

NTCOSS
Northern Territory Council of Social Service



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Committee Secretary
Parliamentary Joint Committee on Human Rights
Via email: human.rights@aph.gov.au

8 May 2024

To the Parliamentary Joint Committee on Human Rights

Re: Inquiry into compulsory income management

The Northern Territory Council of Social Service (NTCOSS) welcomes the opportunity to provide a submission to the inquiry into compulsory income management.

NTCOSS is the peak body for the Northern Territory (NT) community and social services sector and advocates for people affected by social and economic disadvantage and inequality. NTCOSS membership is made up of community managed, non-government, not-for-profit organisations that work in social and community service delivery, sector development and advocacy. NTCOSS' vision is a fair, inclusive, and sustainable NT.

NTCOSS recognises the expertise of members and external stakeholders with expertise in matters relating to compulsory income management (CIM). In particular, NTCOSS supports submissions to this Inquiry and previous ones by ACCO members and stakeholders, including from the Aboriginal Peak Organisations of the NT (APONT), North Australian Aboriginal Justice Agency (NAAJA), Central Land Council, Tangentyere Council, and the Darwin Community Legal Service (DCLS). As well as national bodies such as the Australian Council of Social Service (ACOSS) and Accountable Income Management Network (AIMN).

NTCOSS has provided submissions to several inquiries related to compulsory income management (CIM) in the NT over recent years, and draws the committee's attention to the following submissions:

1. Inquiry to Social Security (Administration) Amendment (Income Management Reform) Bill 2023 [Submission date April 2023]
2. Inquiry into the Social Security (Administration) Amendment (Repeal of Cashless Debit Card and Other Measures) Bill 2022 [Submission date August 2022]
3. Senate Community Affairs Legislation Committee on the Social Security (Administration) Amendment (Continuation of Cashless Welfare) Bill 2020 [Submission date October 2020]
4. Senate Inquiry on the Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019 [Submission date October 2019]

NTCOSS maintains its position that CIM is a failed policy that unfairly and disproportionately impacts Aboriginal Territorians and has not achieved its stated aims.

CIM was introduced in the NT in 2007, in the 17 years since then there has been several evaluations into whether it has been effective in achieving its stated aims. The original purpose of CIM 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.¹

The most significant evaluation completed into CIM in the NT, “could not find any substantive evidence of the program having significant changes relative to its key policy objectives, including changing people’s behaviours”.² In a recent publication, Roche et al. also found that CIM is considered ineffective in reducing social harms, exacerbates challenges for recipients living in regional remote areas and is a form of social control and disempowerment.³

Previous evaluation has found that CIM has increased dependency on the welfare system, contrary to its stated intent of building financial skills and capacity.⁴ Despite this evidence that CIM is not an effective measure to support independence and address long term welfare dependency, the NT is the only jurisdiction continuing to use the ‘Long Term Welfare Payment Recipients and Disengaged Youth’ measure to place participants on CIM. It has been well proven over many years that CIM is a failed policy, continuing to interrogate this question is to disregard years of evidence.

There are currently over 27,000 people in the NT on CIM. This represents approximately 90% of participants Australia wide and 80% of participants on enhanced IM in the NT are Aboriginal.⁵ This policy has a blatantly disproportionate effect on Aboriginal Territorians. CIM has long attracted concern from multiple human rights bodies over the years including UN Committee on the Elimination of Racial Discrimination and the Australian Human Rights Commission.⁶

NTCOSS notes that Department of Social Services (DSS) conducted consultation on the future of income management between November 2023 and February 2024. Previous consultation has been limited, particularly in its engagement affected communities. NTCOSS calls on DSS to publish the results of this consultation and ensure transparency regarding decisions on the future of income management.

While the withdrawal of CIM and any transition to voluntary measures must be a considered process, **NTCOSS strongly reiterates the call for all forms of compulsory income management to be abolished.**

Please contact Mollie Harding, Senior Policy Officer with NTCOSS, with any queries relating to this submission at mollie@ntcoss.org.au.


Yours sincerely,

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¹ Explanatory Memorandum, Social Security and Other Legislation (Welfare Payment Reform) Bill 2007, p. 5

² Bray, J. R., Gray, M., Hand, K., & Katz, I. (2014). *Evaluating New Income Management in the Northern Territory: Final evaluation report*. Social Policy Research Centre, University of New South Wales

³ Roche, S., Taylor-Zach, N., Taylor, R., & Mendes, P. (2024) *Perspectives on the ongoing impact of compulsory income management in the Northern Territory*. Australian Journal of Social Issues, 00, 1-18. Available from: <https://doi.org/10.1002/ajs4.323>

⁴ See footnote 2.

⁵ Australian Government, Department of Social Services. 2024. *Income Management (IM) and enhanced IM – Participant Data (as at Friday 1 March 2024)*. Available at: <https://www.dss.gov.au/families-and-children-programs-services-welfare-reform-enhanced-income-management/income-management-im-and-enhanced-im-participant-data>

⁶ Refer to APO NT (2019) Submission to the Senate Community Affairs Legislation Committee Social Security (Administration) Amendment (income Management to Cashless Debit Card Tradition) Bill 2019.