Aboriginal Peak Organisations Northern Territory

An alliance of the CLC, NLC, CAALAS, NAAJA and AMSANT

SUBMISSION

to the

SENATE STANDING COMMITTEE ON COMMUNITY AFFAIRS

Social Services and Other Legislation Amendment (2014 Budget Measures No.1) Bill 2014

Social Services and Other Legislation Amendment (2014 Budget Measures No.2) Bill 2014

July 2014

Contents

1 Summary of concerns and impacts 5

2 About APO NT 6

2.1 APO NT Organisations 7

3 Recommendations 9

3.2 Recommendations regarding the 6 month preclusion period: 9

Recommendation 4: 9

APO NT recommends that Schedule 6 of Bill No. 2 be rejected in its entirety. 9

APO NT recommends as a temporary measure that the eligibility age for the Aged Pension be reduced for Aboriginal and Torres Strait Islander people to 60 years of age until the life expectancy of Aboriginal people improves to the same level as non-Indigenous Australians. 10

4 About our submission 11

5 Northern Territory Context 11

5.1 Demographic considerations 11

5.1.1 Low median income 11

5.1.2 Employment outcomes 12

5.1.3 Language diversity and access to services 13

5.1.4 Low levels of educational attainment 13

5.1.5 Low life expectancy 13

5.1.6 Remoteness 14

5.1.7 Remote cost of living and allowance rates 14

5.1.8 A younger population 15

5.1.9 High rates of Aboriginal and Torres Strait Islander people living with disabilities 16

5.2 Income management 16

5.3 Housing and homelessness 19

5.4 Barriers to employment in the Northern Territory 20
5.4.1 Case Studies: Structural disincentives to work 22
5.5 Barriers to economic development in remote communities 23
5.6 High level of disengaged young men in the Northern territory 24
6 Impacts of the Main Reforms to Social Welfare 25
6.1 Relevant Considerations 25
6.2 Six Month Exclusion Period 26
Recommendation 4: 26
APO NT recommends that Schedule 6 of Bill No. 2 be rejected in its entirety. 26
6.2.1 Key Impacts of the Exclusion Period 27
6.2.2 Exclusion period and the social determinants of health 27
6.2.3 Hypothetical 28
6.2.4 Exclusion period and homelessness 29
6.2.5 Exemptions 30
6.2.6 Exemption for income managed people in the NT 30
6.2.7 Recommendation: Hardship exclusion 31
6.2.8 Unintended consequence: income exclusion and parenthood 31
6.2.9 Job Capacity Assessments – access and quality 31
6.2.10 Case study: Job Capacity Assessment 32
6.2.11 Reductions for past periods gainful work 32
6.3 Raising the Newstart Allowance age 33
6.4 Raising the Pension Age 33
6.5 Changes to the Disability Support Pension 34
6.5.1 Program Of Support 34
6.5.2 Case study: Program Of Support 35

6.6 Abolition of the Pensioner Education Supplement 35
6.7 Changes to Family Assistance 35
6.8 Ability of Aboriginal people to cover service fees 36
7 Appendix 37
7.1 Northern Territory Issues Paper 2014 37
7.2 Northern Territory Issues Paper 2012 37
7.3 COAG Reform Council 2012/2013 Northern Territory Snapshot 37
8 References 38

1 Summary of concerns and impacts

Aboriginal Peak Organisations Northern Territory (APO NT) welcomes the opportunity to make a submission to the Community Affairs Legislation Committee Inquiry into Social Services and Other Legislation Amendment (2014 Budget Measures No.1 and No.2) Bills 2014. APO NT endorses the submission of the National Welfare Rights Network (NWRN)[1]. APO NT makes specific recommendations in addition to those of the NWRN.

APO NT acknowledges that the Government's proposed changes to the welfare system are intended to make budget savings to reduce Australia's deficit. We reject the contention that there is a budget emergency and consider that there are more equitable ways to address government revenue.

Reducing levels of income support offered to Aboriginal and Torres Strait Islander people, who are widely acknowledged to experience significant disadvantage, poverty, ill health and disenfranchisement relative to non-Indigenous Australians, will run counter to Australia's efforts to Close the Gap on Indigenous disadvantage, particularly in areas with a weak labour market and a lack of job opportunities.

If implemented as outlined, the proposed changes will:

- increase the already high rate of homelessness in the Northern Territory; where one in four Aboriginal people are homeless;

- reduce access to food and food security, particularly in remote communities where fresh food can cost 150 -180% more than in capital cities[2];

- reduce the amount of resources available for the care of children, including food;

- increase the already high non-participation rate of young Aboriginal men;

- further widen the gap in Aboriginal health outcomes;

- increase social problems and dysfunction, including domestic and family violence, by placing pressure on low income families with already limited resources; and

- reduce the social and economic functionality of remote communities.

[1] National Welfare Rights Submission to the Senate Standing Committee On Community Affairs Social Services And Other Legislation Amendment (2014 Budget Measures No.1) Bill 2014, July 2014

[2] Office of the Northern Territory Coordinator-General, *Office of the Northern Territory Coordinator-General for Remote Services Report Jun 2011 to August 2012*, p 89.

The cumulative effects of the above will be to increase poverty and social exclusion for Aboriginal people in the Northern Territory.

The reforms do nothing to address the structural causes of disadvantage or create employment opportunities and will instead reduce the economic functionality of remote communities.

APO NT urges Federal Government to urgently review the particular circumstances of Aboriginal people in the Northern Territory and the disproportionate impact the proposed suite of reforms will have on them, prior to implementing these reforms. APO NT opposes the majority of the reforms contained in the Bills.

If retained, we recommend the Federal Government introduce measures to ameliorate the impacts outlined above.

APO NT urges the Federal Government to focus efforts on facilitating improved educational outcomes, skills training and generating employment opportunities for Aboriginal people in the Northern Territory thereby reducing the need for our peoples to rely on the welfare system, rather than applying punitive, harsh measures to exclude the jobless from income support and reduce the income of the poorest families.

APO NT would welcome the opportunity to advise Government further on such opportunities.

Forcing people to relocate from traditional lands so as to 'move to where jobs are available', undermines the Government's commitment to the United Nations *Declaration on the Rights of Indigenous Peoples*, particularly the ability to practice and maintain unique cultures[3] and ignores the severe shortage of housing in the Northern Territory. It is not an acceptable solution for our people.

2 About APO NT

Formed in October 2010, APO NT is an alliance between the Northern Land Council (NLC), Central Land Council (CLC), Aboriginal Medical Services Alliance Northern Territory (AMSANT), North Australian Aboriginal Justice Agency (NAAJA) and Central Australian Aboriginal Legal Aid Service (CAALAS).

APO NT is working to develop constructive policies on critical issues facing Aboriginal people in the Northern Territory and to influence the work of the Australian and Northern Territory governments. As representatives from peak organisations in the Northern Territory, we share the aim of protecting and advancing the wellbeing and rights of Aboriginal and Torres Strait Islander people and communities. We also aim to provide a representative

[3] See Cooper, David, *Closing the Gap in cultural understanding: social determinants of health in Indigenous policy in Australia*, Aboriginal Medical Services Alliance of the Northern Territory, (AMSANT) (2011). Cooper explains that "The proportion of The Aboriginal population that maintains tradition---rich lifestyles and continues to live on ancestral lands they own is higher than in other jurisdictions in Australia", at 1.

voice for Aboriginal people in the Northern Territory and to enable effective communication and information distribution between and within communities and Aboriginal organisations.

2.1 APO NT Organisations

NAAJA

The North Australian Aboriginal Justice Agency was formed in 2006. It brought together three existing Aboriginal Legal Services across the Top End to ensure the provision of quality legal services for Aboriginal Australians. NAAJA has grown to employ over 100 staff across the Northern Territory, with offices in Darwin, Katherine and Nhulunbuy and is the largest law firm in the Northern Territory.

NAAJA provides high quality, culturally inclusive criminal, civil (including family law, child protection and welfare rights) law advice and assistance, community legal education, throughcare and prison support services. NAAJA attends community courts and holds regular advice clinics in remote communities across the Top End, from Groote Eylandt to Wadeye.

NAAJA advocates for the legal rights of Aboriginal Australians at a national level. In 2010, NAAJA was awarded the prestigious Law Award from the Australian Human Rights Commission for its commitment to bringing about long term change in the justice system through representation, law reform and education.

Central Land Council

The Central Land Council is a Commonwealth statutory authority established under the Aboriginal Land Rights (Northern Territory) Act 1976 and a Native Title Representative Body under the Native Title Act 1993.

The CLC is one of four Northern Territory Land Councils. The CLC region covers the entire southern half of the Northern Territory, an area of some 780,000 square kilometres of land. The council is made up of 90 Aboriginal people from more than 15 language groups elected from communities across the region.

The CLC is first and foremost a representative organisation for the Aboriginal people in its region particularly on land related matters, including land claims and economic use of land.

