

Aboriginal Peak Organisations Northern Territory (APO NT)

APO NT Submission

Inquiry into the Social Security (Administration) Amendment (Income Management Reform) Bill 2023

May 2023

We welcome the opportunity to provide feedback to the Inquiry into the Social Security (Administration) Amendment (Income Management Reform) Bill 2023. The eight members of Aboriginal Peak Organisations of the Northern Territory (APO NT) continue to advocate for Aboriginal-led, managed and delivered solutions to issues that relate to our families.

Recommendations

Recommendation

That the Committee recommends that all current forms of compulsory income management are repealed.

Recommendation:

APO NT does not support the passage of Social Security (Administration) Amendment (Income Management Reform) Bill 2023 and asks that the Committee recommend against passage of the Bill. If the Bill is to be supported we make the following amendments:

1. That the Committee recommends that the Government outlines a detailed timeline for consultations as part of a process to cease all forms of compulsory income management.
2. That the Committee recommends that the Northern Territory is prioritised in this consultation process due to the length of time that participants of the NT have been subject to this regime and those on compulsory income management, without adequate consultation.
3. The committee recommend amendments to this Bill that includes a sunset clause for all compulsory income management measures.
4. That the committee recommends the removal of the Ministerial discretionary power to further extend Enhanced Income Management (eIM).
5. That the committee recommend that any form of compulsory income management include a simple and practical method for participants to demonstrate that they do not require compulsory income management and be able to permanently exit the scheme.

Introduction:

APO NT is an alliance of Aboriginal organisations working to promote and protect the rights of Aboriginal people living in the Northern Territory (NT). The APO NT alliance comprises the Central Land Council (CLC), Northern Land Council (NLC), Tiwi Land Council (TLC), Anindilyakwa Land Council (ALC), North Australian Aboriginal Justice Agency (NAAJA), Northern Territory Indigenous Business Network (NTIBN), Aboriginal Housing Northern Territory (AHNT) and the Aboriginal Medical Services Alliance of the NT (AMSANT). Since APO NT's establishment in 2010, our members have been working to develop constructive policies on critical issues facing Aboriginal people in the NT and strive to influence the work of the Australian and NT Governments.

Underlining our collective work is the right to self-determination, which is expressed in the United Nations Declaration of the Rights of Indigenous Peoples. The primacy of this cannot be understated. As representatives from peak organisations in the NT, we share the aim of protecting and advancing the wellbeing and rights of Aboriginal people and communities in several key areas. Local involvement, ownership and control underpins APO NT's work in advocating for practical and sustainable solutions for Aboriginal people. These are then predicated on policy conditions that support Aboriginal self-determination, including commitments to needs-based funding, building the community-controlled sector and centring Aboriginal decision-making on how national strategies are implemented on the ground.

These matters are particularly essential when considering the impact of compulsory income management for Aboriginal people in the NT, which has resulted from ongoing processes of colonisation and more recently through the Northern Territory Emergency Response (NTER) (2007 Intervention).

Background

Income management was first introduced by the Howard Government as part of the 2007 Intervention. From the beginning, income management has been a 'top down' government enforced response, with little or no consultation with the people or communities it affects – particularly in the NT. In essence, income management was designed as temporary measure as part of the 2007 Intervention and has been incrementally solidified and expanded under successive governments.

The Albanese Government has signalled a huge reform agenda for government. To this reform agenda, APO NT and our individual member organisations have made submissions, attended public hearings, ministerial roundtables and government consultations. We have been inundated with requests to provide our expertise, insight, lived experience and evidence-based solutions. It is disappointing to yet again be making submissions on a Bill that clearly ignores the evidence that has debunked compulsory income management. This includes its own department's report, [the report on Social Security \(Administration\) Amendment \(Repeal of Cashless Debit Card and Other Measures\) Bill 2022](#) by the Community Affairs Legislation Committee Senate committee, APO NT's many submissions as well as advice from the sector more broadly.

Compulsory income management does not work. Compulsory income management is indirectly discriminatory to Aboriginal people and particularly for Aboriginal people in the NT. This bill does not abolish compulsory income management, so APO NT asks the Senate to reject the Bill.

Income Management

APO NT reminds the Government of our support for the repeal of the Cashless Debit Card. We note that while this has allowed *some* participants to exit income management or voluntarily opt into income management, **this is not the case for the majority of NT participants** who remain on compulsory income management. Therefore, Aboriginal people in the NT have suffered the longest under this regime and this Bill does nothing to change this.

