

Superannuation  
Complaints  
Tribunal

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Our Reference: 06-22359

22 November 2006



The Committee Secretary  
Parliamentary Joint Committee on Corporations and Financial Services  
Parliament House  
CANBERRA ACT 2600

**Attention : Mr David Sullivan**

Dear Sir

I appreciate that the time for making submissions has closed, but the issue which concerns me was awaiting the publication of a discussion paper by the Hon the Minister for Employment and Workplace Relations (copy attached along with my response).

The issue concerns the lack of superannuation arrangements for the approximately 30,000 Aboriginal people receiving CDEP payments. Such people are classified as 'employed' by the Commonwealth, but no arrangement for the SG is made.

As a consequence, the one of the least economically privileged groups in Australia is not participating in the mainstream of compulsory superannuation.

As well as missing the obvious economic benefits which flow from superannuation (including life insurance coverage), their non-participation defies the description of 'universal coverage'.

It may be that since superannuation was introduced as being compulsory in 1993 and CDEP had then been in operation for in excess of 10 years, no real thought has been applied to bring the CDEP into line with the notion of compulsory superannuation.

The result is not limited to recipients and their families 'missing out,' but extends to further marginalize a group by accelerating their economically adverse position compared to that of the rest of society.

I have, with the consent of the Parliamentary Secretary to the Cabinet (who has ministerial responsibility for the Superannuation Complaints Tribunal), raised this issue with both the

Hon the Minister for Indigenous Affairs and the Hon the Minister for Employment and Workplace Relations. If, as is contemplated by the discussion paper, CDEP is to continue for those living in remote communities who are the most economically deprived because they have no access mainstream jobs, then serious consideration should be given to the adoption of a policy that at least includes them as "mainstreamed" with respect to superannuation participation.

I hope that the Committee will see fit to consider this aspect as part of their enquiry.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Graham McDonald', with a stylized flourish at the end.

**Graham McDonald**  
**Chairperson**

atts

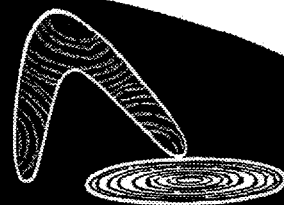


An Australian Government Initiative



# Indigenous Potential meets Economic Opportunity

Discussion Paper  
November 2006



Jobs Careers Future

# Indigenous Potential meets Economic Opportunity

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### Disclaimer

This booklet is provided for the purposes of consultation.

DEWR gives no warranty to the effect that the information is complete, accurate, up to date or reliable and no responsibility or liability will be accepted by DEWR for any loss or damage howsoever arising which results from any person acting in whole or part on the information.



## **Minister's Foreword**

With strong labour markets and emerging labour shortages we should be making the most of opportunities to place more Indigenous people into jobs in urban and major regional centres across Australia.

Over the last few years reforms to the Community Development Employment Projects (CDEP) programme have meant that more than 3 700 CDEP participants moved off CDEP and into employment in 2005-06. While this is a good result it represents only around 5 per cent of all the people who moved through CDEP in that period.

The Australian Government believes that a more employer-focused job brokerage approach would further increase employment outcomes for Indigenous people particularly in urban and major regional centres where the labour market is very strong.

The approach outlined in this paper aims to increase employment outcomes for Indigenous people and contribute to economic independence so they, like other Australians, can share in the benefits of this country's economic success. The approach would strengthen the Government's special efforts and resources to reduce Indigenous disadvantage.

I encourage you to read this paper and give your feedback on the proposals to further improve the lives of Indigenous Australians.

A handwritten signature in black ink, appearing to read 'Kevin Andrews', with a long horizontal flourish extending to the right.

The Hon Kevin Andrews MP  
Minister for Employment and Workplace Relations  
November 2006

## **1. What this paper is about**

This discussion paper proposes a new model of employment services for Indigenous Australians in strong labour markets. The new model aims to increase Indigenous economic independence by emphasising placement directly into jobs in strong labour markets in urban and major regional centres.

The new model would mean ceasing funding of Community Development Employment Projects (CDEP) in urban and major regional centres and funding instead an enhanced Structured Training and Employment Projects (STEP) brokerage service in those centres from 1 July 2007. This would only affect about 40 of the 210 current CDEP service providers and about 7 000 CDEP places out of around 35 000. All Indigenous Employment Centres (IECs) across Australia would cease on 30 June 2007.

CDEP and IEC organisations would be able to compete for new business as STEP brokers. Community work activities similar to those currently provided by CDEP would be provided through enhanced STEP services in urban and major regional centres for individuals not ready for training or job placement.