CAALAS

Central Australian Aboriginal Legal Aid Service strives for justice, dignity and equal rights and treatment before the law for Aboriginal people in Central Australia. CAALAS provides high quality, culturally appropriate and readily accessible legal services (in the areas of criminal, civil, family and welfare rights law), legal education, social justice advocacy and preventative and early intervention services to Aboriginal people and communities in Central Australia.

Northern Land Council

The Northern Land Council processes outstanding land claims under the Aboriginal Land Rights (Northern Territory) Act 1976, as well as undertaking responsibilities under other legislation, such as native title claims. In addition, assisting landowners with land management and economic development is now a priority. Many Aboriginal people use the Northern Land Council to assist them in 'caring for country' and to develop economic opportunities. The Northern Land Council region covers the northern part of the mainland Northern Territory.

AMSANT

AMSANT is the peak body for Aboriginal Community Controlled Health Services in the Northern Territory. It aims to improve the health of Aboriginal people in the Northern Territory through promoting and extending the principle of local Aboriginal community control over primary health care services to Aboriginal people. AMSANT aims to alleviate the sickness, suffering and disadvantage, and to promote the health and well-being of Aboriginal people of the Northern Territory through the delivery of health services and the promotion of research into causes and remedies for illness and ailments found within the Aboriginal population of the Northern Territory.

3 Recommendations

3.1 General recommendations

Recommendation 1:

APO NT recommends that Remote Area Exemptions be reinstated activity test and participation requirements for Newstart and Youth Allowance for Aboriginal and Torres Strait Islander recipients who live in remote and very remote communities where job and educational opportunities are scarce.

Recommendation 2:

APO NT recommends that the Federal Government develop a program of targeted and intensive assistance to support Indigenous job seekers who choose to relocate, recognising that this cohort is likely to encounter significant challenges adapting to a new environment where they may have to communicate using a different language, cultural context and geographical location.

Recommendation 3:

APO NT recommends that the Federal Government invest in programs and infrastructure which address the particular barriers to employment faced by Aboriginal people in the Northern Territory, including lack of literacy and budgeting skills, discrimination in the labour market, and deficits in skills/training matched to job demand in many remote communities.

3.2 Recommendations regarding the 6 month preclusion period:

Recommendation 4:

APO NT recommends that Schedule 6 of Bill No. 2 be rejected in its entirety.

Recommendation 5:

If retained, APO NT recommends that exemptions to the income preclusion period be granted to:

- income support recipients in the Northern Territory on income management, or who have been exempted from income management;

- people at risk of hardship.

APO NT offers to consult with the Federal Government regarding risk factors for hardship, such as domestic and family violence, caring responsibilities, homelessness, financial hardship, housing insecurity, remoteness, health, dependents etc.

Recommendation 6:

APO NT recommends that decisions regarding Job Seeker Classification Instrument (JSCI), Employment Services Assessments (ESA) and Job Capacity Assessments (JCA) be reviewable under Centrelink's internal review mechanism or the Social Security Appeals Tribunal.

Recommendation 7:

APO NT recommends that Remote Jobs and Communities Program (RJCP) work, casual and labour hire work be considered to be 'gainful work' for the purposes of the reductions to the exclusion period and that reductions for gainful work be drafted into the Bill.

3.3 Recommendation regarding the raise in the Age Pension age

Recommendation 8:

APO NT recommends as a temporary measure that the eligibility age for the Aged Pension be reduced for Aboriginal and Torres Strait Islander people to 60 years of age until the life expectancy of Aboriginal people improves to the same level as non-Indigenous Australians.

3.4 Recommendation regarding Disability Support Pension

Recommendation 9:

APO NT recommends that the program of support requirements be waived for all Disability Support Pension applicants where there is no Disability Employment Service provider with specialist staff that can provide an adequate level of support.

4 About our submission

APO NT endorses the submission of the National Welfare Rights Network and the proposals contained within.

This submission provides the demographic context of Aboriginal people in the Northern Territory. It also seeks to detail the particular impacts that the proposed changes will have on Aboriginal people in the Northern Territory, rather than discuss the changes in detail.

5 Northern Territory Context

We provide the following information about the Northern Territory as background to APO NT recommendations. Aboriginal and Torres Strait Islander people in the Northern Territory experience specific forms of disadvantage that increase their vulnerability to the proposed social welfare reforms. APO NT predicts that the interaction of the proposed welfare changes and existing disadvantage will exacerbate poverty and homelessness among Aboriginal people and communities.

5.1 Demographic considerations

5.1.1 Low median income

In 2011, the median personal income in the Northern Territory for Indigenous persons was $269 per week. This is significantly less than the median income of non-Indigenous people in the Northern Territory of $925 per week.[4] The 2011 Census identified 9,682 Indigenous people who reported an income of less than $200 per week. 3,060 people recorded no income at all.[5]

The negative effects of systemic poverty on communities are well-documented. Low income communities have been found to experience increased levels of family violence,[6] poor child development and nutrition,[7] and higher rates of certain crimes.[8]

People in remote areas have been required to comply with participation requirements when Remote Area Exemptions for remote job seekers were totally removed on 30 June 2011. Before this, job preparation and placement services were not provided in remote communities. [9]

---

[4] Office of the Northern Territory Coordinator-General, *Office of the Northern Territory Coordinator-General for Remote Services Report Jun 2011 to August 2012*, p 21

[5] Office of the Northern Territory Coordinator-General, *Office of the Northern Territory Coordinator-General for Remote Services Report Jun 2011 to August 2012*, p 21

[6] Fadwa Al-Yaman, Mieke Van Doeland, and Michelle Wallis, *Family Violence Among Aboriginal and Torres Strait Islander Peoples,* Australian Institute of Health and Welfare, 2006.

[7] Mariana Chilton, Michelle Chyatte and Jennifer Breaux , 'The negative effects of poverty & food insecurity on child development', *Indian Journal of Medical Research,* vol. 126, October 2007, pp 262-272.

[8] Paresh Kumar Narayan and Russell Smyth, 'Crime rates, male youth unemployment and real income in Australia: evidence from Granger causality tests', Applied Economics, Volume 36, Issue 18, 2004, pp. 2079-2095.

[9] Budget and Additional Estimates Statements, Indigenous Affairs Budget 2007-08, Enhancing opportunities for employment and participation in remote communities, 2007.

Aboriginal job seekers have been also subject to financial penalties to a much greater extent than non-Indigenous job seekers, further reducing household income. Despite totalling 10% of job seekers in 2012 to 2013, Aboriginal job seekers accounted for:

- 28% of all financial penalties imposed;
- 30% of smaller financial penalties imposed; and
- 34% of serious failures for 'serious non-compliance' imposed.[10]

5.1.2 Employment outcomes

In 2008, as part of its 'Closing the Gap' initiative, the Federal Government pledged to halve the gap between Indigenous and non-Indigenous employment outcomes in Australia. Despite this, the difference between these outcomes in levels of employment, unemployment and labour force participation has increased in the last 5 years.[11]

The lack of improvement in post-secondary qualifications for Indigenous Australians since 2008 is an additional contributory factor to the increasing difference in employment outcomes between Aboriginal and non-Indigenous Australians.[12]

In the Northern Territory, the disparity between employment outcomes for Indigenous compared to non-Indigenous Australians is even more striking. A gap of 40.8 percentage points[13] remains between Indigenous and non-Indigenous employment outcomes in the NT.[14] Further, the Indigenous employment rate in the Northern Territory fell by 6.8% from 2008-2013.[15]

The winding back and changes to the Community Development Employment Projects (CDEP) scheme had a number of corollary effects:

- decreased employment levels of Aboriginal and Torres Strait Islander people nationally;
- reduced Aboriginal and Torres Strait Islander community control over expenditure of funds on local projects and essential services;
- increased the number of Aboriginal and Torres Strait Islander people on income support payments as from July 2009 onwards, new CDEP participants were classified as income support recipients[16];
- increased the number of Aboriginal people in the Northern Territory on compulsory income management.

We discuss the barriers to employment in the Northern Territory below at 5.4.

---

[10] Senate Standing Committee on Education and Employment, Questions on Notice, *Additional Estimates 2012-13, Department of Employment Question No. EM0186_14.*
[11] COAG Reform Council, 2012-13, p. 65.
[12] See COAG Reform Council, 2012-13, pp. 65-68.
[13] This compares with a nation-wide gap of 27.8 percentage points at 2012-13 review. The national gap had widened to this level from previous 21.2 percentage points in 2008 (COAG Reform Council, 2012-13, p. 65) .
[14] COAG Reform Council, 2012-13, p. 68
[15] COAG Reform Council, 2012-13.
[16] P 45 http://www.dss.gov.au/sites/default/files/documents/11_2012/nim_first_evaluation_report.pdf

5.1.3 Language diversity and access to services

Around 100 languages are spoken in the Northern Territory with many people speaking English as their third or fourth language.[17]

This has impacts on Aboriginal people's ability to access services fairly and equitably.

For example, there is currently only one Aboriginal language, Pitjantjatjarra that is available on the Department of Human Service's Indigenous Call Centre line. If a person speaks one of the 99 languages other than Pitjantjatjarra, they need to speak to Centrelink in English.

