



**Australian Senate Community Affairs  
Legislation Committee**

*Inquiry into the:*

***Social Security and Other Legislation Amendment  
(Welfare Reform and Reinstatement of Racial  
Discrimination Act) Bill 2009 and the***

***Families, Housing, Community Services and  
Indigenous Affairs and Other Legislation Amendment  
(2009 Measures) Bill 2009 along with the***

***Families, Housing, Community Services and  
Indigenous Affairs and Other Legislation Amendment  
(Restoration of Racial Discrimination Act) Bill 2009***

**February 2010**

# NORTHERN TERRITORY GOVERNMENT SUBMISSION

## TO THE AUSTRALIAN SENATE

### COMMUNITY AFFAIRS LEGISLATION COMMITTEE

#### Introduction

The Northern Territory Government welcomes this opportunity to provide input to the Australian Senate Community Affairs Legislation Committee inquiry into the following Bills introduced into the Australian Parliament on 25 November 2009:

- The Social Security and Other Legislation Amendment (Welfare Reform and Reinstatement of Racial Discrimination Act) Bill 2009;
- The Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (2009 Measures) Bill 2009; and
- The Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (Restoration of Racial Discrimination Act) Bill 2009.

#### General Comments

An unprecedented level of cooperation is occurring between the Northern Territory and Commonwealth Governments to improve the social and economic conditions, social inclusion and life outcomes of disadvantaged individuals and communities in the Northern Territory.

Under the reform directions endorsed by the Council of Australian Governments, the Northern Territory and Commonwealth Governments are collaborating across a vast policy agenda to deliver improvements in housing, homelessness, health, education, early childhood development, training and employment services, with a particular focus on closing the gap on Indigenous disadvantage.

The Bills before the Committee are a further example of cooperation between the Northern Territory and Commonwealth Governments to achieve better outcomes for disadvantaged Territorians. The proposed reforms result from:

- ongoing consultations between the Northern Territory and Commonwealth Governments since late 2007;
- a comprehensive, independent review of the Northern Territory Emergency Response (NTER) in 2008;<sup>1</sup>

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<sup>1</sup> Northern Territory Emergency Response, *Report of the NTER Review Board*, October 2009, [http://www.nterreview.gov.au/docs/report\\_nter\\_review/docs/Report\\_NTER\\_Review\\_October08.pdf](http://www.nterreview.gov.au/docs/report_nter_review/docs/Report_NTER_Review_October08.pdf).

- extensive discussions between the Northern Territory and Commonwealth Governments in relation to the review findings and issuance of a joint response to the 52 NTER Review Board recommendations in 2009;<sup>2</sup>
- a series of measure-specific evaluations and reviews commissioned by the Commonwealth that have examined the evidence of what is working and what isn't;<sup>3</sup>
- preliminary assessments of a number of welfare reform trials initiated by the Commonwealth around Australia, including in the Northern Territory; and
- extensive and ongoing consultations with Indigenous communities and other stakeholders since 2007 on the best way forward.

The Northern Territory Government has been a key contributor in the development of the package of reforms now before the Parliament and the Bills are supported.

On 4 December 2009 the Northern Territory Government launched the *Territory 2030 Strategic Plan*, a 20-year strategic plan for the Northern Territory. The plan was developed in consultation with the Territory community and comprises 108 targets across six key themes (education, society, economic sustainability, health and wellbeing, the environment, and knowledge creativity and innovation).

The strategic plan is the Northern Territory Government's road map for the future and will set priorities and guide government's efforts over the next two decades. It is designed to improve the social and economic conditions for all Territorians and includes specific targets aimed at improving the lives of the most disadvantaged Territorians, including Indigenous Territorians. Many of the Territory targets and actions are consistent with the reform directions. For example the plan includes targets and actions that relate to child protection, domestic violence, a Northern Territory social inclusion plan, improving Indigenous employment and education outcomes, the provision of healthy foods in community stores, reducing the impact of alcohol and tobacco consumption, supporting carers, early childhood health and development, and a number of them contribute towards achieving targets in National Partnership Agreements.