Where the labour market and employment service provisions are not as strong, including remote Indigenous communities, the Australian Government would continue to fund CDEP services for eligible Indigenous people.

## 2. Have your say

Please have your say. Your feedback on the ideas in this paper will help us develop the most effective policy for Indigenous employment servicing. You will find questions throughout this paper and a complete list of these questions can be found in Attachment A at the end of this document. Please think about these questions when providing your feedback.

Please be aware that feedback received on this discussion paper **may be released to the public**. If you **do not want** your feedback to be made publicly available, you must let us know at the time that you provide your comments.

You can provide comments at any time before 5pm **Friday 15 December 2006** Australian Eastern Daylight Time (AEDT).

There are five ways that you can do this:

**Online** [workplace.gov.au/cdep](http://workplace.gov.au/cdep)

**Email** [ipmeo@dewr.gov.au](mailto:ipmeo@dewr.gov.au)

**Fax** (02) 6276 9649

**Mail** DEWR Indigenous Servicing Consultations  
GPO Box 9879  
CANBERRA ACT 2601

**In person** Face-to-face consultation sessions will be held across Australia during November 2006 in regional and urban locations. A list of locations and dates for these sessions can be found at Attachment B at the end of this document. If you would like more information on any of the consultation sessions, please phone freecall 1800 610 382 between 9am and 8pm (AEDT). Outside of these hours leave a message and your contact details and your call will be returned.

### 3. Introduction

*Indigenous Australians have poorer economic outcomes*

Indigenous Australians continue to face poorer outcomes than non-Indigenous Australians against almost every economic indicator:

- the Indigenous unemployment rate is more than three times higher than the rate for all Australians (around 16 per cent compared to the national average of 5 per cent in 2005)
- Indigenous Australians have lower rates of participation in the labour force, and if working, are more likely to be in part-time work and in lower skill jobs
- Indigenous teenagers aged 15-19 are three times less likely to be in full-time work or education than non-Indigenous teenagers, and
- Indigenous Australians are much less likely to own their own home—32 per cent compared to 69 per cent of non-Indigenous Australians.

*Opportunity to close the gap*

While these differences remain a major challenge, Australia's current economic and demographic situation provides an unprecedented opportunity to close the gap between Indigenous Australians and others.

*Thriving labour market*

The Australian labour market is thriving:

- in September 2006, the national unemployment rate reached a generational low (4.8 per cent), the lowest rate in thirty years
- long term unemployment is now at its lowest level since data were first collected in 1986 and is down 74 per cent on the peak recorded in May 1993, and
- employment in non-metropolitan areas is particularly strong, rising by 3.0 per cent in regional areas compared to 1.4 per cent in metropolitan areas in the 12 months to August 2006.

*Ageing workforce*

The Australian population as a whole is ageing with many workers approaching retirement creating job vacancies that need to be filled. Australia faces an estimated shortage of nearly 200 000 workers over the next five years due to the ageing population.

*Young Indigenous population*

In contrast, Indigenous Australia is a young and growing population. It is estimated that 40 000 young Indigenous Australians will turn 16 within the next three years.

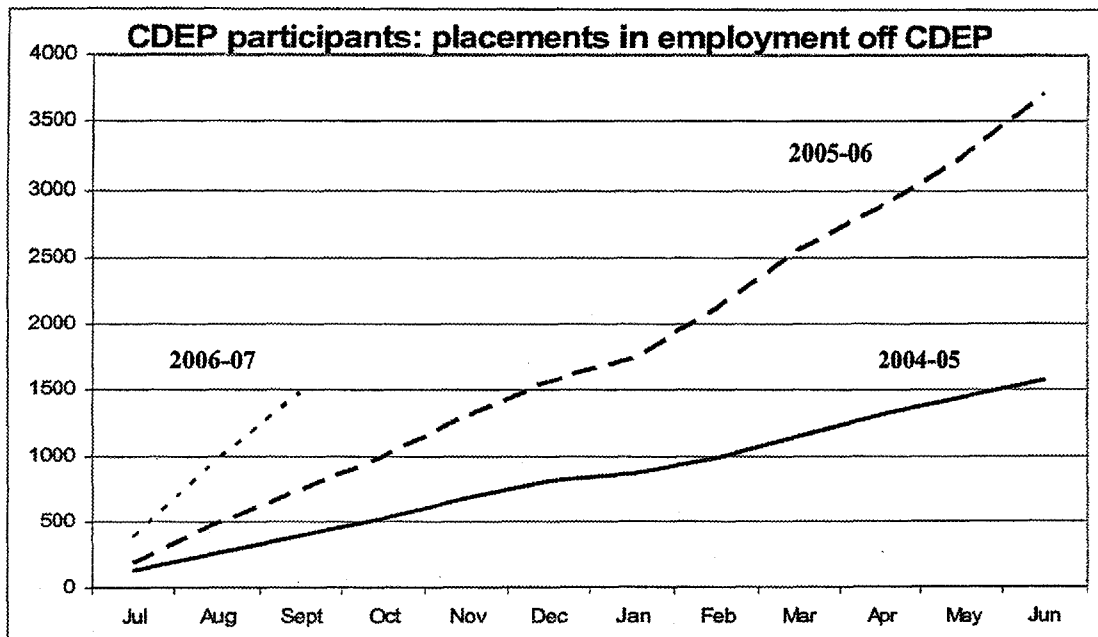
*High level of commitment from government*