Despite the Albanese Government's stated intentions of consultation, or stated long term aim that income management is on a voluntary basis, it is important to view the practical and legislative effect of this Bill. The Bill continues the trend of making income management, and in particular compulsory income management, a permanent feature of social services in Australia, without adequate consultation. The legislative effect of the Bill is the opposite of the Albanese Government's pre-election statements that income management should only occur on a voluntary basis. This is because the Bill removes a number of impediments which previously operated as a limit on the expansion of income management in terms of:

- Duration: by not including any sunset clause, which was an important safeguard in the Cashless Debit Card (CDC) regime.
- Location: by allowing the Minister to expand the geographic areas subject to income management through legislative instrument without consultation or scrutiny, which was not possible under the CDC regime.
- Economic: by utilising technology based on the pre-existing Visa card network, as in the CDC regime, the Bill paves the way for a more efficient expansion of income management to new areas and communities.

In the context of the history of income management being imposed without consultation, and successively expanded on the same basis, APO NT's view is that the intention of government can be understood in terms of actions taken, including proposed legislative changes. Therefore, in considering the effect of this Bill, the conclusion we reach is that Government is creating the conditions for the

expansion of income management, even compulsory income management, in direct contrast to pre-election statements.

We remind the government of its commitments as stated by Minister Rishworth,

*'This Bill delivers on the Albanese government's election commitment to abolish the cashless debit card and is the first product of ongoing and sincere consultation with many communities around the country.'*¹

APO NT has made several submissions regarding income management and have attached the following submissions:

- Attachment A [20220815 – APO NT Submission Social Security \(Administration\) Amendment \(Repeal of Cashless Debit Card and Other Measures\) Bill 2022](#)
- Attachment B [APONT Submission - Cashless Debit Card Bill - October 2019](#)
- Attachment C [APO NT Submission on CDC Bill - 23 October 2020](#)

We repeat again here:

*'APO NT asserts that compulsory income management is a vehicle for disempowerment, and perpetuates stigmatisation of Aboriginal people, 'rather than building capacity and independence, for many the program has acted to make people more dependent on welfare'*².

Moreover, compulsory income management contradicts the Australian and NT Governments' commitments through the National Agreement on Closing the Gap which undertakes that: "Aboriginal and Torres Strait Islander peoples must play an integral part in the making of the decisions that affect their lives – this is critical to closing the gap." Specifically, continued income management, in its current form, breaches the Australian Government's existing commitment to Priority Reform 3: to systemically and structurally transform mainstream government organisations to improve accountability, and to respond to the needs of Aboriginal and Torres Strait Islander people.

Further, we repeat here:

'APONT endorses the North Australian Aboriginal Justice Agency's (NAAJA) submission on the Social Security (Administration) Amendment (Repeal of Cashless Debit Card and Other Measures) Bill 2022. It outlines the following reasons to repeal compulsory income management:

- *Compulsory quarantining of welfare payments is discriminatory and paternalistic*
- *The income management regime is ineffective*
- *The Bill perpetuates top-down policy without Aboriginal leadership*
- *The income management regime is prone to practical failures in remote Aboriginal communities*
- *Compulsory quarantining of welfare payments fails to target underlying systemic problems*
- *The Commonwealth Government has a popular mandate to repeal the income management regime'*

¹ Commonwealth of Australia (2022) records Second Reading of the Social Security (Administration) Amendment (Repeal of Cashless Debit Card and Other Measures) Bill 2022, p 29

² Bray et al. (2014). Evaluating New Income Management in the Northern Territory, pp xxii

APO NT remains open to alternatives to income management that support the aims of self-determination of Aboriginal people families and communities in the NT. We are yet to see how the Government will live up to its commitments under Closing the Gap, including formal partnerships and shared decision making on income management reform.

APO NT repeats the relevant recommendations from the submissions attached:

From Attachment A 20220815 – APO NT Submission Social Security (Administration) Amendment (Repeal of Cashless Debit Card and Other Measures) Bill 2022.

Recommendation:

NAAJA calls for the abolition of all forms of compulsory quarantining of welfare payments and the repeal of Part 3B of the Social Security (Administration) Act 1999 (Cth).

Recommendation:

APO NT also supports the Northern Territory Council of Social Service (NTCOSS) submission and their calls to ensure that the withdrawing of income management is managed with care and done in close consultation of relevant Aboriginal Community Controlled Organisations and community leaders, to support participants through this process.

