



NTCOSS Submission to the Senate Community Affairs Legislation Committee on the Social Security (Administration) Amendment (Continuation of Cashless Welfare) Bill 2020

October 2020

Northern Territory Council of Social Service (NTCOSS)

The Northern Territory Council of Social Service (NTCOSS) is the peak body for the Northern Territory (NT) Community and Social Services Sector and is a voice for people affected by social and economic disadvantage and inequality. The Community Sector in the NT is made up of community managed, non-government, not-for-profit organisations that work in social and community service delivery, sector development and advocacy. The Community Sector plays a vital role in creating social wellbeing for all Territorians and in building safe and healthy communities by providing services that enable people to access and participate in health services, education, employment, economic development, and family and community life.

NTCOSS believes that all people and communities should live a life free of poverty and disadvantage. NTCOSS advocates for the relieving of cost of living pressures, such as reform to income support and welfare systems, in partnership with our members.

NTCOSS represents a varied service sector and acknowledges that a number of our member organisations with specific expertise in this area have also provided submissions to this inquiry and the previously conducted Senate Community Affairs Legislation Committee Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019. In particular, NTCOSS supports new and previous submissions by our Aboriginal Community-Controlled member organisations (ACCOs), including Tangentyere Council. NTCOSS also supports the detailed submission and recommendations provided by the Aboriginal Peak Organisations Northern Territory (APO NT).

Background

While NTCOSS welcomes the opportunity to provide a submission to the Senate Community Affairs Legislation Committee on the Social Security (Administration) Amendment (Continuation of Cashless Welfare) Bill 2020 (the Bill), this submission will reaffirm the position NTCOSS has previously taken in a previous submission to the Senate Community Affairs Legislation Committee Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019.

In summary, the position put forward in the previous submission was as follows;

- NTCOSS does not support the passage of the Bill and the expansion of compulsory Income Management (IM).
- Considering that any changes to IM in the NT disproportionately impact Aboriginal people, and particularly those living in remote localities, it is essential that any programs and service delivery for Aboriginal people recognise their sovereignty, and that Aboriginal people and communities have control and agency over matters affecting them.
- IM should be on an opt-in basis.
- That the Government raise the rate of Newstart (now JobSeeker) and related payments and focus on addressing rates of unemployment, inequality and poverty through addressing the social determinants of health.
- That funds allocated for the implementation of the Cashless Debit Card (CDC) trial in the NT be reinvested in communities to address the causative factors of disadvantage and poverty, prioritising ACCOs to deliver such programs.
- That any future trials or iterations of the CDC and IM be subject to rigorous and independent evaluation processes.

NTCOSS is concerned that, a year later, adequate steps have not been taken to address the above, while further changes put forward in the Bill have the capacity to stigmatise and harm communities. NTCOSS does not support the Bill and urges the Government to instead invest in policies that acknowledge and support the importance of community agency. Meaningful co-design and self-determination must be a cornerstone of any future policy.

Impact of IM and CDC in the NT

The NT is home to the highest proportion of Aboriginal people in Australia, with more than 100 languages and dialects spoken across the region.¹ Data from March 2018 shows that there are over 22,000 people on IM in the NT, with 82% of this population identified as Aboriginal; the majority of who are recognised as long term welfare recipients.²

Of the poverty rates in Australia, people living in Remote or Very Remote localities experience much higher levels of poverty than those living in urban centres.¹¹ These high rates of poverty are experienced disproportionately across the NT, with Aboriginal people in particular overrepresented in homelessness and unemployment rates, and poor educational outcomes. As a result of this, people experiencing vulnerability face further challenges with damaging effects on health, social wellbeing and long-term security, and poverty and disadvantage becoming further entrenched in our communities.

As reported by the Australian Council of Social Service (ACOSS),³ the original purpose of IM was to stem the flow of cash that is expended on substance abuse and gambling, and to ensure funds that are provided for the welfare of children are expended appropriately.⁴ Despite this, there is little evidence to support that IM has successfully achieved these goals.