There has never been a better time to make progress on Indigenous economic development. There is a high level of commitment from all Australian governments to work together to make a difference for current and future generations of Indigenous Australians.



## 4. Working towards economic independence

<i>Economic independence for Indigenous Australians</i>	The Australian Government is committed to achieving economic independence for all Australians so they can make informed choices about their lives. If Indigenous Australians are to genuinely achieve this independence they must be able to earn money and build up their assets and wealth. Indigenous economic independence can be achieved by reducing dependency on passive welfare and boosting employment and business opportunities for individuals and families.
<i>Effective use of resources</i>	The Government must ensure that its investment in Indigenous people is used in the most effective way. For too long government funding has encouraged welfare dependency and passivity.
<i>Indigenous Economic Development Strategy (IEDS)</i>	In announcing the Indigenous Economic Development Strategy (IEDS) in November 2005 the Australian Government recognised the need for a clear framework of initiatives leading to Indigenous economic independence. The initiatives in the strategy focus on two main areas—work and assets/wealth. The work initiatives include CDEP reform, local jobs for local people, improved employment service performance and targeted industry strategies.
<i>Achievements since IEDS announced</i>	Since the IEDS was announced, there have been major achievements, including:
<i>Community Development Employment Projects (CDEP)</i>	<ul style="list-style-type: none"><li>• 3 704 Indigenous people moved out of CDEP and into employment in the 2005-06 financial year, an increase of 135 per cent on the 2004-05 financial year (see graph below)</li><li>• in the three months to end September 2006, 1 482 CDEP participants were placed into jobs outside of CDEP – more than double the number in the same period last year (see graph below)</li><li>• the proportion of non-Indigenous people participating in CDEP reduced from 7 per cent to 3 per cent</li><li>• over 20 businesses were progressed through CDEP during 2005-06. An additional 52 were identified and are progressing</li><li>• the CDEP "No work No pay" rule is being more strictly enforced with participants now required to sign an acknowledgement form to ensure they are aware of the rule, and</li><li>• a more competitive funding process ensuring better value for money from CDEP.</li></ul>



**CDEP reforms**

CDEP reforms over the last two years have focused on improving outcomes and making better linkages between CDEP and mainstream employment services to maximise employment opportunities. Many more CDEP participants are now required to register with Job Network members who will assist them to obtain employment.

**Job Network performance**

In the 12 months to end August 2006 Job Network placed over 45 200 Indigenous job seekers into jobs, compared to over 26 900 in the 12 months to end August 2004, an increase of 68 per cent over two years.

**Indigenous Employment Policy (IEP)**

Including CDEP outcomes, more than 10 000 Indigenous Australians gained work through the Indigenous Employment Policy (IEP) during 2005-06. Under the IEP the Structured Training and Employment Projects (STEP) programme placed more than 3 400 Indigenous Australians into training and employment in 2005-06.

**Targeted industry strategies**

Major agreements on Indigenous employment have been developed with the mining and forestry industries. Some specific projects have also been established with jobs for Indigenous job seekers in meat processing, child care, hospitality and manufacturing.

