# WUNAN FOUNDATION AND EAST KIMBERLEY JOB PATHWAYS

## Joint Response to 'Discussion Paper: Remote Employment and Participation'

### About our Organisations

**Wunan Foundation ('Wunan')** is an Aboriginal development organisation in the East Kimberley, driving long-term socio-economic change for Aboriginal people by providing real opportunities, investing in people's abilities, and by encouraging ambition and rewarding self-responsibility.

A core objective for Wunan is to **shift the balance of dependence of Aboriginal people on welfare from 80 per cent to 20 per cent** over 20 years. This objective is based on a clear guiding philosophy that Aboriginal success grows from investing in people and enabling access to real opportunities; and rewards for effort.

**East Kimberley Job Pathways ('EKJP')** is a not-for-profit Aboriginal organisation created through a partnership of two well respected organisations – Wunan and Kununurra Region Economic Aboriginal Corporation. EKJP was established to deliver the Federal Government's Community Development Programme (formerly, the Remote Jobs & Communities Program) across the East Kimberley and Halls Creek/Tjurabalan Regions ('the Region').

EKJP aspires to ensure **all people in the East Kimberley will have the capability and opportunity to get a job**. This is achieved by creating employment pathways to assist and empower people to achieve their potential through meaningful work and contribute positively to the communities in which they live.

### Key Messages

1. Wunan and EKJP support the Government's commitment to increasing the prosperity of remote Australia by directly investing in the growth of local labour markets, correcting the balance of control by ensuring greater community control and empowering local decision making, and by recognising remote job seekers have varying capabilities and therefore require a greater range of supports.

2. This response is provided to facilitate the commencement of an engaging and meaningful conversation with Wunan and EKJP, and respective stakeholders and communities in the Region. Due to the rigid response timeframe and lack of detail in the paper, we are not in a position to provide detailed and informed opinion on what meets the best interests of our Region.

3. The East Kimberley Region is known for its social progressivism, notably for its introduction of the cashless debit card. Wunan and EKJP believe reforms to CDP must be informed through trialling place-based models. Appropriate governance arrangements with consideration of representative organisations, and most importantly, the people who will be impacted, must underpin these trials.

4. Bipartisan support for reform must be considered by Government prior to embarking on substantial reform. Remote Australia is weary of continued change to programs which appear to be largely informed by party politics as opposed to sound evidenced-based research.

5. Longer-term thinking, with a minimum of five years, must be applied. Seeking immediate outcomes to the deep-rooted dysfunction that plagues many remote Aboriginal communities is not adequate. Measuring how a remote employment and participation model is having a long-term impact on social norms is a more important indicator than point in time measurement of people in employment for 26 weeks.

6. A foundation principle, which cannot be dismissed, is all Australians have a basic right to income support applied through the national Income Support System. This does not mean 'mutual obligation' should not exist. However, it needs to be applied in a non-discriminatory manner with regard to an individual's particular circumstances.

7. The current CDP model should not be retained. Given delivery is contracted through to June 2019, strong consideration should be given to improvements for the final 12 months of delivery. It must be recognised the current punitive 'compliance based' model has minimal correlation to increased attendance in Work for the Dole activities.

## Response to Selected Questions

### Design Principles

**A more simplified system, relying less on a national welfare system, and more on local control and decision making.**

It is recognised the national welfare system is complex, administratively burdensome and currently does not meet the unique needs of remote job seekers, particularly those with complex needs, limited English language skills and/or who reside in very remote communities.

Any suggestion of less reliance on a national Income Support System must give careful consideration to ensuring job seekers will not be unfairly disadvantaged and driven further into poverty.

A simplified system must be balanced with investing in improved service delivery offered by the Department of Human Services to remote Australia.

**Reinvesting any efficiencies back into communities, for example through 'top up' arrangements for job seekers.**

Reinvesting program efficiencies back into communities is welcomed, though the definition of 'efficiencies' is unclear. Efficiencies should not be derived through onerous mutual obligation requirements which job seekers with complex needs are unable to meet.

Full transparency on efficiencies derived and how they are being expended in each Region must occur, to ensure they are being used to meet the objectives of a reformed program and not on programs of limited benefit and/or to increase surpluses of for-profit service providers.

