

Aboriginal Peak Organisations Northern Territory (APO NT)

An alliance of the Central and Northern Land Councils and
Aboriginal Medical Services Alliance Northern Territory

Committee Secretary
House of Representatives Standing Committee on Social Policy and Legal Affairs
PO Box 6021
Parliament House
Canberra ACT 2600
Via Email: spla.reps@aph.gov.au

Wednesday 13 March 2019

Dear Committee Secretary,

Re: APO NT's submission to the Inquiry into the Social Security Commission Bill 2018

We write to you on behalf of the Aboriginal Peak Organisations of the Northern Territory (APO NT) to provide a submission to this important inquiry into social security arrangements. We are concerned by the current inadequacy of most social security payments. We welcome the Social Security Commission Bill (the Bill) which proposes the establishment of a Commission to provide the Federal Government with independent advice on the minimum levels for social security payments, so that every person in Australia has an income that allows them to live with dignity.

APO NT is an alliance comprising the Central Land Council (CLC), the Northern Land Council (NLC) and the Aboriginal Medical Services Alliance of the Northern Territory (AMSANT). Since its establishment in 2010, APO NT has been working to develop constructive policies on critical issues facing Aboriginal and Torres Strait Islander people in the Northern Territory and to influence the work of the Federal and Northern Territory Governments. As representatives from peak organisations in the Northern Territory, our goal is to protect and promote the rights and wellbeing of Aboriginal and Torres Strait Islander people.

APO NT has long been interested in remote employment and social security arrangements, and undertook extensive work on this issue during 2010-2011. More recently, APO NT has been increasingly concerned with the inadequacy of the base rate of social security payments such as Newstart to cover the high living costs of remote communities. Our concern is particularly heightened because of damage being caused by the Government's Community Development Program (CDP), in particular the extraordinarily high rate of financial penalties being imposed on Aboriginal and Torres Strait Islander people in remote communities.¹

The purpose of this submission is to reiterate these concerns both as grounds for our support of the proposed Commission, as well as to highlight issues we believe should be addressed through this Inquiry. In summary, APO NT recommends that the appointed Commission:

- Endorse the Australian Council of Social Service (ACOSS) recommendation and advise that the Federal Government increase the Newstart Allowance and other base level payments by \$75 per week as a matter of urgency;

¹ See APO NT's submission to the inquiry of the Senate Community Affairs Committee into the *Social Security Legislation Amendment (Community Development Program) Bill 2018*. Retrieved from <http://family.amsant.org/Lists/Submissions/Attachments/112/APO%20NT%20Submission%20CDP%20Bill%202018.pdf>

- Review the compliance measures that are attached to social security payments, as well as the level of the payments themselves, and that this be made an explicit requirement of social security reviews under Section 11 (2) of the Social Security Commission Bill 2018 (the Bill);
- Review the Remote Area Allowance and recommend that it be increased to more adequately compensate for the higher cost of living in remote and very remote areas in Australia;
- Review how social security payments are administered holistically, via an explicit requirement of social security reviews under Section 11(2) of the Bill; and
- That the CDP be replaced and that APO NT's Remote Development and Employment Scheme (RDES) model be adopted as a better alternative.

The inadequacy of social security payments

The woefully low rate of a number of social security payments, particularly Newstart and Youth Allowance, is trapping many Territorians in poverty. This level of poverty has profound and far reaching impacts in the NT, where 30% of the population are Aboriginal - the highest rate of any jurisdiction.

APO NT has continually called on the Federal Government to increase Newstart payments² to help alleviate poverty caused by the failure to increase the base rate of working-age social security payments in more than 20 years.³

In its Budget Priorities Statement 2018-19 the ACOSS has called for allowance payments for single people to be increased by \$75 per week from January 2019, and that this should apply to people on Newstart Allowance, Widow Allowance, Sickness Allowance, Special Benefit and Crisis Payment, as well as single people receiving Austudy and Abstudy Payments and Youth Allowance.⁴ APO NT endorses this recommendation.

