Employing local staff: case studies of remote local government organisations

Dr Don Zoellner
Northern Institute, Charles Darwin University, Alice Springs, Northern Territory, Australia
Email: don.zoellner@cdu.edu.au

and

Dr Judith Lovell
Northern Institute, Charles Darwin University, Alice Springs, Northern Territory, Australia
Email: judith.lovell@cdu.edu.au

Paper presented at the Developing Northern Australia Conference
Cairns, Queensland
19-20 June 2017
Employing local staff: case studies of remote local government organisations

Abstract

The goal of increasing employment rates for local Aboriginal and Torres Strait Islander residents of remote Australia is not only a specific element of proposals to develop northern Australia but also aligns with broader national policy agendas. This paper draws on original research into the employment practices of a small group of self-selected local government bodies that provide and maintain a large range of services across the north. Using a mix of quantitative and qualitative methods, the importance of local government as a major employer is re-affirmed through the specification of the enablers of and barriers to the employment of Aboriginal and Torres Strait Islanders who live in the area. The capacity of the shire or council to generate income which can, in turn, be used to create jobs, was a recurring theme to emerge from the study. Local governments' ability to raise their own funds through land rates is severely constrained in most remote areas and many are heavily dependent upon the receipt of grants from the other two tiers of government. These monies are frequently tied and are used to fund the provision of specific services on behalf of other governments' agencies. However, the research findings reported that a number of remote local governments are increasingly turning to more market-driven behaviours in order to move away from grant reliance and to increase local determination of the types of employment that will be offered. The extension of competition policy and the related outsourcing of government service provision, particularly by introducing increased consumer choice into the human services, provide a catalyst for local governments to reduce their traditional embrace of non-market activity in order to generate revenues that support the employment of locals.

Key Words: local government, employment, markets, remote, northern Australia

Introduction

Many of the national policies aimed at reducing disadvantage in Aboriginal and Torres Strait Islander communities place improving employment in regional and remote areas at the core of suggested solutions. For example, Forrest (2014, pp. 55 and 148) makes comprehensive recommendations to re-align housing, vocational training, schooling, and social benefit payments in ways that would support and encourage residents into employment under the
guidance of local governance mechanisms. Former Prime Minister Abbott's (2015, p. 18) solution to the lack of progress in the Closing the Gap outcomes, when those in jobs fell from 53.8 per cent of 15-64 year olds in 2008 to 47.5 per cent in 2012-13, was to include employment programs in the Indigenous Advancement Strategy. The very first objective of the revamped national strategy was aimed at "getting Indigenous Australians into work, fostering Indigenous business and ensuring Indigenous people receive economic and social benefits from the effective management of their land and native title rights" (Department of Prime Minister and Cabinet 2014, p. 3).

The faith placed in the intended positive benefits of moving Aboriginal and Torres Strait Islander people into employment, however, is not a recent neoliberal or economic rationalist phenomenon. The provision of vocational education that would lead to employment was a key element of assimilation policies of the mid-twentieth century; "[A]borigines must live and work and think as white Australians do so that they can take their place in social, economic and political equality with the rest of the Australian community" (Minister for Territories 1958, p. 1). The importance of local context was also noted in these policies; "education programmes should aim at preparing [A]borigines for suitable employment according to local circumstances" (Minister for Territories 1958, p. 3). In the 1980s, the close alignment of vocational training to employment was the central pillar of the Northern Territory Government's 'integrated approach' to community development in Aboriginal rural towns that would be built upon increasing the employment opportunities of the residents by progressively handing over a range of service delivery roles to the then community councils in the name of 'self-realisation' (Northern Territory Archives Service 1980).