## 5. A better model for strong labour markets

<i>A new approach</i>	Results for Indigenous people from both mainstream and Indigenous-specific services have improved over the last few years but there is room for further improvement - approximately 5 per cent of the people moving through CDEP in 2005-06 were recorded as achieving employment off CDEP. Further, outcomes from CDEP appear to be growing faster in remote areas than in urban areas. A new approach is required to improve performance particularly in urban and major regional centres with strong labour markets.
<i>Focus in strong labour markets</i>	<p>There are two main factors to consider when thinking about how to get people into employment:</p> <ul style="list-style-type: none"><li>• What is the labour market or availability of jobs?</li><li>• What skills does the person have?</li></ul> <p>Where the labour market is strong the focus for employment services should be on placement directly into jobs either through 'brokering' employment opportunities or through support and training linked to brokerage. This moves the emphasis towards meeting employer needs. Job Network has this strong employment outcome focus and CDEP has moved towards this focus.</p>
<i>Enhanced STEP in urban and major regional centres</i>	To make the most of strong labour markets in urban and major regional centres the Australian Government proposes to further increase the focus on employer demand and placement directly into jobs. This would mean that in these locations CDEP and IEC activities would cease and funding would be redirected to an enhanced STEP brokerage service from 1 July 2007.
<i>Indigenous Employment Centres (IECs)</i>	The IEC model, which was designed to bridge the gap between CDEP and Job Network, is no longer necessary given the improved performance of CDEP service providers and Job Network members. Funding for IECs across Australia would cease on 30 June 2007.
<i>CDEP continues in remote locations</i>	CDEP would continue to operate for eligible people in remote locations and regional locations with weaker labour markets.
<i>Enhanced STEP brokerage</i>	STEP is part of the IEP and funds a range of activities which focus on meeting employer demand through tailored assistance to employ Indigenous job seekers. Enhanced STEP brokerage services would be very flexible and combine work experience, training and links to local employers.
<i>National panel of brokers</i>	These enhanced STEP brokerage services would be offered by a national panel of brokers. It is anticipated that many current CDEP service providers would successfully take up the opportunity to become STEP brokers. Brokers would be paid under contracts with a strong emphasis on achieving employment outcomes for Indigenous Australians. The services would be complemented by industry strategies focusing on growth industries and would

	<p>operate as a complementary programme to Job Network.</p>
<i>Referral of job seekers</i>	<p>Indigenous job seekers could be referred to enhanced STEP brokers by Job Network members (JNMs) or be directly recruited by the enhanced STEP broker. Those eligible for employment services would be required to be registered with employment service providers. Former CDEP participants would be given priority for these enhanced STEP services. Enhanced STEP would provide community work activities for individuals not ready for training or job placement similar to those activities currently provided by CDEP.</p>
<i>Operating in urban and major regional centres</i>	<p>The enhanced STEP brokerage model would operate in urban and major regional centres during 2007-08 and 2008-09. Locations where the new model would operate have been selected on the basis of population size, unemployment rates and availability of other employment services.</p>
<i>Locations affected</i>	<p>The Government proposes that enhanced STEP brokerage would replace CDEP and IEC services in the following locations:</p> <ul style="list-style-type: none"><li>• NSW - Sydney, Central Coast, Newcastle, Hunter region, Armidale, Cowra, Griffith, Tamworth, Wagga Wagga</li><li>• Northern Territory - Darwin</li><li>• Queensland - Brisbane including North Stradbroke Island, Cairns, Townsville, Toowoomba, Dalby, Warwick, Mackay, Rockhampton</li><li>• South Australia - Adelaide, Port Augusta, Mount Gambier, Port Lincoln, Murray Bridge</li><li>• Tasmania - mainland</li><li>• Victoria - Melbourne, Shepparton, Bairnsdale, Horsham, Warrnambool</li><li>• Western Australia - Perth, Broome, Albany, Bunbury, Kalgoorlie, South Hedland</li><li>• ACT</li></ul>
<i>Providers affected</i>	<p>This proposal would affect about 40 of the current 210 CDEP service providers and approximately 7 000 CDEP places out of a total of around 35 000 places. Around half of the affected organisations currently provide CDEP services in both a major regional centre and more remote locations. CDEP activities in those remote locations would continue to be funded as would activities in locations where the remaining CDEP service providers currently operate, subject to the outcomes of the usual competitive funding process.</p>
<i>Other locations</i>	<p>The enhanced STEP brokerage model could also operate in other communities in close proximity to a strong labour market.</p>

**? Consultation questions:**

Are there other locations where the proposed new model should be applied?

