Australian Council of Social Service

22 February 2018

Ms Deborah Lewis,
First Assistant Secretary
Community and Economic Development Division
Department of the Prime Minister and Cabinet
PO Box 6500 Canberra
ACT 2600

Dear Ms Lewis,

Re: Remote employment and participation

ACOSS welcomes the government's decision to consult over the future direction of employment assistance for people in remote areas, especially Aboriginal and Torres Strait Islander communities. Given widespread concerns about the Community Development Programme (CDP) and the government's previous proposals to shift social security responsibilities to local employment services, a new direction for remote employment services is needed. It is vital that this direction is designed in close collaboration with those affected and organisations with expertise in this area.

In response to the Department's Discussion Paper on Remote Employment and Participation, we would like to reiterate the five reform principles outlined in our recent submission to the Senate Finance and Public Administration Committee, which is attached:

1. Reform must be led by Aboriginal and Torres Strait Islander people.
2. People living in remote areas must have the same social security rights as people living elsewhere. This includes statutory entitlements to social security payments administered by the Department of Human Services, and that, where discretion is required in decision-making on payments, this is exercised in a fair, consistent and transparent manner.
3. Mutual obligations regarding to social security payments must concern employment only and should be fair, appropriate and tailored to individual communities. They should be no more onerous than those applying to the general community.
4. Remote employment programs must include paid work under regular employment conditions in view of the limited job opportunities in these communities.
5. Other employment services should be designed and administered, as far as possible, by communities themselves, to prepare people for paid employment and connect them with employers rather than providing 'activity' for its own sake.

Our views on a replacement program for the CDP are outlined in that submission. In response to the ideas raised in the Discussion Paper, we outline below three major challenges that we believe will need to be overcome to establish a remote employment program that meets the needs of Aboriginal and Torres Strait Islander communities.

(1) From compliance to employment development

The first challenge is to move away from the present compliance-based system to one that gives local communities the resources and flexibility to develop effective local employment development strategies.

Above all, this requires removal of the CDP program requirement for all recipients of activity-tested payments to undertake 25 hours a week of 'activity' for 46 weeks a year. While in principle the 'activity' is employment-related, in practice it is not possible to offer meaningful work-related activities on this scale in communities with limited paid work opportunities. Further, it is discriminatory to impose 'tougher' requirements on the communities and this is the root cause of the high level of penalties imposed on people.

While Option 3 in the Discussion Paper flags the possibility of easing the 25 hour requirement, it still appears to imply a system built around standardised requirements that are not well suited to the circumstances of remote communities.

From this standpoint, the proposed three-tier model in Option 1 is an improvement on the CDP, but it is still too rigid. It assumes a mechanical progression from social support to employment preparation and then employment. In many cases, people with disabilities and other barriers to work benefit most from support that is provided in a regular workplace setting. This is the logic of the Disability Employment Services program. On the other hand, people who are formally assessed as 'job ready' may unexpectedly face circumstances, such as a family crisis, which make participation in paid work impossible for the moment.

Improved disability and jobseeker assessments in remote communities are necessary since many people have been incorrectly assessed as 'work ready', but another layer of less formal assessment for participation in community-controlled programs is needed and that is best undertaken at the community level.

As outlined in the proposal prepared in May 2017 by the Aboriginal Peak Organisations NT (APONT), local employment services operated by community-based organisations should assess individual needs, and provide the full set of services required by communities and

individuals including job search assistance, training, placement in subsidised jobs or traineeships, and related support programs (such as school to work transition programs). In this way, activities could be aligned with local and individual needs. A fixed three-tier model of service provision, or an attempt to apply identical activity requirements to those in the general community, would inhibit this.

(2) A clear distinction between social security and employment

The second challenge is to adapt the social security system to circumstances and needs of communities without depriving people of the rights and entitlements received by the general community, including access to Centrelink. We do not support options 'outside the social security system' (as Option 1 is characterised in the Discussion Paper) unless they involve paid work at regular wages. Instead, the social security system should be adapted to strengthen local communities and culture, as the Community Development Employment Programme (CDEP) attempted to do by pooling benefit entitlements to pay proper wages.

The main problem the suggested 'wage-based model' in Option 1 is that it conflates social security and properly-paid work. This does more than put at risk people's rights to social security benefits and proper wages. It also removes a sense of progression from social security to paid work.

A disturbing feature of the CDP is that people appear to be stuck on a treadmill of partially-paid 'activity' and cannot look forward to advancement towards properly-paid work, whether this is in the regular labour market or in subsidised employment that makes a meaningful contribution to the community. The best CDEP projects achieved this, as expressed recently by a community advocate in St George, Queensland:

> "Mr Lister said when he and other unemployed people worked under the Community Development Employment Project (CDEP) there was pride in the Indigenous community: 'It wasn't only going out there and mowing a lawn… We had steady income. We'd get paid weekly so we could afford to live a bit highly that week, while we were on CDEP… At least CDEP showed us a direction.' '' (ABC News 18/1/18: 'Town's drug scourge blamed on boredom as residents plead for new work scheme.')

Similarly, social security and employment assistance were conflated in the government's proposal in 2015 to shift responsibility for benefit compliance to employment service providers, and to maintain people's connection with the CDP even when engaged in fulltime paid employment. These features of the 2015 proposal, which appear to be largely

preserved in Option 2, would only increase the distance between remote communities and the world of regular employment, careers, and decent incomes.

The social security system should be adjusted so that it works for remote communities rather than replacing it with a separate, inferior system. Options include the voluntary pooling of benefits (as was attempted through the CDEP) and improving access to Centrelink services in communities (which would require more resources for Centrelink).

(3) Decentralised governance with effective national oversight

The third challenge is governance: how to decentralise responsibility while ensuring accountability for outcomes and sharing of best practice across the country.

The APONT proposal offers the best solution. Local community-based employment services would have the flexibility and resources to adapt employment preparation, job search, training, and paid work placements to local requirements. In return, the quality of the services provided and the outcomes achieved would be monitored by a body separate from government which is charged with supporting service development, sharing best practice, and ensuring that public funds are used effectively to achieve long-term results. In the APONT proposal, that body would have majority representation from remote communities.

We would appreciate your advice on the next steps in this policy development process, including the make-up and timing of the proposed community consultations, CDP provider consultations, and the expert working group.

ACOSS welcomes opportunities to contribute to policy development in this important area. Should you have any queries about this submission, please contact our Senior Advisor Peter Davidson at this office.

Yours sincerely,



Dr Cassandra Goldie
Chief Executive Officer, ACOSS