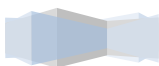


Aboriginal Peak Organisations Northern Territory

An alliance of the CLC, NLC, CAALAS, NAAJA and AMSANT

**Aboriginal Peak Organisations (NT) submission to the
Select Committee into the Abbott Government's Budget Cuts**

19 September 2014



SUBMISSION FROM APO NT TO THE SELECT COMMITTEE SECRETARIAT INTO THE ABBOTT GOVERNMENT'S BUDGET CUTS

1. INTRODUCTION

Aboriginal Peak Organisations Northern Territory (APO NT) welcomes the opportunity to make a submission to the Select Committee inquiry into the effect of the Abbott Government Budget Cuts.

This submission reiterates many of the views and recommendations provided in APO NT's submission to the Community Affairs Legislation Committee inquiry into the Social Services Bills as well as the concerns raised by the National Aboriginal and Torres Strait Islander Legal Services and Australian Council of Social Services submissions to the Select Committee on the Abbott Government Budget Cuts.

APO NT contends that the Government's proposed changes to the Aboriginal legal services, access to health services and to the welfare system will have a significant, detrimental impact on Aboriginal people in the Northern Territory. Such budget cuts run counter to Australia's efforts to Close the Gap on Indigenous disadvantage, particularly in areas with weak labour markets and a lack of job opportunities. This is of serious concern especially considering there appears to be an enormous impact on people that are not in the labour force, this includes the elderly, students and those engaged in home duties.

2. ABOUT APO NT

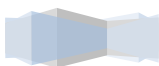
Formed in October 2010, APO NT is an alliance between the Northern Land Council (NLC), Central Land Council (CLC), Aboriginal Medical Services Alliance Northern Territory (AMSANT), North Australian Aboriginal Justice Agency (NAAJA) and Central Australian Aboriginal Legal Aid Service (CAALAS).

APO NT is working to develop constructive policies on critical issues facing Aboriginal people in the Northern Territory and to influence the work of the Australian and Northern Territory governments. As representatives from peak organisations in the Northern Territory, we share the aim of protecting and advancing the wellbeing and rights of Aboriginal and Torres Strait Islander people and communities. We also aim to provide a representative voice for Aboriginal people in the Northern Territory and to enable effective communication and information distribution between and within communities and Aboriginal organisations.

2.1 North Australian Aboriginal Justice Agency (NAAJA):

NAAJA was formed in 2006. It brought together three existing Aboriginal Legal Services: North Australian Aboriginal Legal Aid Service, established in 1972; Katherine Regional Aboriginal Legal Aid Service, established in 1985; and Miwatj Aboriginal Legal Service, established in 1998.

NAAJA now has staff of over 100 across the Top End of the Northern Territory, with offices in Darwin, Katherine and Nhulunbuy. NAAJA provides services in a number of areas of the law including criminal law, civil law (including family and child protection matters), Law and Justice projects, and a prison Throughcare service.



2.2 Central Land Council (CLC):

The CLC is a Commonwealth statutory authority established under the *Aboriginal Land Rights (Northern Territory) Act 1976* and a Native Title Representative Body under the *Native Title Act 1993*.

The CLC is one of four Northern Territory Land Councils. The CLC region covers the entire southern half of the Northern Territory, an area of some 780,000 square kilometres of land. The council is made up of 90 Aboriginal people from more than 15 language groups elected from communities across the region. The CLC is first and foremost a representative organisation for the Aboriginal people in its region particularly on land related matters, including land claims and economic use of land.

2.3 Central Australian Aboriginal Legal Aid Service (CAALAS):

CAALAS strives for justice, dignity and equal rights and treatment before the law for Aboriginal people in Central Australia. CAALAS provides high quality, culturally appropriate and readily accessible legal services (in the areas of criminal, civil, family and welfare rights law), legal education, social justice advocacy and preventative and early intervention services to Aboriginal people and communities in Central Australia.

2.4 Northern Land Council (NLC):

The NLC processes outstanding land claims under the *Aboriginal Land Rights (Northern Territory) Act 1976*, as well as undertaking responsibilities under other legislation, such as native title claims. In addition, assisting landowners with land management and economic development is now a priority. Many Aboriginal people use the NLC to assist them in 'caring for country' and to develop economic opportunities. The NLC region covers the northern part of the mainland Northern Territory.

2.5 Aboriginal Medical Services Alliance of the Northern Territory (AMSANT):

AMSANT is the peak body for Aboriginal Community Controlled Health Services in the Northern Territory. It aims to improve the health of Aboriginal people in the Northern Territory through promoting and extending the principle of local Aboriginal community control over primary health care services to Aboriginal people. AMSANT aims to alleviate the sickness, suffering and disadvantage, and to promote the health and well-being of Aboriginal people of the Northern Territory through the delivery of health services and the promotion of research into causes and remedies for illness and ailments found within the Aboriginal population of the Northern Territory.

