



CENTRAL LAND COUNCIL

Senate Standing Committees on Community Affairs
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23rd January 2024

To the Committee Secretary,

**Review of legislative instruments made under Part 3AA or Part 3B of the Social Security
(Administration) Act 1999:**

**Social Security (Administration) (Enhanced Income Management Regime—Volunteers)
Determination 2023, Social Security (Administration) (Enhanced Income Management Regime—
State Referrals) Determination 2023 and Social Security (Administration) (Enhanced Income
Management Regime – Commonwealth Referrals and Exemptions) Determination 2023**

Thank you for the opportunity to provide input to the Review of legislative instruments made under Part 3AA or Part 3B of the Social Security (Administration) Act 1999 (the Act). As you know, the continued imposition of broad-based compulsory quarantining of welfare payments in the Northern Territory (NT) remains a significant concern for our Council. The desire to see an end to this discriminatory policy and legacy of the NT Intervention was expressed unequivocally at our full Council meeting in April 2023:

*“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 CLC understands from the submission provided by the Department of Social Services (DSS) that the three legislative instruments being considered by the Committee operationalise the changes to enhanced Income Management introduced by the Australian Government on 4 September 2023, following the commencement of the Social Security (Administration) Amendment (Income Management Reform) Act 2023. The instruments define criteria for the operation of the enhanced Income Management regime, namely elements for the operation of:

1. Voluntary enhanced Income Management participation
2. State and territory-based referral measures (supporting people at risk and child protection)
3. Compulsory measures (long term welfare payment recipient/s, disengaged youth and vulnerable welfare payment recipient/s).



The Central Land Council reiterate the position that we are not opposed to providing people with the choice of the new technology of the SmartCard, *providing that this is an interim measure*. We remain concerned that the government has placed no time limit on the continuation of compulsory income management – enhanced or otherwise.

While the scope of this review is to review the legislative instruments outlined above, we would like to take this opportunity to comment on our expectations for the future of income management and measures to address the deepening poverty among Aboriginal people in the NT.

Firstly, we note that the government has recently commenced community consultations in the NT on the future of income management. The purpose of these consultations should be to inform the development of a voluntary program that gives individuals genuine choice to opt-in to a well-designed system, consistent with Federal Labor's stated position that income management should not be mandatory.¹ This will require consultations to be undertaken in a clear, safe and respectful way, with the opportunity for men and women, young people and older people, to share their views. We note that the timeframes for the consultations are relatively short (December 2023-early April 2023). We have requested that the department publish the outcomes of the consultations, including details of the number of individuals consulted in each community.

Secondly, we would like to draw the Committee's attention to some extremely concerning data on Indigenous poverty rates in the NT. The figure below produced by Dr Francis Markham from the Australian National University shows the change in Indigenous poverty rates around the country between 2016 and 2021:

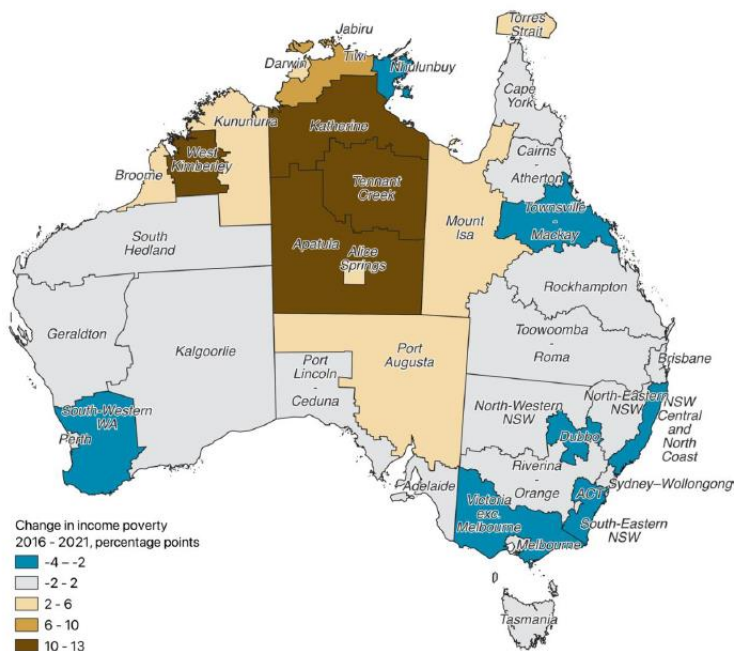


Figure 4: Change in Indigenous income poverty rates by Indigenous Region between the 2016 and 2021 Censuses

Source: Dr Francis Markham, submission to the Inquiry into the extent and nature of poverty in Australia (October 2023)

¹ The Hon. Linda Burney MP, Minister for Indigenous Affairs, in The Hon Amanda Rishworth MP, The Hon Linda Burney MP and The Hon Justine Elliot MP, Transcript, Press Conference, Parliament House, 28 September 2022



It shows that while Indigenous poverty rates are decreasing (albeit to a small degree) across most parts of the country, in remote NT and the West Kimberly, they are escalating – significantly. In these regions, poverty rates are more than 50 per cent, and in some cases, much higher. **This level of poverty is unparalleled elsewhere in Australia and evidence of serious policy failure – and income management is a wholly inadequate policy to address it.**

The purported intent of income management is to help people receiving income support payments budget for the basics. A focus on improved budgeting is of limited utility when people have barely enough money to survive.