Living on \$227.60 per week on Youth Allowance or \$275.10 per week on Newstart means there is "very little room for affording discretionary or luxury expenditure items."⁵ Housing, education, clothing, transport, food, health and utilities bills all have to come out of a very small payment which, as at June 2018, was around \$440-\$490 below the minimum wage of \$719.20 per week.⁶ What this can mean in reality, is forcing people to forgo healthy food because of an unexpected medical expense, or kids not attending school because of poverty-related issues such as health issues, lack of a stable living or housing situation, or because they have to stay at home to look after younger siblings.⁷ Those who are penalised monetarily is having major detrimental effect on the family structure and household income. The babies and children from low to no income families are often malnourished and or not attending school become child protection matters and youth justice statistics.

In the Northern Territory, people on these payments are hit with what NTCOSS has described a 'triple whammy' due to:

² See APO NT's 2014 submission on the extent of income inequality in Australia

³ NTCOSS. (2018). *Cost of Living Report*, Issue 19. Retrieved from https://40v43l29oi7746hjwe36z22m-wpengine.netdna-ssl.com/wp-content/uploads/2018/07/NTCOSS_CoL_Report_No_19_FINAL.pdf

⁴ ACOSS. (2018). *Budget Priorities Statement: Federal Budget 2018-19*. p. 19

⁵ NTCOSS. (2018). p. 10

⁶ Fair Work Ombudsman. (2018). *Minimum wages Factsheet*. Retrieved from <https://www.fairwork.gov.au/how-we-will-help/templates-and-guides/fact-sheets/minimum-workplace-entitlements/minimum-wages>

⁷ British Columbia Teachers' Federation. (2016). *Poverty and school attendance: Barriers and possible solutions*. Retrieved from

<https://bctf.ca/uploadedFiles/Public/SocialJustice/Issues/Poverty/Research/BCTF%20Poverty%20and%20Education%20Survey--Chapter%205.pdf>

...the high costs of living in the NT... [and] the fact that payments for people on Newstart and Youth Allowance are indexed at a lower rate than pensions [as well as] being denied access to concessions that would help ease their cost of living pressures.⁸

This is reflected in the housing affordability crisis in the Northern Territory. In its 2018 *Rental Affordability Snapshot*, Anglicare NT identified that there were **no properties that were affordable and appropriate** for Territorians currently receiving the Newstart Allowance, Single Parenting Payment, Disability Support Pension or Youth Allowance or on an Age Pension and living alone.⁹

This lack of affordable housing is further compounded for Aboriginal people in the NT who are already marginalised in the private rental market, where landlords favour non-Aboriginal applicants for tenancies.¹⁰ The effect of zero affordable housing and extremely low social security support is the alarming rate at which homelessness occurs in the NT, including severe overcrowding in urban areas. The NT has 15 times the national rate of homelessness, at 599 per 10,000 people, of whom 484 per 10,000 live in severely crowded dwellings.¹¹ There is a direct link between low income, the lack of affordable housing choices in urban areas, and the poor outcomes, yet again, in the most recent Close the Gap report.

Aboriginal households are clearly much poorer than others in Australia, with the 2016 Census identifying:

- 10,817 Indigenous people in the Northern Territory who reported a weekly income of less than \$299;
- 3,802 who reported a weekly income of less than \$149 per week; and
- 3,168 who reported receiving no income at all.¹²

The growing poverty and income inequality faced by Aboriginal households, particularly those in the Northern Territory, is not a coincidence. It is the result of historically racist decision making by successive governments, the effects of which are further entrenched by contemporary local, territory and Federal governments' social and economic decision making.

The Federal Government has a duty to ensure that the social security system is fair and that measures targeting Aboriginal people, families and communities are developed and implemented in a way that is consistent with the United Nations Declaration on the Right of Indigenous Peoples, as well as with other international instruments to which Australia is a signatory.¹³

This is not happening under the current welfare system. The Federal Government has increasingly been applying paternalistic and onerous compliance measures to social security payments, including policies such as Work for the Dole, compulsory drug testing, and welfare quarantining. Despite there being little to no evidence that these measures - - actually help people to improve their life circumstances or to move out of

⁸ NTCOSS. (2018). p. 15.

