



29 College Crescent
Parkville Victoria
Australia, 3052
Telephone: +61-3-9340 8807
jim@victas.uca.org.au

Committee Secretary
Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600

E-mail: community.affairs.sen@aph.gov.au

Submission of the Synod of Victoria and Tasmania, Uniting Church in Australia to the Senate Standing Committees on Community Affairs on the *Social Security Legislation Amendment (Community Development Program) Bill 2018*
21 September 2018

The Synod of Victoria and Tasmania, Uniting Church in Australia, welcomes the opportunity to make a submission to the inquiry into the *Social Security Legislation Amendment (Community Development Program) Bill 2018*. As outlined in detail below the Synod has for a long time taken the position that unemployment is largely the result of structural decisions in the economy, despite successive governments seeking to blame and punish those who are locked out of paid employment.

The Synod recognizes that the Bill provides some improvement on the mistreatment of unemployed people in remote communities and that applying the Targeted Compliance Framework (TCF) to people on the Community Development Program (CDP) is an improvement over the current situation, as it will remove penalties that CDP participants receive for one-off breaches of mutual obligation requirements. However, penalties under the TCF are harsh and non-waivable, which is likely to result in greater hardship for some people subjected to these penalties for failing to contact their provider because they were ill or travelled to a funeral. The TCF gives employment service providers very limited discretion in the issuing of demerit points towards the imposition of a penalty. For these reasons, we oppose the TCF, coming from an ideological framework that people locked out of paid employment need a punishment regime to motivate them.

We further accept the improvements that mutual obligation hours will be reduced from up to 25 hours per week, to up to 20 hours per week, depending on a job seeker's assessed work capacity. However, CDP participants will still be required to undertake more required work hours than people seeking employment in non-remote areas on the jobactive program.

It is a positive that there will be a greater role for local CDP providers to work with CDP participants in the application of the TCF and there will be less interaction with Centrelink compared with the current framework.



However, the Synod is deeply disappointed that the Bill was drafted without any proper consultation with the Aboriginal Peak Organisations Northern Territory, despite their repeated requests to be part of discussions on the redesign of the CDP. For this reason, we support the call of the Aboriginal Peak Organisations Northern Territory (APO NT) that the Bill not be passed by the Senate and instead the Commonwealth Government enter into genuine dialogue with First Nations people about the design of the CDP.

The proposed APO NT reform model for the CDP includes the following reforms, which the Commonwealth Government did not adopt:

- Flexibility and community governance structures so that jobs and community projects meet the needs of communities and remote employers;
- An approach to participation obligations that allows local organisations to tailor arrangements to their own communities, with a focus on support and incentives, rather than heavy-handed compliance and financial penalties;
- An Aboriginal and Torres Strait Islander led agency to manage the scheme instead of the current non-Indigenous led Canberra-based model; and
- A reduction in pointless and excessive administration requirements, which is a hallmark of the current program and consumes valuable funding.

The Synod welcomes that the Bill will allow the CDP participants to access the reasonable excuse provisions available for people with drug or alcohol problems. This support was removed for jobseekers in non-remote areas as a result of the *Social Services Legislation Amendment (Welfare Reform) Act 2018*.

The Synod welcomes that CDP participants undertaking subsidised employment will not be subject to the activity test or mutual obligation requirements.

The Synod welcomes that the Bill will create exemptions to sanctions for:

- mutual obligation non-compliance for participants in a subsidised job;
- work refusal for CDP participants who refuse a subsidised job and participants in a subsidised job who refuse other types of employment; and
- CDP participants who voluntarily leave a subsidised job without a valid reason, or are dismissed from a subsidised job for misconduct.

The Synod welcomes that the subsidised employment program is voluntary, and that CDP participants will have the opportunity to choose subsidised employment that fits their skills, experience and personal circumstances.

However, the Synod notes that these improvements appear to only apply to people who are able to access the subsidised employment places and not to those who enter unsubsidised employment places. Further, it is not clear how the subsidised employment places will be decided upon. There is a risk that the Government will end up subsidising employment for people who would have gained the job in question anyway, without the Government providing a subsidy to the employer.

