



Inquiry Social Security Legislation Amendment (Community Development Program) Bill 2018

Submission by the Australian Council of Trade Unions to the
Senate Community Affairs Legislation Committee

ACTU Submission,
24 September 2018

Introduction

The Australian Council of Trade Unions is the peak body representing almost two million working Australians. The ACTU and its affiliated union have a long and proud history of representing workers' industrial and legal rights and advocating for improvements to legislation to protect these rights.

The ACTU participated in the 2016 Senate Inquiry into the Community Development Program. At the time the ACTU outlined key concerns regarding the Community Development Program. Our concerns in summary are; the Community Development Program:

- Excludes CDP workers from basic industrial relations standards, including exclusion from Commonwealth Occupational Health and Safety and Workers Compensation laws;
- Has more onerous participation requirements than job seekers in non-remote programs;
- Establishes a second tier of Australian workers, who are forced into labour arrangements, are denied basic entitlements, and therefore the program puts downward pressure on available paid work and wages as employers access a pool of free First Nation labour.

The proposed legislative amendments in this Bill fail to address these concerns.

The ACTU continues to welcome the opportunity to participate in engagement and consultation around the CDP, however we also continue to be frustrated by the Government's approach of programmatic with this program while failing to acknowledge and address: 1) the systemic issues with the program that are resulting in increased poverty in communities and; 2) the discriminatory nature of the operation and application of the program.

We address the proposed amendments outlined in the Bill below.

Wage Subsidy Positions

Whilst the ACTU supports investing in employment creation in remote communities, the limited number of subsidized jobs, the limited modelling available from the government about how it will operate and the types of employment available are unclear.

Whilst the Bill proposes that workers who are undertaking subsidised employment are exempt from the compliance framework, this should be a given. No worker, undertaking paid employment should be subject to government welfare compliance and control measures.

Research by the Australia Institute "*Remote Control*"¹ suggests that positive investment over punitive investment would mean the "CDP scheme, which costs about \$360 million per year to operate...could directly employ 19,700 people for 26 weeks full-time."²

The ACTU continues to advocate for increased investment in job creation in remote communities. We believe that the government should be focusing on positive investments in communities rather than punitive investment in a program which focuses on compliance and measures of control.

¹ Australia Institute, *Remote Control. The Community Development Program, Remote Australia's work for the dole scheme*, 2018.

² Ibid, p.5

Reduced Participation Hours

Under the CDP, adults aged 18 to 49 years who are claiming income support but who are not in work or study are required to undertake 'work-like' activities for up to 25 hours per week, all year round, depending on their assessed capacity to work. All people, in CDP regions, who meet the criteria are immediately and compulsorily referred to the CDP as a condition of their income support payment. This includes people with disabilities and people with significant health or personal issues. It is also discriminatory, aimed primarily at Indigenous Australians.³

Whilst the Bill proposes to reduce work to 20 hours per week, it does not address the other more onerous and discriminatory elements of the program identified above.

There is no evidence that the CDP is achieving positive outcomes for remote communities. Of about 33,000 people in the CDP, less than 3,500 have found full-time or part-time work lasting six months or more. These jobs were also more likely to go to non-Indigenous participants.⁴

The available evidence suggests that the CDP is in fact causing significant hardship for the people it seeks to assist and⁵ the dramatic increase in penalties applied since the commencement of the CDP is evidence that it is failing to achieve beneficial change.⁶ In fact, CDP participants have received approximately 350,000 fines in the last two years, a number that rivals that handed out by the exponentially larger jobactive program.⁷

Targeted Compliance Framework

As reported by the Australia Institute in January 2018, "CDP participants received 52,813 penalties⁸. A CDP participant is more than 25 times more likely to receive a penalty than a participant in urban Australia's Jobactive program. They are 55 times more likely to receive a serious penalty."⁹

This clearly demonstrates that the current compliance framework is harsh, punitive and ultimately driving communities and workers into poverty.

However, imposing the TCF will only exacerbate these issues.

We agree with the NSSRN submission on the TCF and particularity highlight "the inflexible penalties available under the TCF will continue to cause significant income losses, and may lead some to move completely off income support payments. Instead, we support a move away from penalties towards

³ As at 26 June 2016, there were 36,803 people on the CDP caseload and, of this number, 30,498 identified as Aboriginal or Torres Strait Islander. [Australian Human Rights Commission, Social Justice and Native Title Report 2016](#), p 95

⁴ [Questions on Notice, Tabled documents, Department of Prime Minister and Cabinet, Community Development Program employment placements and outcomes, 26 May 2017](#)

⁵ Fowkes, I and Jordan K, *Job Creation and Income Support in Remote Indigenous Australia*, Australian National University, Centre for Aboriginal Economic Policy Research, Topical Issues 2/2016

⁶ Fowkes, L, *Update on the impact of the community development programme on social security penalties*, September 2016

⁷ <http://www.abc.net.au/news/2018-01-06/indigenous-dole-scheme-participants-slapped-with-more-fines/9308168>

⁸ Source: Department of Employment (2017) Job seeker compliance data – June quarter 2017, p 25-26

⁹ Ibid, p.18

an incentive driven system where unconditional income support payments exist as a safety net for all people living in remote Australia.”¹⁰

Alternative Model & Conclusion

The ACTU continues its support for the Fair Work, Stronger Communities: Proposal for Remote Development and Employment Scheme¹¹ as a positive alternative and good first step in ensuring that First Nations people are treated with respect, aren’t denied the same industrial rights as every other working Australian and communities are positively invested in through job creation and support rather than punitive investment in punishment and control.

For these reasons the ACTU urges the Committee to reject the Bill.

¹⁰ National Social Security Rights Network submission to the inquiry into the Social Security Legislation Amendment (Community Development Program) Bill 2018, @27.

¹¹ Fair Work and Strong Communities: Proposal for a Remote Development and Employment Scheme, APONT, 2017.

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