

Senate Finance and Public Administration Committees
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**Submission: Finance and Public Administration Committee inquiry into the Social Security
Legislation Amendment (Community Development Program) Bill 2015**

About us:

Tangentyere Council was incorporated in 1979. Alice Springs had been a prohibited area for Aboriginal people until 1964. The repeal of the Welfare Ordinance Act (1964) and the Equal Wages Case (1968) resulted in many Aboriginal people living on the outskirts of the town with no provision for housing or accommodation. Tangentyere Council was formed to assist people to gain some form of legal tenure of the land they were living on in order to obtain water, electricity and housing.

16 Town Camps exist within Alice Springs. The conservative service population estimate for Town Camps is between 1,950- 3300, 70% are permanent residents and 30% are either visitors or homeless.¹

Tangentyere Council was first incorporated in 1979. Until the 14th August 2015 Tangentyere Council was incorporated under the Northern Territory Associations Act (2008). To comply with the Commonwealth Government requirement for Indigenous Organisations to be incorporated under the Corporations (Aboriginal and Torres Strait Islander) Act 2006 (CATSI) to receive Indigenous Advancement Strategy funding in excess of \$500,000, Tangentyere Council transferred incorporation to the CATSI Act. Tangentyere Council transferred incorporation on the 14th August 2015.

The Housing Associations are individually incorporated and each has its own elected Executive. Tangentyere Council has an Executive comprising the elected Presidents of each of the 16 Town Camps, a member of the Women's committee and a member of the 4 Corners committee. The 4 Corners committee comprises senior Aboriginal law people who advise on the integration of traditional law and matters of Executive responsibility. From this membership, the Executive council elects a President, a Vice President, Treasurer, Public Officer and Secretary. The Executive Council meets approximately every four weeks, or more often as needed.

Town Camp residents have been largely neglected by the mainstream. Through Tangentyere Council, residents have worked for 35 years to attain land, housing, services, and opportunities to address the devastating poverty and exclusion faced by those living in Town Camps. Tangentyere Council is one of the largest employers of Aboriginal people in Australia.

We continue to provide broad range of services including children's, youth, family and aged care services, community and family safety programs, and tenancy support. We also provide research, Design and Construction services.

¹ Foster, D, Mitchell, J, Ulrik, J and Williams, R 2005, Population and Mobility in the Town Camps of Alice Springs, A report prepared by Tangentyere Council Research Unit, Desert Knowledge Cooperative Research Centre, Alice Springs.

Our Employment Services was established in 1990. We have delivered a range of programs since our inception including Community Development and Employment Program (CDEP), STEPS, Job Network, IEP, Greencorps, IYEC and Job Services Australia. Today we provide the Australian Government's Community Development Program (CDP) in the Town Camps of Alice Springs and community of Amooangua, located approximately 20km south.

Introduction:

Thank you for the opportunity to comment on the Bill. We recognise the Government's ongoing commitment to improving work opportunities for Indigenous Australians; however, we have a number of concerns about the measures in this Bill and the practical effects they will potentially have on organisations delivering CDP and Aboriginal job seekers using these services.

We are also concerned about the extremely limited time available to job seekers, communities, CDP providers and others to provide feedback on the proposed reforms.

We were surprised that the tabling of the Bill in December was the first opportunity for CDP providers to receive notice of the significant changes proposed for the program that we administer. To our knowledge, there has been no consultation with the Town Camp communities in our region about these proposals, and the lack of genuine engagement with Aboriginal job seekers is of great concern.

The rationale for the changes proposed by the Bill is unclear. It appears little genuine effort has been made to work with service providers to understand how the RJCP and the subsequent CDP programs are working, and as such if the proposed changes will be an improvement. If the government wishes to make changes of the magnitude proposed in the Bill, it is of the utmost importance that the people and communities affected are properly engaged in the change process, something which has not occurred. The introduction of the Bill immediately before the holiday break and the very short time available to prepare submissions and have them duly authorised does not in any way constitute any proper or bona fide consultation.

Issues:

(i) Confusion around who pays welfare

Tangentyere is concerned that the proposed new arrangements will cause confusion amongst community members, particularly where there is crossover where people move between CDP and Department of Human Services (DHS) administered services.

The Department of Human Services (DHS) will still have full responsibility for allowance recipients who do not have participation requirements (such as parents, aged people and people with disabilities). Presumably DHS will continue to manage the Income Quarantining arrangements. CDP allowance will be paid weekly, while DHS allowances are paid fortnightly. It will be confusing for community members to deal with both Centrelink and their CDP providers regarding allowance matters. This is of particular concern for community members who are in most need of assistance. Many Central Australian Aboriginal people are multilingual language speaking Aboriginal people with poor spoken and written English.