3. DISCUSSION ON THE TERMS OF REFERENCE

The provision of other services, programs or benefits provided by the Government affected by the budget;

Cuts to Aboriginal Legal Services in the Northern Territory

On 7 December 2013, the Indigenous Legal Services Section of the Attorney Generals Department advised that Aboriginal and Torres Strait Islander Legal Services would face a cut of \$13.341 million from 2013-2017.

Aboriginal and Torres Strait Islander Legal Services (ATSILS) were informed that the funding cut to their operational budgets for 2015/2016 will be \$6.036 million. It was explained that this cut was intended to come from law reform and policy activities. However, it remains unclear how this amount was calculated, considering that policy and law reform work comprises a tiny fraction of NAAJA and CAALAS' overall work and is taken on in addition to the already large workloads of their staff.

Further the law reform and policy work that NAAJA and CAALAS undertake is generally in response to requests from government or Senate Committee reviews or identifying and addressing systemic issues in law and policy. This work is well regarded as it often identifies problems with policies and legislation that will have a significant cost impact to government if implemented and proposes reasonable solutions.

The extent of the impact of the cuts on the services delivered by the two Aboriginal legal services in the Northern Territory, CAALAS and NAAJA, is unclear; what is clear is that the proposed cut of \$6.036 million to ATSILS operational contracts will affect the frontline service provision of legal services to Aboriginal people.

Both CAALAS and NAAJA's work is much broader than many of their counterparts. Both legal practices comprise of approximately 40% civil (including family) law and 60% criminal law work.

The lack of clarity regarding funding leads to uncertainty, for the organisations and the staff employed. The uncertainty of the entire funding process and the budget cuts is also making it considerably harder to recruit new staff members, including lawyers, as well as retain the staff presently employed by both legal services.

APO NT is very concerned about the impacts of such a change, in particular that it will deny access to legal services to significant number of Aboriginal people there are no other legal services in the Northern Territory which comprehensively service remote communities; this is particularly significant given the already large unmet demand for civil law services.¹

Proposed budget cuts to NAAJA

NAAJA has estimated that approximately \$1,655,972 will be cut from their operational activities for 2015/2016. This would result in significant cuts across the legal practices to front line service provision

Cuts of the order projected will require NAAJA to cut at least 5 positions from its criminal practice. This will have a significant impact on access to justice as the lawyers already have caseloads 4 times that of mainstream legal aid counterparts.

¹ Put in a reference to the NT Indigenous Legal Needs project and the Law and Justice Foundation report which identifies unmet legal need in the NT



The civil and family law practices will also be impacted. NAAJA will have to cease its family law service, with a loss of 3 positions. The civil law practice will lose at least 5 positions. This will significantly reduce its capacity to meet the needs of our priority clients in areas such as child protection, mental health and housing.

APO NT knows the impact that issues like loss of housing, and families losing children have on people's daily lives. For remote Aboriginal communities in the Top End, NAAJA is the only legal service that comes to their community to provide general civil law services with the ability to undertake ongoing casework and representation.

In practice, for NAAJA and CAALAS the cuts will mean:

- increased workloads for already overworked lawyers, affecting retention and quality of service delivery;
- a reduction in the number of advice clinics in remote communities;
- a reduction in NAAJA's footprint – going to fewer communities;
- limited capacity to take on new work in key areas of child protection, mental health and housing; and
- reduced capacity to identify and address systemic issues.

For Aboriginal people in the Northern Territory, the cuts will mean:

- reduced access to culturally proficient, in person legal services;
- increased number of Aboriginal children taken into care and for longer durations;
- increase in homelessness, if unable to get assistance to defend eviction proceedings;
- increased number of people living in unsafe and unhealthy homes, if unable to get assistance to obtain necessary repairs and maintenance;
- increase in people adversely affected by Centrelink decisions, for example debts;
- increased barriers to housing, such as unproven debts and limited assistance to apply for public housing;
- reduction in the number of Aboriginal people who are able to assert their legal rights;
- reduction in the number of Aboriginal people who are able to respond to legal problems in a timely way, which may compromise their legal rights, for example the expiry of statutory time limits.

Many Aboriginal people have a very limited ability to self advocate due to a number of factors, including remoteness from legal institutions such as Courts and Ombudsman's offices, language and literacy and understanding of legal concepts and options for redress.

Further to this already grim proposition, the funding cuts will mean that NAAJA will have to cut services to prisoners appearing before the NT Parole Board. Having appropriate prisoners successfully complete supervision in the community under properly prepared parole plans makes a significant contribution to a safer community by supporting rehabilitation, while also saving government and taxpayers the cost of their incarceration.



NAAJA will also have to cut a Community Legal Education solicitor position. Last year, this solicitor delivered community legal education training sessions to 17 remote communities and 1656 participants.