## 6. What does this mean for CDEP participants?

<i>Participants in remote locations</i>	In remote locations and regional locations with weaker labour markets CDEP would continue to be funded subject to the usual competitive funding process.
<i>More sustainable jobs</i>	Enhanced STEP would result in increased employment opportunities for Indigenous Australians in urban and major regional centres, leading to greater economic independence for individuals and families. Enhanced STEP would place Indigenous people into sustainable employment in these strong labour markets more effectively than CDEP and IECs.
<i>CDEP participant payments no longer paid</i>	As CDEP would not be funded in the locations identified above, CDEP participant payments and the CDEP Participant Supplement would no longer be paid in those locations. Job seekers in those locations would have the option of applying for income support and if eligible could access Job Network and other programmes. In most cases former CDEP participants in these locations would already be registered with a JNM.
<i>Host employment arrangements</i>	The Department of Employment and Workplace Relations (DEWR) would work with CDEP service providers and employers to move CDEP participants in host employment arrangements in urban and major regional locations to real jobs. This could be done using Wage Assistance which is a DEWR programme that pays a wage subsidy to Australian employers as an incentive to give an ongoing job to an unemployed Indigenous person.
<i>Assisted by Job Network and enhanced STEP</i>	Former CDEP participants in locations that are no longer serviced by the CDEP programme would continue to be assisted by their JNM and may simultaneously be assisted by a STEP broker to obtain employment. Enhanced STEP may provide training, employment placement and mentoring that would match people's skills to employer needs. Participants could be referred to enhanced STEP by their JNM or be directly recruited by the STEP broker.
<i>Mainstream services</i>	Australia has a system of employment and related services that delivers comprehensive assistance to respond to the specific needs and circumstances of individual job seekers. These mainstream services include Job Network, the Disability Employment Network (DEN), the Vocational Rehabilitation Service (VRS), the Personal Support Programme (PSP) and the Job Placement, Employment and Training programme (JPET). More information about these programmes and services can be found at <a href="http://workplace.gov.au">workplace.gov.au</a> .
<i>Transition arrangements</i>	DEWR would ensure affected participants understand how the changes affect them and what their options are. DEWR would work with CDEP service providers, Centrelink, other service providers and affected participants to assist these participants to transition to appropriate alternative services and payments.

Following are some examples of how former CDEP participants could be assisted.

**Job Placement, Employment and Training:**

Young people aged between 15 and 21 years who are homeless or at risk of homelessness and/or who have major barriers that prevent them from participating in their community may be assisted by the JPET programme.

JPET providers work with existing community support services and networks to give young people the most appropriate support for their needs. The help they provide can include getting the person into stable accommodation, working with them to overcome barriers to employment and training and building important life skills. Referral to JPET can be through Centrelink, Job Network, a Job Capacity Assessment provider or by direct contact with a JPET service provider.

**Personal Support Programme:**

People who have difficult circumstances such as homelessness, drug or alcohol problems or mental health issues may be assisted by PSP.

PSP can help people to overcome difficult circumstances such as these to build a capacity for workforce participation and become ready for employment assistance. PSP providers commonly provide counselling or personal support, referral and advocacy, practical support, outreach activities and assessment. They help people in crisis work towards social or economic outcomes such as stabilising their personal circumstances, improving their life skills, arranging study and vocational training or linking them to employment services. Referral to PSP can be through Centrelink, Job Network or other employment service providers via a Job Capacity Assessment provider.

**Disability Employment Network:**

People who have a permanent disability and reduced capacity for communication, learning or mobility can get specialised assistance through DEN.

DEN members assist people by providing employment preparation and training, job search and placement, and post placement support. These services can help people with a disability find and maintain employment (including self employment). Referral can be through Centrelink, a Job Capacity Assessment provider or direct to DEN by contacting JobAccess ([jobaccess.gov.au](http://jobaccess.gov.au) or 1800 464 800).

**Community work activities:**

Former CDEP participants who are not ready for job placement or job search assistance and are not participating in another programme such as PSP or DEN, may be suitable for community activities under enhanced STEP.

Community work activities that are similar to CDEP activities would be provided to help maintain active participation in community and economic life. People participating in community work activities under enhanced STEP would be encouraged to improve their job readiness over time with a view to being placed in jobs that match their abilities and skills.

**Direct job placement and post-employment support:**

Former CDEP participants who are ready to start paid employment, and who may need some post-employment support to maintain that employment, could be placed directly into jobs by providers under enhanced STEP.

STEP brokers would match Indigenous job seekers to available jobs identified by employers and provide support to Indigenous job seekers to help them maintain employment. STEP brokers would offer pre-employment support, job placement and post-placement support to employers and to Indigenous job seekers. Referral to STEP brokers would be through Job Network or direct contact with a STEP broker.

**Vocational training linked to job placement:**

Former CDEP participants who are job-ready but need specific vocational training before being placed into employment, or who need training in conjunction with new employment, could be assisted by enhanced STEP.

