Submission Details

**Contact Name:** Michael Hobday

 Chief Executive Officer

**Organisation Name:** Rise Ventures

**Contact details:**

* **Telephone Number:** (02) 9259 5557
* **Postal Address:** GPO Box 5239, Sydney, NSW 2001
* **Email Address:** michael.hobday@angusknight.com.au

**Confirmation whether or not your submission can be made publicly available and published on this website or kept confidential**

Rise confirms this submission can be made publicly available and published on the website.

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 we agree with a ‘three tiered’ approach and believe it makes sense to model the new approach on this basis. One of the inherent faults with the current CDP model is the virtual ‘one size fits all approach’ which fails to recognise the multiple and complex barriers that disadvantage a jobseeker’s ability to undertake work like activities. This is compounded by the scarcity of proper assessments conducted by DHS on jobseekers in remote locations.

The major issue for job seekers in remote localities is the fact that unlike other employment regions, those in remote areas suffer from significant health, education, isolation and the complete lack of a proper economic and sustainable environment to live and function at reasonable levels. This requires a smarter case management approach than other employment programs and better access to holistic data about the individual. It will also require a much more flexible approach in how job seekers transition between the Tiers over time. Evidence is available to argue that a rigid approach does not work in the best interests of the individual simply because circumstance can change regularly and dramatically (e.g. homelessness and criminal justice issues). Experienced Case Managers are generally the best people to understand what is needed at the time and it may be that there is some flexibility built into the tiered system to allow a Case Manager to recommend changes to an individual’s rating when certain circumstance apply.

The three-tiered approach is a much fairer approach than the current model in being able to assess and prioritise the needs of a jobseeker and the necessary resources to apply in order to meet competing individual needs. The three tiers will provide an evidence based approach to enable Providers to address the complexity of barriers each jobseeker is faced with before employment becomes an option. Providers will be able to design better and more appropriate interventions (rather than generic) and assign the right staff resources to meet the varying needs of the jobseeker. For example the hardest to help cohorts will be assigned the most experienced case manager and be allocated more time and resources where appropriate. This will also assist in streamlining the approach for those jobseekers whom are job ready.

In order to be successful the following will need to be taken into consideration:

* A proper and more detailed assessment process needs to be developed to ensure that the jobseeker is placed into the appropriate tier. It is critical to get this process correct just the same as in aged care assessments and the NDIS in order to focus limited resources into the right channels and interventions to enable a successful transition to employment.
* Consideration to allowing a transition period from Tier 1 to 2 to ensure the jobseeker is ready and can ease into work like activities, including a phased approach to the number of hours to work like activities.
* Consideration needs to be given to whether participants would be able to move back to Tier 1 from the higher Tiers. If so, what controls will be put in place to avoid participants “opting out” from more intensive requirements.

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?

In general our response is that it would make sense to move components outside the national income support model in an effort to simplify arrangements for job seekers in remote areas. Allowing Providers to determine certain matters would greatly assist relieving the angst and stress caused by having to deal directly with DHS and government on-line facilities which are difficult to understand for our jobseekers. The area we think needs a complete overhaul is the administration of penalties. Given the majority of penalties are overturned it makes sense to also introduce a tiered approach to this area and allow local Providers administer the lower level penalties but keep existing delegations for Tier One with DHS.

The challenging dynamic will be where you have a wage based system alongside existing income support frameworks. The desired approach is to keep the exi9sting framework and include the capacity for job seekers to earn addition amounts of income based on meeting minimal WFD arrangements.

If the new model is to have some participants on income support and others on wages then careful consideration needs to be given to how participants might move between the two situations. There would be significant coordination required between providers and DHS to ensure that participants are paid correctly and in a timely manner.

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?

Firstly, in our opinion the Government must accept the fact that Remote people are not similar to mainstream aspirants and therefore must be treated differently including how they are assessed. This is a complex issue because of the number and variety of issues to be factored into any fair and reasonable approach to determining what a job seeker should be required to comply with under a new model. Some issues include:

* How do you assess the economic strength of each Region between a regional hub location like Katherine in the NT versus Central Desert which has multiple small communities to service and still apply a fair and consistent approach?
* Who and how do you competently assess mental health issues?
* How does an assessment mechanism fairly address multiple barriers that apply in the majority of remote job seekers?
* Do we take into account the seasonality of life in the areas affecting by the wet/dry seasons?
* How often should a job seeker be re-assessed?
* How do we take into account cultural differences?

For the Tier proposal to work properly there must be a new rigorous and standardised assessment process developed. It is clear that DHS do not have the resources to assess the work capacity of up to 33,000 remote jobseekers.

Where possible, assessments must be done in person and not over the telephone. There also needs to be some relaxation of policy which requires medical evidence as this can be difficult to obtain. Many remote job seekers have barriers which are not formally identified due to the lack of medical support and evidence.

Organisations should be contracted to visit communities and complete initial assessments. Being on the ground can help with language barriers and the assessor can receive valuable advice from local staff who will have an understanding of the needs of the jobseeker.