There is also potential for confusion within households. It is highly likely that families living in the same house could be on two separate payments, one weekly and one fortnightly, one administered by a CDP provider and one administered by DHS. Each person may also have different taper rates applying to income earned from any (non-CDP) work. Further it is unclear from the Bill how a partner's income under one regime would affect their spouse's payment under another. Those on a DHS payment would continue to seek a review of decisions through DHS, while those paid by a CDP provider would do so through PM&C. These inconsistencies will make the arrangements more complicated for everyone and lead to confusion, errors and frustration and may lead to some falling out of income support, potentially adversely affecting children. Providers are likely to face increased volume of queries about payments from job seekers and increased need to liaise with DHS about issues. It appears likely that red tape for providers may increase, not decrease.

The differing administrative arrangements will cause unnecessary difficulty amongst those transferring between CDP providers and DHS services. Our experience is that 10% of the 650 jobseekers on our caseload transfer between other CDP or to mainstream providers each month. Almost a third of our caseload has been with us less than 6 months. Only 17%, 109 out of 650, have been with us since the program began. This mobility will continue and the planned changes will result in unnecessary hardship for participants and their families, including children.

(ii) Responsibility for income support decisions and staff safety

The proposal to make CDP providers responsible for administering (non-quarantined?) welfare payments in remote communities causes us great concern. We believe this change would be confusing for job seekers and would put the safety of our staff at risk.

Currently, our staff report non-participation to the Department of Human Services (DHS), and DHS staff make decisions about any reduction in benefit payments. In practical terms this means that when angry people approach our staff and ask why their benefits have been reduced, we can refer them to DHS. DHS has systems in place to address staff safety and, in most cases, manages these conversations by phone. If our workers are to be entirely responsible for decisions about people's benefits, then it's inevitable that community members who are aggrieved at such a decision will confront our staff. We might be able to increase security at our offices, but that still leaves staff exposed outside of work hours or away from our premises. Alice Springs is a small community and the majority of our workers are local Aboriginal people. It will make it harder for us to attract and retain local Aboriginal employees if they are forced to make and implement decisions that adversely affect their families or others with whom they have close connections.

We previously managed CDEP wage payments. This was a flexible program that allowed a lot of discretion. The CDP program means that we, and our staff, have much less discretion in how we work with our job seekers. The new CDP contract, funding and KPIs provide contractual incentives and penalties to encourage providers to rigidly enforce the job seeker compliance framework. Under the proposed arrangements we must apply penalties to those who do not attend, regardless of the circumstances. Our focus is on working with people to get the best outcomes, an approach that is hampered by the one size fits all proposed in the new legislation.

The previous CDEP program operated on an opt-in basis, so that people who could not, or would not participate in CDEP could continue to receive minimum income support payments. Similarly, the provider cannot exclude job seekers from Work for the Dole because they are unfit or disruptive. The old CDEP sat on top of the safety-net, whereas the new CDP replaces the safety-net and anyone who does not participate is cut off from welfare completely. We believe that this will result in

negative outcomes for individuals and their families (most particularly children) and, by extension communities.

The combination of the changes in this Bill and the changes in the CDP contract would put staff safety at a much higher risk than ever before.

Like many providers, we are concerned that the current arrangements with DHS are not working effectively. DHS should ensure that its staff work closely with providers so that, where providers decide to use compliance mechanisms and these are appropriate, they are applied by DHS. It is more important than ever that DHS professionals properly assess job seekers' capacity and do this face to face so that people who are referred to Work for the Dole are fit and able to participate safely. Rather than get providers to take over current DHS responsibilities, Government needs to ensure that DHS itself is working effectively across all remote regions.

(ii) Financial implications and Community Safety

We are concerned that there will be significant additional administrative costs to administer CDP allowance payments.

The processes currently in place mean that we are spending more time than ever on administrative requirements. The proposals would see this time increasing, without any tangible benefit to job seekers. In addition it is not clear if our existing payroll systems will be adequate to accommodate the changes, or whether they will need to be altered to facilitate the payment of welfare payments, as opposed to wages.

Currently DHS payments are staggered throughout the fortnight. This means that in most families people get paid on different days which can assist with budgeting and food security, and a concurrent reduction in humbugging. This approach also avoids the "pension day" binges of decades ago, where social problems escalated due to the influx of money on one particular day.