This paper presents empirical data from seven case studies of a variety of local government structures that operate across the three jurisdictions that comprise remote Australia where support for the provision of a local workforce has gained renewed momentum flowing from the agendas of sustainable northern development and national Australian Indigenous policy priorities. While not claiming to provide a definitive analysis of the employment practices used by each of the councils and shires of remote Australia, the results identify some of the factors that contribute to increasing local work and job options and the significant impact of state, territory and federal government legislation on the options available to these major employers of local staff.

Methods
The empirical data reported here comes from a much larger study into the key factors impacting the attraction, recruitment and retention of local staff in remote Australia that was sponsored by the Cooperative Research Centre for Remote Economic Participation. As this study was conducted by a non-indigenous researcher, it is crucial that the research and interpretation of data does not reflect a singularly non-Indigenous lens. Ensuring that the remote local voice furnished by the respondents has been preserved throughout the research process necessitated a critical element of the methodology which Foley (2006) has described as an Indigenous Standpoint. This important feature has been acknowledged in this project's research design and conduct with axiological tenets of reciprocity and respect through which "multiple standpoints are represented without dominance of one by another" (Lovell 2015, p. 2). To ensure Indigenous Standpoint informs it, the research design and conduct solicited independent Aboriginal academic advice and participant feedback to ensure the representation of local remote organisational voices. An ethical approach to this study was further ensured by following the Charles Darwin University protocol for human research ethics1.

Constraints and limitations are inherent in all research and the challenges of collecting data via telephone and email rather than face to face were anticipated in seeking the key factors that impact on such a complex and ‘lived’ issue in remote Australia (Braun & Clarke 2006). The research design included an offer of ongoing conversational dialogue (van Manen 1990) in recognition of mutual desire of the researcher and participants to contribute to better understanding the complex daily experiences of organisational and community interactions.

For the purposes of the primary research, local remote staff were defined as living and working in discrete Indigenous communities or open towns in remote or very remote (henceforth termed remote) Australia. Remoteness is defined in terms of spatial distance via transport routes from a settlement to its nearest population hub and assumed service centre. Access is a key concept for understanding remoteness in relation to service delivery, transport and communication systems (Australian Bureau of Statistics 2012). The target population was the employers of Aboriginal or Torres Strait Islanders who are considered to be 'local' by residents in their community. The term 'staff' is used throughout this paper as generic to the employees of local governments.

1 https://www.cdu.edu.au/research/ori/human-ethics
The research collected data from seven self-selected open towns and discreet Indigenous communities in remote areas of Queensland, the Northern Territory and Western Australia. Each responded positively to an invitation to participate in an investigation of their employment practices in regard to local Aboriginal and Torres Strait Islanders that had been originally extended to 23 local government bodies. The two participating local government entities in the Northern Territory and one each from Western Australia and Queensland cover very large regions. In northern Queensland the designated Aboriginal councils are specific to a discreet community as was one participating council from Western Australia. The objective of the study was to gain a better understanding of what these organisations considered to be the key factors that attract and retain local residents as long-term employees as opposed to hiring individuals from outside the jurisdiction. The research design intended to collect the views of the employing organisations rather than the employees.

The respondents that accepted the invitation to provide the raw data ranged from a predominantly non-Indigenous employer, Ashburton Shire in Western Australia, to shires that have purposeful policies and processes to employ a majority of Aboriginal and Torres Strait Islanders. For example, Queensland’s Pormpuraaw Aboriginal Shire Council (2015, p. 37) has a 75 per cent minimum Indigenous staff policy. The final set of respondents to the electronic survey and follow-up interviews were:

- Hope Vale and Pormpuraaw Aboriginal Shire Councils in Far North Queensland and Carpentaria Shire Council situated in the Gulf region of Queensland
- Roper Gulf and Barkly Regional Councils in the central east of the Northern Territory and
- the Shire of Ashburton in western central Western Australia and the Paupiyala Tjarutja Aboriginal Corporation in southern eastern Western Australia.