Further, the Northern Territory Government's *Working Future* strategy, released in May 2009, has a specific focus on remote NT towns. The six-part plan will develop 20 large towns which will become the economic and service delivery centre for their region, including homelands and outstations. The local implementation plans which are under development for each town have key social inclusion outcomes and seek to achieve the same key results as the Bills, namely, improved social and economic conditions.

<sup>2</sup> Australian Government and Northern Territory Government Response to the Report of the NTER Review Board, 21 May 2009, [http://www.fahcsia.gov.au/sa/indigenous/pubs/nter\\_reports/response\\_to\\_reportNTER/Pages/default.aspx](http://www.fahcsia.gov.au/sa/indigenous/pubs/nter_reports/response_to_reportNTER/Pages/default.aspx)

<sup>3</sup> See: [http://www.fahcsia.gov.au/sa/indigenous/pubs/nter\\_reports/Pages/default.aspx](http://www.fahcsia.gov.au/sa/indigenous/pubs/nter_reports/Pages/default.aspx)

## Specific Comments on Reform Elements

Of most interest to the Northern Territory, the Bills seek to amend:<sup>4</sup>

- the *Social Security (Administration) Act 1999*, *Income Tax Assessment Act 1997* and *Social Security Act 1991* to establish a new model of income management for application from 1 July 2010 across the whole of the Northern Territory and potentially other disadvantaged regions across Australia;
  - the *Northern Territory National Emergency Response Act 2007* to:
    - reinstate the *Racial Discrimination Act 1975*;
    - tailor alcohol restrictions based on community circumstances;
    - clarify the administration of the five-year compulsory leases;
  - the *Classification (Publications, Films and Computer Games) Act 1995* to enable residents in prescribed areas to apply for the removal of restrictions on prohibited material;
  - the *Northern Territory National Emergency Response Act 2007* and *Social Security (Administration) Act 1999* to provide for an explicit food security objective in relation to community stores licensing; and
  - the *Australian Crime Commission Act 2002* to provide that the Australian Crime Commission's use of powers is in relation to violence and child abuse committed against indigenous victims.
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Key aspects of the reform elements are addressed below.

### *Income Management Reform*

Since the commencement of the NTER, the Northern Territory Government has maintained that the focus of income management should be on managing people's behaviour. Currently, the scheme applies uniformly to persons receiving welfare benefits that reside in areas prescribed under the NTER. The Northern Territory Government has also advocated strongly for a model that would allow welfare recipients to voluntarily 'opt into' the scheme.

The expanded regime proposed by the Commonwealth Government would repeal existing provisions that apply income management in prescribed areas and establish a new scheme that would apply across the Northern Territory and potentially other disadvantaged regions across Australia over time. The scheme would apply to:

- people aged 15 to 24 who have been in receipt of specified payments (eg. youth allowance) for more than three months such as youth allowance and parenting payment;
- people aged 25 and above on specified payments such as Newstart allowance and parenting payment for more than 12 months;

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<sup>4</sup> The Bills also seek to repeal certain provisions of the *Families, Community Services and Indigenous Affairs and Other Legislation Amendment (Northern Territory National Emergency Response and Other Measures) Act 2007*, *Northern Territory National Emergency Response Act 2007* and *Social Security and Other Legislation Amendment (Welfare Payment Reform) Act 2007*.

- people referred for income management by child protection authorities;
- people assessed by Centrelink social workers as requiring income management due to vulnerability as a result of financial crisis, domestic violence or economic abuse; and
- people on welfare benefits that choose to voluntarily opt into income management.

Evidence suggests that the Northern Territory has the highest proportion of disadvantaged locations in Australia<sup>5</sup> and it is anticipated that the new scheme would apply to approximately 20 000 people across urban, regional and remote areas of the Northern Territory - an increase on the 15 000 people who are currently subject to income management.