**A wage-based or 'wage-like' model providing weekly payments to job seekers.**

It is unclear what a 'wage-like' model means. There is significant disparity between wages with award conditions and a model which does not include award conditions.

Wunan and EKJP endorse an incentivised program which enables additional payments to be made to job seekers. However, we strongly oppose the provision of income where it is used by individuals for objectionable purposes. Distribution of wages must be considered in conjunction with the cashless debit card objectives.

**Streaming jobseekers to enable tailored assistance according to need.**
Streaming job seekers according to need is welcomed where it results in mutual obligation being realigned to individual circumstances.

Streaming is dependant on assessment, which has been a consistent failure in all iterations of remote employment and participation programs. Wunan and EKJP propose that assessments should be continued by the Department of Human Services, and incorporate discretion at a local level.

**Increasing the number of Indigenous owned and controlled organisations providing services under CDP.**
As a foundation member of Empowered Communities, Wunan strongly endorse empowering local Aboriginal organisations to provide services to their respective communities and people.

The number of Aboriginal people being meaningfully employed by service providers ought also to be considered. This will minimise the perceived impact of 'black cladding' where large for-profit Providers are seeking to secure lucrative contracts, without a specified and measured flow on benefit to Aboriginal people.

A principle for consideration, in addition to the key messages, is **enabling substantial flexibility at a local level** to ensure program objectives meet the unique needs of Regions, their communities and their local leaders. The Department must recognise each remote region presents unique needs and opportunities which are not replicable. For example, the demographics and characteristics of South-West Queensland differ substantially to that of the East Kimberley.

A further principle is **enabling greater cooperation between funded service providers through contractual arrangements**. Wunan and EKJP have recognised that in Kununurra, there are up to 12 State and Federally funded Providers all 'competing' for the same family group through individual service delivery as opposed to working together in cohesion, actively practicing dual case management, and sharing information (where appropriate).

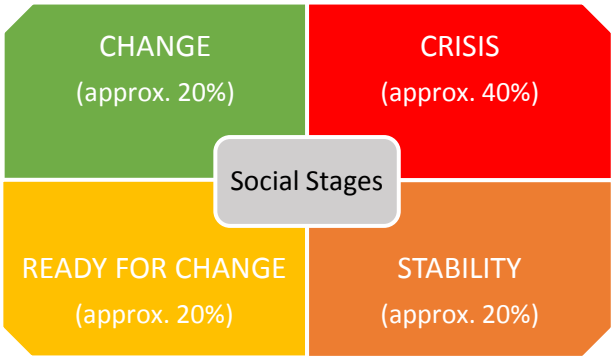
## Option 1 – New Wage-Based Model

**Stream job seekers according to work capacity – will streaming assist in better servicing the caseload and moving people along a pathway to employment?**

Wunan and EKJP welcome the Government's recognition that there are cohorts of job seekers who are being unfairly disadvantaged through the application of onerous mutual obligation requirements which are misaligned with their individual circumstances.

Wunan have developed an informed model on the social stages of Aboriginal people in the East Kimberley Region. The model underpins the policy framework for Empowered Communities and has been a catalyst for the Cashless Debit Card.

