

5 February 2018

Ms Deborah Lewis
Community and Economic Development Division
Department of the Prime Minister and Cabinet
PO Box 6500
Canberra ACT 2600

Community Development Programme Discussion Paper: Remote employment and participation

Dear Ms Lewis

In response to the announcement by the Minister of Indigenous Affairs, Senator the Hon Nigel Scullion of the release of a discussion paper on possible new employment and participation models for remote Australia, please find attached (Attachment A) the Torres Strait Regional Authority (TSRA) submission.

The contact officer for the TSRA submission is Suzanne Stratton, Economic Development Programme Manager. Ms Stratton can be contacted on 07 40690700 or suzanne.stratton@tsra.gov.au.

Yours sincerely



Jerry Stephen
Acting Chairperson

TSRA response to Appendix A Discussion Questions

Proposed objectives and design principles

Do the objectives and design principles outlined sound right? Is there anything else that a remote employment and participation model should aim to achieve?

The Torres Strait Regional Authority (TSRA) welcomes a new approach designed to increase the prosperity of remote Australia and put job seekers on a clear pathway into employment.

The TSRA is a Commonwealth Statutory Authority. It has a Board comprising one elected member from each of the eighteen communities of the Torres Strait and one each from Bamaga and Seisia of the Northern Peninsula Area (NPA). The TSRA Board provides a permanent presence on the ground in almost every community. This model helps to fulfil the aspiration of Indigenous people for local control while simultaneously providing the Government with appropriate financial and performance checks and balances.

The Commonwealth and the TSRA have executed a Memorandum of Understanding that recognises the TSRA as the agreement manager for the Remote Jobs and Communities Program and later the Community Development Programme (CDP) in the Torres Strait region. TSRA supports the CDP provider to develop locally tailored and relevant services to job seekers and communities in the region.

The TSRA Board is dissatisfied with the CDP, as the policy is not working in the Torres Strait and NPA regions. The announcement of a new employment and participation model for remote Australia presents an opportunity to work together in accordance with Schedule D of the *National Indigenous Reform Agreement* principles to design a programme that truly embodies the concept of a partnership between the Government and Torres Strait Islander and Aboriginal people to empower the people of the Torres Strait region.

The TSRA agrees with the design principle for *'a more simplified system, relying less on a national welfare system, and more on local control and decision making.'*

- More local control and decision making can be achieved in the Torres Strait Region if a CDEP type model is reintroduced.
- Under CDEP the TSRA was provided with funds through its annual appropriation to manage the programme.
- This included the TSRA engaging a suitable CDEP provider through an open tender process. The Provider, through a Standard Funding Agreement with the TSRA was responsible for delivery of the national programme and payment of wages to CDEP participants. This enabled the TSRA to ensure all unspent monies were kept in the Torres Strait and NPA regions. Under the current outcomes-based CDP payment model there is a high risk that insufficient investment will be made by the provider back into the region.
- The TSRA appropriation also included funding for CDEP activities identified through the Community Activity Plans (CAP) and the purchase of capital items. These arrangements enabled a greater degree of flexibility and input from Torres Strait Islanders and Aboriginal

people into the Programme and more activities for participants in communities than is currently available under the CDP.

- A more simplified system with less reliance on a national welfare system is likely to result in an increase in the Providers engagement with job seekers and the wider community.
- The compliance framework of the CDP is complex and there are insufficient resources, particularly in the Department of Human Services (DHS) to support job seekers on the ground. The current model compels providers to spend a lot of their time and money on data input. As the work for the dole service fee payment model is linked to daily attendance and compliance action. The need to re-engage job seekers that have failed to attend creates a major administrative burden on the Provider.

The TSRA agrees with the design principle for a *'wage based or wage like model.'*

- The CDP on its own does not have a focus on jobs creation.
- There are an insufficient number of existing jobs in the Torres Strait region for the number of job seekers. As at February 2018, there are 939 CDP job seekers in Region 59, of these 607 have a Work for the Dole activity requirement.
- There are a range of product and service gaps in many communities across the Torres Strait region that cannot be delivered through a commercially viable business model. This is due to a range of factors such as a small, widely dispersed population, long supply chains and land tenure issues.
- The TSRA supports the idea that communities should be supported to start up social enterprises and commercially viable businesses that have the potential to generate income and employment.
- There must be a focus on regional economic development if creating lasting jobs in remote communities is to be achieved. It is essential that communities be empowered to identify issues and solutions in partnership with industry and government at all levels, if effective and sustainable change is to occur.