Information in approximately 52 non-Indigenous languages is available on the Department Human Services website – no information is available in any Aboriginal languages.

The impact of language diversity on government service delivery was highlighted by the James Cook University *Indigenous Legal Needs Project: Northern Territory Report.* A respondent to the research stated:

> You can imagine if you've got a language barrier...if English is your third or fourth [language] and then you've got to go into Centrelink, and anything to do with Centrelink you've got to get on a phone – its not actually serviced here. Now you imagine trying to explain all that when you're second or third English speaking... So if you have an acquired brain injury or you're an alcoholic or whatever your problem is, where do you go? ... Centrelink is a big issue; it's been going on for a number of years, just the treatment of Aboriginal people going in there (Statutory Authority staff) *18*

5.1.4 Low levels of educational attainment

Aboriginal children in the Northern Territory have the worst literacy and numeracy in the country, without significant improvement over the period of NAPLAN monitoring.[19]

The post school qualifications rate (a key determinant of employment outcomes) was the lowest in Australia, with the widest gap between Aboriginal and non-Indigenous Territorians, with little change in five years.[20]

5.1.5 Low life expectancy

Aboriginal and Torres Strait Islander people have a significantly lower life expectancy rate than non-Indigenous Australians; the rate for Aboriginal and Torres Strait Islander males is

---

[17] http://www.ais.nt.gov.au/ Accessed on 19 April 213.

[18] Indigenous Legal Needs Project Page 85

[19] http://www.nap.edu.au/results-and-reports/national-reports.html

[20] (COAG Reform Council, 2012-13a, pp. 65-68)

69.1 years, whereas the rate for non-Indigenous males is 79.7 years.[21] In the Northern Territory, the life expectancy for Aboriginal and Torres Strait Islander males is 63.4 years. [22]

In many remote parts of the Northern Territory the life expectancy of Aboriginal people at community level is significantly lower than even the Territory average.[23]

5.1.6 Remoteness

In the Northern Territory, 80% of the Aboriginal and Torres Strait Islander population live outside Greater Darwin.[24] A high proportion of this population live in remote or very remote communities; the Northern Territory has higher proportions of people in remote (21.2%) and very remote (24.8%) areas than any other state or territory (table 5.21).[25]

Remoteness, particularly in Aboriginal communities, is interconnected with a number of factors of disadvantage. These include:

> poorer access to services…overcrowded housing, [fewer] employment opportunities and…an excessively high cost of living that practically precludes a healthy diet.[26]

The Federal Government's proposed social welfare regime will be highly damaging to these already vulnerable communities.

5.1.7 Remote cost of living and allowance rates

In remote communities fresh food can cost 150 -180% more than in capital cities.[27]

The 2012 Northern Territory Government's Market Basket Survey examined the cost of a standard food basket for a hypothetical family of 6 for a fortnight. The average cost of the food basket was $760 in remote stores, $712 in district centre corner stores and $534 in district centre supermarkets. On average, the food basket in remote stores was 49% more expensive than in the Darwin supermarket, and 21% more expensive than in the Darwin corner store.

The proportion of family income required to purchase the food basket was 23% in a Darwin supermarket and 35% in remote stores.[28] East Arnhem was the most expensive district ($792) and Barkly the least expensive ($731).

---

[21] Latest life expectancy data from AIHW: "For the Aboriginal and Torres Strait Islander population born in 2010–2012, life expectancy was estimated to be 10.6 years lower than that of the non-Indigenous population for males (69.1 years compared with 79.7) and 9.5 years for females (73.7 compared with 83.1)" (AIHW, 2013b)
[22] 2010-2012 data from COAG Reform Council NT jurisdictional snapshot, see Appendix 7.3
[23] Australian Institute of Health and Welfare, *Life expectancy [*http://www.aihw.gov.au/rural-health-life-expectancy/] accessed on 6 August 2014.
[24] ABS 2011
[25]http://www.abs.gov.au/ausstats/abs@.nsf/Previousproducts/1301.0Feature%20Article22004?opendocument&tabname=Summary&prodno=1301.0&issue=2004&num=&view=
[26] Olga Havnen, 2012, pp. 88-89.
[27] Olga Havnen, 2012, pp. 89.

The cost of fuel is also significantly higher than the national average. On 27 July 2014, the average weekly retail price for unleaded petrol was 152 cents per litre. On the same day, the regional average in the Northern Territory was 176 cents per litre; fuel prices are higher again in remote communities. Many people in remote communities and urban centres are reliant on travelling by private vehicle to access services because of the lack of public transport.

The Remote Area Allowance, granted to some income support recipients living in remote areas by the Department of Human Services, does not adequately compensate for the high cost of living; a single receives $18.20 per week, couples $15.60 each and $7.30 for each dependent child.

The high cost of living in remote communities greatly amplifies the inadequacy of allowance rates. Any further reduction in household income levels will further exacerbate this.

5.1.8 A younger population

Aboriginal and Torres Strait Islander people in the Northern Territory have a far lower median age than the rest of the Australian population. In 2011, the median age was 23 years old, compared to 31.5 years old in the Northern Territory, and 37.3 years old for the overall Australian population.[29]

Many of the Federal Government's reform measures, including the income exclusion period, are targeted to persons under 30 or 35 years old.

In addition, Aboriginal women have children at a younger age. The median age of mothers who registered an Aboriginal and Torres Strait Islander birth in 2011 was 24.8 years, almost 6 years lower than the median age of all mothers in Australia (30.6 years). Similarly, the median age of fathers was 27.6 years compared with 33.0 years for all fathers in Australia.[30]

The Northern Territory also has the youngest mothers and fathers in the country, with 28.5 years and 31.5 years respectively as the average.[31]

---

[28] Northern Territory Government, Department of Health, *Market Basket Survey 2012,* 2013, p 4 It surveyed eighty-two rural and remote stores, and for comparison of prices, a supermarket and corner store in the major town/city in each of the district centres.

[29] ABS (2010) *The Health and Welfare of Australia's Aboriginal and Torres Strait Islander Peoples [{*http://www.abs.gov.au/AUSSTATS/abs@.nsf/Latestproducts/6CD003E84F950DDCCA257AD900098C94?opendocument]

[30] ABS (2010) *The Health and Welfare of Australia's Aboriginal and Torres Strait Islander Peoples http://www.abs.gov.au/AUSSTATS/abs@.nsf/Latestproducts/6CD003E84F950DDCCA257AD900098C94?opendocument*

[31] ABS (2012) Births, Australia 2011 (3301.0) http://www.abs.gov.au/AUSSTATS/abs@.nsf/Previousproducts/3301.0Main%20Features52011?opendocument&tabname=Summary&prodno=3301.0&issue=2011&num=&view=

5.1.9 High rates of Aboriginal and Torres Strait Islander people living with disabilities

Aboriginal and Torres Strait Islander people experience a significantly higher rate of disability than non-Indigenous Australians.[32] 10% of Disability Support Pension recipients in Australia are Aboriginal and Torres Strait Islanders, although Aboriginal and Torres Strait Islander people comprise only 2.3% of the working age population.[33] Further, rates of disability among Aboriginal and Torres Strait Islander people increased by 34% between from 2006 to 2011.[34]

Aboriginal and Torres Strait Islanders are 2.4 times as likely to need help with daily activities as non-Indigenous Australians. The gap is greatest in the Northern Territory and Western Australia, and in remote and very remote areas. [35]

There is also a severe lack of disability services and respite care in remote communities in the Northern Territory:

> In some communities, only 'fly in fly out' services are available - for example for respite or specialists. This approach cannot provide adequate support for people with a high level or complex needs on an ongoing basis and Indigenous Australians with disabilities will sometimes need to move to regional centres to receive the supports they need.[36]

5.2 Income management

There are approximately 48 000 people on Centrelink benefits in the Northern Territory.[37] Of these, 24, 771 are on income management.[38] The vast majority of these people are Aboriginal.

By virtue of Part 3B of the *Social Security (Administration) Act* 1999, 30 to 50% of the Centrelink payments of people under income management are paid into their bank account

---

[32] In 2011, Indigenous Australians aged under 65 were 2.4 times as likely to need help with core activities as non-Indigenous Australians in that age range. (AIHW, 2013a, pp. 196, 206-207) Note that as the ABS Survey of Disability, Ageing and Carers (SDAC) excluded people living remotely, so these figures are a low estimate of the actual level of Indigenous disability in the Northern Territory.

[33] Department of Social Services, 2014, p. 35

[34] At the 2011 census 2,334 Aboriginal and Torres Strait Islander people reported they required assistance for daily activities, with almost 1 in 6 Aboriginal and Torres Strait Islander people people providing unpaid assistance to a person with a disability. (Havnen, 2012, p. 21).

[35] In 2011, Aboriginal and Torres Strait Islander people aged under 65 were 2.4 times as likely to need help with core activities as non-Indigenous Australians in that age range (AIHW, 2013a, pp. 196, 206-207). Note that as the ABS Survey of Disability, Ageing and Carers (SDAC) excluded people living remotely, so these figures seem likely to be an undercount of the level of disability in the NT.