***Fig 1: Social Stages of Aboriginal People in the East Kimberley Region***

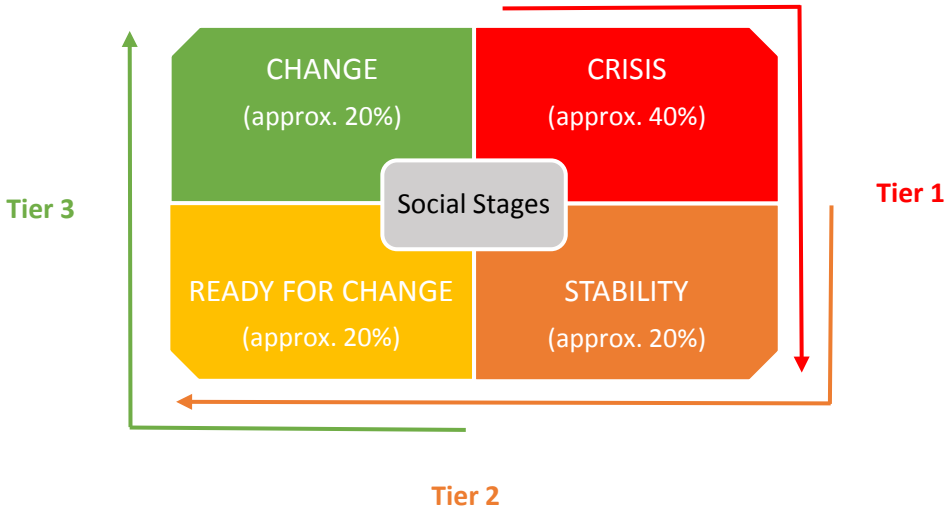



The model relates to agreed social norms – children regularly attending school, parents in meaningful work or education, people paying rent and looking after their homes, crimes in the community are minimised, and communities are safe and healthy.

Wunan's overarching objective is to increase the number of positive role models in the 'change' quadrant as this will create a powerful 'pull factor' for people in the crisis, stability, and ready for change quadrants.

When the model is overlaid with the proposed tiers, there are distinct similarities with similar objectives.

***Fig 2: Wunan Model overlaid with Tier Structure***




<u>Tier 1 – Basic Services</u>

- Tier 1 would benefit from being named as 'Intensive Case Services' to more adequately reflect the required support to assist with a shift from 'crisis' to 'stability'.
- Participants in this tier generally require a clinical approach which would be more effectively facilitated by social workers and similar tertiary qualified personnel. There may be merit in removing this cohort from a 'remote employment and participation model' and placing them in a separate program which could be administered by Aboriginal Community Controlled Health Organisations, or similar.
- Were this cohort to remain in a remote employment and participation model, servicing arrangements should not be dissimilar to previous programs like the Personal Support Programme, whereby intensive support and advocacy is provided to assist the participant with navigating the myriad of services they are exposed to and/or require.

- Mutual obligation would remain, focusing on engagement with a Provider and complementary service providers, and not on 'work for the dole' requirements. Application of the job seeker compliance framework would occur where it is demonstrated a job seeker is deliberately choosing to disengage.
- Participants would continue to receive income support payments administered by the Department of Human Services.

Tier 2 – Remote Job Training

- Tier 2 should not be dissimilar to current work for the dole arrangements, albeit with enhancements focused on engagement and mutual reward and not disengagement and penalty.
- Participants in Tier 2 must continue to receive a base level of income support payments administered by the Department of Human Services.
- A 'show pay' system would provide an additional 'top up' payment for hours engaged in work for the dole type activities. The additional payment could be administered by Providers.
- With specific regard to the East Kimberley, 100 per cent of the income support payment must be facilitated through the Cashless Debit Card, with the only cash component being the 'top up' payment. However it is recommended this approach be considered nationally.
- Where a participant does not attend the equivalent of two weeks of scheduled hours, without reason, they would automatically be reassessed for Tier 1 and/or subject to the job seeker compliance framework.

Tier 3 – Active Short and Long-Term Work

- Approval of subsidised positions (and related payments) should be removed from Providers, with individual negotiation to occur between the employer and Department.
- Subsidised roles must attract the minimum wage with all award entitlements.
- Subsidised roles must focus on further job creation (particularly through Aboriginal owned social enterprises) and/or immediate job training which will lead to job creation (for example, provision of hands-on plant training on a road works site).
- The subsidy available should taper over the period of time it applies, placing more onus on the employer to transition the role to full privately funded employment.

**Is there merit in moving elements of a new model outside the national income support and compliance system to ensure a simpler and more accessible system for job seekers?**

Wunan and EKJP believe all Australians have a fundamental right to income support applied through the national Income Support System, and this obligation should not be outsourced. Reform to CDP must consider reform to mutual obligation requirements, inclusive of how the program can enable participants to better engage other than through the application of penalties.

Analysis of social security penalties published by Lisa Fowkes, Research Scholar at the Australian National University, makes clear the number of penalties being applied to CDP participants is unacceptably high, with no sign of abatement.