Consistent with the Northern Territory Government's position on income management, the Commonwealth's proposal that people in the first two categories would be able to seek exemptions from income management by providing evidence that they are undertaking responsible parenting, or, for those without children, engaging in study or participating in employment, is supported. Northern Territory and Commonwealth Government agencies are working collaboratively to plan for the roll-out of these provisions from 1 July 2010 should the Bills be passed.

The proposal to provide incentives to encourage people to opt into income management is also consistent with the Northern Territory Government's recommended approach. The proposed "matched savings scheme" for participants under compulsory income management is a new component of the scheme and is supported.

Research evidence and anecdotal advice suggests that income management is working. The 2008 NTER Review Board Report noted that many people told the Board that income management provided a new opportunity to manage their income and family budgets. Many told the Board they wanted to see income management continue.

The Board also spoke to workers in prescribed communities, such as teachers, storekeepers and health workers, who confirmed that families and children were benefiting from income management. At the time, anecdotal evidence suggested that community stores were selling greater quantities and better quality food as a result of income management.

These findings have since been validated by surveys and research commissioned by the Commonwealth Government and others. For example, a 2008 study conducted by the Cultural and Indigenous Research Centre Australia<sup>6</sup> reported that many talked about the positive impact of income management reporting that "children have more food and clothes", "money's

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<sup>5</sup> 2033.0.55.001 - Census of Population and Housing: Socio-Economic Indexes for Areas (SEIFA), Australia, 2006, released 2008.

<sup>6</sup> Cultural and Indigenous Research Centre Australia, *Community Feedback on the Northern Territory Emergency Response (NTER) – Research Report, September 2008.*

safe”, “less drinking, less violence”. Among the positive findings, the report found that purchases of food and other essential items had increased, savings had increased, alcohol consumption and gambling had decreased, bills were being payed more easily and family tension was reduced. Even those people who objected to income management for themselves, could see benefits in it for other people such as drinkers, gamblers and women with small children, large families and grandparents who are carers.

The August 2009 Australian Institute of Health and Welfare study<sup>7</sup> reported a range of significant findings, including that: more than half of parents interviewed reported that their children were eating more, weighed more and were healthier; gambling, drinking and smoking were reduced; more money was being spent on food with more fruit and vegetables being purchased; and indications that income management has helped many families to improve money management skills.

The Northern Territory Government will continue to work closely with the Commonwealth Government to ensure that the interests of Territory welfare recipients who would become subject to income management, Territory businesses and other stakeholders are considered should the Bills be passed.

The Northern Territory will also work to ensure that those most in need of income management, through particular vulnerability are able to be referred in to the scheme. This includes the investigation of the ability of the Alcohol Court to refer appropriately.

The Commonwealth’s commitment to evaluate the extended income management regime in 2011/12 is strongly supported and the Northern Territory Government looks forward with interest to the results of income management trials currently underway elsewhere in Australia.

#### *Reinstatement of the Racial Discrimination Act 1975*

The Northern Territory Government’s long held position has been that suspension of the *Racial Discrimination Act 1975* (Cth) and the *Anti-Discrimination Act* (NT) is contrary to principles of good public policy.

Notwithstanding this position, the Territory Government recognises that a number of benefits have resulted from certain NTER measures made possible by suspension of the *Racial Discrimination Act* and believes that such benefits should be retained where possible.

The Commonwealth’s proposed reinstatement of the *Racial Discrimination Act* with supporting amendments to existing NTER measures is therefore consistent with the Northern Territory Government’s preferred approach.

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<sup>7</sup> Australian Institute of Health and Welfare, *Report on the evaluation of income management in the Northern Territory*, August 2009.

### *Alcohol Restrictions*

The Commonwealth seeks to retain alcohol restrictions as “special measures” under the *Racial Discrimination Act*.

Under the existing regime, laws ban drinking, possessing or supplying alcohol in, or transporting alcohol into, a prescribed area. A small number of exemptions apply, allowing licensed premises with controlled drinking hours to continue to operate as well as permit schemes in some communities. The Bills would largely see the existing alcohol restrictions retained, but transitioned to place-based alcohol management plans developed jointly by the Commonwealth and Northern Territory Governments and negotiated with communities. The Bills would also remove the requirement for a licensee to record the sale of take-away liquor over \$100 or more than 5 litres of wine.