Recommendation:

That any reform of income management is carefully considered simultaneously with other policy settings, particularly alcohol legislation and youth justice reform. We urge both governments to take a long-term and evidence-based approach rather than short-term reactive approach.

Recommendation:

The Australian Government to increase social welfare payments to alleviate deepening poverty in remote communities including welfare payments to be permanently and adequately increased to keep people out of poverty.

Recommendation:

The Australian Government with the Northern Territory Government, must jointly invest in evidence-based strategies to address alcohol and drug misuse and problem gambling, including more funding for treatment services.

Recommendation:

That there are remote banking systems and financial literacy supports must be in place to accompany any changes to income management.

Recommendation:

Specialist social security support is adequately funded. As stated in APO NT Submission on the Cashless Debit Card 2020 (*Attachment C*)

‘The Government must recognise the significant legal and social needs that impact on Aboriginal people, and disproportionately those in remote communities, especially those individuals that are currently on income management.’

Recommendation:

Further Aboriginal-led research and consultation must be undertaken to generate accurate data on people on income support and those that are completely disengaged from the social security system, including young people who are not studying, training or employed. Anecdotal evidence indicates that the system is so difficult to navigate and disciplinary in nature, that for participants it is not worth pursuing.

From Attachment B APONT Submission - Cashless Debit Card Bill - October 2019.

Recommendation:

APO NT supports voluntary income management programs being made available for all people on income management with ***consideration for short-term***, supported compulsory income management in situations involving Child Protection or extreme vulnerability. All referrals for compulsory income management for Aboriginal people must involve a relevant and ***locally endorsed*** Aboriginal Controlled organisations.

Recommendation:

APO NT recommends that the Senate Community Affairs Legislation Committee recommend further research into the development of a Voluntary Income management scheme for remote Aboriginal communities in the NT. The scheme should reflect the principals of the Arnhem Land Progress Association FOODcard model and that this process ***involve consultation with APO NT and key Aboriginal Controlled organisations in the NT.***

Poverty, employment and the Community Development Program

APO NT recognises the issues that the intended income management regime attempts to address. The evidence shows that income management does not remedy the underlining issues that arise from poverty, a failed employment program and unemployment. The implementation of any abolishment should be carefully planned/staged. We need to acknowledge that any abolishment will need to be managed amongst all other policy changes, including changes to alcohol restrictions. Accessible remote banking systems and financial literacy supports must be in place to accompany the process.

The following submissions outline in detail key issues and recommendations:

- Attachment D: [APO NT Submission to the Inquiry on Poverty](#)
- Attachment E: [APO NT Submission on the Treasury Employment White Paper](#)

Socio-economic indicators across education, justice, health, employment and housing for Aboriginal people in the NT reflect decades of exclusion, underinvestment and disempowerment, with rates often the worst in Australia when compared to the non-Aboriginal population³. These statistics, some of which appear to be worsening, describe the outcomes of successive, and often cumulative, failures across policy decisions to address underlying causes of poverty.

One of the most alarming statistics is employment. The NT has by far the **lowest rate of employment in the country for Indigenous people**, seeing a continued decline over the last decade from 42.8% of Indigenous people aged 25-64 employed in 2011, to 35.4% in 2016 and 34.3% in 2021.⁴ Nationally, the employment rate for Indigenous people was 55.7% in 2021.⁵ This is exacerbated by remoteness and confirmed by the 2018 CAPER report on the 2016 Census results:

‘Employment performance was considerably worse for the Indigenous population than for the non-Indigenous population in remote areas, where the employment rate for the non-Indigenous population increased by 1 percentage point for men and 2 percentage points for women, resulting in a widening of the employment gap in remote areas by 10 percentage points for men and 6 percentage points for women.’⁶

Successive governments have attempted to address the issue through a remote employment- ‘work for the dole’- Community Development Program (CPD). This program has not only disempowered communities, but it has also led to most people in remote communities having to do more work than people in non-remote non-Indigenous majority areas for the same basic social security payment. APO NT has a long history of advocating against punitive and discriminatory measures and, following successive failed programs, has commissioned an alternative, [*The Fair Work Strong Communities: Proposal for a Remote Development and Employment Scheme*](#) (FWSC).

The FWSC is a detailed proposal for a new approach to remote employment and development to replace CDP. This model is based on the following principles:

- **Aboriginal leadership**
- **Decision-making by community**
- **Create waged employment in jobs that matter for the community**
- **Promote communities’ long-term economic, social and cultural development**

³ Productivity Commission, Closing the Gap Annual Data Compilation Report July 2022.

