



**Social Security
(Administration)
Amendment
(Continuation of
Cashless Welfare) Bill
2020**

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, & cultural leadership from the Yolŋu communities in which we deliver services.

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Dear Committee Chair,

RE: The Arnhem Land Progress Aboriginal Corporation (ALPA) submission to the Senate Committee Affairs Legislation Committee on the Social Security (Administration) Amendment (Continuation of Cashless Welfare) Bill 2020

I write to you today on behalf of The Arnhem Land Progress Aboriginal Corporation (ALPA) to provide a recommendation, and indeed a plea, that this committee does not support the *Social Security (Administration) Amendment (Continuation of Cashless Welfare) Bill 2020* (the Bill). The Bill would take the Cashless Debit Card beyond its trial phase, expand compulsory income management in the Northern Territory indefinitely and eliminate the obligation on Government for ongoing evaluation of the policy's impacts and review of its enabling legislation.

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 the discriminatory and false assumption that they were all alcoholics, family violence offenders and problem gamblers.

The June 2022 sunset clause for the Stronger Futures measures (the legislation which underpins The Intervention), including compulsory income management, provided hope to our members that this oppressive policy would soon be removed, returning to them freedom, choice and control over their daily lives. Should it become law, this Bill would extinguish that hope.

This submission outlines four key arguments in response to the Bill:

1. This would amount to the expansion of a policy which not only lacks an evidence base, but which has demonstrably failed: the policy fails to reduce harms, and increases dependence on welfare.
2. Despite commitments under the new National Agreement on Closing the Gap, there has been no consultation on this Bill in the Northern Territory, let alone consultation that would allow the Aboriginal and Torres Strait Islander people impacted by it to 'determine, drive and own the desired outcomes'.
3. Implementation of this policy will not only come at an extraordinarily high cost to all taxpayers (money which could yield far greater return on investment elsewhere), it will also starve local and regional economies – particularly Indigenous businesses – of the oxygen (cash) they need to survive.
4. There is an evidence-based, community-led viable alternative to support individuals and communities to make healthy choices through voluntary income management.

The circumstances of this Bill's introduction and the implications of these arguments lead ALPA to only one rational conclusion: that the Commonwealth Government seeks to indefinitely entrench paternalistic and oppressive systems on Aboriginal and Torres Strait Islander people.

It is time for a different approach. It is time to make a radical change in the way these complex policy challenges are considered.

There is an opportunity to act now rather than saying 'Sorry' later.

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. ALPA borrowed almost \$1m to upgrade plant and equipment, and the early successful operation of the stores enabled the loan to be repaid within three years. Since that time ALPA has been financially independent, owned by our Yolŋu members and governed by a Yolŋu Board of Directors.

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. The Training School at Galiwin'ku was built to support these efforts. During this period ALPA also started its Benevolent 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 1500 of ALPA's remote Indigenous staff have completed apprenticeships or qualifications through ALPA, this dedication to quality training outcomes saw ALPA recognised as the NT Large Employer of the Year at the NT Training Awards in both 2015 and 2016 and placing in the top three at the subsequent National Awards in the same category in both years.

Since 2002, ALPA has expanded through its Australian Retail Consultancy arm, running stores on behalf of, and in partnership with, other Indigenous community organisations. This model has given those communities access to ALPA's systems and processes, training, nutrition program and group purchasing. This partnership approach allows these communities to maintain ownership and control of their businesses but with the expertise and support of an experienced Indigenous partner.

In 2013 the Board of Directors made the decision that it was time for ALPA to diversify from retail and work with the 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) region encompassing our member communities of Ramingining and Milingimbi. ALPA's Board quickly recognised the ability to support positive change in our communities through these programs and over the last five years our community services footprint has grown to four Community Development Program (CDP) regions, five Remote School Attendance Strategy (RSAS) teams, a self-funded Youth Development program, business incubators and becoming a registered NDIS provider.

By 2014 ALPA had saturated the existing local labour markets so started working in partnership with local families and traditional land owners to develop new enterprises, create further employment pathways and to strengthen the economies of our communities. To date this has seen the creation of four new Indigenous owned businesses delivering services across a variety of sectors including construction, landscaping, furniture manufacturing, automotive repair, Homelands services, hospitality, tourism, agriculture and cleaning.

In 2020 ALPA operates in 26 communities across a 1.2 million square kilometre footprint, ALPA has over 1200 employees, 80% of whom are local Indigenous people and ALPA returns over \$29 million per year to our member communities in the form of wages for local Indigenous staff, community governed benevolent programs and community infrastructure.

This policy has failed – there is no rational justification for its expansion

Multiple evaluations conducted on Compulsory Income Management and the Cashless Debit Card trial sites over the past thirteen years have not provided any reliable evidence that quarantining income payments addresses addiction, helps children or results in positive change. This policy does not work. Despite this decision makers continue to reject evidence which provides adverse findings and instead rely upon positive anecdotal and non-objective data to justify continuing and expanding this failed policy.

