



Committee Secretary
Senate Standing Committees on Community Affairs
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Parliament House
Canberra ACT 2600
By email: community.affairs.sen@aph.gov.au

28 April 2023

To the Committee Secretary,

Re: Social Security (Administration) Amendment (Income Management Reform) Bill 2023

This submission joins a long line of submissions to this Committee over many years calling for an end to compulsory quarantining of welfare payments. For the Central Land Council (CLC) and Aboriginal Peak Organisations NT (APO NT) of which we are member, these include the:

- CLC and APO NT submissions on the Social Security (Administration) Amendment (Repeal of Cashless Debit Card and Other Measures) Bill 2022 (August 2022)
- APO NT submission on the Social Security (Administration) Amendment (Continuation of Cashless Welfare) Bill 2020 (October 2020)
- APO NT submission on the Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019 (October 2019)

Through its elected representative Council of 90 community delegates, the CLC represents the interests and aspirations of approximately 20,000 traditional landowners and other Aboriginal people resident in its region, which spans approximately 780,000 km² of the Northern Territory (NT). We advocate for our people on a wide range of land-based and socio-political issues to ensure that our families can continue to survive and thrive on their land.

Our full Council recently met at Spotted Tiger (Atitjere, NT). At this meeting, our Council reiterated that they **do not support compulsory income management** and made this statement:

"How many times do we have to say it until the government listens to our voices?"

Since Income Management was introduced in 2007 as part of the Commonwealth Government's Intervention in the NT, we have said no.

A different card, a different colour – it is all for the same purpose: to control our lives.

We are not guinea pigs.

The CLC calls on the government to end all forms of compulsory income management now."

Central Land Council Resolution, Spotted Tiger (Atitjere, NT), 20 April 2023

The Council further stated that if people decide they want to be on income management, it must be voluntary, and it must be voluntary in every sense – that is, people should be able to choose whether they have it or not, and how much money goes onto any card under any future voluntary program.

This bill suggests that the voices of our delegates – along with many other Aboriginal people and their representative organisations across the country – continue to be ignored.

The CLC understands that this bill provides for individuals using the Basics Card to move to the new SmartCard if they wish to do so, and for all individuals coming onto Income Management to be subject to the new 'enhanced Income Management' (eIM) regime. These provisions may appear benign, but they do nothing to advance the Australian Government's stated commitment to make income management voluntary.

In a press conference in September last year, the Minister for Indigenous Australians, the Hon. Linda Burney MP, reiterated that *"Labor's fundamental position (...) that we do not believe in mandatory income management."*¹

Rather than taking steps to cease compulsory income management, as APO NT has highlighted, this bill effectively does the opposite by removing a number of impediments which previously operated as a limit on the expansion of income management

- **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.

This is deeply concerning. The CLC will not reiterate here the evidence that compulsory quarantining of welfare payments has failed to address the problems it is purportedly intended to address², or the evidence of harm it is causing to individuals and communities. We refer the Committee to the previous submissions cited above.³

We do, however, reiterate that compulsory Income Management was and continues to be a top-down policy imposed on a significant number of Aboriginal people regardless of their circumstances. It is a policy met with concern by multiple human rights bodies, including the UN Committee on the Elimination of Racial Discrimination and the Australian Human Rights Commission⁴. It is a policy that contradicts the central principle of the National Agreement on Closing the Gap that "when Aboriginal and Torres Strait Islander people have a genuine say in the design and delivery of services that affect them, better life outcomes are achieved"⁵ – and the Australian Government's parallel commitment under the agreement to share decision-making authority with Aboriginal and Torres Strait Islander people.

Minister Burney has stated that the Cashless Debit Card *"diminishes people's self-worth. It was discriminatory and arbitrary."*⁶ We ask the Minister, in what ways are the continued systems of compulsory Income Management and enhanced Income Management in the NT any different?

¹ The Hon Amanda Rishworth MP, The Hon Linda Burney MP and The Hon Justine Elliot MP, Transcript, Press Conference, Parliament House, 28 September 2022

² Namely, to reduce the harms associated with alcohol, drug use and gambling, and the insufficient allocation of funds to essentials such as food, clothing and housing.

³ Refer to APO NT (2019) Submission to the Senate Community Affairs Legislation Committee Social Security (Administration Amendment (Income Management to Cashless Debit Card Transition) Bill 2019 and APO NT (2020) Submission to the Senate Community Affairs Legislation Committee on the Social Security (Administration) Amendment (Continuation of Cashless Welfare) Bill 2020 provided as attachments to this submission.