⁴ Analysis of 2021 ABS Census data by the Centre for Aboriginal Economic Policy Research (unpublished)

⁵ Ibid.

⁶ Venn.D, Biddel.N, 2016, [*EMPLOYMENT OUTCOME: 2016 Census Papers*](#), Centre for Aboriginal Economic Policy Research ANU College of Arts & Social Sciences, p6

- **Focus on impact for individuals and community**, not bureaucratic process.

The FWSC proposal was developed in consultation with Aboriginal organisations, national peak bodies, and CDP providers, and with employment services expert Dr Lisa Fowkes. It received broad support, endorsed by 34 Aboriginal and non-Aboriginal organisations in the NT and nationally.

Key to the proposal is the creation of a **critical number of new jobs**, to acknowledge the reality that:

*‘In many of the areas that CDP operates, even if every job in the community was held by a local person, **there would not be enough jobs for everyone.**’⁷*

In this way as outlined in *Attachment E: APO NT Submission on the Treasury Employment White Paper*:

‘The employment gap is evidence of government failure, not of failure of Aboriginal people. The Employment White Paper must not demote these failures to a fringe issue, owing to the relatively small numbers of Aboriginal people impacted (relative to other jurisdictions). Nor should remote Aboriginal employment be relegated to the ‘too hard basket’ due to its complexity. We know that by digging into the heart of these issues, there are solutions, benefits, and lessons for all.’

⁷ PM&C Submission to the Senate Finance and Public Administration Committee Inquiry into the Social Security Legislation Amendment (Community Development Program) Bill 2015 p3

Recommendation:

Any income support program must include high quality case management as outlined in APO NT's comprehensive policy framework, [Fair Work and Strong Communities](#). High quality case management means more direct interactions and work with families, not just individuals; fair and realistic obligations for people receiving income support; and options to obtain appropriate income support options for those unable to work.

Recommendation:

Support alternatives to the Community Development Program (CDP) such as APO NT's [Fair Work and Strong Communities](#).

Recommendation:

The Commonwealth Government deliver on its commitment to “scrap the CDP and replace it with a new program with real jobs, proper wages and decent conditions – developed in partnership with First Nations People.”⁸

Recommendation:

The Australian Government create more jobs in remote communities. The single most critical driver of unemployment in communities is **lack of available jobs**. Other issues include discrimination, health conditions and poor housing.

Recommendation:

Governments must create more remote jobs, and these jobs must be determined by local communities. Real jobs with proper wages and employment entitlements, including leave and superannuation, with a focus on pathways for youth.

Recommendation:

The Australian Government must establish a Remote Jobs Fund of a sufficient scale to make a substantial difference to closing the remote employment gap. This is also outlined in [Fair Work and Stronger Communities](#) which calls for 30% of the CDP caseload who have the capacity to work but cannot find paid employment.

Conclusion

As outlined in this submission there are simply not enough jobs for Aboriginal people living in the NT. Aboriginal people are faced with accessing insufficient social welfare payments and must navigate CDP. Under the International Covenant on Social Economic and Cultural Rights, all people have the right to social security, yet despite this right, the Northern Territory is the sole jurisdiction where a blanket inclusion of eIM is applied. Moreover, Aboriginal people in the NT are subject to further discrimination;

⁸ The Australian Labor Party (2022) Policies: First Nations, accessed website 9/08/22 (<https://www.alp.org.au/policies/first-nations>)

via punitive conditions and inaccessibility as part of compulsory income management. Compulsory income management is disempowering and adds to stigmatisation, and fails to address unemployment and the underlining, structural issues that force Aboriginal people into poverty and financial hardship, often experienced intergenerationally. There is no evidence that it changes behaviour (as some supporters claim) nor equip people with much needed financial literacy and economic autonomy, and levers from which to escape cycles of meagre welfare. This Bill includes expanded Ministerial powers and continues this regime without review or a sunset clause. It fails to outline the transition to a placed-based alternative that is fully developed and designed in partnership with Aboriginal people, families and communities. **APO NT cannot stress enough that compulsory income management is a failed regime and should not continue.**

APO NT thanks the Committee for their consideration of this submission on such an important Bill for Aboriginal people in the NT.

Sincerely,

A handwritten signature in black ink, appearing to read 'John Paterson', with a long horizontal stroke extending to the right.

Dr John Paterson, APO NT Convener and Acting Chief Executive Officer for the North Australian Aboriginal Justice Agency.