The cumulative impact of NAAJA cutting these services will be a significant backward step in access to justice and legal services for Aboriginal people, especially considering the significant unmet demand for civil law services in the Northern Territory and the gross over-representation of Aboriginal people in the criminal justice system

Proposed budget cuts to CAALAS

CAALAS is anticipating a cut to funding upwards of \$500,000. CAALAS It to holds grave concerns about the future of legal services, currently funded under Stronger Futures.

CAALAS no longer has a policy or advocacy section. This means that any cuts to funding will directly impact upon frontline services provided by the criminal, civil and family practices.

CAALAS will have to make difficult decisions about what work to forgo.

One possibility is that CAALAS will close their service to the Tennant Creek region. Tennant Creek is one of the largest and busiest circuit courts. Currently CAALAS sends 2 criminal lawyers every fortnight to provide service to the community of Tennant Creek. This is already a massive reduction in service provision when considering that CAALAS, in the past, were able to have a criminal lawyer permanently based in a Tennant Creek office. To provide a constant connection and relationship with the people in Tennant Creek an administration officer and client service officer are permanently based there. Should the budget be cut and the Tennant Creek service terminated, these are people who will be out of jobs. Other options will be to cease or reduce their Supreme Court practice or aspects of their duty lawyer service.

It is also likely that CAALAS will not be able to maintain its family law service and that there will be a 50% reduction in its capacity to undertake Civil Law matters. On recent figures CAALAS could expect to provide criminal legal assistance on over 8000 matters in 2014/2016. Funding cuts will not allow CAALAS to maintain those figures and alternative arrangements will need to be found for something in the order of 2000 matters. Similarly its civil law capacity will reduce from an expected 1100 matters to around 500 matters and its family law capacity will be reduced from over 200 to nil.

The reduction in services will have a significant, detrimental impact on Aboriginal people in Central Australia.. CAALAS has a good and long standing reputation for efficient and effective service delivery but the reality is that the high volume practice cannot be sustained in the face of the expected cuts to funding.

APO NT holds serious concerns for both of the Aboriginal legal services in the NT, which, it is clear, are both facing grim prospects with the impending and proposed budget cuts.



Already Aboriginal people in the Northern Territory face an extensive range of barriers which prevent them from having access to justice. These barriers include social disadvantages such as education, housing, employment, health and disability. Other barriers include, language issues, cross-cultural issues, remoteness and a lack of services. These issues are further explored in NAAJA's Productivity Commission Report submission (attached).²

As confirmed by the Productivity Commission report,³ the need for Aboriginal people to be able to access culturally competent legal services is at a critical level and that need is only increasing. There does not seem to be a viable option in the Northern Territory that would be able to absorb the impact that the withdrawal and reduction of services would create. This includes the impact it could have on the already burgeoning prison system. There is also real concern regarding the impact it would have on Aboriginal people in the Northern Territory being able to access legal services, let alone a culturally sensitive and competent legal services, which NAAJA and CAALAS are.

To impose further hardship by reducing the funding of legal services who assist and aid Aboriginal people in having appropriate and timely access to justice will further disadvantage Aboriginal people in the Northern Territory, and in particular those in remote and very remote areas.

There will also be an impact on the ability of both services to maintain a high level of Aboriginal employment. Both CAALAS and NAAJA are committed to employing Aboriginal people in their organisations to help provide culturally appropriate services. With the cuts leading to a reduction in employment numbers there will be an impact on the number of Aboriginal both organisations can employ.

Proposed budget cuts to Aboriginal Community Controlled Health Services

APO NT is concerned that the planned Indigenous Advancement Strategy tender for services targeting Aboriginal communities across the five key priority areas (jobs land and economy, culture and capability, children and schooling, remote Australia strategy, safety and well being) may lead to reductions in vital Social and Emotional Well being (SEWB) services including mental health and alcohol and other drug (AOD) services being delivered by Aboriginal organisations to Aboriginal communities.

Existing services that will be open to tender include a broad range of SEWB services, including services currently funded under Bringing them Home/ Link Up funding streams as well as Indigenous AOD services. However, the tender will be open to any service organisation across the five streams of Aboriginal priorities in PM&C, with no quarantining of funds currently directed to SEWB/AOD and mental health services by Aboriginal organisations.

This is very worrying because Bringing Them Home funding streams provide vital necessary mental health services in community controlled organisations, with a particular focus on those

² Attachment A – NAAJA Productivity Commission Report Submission

³ Ibid.



who have been affected by stolen generation policies. Clearly, Indigenous specific AOD services are also vital in reducing alcohol and other drug related harms.

We believe there is a risk that a competitive tendering approach may threaten services delivered by Aboriginal organisations with close links to communities. Tenders often favour large organisations with capacity to draw up complex tender documents at short notice and economies of scale that allow them to tender for multiple projects and thus superficially reduce overall costs. However, these large organisations often do not have good links with community, nor the cultural knowledge and long-term commitment to be able to employ and retain the appropriate Aboriginal workforce required to undertake difficult community work. The advantages and multiplier effects of having Aboriginal organisations employing local Aboriginal people to deliver services to their communities are not factored into open competitive tendering processes.

