MEP
Miwatj Employment & Participation Ltd.

Discussion Paper: Remote Employment and Participation

MEP seeks not to dwell on the shortcomings of CDP, but to look to the future of how this initiative can be improved for the betterment of Australian Government, Providers, communities and participants together.

Australia's safety net should not be a guaranteed handout, but rather a guaranteed opportunity to earn a meaningful living.

A new model, whether it is an adjusted form of the current model or a new model altogether, needs to enshrine respect for people who find themselves jobless due to the micro-economies they live in rather than due to their own lack of commitment. This model must seek to treat people with more humanity and empathy; must allow people the real opportunity to make choices and learn from their choices; and must be a welcoming and open door for people who make the willing decision to interact with the wider Australian economy.

MEP agrees with all the objectives and design principles outlined by Government in the Discussion Paper.

The "Three Tiered" Approach

MEP has reservations about the "three tiered" approach outlined in the Discussion Paper. It is well-intentioned, but will not deliver better tailored servicing than the current system. Current tailoring issues are unaddressed by this model and will continue despite this approach. This approach will also add extra layers of bureaucratic complexity to an already over-complex system, further paralysing Providers in red-tape.

- Tier 1 risks becoming a "parking space" for highly disengaged jobseekers, not due to Provider neglect, but due to the high costs associated with such a barrier-high cohort. It undermines the concept of "reward for effort" and risks becoming simply the new "sit down money" tier in a new system. These individuals are better placed in a "reward for effort" system where effort is matched with their capacity. The "safety net" can be preserved without a bureaucratic tiered system.

- Tier 2 is essentially CDP (as it currently stands) in the form of WFD Activities. Providers already deliver community-driven training, work experience and work readiness support; providers already mix activities with part-time work and labour hire opportunities. This proposed tier offers no new solutions other than i) a pay-by-the-hour system, and ii) reinvestment of unspent funds back into the community - both very good developments that can be introduced without a bureaucratic tiered system.

- Tier 3 is essentially CDP (as it currently stands) in the form of Post Placement Support. Providers already encourage short and long-term work (whether subsidised or not); providers already encourage Activity-Generated Income which directs income to jobseekers through contracts and labour hire. This proposed tier offers no new solutions other than i) the provision of more Indigenous-specific subsidised jobs – a very good development that can be introduced without a bureaucratic tiered system.

The "Tiered" Approach is well-intentioned, but is an over-engineered solution. Furthermore, there are many "logistical" problems that have been overlooked, including the fluidity of jobseekers moving to and from tiers.

Inside vs outside the national income support and compliance system

Government has already indicated that the national income support system must form a part of the new model: all citizens are entitled to this right to welfare. If the new model encompasses both an income support element as well as a wage-based/wage-like element, we will have a double-barrelled system as was seen under RJCP: income support jobseekers participating side-by-side with waged jobseekers, creating confusion, dissatisfaction and dysfunction.

If the national income support system must persist in remote areas, it would be wise to keep all jobseekers inside the income support system, but with a concurrent increase in subsidised positions (via genuine employment funding and job creation) outside the national income support system for jobseekers to aspire to. These subsidised positions would exist in the open market with other Indigenous organisations or with other fledgling industries.

CDP Reform

CDP can bring about the social change that Government, Providers, communities and participants want to see, but it requires a number of changes. These changes are possible without the introduction of a new tiered system. MEP recommends the following nine changes.

1 PARTICIPATION REQUIREMENT CATEGORIES

Current "legislative requirement" categories are not varied enough to tailor to different jobseeker capacities (whether due to health, disability or disengagement). To improve on this **lack of flexibility in tailoring servicing to jobseeker capacity**, MEP would support a model that:

1.1 Retains the principle of mutual obligation and "reward for effort"

1.2 Replaces existing ambiguous categories such as:

- "Full Time Activity Test"
- "Part Time Activity Test"
- "Part Time Participation"
- "Reduced Activity Test"
- "Voluntary"

…with clear categories such as:

- 20 hours per week (the "work ready category")
- 15 hours per week
- 10 hours per week
- 5 hours per week
- 1 hour per week (the "personal support category")
- 0 hours per week (the "voluntary" category)

1.3 Assesses all jobseekers and categorises according to their real-life capacity and circumstances.

2 HOURLY PARTICIPATION RATES

Current penalties are complex (hard to understand), delayed (occur well after transgressions), non-proportional (don't match transgressions), non-transparent (not visible to jobseekers) and fail to tap into positive change motivators. To improve on this **overly punitive and disengaging culture of compliance**, MEP would support a model that:

2.1 Retains the principle of "No Show, No Pay"

2.2 Starts jobseekers at zero entitlement and attract payments via participation (rather than starting at full entitlement and attracting penalties via non-participation).

2.3 Pays an "hourly participation rate" equal to income support divided by participation category, calculated by-the-hour and paid weekly, enabling those with lower capacity to earn their same entitlement with fewer hours.

2.4 Pays participants using data submitted by Providers in the first instance, without influence from DHS or PST assumptions, but with appeal provisions.

