

# **Social Security Legislation Amendment**

## **(Remote Engagement Program) Bill 2021**

23 September 2021



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*Jobs Australia acknowledges the traditional owners of country throughout Australia and their continuing connection to land and community. We pay our respects to them and their cultures, and to the elders both past and present.*

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## 1. OPENING STATEMENT

Jobs Australia and its Member Providers of the Community Development Program thank the Senate for this opportunity.

This Senate Inquiry about this most important piece of draft legislation and its consultation, came to the attention of Jobs Australia late Friday 17 September 2021. The information was provided to our Members Providers as quickly as possible and an extension to submit a response on behalf of the collated voice of CDP Provider membership was extended to Friday 24 September 2021. Jobs Australia is responsible for providing feedback from membership, and this submission reflects our Members advice.

The timing provided for this response has presented challenges to be able to brief and converse broadly across the cohort. Some Members have expressed their disappointment in the timing and nature of this process and expected their issues and opinion to be treated with a little more interest. Many Members are left with the impression that the Federal Government through its National Indigenous Australians Agency, appears to be excluding those same Indigenous Australian people and organisations with whom they have purposefully and previously engaged.

A condensed list of Jobs Australia and Member contribution to the Employment Development Programs in the past includes:

- 2011 Remote Employment service Submission – Jobs Australia response
- 2013 Submission to Australia Government Industry Jobs and Training
- 2016 Jobs Australia Community Development Provider / Member Survey
- 2016 Submission to Senate Finance and Public Administration Legislative Inquiry into the Social Service Legislation Amendment (CDP) Bill 2015
- 2016 Indigenous Outcome Targets Performance Framework Industry Information Paper
- 2017 Senate Inquiry Community Development Program
- 2018 Social Security Legislation Amendment Community Development Program
- 2019 Jobs Australia Submission to Productivity Commission Indigenous Evaluation Strategy

Members are concerned that without their inclusion in the consultative processes, a possible and considerable risk to the adoption of any future program by those who will deliver the programs and those for whom programs are designed to benefit, exists.

***Jobs Australia believes the legislation should be delayed until further understanding of the central and peripheral issues and assumptions of the benefits are more clearly understood.***

In summary, the Government proposes to increase payment to a trial of up to two hundred jobseekers for up to two years, and to host them into communities-decided employment.

Jobs Australia recommend that:

- *Providers are an asset to the government.*
- *Providers are employers of Indigenous Australian people.*
- *Providers have substantial amounts of accumulated knowledge and wisdom and are an important component of efforts to achieve Closing the Gap.*

## 1.1 Key Messages

*“CDP Providers need to be included.  
CDP Providers are not referred to in the proposed legislation”*

- The greater majority of CDP Providers are Indigenous Australian owned and controlled organisations.
- CDP Providers remain committed to achieving results under the Closing the Gap framework.
- CDP Providers are amongst the largest employers of Indigenous Australian people in remote and regional areas.
- CDP Provider organisations must remain key to the development processes for the new CDP.
- There are real jobs on communities and real jobs in the regions. In the greater percentage of cases, these jobs are held by people from outside the regions and outside the communities. This balance of jobs-occupancy, with appropriate long-term focused support presents opportunity to be reversed. Local community people can and should hold the majority of jobs in the places or areas that they belong to and where they live. What appears to be missing is a long-term strategy, and almost certainly one which transcends the term of an elected government.
- Money alone will not increase employability, and the peripheral issues that can result from an increased payment do not appear to be considered by the bill.
- Raising the income payment rate and helping someone with hosted employment will have considerably less chance of being successful than if the issues ‘upstream’ of employment (housing, health, language, numeracy and literacy) are not co-incidentally addressed.

## 2. ABOUT JOBS AUSTRALIA

Jobs Australia is a national organisation that supports the largest network of Not for Profit Members who provide diverse employment services and pathways, education, training and skills development and community and social services.

We have significant depth of experience in Policy and Programs including the Community Development Program, jobactive, Transitions to Work, ParentsNext, Harvest Trail, Work for the Dole, Disability Employment Services, Career Transition Allowances, Youth Programs and others.

We are funded solely by our Members allowing us to represent them with real insight and by activating and amplifying their collective and independent voice.

### 3. JOBS AUSTRALIA BASIC MODELLING

#### 3.1 Assumptions

To understand a context and apply some overview, the following assumptions are made from within our own conversations with Member Providers:

- 40,000 CDP registered job seekers.
- Average age is 27.
- Years on CDP until 55 is 28 years per person.
- Total years on CDP based on 40,000 caseload - until age 55 is 1.12million years.
- Welfare payment cost – conservatively \$16billion.
- Personal cost to the individual job seeker and to the nation – incalculable.

***Any Pilot or Trial site activity includes the identification and registration of all existing jobs, at any level and position within the site and surrounding region. This would be similar, although far more comprehensive than the jobactive Labour Market Plan.***

***The information to be gathered is to include minimum entry requirements (qualifications, experience, and expertise) for each position. This information is to be used to match job seekers to employment opportunities. A measured, long term achievable migration plan to the position identified by the jobseeker is to be developed. All the support required by the jobseeker / new employee is to be provided including addressing the social, health and accommodation issues.***

### 4. DISCUSSION

#### 4.1 Most CDP Providers Are Indigenous Owned and Controlled Organisations

The Federal Government has invested in providers of Community Development and Employment programs since the early 1970's. In those 5 decades irreplaceable and unique knowledge has accumulated and is contained within the CDP Provider organisations.