Participants were asked to first respond to a written survey consisting of a set questions that asked for aggregated and de-identified answers concerning the number of staff positions in each employment type: labour, service, administration, coordination, training, management, executive and ‘other’ by gender and employment mode: ad hoc/casual, 0-19 hours, 20-35 hours, 35+ hours. Despite the uniform survey questions, little of the data provided was consistent. The written and interview response options produced a much richer set of data than did the survey. In spite of its inconsistent format, the survey statistics helped to tailor the interviews for each of the seven responding organisations and their specific operational and
legislative contexts. Six councils completed the survey and interview while one of the Queensland local government bodies responded to the interview only, but supplied information that answered most of the survey questions.

**Results**

The survey and follow-up discussions produced a range of quantitative and qualitative responses that complemented each other, that is, the interviews were used to both elicit further information and also to confirm and give context to the survey data. In response to the surveys and follow-up interviews that were conducted between August 2015 and February 2016, it was reported that these local government agencies had over 680 Aboriginal and Torres Strait Islander persons employed with 411 in full time positions (Table 1).

Table 1: Aggregated numbers of employees, the types of activities and the work-hours correlating to part-time, full-time or ad hoc positions.

<table>
<thead>
<tr>
<th>Employment type</th>
<th>1-19 hours per week</th>
<th>20-35 hours per week</th>
<th>35+ hours per week</th>
<th>Ad hoc /Occasional</th>
<th>Sub-totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>labour</td>
<td>1</td>
<td>10</td>
<td>144</td>
<td>25</td>
<td>180</td>
</tr>
<tr>
<td>service</td>
<td>22</td>
<td>157</td>
<td>131</td>
<td>36</td>
<td>346</td>
</tr>
<tr>
<td>administration</td>
<td>2</td>
<td>4</td>
<td>36</td>
<td>7</td>
<td>49</td>
</tr>
<tr>
<td>coordination</td>
<td>0</td>
<td>0</td>
<td>15</td>
<td>1</td>
<td>16</td>
</tr>
<tr>
<td>training</td>
<td>0</td>
<td>12</td>
<td>52</td>
<td>12</td>
<td>76</td>
</tr>
<tr>
<td>management</td>
<td>0</td>
<td>0</td>
<td>17</td>
<td>0</td>
<td>17</td>
</tr>
<tr>
<td>executive</td>
<td>0</td>
<td>0</td>
<td>10</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>other</td>
<td>0</td>
<td>4</td>
<td>6</td>
<td>0</td>
<td>10</td>
</tr>
</tbody>
</table>

The staff numbers ranged from 12 individuals out of around 154 full time equivalent positions at the Shire of Ashburton (2017, p. 98) to the self-reported 90 per cent of the 100 staff employed by the Hope Vale Aboriginal Shire Council (2016, p. 11). In the Northern Territory the 244 Aboriginal and Torres Strait Islander persons employed by the Barkly Regional Council (2016, p. 15) represented about 65 per cent of the total number of staff who are deployed in its geographic area of over 322,000 square kilometres, while the Roper Gulf Shire's (2016, p. 94) more than 200 local staff (out of more than the total 330) ensured that it "continued to be the largest employer of Indigenous people in its region".
The local staff members of Carpentaria Shire are employed predominantly on a permanent, on-going basis and the organisation has retained 88 of the current 117 local staff for two or more years. There are seasonal factors that impact on the management of dispersed work crews, who need to be reassigned during the rainy season. The majority of employees work full-time, so flexibility is needed. While there may be a need for flexible modes of employment, the business model through which these local governments receive base line funding for service delivery is seldom adequate to meet the community priorities of their sparsely populated remote region.

