



Committee Secretary
Senate Standing Committees on Community Affairs
By email: community.affairs.sen@aph.gov.au

15 August 2022

To the Community Affairs Legislation Committee,

Re: Inquiry into the Social Security (Administration) Amendment (Repeal of Cashless Debit Card and Other Measures) Bill 2022

The Central Land Council (CLC) welcomes the opportunity to provide a submission to the Social Security (Administration) Amendment (Repeal of Cashless Debit Card and Other Measures) Bill 2022 (the Bill).

Through its elected representative Council of 90 community delegates, the CLC represents the interests and aspirations of approximately 20,000 traditional landowners and other Aboriginal people resident in its region, which spans approximately 780,000 km² of the Northern Territory. We advocate for our people on a wide range of land-based and socio-political issues to ensure that our families can continue to survive and thrive on their land.

The CLC strongly welcomes the repeal of the Cashless Debit Card and additionally calls for the abolition of all forms of compulsory quarantining of welfare payments. The withdrawal of compulsory Income Management must be a well-managed process undertaken in close consultation with Aboriginal community-controlled organisations and Aboriginal community leaders.

As a member of Aboriginal Peak Organisations NT (APO NT), the CLC has previously provided to the committee extensive commentary on our concerns with the CDC and compulsory Income Management more broadly. This includes the lack of evidence that the compulsory quarantining of welfare payments actually addresses the problems it is purportedly intended to address (namely, to reduce the harms associated with alcohol, drug use and gambling, and the insufficient allocation of funds to essentials such as food, clothing and housing) and the evidence that it may also be causing harm to individuals and communities.¹

A legacy of the Commonwealth Intervention in 2007, compulsory Income Management was and continues to be a top-down policy imposed on a significant number of Aboriginal people regardless of their circumstances. The continued imposition of compulsory Income Management contradicts a central principle of the National Agreement on Closing the Gap that “when Aboriginal and Torres Strait Islander people have a genuine say in the design and delivery of services that affect them, better life outcomes are achieved”² and the Commonwealth’s parallel commitment under the agreement to share decision-making authority with Aboriginal and Torres Strait Islander people.

¹ Refer to APO NT (2019) Submission to the Senate Community Affairs Legislation Committee Social Security (Administration) Amendment (Income Management to Cashless Debit Card Tradition) Bill 2019 and APO NT (2020) Submission to the Senate Community Affairs Legislation Committee on the Social Security (Administration) Amendment (Continuation of Cashless Welfare) Bill 2020 provided as attachments to this submission.

² National Agreement on Closing the Gap (July 2020), Preamble

We note that multiple human rights bodies, including the UN Committee on the Elimination of Racial Discrimination and the Australian Human Rights Commission have raised concern about compulsory quarantining of welfare payments.³

The Central Land Council therefore recommends:

1. The passage of the Social Security (Administration) Amendment (Repeal of Cashless Debit Card and Other Measures) Bill 2022, with an amendment to additionally repeal Part 3B of the Act to abolish the compulsory Income Management regime.
2. That this amendment must provide for consultation with Aboriginal community-controlled organisations and Aboriginal community leaders to co-design and implement options for place-based, community-led voluntary approaches to income management. The CLC notes that the Arnhem Land Progress Association FOODcard model is an example of a community-led approach that is consistent with principles of self-determination.
3. That the withdrawal of compulsory Income Management is managed with care. This includes taking into account implications for rental, utilities and loan deductions attached to the current Income Management system, the need to ensure people have access to advice and appropriate services/supports to understand and manage transition off the CDC and the BasicsCard, and options for and safeguards around quarantining of welfare payments in situations involving Child Protection or extreme vulnerability. We reiterate that these issues must be considered in close consultation with Aboriginal community-controlled organisations and Aboriginal community leaders.
4. That the Federal Government take action to address the challenges that compulsory Income Management was originally intended to address. This includes:
 - a) Working with the Northern Territory Government to jointly invest in evidence-based strategies to address alcohol and drug misuse and problem gambling, including more funding for treatment services. We emphasise the need for this given the potential for increased alcohol-related harms following the sunseting of the Strong Futures legislations that has seen the lifting of alcohol restrictions in many town camps and remote communities in the Northern Territory.
 - b) Investment in financial counselling services that are geographically, culturally, and linguistically accessible to those individuals who need them most.
 - c) Implementing a new approach to remote employment focused on job creation in remote communities. The CLC commends to the Committee APO NT's *Fair Work and Strong Communities* proposal (**Attachment A**) for a new approach to remote development and employment to replace the failed Community Development Program (CDP). While there are a range of issues that have an impact on the employment prospects of Aboriginal people in remote NT communities (including discrimination, health conditions and poor housing), it is clear that the single most critical driver of unemployment in these communities is lack of available jobs.