⁹ Anglicare NT. (2018). Retrieved from <https://www.anglicare-nt.org.au/wordpress/wp-content/uploads/2018/05/2018-Rental-Affordability-Snapshot-Northern-Territory.pdf>

¹⁰ Racial discrimination in the private rental market reported by Tenancy Support Workers, Darwin Regional Accommodation Action Group meetings, 2018.

¹¹ Report of Government Services, Homelessness Services, Table 19A.2 (The ROGS notes that these figures are likely to be underestimated).

¹² Australian Bureau of Statistics. (2016). Retrieved from http://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/communityprofile/7?opendocument

¹³ Including, but not limited to, the International Convention on the Elimination of All Forms of Racial Discrimination, the Universal Declaration of Human Rights, the Convention on the Rights of the Child, and the International Covenant on Economic, Social and Cultural Rights.

the welfare system. The reality is that these compliance measures reduce an individual's ability to exercise autonomy and self-determination which in turn has a negative impact on a person's health and wellbeing.¹⁴

The Federal Government's punitive approach to welfare has seen increasing amounts of pressure placed on individuals to change their behaviour, with limited focus on addressing the multiple forms of structural disadvantage. As can be seen in the government's CDP initiative, it is clear that merely raising the rate of social security payments will have a negligible impact on their efficacy as long as these onerous compliance measures remain in place. Further, punitive conditionality compounds the hardship experienced by welfare recipients, who are placed under the triple burden of structural disadvantage, financial insecurity, and arbitrary bureaucratic control. The rate of social security payments must be assessed alongside the conditions placed on receipt of the payment.

A Social Security Commission needs to look at the way that social security payments are administered holistically, not just narrowly review the level of the payment. Although Section 11 (3) of the Bill could potentially provide scope for the Commission to review compliance measures attached to social security payments, APO NT believes this should be made an explicit requirement of social security reviews under Section 11(2) of the Bill.

Remoteness

Living conditions and daily living expenses in remote Northern Territory are fundamentally different to those of urban and regional Australia. Alarmingly, the 2016 Census showed an increase in cash poverty rates in very remote communities, while cash poverty rates for Aboriginal and Torres Strait Islander people in urban areas declined.¹⁵

A Commission independently assessing and advising the Government on the adequacy of social security payments to ensure no person is living below the poverty line must take into account variations between remote and non-remote communities, so as to ensure that remote Territorians are treated equitably.

The cost of living in remote communities is high, and job opportunities with fair wages are scarce. Approximately 75 per cent of the Aboriginal population of the Northern Territory live in remote and very remote areas, where the cost of fresh food is 150% to 180% higher than in the capital cities¹⁶.

Access to public transport and fuel is also significantly more expensive in remote communities than in the urban and regional centres. The March 2018 NTCOSS cost of living report found there was "huge disparity between fuel prices in major centres and remote areas of the NT"¹⁷, with people in remote areas paying up to twice the price compared to consumers in Darwin and Katherine.

There has been a decline in the ownership of private vehicles, the added costs of servicing, fuel and maintaining private vehicles in remote areas forces those families to rely on extended families to assist with their transport for schooling, shopping, cultural obligations, paying bills, and attending to government business. Some families are forced to pay large amounts of money to travel by taxi to attend Centrelink, banking and other appointments in nearby towns or larger communities to comply with reporting obligations.

¹⁴ <https://www.unitingcommunities.org/2017/10/03/submission-social-services-legislation-amendment-cashless-debit-card-bill-2017/> - this includes a comment from one Aboriginal CDC participant who likens the CDC to being back in the ration days.

