



Australian Government
National Indigenous
Australians Agency



NIAA

Social Security Legislation Amendment (Remote Engagement Program) Bill 2021

**Submission to the Senate Finance and Public
Administration Legislation Committee**

Purpose of the Bill

1. The Australian Government's commitment to reform employment services is one critical component of the National Agreement on Closing the Gap Priority Reforms and to close the gap in employment outcomes between Indigenous and non-Indigenous Australians. This Bill builds on Priority Reform One to build stronger partnership arrangements and joint decision making authority between Indigenous people and Government to accelerate policy and place-based progress against Closing the Gap. Achieving Closing the Gap outcomes is a genuinely shared effort across all Australians.
2. Australians living in remote communities face complex employment challenges, different from those experienced in regional and urban areas. Communities want to co-design an employment service for remote areas of Australia in partnership with the Australian Government. The Government has committed to this approach. Communities consistently raise the need for new approaches to employment services that better match local economic circumstances and labour market opportunities. This Bill provides a unique opportunity for communities to trial components of an appropriately flexible remote employment program that is tailored to their community, ahead of replacement of the Community Development Program (CDP) in 2023.
3. The Social Security Legislation Amendment (Remote Engagement Program) Bill 2021 (the Bill) will enable the piloting of new approaches to delivering employment services in remote communities. The Bill is not pre-empting the outcomes of a co-design process, but instead is providing one building block that communities can choose to use as they design their program with Government. Other building blocks will include access to non vocational support, like family or mental health services; vocational skills and training; support in finding jobs and apprenticeships.
4. This Bill provides an option to pilot innovative approaches in communities. It introduces a new supplementary payment (the Remote Engagement Program payment) to be made to eligible job seekers in Remote Engagement Program pilot communities participating in a Remote Engagement Placement. The Remote Engagement Placements will build job seekers' skills in roles that will deliver public goods or services to benefit local communities and provide a pathway for job seekers to find a job. For example a teacher aide or a park ranger. The Bill provides that the Remote Engagement Program payment will not be payable after 30 June 2024, which allows sufficient time to test and trial the approach.
5. Over time, we have learnt from communities that what works in our cities and more densely populated regions may not work in remote areas. We have also learnt that achieving sustainable change in remote communities can only be done by working together.
6. There are other possible components that will sit alongside the Remote Engagement Program payment that communities could co-design and trial in the Remote Engagement Program pilot sites. These other aspects are not expected to require legislative change. Communities will also have options to trial other approaches to training, skills development and non-vocational support as they co-design the Remote Engagement Program. Initially, we estimate approximately 200 eligible job seekers across the pilot sites will be able to volunteer for the Remote Engagement Placement.
7. The Bill proposes the Remote Engagement Program payment be paid at a fixed fortnightly rate (between \$100 and \$190 per fortnight) and will be additional to certain primary income support payments and other



supplements for which job seekers are eligible. The Remote Engagement Program payment will not be subject to the income test in the *Social Security Act 1991*.

8. The aim is for an eligible job seeker's income support plus the Remote Engagement Program payment to be approximately equivalent to the minimum wage for the hours participating in the Remote Engagement Placement. Eligible job seekers will voluntarily participate in a role in government services or community organisations for between 15 and 18 hours per week building important skills and experience. Participants will be able to voluntarily leave the Remote Engagement Placement at any time.
9. The Bill sets out a range for the payment and the hours to give an opportunity for pilot communities to design the number of hours and size of the Remote Engagement Program payment as part of a legislative instrument, reflecting the individual needs and aspirations of communities across remote Australia. This will also allow flexibility to adjust as lessons are learned and communities' ideas develop over the course of the pilots.
10. During the co-design process, the Government will take the time to work together with and listen to communities in the pilot sites about what they think could work in relation to the amount of the payment, the hours of engagement and what eligible job seekers are required to do to continue to receive the payment. This will enable the testing of incentives that fit the unique circumstances of the pilot communities.
11. The Bill supports collaboration with communities to develop an appropriately flexible program that will build the skills and vocational capabilities of people in remote communities.

