivered under the trial is difficult. Data analysis shows that the rate of assaults causing bodily injury fell dramatically (by more than half) in 2008/09 in Aurukun and that this is highly likely to be related to the reduction in trading and subsequent closure of the Aurukun tavern from March 2008. Reducing alcohol supply is consistent with the welfare reform philosophy, but is not an explicit part of the trial. The data analysis also shows that the reduced crime indicators in the CYWR communities during the trial are largely similar to improvements in other comparison Indigenous communities. However, the improvements across the trial communities did reverse a trend of rising offence rates prior to the trial, which was not the case in comparison communities. Another positive indicator is that the hospitalisation rate for assault has been lower in the trial period in the CYWR communities than it was before the trial—it is not possible to definitively link this to the trial as a similar trend is evident in other Indigenous communities in Queensland.

Significant progress has been made under the trial in addressing the legislative, financial and tenure-related barriers to private home ownership in Indigenous communities. Many residents of the trial communities have expressed an aspiration to privately own their

home and expressed an interest in loans for this purpose. However, no residents have yet made the transition from public housing to home ownership. Further work is needed to build individual capabilities and to ensure that an appropriate home ownership model and incentives are in place.

Census data indicates an increase in the employment rate in all of the trial communities between 2006–11. The trial has contributed to this outcome through the conversion of CDEP positions into 103 jobs and the creation of 118 new service delivery jobs. However, the trial has had a limited impact on the number of residents dependent on welfare—apart from the CDEP conversions, many residents who are no longer on CDEP have transitioned to other welfare payments such as Newstart. Substantial new employment opportunities will be required either within the communities or through mobility outside the communities before working can become the norm for residents.

The trial has not succeeded to date in generating significant business development in the four communities. Slow progress may be a reflection of the challenges in the economic environment in remote communities but may also be impacted by delays in the implementation of the trial's activities in this area, such as the new business precincts.

A successful feature of the trial has been the rebuilding of Indigenous authority to tackle antisocial behaviour through the local FRC Commissioners. Most community members and other stakeholders believe that the FRC has strengthened leadership, particularly through the Local Commissioners' listening, guiding and supporting role. The FRC conferencing process resonates with traditional Aboriginal dispute resolution practices and is consistent with restorative justice principles. An analysis of the social change survey data by social psychologists indicates that residents believe in the underlying logic of the trial—that the FRC can strengthen leadership and encourage people to take responsibility for their behaviour.

#### CHANGES IN SERVICE PROVISION TO SUPPORT THE TRIAL OBJECTIVES

The trial has introduced a raft of new services and opportunities that are specifically designed around the principles of individual, family and community responsibility.

Most service providers perceive that service delivery has changed as a result of the trial in ways that support the

welfare reform philosophy. However, there has been inadequate attention to identifying how the welfare reform principles should translate into changed practices at the operational level, and there continues to be a lack of consensus in this regard.

Service providers perceived that coordination and collaboration had improved as a result of the trial, although there was some concern about the lack of an effective case management approach. There was some degree of service overlap, inter agency rivalry and lack of communication between agencies, but this appeared to be no better or worse than is evident in other remote communities, and indeed in urban contexts as well.

The level of engagement of services with community members improved during the trial, with greater opportunities for communities to influence and participate in service provision, however there were few Indigenous people in management positions, and training Indigenous people to fill service positions was still a priority need for the communities.

## CONCLUSION

Overall the evaluation found that there had been considerable progress in the four communities in many areas, but that some components were lagging behind. It was difficult to attribute changes to the CYWR trial, but in general community members and service providers appeared to believe that it had made a contribution to the changes, and had the potential to support improvements in the future.

## OUTCOME

Partly as a result of the evaluation, the Australian and Queensland Governments agreed to fund the trial for a further year. Beyond 2014, however, the future of the trial is uncertain.

The full evaluation report can be found at: <[www.fahcsia.gov.au/our-responsibilities/indigenous-australians/publications-articles/evaluation-research/cape-york-welfare-reform-cywr-evaluation-report](http://www.fahcsia.gov.au/our-responsibilities/indigenous-australians/publications-articles/evaluation-research/cape-york-welfare-reform-cywr-evaluation-report)>.

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- 1 CYI, *From Hand Out to Hand Up: Volume 2* (CYI, 2007).
- 2 CYI's responsibilities as trial partner include oversight and coordination of the work of the Cape York regional organisations charged with delivering trial elements: CYI, Australian Government and Queensland Government, 'Cape York Welfare Reform Trial: Project Board Agreement' (21 July 2008) 10–11.

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## Portraits of Landscape Series

Vanessa Russ  
Indian ink and water on Arches paper, 2012  
Images courtesy of the Mundaring Arts Centre