The TSRA agrees with the design principle of *'reinvesting any efficiencies back into communities, for example, through top up arrangements for job seekers.'*

- Unspent funds should remain in the region to which it was allocated. A CDEP type model where the TSRA is provided with funds through its annual appropriation to manage the programme will help achieve this.
- Hosted Placements in the CDP are providing some support to Social Enterprises in the Torres Strait region. As at February 2018, there are 56 CDP job seekers participating in Hosted Placements, with the majority of these being in community development type activities. Hosted Placements in work places have low attendance rates. There is limited incentives for job seekers to choose to participate in this type of activity. In principle, top up arrangements and/or a wage like model is likely to incentivise job seekers to engage in these work like activities.

The TSRA agrees with the design principle of *'encouraging businesses to hire and invest in local people.'*

- There are restrictive incentives for employers to employ a CDP job seeker. A one-off incentive payment for the employer at the end of six months of continual employment is limiting and not always possible. For example, with the nature of seasonal employment in the region.
- The TSRA proposes that employers should be assessed against a set of criteria that recognises the strengths and/or weaknesses of the business and the local economy to determine where a wage subsidy should be paid upfront or retrospectively.

The TSRA agrees with the design principle to *'establish better arrangements for job training and a pathway to real employment.'*

- The key focus should be on developing industry and enterprise within the region to provide employment opportunities locally, and link training directly to industry development. There is considerable history in Torres Strait of substantial training being delivered without an identifiable end result. It is also evident that there has been a diaspora of people leaving for mainland Australia seeking employment opportunities due to a lack of identifiable opportunities within the region. Providing training without a parallel increase in employment opportunity within our region may in effect result in more people transiting to the mainland, thereby depleting the human capital in the area, and actually retarding potential development.

In conclusion key recommendations from the TSRA with regards to the key objectives and design principles include:

- Consider the CDP in the Torres Strait, including the NPA separately to the national programme, in recognition of the unique environment in the region.
- The CDP in the Torres Strait should be managed in a similar way to the former CDEP Programme.
- The TSRA to be provided with funds through its annual appropriation to manage the Programme.

New wage based model

The option of a 'three tiered' approach in a new model is designed to stream job seekers according to work capacity – will streaming assist in better servicing the caseload and moving people along a pathway to employment?

Yes.

- If streaming is done right it will create a rewards based progression where job seekers are incentivised to progress towards employment.
- The Provider Performance Review process assesses if quality training and tailored assistance is provided to job seekers. A challenge impacting servicing in the Torres Strait is its remote locality and small widely dispersed population. The 939 CDP job seekers are dispersed across 17 islands. It is likely that a structured streaming process will be beneficial to support job seekers on their pathway to employment.

Is there merit in moving elements of a new model outside the national income support and compliance system to ensure a simpler and more accessible system for job seekers? If so, which elements?

Yes.

- There are not enough jobs in the Torres Strait region for the number of job seekers. A wage based model would remove the negative connotations attached to individuals who are on income support payments due to circumstances outside their control, that is, the lack of jobs in the region. A wage-based model will enable these job seekers to regain the dignity and self-respect that comes with being paid a wage for their labour rather than a Centrelink payment for a WfD activity.
- There is not enough opportunity, infrastructure and community support to maintain the current Work for the Dole activity requirement of 25 hours per week and some of those activities that are being undertaken lack variety and meaningfulness. A reduced number of job seekers with a WfD activity requirement, subsequent to a wage based model is likely to result in more meaningful activities.
- The current CDP compliance framework is complex and there are insufficient resources to meet job seekers needs.
- The current model compels providers to spend a lot of time and money on data input, instead of engaging with job seekers and the wider community.

How could we improve the job seeker assessment process to ensure job seekers are streamed appropriately, their strengths and aspirations are taken into account and their hours match their capacity to work?

Incentivise the health service:

- The job seeker assessment process is likely to improve if health services are incentivised to provide a quality assessment of CDP job seekers.
- An ongoing limitation for job seekers is access to the appropriate medical staff to conduct an assessment resulting in a pending Employment Services Assessment Tool (ESat). If the policy definition of medical staff required to make the assessment is changed this may be alleviated.