Aboriginal Community Controlled Health Services (ACCHSs) are ideally placed to provide SEWB /AOD services as part of comprehensive primary health care, given the integrated and holistic view of health taken by ACCHSs, the close relationships between ACCHSs and the communities they serve and the track record of ACCHSs in Aboriginal employment.

APO NT is concerned to know what mechanisms are being put in place to ensure vital SEWB, mental health and alcohol and other drug services continue to be delivered by Aboriginal organisations in Aboriginal communities at a level commensurate with the significant unmet need in these communities. One strategy to ensure core mental health and AOD services are delivered would be to quarantine this funding.

Commonwealth – state relations and the impact of decreased Commonwealth investment on service delivery by the states;

Cuts to Hospital Funding

In the 2013-14 budget the Australian Government contributed \$270 million to the Northern Territory Government for its health system, which improved health and hospital facilities, more frontline services and improved care for patients.⁴ The Coalition's budget proposal will dramatically shrink the Commonwealth's share of hospital funding, cutting its annual contribution to hospitals nation-wide by \$15 billion by 2024, with the deepest cuts beginning in 2017. It will also cut more than \$200 million in reward payments for hospitals meeting federally imposed performance targets for surgery and emergency treatment.⁵

⁴ Northern Territory Budget Info Sheet,

[http://mbsonline.gov.au/internet/budget/publishing.nsf/Content/2A50E402DDC01816CA257CA0003FF55A/\\$File/State-Info-Sheet-%20NT.pdf](http://mbsonline.gov.au/internet/budget/publishing.nsf/Content/2A50E402DDC01816CA257CA0003FF55A/$File/State-Info-Sheet-%20NT.pdf)

⁵ Corderoy, A and Harrison, D, 'Federal budget 2014: Commonwealth to slash share of hospital funding', *The Sydney Morning Herald* May 13, 2014 <http://www.smh.com.au/business/federal-budget/federal-budget-2014-commonwealth-to-slash-share-of-hospital-funding-20140513-38862.html>

There is no doubt, that the proposed budget cuts to hospitals will only expand the 'Gap' between Aboriginal and non-Indigenous Australians with regards to health and life expectancy in the Northern Territory.

In the Northern Territory, Aboriginal people make up over half of all public hospital admissions.⁶ The Federal Government's proposed reduction in hospital funding of around \$1.8 billion over the next four years will have a significant impact on the quality of care and outcomes received by Aboriginal people. The two major hospitals in the NT operate at above capacity for most of the time with growing workloads.

In the Northern Territory there is a huge burden of renal disease amongst Aboriginal people. The loss of the promised funding over the next four years will place Aboriginal people and our health care system into a realm of unpredictability.

It is not clear how the Northern Territory will be able to afford to deal with the ongoing epidemic of renal disease with reduced funding and there is a possibility that life saving treatments will be rationed in the face of rising demand. This is clearly inequitable and unethical given that Aboriginal people on dialysis in the Northern Territory are up to twenty years younger than non-Aboriginal dialysis patients across Australia.⁷ Already the situation in Alice Springs is that the dialysis facilities are over capacity and there is no plan to expand them. The extension of the innovative nurse assisted dialysis model of renal dialysis in remote communities is now under threat even though we believe that this mode of dialysis will have much better outcomes in terms of health, adherence to treatment and participation in community life. As stated already, the burden of chronic disease impacts greatly on individual and community productivity in terms of work and supporting families.

Further to the cuts in hospital funding nationally, APO NT foresees the difficulty in Aboriginal people accessing adequate health services with the introduction of the GP co-payment. Disadvantaged people often have to make difficult choices about what to spend their limited income on. As highlighted previously, having an added cost such as the GP co-payment could see disadvantaged, including Aboriginal, people choosing to forego necessary health treatments simply because they cannot afford them, or alternatively sacrificing food or housing costs just so that they are able to access health services.

The fairness and efficiency of revenue raising

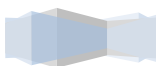
The \$7 Co-Payment

The proposed \$7 co-payment will have a significant effect on inequality in Australia and particularly amongst Aboriginal people in the Northern Territory.

Many Aboriginal Community Controlled Health Services (ACCHSs) in the NT believe that they will not be able to charge the co-payment to their clients because it will reduce access

⁶ Li S, Pircher S Guthridge S, Condon J, Wright J 2011: Hospital admission in the Northern Territory 1976 to 2008. : http://www.health.nt.gov.au/Health_Gains/Publications/index.aspx.

⁷ Chronic Kidney Disease in Aboriginal and Torres Strait Islander people , 2011 Australian Institute of Health and Welfare Canberra.



significantly and they do not want to deny their own people vital health care. However modeling has shown that this will reduce ACCHS's income significantly. The ACCHSs will lose not only \$ 5.00 for each GP consult but also the bulk billing incentive for each consult with a health care card holder. They will also need to pay seven dollars for pathology and X-ray tests for their clients. This will be logistically challenging as well as expensive for ACCHSs. Estimates of the loss of funding to ACCHSs range from \$250,000 to nearly \$1million.