IM in the NT was evaluated between 2010 and 2014,⁵ with key points from the report highlighting;

- “Very little progress in addressing many of the substantial disadvantages faced by many people in the Northern Territory”;
- “No evidence to indicate that income management has an effect at the community level, nor that income management, in itself, facilitates long-term behavioural change”;
- The cohort of individuals most interested in continuing IM were undertaking it on a voluntary basis;

¹ Australian Bureau of Statistics, 2016 Census QuickStats, Northern Territory https://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/7?opendocument accessed 18th June 2019; Aboriginal languages in NT <https://nt.gov.au/community/interpreting-and-translating-services/aboriginal-interpreter-service/aboriginal-languages-in-nt>, accessed 18th June 2019

² Australian Government, 2018, Income Management and Cashless Debit Card Summary, October 2019, accessed at <https://data.gov.au/dataset/ds-dga-3b1f1fb7-adb5-48ea-8305-9205df0a298c/distribution/dist-dga-986ef7fe-1ba8-460e-b1c4-2cf00145a948/details?q=>

³ Australian Council of Social Service (ACOSS), Cashless Debit Card and Income Management Briefing Note 2020

⁴ Explanatory Memorandum, Social Security and Other Legislation (Welfare Payment Reform) Bill 2007, p. 5

⁵ Bray et al. 2014, Evaluating New Income Management in the Northern Territory, UNSW, Social Policy Research Centre

- It is much harder for Aboriginal people to exit IM, especially those in remote communities; and
- Rather than building capacity and independence, for many people on compulsory IM, it has made them more dependent on the Government.

Further to the above, IM in the NT has reportedly had a negative impact on key indicators of health, including birth weights. In a paper delivered at the National Bureau for Economic Research Indigenous Health, Wellbeing, and Children's Outcomes workshop in Boston in November 2019, researchers identified an average drop in birth weights for IM participants of more than 100 grams, with a 30 percent greater likelihood of a low birth-weight outcome of that scale compared to prior to the 2007 Intervention and the introduction of IM.⁶ Other research has not found conclusive evidence that IM has positively impacted social and health outcomes, including school attendance.⁷

Additionally, a joint study released by the University of Queensland on four CDC trial sites found that the majority of recipients reported to not have a problem with drugs, alcohol or other dependencies before entering onto the card, and that the majority of respondents did not see any benefit to the scheme and reported negative consequences of being moved onto it, such as not having enough cash to pay for essential items.⁸

The Australian National Audit Office (ANAO) found that the Department of Social Services (DSS) had taken an inadequate approach to monitoring and evaluation regarding the CDC trials in a 2018 report,⁹ stating that as a consequence of this, it was difficult to determine whether the CDC trials resulted in a reduction of social harms or it if was a lower cost welfare quarantining approach.

One of the original authors of the evaluation of IM in the Northern Territory, who has since also been responsible for a number of other reviews regarding income quarantining, put

⁶ Doyle, M., Schurer, S., & Silburn, S. (2019). Why does income quarantining worsen birth outcomes in indigenous communities?, Conference paper for presentation at the NBER workshop Indigenous Health, Wellbeing, and Children's Outcomes, Boston Massachusetts, November 2019. University of Sydney, Institute for the Study of Labour, Menzies School of Health Research; APO NT, Submission to the Senate Community Affairs Legislation Committee on the Social Security (Administration) Amendment (Continuation of Cashless Welfare) Bill 2020

⁷ Clark, D., Kettlewell, N., Schurer, S., & Silburn, S. (2017). The effect of quarantining welfare on school attendance in Indigenous communities. Life Course Centre Working Paper Series. <https://www.lifecoursecentre.org.au/wp-content/uploads/2018/06/2017-22-LCC-Working-Paper-Cobb-Clark-et-al..pdf>

⁸ Marston, G., Mendes, P., Bielefeld, S., Peterie, M., Staines, R., & Roche, S. (2020). Hidden costs: An independent study into Income Management in Australia. University of Queensland. <https://research.monash.edu/en/publications/hidden-costs-an-independent-study-into-income-management-in-austr>

⁹ Australian National Audit Office, 2018, The Implementation and Performance of the Cashless Debit Card Trial

forward that the positive effects identified by some evaluations are opinion-based, and not supported by relevant data measuring health and wellbeing outcomes related to the policy's objectives.¹⁰

While there may be anecdotal reports of positive outcomes from IM, there is no conclusive, data-driven analysis relating to IM in the NT and other CDC trial sites. Considering Government plans to roll the CDC out on a permanent basis in the NT, with no cap on participants (impacting over 22,000 people), it is of great concern that a top-down, blanket approach is being taken regarding people's welfare.

Community Leadership and Co-Design

The National Agreement on Closing the Gap includes priority reform areas that focus on transforming the way governments work with and for Aboriginal people to improve outcomes. The priority areas of reform focus on areas such as shared decision making and embedding ownership; developing the capacity of ACCOs; and ensuring government agencies and institutions undertake systemic and structural transformation to better contribute to Closing the Gap, while improving accountability.¹¹

Noted concerns regarding the expansion of the CDC into the NT include lack of meaningful consultation with communities, no remote jobs development and the refusal to introduce the CDC on an opt-in basis.¹² A permanent, blanket imposition of the CDC on the NT, without addressing these concerns, goes against the principles set out in the National Agreement on Closing the Gap.