¹⁵ Markham, F. (2018). *Income, Poverty and Inequality*. Retrieved from <http://caep.cass.anu.edu.au/research/publications/income-poverty-and-inequality>

¹⁶ Havnen, O. (2012). *Office of the Northern Territory Coordinator-General for Remote Services Report*, p. 89.

¹⁷ NTCOSS. (2018). p. 4.

Employment opportunities in the vast majority of remote Aboriginal communities are scarce due to the severe shortage of job opportunities. Combined with the entrenched barriers to participation in the labour market experienced contributes to the income inequality experienced by remote Aboriginal people.

These issues are not adequately ameliorated by the Government's Remote Area Allowance, which is granted to some income support recipients living in remote areas; currently, a single receives \$18.20 per fortnight and couples \$15.60 per fortnight, with an additional \$7.30 per fortnight available for each dependant.¹⁸ Considering the high costs of transport and food alone, this amount cannot be expected to cover premiums faced by remote-dwelling income support recipients across a full pay-period.

Structural barriers to social inclusion and health are already significant in remote Aboriginal communities, including the high cost of food and other living expenses, poor housing conditions and housing shortages leading to overcrowding. Locking people into poverty through inadequate social security payments and onerous compliance measures undermine Australia's efforts to Close the Gap on Indigenous disadvantage.

Concerns with the CDP

The CDP is the Federal Government's employment and community development service for recipients of unemployment social security payments who live in remote Australia. The scheme disproportionately impacts Aboriginal people, with approximately 83% of the 30,000 CDP participants identified as Indigenous. The CDP has had an extremely negative impact on its participants, their families and communities, which APO NT has highlighted in previous submissions.¹⁹

Rather than helping people in remote communities to find work, CDP has caused Work for the Dole to become an end in itself by requiring substantial investment in administration. This diverts resources from other activities, meaning thousands of CDP participants are locked into work at a rate well below award rates, with little or no prospect of earning additional income or leaving income support.

The arduous obligations and harsh compliance measures in the CDP have meant that many vulnerable people are left with no income support. Since its introduction, the CDP has seen a 740% increase in financial social security penalties compared with the preceding scheme, the Remote Jobs & Communities Program, which featured less onerous obligations and greater flexibility over choice of activities.²⁰ This shocking escalation of penalties further reduces the already low income of Aboriginal households, impoverishing many Aboriginal people living in remote communities and creating additional financial and social burdens for many individuals, their families, and their communities.²¹ The deplorably low rates of social security support payments such as Newstart and Youth Allowance combined with the high number of penalties seen under CDP means that these people are effectively condemned to live in poverty.

¹⁸ Department of Social Services. (2019). *A Guide to Australian Government payments*. Retrieved from <https://www.humanservices.gov.au/sites/default/files/2018/12/co029-1901.pdf>

¹⁹ See APO NT's 2018 submission to the Social Security Legislation Amendment (Community Development Program) Bill. Retrieved from: <http://www.amsant.org.au/apont/publications/submissions/>, see also APO NT's 2017 submission to the Senate Inquiry on the appropriateness and effectiveness of the objectives, design, implementation and evaluation of the CDP. Retrieved from: <http://www.amsant.org.au/apont/wp-content/uploads/2017/01/20170814-APO-NT-Submission-Social-Welfare-Bill-2017-Final.pdf>

²⁰ NRRN. (2018). *Budget 2018: Changes to the Community Development Program*. Retrieved from <http://www.nssrn.org.au/briefing-paper/budget-2018-cdp/>

²¹ NRRN 2018 submission to the inquiry into the Social Security Legislation Amendment (Community Development Program) Bill 2018. Retrieved from: http://www.nssrn.org.au/wp/wp-content/uploads/2018/10/NSSRN_sub_CDP-bill-2018_FINAL02.pdf

The program disproportionately impacts Aboriginal people and “runs grossly counter to Australia’s international human rights obligations”.²² CDP has not achieved the intended outcome of assisting social security recipients into paid employment, and has instead caused most of its participants to suffer a loss of income which forces them and their communities further below the poverty line. Further, according to a Government commissioned evaluation of the CDP, 36% of CDP participants surveyed across eight remote communities noted that communities were worse off under the program, compared to 21% of people reporting positive change, and 32% reporting no change at all.²³ Protections in the social security system for the most vulnerable are failing because of lack of appropriate assessment, lack of access to DHS services, and the inability of providers to use their own discretion to allow absences.