If CDP providers did a weekly pay run (like in the old days) there would be a single day of the week when everyone was paid. This would of course be administratively simpler; however it would create a situation in which again communities experienced an influx of money on one particular day. In Alice Springs there is concern that this would increase social problems as it would create a focal point for alcohol, marijuana and other drug dealers to ply their trade. To avoid potential community safety issues CDP providers would prefer to stagger payments throughout the week. This would require a daily pay run that would be expensive to administer but which would result in better social outcomes.

(iii) The proposals could be discriminatory

Under this Bill, unemployed people in remote areas would be subject to a different set of social security laws than other Australians. 98% of Tangentyere's caseload is Aboriginal.

The Work for the Dole requirements for job seekers are more rigid for people living in remote areas than for other Australians. This creates an incentive for people to move from remote CDP programs into Alice Springs as the job active participation requirements are less onerous and potential penalties are lower. At this stage, even though financial penalties are being applied, many people are still not attending, indicating deep problems relating to the provision of a service that works for people outside the job market. We see some people in our communities leaving income support altogether, again with flow on detrimental effects to families, and in particular children.

If new arrangements make it easier for job seekers to be penalised, particularly without the provision of appropriate support measures, then there is a risk that individuals and communities will face severe financial hardship, with flow on effects to health and wellbeing. Another concern expressed to us is that such an approach also impacts upon those with money (either income support or wages), who will face more pressure to provide for those whose income has been affected.

(iv) Need to take a positive approach to engagement

At the policy level, the government emphasises cooperation and engagement as ways to generate meaningful long lasting and effective change. This Bill, by contrast, and many aspects of the current CDP program, seems to emphasise compliance rather than cooperation.

Engagement of job seekers is critical to generating long term sustainable outcomes. This Bill furthers the emphasis on administration and compliance, instead of focussing on improving employment outcomes for job seekers. The Minister has talked about the positive aspects of CDEP and we would support the development of an approach that enables providers to pay wages, or provide other positive incentives for people to engage in employment. Rather than tinker with income support and taper rates, it would be far preferable to enable providers (and/or others) to actually employ a significant number of job seekers in part time work at award wages. This would be fairer, would provide greater incentives for job seekers. In addition it would remove the red tape that is part of income support administration and would ensure that people still have access to a safety net on the same level as other Australians.

(v) Lack of transparency

We are concerned that, while the Explanatory Memorandum and Information Sheet have some detail in relation to the proposals, the details of what new Social Security rules would be applied are not in the Bill itself. It is therefore impossible to tell whether they would be beneficial in overall terms or not.

If changes to Social Security laws are needed, then they should be put into the legislation itself and subject to the scrutiny of the Parliament, and to wider consultation. This would also provide greater certainty than a regulation that may be disallowed by Parliament or challenged through the courts. We consider any moves to make changes that are not transparent do not properly serve job seekers or the providers of job services in their task of addressing the employment issues, or allow proposed changes to be properly critiqued.

(vi) No say for local communities

There has been no formal consultation process preceding the introduction of this legislation.

There is nothing in the Bill to suggest that communities will have any input, say, or right to negotiate over the changes that will be made to Social Security law in remote areas. The Bill simply provides extensive regulation-making powers to the Minister and the Secretary of the Department, which they would be free to exercise without consultation. The Bill reflects an approach where decision-making authority is centralised in Canberra, and in which local knowledge and circumstances are not taken into account. We know that better outcomes ensue when local knowledge is drawn upon, and indeed this is what government policy calls for (see for example <https://www.coag.gov.au/node/529>) With no local input, the reforms will be difficult to implement and may even be actively resisted in some communities.

Recommendations:

We recommend that the Bill not be supported.

We recommend that the potential impacts of the most recent changes to CDP on job seekers and providers – (particularly the new financial model and the new Work for the Dole rules) be urgently reviewed by a relevant Parliamentary Committee to ensure that they are positive overall, and not discriminatory.

We also recommend that funds that have been earmarked for implementation of the Bill be directed to developing and piloting a new employment model based on CDEP, developed with the involvement, input and consent of providers and communities. We note that a return to CDEP could be achieved without any legislative amendment to the Social Security Act.

Thank you again for the opportunity to comment on the Bill. If you have any questions or would like any further information, please contact me by email or phone.

Yours sincerely,

Walter Shaw
Chief Executive Officer
Tangentyere Council Aboriginal Corporation