

# Social Services Legislation Amendment (Community Development Programme) Bill 2018

Submission to the Community Affairs Committee  
September 2018



## About ACOSS

The [Australian Council of Social Service \(ACOSS\)](#) is a national voice in support of people affected by poverty, disadvantage and inequality and the peak body for the community services and civil society sector. Our vision is for a fair, inclusive and sustainable Australia where all individuals and communities have the opportunities and resources they need to participate fully in social and economic life.

## Recommendation:

**The Committee oppose this Bill.**

## Reform of the Community Development Programme

ACOSS has engaged in all recent consultations on the Community Development Programme (CDP). We endorse the Fair Work and Strong Communities: Remote Development and Employment Scheme (RDES) model, developed by Aboriginal and Torres Strait Islander and peak organisations, to replace CDP as the remote jobs program. We refer the Committee to the Aboriginal Peak Organisations Northern Territory submission to this inquiry for more detail about the RDES. We also urge the Committee to hear their concerns about lack of consultation with Aboriginal and Torres Strait Islander-led organisations in the development of this Bill.

To reiterate the five principles that must underpin reform of CDP, we urge the Committee to make recommendations in line with the following:

1. Reform must be led by Aboriginal and Torres Strait Islander people.
2. People living in remote areas must have the same social security rights as people living elsewhere. This includes statutory entitlements to social security payments administered by the Department of Human Services, and that, where discretion is required in decision-making on payments, this is exercised in a fair, consistent and transparent manner.
3. Mutual obligations in regard to social security payments must concern employment only and should be fair, appropriate and tailored to individual communities, and no more onerous than those applying to the general community.
4. Remote employment programs must include paid work under regular employment conditions in view of the limited job opportunities in these communities.
5. Other employment services should be designed and administered, as far as possible, by communities themselves, to prepare people for paid employment and connect them with employers rather than 'activity' for its own sake.

## Extending the Targeted Compliance Framework to CDP

ACOSS opposed the introduction of the Targeted Compliance Framework (TCF) under jobactive and we strongly oppose its expansion to CDP. The TCF has several elements that stand to disadvantage people with activity requirements attached to their payment. The TCF minimises DHS's role in decision-making on activity breaches, transfers that role to non-government providers without giving them discretion not to impose demerit points, and does not allow for financial penalties to be waived. The TCF is a blunt instrument that fails to recognise the complexity of people's lives and we are deeply concerned that it will do more harm than good in remote communities.

ACOSS supported the exemption of CDP participants from the TCF for a range of reasons, but mostly because CDP is fundamentally flawed. The shocking number of financial penalties imposed on people under CDP clearly demonstrates that the program is ill designed for remote communities. Expanding the TCF to CDP will see thousands of people lose weeks of income support or have their payment cancelled. The lack of waiver provisions under the TCF means that people, including people with children, will be left without income support payments.

The TCF implements a demerit points system whereby people with activity requirements have to meet those requirements or lose a demerit point (unless they have a reasonable excuse for not meeting such requirements). There are eight demerit points in total. Loss of the first four demerit points will result in payment suspension, and the decision about loss of these points rests with employment service providers. Previously, DHS was responsible for making these decisions. Loss of a third point triggers a meeting with the employment service provider to determine if the person's activities are appropriate. Loss of five points results in a meeting with DHS to ascertain whether there are issues for the person in meeting their requirements. If there are outstanding issues, the person will have their points reset to zero. If not, the person moves into the penalty zone. Loss of six points results in loss of one week's payment. Loss of seven points results in the loss of two weeks' payment, and eight points sees the person's payment cancelled for a minimum of four weeks. DHS does not have discretion to waive penalties where the person would otherwise experience financial hardship or homelessness.

ACOSS raised concerns about employment service providers having the power to impose demerit points because they have a high error rate in their decision making. Under the old system in jobactive, employment service providers would have their recommendations for someone to be found non-compliant overturned by DHS about 50% of the time. Therefore, under the TCF, people may have their payments suspended despite having a reasonable excuse for failing to meet an obligation. This could see people have their payments unfairly suspended and also quickly end up in the penalty zone, with no recourse to regain income support payments if they lose six or more demerit points. Timely access to review and appeal of adverse decisions is not always available, yet this the essence of natural justice.

The government's own modelling shows that thousands of people in CDP will lose between one and four weeks' payment under the TCF. Unlike the current compliance model, people will not be able to have a serious penalty waived or 'worked off' via re-engagement. Consequently, people and communities will continue to lose income under CDP, and potentially lose more income than what would occur if the current model continued. Communities have already lost millions of dollars in income support because of the severe over-penalisation of participants. People cannot rely on family and friends for support because often, they too, are on very low incomes. This Bill and the continuation of CDP stands to further entrench disadvantage in affected communities.

We encourage the committee to review the submission of Lisa Fowkes Research Scholar at the Centre for Aboriginal Economic Policy Research who has analysed the potential impact of the TCF in terms of financial penalties.

### **Reasonable excuse provisions**

ACOSS strongly supports continuation of reasonable excuse provisions relating to drug or alcohol use for people under CDP.

## **Discrimination against Aboriginal and Torres Strait Islander people**

Even with the changes outlined in this legislation, CDP will continue to discriminate against Aboriginal and Torres Strait Islander people. Although the number of activity hours required will be reduced from up to 25 to up to 20 per week, CDP participants must still engage in Work for the Dole activities for 46 weeks of the year, compared with jobactive participants who must only do so for six months of the year. CDP participants must also undertake five days of activity per week, whereas jobactive participants do not have this requirement. CDP participants are also subjected to Work for the Dole immediately, while jobactive participants are only subjected to Work for the Dole after 12 months of receipt of an activity-tested payment.

The harsher requirements of CDP will mean that a higher proportion of people will continue fail to meet their obligations and will be penalised under the TCF. There is no justification for applying stricter requirements on people living in remote areas, especially given the lack of employment opportunities in those areas. Such policy discriminates against Aboriginal and Torres Strait Islander people, who comprise 83% of people under CDP.

## **Employment subsidies**

The 6,000 job subsidies announced in the 2018 budget are a step in the right direction, but investment in jobs in local communities must be a priority. The provision in this Bill to exempt CDP participants from mutual obligation requirements whilst they are in a subsidised job is welcome, but we note that people who are in non-subsidised positions will not benefit from this exemption, raising questions of fairness. ACOSS also welcomes exemption provisions around leaving a subsidised position, but we recommend that where people leave positions because of difficult circumstances (for example, domestic violence, illness, etc.), they not have to wait for six months to access another subsidised position.

We do, however, echo concerns of APO NT that many local community employers will not have the resources to fill the gap between what the subsidy provides (around \$21,000) and the cost of full-time employment. There is also no employment creation strategy within the model that is currently on the table, ignoring the lack of employment opportunities in remote areas. This means that even with the wage subsidies as proposed, the majority of CDP participants will still need to undertake Work for the Dole, which is unlikely to improve their paid employment prospects.

## **Alternative approach**

We urge the Committee to oppose this Bill so that the harsh TCF regime is not applied to people in the CDP. The Committee and the Parliament must listen and work with Aboriginal and Torres Strait Islander communities, and replace CDP with a program that best supports people in remote communities. The RDES model offers the best solution. Local community-based employment services would have the flexibility and resources to adapt employment preparation, job search, training, and paid work placements to local requirements. In return, the quality of the services provided and the outcomes achieved would be monitored by a body at arms-length from government which is charged with supporting service development, sharing best practice, and ensuring that public funds are used effectively to achieve long-term results. In the RDES proposal, that body would have majority representation from remote communities.