IM was first introduced in the NT as part of the 2007 Northern Territory Emergency Response (NTER). The NTER required the suspension of the *Racial Discrimination Act 1975* to explicitly target all Aboriginal and Torres Strait Islander people on welfare.¹³ New Income Management (NIM) was introduced to replace IM under the NTER in 2010, which included reinstating the *Racial Discrimination Act*, meaning non-Indigenous people were included.

¹⁰ Bray, R. J. (2016) 'Seven years of evaluating income management – what have we learnt? Placing the findings of the New Income Management in the Northern Territory evaluation in context', Australian Journal of Social Issues Vol.51 No.4, p. 464; Australian Council of Social Service (ACOSS), Cashless Debit Card and Income Management Briefing Note 2020

¹¹ Closing the Gap In Partnership, National Agreement on Closing the Gap: At a Glance, viewed October 2020, accessed at <https://www.closingthegap.gov.au/national-agreement-closing-gap-glance>

¹² Attachment A; APO NT, Submission to the Senate Community Affairs Legislation Committee Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019; APO NT, Submission to the Senate Community Affairs Legislation Committee on the Social Security (Administration) Amendment (Continuation of Cashless Welfare) Bill 2020

¹³ Klein E and Razi S, 2017, The Cashless Debit Card Trial in the East Kimberley

Despite the reintroduction of the *Racial Discrimination Act*, CDC trial sites in Ceduna and the East Kimberley have disproportionately targeted Aboriginal people.¹⁴ The Parliamentary Joint Committee on Human Rights found that the IM measures are likely to disproportionately impact on Aboriginal people and therefore may be indirectly discriminatory.¹⁵ Aboriginal people continue to make up the overwhelming majority of IM participants,¹⁶ with national and international human rights bodies expressing concern regarding the targeting of Aboriginal people by IM.¹⁷ The United Nations Committee on the Elimination of Racial Discrimination has previously raised concerns around the discrimination faced by Aboriginal and Torres Strait Islander people and recommended that Australia maintain only opt-in forms of social security quarantining.¹⁸

Remote Employment

The number of Aboriginal people receiving welfare on a long term basis can be directly correlated with the failure to close the employment gap and address the underlying causative factors of unemployment in remote areas¹⁹ (i.e. lack of appropriate employment opportunities that take into account mobility, flexible working practices that accommodate cultural obligations and lack of training opportunities). The Australian Bureau of Statistics (ABS) found that the proportion of Aboriginal people in remote areas who are employed has stalled or is decreasing,²⁰ meaning that people are increasingly reliant on government payments.

¹⁴ Ibid.

¹⁵ Parliamentary Joint Committee on Human Rights, Human Rights Scrutiny Report, Report no 27/2015, 8 September 2015; Parliamentary Joint Committee on Human Rights, Human Rights Scrutiny Report, Report no 9/2017, 5 September 2017

¹⁶ Bray et al. 2014, Evaluating New Income Management in the Northern Territory

¹⁷ United Nations Committee on the Elimination of Racial Discrimination, 2017, Concluding observations on the eighteenth to twentieth periodic reports of Australia, October 2019, accessed at https://tbinternet.ohchr.org/Treaties/CERD/Shared%20Documents/AUS/CERD_C_AUS_CO_18-20_29700_E.pdf; Australian Human Rights Commission, 2017, submission No 30 to the Senate Community Affairs Legislation Committee – Inquiry into the Social Services Legislation Amendment (Cashless Debit Card) Bill, October 2019, accessed at https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/CashlessDebitCard/Submissions

¹⁸ APO NT, Submission to the Senate Community Affairs Legislation Committee on the Social Security (Administration) Amendment (Continuation of Cashless Welfare) Bill 2020; United Nations Committee on the Elimination of Racial Discrimination, (2017) Concluding Observations on the eighteenth to twentieth periodic reports of Australia, UN doc CERD/C/AUS/CO/18-20 (8 December 2017) [23]

¹⁹ Central Australian Aboriginal Congress, 2019, Submission to the Senate Inquiry into the Adequacy of Newstart and Related Payments and Alternative Mechanisms to Determine the Level of Income Support Payments in Australia

²⁰ Australian Bureau of Statistics, 2015, National Aboriginal and Torres Strait Islander Social Survey 2014-15, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/4714.0201415?OpenDocument#Publications>

Not only are these payments severely inadequate,²¹ but IM does not focus on capacity building and independence and has been attributed to making people more dependent on welfare.²²

This deficit of jobs in remote communities is further impeded by the Community Development Program (CDP). The CDP is a further example of punitive, paternalistic and stigmatising policy that overwhelmingly impacts Aboriginal people living in remote and rural areas.