The level of governance capability required in remote local government areas is the same as elsewhere in the nation but also must recognise local cultural protocols and demands. At Pormpuraaw the induction and governance training provided for new recruits was also provided in refresher courses for long-term staff to enable them to keep up to date with changes in council protocols and practices. Carpentaria Shire Council includes Local Government Administration certificate courses in the training programs available to its staff. Hope Vale Aboriginal Shire Council and Roper Gulf Shire Council emphasise the importance of local leaders being present and active in their work crews. In both locations, leadership relationships among local and non-local staff are essential in meeting legislated obligations and expectations of high quality service delivery. The Hope Vale Council found local leadership in the field of work was as important as the governance role of the councillors:

So relationship with local leaders, working with them in the field, when I first got [here] there was probably two really senior indigenous leaders - one still with us, but one no longer. It is really important to develop those relationships with those men as they will be the ones that help you succeed or fail… having really strong relationships with local leaders in the community who are normally working in the community with you and building that training on the ground in the town with the infrastructures that they are familiar with and they see every day… is absolutely critical.

The Hope Vale Aboriginal Shire Council (2016, p. 27) is moving towards financial autonomy and is the least reliant on grant funding of the seven bodies with 49 per cent of its income coming from sales of goods and services. Hope Vale council can invest in its own priorities and has implemented responsive business and employment models which have stimulated broader community and organisational development. As a result, the community has experienced an increase in other agencies and private enterprises operating in Hope Vale and bringing with them more custom for new local businesses such as a butcher shop, café, post office, service station and supermarket. Each of these contributes to producing more local employment. A community and council policy insists on employment and training of local staff.
by each external business or government agency working in the district. This is believed to embed further skill development and capability in local workers leading to personal benefit and increased socioeconomic return to the community from external engagement, and supports this local government's position as a preferred provider to the state government.

The level of practical assistance required by individuals seeking a council job and the capacity of local authorities to support their recruits varied greatly from one location to the next even within uniform national government policies aimed at providing assistance to individuals seeking to move from unemployment into paid jobs. In some situations, basic logistics are a significant barrier to new recruitment, as prospective employees are required to provide evidence of identity. This requires uniform documentation and proof, e.g., a birth certificate, which is not readily accessible in many remote locations.

The data from Pormpuraaw suggests that different issues effect staff attraction of new recruits when compared to those impacting retention of longer-term employees. There was a feeling that ‘continuous commitment to training and capacity building’ is required if local staff outcomes are to improve; and that youth need a better understanding of ‘why one has to be productively employed’ in relation to the community commitment to ‘closing the gap’. In another community in Northern Queensland, the shire manager reported no success in engaging young people in work through training pathways and described the situation as ‘totally heartbreaking’.

Each respondent discussed training, mentoring or professional development as an essential tenet of local staff employment outcomes, service delivery and governance. Hope Vale Aboriginal Council and Carpentaria Shire Council have had successful outcomes through apprenticeship, traineeship and trades pathways. For the others, access to appropriate workplace-based training and mentoring was both a resourcing and logistical issue and formal classroom-based training pathways were not felt to be meeting their staff’s needs, nor delivering recruits for employment. The Paupiyala Tjarutja Aboriginal Corporation (2016, p. 5) focuses its efforts to increase local employment of "disadvantaged job seekers". Nearly 50 part-time locals are directly employed in the provision of services, but none hold management or executive portions in their corporation. In the Barkly employment is influenced by two underlying issues:

Health and education are the two main factors that impact on whether work is too difficult for local staff to undertake, not too difficult, or satisfying. We captured this unintentionally in the
literacy and numeracy mentoring undertaken in two communities. Vocational [i.e., classroom-based] models were not working. Mentoring [one to one] gave us insight of people’s lives and what was important to them on a personal level in a way that we had not had before.

The critical success factor of using formal training pathways in Hope Vale is believed to be the development of a market-based local labour force supported at the community level by strong on-site leadership and employment targets far higher than those set by national or state government programs:

The measure for any of us is that our staff from Hope Vale is Indigenous. The percent of Indigenous employment in the council is probably 90+ percent. We have an average of about 100 staff members and less than 10 are non-Indigenous. In council administration the MSO and CEO are the only two that are non-Indigenous. In the Hope Vale council that is very important; you have capacity in the town, so like growing up in any small town, you'd be cranky if they brought people into your town from a city to fill the jobs. That’s the same for any town.