Policy Intent

12. Australians living in remote communities face complex employment challenges, different from those experienced in regional and urban areas. Remote areas cover 75 per cent of the Australian land mass however there are fewer jobs available in remote areas, with less than two per cent of actively trading businesses located there. The opportunities and circumstances in remote Australia are unique and different from urban areas. For example, labour markets are thin and people need governments to create opportunities to be involved in work-like experiences to build their skills. People who have a go should be rewarded with an extra payment.
13. The aim of the Remote Engagement Placement and the Remote Engagement Program payment is to provide an incentive for an eligible job seeker to participate in a placement designed to build their skills that will in turn support them to find a job. These incentives are illustrated in Diagram 1.
14. As outlined in Diagram 1, the Remote Engagement Placement will provide a monetary benefit, in the form of the Remote Engagement Program payment, which will provide an incentive for a job seeker to:
 - participate in the Remote Engagement Placement, with the understanding that job seekers will be better off participating in the Remote Engagement Placement compared to their situation if they only received their usual income support payments
 - job seekers participating in the Remote Engagement Placement will be considered to be meeting their mutual obligation requirements
 - transition out of a Remote Engagement Placement by taking up employment opportunities
 - move into the open labour market through time limited participation (no more than 104 continuous weeks) in a Remote Engagement Placement

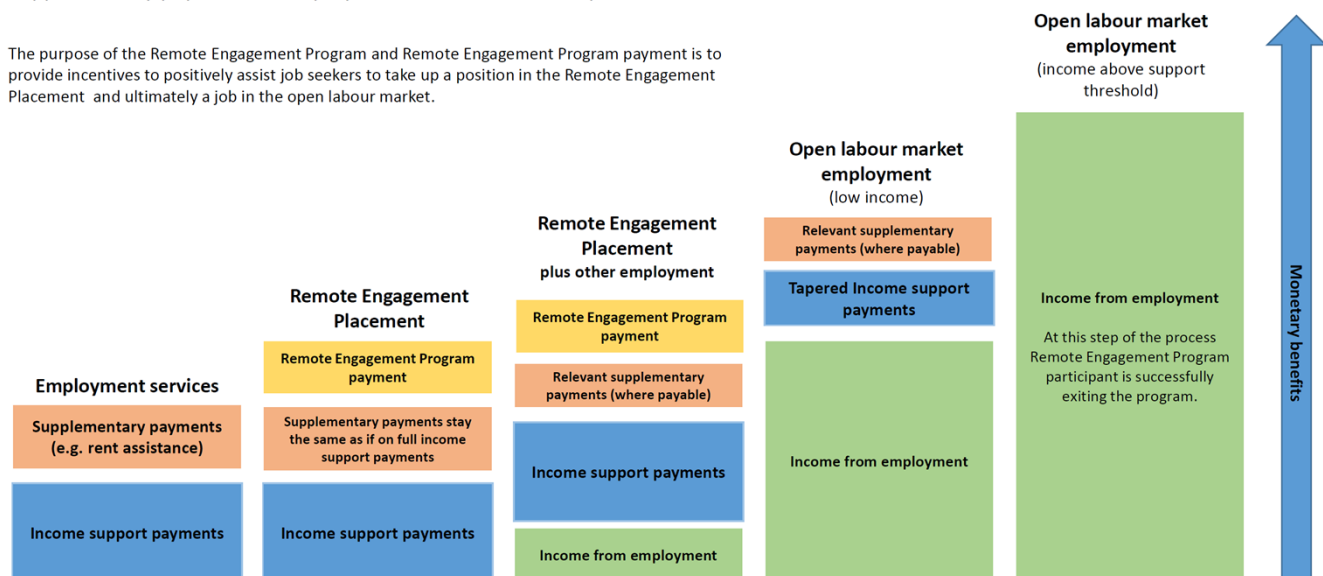
- take a comparable job in the open market rather than remain in the Remote Engagement Placement.
15. The Bill is specifically designed to establish the main policy parameters in legislation and for further detail to be determined in legislative instruments, to facilitate co-design and the trial of different approaches across pilot sites. This will allow testing of how the Remote Engagement Program payment can best be used to meet the policy intent. For example, in some pilot sites people might want to trial fewer hours in a Remote Engagement Placement such as 17 hours a week and a payment that reflects this such as \$150 per fortnight. When this payment is combined with the job seeker's primary income support payment of, it will be equivalent to \$22.36 an hour that the job seeker participates in a Remote Engagement Placement.
 16. The policy intent is also illustrated at Case Study 1 and Case Study 2.

Diagram 1

Remote Engagement Program

Supplementary payments & employment advancement comparison

The purpose of the Remote Engagement Program and Remote Engagement Program payment is to provide incentives to positively assist job seekers to take up a position in the Remote Engagement Placement and ultimately a job in the open labour market.