There are around 35,000 CDP participants, of whom roughly 80% are identified as Aboriginal and living in remote communities.²³ CDP participants are 25 times more likely to be penalised for non-compliance than non-remote job seekers, and 50 times more likely to have a penalty imposed on them for 'persistent non-compliance' (up to 8 weeks).²⁴ Since the introduction of the CDP, incidences of poverty crime have reportedly increased, including; breaks in (predominantly committed by children) to steal food, an increase in domestic and family violence, financial coercion, increases in mental health problems and hunger.²⁵

Further, those who have been penalised for not meeting CDP requirements were found to go for longer periods without income than those in urban areas and were less likely to be exempted from programs on medical grounds, 'despite a much higher burden of disease in remote Aboriginal communities.'²⁶ The most penalised cohort were men aged under 35 who had lower English literacy levels, lower education level, limited online access to deal with Centrelink and less mobility.

Along with the punitive and harmful aspects of the CDP, it does not address the deficit of jobs in remote communities and does not focus on developing the labour market, instead acting

²¹ NTCOSS, 2019, Submission to the Senate Inquiry into the Adequacy of Newstart and Related Payments and Alternative Mechanisms to Determine the Level of Income Support Payments in Australia (public); Australian Council of Social Service (ACOSS), 2019, Submission to the Senate Inquiry into the Adequacy of Newstart and Related Payments and Alternative Mechanisms to Determine the Level of Income Support Payments in Australia - Surviving, not living: the (in)adequacy of Newstart and related payments; Central Australian Aboriginal Congress, 2019, Submission to the Senate Inquiry into the Adequacy of Newstart and Related Payments and Alternative Mechanisms to Determine the Level of Income Support Payments in Australia

²² Bray et al. 2014, Evaluating New Income Management in the Northern Territory

²³ Department of the Prime Minister and Cabinet, 'An evaluation of the first two years of the Community Development Programme', accessed at <https://www.pmc.gov.au/sites/default/files/publications/cdp-evaluation-first-2-years.pdf>

²⁴ The Guardian, Work for the Dole an 'intergenerational time bomb' for Indigenous Communities, viewed September 2019, accessed at <https://www.theguardian.com/australia-news/2018/oct/11/work-for-the-dole-an-intergenerational-time-bomb-for-indigenous-communities>

²⁵ Australian Government, National Indigenous Australian Agency, 2019, 'The many pathways of the Community Development Programme'

²⁶ Department of the Prime Minister and Cabinet, An evaluation of the first two years of the Community Development Programme

as penalising welfare program. Fair Work and Strong Communities is a proposal for a remote development and employment scheme, that would create up to 5,000 jobs in communities by providing wage packages to enable ACCOs to take on new workers.²⁷ As APO NT states “creating real jobs in real communities will have a far more positive impact on the lives of Aboriginal people than continuing and expanding compulsory IM.”²⁸

As opposed to directing spending towards punitive programs with no strong evidence as to their success, the Australian Government needs to invest in programs that are driven by communities and for communities that will result in long term, beneficial outcomes.

Access

As established in the previous submission to Senate Community Affairs Legislation Committee Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019 (Attachment A), NTCOSS holds specific concerns regarding the Minister’s powers to alter the percentage of a payment that is quarantined.

While the majority of people on IM in the NT have 50 per cent of their payment restricted (70 per cent for those on the child protection measure), and this will reportedly be maintained under the CDC, the new Bill grants the Minister the ability to alter this percentage up to 80 per cent with limited scrutiny.

Considering all other CDC sites have 80 per cent of participants’ payments quarantined, NTCOSS holds concerns regarding the Government’s commitment to maintain the NT as 50 percent. Quarantining larger portions of payments further limits people’s ability to access cash and ability to purchase essential items in the cash economy (such as second-hand goods).

Further, technical issues impacting access to services in remote communities mean that participants are restricted not only in using the card if electronic payment methods are not functioning, but accessing support services in replacing lost or stolen cards as well as applying to exit IM as a participant. As established by APO NT, internet and mobile phone coverage are not guaranteed in communities, technological proficiency is not high and English can be a third or fourth language for many.²⁹ With limited support from Centrelink and access to a

²⁷ APO NT, Submission to the Senate Community Affairs Legislation Committee on the Social Security (Administration) Amendment (Continuation of Cashless Welfare) Bill 2020

²⁸ Ibid.