Many of the constraints reported by the respondents allude to revenue and policy directives of other tiers of government. The Barkly Regional Council is frustrated at its own lack of a voice and the tendency for the Northern Territory Government to speak for local governments in dealings with the Commonwealth. The power of external policy to over-ride local voice is an artefact of federation through the two tiers of national and state or territory government in Australia were first constituted, the ripples from which contribute to a systemic inability of local government to sustain ‘the capacity to aspire’ (Appadurai 2013). Most respondents indicated that moving away from being predominantly reliant on government grants lessened their vulnerability to program and policy cycles of other governments.

Analysis

The Australian Centre of Excellence for Local Government, reports a higher proportion of local government employment in remote areas (18 percent), as compared to five per cent of state/territory government employees or the two per cent for national government (Hastings et al. 2015, p. ii). As one of the largest employers of local Aboriginal or Torres Strait Islander staff, local government authorities in remote Australia are closest to the problems, challenges and the solutions facing their communities. As described by the Australian Local Government Association (2017): "local councils know their communities".

Procuring the funding that is used by these councils and shires to employ local staff is made difficult due to a structural and constitutional imbalance between the three tiers of government. Local governments only have access to a single tax, i.e., property rates, and various fees and charges for self-raised income (Australian Local Government Association
In addition, the Australian Government supplies population-based untied annual financial grants for general purpose and roads expenditure; this income is particularly important in remote and regional areas where there is a greater reliance on external and grant-based funding (Australian Local Government Association 2017; Department of Infrastructure and Regional Development 2017). In 2016-17 six of this study’s local government bodies, excluding the Paupiya Tjarutja Aboriginal Corporation, shared a total of $16.6 million based upon the number of permanent residents living within their boundaries; Ashburton received the most at $4.4 million while Hope Vale got the least with $1.0 million.

Like Hope Vale other councils are also exploring the use of more market-oriented activities to increase income and employment. For example, the Paupiya Tjarutja Aboriginal Corporation (2016, p. 13) took over the management of the Ilkurka Roadhouse which is the only fuel provider for motor vehicles travelling on the Anne Beadell track in order to establish a sustainable business serving Aboriginal people and tourists moving through the region. Another example comes from Pormpuraaw Aboriginal Shire Council (2015, p. 23) which operates a Post Office and bank agency as well as a fuel depot and concrete batching facility, while the Shire of Ashburton (2017, p. 99) runs the Onslow Aerodrome which reported a $2.1 million net trading result in 2016.

Historically, in order to generate additional income and increase employment opportunities for residents, local government has provided services on behalf of the other two tiers of government, i.e., state and federal. A few representative examples of these outsourced services are reported by the Roper Gulf Regional Council (2016, p. 47):

- Australian Government employment services
- Australian Government health programs
- Australian Government education programs
- Northern Territory Government transport programs
- Northern Territory Government environmental protection
- Northern Territory Government health programs
- Northern Territory Government sports, arts and museum activities.

**Discussion**
This data is too constrained to claim that the findings represent the views of all local governments in remote Australia. But the results do provide contemporary empirical information to assist in a deeper understanding of some of the factors that are impacting upon the employment of Aboriginal and Torres Strait Islanders by local government bodies. Guided by the movement of several of the shires and councils into more commercial-type ventures, Wolf's (1993) differentiation of the relative strengths and weaknesses of markets and non-markets are used to structure this section of the paper. Market organisations derive their main incomes from prices achieved for outputs sold in markets where buyers choose what to buy or even whether to buy whereas non-market organisations obtain their principal revenues from taxes, donations or other non-priced sources (Wolf 1993, pp, 37-38). Market-based activities are more efficient in the allocation of resources across the community, but non-market, most frequently in the form of government, interventions are necessary for the production of public goods (e.g., education and national security) and can result in a more equitable distribution of resources.