This should not be left in the hands of providers as there may be a temptation to place people into Tier 2 for financial reasons. Also, this task would likely be beyond the scope and skill level of staff on the ground.

Decisions to move people between tiers can be done by providers following a clear and standardised approach – this is suggested as it will be too difficult to arrange assessors to come out on what would be an ad hoc basis.

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)?

Tier 2 job seekers should be 15 hours to bring CDP into line with employment services in mainstream locations, but participants should be able to do up to 25 hours through some sort of ‘top-up’ arrangement.

Tier 1 capacity should be guided by the assessment process if capacity is assessed at 8 – 15 hours. Tier 1 requirements should be 8 hours with a goal of getting to 15 and thus Tier 2.

There should be flexibility to suit local norms and jobseeker circumstances. For example, on Mornington Island the community closes operations at 11am on Friday – CDP activities should end then as well with other hours made up throughout the week.

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

As an issue of complete fairness subsidies for jobs and training must be made available to all jobseekers. In fact it is even more critical to offer people in remote localities access to normal entitlements that other job seekers have access to when it will assist them move into employment. Any other argument is discriminatory and unfair.

There is no sense in Government drawing a line across a road in many locations in Australia and offering better entitlements to the group that has more and better access to jobs.

Non-indigenous Australians in remote Australia are subject to the same limited labour market. In the majority of remote communities non-indigenous people make up such a small percentage of the caseload that it is almost a non-issue. It is acknowledged though that in places like Western Tablelands the situation is somewhat different with majority 72% being non-indigenous.

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)?

If the ‘base’ payment to the jobseeker is at minimum wage level that should provide an incentive in itself. One of the great complaints heard from jobseekers is that CDP and the 25 hour WFD requirement is in their view ‘slave labour’. Paying minimum wage will move a long way to overcome that perception.

The work like activities however need to be engaging and delivering benefit to the community. A combination of this and a wage will provide great incentive.

Under this model the no show – no pay system will actually work very well. There can be no complaint about not receiving payment just as an employee who doesn’t turn up to work can’t complain about not being paid their wage.

There does however need to be flexibility around things such as cultural obligations – as there is in the current CDP.

Persistent non-compliance should trigger a work capacity assessment to ensure that the person is actually capable of Tier 2. This would provide the safety net of returning people to the national income support system if determined they are not capable. Without such an assessment, participants would have an opt-out option back to Tier 1 which is likely to adversely affect engagement and participation.

The proposal states that those who are capable but unwilling to participate will continue to not be paid with the money foregone going back into community employment, improvement etc.

The question then becomes – “what happens to participants who continue to not participate?” Is there any safety net for them? It does not seem tenable to have participants receiving nothing – they will simply revert to humbugging family members.

Another option could be to use unpaid monies, which are earmarked for community funds to deliver some kind of food program or business which is paid to provide meals to those who cannot afford to feed themselves. The access to cashless debit cards are also worthy of further investigation.

CDP2

Should we move to the proposed CDP 2 model?

No as the CDP2 model would leave people within the Centrelink system and the wages based model will be more work like.

If no:

Which aspects of the CDP Bill should and should not be considered in a new model?

Should be considered:

* Local control of payments
* Weekly payments
* Reasonable excuses include cultural business
* Increasing income thresholds.

Current CDP with improvements

Should we retain the current CDP model?

Absent the ability to move to a wage based model we should retain CDP until such time as a move can be made. As outlined below there are certainly reasons to believe that CDP has matured and improved since it replaced RJCP in July 2015.

In many respects it would be disruptive to ‘start again ‘, however, the wage based model does provide a more work like and fairer payment system to participating job seekers. Combined with the Tier approach it would appear to ‘tick more boxes’.

If yes:

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

There are many benefits to the current CDP model which at times may not have been acknowledged. The facts include:

* More participants are attending activities than RJCP and also a vast increase over the early days of CDP
* The activities are more work-like and continue to improve
* Activities are more integrated into local community needs and requirements leading to CDP providing tangible improvements to communities – i.e. the development in CDP
* Placements and Job Outcomes are higher than previous programs
* The program continues to improve and mature
* PMC have improved their program management and performance improvement
* The program is flexible and allows for local community and any cultural issues that may arise.

Our suggestions for improvement to CDP include:

* All providers should establish a local advisory group/board to assist in determining priorities and projects in best interest of the community
* Mutual obligation should be maintained but made fairer – 15 hours base with top up possible for extra hours
* Build into the model money and incentive for providers to do more in local business development and create linkages to better use IBA funds and encourage use of Indigenous Entrepreneurs Fund
* Participants should be paid for work that would normally be done by others or cost money to complete, and payments would be at award rates
* Improved access to IAS funds so that CDP can help with community development.

The program should include a business development and mentoring element to help start or grow businesses run by local indigenous people.

Do the suggested improvements capture the biggest issues with the current model?

Yes – particularly in regard to community involvement in CDP decision making, fairness of MO, encouraging indigenous businesses (and thus local economies to grow and funding sufficient for CDP to take the next step in Community Development.

Where CDP can really take the next step is through turbo charging the ‘D’ in CDP.