In her December 2017 publication, *"Social security penalties applied to participants in the Community Development Programme Overview of first 2 years (1 July 2015-30 June 2017)"*, Fowkes writes, "Over the period from 1st July 2016 – 31st March 2017 (that is 9 months) providers recommended 431,150 penalties to DHS in relation to CDP participants, nearly 50,000 per month."

It is EKJPs belief the application of penalties has no direct correlation to increasing participation in CDP. Internal monthly observation of national attendance figures over the same period Fowkes reports on, demonstrates attendance consistently averaged between 42 – 47 per cent. In fact, it is EKJP's belief that

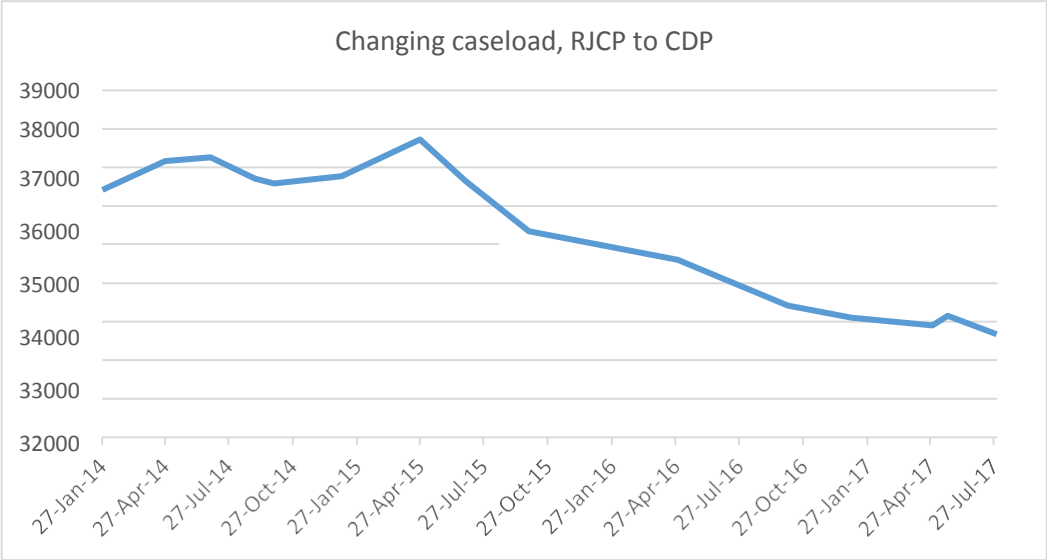
aside from an initial rapid rise in attendance at the commencement of CDP (due to contractual changes to the way attendance was recorded), attendance has been consistent with these averages.

The application of penalties appears to be having a detrimental effect by further impoverishing the most disadvantaged. EKJP are of the view approximately 80 per cent of all penalties imposed affect those job seekers who would fit within the 'crisis' quadrant of Wunan's model.

Further, there is evidence the application of penalties is leading to a decrease of participants in CDP, and therefore a decrease of people in communities who are in receipt of some form of income payment. This creates further downward pressure on the availability of income in a community, drives people deeper into marginalisation and poverty, and causes further social dysfunction.

This failure of penalties to increase participation is evident in the below table, extracted from Fowkes publication and her commentary extracted from the Australian National Audit Office Report – *"(that) a decreasing number of jobseekers (activity tested) in the CDP region (concentrated among Indigenous people, particularly Indigenous men aged 18 to 30) which was not fully explained by an increase in job placements or movement of activity tested income support recipients to non-CDP regions"*

***Fig 3: Remote Caseload Variation – January 2014 to July 2017***




If a model imposes the onus on Providers to penalise participants directly (without any right to an independent review conducted by the Department of Human Services) there is a real risk that penalties will substantially increase – particularly if Provider payments are directly linked to the application of penalties.

As reported by Fowkes, "Of the 431,150 penalties recommended ... only 128,504 of these penalties were applied following the DHS process. The most common reason given by DHS was that, at the time the penalty was recommended, the individual concern was awaiting assessment through CCA process. Other reasons included procedural errors by providers, medical issues and bereavement."