The increased PBS co-payments will affect Aboriginal people living in regional centres, like Darwin and Alice Springs, and the many Aboriginal visitors to remote centres who require medication. Again the Aboriginal Health Services will need to decide if they are able to subsidise this considerable cost for patients or not.⁸

Wealthier Australians will continue to access medical care when they need it, thereby increasing the inequity gap in Australia. The wealth of the seven richest Australians now exceeds that of the bottom 1.73 million households. This reflects that, in Australia, inequality is back to the levels prior to the Great Depression and World War II.⁹ This should be a concern for everyone and regressive taxes like co-payments are only going to make this worse.

Progressive taxation

The growing levels of inequality in Australia, including policies such as the co-payment, require action, because 'inequality is not an accident but rather a feature of capitalism that can be reversed by government intervention'.¹⁰ The OECD's Economic Policy Reforms support a reduction in inequality as a key driver of economic growth and employment.¹¹ The International Monetary Fund has also joined the chorus of key global institutions recommending the need to use progressive taxation as a means to address inequality.¹²

Given the strong evidence about the damage excessive inequality does to peoples' health, there is a persuasive argument for pursuing new forms of taxation on capital rather than attempting to raise revenue through regressive measures like a co-payment and higher 'out of pocket' cost to attend university. If Australian policy makers do not address these real concerns, Australia could soon be dealing with the complications experienced in other developed nations, including the loss or minimisation of a middle class and declining levels of health amongst society especially those who are already most disadvantaged. In this environment the improvements to the health of Aboriginal people could halt or even worse, could regress.

The impact of the budget on retirement incomes and pensions

Increase to the Aged Pension

⁸ See Wild, K. 'NT Indigenous health services will not charge GP co-payment, 'resulting in service cuts'', ABC News, 13 August 14, <http://www.abc.net.au/news/2014-08-13/nt-indigenous-health-services-will-not-pass-on-co-payment/5669154>

⁹ D Richardson, R Dennis, Income and Wealth Inequality In Australia, The Australia Institute, Policy Brief No. 64, 2014.

¹⁰ T Piketty, Capital in the Twenty First Century, Harvard University Press, 2014.

¹¹ Going for Growth, OECD Report, Part II, Chapter 5, 2012.

¹² J Ostry, A Berg, C Tsangarides, Redistribution, Inequality and Growth, International Monetary Fund Staff Discussion Note, 2014



Under the proposed welfare reforms, the qualifying age to receive the Aged Pension will increase from 67 to 70 years old. Increasing the pension age from 67 to 70 impacts the ability of older people to access income support, forcing people to work longer or remain on a lower payment rate because of the limited job opportunities, particularly for older people in the Northern Territory.

Given the life expectancy for Aboriginal people in the Northern Territory is 63.4 years for men and 68.7 years for women, this change will mean that the majority of Aboriginal people will pass away before becoming eligible for the Aged Pension.¹³ In contrast, non-Indigenous Australian males will on average still enjoy approximately 10 years on the aged pension (79.7 years).

The change is meant to commence on 1 July 2025. With this in mind, it will have no direct budget impacts in the coming year. Yet, it will affect people on the lowest incomes. The ACOSS submission on the effect of the Abbott Government Budget Cuts states 'Many of those unable to stay in paid work until 70 would be forced to rely on the lower Newstart Allowance unless they have access to superannuation or other independent income.' This budget measure will greatly affect the older generation:

"Around 40% of all men and over 50% of women aged 55 to 64 fall into the 'at risk' category: they are unable to get or do paid work anymore because of sickness or disability, caring responsibilities, or other reasons beyond their control."¹⁴

Aboriginal people in the Northern Territory are largely unable to supplement their income with the early release of superannuation:

In 2011, 55.4 % of Aboriginal and Torres Strait Islander people 15 –64 years old were participating in the labour force in mainstream employment or in the Remote Jobs and Communities Program. In comparison, 66.5% of non- Indigenous people were participating in the workforce. As a result, fewer Aboriginal and Torres Strait Islander people in this age bracket will have superannuation at all in their retirement.¹⁵

APO NT does not support the age increase in the pension.

Disability Support Pension

From 1 July 2014, DSP recipients who were granted that payment between 2008-11, are under 35 and do not have a 'severe' disability will have their pension eligibility reviewed and some will lose the pension.

These changes will disproportionately affect Aboriginal people. Aboriginal people experience a significantly higher rate of disability than non-Aboriginal people.¹⁶ 10% of Disability Support

¹³ 2010-2012 data from COAG Reform Council NT Jurisdictional Snapshot

¹⁴ ACOSS Submission to Select Committee on Abbott Budget Cuts, Submission 26, Attachment 1.