A better alternative – the Remote Development Employment Scheme

APO NT believes the CDP is racially discriminatory and does little to remedy the poverty experienced in remote communities. We urge the Commission to recommend that the Government abolish the CDP and replace it with a scheme that is targeted to the circumstances and needs of remote communities, and that is supported by these communities. With this submission, we would like to provide the appointed Commission with APO NT’s proposal for the establishment of a Remote Development and Employment Scheme (RDES) to replace the CDP.

The RDES aims to alleviate poverty in remote communities and to promote the right to an adequate standard of living. The key elements of this model include:

- Paid employment at award wages for around 10,500 people;
- The replacement of CDP providers with Remote Job Centres that have a focus on management and support rather than administration and compliance;
- An emphasis on local control, including local governance arrangements, and community plans;
- Supporting community enterprise development and stimulating new jobs;
- Ensuring those who remain on income support (within the DHS system) are treated fairly, and ensuring greater community control over participant obligations and compliance;
- Better access to assessment processes and appropriate support for those with health and other personal issues;
- Increased youth engagement strategies, including the creation of a national pool of around 1,500 paid work experience and training positions, similar to the former Green Corps;
- An independent national Indigenous-led body to manage the new program, and to ensure that it meets long term employment and community objectives.

This model has been endorsed by a number of key Aboriginal organisations and peak bodies.

It is clear that the Government is currently failing in its obligation to ensure that Aboriginal people in remote Australia have equal access to an income to support an adequate standard of living. Access to the social security safety net is a fundamental right of all Australian citizens and providing this access is an essential function of Government. Rather than intensify the involvement of community members and providers in the complexities of the income support system, APO NT’s proposal would enable a substantial group of people

²² Ibid, p. 2.

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

to move out of the system into employment, and would re-focus local organisations on supporting participants to access services and assistance that would improve job prospects.²⁴

For the Bill to meet its stated objective of promoting human rights by ensuring the social security system is providing adequate levels of support to its recipients, the Commission clearly needs to apply fundamental principles of fairness and equality when conducting its review. This necessitates taking into account the many conditions that combine to create barriers to achieving an accepted contemporary minimum standard of living for Aboriginal people in remote communities.

To reiterate, APO NT supports the establishment of a Social Security Commission and believes that the Federal Government must increase the Newstart Allowance and other base level payments by \$75 per week as a matter of urgency.

APO NT recommends a review into the compliance measures that are attached to social security payments and recommends a review into the Remote Area Allowance and that it be increased to more adequately compensate for the higher cost of living in remote and very remote areas in Australia.

In addition, APO NT recommends that the Social Security Commission review how social security payments are administered and that the CDP be replaced by APO NT's Remote Development and Employment Scheme (RDES), as a better alternative.

Please contact the APO NT Coordinator, Brionee Noonan on [REDACTED] or via email: [REDACTED] should you wish to discuss the details of this submission further.

Yours sincerely,

[REDACTED]

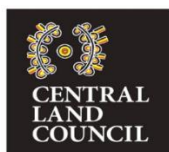
Mr. Jak Ah Kit

On behalf of the APO NT CEOs

Mr. John Paterson
CEO AMSANT



Mr. Joe Martin-Jard
CEO CLC



Mr. Jak Ah Kit
Interim CEO NLC



²⁴ APO NT 2017 submission to the Senate Inquiry on the appropriateness and effectiveness of the objectives, design, implementation and evaluation of the Community Development Program (CDP). Retrieved from: <http://www.amsant.org.au/apont/wp-content/uploads/2017/01/20170814-APO-NT-Submission-Social-Welfare-Bill-2017-Final.pdf>.