



**NACCHO**

National Aboriginal Community  
Controlled Health Organisation  
*Aboriginal health in Aboriginal hands*

[www.naccho.org.au](http://www.naccho.org.au)

# Compulsory income management

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Submission to the  
Parliamentary Joint  
Committee on Human  
Rights

May 2024

## ABOUT NACCHO

NACCHO is the national peak body representing 145 Aboriginal Community Controlled Health Organisations (ACCHOs). We also assist a number of other community-controlled organisations.

The first Aboriginal medical service was established at Redfern in 1971 as a response to the urgent need to provide decent, accessible health services for the largely medically uninsured Aboriginal population of Redfern. The mainstream was not working. So it was, that over fifty years ago, Aboriginal people took control and designed and delivered their own model of health care. Similar Aboriginal medical services quickly sprung up around the country. In 1974, a national representative body was formed to represent these Aboriginal medical services at the national level. This has grown into what NACCHO is today. All this predated Medibank in 1975.

NACCHO liaises with its membership, and the eight state/territory affiliates, governments, and other organisations on Aboriginal and Torres Strait Islander health and wellbeing policy and planning issues and advocacy relating to health service delivery, health information, research, public health, health financing and health programs.

ACCHOs range from large multi-functional services employing several medical practitioners and providing a wide range of services, to small services which rely on Aboriginal health practitioners and/or nurses to provide the bulk of primary health care services. Our 145 members provide services from about 550 clinics. Our sector provides over 3.1 million episodes of care per year for over 410,000 people across Australia, which includes about one million episodes of care in very remote regions.

ACCHOs contribute to improving Aboriginal and Torres Strait Islander health and wellbeing through the provision of comprehensive primary health care, and by integrating and coordinating care and services. Many provide home and site visits; medical, public health and health promotion services; allied health; nursing services; assistance with making appointments and transport; help accessing childcare or dealing with the justice system; drug and alcohol services; and help with income support. Our services build ongoing relationships to give continuity of care so that chronic conditions are managed, and preventative health care is targeted. Through local engagement and a proven service delivery model, our clients 'stick'. Clearly, the cultural safety in which we provide our services is a key factor of our success.

ACCHOs are also closing the employment gap. Collectively, we employ about 7,000 staff – 54 per cent of whom are Aboriginal or Torres Strait Islanders – which makes us the third largest employer of Aboriginal or Torres Strait people in the country.

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## Acknowledgements

NACCHO welcomes the opportunity to provide a submission on compulsory income management to the Parliamentary Joint Committee on Human Rights.

NACCHO supports the submissions to this consultation made by NACCHO Members and Affiliates.

## National Agreement on Closing the Gap

At the meeting of National Cabinet in early February 2023, First Ministers agreed to renew their commitment to Closing the Gap by re-signing the National Agreement, first signed in July 2020. The reforms and targets outlined in the National Agreement seek to overcome the inequality experienced by Aboriginal and Torres Strait Islander people and achieve life outcomes equal to all Australians.

This Government's first Closing the Gap Implementation Plan commits to achieving Closing the Gap targets *through implementation of the Priority Reforms*. This represents a shift away from focussing on the Targets, towards the structural changes that the Priority Reforms require, and which are more likely to achieve meaningful outcomes for our people in the long term:

### **Priority Reform Area 1 – Formal partnerships and shared decision-making**

This Priority Reform commits to building and strengthening structures that empower Aboriginal and Torres Strait Islander people to share decision-making authority with governments to accelerate policy and place-based progress against Closing the Gap.

### **Priority Reform Area 2 – Building the community-controlled sector**

This Priority Reform commits to building Aboriginal and Torres Strait Islander community-controlled sectors to deliver services to support Closing the Gap. In recognition that Aboriginal and Torres Strait Islander community-controlled services are better for Aboriginal and Torres Strait Islander people, achieve better results, employ more Aboriginal and Torres Strait Islander people and are often preferred over mainstream services.

### **Priority Reform Area 3 – Transformation of mainstream institutions**

This Priority Reform commits to systemic and structural transformation of mainstream government organisations to improve to identify and eliminate racism, embed and practice cultural safety, deliver services in partnership with Aboriginal and Torres Strait Islander people, support truth telling about agencies' history with Aboriginal and Torres Strait Islander people, and engage fully and transparently with Aboriginal and Torres Strait Islander people when programs are being changed.

### **Priority Reform 4 – Sharing data and information to support decision making**

This Priority Reform commits to shared access to location-specific data and information (data sovereignty) to inform local-decision making and support Aboriginal and Torres Strait Islander communities and organisations to support the achievement of the first three Priority Reforms.

## Compulsory income management in Aboriginal and Torres Strait Islander communities

Compulsory income management operates in different demographic areas across Australia, most of which have large Aboriginal and Torres Strait Islander populations. Statistics show that approximately 90% of people on income management in the Northern Territory (NT) are Indigenous and 80% of all people across Australia on income management are Indigenous.<sup>1</sup>

Compulsory income management has operated in the NT since 2007 when it was introduced as part of 'the Intervention'. Our colleagues at the Aboriginal Medical Services Alliance Northern Territory (AMSANT) have observed that income management policies imposed on Aboriginal and Torres Strait Islander people are paternalistic and are not supported by evidence.