[36] Productivity Commission (2011) *Disability care and support: draft report [vol 1 & 2]. Canberra:* Productivity Commission (section 9).

[37] UNSW, Social Policy Research Centre, Evaluating New Income Management in the Northern Territory: First Evaluation Report, July 2012 at p 42.

[38] 2014-2015 Budget Estimates, Community Affairs, Document 1, 05/06/2014, 11.15am, Secretary Mr Finn Pratt, at p 1.

and the other 50 to 70% of their payment is put into a Centrelink administered account to spend on their 'priority needs'.[39]

The person can allocate their income managed funds to a BasicsCard, which can be used at retailers with BasicsCard merchant status and/or authorise Centrelink to make direct payments to third parties on their behalf, for example to purchase priority goods or make payments to a telephone company or pay rent.

People are income managed in the Northern Territory for a number of reasons: substantiated child protection concerns (66)[40], vulnerability (630)[41], compulsory (length of time on payment)[42], voluntarily (3720)[43], and by order of the Alcohol Mandatory Treatment Tribunal of the Northern Territory.[44] The vast majority of people are on compulsory income management – 15, 567 people.[45]

By contrast, there are 4725 people on income management in 13 locations around the rest of Australia. They are income managed on different criteria: vulnerability, voluntary or child protection concerns. 212 people are income managed under the Cape York Welfare Reform System.[46]

Income management in the Northern Territory does not involve case management or wrap around service provision which contrasts to the system in Cape York, where income management is part of a broader system involving case conferencing and referral to community support services.[47]

---

[39] Section 123 TH of the *Social Security (Administration) Act* 1999 defines priority needs as food; non-alcoholic beverages; clothing, footwear; basic personal hygiene items; basic household items; housing, including rent; home loan repayments; repairs; and maintenance; household utilities, including: electricity, gas; water; and sewerage; and garbage collection; and fixed-line telephone; rates and land tax; health, including: medical, nursing, dental or other health services; and pharmacy items; and the supply, alteration or repair of artificial teeth; and the supply, alteration or repair of an artificial limb (or part of a limb), artificial eye or hearing aid; and the supply, alteration or repair of a medical or surgical appliance; and the testing of eyes; and the prescribing of spectacles or contact lenses; and the supply of spectacles or contact lenses; and the management of a disability; child care and development; education and training; items required for the purposes of the person's employment, including: a uniform or other occupational clothing; and protective footwear; and tools of trade; funerals; public transport services, where the services are used wholly or partly for purposes in connection with any of the above needs; the acquisition, repair, maintenance or operation of: a motor vehicle; or a motor cycle; or a bicycle; that is used wholly or partly for purposes in connection with any of the above needs.

[40] 66 people are income managed under section 123UC, *Social Security (Administration) Act* 1999

[41] Section 123UCA, *Social Security (Administration) Act* 1999

[42] Section 123UCB -Under 25s on Special Benefit, Youth Allowance, Newstart Allowance or Parenting Payment are income managed if they have been on payments for 13 of the past 26 weeks. Section 123UCC, for over 25s on Special Benefit, Youth Allowance, Newstart Allowance or Parenting Payment, if on that payment for the past 12 of 24 months.

[43] Section 123UFA

[44] Section 34, *Alcohol Mandatory Treatment Act* 2013 (NT)

[45] 2014-2015 Budget Estimates, Community Affairs, Document 1, 05/06/2014, 11.15am, Secretary Mr Finn Pratt, at p 1.

[46] 2014-2015 Budget Estimates, Community Affairs, Document 1, 05/06/2014, 11.15am, Secretary Mr Finn Pratt, at p 1.

[47] Dr L Buckmaster, 'Does Income Management Work' Parliamentary Library Briefing Book, 44th Parliament, Canberra [http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/BriefingBook44p/IncomeManagement]

A long term welfare payment recipient or a disengaged youth can be exempted from income management if they engage in full time work or study or their children meet school attendance requirements or other age appropriate activities for children under school age.[48] Of the 24, 711 people on income management in the Northern Territory, as at 5 June 2014 there were 64 exemptions in place for regular paid work, 482 for full time students, 1721 for parenting requirements. The majority of exemptions granted have been to non-Indigenous people.[49]

Among other impacts[50], income management means that there is a lower amount of cash available for the support of family members who are without income.

The evaluation of income management in the Northern Territory by the Social Policy Research Centre states that

> there appears to be a large number of people subject to Compulsory Income Management who are unlikely to benefit from this measure, and for whom the restrictions of income management can create unnecessary frustrations and challenges…
>
> There is little evidence to date that income management is resulting in widespread behaviour change, either with respect to building an ability to effectively manage money or in building 'socially responsible behaviour' beyond the direct impact of limiting the amount that can be spent on some items. As such, the early indications are that income management operates more as a control or protective mechanism than as an intervention which increases capabilities.[51]

Despite concerns regarding its effectiveness and its high cost (it costs $6600 to $7900 per annum to income manage a person living in a remote area[52]) it does not appear that the income management regime in the Northern Territory will change in the near future, leaving a large proportion of income support participants in the Northern Territory subject to interventions not currently imposed on the vast majority of income support recipients across Australia.

The income management of such a large proportion of the Centrelink population of the Northern Territory is an indication that the government considers this cohort to be already vulnerable.

---

[48] Section 123UGC, section 123UGD *Social Security (Administration Act)1999*

[49] 2014-2015 Budget Estimates, Community Affairs, Document 1, 05/06/2014, 11.15am, Secretary Mr Finn Pratt, at p 1.

[50] J Rob Bray, Matthew Gray, Kelly Hand, Bruce Bradbury, Christine Eastman and Ilan Katz, University of New South Wales Social Policy Research Centre Evaluating New Income Management in the Northern Territory: First Evaluation Report, (July 2012) xviii, xix

[51] J Rob Bray, et al p xix

[52] ANAO Audit Report No.19 2012–13, *Administration of New Income Management in the Northern Territory* p 16, 17.The cost of providing Income Management services is in the order of $6600 to $7900 per annum for a customer living in a remote area.

5.3 Housing and homelessness

The Northern Territory has the highest rate of homelessness in Australia. Anglicare has recently described the lack of affordable housing as Territory's biggest social issue.[53]

The Anglicare Australia Rental Affordability Snapshot of 2014 shows that of the 794 private rental properties surveyed:

> none were affordable and appropriate (therefore suitable) for people on Youth and NewStart Allowances, Parenting Payment and Disability Support Pension and only 6 were suitable for people on some benefits and minimum wages.[54]

Housing security for those Aboriginal people with low incomes is fragile[55], with almost no housing options outside the public housing authority Territory Housing. Waiting times for public housing in Darwin are approximately 7 years long. The current wait time for Alice Springs is 7 years for a one bedroom house, Tennant Creek 7.3 years for a 3 bedroom house.[56]

There is no 'waiting list' for public housing in remote communities.

As a consequence 1 in 4 Aboriginal people in the Northern Territory were homeless according to 2011 Census data (2,462 per 10, 000 population).[57] Primarily, homeless Aboriginal people in the Northern Territory live in severely overcrowded conditions, at a rate 187 times higher than non-Aboriginal people. [58] The effects of homelessness pervade the lives of Aboriginal people; in health, education, employment and family relationships.

The vast majority of remote communities in the Northern Territory did not receive additional houses as a result of the National Partnership Agreement on Remote Indigenous Housing, which has meant that overcrowding has worsened in some communities. Families are often forced to split up between houses and it is common for children to not live with their parents because of overcrowding.

In remote communities, where overcrowding is at its worst, there is no vacant habitable housing or private housing market and demand for public housing properties is incredibly high.

---

[53] http://www.abc.net.au/news/2014-04-30/housing-affordability-hits-crisis-point/5422374
[54] Anglicare Australia *Rental Affordability Snapshot* April 2014, p 37.
[55] H Dannatt 'Living on a Knife's Edge: Public Housing Insecurity in the Northern Territory' *Parity,* May 2014, Vol 27, Issue 4, pp 20-22.
[56] Department of Housing http://www.housing.nt.gov.au/public_housing/accessing_public_housing/wait_times accessed 1 August 2014.
[57] AIHW *Homelessness among Indigenous Australians Report* 2014, table 2.1.
[58] AIHW *Homelessness among Indigenous Australians Report* 2014, table 2.1.

For example, in Maningrida, Territory Housing is in the process of allocating two houses – a two bedroom house and a three bedroom house. There are 100 families which have applied for these two houses. There are no plans to construct further houses in Maningrida.[59]

Any forced movement into major centres for employment opportunities, where affordable housing for those on low incomes is essentially limited to public housing[60] (where rent assistance is not payable), will only serve to increase rates of homelessness and social exclusion by placing pressure on other public housing tenancies, adversely impacting on health and the ability to participate in society, to actually apply for jobs or undertake training.

APO NT members are aware of Aboriginal people who have moved from outstations into remote communities to take advantage of limited employment opportunities, only to have to live tents or in the kitchen of a family member's house due to the massive shortage of housing.