The below table supports this statement. For the period 1 November – 30 November 2017, a CDP Provider recommended 2,595 penalties against 396 job seekers. Of these, 19 per cent resulted in a failure being applied. Thirteen per cent of penalties were rejected on the basis the job seeker had a valid reason for non-participation (highlighted in blue), with a further 16 per cent rejected due to procedural errors by the Provider (highlighted in red).

***Fig 4: NSNP PR Penalties Recommended by a Provider: 1 November – 30 November 2017***

| DNAI NSNP RESPONSE | Failure Applied | Rejected | Revoked | TOTAL |
|---|---|---|---|---|
| Activity test exemption exists | | 50 | | **50** |
| Bereavement - family member | | 54 | | **54** |
| Care for sick/frail family member | | 10 | | **10** |
| Child care responsibilities (incl PCP) | | 3 | | **3** |
| Cultural diversity issues | | 25 | | **25** |
| Failed to advise working at time of requirement | 1 | | | **1** |
| Failure incorrectly reported | | 115 | 10 | **125** |
| Failure occurred during Recon Failure Period | | | 2 | **2** |
| Homelessness affected capacity to comply | | 4 | | **4** |
| Inappropriate activity or program referral | | 15 | | **15** |
| Job seeker did not advise of inability to attend | 244 | | | **244** |
| Job seeker got requirements confused | | 25 | 1 | **26** |
| Job seeker not notified properly | | 1 | | **1** |
| Language/literacy/numeracy issues | | 1 | | **1** |
| Legal requirement or restriction | | 5 | | **5** |
| Major personal crisis affected capacity to comply | | 32 | | **32** |
| Medical condition - evidence provided | | 47 | 3 | **50** |
| Medical condition - no evidence provided | | 38 | 4 | **42** |
| Nil entitlement for failure period | | 8 | | **8** |
| No decision - customer record cancelled | | 67 | | **67** |
| No reasonable excuse | 254 | | | **254** |
| Not on payment at time of failure | | 335 | 1 | **336** |
| Notification was not given or recorded | | 6 | | **6** |
| Other pending Contact Request for this provider | | 2 | | **2** |
| Outstanding CCA on Record | | 762 | 7 | **769** |
| Requirement not supported by Activity Agreement | | 29 | | **29** |
| Returned for update - insufficient evidence | | 107 | | **107** |
| Self served or is serving another preclusion or waiting period greater than NPP end date | | 2 | | **2** |
| Undertaking other acceptable activity | | 25 | | **25** |
| Undertaking other approved or acceptable activity | | 11 | | **11** |
| Unforeseeable transport difficulties | | 14 | | **14** |
| Unreasonable commuting distance (includes PCP) | | 7 | | **7** |
| Unreasonable requirement - not supported by policy | | 39 | 3 | **42** |
| Withdrawn by provider - jskr had valid reason | | 90 | | **90** |
| Withdrawn by Provider- report Invalid | | 76 | | **76** |
| Working at time of requirement - unable to comply | | 60 | | **60** |
| **TOTAL** | **499** | **2065** | **31** | **2595** |

**How could we improve the job seeker assessment process to ensure job seekers are streamed appropriately, their strengths and aspirations are taken into account and their hours match their capacity to work?**

A lack of quality, cultural appropriate assessments, conducted with (and not to) participants will substantially impact on the ability to stream job seekers. Despite the Governments efforts over many years, inclusive of outsourcing assessments to contracted Providers, assessments do not reflect the immediate needs of many participants.

The development of sound assessments must extend beyond the JSCI/ESaT process and involve local Aboriginal health and related services that participants may be exposed to. Informed assessments must also take into account feedback from local Aboriginal community leaders who generally have substantive localised knowledge of an individual's circumstances.

Most Providers currently do not engage social workers in order to conduct assessments themselves. However, they do have a key role in supporting participants to obtain information which will inform an assessment.

Providers should be empowered to directly influence assessments (with immediate effect) when they directly or indirectly receive information in relation to an individual. For example, family violence may suddenly erupt and impact on a person's ability to meet mutual obligation. Rather than wait for a formal assessment, Providers should be able to recommend an immediate reduction in mutual obligation and/or transfer to a more appropriate stream.

