

# Submission to the Senate Finance and Public Administration Committee in relation to the Social Security Legislation Amendment (Remote Engagement Program) Bill 2021

20 September 2021

## About ACOSS

The Australian Council of Social Service (ACOSS) is a national voice in support of people affected by poverty, disadvantage and inequality and the peak body for the community services and civil society sector.

ACOSS consists of a network of approximately 4000 organisations and individuals across Australia in metro, regional and remote areas.

Our vision is an end to poverty in all its forms; economies that are fair, sustainable and resilient; and communities that are just, peaceful and inclusive.

## Summary

ACOSS welcomed the Government's announcement that it intended to abolish the existing Community Development Program (CDP) and replace it with a model co-designed with Aboriginal and Torres Strait Islander communities. The *Social Security Legislation Amendment (Remote Engagement Program) Bill 2021* ("the Bill") enables the payment of an income support supplement of up to \$190 per fortnight as part of the Government's proposed co-design trials.

**ACOSS believes that the Senate should reject this bill because the income support supplement has not been co-designed with Aboriginal and Torres Strait Islander people, nor does it provide workers with appropriate wages or industrial protections.**

Remote jobs programs have long been problematic because they have failed to genuinely engage with the communities and the people whom they purport to help. The Remote Engagement Program Bill is an instance of policy being designed without listening to what remote communities have long said they want and need. The Aboriginal Peak Organisations of the Northern Territory (APO NT) developed its *Fair Work Strong Communities* model in 2018, based

on genuine consultation by and with Aboriginal and Torres Strait Islander communities, with input from social policy experts.<sup>1</sup>

One of the fundamental elements of the APO NT model is paid employment at award wages. The Remote Engagement Program Bill does not provide for the payment of award wages or other industrial protections. Instead, it would introduce an income support supplement for people working on projects in remote communities.

ACOSS does not support the Bill because it replicates one of the main flaws of the CDP – requiring people to undertake work without proper pay and workplace protections – and is fundamentally inconsistent with the *Fair Work Strong Communities* model. This is especially important because this Bill is the beginning of a process in which the Government must demonstrate its genuine commitment to the goals of self-determination and community-based governance.

In making recommendations about the Remote Engagement Program Bill our starting points are that:

1. People in remote communities who participate in future remote jobs programs should be paid wages determined within a workplace relations framework.
2. These wages should not be subject to income support compliance measures.
3. Organisations in remote communities should be directly resourced to provide employment with wages.

Under the National Agreement on Closing the Gap the Commonwealth Government committed to working in partnership with Aboriginal and Torres Strait Islander people. It committed to:

- partnership and shared decision making with Aboriginal and Torres Strait Islander people;
- building the Aboriginal and Torres Strait Islander community-controlled service sector; and
- sharing access to data to support Indigenous communities to make informed decisions.

The Government has not followed this approach in developing the proposed Remote Engagement Program.

ACOSS reiterates our strong support of the Uluru Statement from the Heart's call for 'constitutional reforms to empower Aboriginal and Torres Strait Islander people and take a rightful place in our own country'<sup>2</sup>. We call for a constitutionally guaranteed Aboriginal and Torres Strait Islander people's Voice to provide advice to Parliament on policies affecting Indigenous people.

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<sup>1</sup> [http://www.amsant.org.au/APO NT/apo-nts-alternative-model/](http://www.amsant.org.au/APO_NT/apo-nts-alternative-model/)

<sup>2</sup> <https://www.acoss.org.au/wp-content/uploads/2021/05/Indigenous-Voice-Co-Design-Process-submission-ACOSS.pdf>

## Recommendations

ACOSS makes the following recommendations so that the aspirations of the APO NT model are realised.

**Recommendation 1:** The Committee should reject the bill and recommend that remote jobs programs should pay people appropriate wages with adequate workplace protections.

**Recommendation 2:** Non-attendance in the Remote Engagement Program trials should be dealt with through workplace relations provisions, not income support compliance penalties.

**Recommendation 3:** The new remote program should be co-designed with remote communities, empowering them to develop their own employment and training models, including the payment of award wages.

## Background

ACOSS welcomed the Government's budget announcement to abolish the existing Community Development Program (CDP) and replace it with a model co-designed with Aboriginal and Torres Strait Islander communities. The CDP program was damaging and discriminatory because it compelled people living in remote communities to participate in 20 hours per week of Work for the Dole without a wage. If they did not attend Work for the Dole, participants had their income support payments sanctioned with No-Show No-Pay penalties. These penalties were imposed at a much higher rate than in the general community with approximately 10,000 per month being applied resulting in income support reductions of \$40 per day.

The proposed Remote Engagement Program income support supplement is intended for approximately 200 people who will be volunteers in pilots for the new remote jobs program that will replace the CDP program in 2024. As the Explanatory Memorandum accompanying the Bill notes, the aim is that the new payment will be approximately equivalent to the minimum wage for the hours participating in work like activities part-time. It will be set at a rate between \$100 and \$190 per fortnight, for a maximum continuous period of 2 years.