Even the average rental costs in urban centres like Darwin are not affordable for employed Aboriginal people who are on low to middle range incomes.

5.4 Barriers to employment in the Northern Territory

Aboriginal and Torres Strait Islander job seekers are more likely to experience barriers to participation, with 82.7% experiencing five or more barriers to employment. [61]

For example, many adults in remote communities have limited literacy and numeracy skills,[62] which severely affects their ability to obtain, retain, and perform well in jobs.

Some of the additional barriers to employment in remote communities in the Northern Territory include lack of transport (including from remote Outstations into a community or town), lack of access to internet and reliable phone coverage, caring responsibilities due to the high rate of disabilities and lack of disability support services, unreliable mail services, and social problems such as family breakdown and substance abuse.

70% of Aboriginal and Torres Strait Islander job seekers have limited employment history, almost half (48%) have transport difficulties, while 31% have an ex-offender history and 29%

---

[59] Personal communication between Territory Housing and APO NT member

[60] Anglicare, Rental Affordability Snapshot 2014 Report, accessed at: http://www.anglicare.com.au/data/RAS_National_Report_2014_final.pdf; http://www.abc.net.au/local/stories/2012/08/01/3558378.htm; see Taylor, Andrew, 'Darwin's housing market – a crisis for whom?' in *Population and Tourism Studies Research Brief Issue Number 2010053*, which explains that "the financially vulnerable" are at risk of "slipping behind" because of rising house prices and rent in Darwin and that "those most at risk are the socially and economically excluded members of society", at 5

[61] Senate Standing Committee on Education, Employment and Workplace Relations, *Questions on Notice,* Additional Budget Estimates, 2011-12, DEEWR Question No. EW1045_12.

[62] There is no comprehensive measure of the literacy and numeracy skills of adults within Indigenous communities.

experience mood disorders or have a psychological or psychiatric condition.[63] A criminal history affects the ability of a job applicant to obtain an Ochre Card (working with children check), and restricts an applicant from any job involving children.[64]

The Federal Government has provided only limited investment for employment or employment training in remote and very remote communities to assist their populations to fulfil the revised requirements for social welfare.

It is well documented that improvements in literacy leads to increased workforce participation.[65] Remote communities lack the basic infrastructure of literacy, such as libraries and public internet access, with adult education responses focussing on centrally developed and administered Vocational Education and Training programs for jobs that often don't exist in communities.[66]

Inadequate resourcing for disadvantaged job seekers is a major weakness of the existing system and this makes it difficult for these job seekers to overcome a lifetime of disadvantage or a series of setbacks.

Beyond entrenched barriers to participation, the fact remains that in the vast majority of remote Aboriginal communities there is a severe shortage of jobs compared to the population.

The following data in relation to available jobs in some locations in the Top End has been collated from the Australian Job Search website[67] and 2011 Census population data:[68]

Community/Region	Population	Available Jobs	Type of Job
Humpty Doo	4141	10	Housekeeper
Nauiyu	545	1	Program Coordinator
Daly River	171	4	Retail assistant
Bees Creek	812	1	Childcare
Virginia	2852	1	Childcare
Galiwinku	2124	7	Store assistant, call centre, Nurse
Angurugu (Groote Eylandt)	835	20	Aged Care, Alcohol and Other drugs worker, Check Out

[63] Senate Standing Committee on Education, Employment and Workplace Relations, *Questions on Notice,* Additional Budget Estimates, 2011-12, DEEWR Question No. EW1045_12.
[64] See table in main body of text, jobs that involve working with children make up 100% of the jobs offered in Yirrkala, Gapuwiyak, Bees Creek and Virginia, and a large percentage of jobs offered in other communities.
[65] Anthony Shomos, 'Links Between Literacy and Numeracy Skills and Labour Market Outcomes' (August 2010), Australian Government Productivity Commission Working Paper.
[66] Kral, I, 'The literacy question in remote Indigenous Australia' (2009) Centre for Aboriginal Economic, Policy Research (ANU), Topical Issue No. 06
[67] Australian Job Search, http://jobsearch.gov.au/ (Accessed 1 Aug 2014)
[68] The data is total population, not the working age population. It includes some rural towns.

			operator, Farm Hand
Milyakburra (Groote Eylandt)	176	4	Ranger, Indigenous Engagement Officer
Umbakumba (Groote Eylandt)	581	6	Housing Maintenance Officer, Store Person, Shop Assistant
Nhulunbuy	4072	5	Project Manager, Nurse, Team Supervisor
Yirrkala	843	2	School Attendance Officer
Gapuwiyak	874	13	School Attendance Officer
Maningrida	2293	65	Sales Assistant, Labourers, Tenancy Management Officers, Checkout operator
Milingimbi	1081	0	None
Ramingining	833	2	Art Worker
Wurrumiyanga (Tiwi)	1528	7	Forestry worker, Assistant Teacher
Milikapiti (Tiwi)	447	0	None
Pirlangimpi (Tiwi)	371	0	None
Wadeye	2111	42	Admin Support, School Attendance Officer, AFLNT Trainee, Women's Centre
Nganmarriyanga (Palumpa)	377	10	Construction labourers, Storeman
Peppimenarti	189	0	None
Gunbalanya	1171	0	None
Jabiru	1129	0	None
Total	**27,264**	**200**	

5.4.1 Case Studies: Structural disincentives to work

There are a number of structural disincentives to work, from the interaction of public housing policies and the lack of affordable housing, as demonstrated by the following case studies.

Case study 1

Hetty, a single mother with three children under 10, lived in public housing in Katherine. She got work as an Aboriginal Health Worker in a community 70 kilometres from Katherine. When Hetty obtained work, Territory Housing applied its policy of gradually increasing the rent over 6 months. This policy is intended to make the financial impact of the increased rent less severe. At the end of the 6 month period Hetty was no longer eligible for the rent rebate and was charged market rent.

Hetty did not realize when the 6 month period ended and did not change her direct rent deduction. She built up $1400 of rent arrears over several months. Territory Housing evicted Hetty based on the rent arrears. NAAJA became aware of the case only after Hetty unsuccessfully exhausted all appeal options as a self represented litigant. We were unable to assist Hetty to appeal the decision.

Hetty became homeless and moved her family to temporary accommodation in a caravan park, 20 kilometres from Katherine; Hetty was unable to afford private rental accommodation. Within several months Hetty lost her job as an Aboriginal Health Worker as she found it impossible to manage her work, family and travel commitments whilst being homeless.

Case study 2

Martina lives in a remote Aboriginal community in North East Arnhem Land. Martina has worked as a carer at the Aged Care centre in her community for the past 10 years and receives a regular weekly wage.

Martina supports her adult son, her husband, and her two young children.

Her son and her husband cannot find jobs in their community. They are too ashamed to claim Centrelink payments. Martina's husband and son seek work as rangers, mechanics, or doing manual work outside, rather than receiving a Centrelink payment. The only available positions in their community are as shop assistants and childcare workers; jobs which do not match their skills. As their community is on an island, they cannot travel easily to another community to work. The shortage of affordable housing in urban areas means they would be homeless if they moved into town for work.

Territory Housing calculates the rent Martina pays on the basis of her income and the income that her husband and son are deemed to receive, but do not actually receive.

Martina is considering stopping working and applying for a Centrelink payment rather than continue to work and support her entire family.

5.5 Barriers to economic development in remote communities

There are number of significant, long standing barriers to economic development in remote communities in the Northern Territory which affect the labour market and subsequently employment opportunities:

> These include major power, water and sewerage constraints and serious limitations on available serviced land. They also include the high cost of construction, the quality of infrastructure, low average incomes, the caution of mortgage lenders and a range of other market factors.[69]

The Northern Land Council, in its submission to the Joint Select Committee Inquiry into the Development of Northern Australia, stated that (in regard to barriers to development):

[69] Central Land Council, *Land Reform in the Northern Territory: evidence not ideology,* October 2013, p 3.

> A far bigger issue for investors and financial institutions are the risks inherent in lending into a dysfunctional or non-existent economy, such as asset devaluation and lender repayment/return capacity. [70]

Currently, APO NT believe that welfare payments constitute a large proportion of the total income available in remote Northern Territory communities. The removal, suspension (or otherwise non-availability) of funds delivered through welfare payments will result in a clear reduction in the overall economic viability of communities – making it more difficult for communities to reach a critical economic mass and sustain a true employment market.

This inability to maintain a functional economy in turn creates a disincentive for further investment, reinforcing the cyclical nature of economic disadvantage in remote Aboriginal communities in the NT.

5.6 High level of disengaged young men in the Northern territory

Disengagement from the labour market is already a significant problem in the Northern Territory.

