



**Submission to the
Social Security
(Administration)
Amendment
(Income Management
Reform) Bill 2023
[Provisions]**

This submission has been prepared on behalf of the Board of Directors of The Arnhem Land Progress Aboriginal Corporation (ALPA) and in consultation with ALPA's directors, staff and cultural leadership from the Yolŋu communities in which we deliver services.

Emma Kelly

General Manager of Community Services

Who is ALPA?

The Arnhem Land Progress Aboriginal Corporation (ALPA) was formed in 1972 as a collective of seven community-controlled stores. ALPA's initial member communities were Ajurumu, Gapuwiyak, Galiwin'ku, Milingimbi, Minjilang, Ramingining and Yirrkala.

In the 1970s ALPA began to realise the importance of training and development for its staff, and with support from the Queensland Retail Training Institute began a program of in-house training. During this period ALPA also started its community support programs, using the modest surplus funds generated from store operations to benefit the community. Financial assistance for ceremonies, education, medical escorts, and community events could be obtained through these programs, which have now been expanded to involve capital investment in business partnerships and business support for independent social enterprise development.

ALPA became a Registered Training Organisation in 1992 and is committed to staff training. Over 1,500 of ALPA's remote Indigenous staff have completed apprenticeships or qualifications through ALPA. This dedication to quality training outcomes saw ALPA recognized as the NT Large Employer of the Year at the NT Training Awards in both 2015 and 2016 and placing in the top three in the same category at the following two National Awards.

In 2013 the Board of Directors made the decision to diversify ALPA from retail, and work with government and industry partners to increase the economic opportunities for our Yolŋu members. ALPA commenced by taking on the Remote Jobs and Communities Program (RJCP) in the region encompassing our member communities of Ramingining and Milingimbi. The ALPA Board quickly recognized the ability to support positive change in our communities through these programs and over the last eight years our community services footprint has grown to four Community Development Program (CDP) regions supporting over 3,500 participants, five Remote School Attendance Strategy (RSAS) teams, a self-funded community engagement team and programs engaging with young people and families.

By 2014 ALPA had saturated the existing local labour markets so started working in partnership with local families and traditional landowners to develop new enterprises, create further employment pathways and to strengthen the economies of our communities. Today, the Indigenous owned businesses of Rulku Enterprises, Dinybulu Regional Services, Bukmak Constructions and Manapan Furniture all operate within the remote communities of Arnhem Land. They are responsible for the delivery of numerous government contracts and work closely with other indigenous organisations to support the development and growth of the regional economy. Their services include construction, landscaping, furniture manufacturing, automotive repair, Homelands services, hospitality, tourism, agriculture, and cleaning.

These businesses have created over 45 ongoing paid employment positions across four primary communities. These positions have supported community members to become financially independent of government and supported the growth of the economy in East Arnhem Land.

Since then, ALPA has grown to become the largest, financially independent Aboriginal Corporation in Australia and is proudly owned by our Yolŋu members and governed by a Yolŋu Board of Directors. In 2022 ALPA celebrated its 50 year anniversary, a milestone we are very proud of and one which signifies the importance of our work in remote Australian communities. In 2023 ALPA operates in 28 communities across a 1.2 million square kilometre footprint. ALPA has over 1,000 employees, 84% of whom are local Indigenous people, and last year returned over \$38 million to our member communities in the form of wages for local Indigenous staff, community governed support programs and community infrastructure.

Introduction

ALPA welcomes the opportunity to contribute to the Social Security (Administration) Amendment (Income Management Reform) Bill 2023. We would like to take this time to commend the Labor Government on ending the Cashless Debit Card (CDC). Whilst that was a great step for Indigenous Australians, we believe there is further work to be done in this space to support self-determination. We believe that this Bill presents challenges for Indigenous Australians that should be considered further.

There are 4 key elements that we would like to discuss in the proposed Bill:

1. A publicly available transition plan for compulsory income management to become a voluntary policy, whereby engagement is supported in communities.
2. The expansion of the Ministerial Powers within the Bill and the risks it presents, both presently and in the future for Indigenous Australians.
3. Consideration for the inclusion of a sunset clause and appropriate corresponding research throughout the program on the effectiveness of Enhanced Income Management (eIM).