However, the Bill explicitly states that these volunteers would not be treated as employees for the purposes of workplace relations legislation or superannuation contributions. Those in receipt of the payment would remain in the income support system where they could be subject to income management and payment penalties. This means that while they would undertake work that is 'like a regular job', they would not have the rights and protections of other workers.

This is contrary to the proposals by APO NT and CDP providers, Aboriginal and Torres Strait Islander community organisations and other non-government organisations in the *Fair Work Strong Communities* scheme. The APO NT model recognised that the central challenge confronting remote communities was lack of access to paid jobs and that work for the dole was not a suitable substitute.

## People in remote communities who are required to participate in Remote Engagement Program should be paid proper wages with industrial protections

The APO NT model recommended proper wages and other workplace relations protections. This view was informed by experience with the earlier Community Development Employment Program (“CDEP”), which despite some issues highlighted the benefits of paying wages within a workplace relations framework. Under the CDEP, the payment of wages, rather than income support supplements, treated participants in a more non-discriminatory manner, as employees who were valued, and treated with respect on an equal footing with other employees. .

One limitation of the CDEP employment model was that it did not provide workplace protections like sick, annual leave, superannuation, or room for advancement. These issues should be resolved in the next remote employment model.

The Senate should also note that the Joint Parliamentary Committee on Human Rights scrutiny report on this Bill identified concerns about its human rights implications<sup>3</sup>. In particular, it argued that the supplement may act as a limitation on the ‘right to work’ because it is not a wage.

**Recommendation 1:** The Committee should reject the bill and recommend that remote jobs programs should pay people appropriate wages with adequate workplace protections.

## These wages should not be subject to income support compliance measures

ACOSS is concerned about the interaction between the proposed Remote Engagement Program supplement and the income support compliance framework which still uses ‘no show, no pay’ penalties. It is not clear from the Bill whether the volunteers who receive the supplement would still be subject to those arrangements. We assume that the base part of the allowance - if it is activity-tested as are the Jobseeker and Youth Allowance payments - could be reduced when for example, someone does not attend without what is accepted as a ‘reasonable excuse’.

This is deeply concerning, especially given the prevalence of payment suspensions in the CDP. The latest available data for the period 19 October 2020 to 28 February 2021 shows that 21,039 of the 40,000 participants in CDP received payment suspensions<sup>4</sup>. The payment penalties are leading to greater

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<sup>3</sup> Joint Parliamentary Committee on Human Rights, *Human rights scrutiny report 11 of 2021*.

<sup>4</sup> NIAA Senate Estimates QON DSS SQ21-000072

deprivation and financial distress in remote communities where rates of poverty and homelessness are already extreme<sup>5</sup>.

Just as people undertaking work should be paid proper wages, any issues of non-attendance should be dealt with using workplace relations disciplinary procedures, not income support penalties.

**Recommendation 2:** Non-attendance at jobs in the Remote Engagement Program trials should be dealt with through workplace relations provisions not income support compliance penalties.

**Organisation in remote communities should be directly resourced to provide jobs with wages**

The Remote Engagement Program income support supplement proposal is based on the false premise that providing work experience will lead to employment, when the real problem is that there are not enough jobs in many communities. The lack of job opportunities in remote communities for people who have completed remote job programs was one of the major issues with the previous CDEP. The CDEP had often become normalised as a routine way for people in remote communities to undertake jobs that would have been paid at higher wages in other locations. In some cases, people remained on CDEP for many years<sup>6</sup>.

A remote jobs program needs to ensure that people are not being exploited by being required to undertake jobs that should be paid at higher wages with job security.

There are also mismatches between the levels and types of training and job vacancies requiring qualifications.

Neither shortages of jobs nor the mismatch between people's skills and qualifications will be addressed unless there is direct investment in job creation and workforce development strategies. These require a long-term commitment to, and investment in, remote communities, that must be determined and governed by the communities themselves.

A first step towards self-determination and community governance would be to allow organisations representing remote communities to propose the models of employment pursuant to labour market programs, rather than impose this through legislation developed at a distance. Only then should the relevant legislation be developed.

**Recommendation 3:** The new remote program should be co-designed with remote communities, empowering them to develop their own employment and training models including the payment of award wages.

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<sup>5</sup> <https://www.abc.net.au/news/2016-06-08/remote-work-for-dole-program-a-failure-academic-says/7492004>

<sup>6</sup> [https://www.anao.gov.au/Publications/Indigenous-Program-Reports/2009-2010/Evaluation-of-the-Community-Development-Employment-Projects-\(CDEP\)-Program](https://www.anao.gov.au/Publications/Indigenous-Program-Reports/2009-2010/Evaluation-of-the-Community-Development-Employment-Projects-(CDEP)-Program)

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