The development of a voluntary income management option can therefore not obscure the urgent imperative of addressing this income disparity. At a minimum, this requires:

- 1) **Permanently and adequately increasing Jobseeker** and all other income support payments to keep people out of poverty.
- 2) **Increase the Remote Area Allowance (RAA)** to appropriately account for the higher cost of living of remote regions of the Northern Territory.ⁱ
- 3) **Ongoing indexation of all payments (including the RAA)** in line with wage movements at least twice a year.
- 4) Targeted efforts by the Department of Social Services to **ensure that Aboriginal people in remote communities are receiving the payments for which they are eligible.**ⁱⁱ
- 5) **Improving the accessibility of Centrelink services** in remote regions, including increasing the number of staffed Service Centres.ⁱⁱⁱ
- 6) **Development of a new approach to remote employment and community development to replace the failed Community Development Program (CDP).** This new approach must facilitate job-creation in remote communities and strengthen Aboriginal community-control. The CLC is seeking the establishment of an Aboriginal-led governance group to oversee this reform that includes cross-government representation from the National Indigenous Australians Agency, Department of Employment and Workplace Relations, and the Department of Social Services.

Coupled with the policy measures above to lift incomes, we urge:

- 1) Further efforts by the Federal Government to protect people from predatory industries, including pay-day lenders, online gambling and pokies.^{iv}
- 2) Further investment by the Australian and Northern Territory Government in culturally-appropriate evidence-based services to address alcohol and drug misuse and problem gambling, and strengths-based, preventative family support programs.

Genuine efforts to address the poverty crisis in remote NT will focus on policy measures that are preventative, strengths-based and systemic – designed with Aboriginal people and their representative organisations, consistent with the commitments under the National Agreement on Closing the Gap.



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Thank you for the opportunity to contribute to this review. For any questions relating to this submission, please contact Nicola Flook at

Yours sincerely,

Central Land Council Policy Team.



ⁱ The RAA hasn't increased in more than 20 years – despite the fact that prices have continued to grow faster than the Consumer Price Index in remote NT communities. The stagnant RAA has had the most impact on Aboriginal families, who are more likely to be in receipt of income support payments. Over the same period, predominately non-Indigenous people working in remote areas have seen significant economic advantage through fringe benefit tax concessions that have grown with the increased cost of living. The RAA must increase and be indexed to appropriately account for the higher cost of living of remote regions of the Northern Territory.

ⁱⁱ The high numbers of Aboriginal people classified as *Not in the Labour Force* and widespread anecdotal evidence suggest that a significant number of Aboriginal people in Central Australia are not employed and not receiving any form of government support. This is a result of a number of contributing factors, including the high rates of penalties that were applied under the CDP program and the withdrawal of face-to-face Centrelink services across the region, which has made it even more difficult for Aboriginal people (particularly those living in remote communities) to navigate the system. Anecdotally, it is young men who have 'dropped out of the system' in the greatest numbers.

ⁱⁱⁱ Centrelink service access across remote Central Australia has been poor for a long time. There are now only five staffed service centres across all of Central Australia. In many communities, the best people can hope for is access to a phone at the council office (with no assistance provided), and the occasional mobile visiting service. There is plenty of evidence of the digital divide experienced by Aboriginal people in remote Australia – lack of internet and phone access, lack of home computers, the fact that for most people English is a second language, and low levels of literacy and digital literacy (see for example discussion in the CLC's submissions to the [Regional Telecommunications Review](#) (2021) and submission to the *Indigenous Digital Inclusion Discussion Paper* (2021)). The consequent challenges accessing Centrelink services are multiple. Accessing MyGov, the pre-requisite for accessing Centrelink, first requires setting up an email address, which not all people have. Two-factor authentication compounds the challenge, as many Aboriginal people living in remote communities either don't have a mobile phone and/or are living in a community without phone service. Even calling Centrelink can mean hours spent on hold, making it challenging for people calling from pay phones or trying to use service provider phone lines.

^{iv} See for example, NACCHO submission to the House of Representatives Standing Committee on Social Policy and Legal Affairs' *Inquiry into online gambling and its impacts into those experiencing gambling harm* (November 2022) ([weblink](#)) highlighting evidence of the 'gambling gap' between Indigenous and non-Indigenous Australians. While comprehensive data on Aboriginal and Torres Strait Islander gambling needs to be collected, data indicates that gambling participation by Aboriginal and Torres Strait Islander people is well above those of the non-Indigenous population. In addition, NT Government data shows that NT gamblers lost more than \$150 million on poker machines in the last financial year. See "*Gamblers lost nearly \$150 million on NT poker machines during the last financial year, data shows*", S. Dick, ABC, 19 December 2023.