2.5 Allows the option of hours to be fulfilled with any initiatives that benefit the jobseeker and/or community.

3 TRIGGERED REASSESSMENTS

Current assessments are inaccurate to the point that jobseekers are given participation requirements they can not reasonably meet. When they fail to attend, Providers suffer financially and thus can not afford the resources to support them. To improve on this **inaccurate assessment of jobseeker capacity**, MEP would support a model that:

3.1 Retains initial capacity assessment responsibility with DHS, but enables Providers to trigger a re-assessment.

3.2 Makes the re-assessment a joint decision by DPMC, DHS and Providers together and assigns the participation requirement category most conducive to a participant's growth and development.

3.3 Enables remote jobseekers to provide alternative evidence (rather than strict medical documentation) to argue a reduction in participation requirement category.

4 PART-TIME JOBS FOR MICRO-ECONOMIES

In many remote micro-economies jobseekers simply outnumber vacancies. To improve on this **lack of jobs**, MEP would support a model that:

4.1 Creates real waged work for truly "work ready" jobseekers in the same way that IEPs (Indigenous Employment Programs) have in the past.

4.2 In the absence of real waged work, at least enables truly "work ready" jobseekers to participate under more work-like conditions than basic income support, such as:

- A higher hourly participation rate (replicated via higher income support)
- Superannuation contributions (replicated via deductions)
- Annual and personal leave (replicated via an allocation of DNAVs)

5 SIMPLE BUT ROBUST IT AND PROCEDURAL STEPS

Current IT and procedural steps are time-consuming, resource-draining and morale-killing. They divert attention into administration rather than quality case management. To improve on this **waste of resources due to red tape**, MEP would support a model that:

5.1 Retains Job Plans, but in a simple 12-monthly format that clearly details:
- A jobseeker's assessed participation requirement category
- That payments are an "hourly participation rate" equal to income support divided by participation category, calculated by-the-hour and paid weekly.

5.2 Retains commencement processes, but in a simple format that doesn't require:
- Referring to an Activity (Providers to use their own means to monitor where jobseekers participate)
- Pre-loading attendance hours (Providers to use their own means to inform jobseekers of activity times)
- Individual data-entry for each attendance (Providers to upload CSV files of jobseeker attendance)
- Processing of PRs (Providers' attendance data will automatically withhold payments for times that jobseekers are DNAI)

6 EXTENSION OF CASELOAD TO INCLUDE (SOME) YOUTH

The program is not geared towards the inclusive and incentivised approach required for young people. To improve on this **lack of focus on young people**, MEP would support a model that:

6.1 Shifts the age requirements of the caseload from the current 17-55 years to 12-50 years (instead of compelling the elderly to participate in activities; it compels young people to participate in activities if disengaged from school)

6.2 Extended eligibility to include "education at risk" (12-17 year olds that disengage from school) and "education advancement" (12-17 year olds with an opportunity for higher education).

6.3 Categorises young people into the same aforementioned participation requirement categories, depending on their real-life capacity and circumstances, to foster the principle of mutual obligation and "reward for effort".

7 EXTENSION OF CASELOAD TO INCLUDE (SOME) WORKERS

Jobseekers are constantly rotated through low-skilled and semi-skilled jobs (jobs they could have attained without the program's help) meaning all jobseekers compete for the same positions (one jobseeker's gain is another's loss). To improve on this **glass ceiling over low-skilled and semi-skilled workers**, MEP would support a model that:

7.1 Extends eligibility to include "career at risk" (workers that need support to keep their job) and "career advancement" (workers with an opportunity for promotion).

8 REGIONALLY-DETERMINED PROGRAM RULES AND KPIs

The program lacks local input (and thus local buy-in). Communities and community stakeholders need to take part in tweaking the "one size" of the program to fit the idiosyncrasies of their region. To improve on this **lack of local decision-making in program design**, MEP would support a model that:

8.1 Includes a suite of Regionally-determined program rules (in addition to the suite of DPMC-determined program rules), which could include:
- Defining the number of hours in participation requirement categories
- Defining the "weightings" of hourly participation rates
- Defining what constitutes ATTs, DNAVs, DNAIs and DNADs

8.2 Includes a suite of Regionally-determined KPIs (in addition to the suite of centrally-determined KPIs), which could include:
- A Regional-relevant measure of activity engagement
- A Regional-relevant measure of social enterprise quality
- A Regional-relevant measure of economic participation

8.3 Includes requirements to seek stakeholder support for these regionally-determined program rules and KPIs.

9 MUTUALLY BENEFICIAL HOSTED PLACEMENTS

Current Hosted Placement arrangements provide little incentive for jobseekers to commit to the workplace, and little incentive for employers to commit to jobseekers. To improve on this **lack of loyalty between workplace and employee**, MEP would support a model that:

9.1 Retains the opportunity for jobseekers to participate in real workplaces.

9.2 Requires employers to "top up" participants to minimum wage. This will:

- Subsidise employer costs, replicating a wage subsidy
- Mimic minimum wage, replicating a real job (including superannuation)
- Enable on-the-job training, replicating a traineeship/apprenticeship

9.3 Requires employers to genuinely work with Providers to transition jobseekers off Hosted Placements and into non-subsidised work.