At the 2011 Census large numbers of Aboriginal people in the Northern Territory responded to the question on labour force status by indicating they were 'Not in the Labour Force' (NILF). Though more research is needed to understand the dimensions, motivations and aspirations of this NILF cohort, it is understood that census results indicate significant numbers of Aboriginal people are 'disengaged', that is they are not working, not receiving welfare payments, or have had their benefits suspended. [71]

Despite a Closing the Gap target since 2008 aiming to halve the gap in employment outcomes for Aboriginal and Torres Strait Islander people within a decade, the rate of people indicating a NILF response at the 2011 Census remained the same as it had been for 20 years, at between 45% and 50%, and closer to 60% in the 15 to 24 year old age group.[72]

The 2012 report of the NT Coordinator-General for Remote Services questioned the effect this has on the broader community:

> Most services and assistance are only available to people registered for unemployment benefits or receiving other welfare support, such as single parents or disability support payments. If there are large numbers of people not receiving any regular income how are they supporting themselves? Are they being supported by fediuamily or are they resorting to crime or violence to fund their living expenses? What pressure do these people apply to other members of the community for cash or other support? [73]

More research to understand the level of disengagement by Aboriginal people in Northern Territory is urgently needed, and it will also be important to track the impact of the proposed reforms on this cohort.

---

[70] http://www.aph.gov.au/DocumentStore.ashx?id=a680c929-5a75-4e10-90bc-3a4d2ba7df52&subId=206652
[71] Havnen, 2012, p. 176
[72] Havnen, 2012, p. 175
[73] Havnen, 2012, p. 175

6 Impacts of the Main Reforms to Social Welfare

6.1 Relevant Considerations

The proposed suite of welfare reforms contained in the two Social Security and Other Legislation Amendment Bills 2014 will disproportionately impact disadvantaged people and those on low incomes. The effects on low income earners were clearly identified in NATSEM's economic modelling, which found that sole parents and couples with children on low incomes stand to lose up 15% of their disposable income under the proposed welfare reforms.[74]

The particular circumstances of Aboriginal people in the Northern Territory outlined in Section 5 render Aboriginal people even more vulnerable to further disadvantage and social exclusion under the proposed welfare reforms.

APO NT commends the Federal Government for its Closing the Gap initiative, but is concerned that the disproportionate negative impacts of the proposed changes run counter to the Close the Gap initiatives, undermining that agenda.

APO NT does not support the majority of the proposals in the Bills.

If they are retained, exemptions must be introduced which counteract and ameliorate the disproportionate negative impacts of the reforms on Aboriginal people in the Northern Territory.

APO NT urges the Federal Government to develop proposals that not only recognise the particular barriers to employment faced by Aboriginal people in the Northern Territory, but also invest in assisting Aboriginal people to overcome these barriers, which include lack of literacy and skills; racism and discrimination in the employment market; and deficits in skills/training matched to job demand in many remote places, e.g. where demand exists in health services or building trades.

APO NT does not support the proposition that Aboriginal people should be compelled to leave traditional country in order to seek mainstream jobs. However, for those job-seekers who do wish to relocate from remote locations to seek employment opportunities, APO NT urges the Federal Government to consider the particular hardships faced by Aboriginal people in the Northern Territory and provide the necessary support, skill training and incentives to facilitate such relocation.

There must be recognition that this cohort is likely to encounter significant challenges adapting to a new environment where another language may be spoken without family or community support, and that there is still no guarantee they will obtain work once they have relocated.

[74] ACOSS, 2014, p. 11.

6.2 Six Month Exclusion Period

APO NT is particularly concerned about the Federal Government's proposed periodical exclusion from social support for those on Newstart Allowance and Youth Allowance This proposed exclusion period will exclude jobless individuals, including a large proportion of young Aboriginal people in the Northern Territory, from income support payments for six months of each year. It is hard to conceive that this measure could provide the 'incentive' to work or study that has been stated as its intention. Many young Aboriginal people live in communities and families that already experience considerable social problems and disadvantage, which can lead to despair and destructive coping mechanisms.

The reduction in household income that measures will bring seem likely to throw many young people into severe financial hardship and enforced dependence on family and friends during periods six months of every year. The measures will happen in addition to the income management regime and the compliance regime, which disproportionally penalises Aboriginal job seekers already and the already unsustainably low payment rates, particularly for people in remote areas.

Recommendation 4:

APO NT recommends that Schedule 6 of Bill No. 2 be rejected in its entirety.

This particular measure is likely to have a profound impact on Aboriginal and Torres Strait Islander people in Northern Territory, given the high rates of unemployment, a restricted labour market and a significantly younger age profile in this jurisdiction compared with other states.

We have detailed the significant and structural barriers to young Aboriginal people obtaining paid work in the Northern Territory – barriers to economic development, homelessness, literacy levels, educational attainment levels, extremely limited employment opportunities, which will continue to exist, irrespective of the withdrawal of income support payments for 6 months of the year.

With yearly income support payments slashed to half their current level, it is not conceivable that young people will be able to:

- train or apply for jobs,
- travel or move to places employment opportunities may exist, but family/community support and housing is not available;
- acquire job-seeking necessities, such as appropriate attire;
- pay for tools of communication like mobile phone credit to contact prospective employers; and
- access the resources to apply for jobs and produce job applications.

Extremely low income levels will in fact jeopardize daily survival for many young people, who will need to rely more heavily on support from family and friends also on low incomes; the practical effects of this measure on Aboriginal people in the Northern Territory cannot be understated.

It seems a particularly onerous expectation that young people will be required to able to undertake participation activities during 6 month periods when they receive no income to support themselves or their job seeking efforts.

6.2.1 Key Impacts of the Exclusion Period

The most palpable impact of this policy is the transfer of responsibility for the welfare of unemployed persons subject to Income Exclusion from the Federal Government to family, friends and the local community, many of whom may already experience significant hardship. These responsibilities include the provision of basic human needs, such as food and housing.

6.2.2 Exclusion period and the social determinants of health [75]

Access to adequate food, income and shelter are fundamental social determinants of health and in turn are more readily achieved with good health.[76] Structural barriers to social inclusion and health are already significant in remote Aboriginal communities, including the high cost of food and other living expenses, poor housing conditions and housing shortages leading to overcrowding. If excluded from accessing Centrelink benefits for six months, the ability to access food, nutrition and shelter will be completely compromised and result in adverse physical and mental health consequences and increased cost to the state.

In a Statement of Compatibility with Human Rights, the Explanatory Memorandum for Bill No.2 justifies the particular application of exclusion periods to young people:

> in focusing on young persons, (the exclusion period schedule) acknowledges that young persons often have access to family support to enjoy an adequate standard of living.

It cannot be assumed that a young person's family will have the necessary resources to support them during non-payment periods; many young people in remote communities are unable to live with their parents due to overcrowding and the shortage of habitable housing. Young people in the Northern Territory are also more likely to have children at a younger age than the rest of Australians, making children more likely to be affected by the proposed reduction in household income.

---

[75] Social determinants of health are "[t]he social determinants of health are the circumstances in which people are born, grow up, live, work and age, and the systems put in place to deal with illness. These circumstances are in turn shaped by a wider set of forces: economics, social policies, and politics". World Health Organisation, Social Determinants of Health – Key Concepts, accessed on 1 August 2014 at <http://www.who.int/social_determinants/thecommission/finalreport/key_concepts/en/>.

[76] *The Ottawa Charter for Health Promotion*, First International Conference on Health Promotion, Ottawa, 21 November 1986. See also Committee on Economic, Social and Cultural Rights, *General Comment 14* (2000): The right to the highest attainable standard of health (UN doc. E/C.12/2000/4). The World Health Organisation notes that "social and economic conditions and their effects on people's lives determine their risk of illness and the actions taken to prevent them becoming ill or treat illness when it occurs…The poorest of the poor, around the world, have the worst health." See World Health Organisation, *Social Determinants of Health – Key Concepts*, accessed on 1 August 2014 at http://www.who.int/social_determinants/thecommission/finalreport/key_concepts/en/

Young adults, including those with partners and children of their own, may be forced to rely on parents or other family (typically a female relative[77]) who have younger children to care for but whose resources are already stretched as a result of cuts to the parenting payment in 2013[78] and low household incomes.

Those caring for children and young adults, who are not principal carer of the child or in receipt of FTB child, will have the impossible task of stretching scarce resources even further, increasing the possibility of deprivation, family tension and violence within families and communities.

When health is undermined by a lack of adequate income, shelter or food, a person's physical or mental capacity to participate in education and employment is also undermined. The prospect of food and shelter deprivation for young children is particularly alarming because the impacts on their health and education are likely to flow on into adulthood, at increased cost to the state (health system costs, need for public housing, lost ability to participate in employment market).[79] When viewed in this light, the proposed reforms to social security can be seen to contradict the goals of the Government's 'Closing the Gap' initiative.

Of further and significant concern is that young people seeking to escape an abusive partner or other family member, most of whom will be women (some of whom will have children over 8 and will not therefore be entitled to parenting payment), will have no access to an independent source of income for six months, aside from a one-off crisis payment. A lack of adequate and independent income *will* stop people from being able to leave, or remain away, from an abusive partner or family member.

The negative consequences of domestic and family violence on women and children is well documented, including in the Government's own *National Plan to Reduce Violence against Women and their Children*. The consequences of these social security reforms on people seeking to escape domestic violence could be devastating and directly conflict with the Government's commitment to the National Plan.