²⁹ APO NT, Submission to the Senate Community Affairs Legislation Committee on the Social Security (Administration) Amendment (Continuation of Cashless Welfare) Bill 2020

single phone for queries and complaints, there are significant challenges for people living remotely.³⁰

This is significant not just in terms of access to money, but also in terms of impeding on participants ability to seek an exemption from participating in the program. The exemption process, as established in the Cashless Debit Card Exit Application form,³¹ largely relies on an individual's ability to have reliable access to telecommunications and liaise with the Department.³² Noting the low rate of exemptions for Aboriginal participants applying to successfully be removed from compulsory IM in the NT,³³ with only 4.9% succeeding upon application to exit IM compared to non-Indigenous people,³⁴ introducing further obstacles that impede on an individual's ability to navigate this process is of great concern. Considering Aboriginal people make up the overwhelming majority of IM recipients, and reports that those who voluntarily partake in IM are the cohort of people who are most interested in continuing it, it seems punitive to expand the CDC in line with the amendments outlined in the Bill.

NTCOSS also echoes Tangentyere Council's concerns regarding the introduction of the CDC and its management by Indue, particularly noting concerns around the lack of a shopfront, the introduction of a new financial institution and concerns regarding the compliance and security regulations that they are expected to comply with, along with lack of digital accessibility.³⁵

³⁰ Ibid.

³¹ Australian Government. (2020). Cashless Debit Card Exit Application form (SS526), <https://www.servicessaustralia.gov.au/individuals/forms/ss526>

³² APO NT, Submission to the Senate Community Affairs Legislation Committee on the Social Security (Administration) Amendment (Continuation of Cashless Welfare) Bill 2020

³³ Bray et al. 2014, Evaluating New Income Management in the Northern Territory

³⁴ Ibid.

³⁵ Tangentyere Council, Senate Inquiry into the Social Security Amendment Bill 2019 – Income Management to Cashless Debit Card Transition, 2019

Conclusion

In summary, NTCOSS does not support the passage of the Bill and the expansion of the CDC.

NTCOSS reiterates the position that:

- Considering any changes to IM in the NT disproportionately impact Aboriginal people, and particularly those living in remote localities, it is essential that any programs and service delivery for Aboriginal people recognise their sovereignty, and that Aboriginal people and communities have control and agency over matters affecting them.
- IM should be on an opt-in basis.
- That the Government raise the rate of JobSeeker and related payments and focus on addressing rates of unemployment, inequality and poverty through addressing the social determinants of health.
- That funds allocated for the implementation of the CDC trial in the NT be reinvested in communities to address the causative factors of disadvantage and poverty, prioritising ACCOs to deliver such programs.
- That any future trials or iterations of the CDC and IM be subject to rigorous and independent evaluation processes.
- The Government abolishes the CDP and adopts the Fair Work and Stronger Communities Proposal.

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October 2019

NORTHERN TERRITORY COUNCIL OF SOCIAL SERVICE INC (NTCOSS).

NTCOSS is a peak body for the social and community service sector in the Northern Territory (NT), and an advocate for social justice on behalf of the people and communities who may be affected by poverty and disadvantage. The community sector in the NT is made up of community managed, non-government, not for profit organisations that work in social and community service delivery, sector development and advocacy. The community sector plays a vital role in creating social wellbeing for all Territorians and in building safe and healthy communities by providing services that enable people to access and participate in health services, education, employment, economic development, and family and community life.

NTCOSS has a broad membership base, and acknowledges that a number of our member organisations with specific expertise in this area have also provided submissions. In particular, NTCOSS supports submissions by our Aboriginal community controlled member organisations.

NTCOSS' vision is for a 'fair, inclusive and sustainable NT where all individuals and communities can participate in and benefit from all aspects of social, cultural and economic life'. NTCOSS' mission is to 'promote an awareness and understanding of social issues through the NT community and to strive towards the development of an equitable and just society'.

Introduction

NTCOSS welcomes the opportunity to respond to the Senate inquiry on the Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019 (the Bill).

The proposed amendments would see the whole of the NT made a trial site for the Cashless Debit Card (CDC), until June 2021 (in line with the Government's Budget announcement, to move people on compulsory Income Management (IM) in the NT onto the CDC from January 2020). While the Bill would see people who are currently on IM transitioned onto the CDC, there would also be a broader remit regarding the categories of social welfare recipients covered within the trial.