**How many (maximum) hours of required activity would be appropriate in each of the tiers? How should hours be structured (e.g. daily or monthly? Flexibility to schedule outside of business hours)?**

Tier 1

- It must be recognised this cohort are generally presenting with immediate and complex needs, which often makes meeting onerous mutual obligation very difficult.
- Mutual obligation for Tier 1 participants should not be based on 'a maximum of hours'. Instead it should be focused on engaging with Providers, and complementary providers, to stabilise their needs.
- Where participants do not engage, the job seeker compliance framework should apply (at the discretion of the Provider).

Tier 2

- It would be more appropriate to have a quarterly activity requirement as opposed to a daily requirement. This enables greater flexibility in scheduling hours to meet local community circumstances and/or individual needs. For example, participants may choose to structure their hours around school terms, to enable greater participation with their children during school holidays.
- A recommended maximum quarterly requirement is 200 hours per quarter, which is calculated by 20 hours per week x 40 weeks per annum.
- Participants would receive a 'top up' for participation which would align with the maximum quarterly hours. Failure to engage for two consecutive weeks (where hours are scheduled), would result in a participant being reassessed for Tier 1 and/or subject to the job seeker compliance framework (at the discretion of the Provider).

Tier 3

- Participants in Tier 3 would be assumed to be meeting their mutual obligation requirement, where employment is a minimum of 20 hours per week.
- Participants working less than 20 hours per week would be required to meet the difference between their employment hours and quarterly activity requirement through participation in Tier 2.

**Should subsidised jobs only be available to Indigenous job seekers or all job seekers in remote Australia?**

- Subsidised roles should be negotiated between employers and the Department.
- Indigenous job seekers should be prioritised when placements are made in subsidised jobs. Where appropriate subsidised jobs should be made available to all job seekers in remote Australia

## Option 2 – CDP2 Bill

**Should we move to the proposed CDP 2 model? If no: which aspects of the CDP Bill should and should not be considered in a new model?**

Wunan and EKJP **do not** support the CDP2 Bill.

Provision of income support payments **must** remain with the Department of Human Services.

Aspects of the Bill which have merit and warrant further discussion are:

- Weekly payments to assist individuals to better manage their finances; and
- Increasing income thresholds so individuals have a greater incentive to take-up casual or part time work.

## Option 3 – Community Development Programme with Improvements

**Retention of the CDP Model**

Wunan and EKJP believe the current CDP model should not be retained. As delivery is contracted through to June 2019, strong consideration should be given to improvements for the final 12 months of delivery.

EKJP's primary concerns with the current program include:

- Substantive resources are allocated to administrative tasks, which in turn, reduces personalised focus on individual job seekers. For example, approximately 10 per cent of EKJP's workforce simply administer the Activity Diary and related functions.
- There is a large cohort of job seekers effectively 'in crisis' who are clearly unable to meet their mutual obligation and are therefore subjected to the majority of penalties. Mutual obligation requirements for this cohort must be urgently reconsidered.
- The payment model directly correlates to the application of participation reports. Given the large number of participation reports overturned by the Department of Human Services it is clear job seekers do have valid reasons for non-attendance, yet are unable to communicate these reasons to Providers on the same day, or shortly thereafter. Consideration must be given to enabling Providers to use 'Did Not Attend – Discretionary' without financial implication. For the payment periods from July – December 2017, the use of DNAD averaged around 2.2 per cent at a National Level, demonstrating a strong reluctance by Providers to use it.
- The fixation on '5 hours per day 5 days per week' is unrealistic and does not reflect modern workplace environments and/or localised community events. For example, job seekers are consistently penalised during 'football season' for travelling to games (often a day or two either side) as participation in football is not recognised as an activity despite its well-documented health and social benefits.
- There is inflexibility on what can constitute an activity. For example, there are job seekers who clearly contribute to the social fabric of their community through voluntary participation on Aboriginal Boards, running community events or caring for youth (not their own). Their participation is not recognised due to the rigid nature of 'supervised activities which are 5 hours per day 5 days per week'.

## Additional Questions on Proposed Options

**How could a new model better take into account community, family and cultural responsibilities?**

A reformed model must encourage participation in activities which lead to improved social cohesion in communities. The current model discourages this through a punitive approach to non-attendance in Work for the Dole Activities, which rarely reflect or work alongside community, family and social responsibilities.