6.2.3 Hypothetical

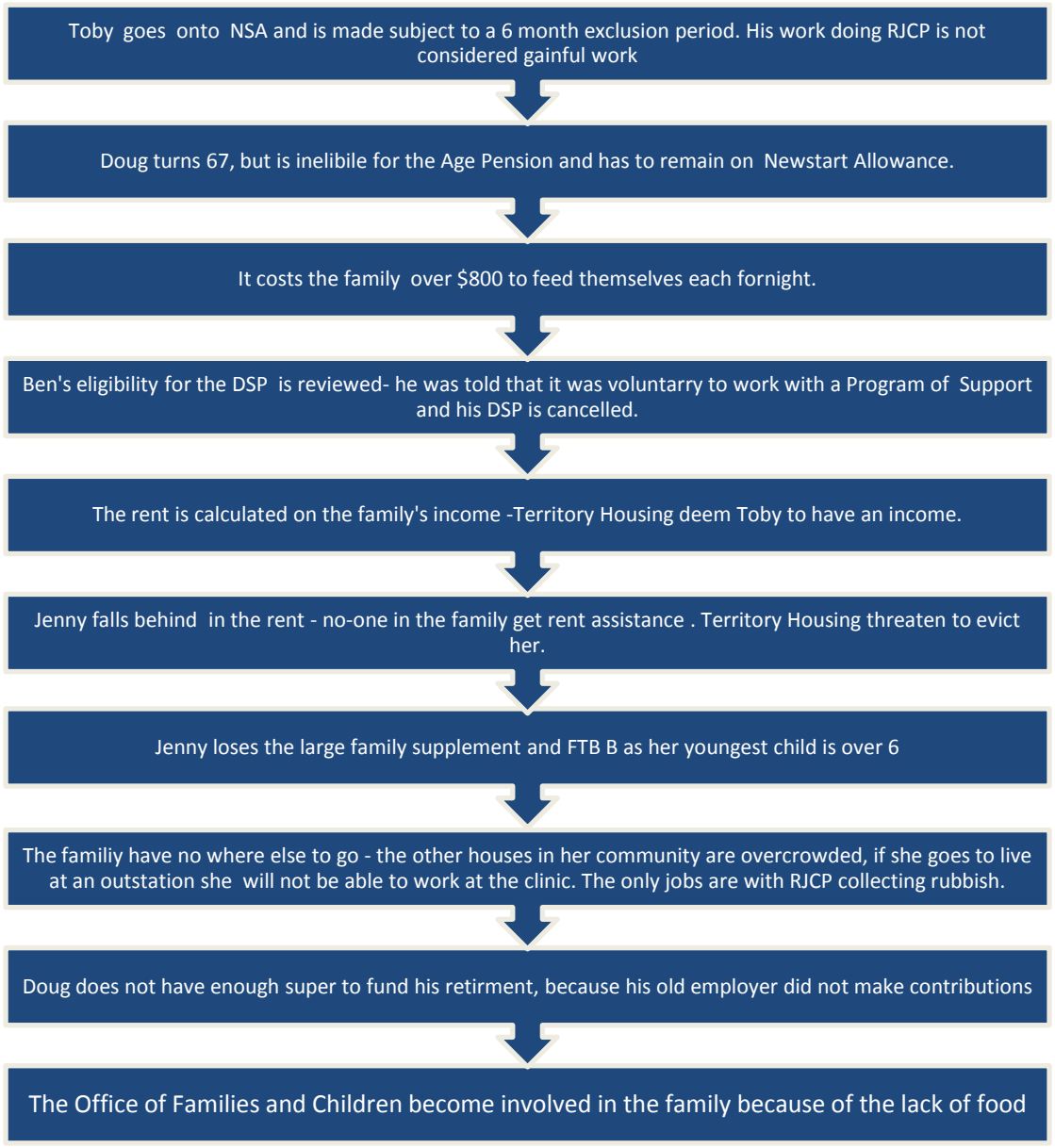
The following flowchart demonstrates the potential impact of the proposed social welfare reforms on a hypothetical family. Jenny lives in the Victoria Daly Shire. Jenny works as a health worker at the local clinic. She has two sons, aged 22 and 24 and three younger children aged 5, 7 and 8. Her husband. Doug is aged 66; he worked as a stockman, but is no longer able to do physical work. He is on Newstart Allowance.

---

[77] See for example Musharbash, Yasmine 'Marriage, Love Magic, and Adultery: Warlpiri Relationships as Seen by Three Generations of Anthropologists' (2010) *Oceania* 80, 272, 285, which describes the greater financial burden of married Warlpiri women for families when compared to men.

[78] These changes had the biggest dollar cost on single women working part-time with children 8 years and over. Women make up 87% of one-parent families with children under 15 years. See Australian Bureau of Statistics 4102.0 - Australian Social Trends, 2007

Ben, her eldest son, missed long periods of school because of a childhood illness which has affected his long term health. He is on the Disability Support Pension. Toby her youngest son, is a labourer and does labour hire work when it is available. There are no full time jobs in the community. They live in an overcrowded house. Jenny, Doug and the three kids live in one room of the house. Toby and Doug sleep in the kitchen.



6.2.4 Exclusion period and homelessness

APO NT predicts that the imposition of exclusion periods will lead to homelessness and or rent stress.

Territory Housing does not charge rent on the basis of the actual income of the household; if a household member does not have a job or does not have income support, Territory Housing deems the person to have a minimal income.[80] This means that the family of the person will continue to pay rent on an income that is not being received, putting the family at the risk of eviction on the basis of rent arrears should they not be able to stay 14 days in advance of their rent payments.[81]

If the person does not fall behind in their rent, they may suffer from rent stress, and prioritise rent payments over other essentials such as food.

6.2.5 Exemptions

APO NT echoes the concerns of NWRN regarding the use of delegated instruments to determine who will be exempted from the exclusion period and consider that this should be set out in legislation.

Recommendation 5:

If retained, APO NT recommends that exemptions to the income preclusion period be granted to:

- income support recipients in the Northern Territory on income management, or who have been exempted from income management; and
- people at risk of hardship.

APO NT offers to consult with the Federal Government regarding risk factors for hardship, such as domestic and family violence, caring responsibilities, homelessness, financial hardship, housing insecurity, remoteness, health, dependents etc.

6.2.6 Exemption for income managed people in the NT

The Federal Government considers that people eligible for income management in the Northern Territory require a higher degree of intervention due to a number of different vulnerabilities. Income management has the object of 'reducing immediate hardship and deprivation' of the welfare payment recipient, their children and their partner and to 'encourage socially responsible behaviour, including in relation to the care and education of children'.[82] The exemption criteria have been crafted so as to reward socially responsible behaviour, that is engagement in work or study and socially responsible parenting.

The objects of the income management regime will be undermined by the imposition of an income preclusion period, as immediate hardship and deprivation will increase.

---

[80] Northern Territory Government, Department of Housing, *Rental Rebate Policy* http://www.housing.nt.gov.au/__data/assets/pdf_file/0008/152819/Rental_Rebate.pdf accessed 1 August 2014.

[81] Section 96A, *Residential Tenancies Act* (NT)

[82] Section 123TB, *Social Security (Administration) Act* 1999.

APO NT recommends that an exemption to the income preclusion period be granted to income support recipients in the Northern Territory on income management, or who have been exempted from income management.

6.2.7 Recommendation: Hardship exclusion

If retained, in recognition of the severe hardship that will be experienced if the preclusion period is imposed, APO NT recommends that an exemption be granted for people at risk of hardship.

APO NT would be pleased to consult with the Federal Government regarding the risk factors for hardship, such as domestic and family violence, caring responsibilities, homelessness, financial hardship, housing insecurity, remoteness, health, dependents etc.

6.2.8 Unintended consequence: income exclusion and parenthood

APO NT acknowledges that an exemption from exclusion periods for income support recipients who are principal carers of children is crucial to the healthy development and welfare of families. We believe this measure may provide an incentive for recipients in the Northern Territory to become parents at a young age. Having children ensures retention of social support benefits year-round.

APO NT believes that this will hinder the attainment of at least two of the Federal Government's 'Closing the Gap' targets:

- to halve the gap in employment outcomes between Aboriginal and Torres Strait Islander people and non-Indigenous Australians within a decade (as it is less likely for young parents of multiple children, particularly those that already experience other hardships, to be able to obtain gainful employment and afford care for their children); and

- to halve the gap for Aboriginal and Torres Strait Islander people aged 20–24 in Year 12 or equivalent attainment rates (in 2011, 18.3% of Aboriginal and Torres Strait Islander children in Australia were born to mothers under 20 years of age).[83]

6.2.9 Job Capacity Assessments – access and quality

APO NT echoes the National Welfare Rights Network's concerns regarding the adequacy of the current Job Capacity Assessments (JCA)[84] and the importance that the process be improved.