³ Refer to APO NT (2019) Submission to the Senate Community Affairs Legislation Committee Social Security (Administration) Amendment (Income Management to Cashless Debit Card Tradition) Bill 2019

Unless we pay urgent attention to the persistent employment gap experienced by Aboriginal people living in our remote communities,⁴ poverty will continue to deepen. While nationally, Indigenous poverty rates have been declining slowly over the past decade, poverty in remote Aboriginal communities is climbing (as is the cost of living⁵) – and joblessness is a key driver. If we don't address the need for job creation in our remote communities, we will continue to limit the potential of our young people, families and communities.

Finally, we note the need for parallel reform of the social security system that helps rather than punishes people who need income support. As Minister Rishworth stated in her second reading of the Bill, “(w)elfare and income support should not be seen as punitive but should always return to our core principles of no-one being left behind.”⁶ Again, we commend to the Committee the *Fair Work and Strong Communities* proposal and its recommendations regarding the provision of *high quality* case management for people receiving income support. This means spending more time face-to-face with people, working with families (not just individuals), fair and realistic obligations for people receiving income support, and options to exit to appropriate income support options for those unable to work.

In summary, while the CLC welcomes the repeal of the CDC, we urge the Federal Government to also commence a carefully managed process to fully withdraw compulsory Income Management. As of May 2022, there were 24,888 people subject to the quarantining of welfare payments under the BasicsCard.⁷ According to a 2020 regulation impact statement, “Income Management is (...) a complex and costly policy, not suited for further expansion.”⁸ The CLC suggests that the roughly \$73 million per year in operating costs for Income Management⁹ could be far better spent on job creation and evidence-based strategies to support the health and wellbeing of Aboriginal people living in remote communities.

Thank you for considering our submission. If you wish to discuss any aspects of our submission further, please contact Nicola Flook, Senior Policy Officer at nicola.flook@clc.org.au.

Regards,



Lesley Turner
Chief Executive Officer

⁴ While we await the figures from the 2021 Census, data from the latest Closing the Gap annual report (based on 2016 census figures) shows 35.4% of Aboriginal people aged 25-64 were employed, compared to 84.8% of non-Aboriginal people in that age bracket. Source: Productivity Commission Closing the Gap Information Repository ([online](#)). The figures for 2017-2019 for people living in ‘very remote’ communities showed just 35.1% of Indigenous Australians (aged 15 to 64) living in ‘very remote’ were employed. Source:

<https://www.aihw.gov.au/reports/australias-welfare/indigenous-employment>

⁵ Northern Territory Council of Social Service (NTCOSS) (2022) Cost of Living Report No. 31 ([online](#))

⁶ Minister Rishworth, House of Representatives on 27/07/2022 BILLS - Social Security (Administration) Amendment (Repeal of Cashless Debit Card and Other Measures) Bill 2022 - Second Reading ([online](#))

⁷ Lotric, A. (2022) Where to for Income Management and the Cashless Debit Card, Australian Parliamentary Library Briefing ([online](#))

⁸ Australian Government Department of Social Services (2020) Cashless Debit Card Final Assessment Regulation Impact Statement OBPR ID 24100, p.3 ([online](#))

⁹ Ibid.