¹⁵ Public Interest Advocacy Centre Inc, *Securing better outcomes for Aboriginal and Torres Strait Islander people in superannuation* 5 April 2013 p 4.

¹⁶ In 2011, Indigenous Australians aged under 65 were 2.4 times as likely to need help with core activities as non-Indigenous Australians in that age range. (AIHW, 2013a, pp. 196, 206-207) Note that as the ABS Survey of Disability, Ageing



Pension recipients in Australia are Indigenous, although Aboriginal and Torres Strait Islander people comprise only 2.3% of the working age population.¹⁷ Further, rates of disability among Aboriginal people increased by 34% between from 2006 to 2011.¹⁸

We consider that there is a significant proportion of Aboriginal people in the Northern Territory who are eligible for the DSP, but have not successfully claimed DSP for a range of reasons. For example, remote Aboriginal people have difficulties accessing appropriate levels of medical assistance, including specialist care, and have difficulties in obtaining evidence of their diagnosed conditions.

Aboriginal people are 2.4 times as likely to need help with daily activities as non-Aboriginal people. The gap is greatest in the Northern Territory and Western Australia, and in remote and very remote areas.¹⁹ There is also a severe lack of disability services and respite care in remote communities in the Northern Territory:

“In some communities, only 'fly in fly out' services are available - for example for respite or specialists. This approach cannot provide adequate support for people with a high level or complex needs on an ongoing basis and Indigenous Australians with disabilities will sometimes need to move to regional centres to receive the supports they need”.²⁰

APO NT has detailed its concerns with the level of support that the Remote Jobs and Communities Program can provide to people with disabilities.²¹

The number of employment options for a disabled person in remote and very remote communities is likely to be incredibly limited; employment opportunities generally are extremely limited due to a range of structural factors.²² APO NT would suggest that Aboriginal people should be supported to find reasonable and relevant employment and training opportunities.

Both measures, to increase the Aged pension and create further barriers to accessing the Disability Support Pension will serve only to further the disadvantage faced by Aboriginal people in the Northern Territory. The measures would appear to work counter to the Closing

and Carers (SDAC) excluded people living remotely, so these figures are a low estimate of the actual level of Indigenous disability in the Northern Territory.

¹⁷ Department of Social Services, 2014, p. 35

¹⁸ At the 2011 census 2,334 ATSI people reported they required assistance for daily activities, with almost 1 in 6 ATSI people providing unpaid assistance to a person with a disability. (Havnen, 2012, p. 21).

¹⁹ In 2011, Indigenous Australians aged under 65 were 2.4 times as likely to need help with core activities as non-Indigenous Australians in that age range (AIHW, 2013a, pp. 196, 206-207). Note that as the ABS Survey of Disability, Ageing and Carers (SDAC) excluded people living remotely, so these figures seem likely to be an undercount of the level of disability in the NT.

²⁰ Productivity Commission (2011) *Disability care and support: draft report [vol 1 & 2]*. Canberra: Productivity Commission (section 9)

²¹ See APO NT's Social Services Bills submission to the Community Affairs Committee inquiry into the Social Services Bills.

²² See APO NT's McClure Review submission.



the Gap objectives and would appear to serve to increase income inequality in Australia, for which Australia is the 11th most unequal OECD country.²³

The impact of the budget on young people and students

Welfare Reforms – Six Month Exclusion Period

The reduction in household income as a result of the six months exclusion period could have the effect of thrusting many young people and their families into severe financial hardship and an enforced dependence on family and friends for six months of the year. Many young people in the Northern Territory have families of their own, and children will be adversely affected by the preclusion period proposed.

With yearly income support payments slashed to half their current level, it is not conceivable that young people will be able to:

- Buy food for themselves or their families;
- Pay rent or contribute to other household costs;
- Train or apply for jobs;
- Travel or move to places employment opportunities exist, but family/community support and housing is not available;
- Acquire job-seeking necessities, such as appropriate attire;
- Pay for tools of communication like mobile phone credit to contact prospective employers; and
- Access the resources to apply for jobs and produce job applications.

Withdrawing income for 6 months will in fact jeopardise the daily survival for many young people and their families; the practical effects of the measure on Aboriginal people in the NT cannot be understated.

The most palpable impact of this policy is the transfer of responsibility for the welfare of unemployed persons subject to income exclusion from the Federal Government to family, friends and the local community, many of whom may already experience significant hardship. These responsibilities include the basic human needs, such as food and housing.