Making a choice between markets or governments is very complex and is normally not binary, resulting in organisations such as local governments choosing various combinations of the two in order to achieve an optimal allocation of resources that considers both efficiency and distributive justice (Wolf 1993, p, 155). Australia's traditional advocacy for increased government intervention to address the shortcomings of market-based approaches gave rise to a form of 'colonial socialism' (Butlin, Barnard & Pincus 1982, pp. 320-321), but that has been countered over the past couple of decades by "extending market process into the workings of the non-market, or government, sector" (Wolf 1993, 179). This gradual 'marketisation' of public services has received strong bipartisan support at state, territory and federal levels of government resulting in what Keating (2004, pp. 2-4) refers to as 'managed markets'. A number of examples were identified in this research project where local governments participated in these quasi-markets in order to win contracts to deliver services in areas such as road construction and employment services in order to attract funding which leads to the employment of local staff.

The move towards increased application of 'managed market' principles has been strongly criticised because the associated "microeconomic reform has failed to live up to the great expectations held out for it" (Quiggin 1996, p. 229); for exposing the shortcomings of public choice theory (Self 1993) or as economic rationalism run amok (Pusey 1991). However,
the dominance of competition policy ensures that the application of market solutions specifically includes the delivery of human services (Harper et al. 2015, pp. 34-35).

The Productivity Commission (2016, pp. 119-129) reports that the delivery of human services in remote Indigenous communities is in great need of reform: "expanding community control over human services can lead to better outcomes" because "place-based service models, which take into account the circumstances and preferences of communities, may be more suitable for remote Indigenous communities". In his response to the 2017 Closing the Gap Report to the Commonwealth Parliament, the Northern Territory Chief Minister has clearly placed local government bodies on notice that they will be given greater access to service delivery that can create employment in their communities:

I have said many times before; local decisions are more often the right decisions. Decisions made in Canberra or Darwin are often badly wrong. That’s why my government will continue to give power back to Aboriginal communities, so that they can make the right decisions for themselves.

Over the next 10 years, we will give communities decision-making power over local government, education, health, looking after children, justice and housing (Gunner 2017).

Conclusion

This research indicates that local governments are increasingly supplementing the traditional non-market sources of funding (rates, fees, charges and grants) with more market-related endeavours that are being used to support the employment of local staff. This more contemporary behaviour is being drive by two major trends. In the first instance, local governments find their resource generating options are severely constrained by state and territory legislation and the structural limitations inherent in the Australian constitutional responsibilities for raising and expending public funds. Secondly, the now well-established trend for state, territory and federal governments to outsource service provision in an increasing range of functions to both for-profit and not-for-profit organisations that bid for contracts in a quasi-market has become an important source of income for local government bodies that can be used to create jobs. The move towards further decentralisation of responsibility for service delivery and increased use of markets in this provision seem certain to grow under current policy settings, thus presenting increased opportunities for those local government agencies that have a facilitative legislative base that encourages more market-type behaviour.

These research findings have not only re-confirmed that local governments are major employers of local Aboriginal and Torres Strait Islanders, but have also demonstrated that they
are successfully shifting from a historical sole reliance upon non-market provision of employment generating income to a mix of market and non-market activities. These support greater levels of local decision-making allowing for a broader range of revenue sources being used to increase the job prospects for local staff. The most recent proposals to expand community control and arrive at place-based solutions to employment matters exhibit a certain 'back-to-the-future' quality; the outcomes from a past reliance upon pure non-market programs have demonstrated little improvement. The observed mixing of market and non-market solutions, and their consequent generation of employment opportunities, appears to be offering more positive results for Australians living in remote areas.

References


Barkly Regional Council 2016, Annual report 2015-2016, Barkly Regional Council, Tennant Creek.