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

Staying within the national income support system is a less risky approach in terms of making sure that participants receive their payments. Transitions between income support and provider payments open up the possibility of payments being missed or other mistakes being made.

However if a move is made to a tiered / wage based approach moving the tier 2 job seekers out of the national income support system will make it a more work like environment with tier 1 having the safety net of the national system.

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

Mainstream DHS services have been moving online and moved onto the MyGov platform. This is presenting significant challenges in remote communities. On Mornington Island, DHS connected a large number of clients to MyGov by creating emails for them and then registering them for MyGov. This was helpful in theory until the clients forget or lose their MyGov credentials and then need to reactivate their MyGov account through an email that they don’t have any knowledge of or a phone which they have lost and no longer have the number.

DHS should consider some options to make the MyGov service work better for remote clients or else exempt these clients from having to use MyGov. In the latter case, that would mean properly resourcing the alternative service via phone or face to face.

Proposed options for a future model

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

A tiered / wages based model. In particular the feature of job creation. Areas with almost non-existent economies do require government intervention to grow employment opportunities for CDP participants.

How could a new model better take into account community, family and cultural responsibilities?

The flexibility in the current and proposed models sufficiently allows for this in most cases and there is always the option of seeking advice from the Department.

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

This an important consideration for the new model and the procurement process. We strongly support community engagement in the delivery of CDP. Providers need clarity around the Government’s expectations for “greater accountability” and involvement in the service.

Is it the intention that partnering will be mandated for the new contract and if so how will different partnering arrangements be assessed? In many communities there are multiple local indigenous groups who represent different factions or clan groups or represent traditional owners from different parts of the region. It may be the case that the department will receive bids from different local groups and/or different providers with partnerships with different local groups and we need clarity around how those different bids will be assessed.

Will a joint venture with a local partner be rated more highly than some other forms of partnership? In some of our current regions, entering into a joint venture with one local organisation might alienate others. How will the department rate a partnership with the local council in comparison to a partnership with a local indigenous corporation?

RISE Ventures has worked hard on its Community Advisory Boards as the means by which we engage the community in the program, get their input on how the program can support the community and ensure that our strategies are supporting the community direction.

It is interesting to note that the majority of poor CDP performers in the current contract are local community organisations operating on their own. Many of these organisations suffer from local pressure in terms of who they employ, how they treat job seeker non-compliance and how much they invest in their CDP services. We believe local involvement is a balance that can benefit from an external, objective partner service delivery.

Does Government have a jobs creation role in remote? If so, how do we ensure subsidised jobs don’t become a destination?

Yes, we believe the Government does have a role as most remote communities lack traditional labour markets. It will only be through investment in communities and local business that an economy will be able to grow and employment opportunities become available to local people.

A return to CDEP type jobs will result as it did before, i.e. CDEP being the destination.

Investment to start businesses in communities is vital.

How can we further stimulate the local job market, beyond the inclusion of subsidised jobs in a new model, to incentivise employers to hire local people and support them to stay in work?

Target potential growth in industries which may be sustainable in communities. Also for the Government to take a hands-on approach to help. For example:

* Tourism in Arnhem Land and Cape York
* Fishing industries in the Top End and Cape York
* Cattle stations, e.g. Kowanyama
* Work with CDP providers to get commercial opportunities for activities. For example, there are many sewing activities – is there scope for them to be making clothes etc. for areas such as Department of Defence
* Indigenous Procurement Policy can have a target for remote businesses
* Make application and receipt of funding for startup businesses easier
* On the ground mentoring of new startup businesses.

How do we create incentives and better connections within a remote employment model to support the establishment and growth of Indigenous businesses?

There are many CDP activities running throughout the country and by different providers which may have the potential to become successful indigenous enterprises. Better co-ordination between providers may lead to collaboration to be able to build a business and to produce something that can become saleable.

Another example of where collaboration can bring benefits to community are arts centres. Some are very successful and provide income and employment to local people whilst others are struggling to stay open. Co-ordinate so the lessons of the successful centres can be transposed to those struggling.

Heavily incentivize the employment of local people to undertake paid employment – both employer and job seeker. Through this it may be possible to discourage FIFO type arrangements. Recognise that during capacity building that it in some cases it may take 2 or more local people to do the job which a FIFO can do. This approach would lessen the risk of hiring local people and can provide cover to ensure cultural continuity.

As mentioned above there should be on the ground business mentors to assist the growth of the business. Seed funding should be sufficient to cover wages for a set period whilst the business is in the startup phase. Successful businesses will bring employment and more money into community which can then be parlayed into more businesses – growing organically. The communities need a real economy so that there is more to spend money on than card games.

Implementation and transition arrangements

What supports do providers, communities and job seekers need to effectively transition to a new approach?

There needs to be thorough consultation across all 60 CDP regions – not just a sample.

There needs to be on the ground support from the Department and DHS to ensure a smooth implementation.

How should implementation be staged?

It may be prudent to trial in a selection of regions – small, medium, large, truly remote, more regional (like Western Tablelands) before rolling out to all 60.

Also, could consider whether the wages-based component of the system be an opt-in by job seekers during the transition phase.