The proposed reforms are consistent with the position previously stated by the Northern Territory Government that:

- a collaborative and strategic approach should be taken to community safety, underpinned by Alcohol Management Plans which have proved the most effective way to combat excessive levels of alcohol; and
- the \$100/5 litres of wine alcohol register is ineffective and should be abolished.

### *Pornography Restrictions*

The Northern Territory Government’s *Little Children are Sacred* inquiry heard many reports of communities being exposed to sexually explicit and very violent films, publications and computer games. Under the NTER, restrictions were placed on the possession and supply of sexually explicit and very violent films, publications and computer games in prescribed areas.

The Northern Territory has provided a classification education program to many prescribed communities. Community understanding of the classification system is a fundamental to decision making by communities in relation to pornography restrictions.

The Northern Territory Government supports the proposed retention of the pornography restrictions on the basis that many NTER communities support ongoing prohibitions. The proposal for persons in prescribed areas being able to seek an exemption from the scheme is also supported on the basis that NT Police would play a key advice giving role in the process. It is expected that the Northern Territory Government Department of Health and Families would also be consulted should such exemptions be sought.

There are, however, issues arising from use of signage on access roads which have been criticised as stigmatic. In many cases the signs have been vandalised and there are indications that the information they portray is not well comprehended by either community members or visitors. The Commonwealth has given a commitment to work with the Northern Territory Government and communities to look at ways of making the signs more appropriate and acceptable.

### *Law Enforcement Powers*

Currently the Australian Crime Commission can use its powers in relation to serious violence or child abuse committed by or against, or involving, an Indigenous person. The Bill would restrict use of powers to where serious violence or child abuse is committed against an Indigenous person. The Northern Territory Government has no objections to this proposal.

### *Five-year leases*

The Commonwealth holds leases over 64 communities in the Northern Territory which will expire by the end of August 2012. The proposed amendments to the current arrangements aim to help clarify the purpose and operation of the leases and this is welcomed.

Continuation of the leases as a 'special measure' for the purposes of the *Racial Discrimination Act* is supported, as is the move to voluntary leasing arrangements at the expiry of the leases.

The Northern Territory Government is working closely with the Commonwealth to secure long-term land tenure arrangements across a number of prescribed communities in support of the Northern Territory Government's *Working Future – Territory Growth Towns* policy and the National Partnership Agreement on Remote Service Delivery.

### *Community Stores*

The NTER requires that community stores in prescribed areas be assessed and licensed to be eligible to participate in the income management scheme.

The Bill would seek to improve and extend the current scheme by:

- providing an explicit "food security" objective for stores licensing, and establishing a legislative link between store licensing and eligibility of a store to participate in income management arrangements;
- extending licensing to cover other shops that are a key source of food, drink and grocery items, for example road houses;
- providing a wider range of options for the Commonwealth to intervene where stores are not meeting licensing requirements;
- clarifying licensing assessment processes and the requirements on licensees;
- allowing the Administrative Appeals Tribunal to review key licensing decisions.

The Northern Territory Government has observed very positive results under this measure and therefore supports the proposed further strengthening and extension of the licensing scheme. Studies have confirmed that a significant majority of licensed community stores are stocking and selling more healthy food.<sup>8</sup>

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<sup>8</sup> Department of Families, Housing, Community Services and Indigenous Affairs, *Final Stores Post Licensing Monitoring Report*, June 2009.



In conjunction with the scheme, cooperative work is currently progressing with the Commonwealth under the Closing the Gap in the Northern Territory National Partnership Agreement to support improved stores governance.

### **Concluding Remarks**

Breaking the cycle of generational welfare dependence in the Northern Territory will take time. Progress made under the NTER to date has been positive and momentum must be maintained. The package of reforms proposed in the Bills before the Committee will build on our existing work and strengthen our efforts to address social and economic disadvantage more broadly in the Northern Territory.