NTCOSS is concerned that the proposed amendments and expansion of the CDC are not informed by a solid evidence base and will have negative repercussions on communities and people within the NT. Key to this is;

- The expansion of IM in the NT unfairly targets Aboriginal and Torres Islander people;
- The short time frame given by the Government for stakeholders and the public to provide a reply to the proposed Amendments and engage in meaningful consultation;

- The fact that no hearings are being held in remote Aboriginal communities, not enabling those living in these places (who make up the majority of those who will be impacted by any changes) to share their experiences and stories;
- That the current approach, which ignores calls for meaningful co-design, self-determination and collaboration with communities of people forced to take part in IM appears to have the hallmarks of the approaches taken during the NT Intervention (no consent from communities and lack of consultation);
- That compulsory IM does not address lack of employment opportunities, inadequacy of welfare payments (such as Newstart) and other social determinants of health; and
- That there is a lack of clear evidence from previous reports on IM in the NT and CDC trials elsewhere in Australia to support its use and further expansion in its current model.

Numerous reports have shown that the roll out of compulsory IM and the CDC does not work as designed,¹ and is likely to have a negative effect. The importance of community agency, meaningful co-design and self-determination must be a cornerstone of any future policy.

After 12 years of compulsory IM there is no clear definitive empirical evidence that it works. Without definitive evidence, we should not be embarking on this change.

Discussion and recommendations

1. Aboriginal and Torres Strait Islander people are unfairly burdened and targeted by IM

The NT is home to the highest proportion of Aboriginal and Torres Strait Islander peoples in Australia, with more than 100 languages and dialects spoken across the region.² Data from March 2018 shows that there are over 22,000 people on IM in the NT, with 82% of this population identified as Aboriginal; the majority of who are recognized as long term welfare recipients.³

¹ Bray et al. 2014, Evaluating New Income Management in the Northern Territory, Social Policy Research Centre UNSW; Klein E and Razi S, 2017, The Cashless Debit Card Trial in the East Kimberley, Centre for Aboriginal Economic Policy Research, ANU; Australian National Audit Office, 2018, The Implementation and Performance of the Cashless Debit Card Trial, September 2019, accessed at <https://www.anao.gov.au/work/performance-audit/implementation-and-performance-cashless-debit-card-trial>

² Australian Bureau of Statistics, 2016 Census QuickStats, Northern Territory https://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/7?opendocument accessed 18th June 2019; Aboriginal languages in NT <https://nt.gov.au/community/interpreting-and-translating-services/aboriginal-interpreter-service/aboriginal-languages-in-nt>, accessed 18th June 2019

³ Australian Government, 2018, Income Management and Cashless Debit Card Summary, October 2019, accessed at <https://data.gov.au/dataset/ds-dga-3b1f1fb7-adb5-48ea-8305-9205df0a298c/distribution/dist-dga-986ef7fe-1ba8-460e-b1c4-2cf00145a948/details?q=>

IM was first introduced in the NT as part of the 2007 Northern Territory Emergency Response (NTER). The NTER required the suspension of the *Racial Discrimination Act 1975* to explicitly target all Aboriginal and Torres Strait Islander people on welfare.⁴ New Income Management (NIM) was introduced to replace IM under the NTER in 2010, which included reinstating the *Racial Discrimination Act*, meaning non-Indigenous people were included.

Despite the reintroduction of the *Racial Discrimination Act*, CDC trial sites in Ceduna and the East Kimberley have disproportionately targeted Indigenous people.⁵ The Parliamentary Joint Committee on Human Rights (PJHCR) established that the IM measures are likely to disproportionately impact on Indigenous persons and therefore may be indirectly discriminatory.⁶ First Nations people continue to make up the overwhelming majority of IM recipients,⁷ with national and international human rights bodies expressing concern regarding the targeting of Aboriginal and Torres Strait Islander people by IM.⁸

The number of Aboriginal people receiving welfare on a long term basis can be directly correlated with the failure to close the employment gap and address the underlying causative factors of unemployment in remote areas⁹ (i.e. lack of appropriate employment opportunities that take into account mobility, flexible working practices that accommodate cultural obligations and lack of training opportunities). The Australian Bureau of Statistics (ABS) found that the proportion of Aboriginal people in remote areas who are employed has stalled or is decreasing,¹⁰ meaning that people are increasingly reliant on government payments (such as Newstart).

⁴ Klein E and Razi S, 2017, The Cashless Debit Card Trial in the East Kimberley

⁵ Ibid.