Access to adequate food, income and shelter are fundamental social determinants of health and in turn are more readily achieved with good health.²⁴ Structural barriers to social inclusion and health are already significant in remote Aboriginal communities, including the high cost of food and other living expenses, poor housing conditions and housing shortages leading to overcrowding. If excluded from accessing Centrelink benefits for six months, the ability to

²³ 'Income and wealth inequality: how is Australia faring?' *The Conversation* <http://theconversation.com/income-and-wealth-inequality-how-is-australia-faring-23483>

²⁴ *The Ottawa Charter for Health Promotion*, First International Conference on Health Promotion, Ottawa, 21 November 1986. See also Committee on Economic, Social and Cultural Rights, *General Comment 14* (2000): The right to the highest attainable standard of health (UN doc. E/C.12/2000/4). The World Health Organisation notes that "social and economic conditions and their effects on people's lives determine their risk of illness and the actions taken to prevent them becoming ill or treat illness when it occurs...The poorest of the poor, around the world, have the worst health." See World Health Organisation, *Social Determinants of Health – Key Concepts*, accessed on 1 August 2014 at http://www.who.int/social_determinants/thecommission/finalreport/key_concepts/en/

access food, nutrition and shelter will be completely compromised and result in adverse physical and mental health consequences and increased cost to the State.

When health is undermined by a lack of adequate income, shelter or food, a person's physical or mental capacity to participate in education and employment is also undermined. The prospect of food and shelter deprivation for young children is particularly alarming because the impacts on their health and education are likely to flow on into adulthood, perpetuating the inequality.

APO NT predicts that the imposition of exclusion periods will increase the already high levels of homelessness in the Northern Territory²⁵ and lead to rent stress. For example, Territory Housing charges rent on the basis of deemed income; if a household member does not have a job or does not have income support, Territory Housing deems the person to have a minimal income.²⁶ This means that the family of the person will continue to pay rent on an income that is not being received.

Young people and their families in private rentals and public housing will be at risk of eviction if they are unable to stay 14 days in advance of their rent payments.²⁷ A reduction of the preclusion period to 28 days or a month will not alleviate this risk.

If family or friends are able to cover the young person's rent payments, they are likely to suffer from rent stress and prioritise rent payments over other essentials such as food and health so as to maintain their housing.

The impact of the budget on households

In the Northern Territory, 80% of the Aboriginal and Torres Strait Islander population live outside Greater Darwin.²⁸ A high proportion of this population lives in remote or very remote communities; the Northern Territory has higher proportions of people in remote (21.2%) and very remote (24.8%) areas than any other state or territory (table 5.21).²⁹

Remoteness, particularly in Aboriginal communities, is interconnected with a number of factors of disadvantage. These include:

poorer access to services...overcrowded housing, [fewer] employment opportunities and...an excessively high cost of living that practically precludes a healthy diet.³⁰

The Federal Government's proposed social welfare changes will be highly damaging to these already vulnerable communities, for reasons that include, the cost of living in the Northern Territory, in particular the remote cost of living, the increase of housing problems and homelessness and the creation of further rent stress. These are all factors that demonstrate the

²⁵ See discussion on page 16 regarding homelessness in the NT

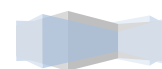
²⁶ Northern Territory Government, Department of Housing, *Rental Rebate Policy*
http://www.housing.nt.gov.au/_data/assets/pdf_file/0008/152819/Rental_Rebate.pdf accessed 1 August 2014.

²⁷ Section 96A, *Residential Tenancies Act* (NT).

²⁸ ABS 2011

²⁹ <http://www.abs.gov.au/ausstats/abs@.nsf/Previousproducts/1301.0Feature%20Article22004?opendocument&tabname=Summary&prodno=1301.0&issue=2004&num=&view=>

³⁰ Olga [Havnen, 2012, pp.](#) 88-89.



harsh stressors which are already existent amongst Aboriginal people and families throughout the Northern Territory. APO NT has provided a snapshot of these very problems which already exist amongst Aboriginal people and can only be exacerbated by extreme social welfare changes.

Impact on remote households

The effect of the budget measures and cuts will be exacerbated in remote communities, where the cost of living in remote communities is already very high; fresh food can cost 150-180% more than in capital cities.³¹

The 2012 Northern Territory Government's Market Basket Survey examined the cost of a standard food basket for a hypothetical family of 6 for a fortnight. The average cost of the food basket was \$760 in remote stores, \$712 in district centre corner stores and \$534 in district centre supermarkets, on average, the food basket in the remote stores was 49% more expensive than in the Darwin supermarket, and 21% more expensive than in the Darwin corner store.

The proportion of family income required to purchase the food basket was 23% in a Darwin supermarket and 35% in remote stores.³² East Arnhem was the most expensive district (\$792) and Barkly the least expensive (\$731).

The cost of fuel is also significantly higher than the national average. On 27 July 2014, the average weekly retail price for unleaded petrol was 152 cents per litre. On the same day, the regional average in the Northern Territory was 176 cents per litre; fuel prices are higher again in remote communities. Many people in remote communities and urban centres are reliant on travelling by private vehicle to access services because of the lack of public transport.

The Remote Area Allowance, granted to some income support recipients living in remote areas by the Department of Human Services, does not adequately compensate for the high cost of living; a single received \$18.20 per week, couples \$15.60 each and \$7.30 for each dependent child.

The high cost of living in remote communities greatly amplifies the inadequacy of allowance rates. Any future reduction in household income levels will further exacerbate this.