Members advise that despite their significant accumulated knowledge many are left out of consultation. Some do not accept there has been any consultation.

We recommend that the draft legislation includes the following:

- CDP Provider organisations are to be included as a core / central part of the consultation process,
- Definition of the word "Communities" is provided,
- Definition of the term "CDP Services Providers" is provided.

***We believe that CDP Services Providers are key contributors to the development of policy and program development framework for the new CDP and that their experience and advice is sought on all aspects of the current and all future redesigns.***

#### 4.2 CDP Providers and Programs and Closing the Gap Framework

All CDP Provider employees including Indigenous Australian Executives and Board Directors live and devote their professional lives to the effort required to close the gap between indigenous and non-Indigenous Australian people.

***Jobs Australia Members advise that any model, pilot, or other re-imagined employment services program is to be intrinsically linked to the Closing the Gap framework and that the metrics used to evaluate new program performance and continues to use the current CDP Providers and their Indigenous Australian employees as part of the assets required to being about sustainable change.***

#### 4.3 The need to preserve existing Indigenous Australian Employment

Recent changes to CDP have caused organisations to consider future redundancy strategies. This is because of the removal of the mutual obligations to participate in CDP activities. Some providers are even issuing material incentives to induce activity attendance. (For example; provision of gas bottles, provision of meals).

CDP Providers carefully co-design activities with local communities and jobseekers and follow the processes required by the program to ensure culturally safe, relevant, developing work-like activities are implemented.

The facts are that if payment can be received without the obligation to participate, in most cases, there will be no participation. In this sense CDP ceases to become a 'development program' and activities cease to provide work-like developmental experience.

As a result of the May 12, 2021, changes to CDP, the majority of caseloads are developing an inertia that extends beyond the suspension of Mutual Obligations in 2020.

The governments CDP Provider asset is in a potentially precarious position. There has not been direct assurance by the government that this asset has a place of strategic and program importance in the future.

***We recommend any change to the CDP Program should not result in the redundancy of any Indigenous Australian employee.***

#### 4.4 Jobs on Community - Jobs in Regions

There is a misconception that there is little or no employment in Indigenous Australian regional and remote located communities. Even as this Inquiry proceeds, there are many jobs in regional and on remote communities, including many positions that are vacant.

There are many jobs. With concerning frequency and at substantial additional expense, these jobs are occupied by people from outside the communities, and outside the regions.

Conversely, in some regions businesses are unable to operate because they cannot fill vacant positions. Vacant positions include jobs requiring little or no experience. There are jobs in Tourism, Hospitality, Transport, Civil construction, shire services, arts, entertainment, retail, aged care, health care and industries, mechanics, residential construction, electrical and childcare.

Jobs on community can include – power station maintenance and management, electrical, health and aged care, medical centre staff, drivers, civil and residential construction, housing and road maintenance, education, hospitality and tourism, primary production - including harvest and seasonal employment, office related work, arts, community sports, fishing and land care.

In both the regions and on communities there are jobs occupied by others, which could and should be occupied by local people.

The proposed Bill proposes to create an environment by paying a hosted jobseeker close to the minimum wage. It does not refer to any focus on removing the substantial pre-existing barriers that obstruct many Indigenous Australian people from finding, securing and keeping employment.

***The realisation of the extent of these employment barriers must be included into the current discussion. Without addressing these issues, the current and future incalculable losses to Indigenous Australian people and the broader Australian nation will not be abated.***

#### 4.5 The risks associated with Increased Payments

CDP Providers recommend examination of the potential negative consequences of increased payment be examined, reported and addressed before further considering the legislation.

**Provider Member quote:** *“simply because you provide a jobseeker with extra money and hosting them into a job may not increase their work readiness or capability to further participate in work. Recent evidence demonstrates the issues arising from increases in income and the social and familial consequences of that. These risks need to be understood and must be addressed.”*

## 5. JOBS AUSTRALIA RECOMMENDATIONS

In summary Jobs Australia welcome the opportunity to represent the feedback and discussion from its Member Providers. Their efforts to deliver the best possible outcomes for Indigenous Australians continues. Jobs Australia is proud to represent the following recommendations.

**We recommend that the unintended impact of increasing income without addressing the Closing the Gap agreement at the same time is further investigated and understood before proceeding further.**

**We recommend that the federal government’s key asset – its CDP Providers, are immediately included in the open and transparent consultation processes.**

**We recommend that immediately, the government forms a register of all jobs (at all levels) in every CDP region and develops Indigenous Australian employment policy in consultation with all parties before proceeding further.**

Jobs Australia Members reject any program for Indigenous Australian people that is discriminatory. Providing hosted employment and paying less than the minimum wage for that contribution is unacceptable. The proposed notion, put by representatives that the hosted employment is “work-like” is profoundly rejected. Indigenous Australian people, like all non Indigenous Australian people are to be included under the Fair Work Act Australia and paid wages for their contribution to the work place.

**Jobs Australia recommends the proposed Bill as provided on Friday, September 17, 2021 is deferred.**

The views expressed in this submission are the views of Jobs Australia. While our views are informed by our consultations and meetings with our Members, they should not be taken to be the views of any one provider or group of providers.

Thank you for the opportunity to make this submission on behalf of Jobs Australia’s Members.

Sincerely,

**Debra Cerasa**  
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**Jobs Australia Limited**

**Richard Butler**  
**Policy Advisor**  
**Jobs Australia Limited**

*Dated: 23 September 2021*