⁶ Parliamentary Joint Committee on Human Rights, Human Rights Scrutiny Report, Report no 27/2015, 8 September 2015; Parliamentary Joint Committee on Human Rights, Human Rights Scrutiny Report, Report no 9/2017, 5 September 2017

⁷ Bray et al. 2014, Evaluating New Income Management in the Northern Territory

⁸ United Nations Committee on the Elimination of Racial Discrimination, 2017, Concluding observations on the eighteenth to twentieth periodic reports of Australia, October 2019, accessed at

[https://tbinternet.ohchr.org/Treaties/CERD/Shared%20Documents/AUS/CERD_C_AUS_CO_18-](https://tbinternet.ohchr.org/Treaties/CERD/Shared%20Documents/AUS/CERD_C_AUS_CO_18-20_29700_E.pdf)

[20_29700_E.pdf](https://tbinternet.ohchr.org/Treaties/CERD/Shared%20Documents/AUS/CERD_C_AUS_CO_18-20_29700_E.pdf); Australian Human Rights Commission, 2017, submission No 30 to the Senate Community Affairs Legislation Committee – Inquiry into the Social Services Legislation Amendment (Cashless Debit Card) Bill, October 2019, accessed at

https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/CashlessDebitCard/Submissions

⁹ Central Australian Aboriginal Congress, 2019, Submission to the Senate Inquiry into the Adequacy of Newstart and Related Payments and Alternative Mechanisms to Determine the Level of Income Support Payments in Australia

¹⁰ Australian Bureau of Statistics, 2015, National Aboriginal and Torres Strait Islander Social Survey 2014-15, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/4714.0201415?OpenDocument#Publications>

Not only are these payments severely inadequate,¹¹ but IM does not focus on capacity building and independence, and has been attributed to making people more dependent on welfare.¹²

Government rhetoric often highlights the valuable role that Aboriginal and Torres Islander people should play in decision making, particularly regarding policy that directly impacts their communities; however the current approach to changing IM in the NT (with lack of consultation with remote communities and not holding hearings in these localities) does not support this concept.

2. Lack of evidence to support compulsory IM and the expansion of CDC

IM is described by the Australian Government as;

*'A tool that helps people budget their welfare payments and ensures they are getting the basic essentials of life, such as food, housing, electricity and education. Improved control of their finances helps people to stabilise their lives so they can better care for themselves and their children. It can also support them to join or return to the workforce'.*¹³

Cornerstones of IM policy (all iterations) are claims that by quarantining welfare not only will outcomes for children and families be improved, but harmful behaviours around the use of alcohol and drugs would decrease. Despite this, there is no reliable, consistent evidence that IM has accomplished these purported outcomes.

¹¹ NTCOSS, 2019, Submission to the Senate Inquiry into the Adequacy of Newstart and Related Payments and Alternative Mechanisms to Determine the Level of Income Support Payments in Australia (public); Australian Council of Social Service (ACOSS), 2019, Submission to the Senate Inquiry into the Adequacy of Newstart and Related Payments and Alternative Mechanisms to Determine the Level of Income Support Payments in Australia - Surviving, not living: the (in)adequacy of Newstart and related payments; Central Australian Aboriginal Congress, 2019, Submission to the Senate Inquiry into the Adequacy of Newstart and Related Payments and Alternative Mechanisms to Determine the Level of Income Support Payments in Australia

¹² Bray et al. 2014, Evaluating New Income Management in the Northern Territory, Social Policy Research Centre UNSW

¹³ Department of Social Services, 2019, Families and Children –Income Management, viewed September 2019, accessed at <https://www.dss.gov.au/our-responsibilities/families-and-children/programmes-services/family-finance/income-management>

IM in the NT was evaluated between 2010 and 2014,¹⁴ with some key points from the report highlighting;

- “Very little progress in addressing many of the substantial disadvantages faced by many people in the Northern Territory”;
- “No evidence to indicate that income management has an effect at the community level, nor that income management, in itself, facilitates long-term behavioural change”;
- The cohort of individuals most interested in continuing IM were undertaking it on a voluntary basis;
- It is much harder for Aboriginal people to exit IM, especially those in remote communities; and
- Rather than building capacity and independence, for many people on compulsory IM, it has made them more dependent on the Government.

The proposed extension and expansion of IM in the NT is planned to take place through the transfer to the CDC, however there is a clear lack of evidence to support this change.

