



**Central Australian
Aboriginal Congress**
ABORIGINAL CORPORATION | ICN 7823

12 September 2019

Committee Secretary
Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600

**Submission to the
Senate Community Affairs References Committee Inquiry into the
Adequacy of Newstart and related payments**

Dear Sir / Madam,

Please accept this letter as a submission to the Senate Community Affairs References Committee *Inquiry into the Adequacy of Newstart and related payments*.

Due to the short timeframes associated with the Inquiry, Central Australian Aboriginal Congress (Congress) is not able to provide a detailed submission. However, given the impact of the social determinants of health such as poverty on the health of Aboriginal people, we consider it important to raise some key points with the Senate Committee for their consideration.

These points relate in particular to the Inquiry's term of reference (f), regarding the impact of the current Newstart system on First Nations peoples, particularly those living in regional and remote areas.

Background to Congress

Congress is a large Aboriginal Community Controlled Health Service (ACCHS) based in Alice Springs. We are one of the most experienced organisations in the country in Aboriginal health, a national leader in primary health care, and a strong advocate for the health of our people. Since the 1970s, we have developed a comprehensive model of primary health care that includes:

- multidisciplinary clinical care;
- health promotion and disease prevention programs; and
- action on the social, cultural, economic and political determinants of health and wellbeing.

Congress delivers services to more than 16,000 Aboriginal people living in Alice Springs and remote communities across Central Australia including Ltyentye

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**Aboriginal health
in Aboriginal hands.**

Apurte (Santa Teresa), Ntaria (Hermannsburg), Wallace Rockhole, Utju (Areyonga), Mutitjulu and Amoonguna.

Key Issues

1. Poverty and inequality drive poor health outcomes. Poor health is not evenly distributed across a society: it is strongly correlated with a social gradient, where those with lower incomes tend to be significantly sicker and die significantly earlier than those with higher incomes [1]. As well as absolute deprivation (poverty), relative deprivation (inequality) is related to higher infant and adult mortality rates, to reduced life expectancy, and to higher rates of illness [2].

In the Northern Territory it has been calculated that between a half- and a third- of the gap in life expectancy between Aboriginal and non-Indigenous Territorians is due to socioeconomic disadvantage [3].

2. Poverty and inequality are worsening for Aboriginal people in remote areas. Australia is a wealthy country with a Gross Domestic Product well above the OECD average, but income and wealth are not distributed evenly: on average, Aboriginal and Torres Strait Islander people receive a personal income that is only two-thirds that of the non-Indigenous population [4]. The situation is considerably worse in Central Australia where the median weekly personal income for Aboriginal people is \$281: barely more than a quarter of that for non-Indigenous people in the region (\$1,080) [5].

Unfortunately, both absolute poverty and relative inequality is worsening. Nationally, in very remote areas – and this covers almost all of Central Australia – Aboriginal and Torres Strait Islander incomes are *falling* in real terms, and the income gap is widening [6].

3. The failure to close the employment gap means Aboriginal people are increasingly reliant on government income support. Aboriginal people use government income support such as the Newstart Allowance, the Parenting Payment and the Youth Allowance at disproportionately higher rates than non-Aboriginal people, and more so in remote communities. The proportion of Aboriginal people in remote areas who are employed has stalled or is falling, increasing reliance on Newstart and other government payments over time [7].

4. Newstart payments are inadequate for Aboriginal families to meet their basic needs. Nationally, Government income support payments fall below the poverty line [8]. The situation is particularly serious for people in remote areas where the cost of living is much higher especially for food – the same basket of healthy food costs on average 60% more in a remote community store than a major supermarket in the Northern Territory. The rate of increase in the cost of living in these communities is rising faster than the rate of increase of government payments such as Newstart [9]. In 2014-15, almost a third (29%) of Aboriginal families in remote areas reported that they

had run out of money for basic living expenses at least once in the previous year [7].

5. Inflexible and inappropriate program rules further disadvantage Aboriginal people. Congress has received many reports of how program requirements under the Newstart system undermine income stability and food security, by not taking into account the particular social and cultural realities of life in Central Australia. In common with many remote areas, many Aboriginal people in Central Australia have English as a second language, have limited access to phone and internet services, and do not have the technical and literacy skills required to navigate the payments system.

In addition, program requirements are designed for urban mainstream environment where there are relatively high numbers of services and greater opportunities for employment. As a result, many Aboriginal people have their payments stopped or find it impossible to meet program requirements in the first place, leading to further reduced income and/or income insecurity for Aboriginal families.

Recommendations

As a result of the above, and in light of the inadequacy of Newstart payment levels and the inflexible systems which are driving higher levels of ill health for Aboriginal families and children, we urge the Committee to recommend:

- A. an immediate increase of \$75 per week to the Newstart payment for all recipients, as a key way to increasing health and wellbeing for Aboriginal people;
- B. consideration of an additional loading on Newstart payments for those in remote or very remote areas to address the significantly higher cost of living in those areas, especially in relation to basic living expenses and healthy food;
- C. redesign of Newstart program requirements and systems to ensure they are socially and culturally appropriate and accessible for Aboriginal people, especially those in remote areas.

Thank you for the opportunity to provide a submission on this important issue; I am happy to provide further detail on request.

Yours sincerely

Donna Ah Chee
Chief Executive Officer

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