The Synod has for a long time taken the position that unemployment is primarily the result of structural decisions made in the economy and that people locked out of paid employment should be supported rather than punished. The 1980 Synod meeting of hundreds of representatives of congregations across Victoria resolved:



- (a) *To note the current high rates of unemployment in Australia, and to recognize that,*
 - (i) *In the overwhelming majority of cases, unemployment is not the fault of the unemployed themselves;*
 - (ii) *Many of those who depend upon unemployment benefits are living in poverty;*
 - (iii) *The human cost arising from unemployment levels is evident; and*
 - (iv) *While there are no cheap or easy solutions to unemployment, it is unjust for the unemployed minority to shoulder the burden of the nation's economic problems.*
- (b) *To call on the Government of Victoria and the Federal Government to initiate strategies which will:*
 - (i) *Provide work for everyone who wants it, recognizing that this may mean some jobs are to be financed through the public purse; and*
 - (ii) *Guarantee a liveable income for those not at work.*
- (c) *To endorse the claims of the Coalition Against Poverty and Unemployment, which are to:*
 - (i) *Heighten awareness of the severity and causes of poverty and unemployment;*
 - (ii) *Involve the community in expressing its support for change; and*
 - (iii) *Mobilize pressure on both the Government and the Opposition to effect the change necessary to eliminate poverty and unemployment.*

The 2002 Synod meeting of hundreds of representatives of congregations resolved:

Noting that Synod resolution 80.2.3 called on the Federal Government to guarantee a liveable income for those not at work and to initiate strategies to provide work for everyone who wants it:

- (a) *To state its opposition to any reduction in unemployment benefits below the level of the Henderson poverty line for people who are classified as unemployed for failing to meet 'activity tests';*
- (b) *To welcome the initiatives and commitments to increase assistance and incentives for people to find work in the 2002-2003 Federal budget, while acknowledging the current allocation is still insufficient;*
- (c) *To inform the Prime Minister, the Minister for Family and Community Service, the Leader of the Opposition and the Shadow Minister for Family and Community Service of this resolution.*

The Justice and International Mission Cluster of the Synod has been concerned about features of the CDP that have seen CDP participants treated more harshly than people seeking work on Newstart that are not on the CDP. The Synod notes the UN Special Rapporteur on the rights of Indigenous Peoples, Victoria Tauli-Corpuz, has said of the CDP:

The rate at which jobseekers within the Programme are penalized is around 27 times that of mainstream, predominantly non-indigenous, jobseekers. In practice, these requirements are discriminatory, being substantially more onerous than those that apply to predominantly non-indigenous jobseekers.



Examples of the discrimination that people on the CDP are subjected to compared to people seeking work who are not on the CDP are:

- People on the CDP are forced into Work for the Dole labour straight away, which is not the case with people seeking work on Newstart who are not on the CDP;
- People on the CDP are given fewer options than people seeking work elsewhere in Australia, such as training, voluntary work or participation in non-vocational support programs; and
- People not on the CDP who are under 25 can undertake voluntary internships for up to 12 weeks with a business and will receive an extra \$100 per week to their Newstart (which still gives these businesses a cheap source of labour), while CDP participants can be forced to work for businesses with no extra payment.

The results of this discriminatory treatment mean that while CDP participants are only 5% of people seeking employment nationally they get 60% of the social security penalties imposed on such people and nearly 80% of the more serious penalties. Fines imposed on First Nation people job seekers under the CDP scheme are blamed for driving up hunger and poverty in some remote First Nation people communities.

The Synod is concerned at reports the CDP creates the opportunity for employers to substitute paid CDP workers for paid employees. Research has shown that local governments are likely to rely on CDP participants to do tasks that fall within the responsibility of council workers, and private employers asking for CDP labour rather than employing people who work under normal employment conditions. CDP participants are a cheap form of labour as an alternative to employees working at least on the minimum wage with employment benefits such as superannuation and compensation in the case of a workplace injury. Thus, the current CDP depletes actual limited job opportunities in remote areas.

CDP participants have been required to work 25 hours a week for a payment of \$280, or \$11.20 an hour. The current minimum wage is \$18.29 per hour. By comparison people on the 'Work for the Dole' scheme are paid \$280 for working 15 hours a week, an hourly rate of \$18.67.

Many First Nations people on the CDP report that it is demoralising and disempowering.

Dr Mark Zirnsak
Senior Social Justice Advocate
Synod of Victoria and Tasmania
Uniting Church in Australia