The Australian National Audit Office (ANAO) found that the Department of Social Services (DSS) had taken an inadequate approach to monitoring and evaluation regarding the CDC trials in a 2018 report,¹⁵ stating that as a consequence of this, it was difficult to determine whether the CDC trials resulted in a reduction of social harms or if it was a lower cost welfare quarantining approach. In conjunction with this, the ORIMA research on the CDC (which was commissioned to carry out the evaluation) incurred greater costs than were originally contracted and did not use all relevant data to measure the impacts of the trial.¹⁶

Despite inconclusive findings, budget issues and lack of evidence, the expansion of the CDC trials has been continued, while the second evaluation of the current Goldfields and Ceduna trials are not scheduled to report findings until late 2019. Further, there are concerns that the evaluation requirements set out in the new instrument are inadequate (particularly considering emphasis placed on a desktop evaluation)¹⁷ and do not adequately address previously established concerns regarding evaluation, monitoring and lack of evidence based outcomes.

In view of the above, NTCOSS believes expanding compulsory IM is ill advised and potentially an expensive policy misstep.

¹⁴ Bray et al. 2014, Evaluating New Income Management in the Northern Territory

¹⁵ Australian National Audit Office, 2018, The Implementation and Performance of the Cashless Debit Card Trial

¹⁶ Ibid; Klein E and Razi S, 2017, The Cashless Debit Card Trial in the East Kimberley

¹⁷ Parliament of Australia, 2019, Explanatory Memorandum Social Security (Administration) Amendment

(Income Management to Cashless Debit Card Transition) Bill 2019, October 2019, accessed at

https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bld=r6289

3. Widened scope removes current and limited safeguards, and impacts more people

Considering the lack of evidence that supports the outcomes of the CDC trials and IM, removing the cap of participants to encompass the entirety of the NT and Cape York and broaden the scope of welfare recipients who will have to partake in IM seems imprudent.

While the majority of recipients would enter on to the new CDC trial in the NT having a minimum of 50% of their payment quarantined (which is already not an insignificant percentage), there are concerns regarding the ability for the Minister to alter this amount (with the ability to increase up to 100%), with limited parliamentary scrutiny.¹⁸

The proposed amendments would also remove the limited safeguards that exist with the current IM model, with the key factor that will determine if someone is to move onto the CDC being the type of social security payment they receive (including Newstart and other Category P payments).¹⁹

NTCOSS acknowledges that while the Bill establishes mechanisms for individuals to apply to move off compulsory IM, the rate of Aboriginal people being able to successfully apply to be taken off compulsory IM is slim,²⁰ with only 4.9% succeeding upon application to exit IM compared to non-Indigenous people.²¹ Considering Aboriginal people make up the overwhelming majority of IM recipients, and reports that those who *voluntarily* partake in IM are the cohort of people who are most interested in continuing it, it seems punitive to expand compulsory trials in line with the amendments outlined in the Bill.

4. Limited time frame and consultation regarding changes

The Bill proposes that IM participants will be transitioned to the CDC trial in 2020, with \$17.8 million for support services to assist with this transition outlined.²²

NTCOSS is concerned that current IM recipients in the NT have not been adequately consulted regarding the move to the CDC, particularly in remote communities where the majority of those who are on IM and impacted by such changes live. Further, it is unclear what support

¹⁸ Parliament of Australia, 2019, Explanatory Memorandum Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019

¹⁹ Australian Government, 2019, Social Security Guide – Category P Welfare Payments, October 2019, accessed at <https://guides.dss.gov.au/guide-social-security-law/11/2/5/10>; Parliament of Australia, 2019, Explanatory Memorandum Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019

²⁰ Bray et al. 2014, Evaluating New Income Management in the Northern Territory

²¹ Ibid.

²² Parliament of Australia, 2019, Explanatory Memorandum Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019

services will be funded through the allocated funds and how they will be accessed in remote communities.

NTCOSS believes that the short time frame regarding the transition does not reflect complexities such as remoteness, language barriers, literacy levels, lack of access to technology (computers and telephones) and lack of access to support services and other Government services that exist in remote communities. Further, the funds allocated to provide support do not overtly address the social determinants of health and underlying issues such as inequality, poverty and welfare dependency that exist in the NT.

Recommendations

- NTCOSS does not support the passage of the Bill and the expansion of compulsory IM.
- Considering that any changes to IM in the NT disproportionately impact Aboriginal and Torres Strait Islander people, and particularly those living in remote localities, it is essential that any programs and service delivery for Aboriginal people recognise their sovereignty, and that Aboriginal people and communities have control and agency over matters affecting them.
- IM should be on an opt-in basis.
- That the Government raise the rate of Newstart and related payments and focus on addressing rates of unemployment, inequality and poverty through addressing the social determinants of health.
- That funds allocated for the implementation of the CDC trial in the NT be reinvested in communities to address the causative factors of disadvantage and poverty, prioritising Aboriginal Community Controlled Organisations to deliver such programs.
- That any future trials or iterations of the CDC and IM be subject to rigorous and independent evaluation processes.

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