Why Income Management needs to be made voluntary

Compulsory income management was imposed on ALPA's member communities in 2007 as part of the Northern Territory Emergency Response (better known as 'The Intervention'). When it was forced upon our members they were subject to discriminatory and false assumptions that they were all alcoholics, family violence offenders and problem gamblers. As ALPA's Chairman, Rev. Dr Djiniyini Gondarra OAM, has stated, the wellbeing of Indigenous Australians depends on them having self-agency, choice and control over their lives. Hence the ALPA Board believes that regardless of what design a future income management program takes, participation in the program must always be voluntary.

Multiple evaluations conducted on Compulsory Income Management (IM), over the past thirteen years have not provided any reliable evidence that quarantining income payments addresses addiction, helps children or results in positive changes. This policy does not work. The evaluation of IM in the Northern Territory completed in 2014, demonstrated that there was 'no evidence of changes in aggregate outcomes' in child health, school attendance, alcohol and tobacco use, alcohol related harm, which could be plausibly linked to IM. The evaluation found that instead of building capacity in Indigenous Australians it actually made people more dependent on welfare, than they had been previously (SPRC 2014).

ALPA is well placed to speak on this topic, having successfully run our own voluntary income management program called 'FoodCard', since 2004. The ALPA FoodCard evolved from community consultations in 2004, and is a voluntary system designed, implemented and still operated by ALPA, with zero cost to the taxpayer. The underlying principle of the FoodCard was to create a voluntary tool which allowed each individual customer to make their own choice about how much money they wished to allocate to the card. Extensive community consultation determined what could be purchased on the card, which today includes most grocery food items and baby requirements in line with ALPA's healthy food policy.

Initially the ALPA FoodCard proved popular with community members, however, the introduction of compulsory IM saw usage of the ALPA FoodCard dramatically drop off. For example, from a peak of 11,602 transactions in October 2008, transactions dropped to 2,768 in October 2009 and to 996 transactions in October 2010. The ALPA FoodCard is evidence that community members are more than capable of identifying and engaging with services, which can support financial

management, when they feel they need to.

It will always be the ALPA Board's position, that IM should be voluntary and community members should be given the choice and control over their finances, regardless of whether they have been long-term welfare recipients.

The expansion of Ministerial Powers

The ALPA Board would like to raise a concern about the expansion of Ministerial powers in the Bill. Whilst we appreciate that it may not be this governments intentions to expand IM to other jurisdictions, it should be noted that this may not be the case for future successive governments. Whilst ALPA believes that the current Minister for Indigenous Affairs will approach potential expansions of eIM with the consultation and consideration needed, we are concerned that this leaves the door open to future Ministers to potentially bypass important steps in expanding eIM, without the scrutiny and checks and balances of the Parliament.

The need to include a Sunset clause

This Bill amends complex legislation, which has significant impacts on Indigenous Australians within the Northern Territory, who face a significant number of challenges socially, economically and geographically, which often times sees them as long-term welfare recipients. The Bill as it currently reads with no sunset clause, appears to be the permanent inclusion of IM into their lives.

ALPA is concerned that the proposed legislation does not include a sunset clause or designated review period for eIM. ALPA believes that given the significant impact of IM on remote communities, thorough and regular reviews must be included in the legislation. As was evidenced in the recent Inquiry into Community Safety, Support Services and Job Opportunities in the Northern Territory conducted by the Joint Standing Committee on Aboriginal and Torres Strait Islander Affairs, reviews of the recently lapsed Stronger Futures legislation proved insufficient and inadequate data to assess the efficacy of key measures within the legislation, such as income management.

We believe that if IM is not going to be made voluntary in the short term, then there should be consideration given to the need for the appropriate longitudinal research to sit alongside the legislation. Evidencing both the successes and failings within the program, to allow for informed shared based decision-making practices, in line with the Closing the Gap priority reform areas.

The government made a commitment to ending compulsory IM, however this Bill seems to be focussing on embedding IM in the lives of Indigenous Australians in the Northern Territory, with no real check or balances required, and no clear end in sight.

Conclusion

ALPA thanks the Senate Community Affairs Committee for the opportunity to contribute to this important piece of legislation.

If you have any questions or require further information please do not hesitate to me directly via .

References

SPRC (2014) 'Evaluation of New Income Management in the Northern Territory'
https://www.dss.gov.au/sites/default/files/documents/12_2014/evaluation_of_new_income_management_in_the_northern_territory_full_repor.pdf