## Consultation with affected communities

Although geographic focus and boundaries of income management makes it evident that income management policy targets Aboriginal and Torres Strait Islander people, there has been and continues to be little consultation and negotiation with Aboriginal and Torres Strait Islander leaders and community representatives. This is despite the National Agreement on Closing the Gap, in which genuine partnership and shared decision-making with Aboriginal and Torres Strait Islander people is a central component.

## Effectiveness of income management

Income management is intended to manage welfare payments to make sure people can afford the things they need to live, like food, shelter, power, and learning. By having more financial security, people can improve their wellbeing and their children's wellbeing.

However, for Aboriginal and Torres Strait Islander people, particularly those living in regional and remote communities, their wellbeing and security has historically been hindered by racially discriminatory assumptions and policies such as the income management policies.

In 2014, researchers from Social Policy Research Centre at the University of New South Wales (UNSW), the Australian National University (ANU), and the Australian Institute of Family Studies assessed 'New Income Management' in the NT; they examined the potential effectiveness of income management for the wider Aboriginal and Torres Strait Islander community. The data indicated minimal progress in addressing significant disadvantages faced by Aboriginal and Torres Strait Islander people, and there was a lack of evidence of aggregate outcome changes that could reasonably be attributed to income management.

## Negative outcomes of compulsory income management

Compulsory income management has had adverse outcomes for Aboriginal and Torres Strait Islander people:

- It extends the legacy of colonisation and intergenerational disadvantage.
- It disproportionately targets Aboriginal and Torres Strait Islander communities and often exacerbates poverty.
- It perpetuates disempowerment and contributes to the stigmatisation of Aboriginal and Torres Strait Islander people.

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<sup>1</sup> P Gibson, 2017, 10 impacts of the NT Intervention. Retrieved from <https://www.sbs.com.au/nitv/article/10-impacts-of-the-nt-intervention/vzia753tx>.

- Rather than fostering independence and capacity-building, income management policies have inadvertently increased dependence on welfare for Aboriginal and Torres Strait Islander people.
- It has been found to have an adverse impact on birth outcomes.<sup>2</sup>
- Research conducted by four universities involving 114 in-depth interviews conducted in Playford, Shepparton, Ceduna and Hinkler and a mixed-methods survey of 199 people at income management sites across Australia found there is an overwhelming number of negative experiences stemming from income management, including stigma and feelings of shame and frustration.<sup>3</sup>

### How income management could work

For Aboriginal and Torres Strait Islander people, it is imperative to identify and respond to the root causes of poverty, including the ongoing impact of colonisation and intergenerational trauma, and to implement holistic solutions.

It is essential, therefore, to invest in preventive health and culturally safe, holistic, wrap-around services, including social and emotional wellbeing (SEWB) services, to reduce welfare dependency and to strengthen Aboriginal and Torres Strait Islander people, families and communities.

For example:

- Stronger and secure housing and homelessness policies can have far-reaching benefits and ensure better health outcomes for Aboriginal and Torres Strait Islander people.<sup>4</sup>
- Creating job opportunities in Aboriginal and Torres Strait Islander communities and providing holistic wrap around services—including drug and alcohol support services is critical.
- Income management policies should not target specific groups and if income management is to continue, it should be made available to *any* recipient of benefits who would like it.

A Health in all policies approach would require consideration of the impact on health outcomes for Aboriginal and Torres Strait Islander people *in all income management policy decisions*.

This approach would align with the National Agreement on Closing the Gap and with the ACCHO holistic model of care which considers factors that contribute to health and wellbeing as well as those that compound the likelihood and/or incidence of health conditions.

NACCHO recommends a ‘health in all policies’ approach be applied to income management policies, recognising that health outcomes are influenced by a wide range of social, commercial, political, environmental and cultural determinants.

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<sup>2</sup> Australian Human Rights Commission (2017), Submission No 30 to the Senate Community Affairs Legislation Committee, Inquiry into Social Services Legislation Amendment (Cashless Debit Card) Bill.

<sup>3</sup> Ibid, University of Queensland, 2020

<sup>4</sup> NACCHO, Core Services and Outcomes Framework <https://csof.naccho.org.au/>

Income management policies directly contradict the government commitments to the National Agreement on Closing the Gap.

- Central throughout the National Agreement is the need for self-determination via Aboriginal community control in all policies and programs affecting Aboriginal and Torres Strait Islander people.
- ‘Too many government agencies are implementing versions of shared decision-making that involve consulting with Aboriginal and Torres Strait Islander people on a pre-determined solution, rather than collaborating on the problem and co-designing a solution.’<sup>5</sup>
- The Australian Government must engage in genuine partnership and shared decision-making with Aboriginal and Torres Strait Islander community representatives.
- Income management policies for Aboriginal and Torres Strait Islander people need to be redesigned in partnership with Aboriginal and Torres Strait Islander communities in line with Priority Reform 1 of the National Agreement.

NACCHO recommends any interventions to address the compulsory income management align with the National Agreement and its four Priority Reform Areas.

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<sup>5</sup> Productivity Commission 2023, Review of the National Agreement on Closing the Gap, Draft Report, Canberra, July.