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

I am herewith submitting on behalf of Marra Worra Worra Aboriginal Corporation (ICN 104, hereafter 'MWW') comments to the Social Security Legislation Amendment (Community Development Program) Bill 2015 (hereafter 'the Bill').

For nearly 30 years, MWW has been delivering employment services to more than 42 communities in the Fitzroy Valley, experiencing at first hand policy changes from Job Services Australia (JSA), Disability Employment Services (DES) and the Community Development Employment Projects (CDEP) to the Remote Jobs and Community Program (RJCP as of 1st July 2013) with its focus on 'personalised support for job seekers', a 'Community Action Plan (CAP) linked to the operation of the employment and participation service', a 'Community Development Fund (CDF) to help communities build the strong social foundations that lead to better economic opportunities' and a 'new Remote Youth Leadership and Development Corps to help young people transition successfully from school to work' to, eventually, the Community Development Programme (CDP as of 1st of July 2015) with a focus on compliance in regards to provider delivery and job seekers' participation in activities.

The flurry of policy changes involving a multitude of ministries and government agencies have presented a challenge to MWW as the employment service provider investing in IT infrastructure, staff training and communicating change to communities in order to improve program delivery. Above all, the many changes have caused confusion amongst MWW community members who have been known as CDEP participants throughout CDEP and are now referred to as job seekers and benefit recipients as to what the Government expects of them in terms of behavioural change. This has exacerbated their disengagement with community building activities and increased further dependency upon welfare.

Judging by the Memorandum to this Bill, the Government seems to share this view:

'Notwithstanding these changes, outcomes suggest that current incentives within the income support system need to be stronger for those in remote communities to drive the behavioural changes needed to get people active, off welfare and into work.'

Job seekers in remote Australia are subject to the national job seeker compliance framework, which applies financial penalties and suspensions for missing appointments and activities. The framework is complex – with a large number of different suspension and penalty types – and difficult for remote job seekers to understand. The consequences of not attending activities (No Show No Pay penalties) are not immediately felt, with long periods of up to five weeks or more before penalties are applied. For many remote job seekers the penalty feels arbitrary and not connected to their behaviour. As a result, behaviour is not changing.'

Although some may be wary of further change, we believe that the changes envisaged by the Bill to the current form of CDP (hereafter CDP 2) will address some of these issues rendering the current program more successful. One key issue around the 'Work for the Dole' scheme for indigenous job seekers in remote communities is the stigma dole money carries, only followed by the unwillingness of job seekers of having to work for simple 'dole money' and a lack of incentives to do additional work. In our view, these issues do not simply pose psychological barriers for job seekers, but remain at the heart of low participation in work for the dole and community development activities. We therefore believe (a) – (e) mentioned in the Memorandum to this Bill (s. below) will make a positive difference to achieve job seeker engagement and decrease welfare dependency. In regards to (f), we are hereby expressing our interest for MWW to participate in CDP 2 any time rather sooner than later after 1st July 2016.

- (a) Payments made by the local CDP Provider on the ground who has a direct relationship with the job seeker;
- (b) Payments made weekly to assist individuals to better manage their finances;
- (c) A simplified compliance framework, with immediate No Show No Pay penalties to promote work-like behaviours;
- (d) Provision for reasonable entitlements for being absent, factoring in appropriate reasons such as illness and cultural business;
- (e) Increasing income thresholds (\$650 weekly) so individuals have a greater incentive to take-up casual or part time work, with the amount of income support dependant on participation in CDP activities; and
- (f) The scheme to be phased in, on a region by region basis, to ensure provider capability and community willingness.

Finally, in regards to the new community investment fund which is to be established based on funds withheld as a result of penalties we support their return back into communities 'to assist local economic and community development initiatives and programs', we suggest that the delivery may not happen through the Commonwealth's Indigenous Advancement Strategy, rather through the provider itself as per the past practice in the previous CDEP program, subject to a rigid compliance framework and financial reporting requirements. Given the mobility of job seekers moving from community to community we believe only a local provider would be capable of correctly allocating withheld funds from individual job seekers to the development of their respective communities, supporting the initiatives and programs the provider would have been coordinating in the first place.

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