⁴ Refer to APO NT (2019) Submission to the Senate Community Affairs Legislation Committee Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019

⁵ National Agreement on Closing the Gap (July 2020), Preamble

⁶ The Hon Amanda Rishworth MP, the Hon Linda Burney MP, the Hon Bill Shorten MP and the Hon Justine Elliot MP, Media Release, *Cashless Debit Card program to end following passage of legislation*, 28 September 2023

If any government genuinely wants to address the issues that Income Management purportedly seeks to address, they must do so in partnership with Aboriginal people and the Aboriginal organisations that represent them.

Rather than prolong the failed policy of Income Management, the CLC urges the Australian Government take action to alleviate poverty and improve the circumstances of Aboriginal people living in remote communities. We refer the Committee to the [CLC's submission](#) to the *Inquiry into the Extent and Nature of Poverty in Australia* made in February this year (**Attachment A**) and reiterate our key recommendations in that submission to:

1. Create jobs and raise incomes in remote Aboriginal communities
2. Reduce the cost of living in remote Aboriginal communities
3. Increase and sustain investment in remote Aboriginal communities.

We encourage the Committee to please read this submission in full.

As communicated to the Committee in our submission last year, we note that the withdrawal of compulsory Income Management must be managed with care. This includes taking into account implications for rental, utilities and loan deductions attached to Income Management and eIM, and ensuring people have access to advice and appropriate services/supports to understand and manage transition off the cards. Any options for and safeguards around quarantining of welfare payments in situations involving Child Protection or extreme vulnerability must be considered in close consultation with Aboriginal community-controlled organisations and Aboriginal community leaders.

Reflecting the discussion above, the CLC therefore makes the following recommendations:

Recommendation 1: That the Committee recommends against passage of the Social Security (Administration) Amendment (Income Management Reform) Bill 2023.

Recommendation 2: If the bill is to be supported, the Committee should recommend that:

- a) The Australian Government outlines a clear timeframe and process to cease all forms of compulsory Income Management and ensures that its withdrawal is managed with care.
- b) Aboriginal people in the NT are prioritised in the consultation process to end compulsory Income Management and in the design of any voluntary approach to Income Management.

Aboriginal people in the NT have been subject to compulsory Income Management for the longest period of time. They were subjected to this regime and subsequent changes without adequate consultation – their voices have not been heard.

- c) The discretionary power of the Minister to further extend enhanced Income Management is removed.
- d) For the period for which any form of compulsory Income Management remains, there must be simple and practical ways for participants to demonstrate that they do not require compulsory income management and exit the scheme.

Recommendation 3: The Australian Government increase income support payments to alleviate deepening poverty in remote communities including:

- a) Permanently and adequately increasing Jobseeker and all other income support payments to keep people out of poverty.
- b) Increase in the Remote Area Allowance (RAA) to appropriately account for the higher cost of living of remote regions of the NT, and
- c) Ongoing indexation of all payments (including the RAA) in line with wage movements at least twice a year.

Recommendation 4: That the Australian Government works closely with Aboriginal communities and organisations to inform the design of a new approach to remote employment to replace the failed Community Development Program (CDP). This new approach must focus on local job creation and strengthening Aboriginal community-control, reflecting the key elements of the APO NT [Fair Work and Strong Communities](#) proposal (**Attachment B**).

We cannot address Indigenous poverty unless we address the employment gap. Aboriginal people must be at the centre of decision-making about the jobs that are needed and wanted in their communities, and must be given the resources to make this happen.

Recommendation 5: That the Australian and Northern Territory Governments jointly invest in evidence-based, culturally-appropriate strategies to address alcohol and drug misuse and problem gambling, including more funding for treatment services.

Recommendation 6: That the Australian and Northern Territory Governments jointly invest in financial counselling services that are geographically, culturally, and linguistically accessible to those individuals who need them most.

In summary, the CLC urges the Committee to recommend against the passage of the bill and recommends that the Australian Government commence a carefully managed process to fully repeal all forms of compulsory Income Management. Reiterating our point made to the Committee in August last year, the CLC suggests that the roughly \$73 million per year in operating costs for Income Management⁷ could be far better spent on job creation and evidence-based strategies to support the health and wellbeing of Aboriginal people living in remote communities.

Thank you for considering our submission. If you wish to discuss any aspects further, please contact Nicola Flook, Senior Policy Officer at nicola.flook@clc.org.au.

Regards,



Lesley Turner
Chief Executive Officer

⁷ Australian Government Department of Social Services (2020) Cashless Debit Card Final Assessment Regulation Impact Statement OBPR ID 24100, p.3 ([online](#))