The evaluation of Income Management in the Northern Territory completed in 2014 demonstrated that there had been 'no evidence of changes in aggregate outcomes' in child health, school attendance, alcohol and tobacco use, alcohol-related harm, and imprisonment that could be 'plausibly be linked to income management' and that 'there is no evidence to indicate that income management has any effects at the community level, nor that income management, in itself, facilitates long-term behavioural change'. The evaluation concluded that rather than build capacity and independence, income management had made 'people more dependent on welfare'.¹

A more recent evaluation of the Cashless Debit Card trial site in Ceduna demonstrated that the introduction of the Cashless Debit Card had no 'substantive impact on measures of gambling and intoxicant abuse' nor were 'impacts on crime and Emergency Department presentations substantively found'. Whilst there was an increased spend on healthy foods observed there was a decrease in the health food purchases as a proportion of all food sales, with an increased spend on unhealthy discretionary foods likely leading to a long term negative health impact.²

The two pieces of evaluation commissioned by the Government and often used as justification for the expansion of the Cashless Debit Card have been widely criticised by experts. The first was the Orima report which did not gather baseline data and relied on self-reported change from interviewees rather than quantitative evidence. The Australian National Audit Office criticised this piece of work stating that 'the approach to monitoring and evaluation was inadequate' and that 'it was difficult to conclude whether there had been a reduction in social harm'.³

The most recent evaluation commissioned by the government and undertaken by the University of Adelaide focussed on the Goldfields trial site. In this study the research commenced after the trial had started so there was again no baseline data collected and there is again not a quantitative aspect to the research. The mistakes of the Orima evaluation are being repeated and the ANAO advice has been ignored.

Dr Rob Bray, one of the authors of the evaluation of income management in the Northern Territory, has reviewed a number of evaluations of income quarantining, and concluded that 'although questions about perceptions of change are frequently, although not universally, answered in the positive, these findings are not supported in studies using objective, and repeated, measures of outcomes and change.' Dr Bray also

¹ 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

² Luke Greenacre, Skye Akbar, Julie Brimblecombe & Emma McMahon (2020): "Income Management of Government Payments on Welfare: The Australian Cashless Debit Card", Australian Social Work, <https://doi.org/10.1080/0312407X.2020.1817961>

³ Australian National Audit Office (2018) 'The Implementation and Performance of the Cashless Debit Card Trial' 17 July
<https://www.anao.gov.au/work/performance-audit/implementation-and-performance-cashless-debit-card-trial>

raised concerns about income quarantining continuing despite evidence suggesting this policy has failed. He found that 'the level of commitment to the program, within elements of government and the bureaucracy, has resulted in a process of rejection of evaluation findings when contrary to their belief in the program.'⁴

The ALPA Board of Directors is disappointed that the Government is moving forward and expanding this oppressive policy when there is no evidence demonstrating that it creates positive change for the people who will be subjected to it. This erosion of people's choice and control over their own lives destroys any sense of self-determination, it is an attack on their basic rights, the burden of proof should lie with the Government to prove without doubt that this policy works before enforcing it upon our communities indefinitely.

Where is the consultation?

Alongside the lack of evidence there has been little to no consultation undertaken in the Northern Territory by the Government regarding the expansion of the Cashless Debit Card under the previous bill.

There has been **no consultation** in the Northern Territory regarding the *Social Security (Administration) Amendment (Continuation of Cashless Welfare) Bill 2020*. This Bill was tabled in the House of Representatives before anyone in the Northern Territory knew that it existed.

This approach is a distinct departure from the recently celebrated National Agreement on Closing the Gap which promised an 'unprecedented shift in the way governments have previously worked to close the gap'. It claimed to acknowledge 'that to close the gap, Aboriginal and Torres Strait Islander people must determine, drive and own the desired outcomes, alongside all governments' yet the Government continues to develop policy by ideology, raising serious doubts about the integrity of its new agreement to Close the Gap.

ALPA has undertaken comprehensive consultation across its membership footprint regarding Compulsory Income Management and the expansion of the Cashless Debit Card trial to the Northern Territory. To consult properly in our region means sitting down with individual families and clans, translating words and concepts between languages and cultures. When ALPA undertook this work in Milingimbi, as a response, the community asked if ALPA would distribute their feedback on their behalf. This is included via the link below:

https://www.youtube.com/watch?v=UW_im_asDGs

In every community in which ALPA discussed the potential expansion of the Cashless Debit Card the feedback has been universally consistent. People do not want the Cashless Debit Card, they do not feel that need or receive any benefit from Compulsory Income Management. Our members instead want the opportunity to be employed, they want houses to live in with their families, they want to be free to make their own decisions on how they live their lives, independent of paternalistic and oppressive government policies.

What about 'The Economy'?