STEP brokers would work with employers to identify their recruitment needs and would arrange training for suitable Indigenous job seekers to acquire the skills needed for the jobs available. Training under STEP could be pre-employment training, on-the-job training, or training tailored to fit around work hours. Referral to STEP brokers would be through Job Network or direct contact with a STEP broker.

**Work Skills Vouchers:**

This is a new initiative announced by the Prime Minister on 12 October 2006 which focuses on raising the skills of Australia's adult workforce by offering up to 30 000 vouchers per year (at a value of up to \$3 000 each) to eligible adults aged 25 years or more who do not have Year 12 or equivalent qualifications.

The vouchers will be available from 1 January 2007 to unskilled workers, income support recipients facing job search requirements, unemployed job seekers and people not in the labour force. The vouchers may be used for all accredited literacy/numeracy courses, basic education and vocational Certificate II courses.

From November 2006 individuals will be able to test their eligibility for the vouchers through a Department of Education, Science and Training (DEST) website ([www.vtevouchers.dest.gov.au](http://www.vtevouchers.dest.gov.au)) and hotline (1300 363 079).

**? Consultation questions:**

What would be the key transition issues for affected CDEP participants?

## 7. What does this mean for CDEP service providers?

*CDEP not funded in locations outlined above*

The proposal means that CDEP services would not be funded in the locations listed above after June 2007. CDEP would continue to be funded in other locations subject to the usual competitive funding process. In the annual process for funding CDEP, current and prospective CDEP providers would apply to deliver CDEP in any locations other than those listed.

*Applying to deliver enhanced STEP*

Any organisations, including current CDEP service providers and IECs, could also apply to deliver enhanced STEP brokerage services. It is expected that a call for expressions of interest for enhanced STEP brokerage would be made in late January 2007 and would close in late February 2007.

*Transition arrangements*

DEWR would develop comprehensive transition arrangements for all CDEP service providers affected by the new model. These providers would be encouraged and assisted to transition to the new service provision model. CDEP service providers could be assisted, for example, through the Indigenous Small Business Fund (ISBF) to develop their capacity to become STEP brokers. DEWR would work closely with CDEP organisations to maximise the opportunities for emerging businesses to continue.

*Maintaining performance*

Performance in delivering DEWR programmes and services, including CDEP and IEC services, would be taken into account when assessing suitability to deliver enhanced STEP brokerage services. Organisations would need to maintain a focus on meeting CDEP Key Performance Indicators during 2006-07 while they receive CDEP/IEC funding.

### **? Consultation question:**

What would be the key transition issues for affected CDEP service providers in the locations where enhanced STEP would be offered?

## 8. What does this mean for other employment service providers?

*Other Providers of Australian Government Employment Services*

In most cases former CDEP participants in affected locations would already be registered with a JNM. Other providers of employment services such as DEN, PSP, VRS and JPET would be able to assist eligible Indigenous people through their programmes and services subject to available places.



## 9. What does this mean for employers?

*Enhanced STEP services for employers*      The enhanced STEP brokerage model would provide employers with employees to fill their available jobs. DEWR and STEP brokers would develop local strategies based on employer needs particularly in growth industries. Services for employers under these new arrangements would include:

- pre-employment support services that may include training and recruitment strategies
- employment placement services to assist them place and retain Indigenous Australians in their workplaces, and
- mentoring services to help them retain their Indigenous Australian employees.

*Host agreements*      Employers in locations affected by the new model may currently have CDEP participants employed under host agreements using CDEP participant payments as wage subsidies. As many as possible of these positions would be converted to real jobs by negotiation with employers and by using subsidies under the Wage Assistance programme.

### **? Consultation question:**

What issues would need to be addressed when managing the impact on employers in the locations where enhanced STEP would be offered?

## 10. Next steps

The following timetable outlines key dates relating to the implementation of the proposed new servicing model and the CDEP funding process for 2007-08.

DATE	EVENT
6 November 2006	Consultation opens
15 December 2006	Consultation feedback and submission period closes
Late January 2007	CDEP Guidelines for 2007-08 published  CDEP e-submission process opens for locations where CDEP would be retained  Call for expressions of interest would occur for enhanced STEP brokerage  Work would commence on transitioning ceasing CDEP organisations and participants in urban and major regional centres
Late February 2007	CDEP e-submission process closes  Enhanced STEP brokerage expressions of interest would close
March-June 2007	CDEP funding submissions assessed and CDEP funding negotiations conducted  STEP panel members would be advised
July 2007	CDEP 2007-08 commences  New enhanced STEP brokerage contracts would commence

## **Attachment A: Consultation Questions**

Are there other locations where the proposed new model should be applied?