Empowering local leaders to support Providers with understanding an individual's responsibilities in their respective community should be encouraged. This would extend to local leaders providing advice on when

an individual is meeting their mutual obligation. For example, when an individual is volunteering on community boards and councils, or when cultural business is being undertaken.

The definition of an activity must be expanded to take into account community, family and cultural responsibilities – which are often individual (and unsupervised) activities. It is recommended activities be acceptable where they broadly mirror the 5 social norms Wunan Foundation strongly advocates – children regularly attending school, parents in meaningful work or education, people paying rent and looking after their homes, crimes in the community are minimised, and communities are safe and healthy.

The provision of a wage based system in Tier 3 will further assist through the creation of subsidised roles which employ people who lead or practice cultural and community activities.

**How do we ensure greater accountability to community and stronger cultural authority?**

A revised program must place priority on longer-term (minimum 5 years) success measures with accountability shared between communities, service delivery Providers and Government.

A framework must be much broader than the current 'programme management framework' which operates in CDP, and consider core objectives and measures in conjunction with localised priority outcomes and performance measures.

This broader framework should measure progress against agreed social norms with an emphasis on an overall reduction on welfare dependence.

Stronger cultural authority will be achieved by involving key community organisations and leaders in areas such as activity development, job seeker assessments and mutual obligation requirements. Cultural authority can be further enhanced through governance arrangements, and establishment and monitoring of localised priority outcomes.

**How do we create incentives and better connections within a remote employment model to support the establishment and growth of Indigenous businesses?**

The establishment and growth of community driven Aboriginal business is imperative in a reformed model, particularly in communities with very limited economic opportunity. Community driven enterprise can be a powerful vehicle for broader community development. It not only creates new economic opportunities; it can foster a strong sense of community pride as people come together to collaboratively develop solutions to issues of importance of the whole community.

Opportunities to create incentives to support Aboriginal business includes:

- Provision of seed funding and expertise to promote microenterprise. Microenterprise can transform lives as individuals or small groups of people develop a strong sense of purpose, confidence and self-worth through doing what they enjoy and are good at doing. Increased self-efficacy and self-determination leads to increased wellbeing.

- Supporting the growth of established Aboriginal intermediate labour markets which aim to give long-term unemployed and the most disadvantaged a bridge back to the world of work. The predominant feature of Intermediate Labour Market's is paid work on a temporary basis, together with training, personal development and job search activities. In order to ensure job displacement or substitution does not occur, work should focus on additional economic activities, which must align with local community priorities.

- Subsidised roles in Tier 3 should prioritise the establishment and growth of Aboriginal businesses, then considering existing sustainable Aboriginal businesses, followed by opportunities in non-Aboriginal businesses.

- Guidelines regarding Activity Generated Income ('AGI') should be revised to ensure AGI can be utilised to support the growth of microenterprise and intermediate labour markets. For example, where a larger group of job seekers undertake an activity to create products for sale, revenue could be reinvested into a small number of waged positions through an ILM model.

## Implementation and Transition Arrangements

**What supports do providers, communities and job seekers need to effectively transition to a new approach?**

Wunan and EKJP strongly believe effective and efficient transition to a new approach begins with respectfully involving local community organisations, Aboriginal leaders and the people reform will directly impact, in CDP reform discussions, with continued consultation as model development progresses.

This approach ensures transition to a new model comes as no surprise and enables time for Providers to make gradual adjustments within their Region as elements of a new model become clearer.

Due to the tight response timeframes and lack of detail in the CDP Reform Paper, Wunan and EKJP have not had an opportunity to consult more broadly within the Region to inform communities of proposed changes and to seek their input.

It is expected the CDP Reform Paper facilitates the commencement of an engaging and meaningful conversation with Wunan and EKJP, and by extension, to respective stakeholders and communities in the Region.

**How should implementation be staged?**

It is difficult to comment on how implementation should be staged with no understanding of what a reformed approach may constitute.

Wunan and EKJP strongly endorse trialling place-based models with evaluation to assist in informing a final model. This approach will likely assist in understanding best approaches to implementation.