The ALPA Board of Directors is deeply concerned that, whilst the percentage of income that is restricted and placed on the card will not change immediately, the Bill allows the Minister to change the percentage

⁴ Bray, R. J. (2016) 'Seven years of evaluating income management – what have we learnt? Placing the findings of the New Income Management in the Northern Territory evaluation in context', *Australian Journal of Social Issues* Vol.51 No.4, p. 464

for everyone on the card. ALPA's understanding of the Bill is that The Minister could change how much of a person's payment is compulsorily quarantined by 'notifiable instrument', meaning that for most people in the NT trial, the Minister could increase the amount restricted up to 80% of their payment.

If any further pressure is put on the cash economies of our region there will be an impact upon both the ongoing viability of the remote financial services sector and on Indigenous small business owners trying to transition from welfare to self-employment.

ALPA's member communities once had thriving micro economies. In a joint initiative with the Commonwealth Government, ALPA is now running small business incubators in two communities as a part of a national trial. These incubators are supporting Yolngu entrepreneurs to transition from welfare to small business ownership, at the same time bringing new products and services to market within their communities.

At this stage all of these businesses are cash based, with the majority currently lacking the sophistication or the economic viability to move to an ecommerce platform to accept the Cashless Debit Card. This new barrier could impact severely on the viability of these businesses, particularly if the Board of Directors fears come to fruition and the amount of money quarantined is increased at a later date. This scenario would further entrench welfare dependency within our communities and limit opportunities for community-led economic development.

The ALPA Board questions the Government's genuine commitment to developing remote and regional economies in the Northern Territory when taking such clear steps to undermine the viability of small businesses.

The ALPA Board of Directors has also expressed concern at the value for money the implementation of this expansion delivers for the Commonwealth. ALPA is concerned at the Government's refusal to make public the costs associated with changing the Cashless Debit Card into an ongoing measure and expanding it to the Northern Territory and Cape York. ALPA knows that in previous iterations of this legislation the cost ran into the hundreds of millions - the total cost of administering the Cashless Debit Card to date has exceeded one billion dollars. Our members are hurt and confused that at a time when record investment is being made to support job creation in other parts of the country the Government is choosing to spend hundreds of millions of dollars to indefinitely restrict their personal freedoms through a paternalistic and oppressive policy which is a demonstrated failure. ALPA's Board and its members feel that this money should instead be invested into programs to create jobs and increase housing in remote Indigenous communities.

When consideration is given to the fact that this policy is a demonstrated failure, and that no one in the Northern Territory is requesting it, ALPA feel that this funding could better be invested elsewhere, particularly at a time when the nation is facing its biggest economic challenge in generations.

Voluntary Income Management works

The ALPA Board of Directors ask the committee to recommend that this legislation is not passed and that instead a transition is made to voluntary income management. ALPA knows this works because it operates a voluntary income management system and has done so for some time.

Prior to The Intervention, ALPA launched FOODcard in its communities. The ALPA FOODcard idea evolved from community consultations in 2004; it is a voluntary system designed, implemented and (still) operated by ALPA with zero cost to taxpayers.

The underlying principle of FOODcard was to create a voluntary tool, which allowed each individual customer to make their own choice about how much money they wish to allocate to the card. In turn, that allowed them to avoid the “humbug” that can take money away from families having access to regular healthy meals.

Extensive community consultation determined what could be purchased, this included most grocery food items and baby requirement in line with ALPA’s healthy choice policy. Excluded items include soft drinks, cigarettes, tobacco and toys. Categories are regularly refined and evaluated based on feedback from cardholders, store committees and the ALPA Board of Directors. Since its inception ALPA members have used this tool to voluntarily allocate over \$15 million dollars to healthy choices.

ALPA does not believe that FOODcard will be the solution everywhere. It was designed by (and at the instigation of) our members in East Arnhem Land for use in their communities. One size fits all interventions from Government simply do not work. However, ALPA argues that it is possible to extrapolate from the example of FOODcard that voluntary, community-designed solutions are the answer: communities and community organisations are best placed to support meaningful and sustainable change.

What’s more, the Commonwealth Government has itself acknowledged through its evidence to the United Nations Committee on Economic Social and Cultural Rights that voluntary income management is more effective than compulsory income management, saying that it delivers more positive results.⁵

When this acknowledgement is considered alongside the comprehensive evidence that both compulsory income management in the Northern Territory and the Cashless Debit Card trial sites have failed to deliver their policy objectives it is clear that this legislation should not be supported. ALPA instead encourages the committee to recommend a transition to a voluntary income management framework.

Further information

Thank you for the opportunity to provide a submission to this inquiry. If you have any questions, require further information or wish organisational representatives to participate in a hearing please do not hesitate to contact me directly via (08) 8944 6444

Yours sincerely,

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⁵ The Australian Government (2018) ‘Concluding observations on the fifth periodic report of Australia: Information received from Australia on follow-up to the concluding observations’ Committee on Economic, Social and Cultural Rights 21 December, https://tbinternet.ohchr.org/_layouts/treatybodyexternal/Download.aspx?symbolNo=E%2fC.12%2fAUS%2fCO%2f5%2fAdd.1&Lang=en p.3