What would be the key transition issues for affected CDEP participants?

What would be the key transition issues for affected CDEP service providers in the locations where enhanced STEP would be offered?

What issues would need to be addressed when managing the impact on employers in the locations where enhanced STEP would be offered?

## Attachment B: Consultation Locations

STATE	LOCATION	DATE AND TIME	VENUE
NEW SOUTH WALES	Sydney - Blacktown	16 November 10.00am-1.00pm	Blacktown Workers Club 55 Campbell Street BLACKTOWN
	Sydney - Campbelltown	17 November 10.00am-1.00pm	Campbelltown RSL Club Carberry Lane CAMPBELLTOWN
	Newcastle	20 November 2.00pm-5.00pm	Newcastle Jockey Club Darling Street BROADMEADOW
	Hunter - Singleton	20 November 9.30am-12.30pm	Quality Inn Charbonnier Hallmark 44 Maitland Road SINGLETON
	Central Coast - Wyong	21 November 10.00am-1.00pm	Wyong Rugby League Club Lakehaven Drive KANWAL
	Cowra	22 November 10.00am-1.00pm	Cowra Services Club 101 Brisbane Street COWRA
	Wagga Wagga	23 November 10.00am-1.00pm	Pavilion Motor Inn 22 Kincaid Street WAGGA WAGGA
	Griffith	24 November 10.00am-1.00pm	Comfort Inn Gemini 201 Banna Avenue GRIFFITH
	Tamworth	28 November 10.00am-1.00pm	Quality Hotel Powerhouse Armidale Road (New England Highway) TAMWORTH
	Armidale	29 November 10.00am-1.00pm	Cattleman's Motor Inn 31 Marsh Street ARMIDALE
AUSTRALIAN CAPITAL TERRITORY	Canberra	21 November 10.00am-1.00pm	The Chifley on Northbourne 102 Northbourne Avenue CANBERRA

STATE	LOCATION	DATE AND TIME	VENUE
SOUTH AUSTRALIA	Port Lincoln	15 November 10.30am-1.30pm	Hilton Motel 13 King Street PORT LINCOLN
	Port Augusta	20 November 12.30pm-3.30pm	Cooinda Club Flinders Terrace PORT AUGUSTA
	Murray Bridge	21 November 12.30pm-3.30pm	Pomberuk Aboriginal Cultural Centre 1 Wharf Road MURRAY BRIDGE
	Adelaide	27 November 1.00pm-4.00pm	Adelaide SuperDrome State Sports Park Main North Road GEPPS CROSS
	Mount Gambier	28 November 1.00pm-4.00pm	Commodore On the Park Corner Jubilee Hwy and Penola Road MOUNT GAMBIER
WESTERN AUSTRALIA	Albany	17 November 9.00am-1.00pm	Albany Golf Club Barry Court ALBANY
	Bunbury	17 November 10.30am-2.30pm	Quality Hotel Lord Forrest 20 Symmons Street BUNBURY
	Kalgoorlie	20 November 9.00am-1.00pm	Broadwater Resort 21 Davidson Street KALGOORLIE
	Perth	21 November 9.00am-1.00pm	QV1 Theatre Level 2 QV1 Conference Centre 250 St Georges Terrace PERTH
	South Hedland	22 November 9.00am-1.00pm	All Seasons Port Hedland Corner Lukis and McGregor Streets PORT HEDLAND
	Broome	22 November 9.30am-1.00pm	The Mangrove Resort Hotel 47 Carnarvon Street BROOME

STATE	LOCATION	DATE AND TIME	VENUE
QUEENSLAND	Cairns	17 November 9.00am-1.00pm	Rydges Esplanade Resort Corner The Esplanade and Kerwin Street CAIRNS
	Townsville	20 November 9.00am-1.00pm	Riverway Arts Centre 20 Village Boulevard THURINGOWA CENTRAL
	Mackay	21 November 10.00am-1.00pm	The Ambassador Hotel 2 Sydney Street MACKAY
	Rockhampton	22 November 9.00am-1.00pm	Quality Inn Centrepoint Conference Centre 131 George Street ROCKHAMPTON
	Brisbane (including North Stradbroke Island)	27 November 9.00am-1.00pm	Mercure Hotel Brisbane 85-87 North Quay BRISBANE
	Toowoomba (incorporating Dalby and Warwick)	29 November 10.00am-1.00pm	Cathedral Centre 123 Neil Street TOOWOOMBA
VICTORIA	Bairnsdale	27 November 10.00am-1.00pm	Bairnsdale RSL Corner Princes Highway and Forge Creek Road BAIRNSDALE
	Warrnambool	28 November 2.00pm-5.00pm	Quest Warrnambool 15 -19 Liebig Street WARRNAMBOOL
	Halls Gap (incorporating Horsham)	29 November 9.30am-12.30pm	Best Western Halls Gap Colonial Motor Inn Grampians Road HALLS GAP
	Shepparton	30 November 10.00am-1.00pm	Sundowner Shepparton Parklake 481 Wyndham Street SHEPPARTON
	Melbourne	1 December 10.00am-1.00pm	Hotel Y 489 Elizabeth Street MELBOURNE
NORTHERN TERRITORY	Darwin	24 November 1.30pm-4.30pm	Holiday Inn Darwin 122 The Esplanade DARWIN
TASMANIA	Launceston	29 November 11.00am-2.00pm	Mercure Hotel Earlington Launceston 3 Earl Street LAUNCESTON