Case Study One

Katy lives in remote mainstream community 773km from a regional centre that has a population of 1,850 people in the community including 950 working age jobseekers. There are very few local job opportunities however the Aboriginal local leaders group is interested in creating new jobs where possible. Katy lives in a pilot site and has expressed her interest in participating in a Remote Engagement Placement. Katy is aware that her income support will continue if she volunteers for the Remote Engagement Placement and that she will also receive a supplementary payment (within the range of \$100 to \$190 a fortnight). Currently Katy is receiving \$647.80 per fortnight.

Katy contacts her Remote Engagement Program provider (provider) to express her interest in participating. Katy's provider identifies a placement with the local Aboriginal community organisation driving a grader to repair infrastructure across her community. Katy and her provider talk about the skills she needs for the placement. They identify that Katy needs a WHS certificate and Heavy Rigid Vehicle licence before she starts the placement. Katy's provider links her to the appropriate training. When Katy obtains her WHS certificate and Heavy Rigid Vehicle licence, she learns more from her provider about what the placement involves, including hours of work and types of tasks she will be doing. Katy is told that she will be considered to be meeting her Mutual Obligation requirements while she participates in the placement, meaning she doesn't have to do any other activities. She will enter into a Placement Agreement with her provider and the Aboriginal community council. She is also advised that she can voluntarily leave the placement at any time.

Katy signs a Placement Agreement and commences the placement the next day. The provider meets with Katy and the employer regularly to ensure Katy has everything she needs and is enjoying her placement.

Katy receives an additional \$180 a fortnight on top of her existing income support payment of \$647.80 a fortnight and works 18 hours a week as part of the placement. She now has a similar amount of money to part time workers and is aiming to apply for similar full time jobs.

Case Study Two

Corey lives in a remote community 200 km from a regional centre. There are 200 people in the community including 50 working age job seekers. There are very few local employment opportunities and Corey has been unemployed for over 18 months. His skills are predominately in the hospitality industry and he has worked in a variety of cafes, roadside cafes and pubs, and as a cook for various homesteads. Corey is currently volunteering at a community crisis centre. His certification for food handling is up to date and current. He is currently receiving \$647.80 per fortnight.

Corey meets the eligibility requirements to participate in the new Remote Engagement Program Placement, and expresses interest to his provider.

Corey's provider identifies a placement as a food preparation assistant at an aged care home and at a childcare centre, which involves services such as catering and meals on wheels to the community.

Corey volunteers to participate in the placement while his kids are at school and works closely with his provider to develop a job plan that will be updated every six months to work towards gaining long-term employment in the hospitality industry. Corey, his service provider and the organisation enter into a Placement Agreement. This means Corey has an updated work placement referee which he will be able to use when he is applying for employment.

Corey receives an additional \$150 a fortnight on top of his existing income support payment of \$647.80 a fortnight and works 17 hours a week.

Three months down the track, Corey is contacted by the aged care home organisation to see if he is available for on-going full time employment.

Piloting and consultation on the Remote Engagement Program

17. The Remote Engagement Placement and the Remote Engagement Program payment is one design element of the new program the Government would like to co-design with communities as part of the pilots. The Government will also work with communities during the pilot phase to explore:
 - how to provide better support to job seekers who have the skills and experience to work, but are having difficulty finding work
 - vocational training options for job seekers that will lead to real jobs in their communities
 - how to provide the right support, at the right time, to job seekers with acute or complex needs and
 - the best ways to engage with and support job seekers to meet their Mutual Obligation Requirements.
18. Together, the design elements reflect a continuum of job readiness to support job seekers move from welfare to work. The design elements will enable the program to provide more tailored support to meet the needs of individual job seekers, rather than a one size fits all approach.
19. Implementation of the new approach in the pilot sites will follow a period of co-design with communities, providers and other stakeholders in each pilot site. The pilots are an opportunity to test and co-design elements of the new program in a community setting.
20. The legislative instruments are an important feature of the co-design process in the pilot sites. They will set the amount of the Remote Engagement Program payment and the hours of engagement in the pilot sites. Communities will set rules about participation. For example, they might choose to set a three strikes and you are out policy for participating in a Remote Engagement Placement. That is, if the job seekers has an unexplained absence or misbehaves when participating in the Remote Engagement Placement, they will be asked to leave the Remote Engagement Placement and the position will be offered to another eligible job seeker.
21. NIAA intends to publish outcomes of the co-design process for full transparency.
22. In addition to implementing pilots, the Government will hold a national consultation process in the lead up to implementation of the new program. The first phase of consultation began on the 1 September 2021, when the Government released the new [Remote Engagement Program Discussion Paper](#). The paper sets out a number of elements that the Government would like to co-design with communities. Submissions close 30 November 2021.