Face to face remote assessments:

- If remote assessments are conducted face to face by the DHS, the job seeker assessment process is likely to improve.

How many (maximum) hours of required activity would be appropriate in each of the tiers? How should hours be structured (e.g. daily or monthly? Flexibility to schedule outside of business hours)?

A flexible structure is needed to allow the type of activities to be set by the community. For example, assisting with community events, supporting youth and education activities, cultural activities,

driving assistance etc. A flexible monitoring system with evidence based options that do not always require direct supervision of the Provider needs to be considered.

Each tier needs to be a more attractive for job seekers to motivate progression for those that are willing and able. With this in mind minimum hours need to be consistent in tier one and tier two, with the option to participate in additional hours to receive a top up payment in tier two.

In principle, top up arrangements and/or a wage like model is likely to incentivise job seekers to engage in work like activities.

Should subsidised jobs only be available to Indigenous job seekers or all job seekers in remote Australia?

Indigenous job-seekers only. In the Torres Strait there are insufficient jobs for the number of people who are unemployed. Priority should be given to those for whom the Torres Strait Region is their traditional homeland.

The new model is based on a job seeker only being paid for the hours they turn up when engaging in more 'work-like activities (a 'show pay' system) – will this provide an adequate incentive for a job seeker to engage? What does a more incentives-based model look like? How should a model deal with persistent non-compliance (people who are able but unwilling)?

No.

- Most research indicates that employees are motivated by more than just money. Further incentives could include training to develop job-skills as well as 'soft-skills' such as confidence, self-esteem, communication etc., employee assistance support to assist with challenges such as family issues, alcohol and drug dependence, gambling etc.

Current CDP with improvements

Should we retain the current CDP model?

No.

- This is a short term option to allow further consultation to occur on a new model.

What aspects of the CDP are working and which parts would benefit from reform?

The TSRA Board is dissatisfied with the CDP, as the policy is not working in the Torres Strait and the NPA. In summary, key concerns include:

- It is a negative model based on punishment rather than reward and does not recognise and address the needs of remote communities with a low or no economic base;
- The compliance framework is too complex and there are insufficient resources;
- There is not enough opportunity, infrastructure and community support to maintain the current Work for the Dole activity requirement of 25 hours per week and some those activities that are being undertaken are lacking variety and meaningfulness;

- The removal of the CAP (which was developed under the Remote Jobs in Communities Program (RJCP)) from CDP took away the tangible evidence of community input into the programme and left communities with the impression that their input was not valued;
- As outlined in the TSRA submission to the Employment Review Taskforce (Forrest Review) in 2013 we believe community owned and operated social enterprises have the potential to generate social and economic returns for communities. However, with the removal of the former Community Development and Employment Projects (CDEP) programme there is insufficient investment in these enterprises to create real jobs paying award wages and providing the expected benefits (superannuation, long service leave etc.) and dignity that comes with being employed.

Are there other short-term/small scale changes which we could make to improve the operation of the CDP?

In the short term, the following small term changes are recommended:

- Increased flexibility for job seekers to complete required WfD hours. This will take into account community, family and cultural responsibilities and infrastructure available.
- Increase the resources in the Department of Human Services (DHS) to support job seekers on the ground in the region.
- Increased training for Provider staff in employment services and mental health first aid.

Is there merit in staying within a national income support and compliance system?

There is some merit in staying within a national income support and compliance system for those job seekers who require basic services. The onus sits with the individual job seekers to engage and report as required.

How can current interactions with the Department of Human Services and/or CDP providers be improved and simplified?

Increase the resources in the DHS to support job seekers on the ground in the region. Shared office spaces with the Provider where possible would be advantageous. A DHS Provider hotline that is only for CDP job seekers and the Provider and is staffed by Torres Strait Islanders in the region, for example on Thursday Island.

Which of the model options best suit the needs of remote communities?

A wages based model.

How do we ensure greater accountability to community and stronger cultural authority?

The removal of the CAP took away the tangible evidence of community input into the programme and left communities with the impression that their input was not valued. Greater accountability will be ensured if the CAPs (or similar) is reintroduced.

Does Government have a jobs creation role in remote?

Yes.