Graham  
McDonald/MelbourneSCT/V  
IC/ASIC  
15/11/2006 10:41 AM

To ipmeo@dewr.gov.au  
cc  
bcc  
Fax to  
Subject CDEP and superannuation

I am responding to the Indigenous Potential meets Economic Opportunity discussion paper. My concern is with the lack of superannuation associated with CDEP.

I note that the Government is working towards achieving economic independence for disadvantaged aborigines. I also note CDEP is to continue for those Aborigines living in remote communities and areas of high unemployment. The paper describes moving from a 'passive' form of welfare to "boosting employment and business opportunities". An important aspect of CDEP is that recipients work for the benefit provided and I also note that this is to be more strictly monitored. CDEP recipients are classified by the Bureau of Statistics as 'employed'. It is, in those circumstances, perhaps inaccurate to describe CDEP payments as constituting 'passive' welfare. However little is to be gained in arguing about semantics.

CDEP will continue for those people living in remote locations BUT those people will continue to be disadvantaged by not having the 9% superannuation guarantee paid on the minimum amount earned, despite the fact of their working and otherwise considered as being employed. The fact that no allowance is made for superannuation will continue the economic disadvantage aborigines suffer for another generation thus resulting in their further economic regression from the balance of the employed community whose superannuation benefits will continue to grow probably at a double digit rate.

Further disadvantage results because of a lack of superannuation and that is almost all employed Australians have life insurance coverage for total and permanent disablement and death cover. To avoid coverage for the latter an individual must expressly notify that he/she opts out of having death benefit cover. A number of employed people have enhanced cover through contributing to more than one superannuation scheme. The fact of no life insurance disadvantages young aboriginal people if their parent(s) dies and no doubt has adverse revenue consequences. It is a fact that disadvantaged people have a greater likelihood of dying prematurely (ie pre retirement) than more affluent people. Without life insurance coverage this tends to result in increasing disadvantage to the children of the deceased parent(s).

While those CDEP recipients who work more than the hours required to earn the equivalent of the unemployment benefit are supposed to have the superannuation guarantee deducted for the amount attributable to the sum earned in working that additional time, I am unaware if this, in fact, occurs. Aside from any other consideration such a strategy would involve the payment of small sums on an irregular basis and would not be welcomed by the superannuation fund because of it being administratively cumbersome. The irregularity of payment would also result in uncertainty of life insurance coverage occurring as premium payments would not be met on a regular basis.

The notion of paying the superannuation guarantee to CDEP recipients is not inconsistent with those recipients commencing other employment. In fact it is likely that the greater salaries paid in the open job market will encourage recipients to transition to that market where better benefits can be obtained. The payment of the superannuation guarantee to recipients will result in the transition being more easily made as the result of the better understanding achieved by the payment of the superannuation guarantee when the individual is a CDEP recipient. Payment would also serve to increase the individual's superannuation benefit when the transition to the open labour market occurs.

While it is clear that the superannuation guarantee is payable by the employer in the cases of CDEP the paying authority would not have the means of meeting the 9% unless that sum is added to the amount paid from the Department of Workplace Relations in the first instance. The payment of the 9% would, on the figures presented in the discussion paper, result in the need for substantially increased funding. However the benefit would ultimately lead to decreased payments of welfare benefits, in the form of age pensions, and result in a more equitable distribution to those located in remote areas as

well as providing family life insurance cover. The initiative would enhance Australia as having compulsory and universal superannuation coverage by removing the barrier to one of the poorest groups in society not participating. Clearly the initiative would enhance the Government achieving its aim of economic independence for aboriginal people whereas not to do so will result in continuing economic overdependency.

Graham McDonald  
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