The cost of living in remote communities, when accounting for the cost of fuel and fresh produce, is 150-180% higher than in capital cities.³³

Impact on housing and homelessness

The budget measures and cuts are likely to exacerbate homelessness and housing unaffordability.

³¹ Olga Havnen, 2012, pp. 89.

³² Northern Territory Government, Department of Health, Market Basket Survey 2012, 2013, p 4. It surveyed eighty-two rural and remote stores, and for comparison of prices, a supermarket and corner store in the major town/city in each of the district centres.

³³ Olga Havnen, 2012, pp. 89.



The Northern Territory is the least affordable state or territory in which to rent.³⁴ Between June 2006 and December 2013, the median rent for a three bedroom house in the NT increased by between \$165 and \$336 per week (depending on the region), and for a 2 bedroom unit the increase in median rents has been between \$110 and \$265 a week.³⁵ By comparison, Commonwealth Rent Assistance increased by just \$11.20 per week³⁶ during this period.

Anglicare has recently described the lack of affordable housing as the Territory's biggest social issue.³⁷ The Anglicare Australia Rental Affordability Snapshot of 2014 shows that of the 794 private rental properties surveyed:

None were affordable and appropriate (therefore suitable) for people on Youth and NewStart Allowances, Parenting Payment or Disability Support Pension and only 6 were suitable for people on some benefits and minimum wages.³⁸

Housing security for those Aboriginal people with low incomes is fragile,³⁹ with almost no housing options outside the public housing authority, Territory Housing. The waiting time for public housing in Darwin is approximately 7 years and 12 to 24 months for priority applicants – those in urgent need of housing because of homelessness, serious medical or serious social problems. The current wait time for Alice Springs is 7 years for a one bedroom house and in Tennant Creek 7.3 years for a 3 bedroom house.⁴⁰

There is no 'wait list' for public housing in remote communities as there is no surplus housing; all housing allocations are based on priority needs – homelessness, overcrowding, frail, aged, people with disabilities and their carers, domestic and family violence, local employment; people who meet the eligibility criteria for public housing in terms of income and assets alone will never be able to 'wait it out' and be allocated a house.

The vast majority of remote communities in the NT did not receive additional houses as a result of the National Partnership Agreement on Remote Indigenous Housing, which has meant that overcrowding has worsened in some communities. Families are often forced to split up between houses and it is common for children to not live with their parents because of overcrowding.

In remote communities, where overcrowding is at its worst, there is no vacant habitable housing or private housing market and demand for public housing properties is incredibly high.

³⁴ REIA/Adelaide Bank (2013), Real Estate Institute of Australia/Adelaide Bank: Housing Affordability Report June 2013 quoted in NT Council of Social Service Inc., *Cost of Living Report*, Issue 2 (December 2013), p. 4.

³⁵ REINT (2013) Real Estate Institute of the NT – Quarterly RELM Analysis June 2005-June 2013.

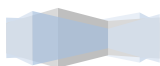
³⁶ Centrelink (2013), A Guide to Australian Government Payments, released quarterly. Australian Government, Canberra, 1 July-19 Sept Figures

³⁷ <<http://www.abc.net.au/news/2014-04-30/housing-affordability-hits-crisis-point/5422374>>

³⁸ Anglicare Australia *Rental Affordability Snapshot* April 2014, p 37.

³⁹ H Dannatt 'Living on a Knife's Edge: Public Housing Insecurity in the Northern Territory' *Parity*, May 2014, Vol 27, Issue 4, pp 20-22.

⁴⁰ Department of Housing http://www.housing.nt.gov.au/public_housing/accessing_public_housing/wait_times accessed 1 August 2014.



For example, in Maningrida, Territory Housing is in the process of allocating two houses – a two bedroom and a three bedroom house. There are 100 families which have applied for these two houses. There are no plans to construct further houses in Maningrida.⁴¹

Overwhelmingly, people in remote locations are unable to move to major centres such as Darwin and Katherine because of the lack of affordable housing.

Any forced movement into major centres for employment opportunities, where affordable housing for those on low incomes is essentially limited to public housing (where rent assistance is not payable), will only serve to increase rate of homelessness and social exclusion by placing pressure on other public housing tenancies, adversely impacting on health and the ability to participate in society, to actually apply for jobs or undertake training and ultimately try to bridge the gap in income inequality.

The Lord Mayor of Darwin has recently acknowledged this issue in her submission to the enquiry *Developing the North* “*if you do not have affordable housing, then the people who are coming into the city looking for opportunities are actually not going to achieve it*’. She urged investment in social housing and venture housing.⁴²

Again, Aboriginal people and families face many social disadvantages already which include education, language, health, remoteness and lack of services. By creating barriers to accessing social security benefits and increasing the cost of medical care, the only purpose achieved is to disengage and further disadvantage Aboriginal people.

⁴¹ Personal communication between Territory Housing and APO NT member.

⁴² Pivot Page 123