---

[83] The Longitudinal Study of Australian Children Annual Statistical Report 2012, Australian Institute of Family Studies, 2012, 184 pp. Accessed at: <http://www.growingupinaustralia.gov.au/pubs/asr/2012/index.html>.

[84] National Welfare Rights Network Submission, p 11

There are around four job capacity assessors in the Northern Territory, which considering that it has a Centrelink population of 48 000, is inadequate. The limited availability of assessors means that JCAs are generally conducted over the phone for customers in remote communities or on the basis of a file review.

Undertaking JCAs over the phone has clear impacts on the reliability and robustness of the assessments, particularly where there are intangible factors that are barriers to employment.

File reviews are also not adequate when a person has barriers to providing complete medical information as is the case in remote communities, where remote clinics are over stretched meeting the clinical demands of a population with acute and complex health needs. There are also barriers to accessing job capacity assessors for remote Aboriginal people, as demonstrated by the case study at 6.2.10.

This means that it is particularly important that the decisions regarding Job Seeker Classification Instrument (JSCI), Employment Services Assessments (ESA) and JCA's are reviewable under the Centrelink's internal review mechanism or the Social Security Appeals Tribunal.

Recommendation 6:

APO NT recommends that decisions regarding Job Seeker Classification Instrument (JSCI), Employment Services Assessments (ESA) and Job Capacity Assessments (JCA) be reviewable under the Centrelink's internal review mechanism or the Social Security Appeals Tribunal.

6.2.10 Case study: Job Capacity Assessment

An RJCP provider in the Northern Territory has estimated that of its 700 participants, approximately 25% have an incorrect participation requirement imposed and so require a job capacity assessment.

The provider has made requests for the Department of Human Services to conduct JCAs of the identified participants. The DHS has refused to send an assessor to the remote community and instead offered to schedule a four hour video conferencing block every 6 months, with each person being allocated 40 minute per assessment.

The RJCP provider is expected to arrange interpreters and obtain the person's medical records, and facilitate the video conferencing, which is well beyond their current capacity.

6.2.11 Reductions for past periods gainful work

APO NT shares the NWRN concerns regarding the proposals around reductions for past periods of gainful work.

Recommendation 7:

APO NT recommends that Remote Jobs and Communities Program (RJCP) work, casual and labour hire work be considered to be 'gainful work' for the purposes of the

reductions to the exclusion period and that reductions for gainful work be drafted into the Bill.

6.3 Raising the Newstart Allowance age

APO NT shares the concerns and the recommendations of the National Welfare Rights Network regarding the raise in the Newstart Allowance age from 22 to 24.

This change will have a disproportionate effect in the Northern Territory, where the median age is 23. A young person living away from the parental home would receive $207 a week on Youth Allowance, which is a reduction of $48. It is difficult to see how a young person's cost of living is lower as a 22 versus a 24 year old, particularly in remote communities where the cost of living is very high.

6.4 Raising the Pension Age

Under the proposed welfare reforms, the qualifying age to receive the Aged Pension will increase from 67 to 70 years old. Raising the pension age from 67 to 70 impacts the ability of older people to access income support, forcing people to work longer or remain on a lower payment rate because of the limited job opportunities, particularly for older people in the Northern Territory. However, as outlined above, the reform raises pension eligibility to an age that many Aboriginal people in the Northern Territory will never reach.

Given the life expectancy for Aboriginal people in the Northern Territory is 63.4 years for men and 68.7 years for women, this change will mean that the majority of Aboriginal people will pass away before becoming eligible for the Aged Pension.[85] In contrast, non-Indigenous Australian males will on average still enjoy approximately 10 years on the aged pension (79.7 years).

Aboriginal people in the Northern Territory are largely unable to supplement their income with the early release of superannuation:

> In 2011, 55.4 % of Aboriginal and Torres Strait Islander people 15 –
> 64 years old were participating in the labour force in mainstream employment or in the Remote Jobs and Communities Program. In comparison, 66.5% of non- Indigenous people were participating in the workforce. As a result, fewer Aboriginal and Torres Strait Islander people in this age bracket will have superannuation at all in their retirement. [86]

Recommendation 8:

APO NT recommends as a temporary measure that the eligibility age for the Aged Pension be reduced for Aboriginal and Torres Strait Islander people to 60 years of age until life expectancy of Aboriginal people improves to the same level as non-Indigenous Australians.

---

[85] 2010-2012 data from COAG Reform Council NT Jurisdictional Snapshot
[86] Public Interest Advocacy Centre Inc, *Securing better outcomes for Aboriginal and Torres Strait Islander people in superannuation* 5 April 2013 p 4.

6.5 Changes to the Disability Support Pension

Under the proposed reforms, stricter assessment rules and activity requirements will apply to persons under 35 with disabilities who seek to receive the Disability Support Pension (DSP). Under 35s on the DSP will be reassessed via revised impairment tables. Those deemed eligible for work under the revised criteria will be transferred to a lower rate of support on Newstart Allowance.

Others who partially qualify for the DSP (those who are only 'partially impaired' and able to work 8 hours or more per week) are required participate in Commonwealth-funded support and/or job readiness programs.

These changes will disproportionately impact Aboriginal people in the Northern Territory both as recipients and as carers of people with a disability, due to the high level of disability experienced by Aboriginal and Torres Strait Islander people.[87]

In 2011, 18.1% of Aboriginal and Torres Strait Islander women and 13.1% of Aboriginal and Torres Strait Islander men provided unpaid assistance to a person with a disability, which was a 34% increase from 2006.[88] The potential ineligibility of recipients of the Disability Support Pension under the proposed reforms, coupled with the lack of employment opportunities and disability support services outlined above, will condemn already vulnerable people to further hardship.

Recommendation 9:

APO NT recommends that the program of support requirements be waived for all Disability Support Pension applicants where there is no Disability Employment Service provider with specialist staff that can provide an adequate level of service.

6.5.1 Program Of Support

APO NT shares the concerns regarding the suitability of the employment services system for applicants for the DSP held by the National Welfare Rights Network and endorses its recommendations.[89]

These concerns are exacerbated in the Northern Territory under the current arrangements. The new Remote Jobs and Communities Program has rolled together the functions of CDEP, Job Services Australian and Disability Employment Services; in remote communities

[87] See Section 5.1.7 of this Submission.
[88] Olga Havnen, 2012, pp. 21.

[89] National Welfare Rights Submission to the Senate Standing Committee On Community Affairs Social Services And Other Legislation Amendment (2014 Budget Measures No.1) Bill 2014, July 2014, p 25

in the Northern Territory, programs of support are now provided by the Remote Community Jobs Program provider.

Current providers RJCP providers in the NT generally lack the specialist staff or capacity to undertake specialist support for people with disabilities or people who require a high level of employment assistance.

As a consequence, these providers have extremely limited ability to provide any type of meaningful support for people assessed as needing the assistance of a Disability Employment Support Service, which is demonstrated by the following case study:

6.5.2 Case study: Program Of Support

Cindy is a traditional Aboriginal woman who speaks English as a second language. She lives in a small remote community with a population of around 450. She has diabetes, a kidney disorder and a heart condition from a childhood bout of rheumatic fever.

Cindy gets short of breath after walking for about a minute.

She has applied for the DSP a number of times. Her job capacity assessment was completed over the phone without an interpreter. She was given a baseline work capacity of 8 -14 hours a week. Cindy was told that she needed assistance with activities of daily living, disability management education, mobility assistance, job search skills, functional capacity assessment, occupational therapy assessment, cognitive assessment, post placement support, and vocational counselling. She was also told that any future workplace would need modifications in order to assist her.

An APO NT member contacted the Program of Support provider, which is the Remote Community Jobs Program to find out about the assistance they could offer Cindy. The RJCP provider stated:

> It sounds tricky. Able bodied people are our priority to get into work. There is not a lot for people to do here; there are not many support services. The only activity we have is a commercial kitchen, but there is no supervisor. They can do craft activities or play on the computer. There are no specialist disability services we can provide. Maybe the health clinic can help her.

6.6 Abolition of the Pensioner Education Supplement

APO NT is concerned that the abolition of the Pensioner Education Supplement will have the effect of increasing the already significant barriers to studying for Aboriginal people.

APO NT endorses the proposals of the NWRN regarding the Pensioner Education Supplement.

6.7 Changes to Family Assistance

APO NT endorses the proposals of the NWRN regarding the changes to family assistance.

These reforms are designed to progressively erode the real value of pensions and family support payments, and, in correlation with the additional factors of disadvantage outlined in

this submission, will adversely affect large numbers of Aboriginal people in the Northern Territory who rely on social supports. These measures will be particularly detrimental to people with large families and people who live in areas with high costs of living.

6.8 Ability of Aboriginal people to cover service fees

There exists substantial literature that suggests that Aboriginal people have greater problems with access to Government services than non-Indigenous Australians. Concurrent to the Australian Government welfare reforms are other budgetary cost saving measures, which are likely to introduce a fee-for-service model to services such as the proposed '$7 GP co-payment'.

APONT holds strong concerns that Aboriginal people, through welfare reforms reducing already low income levels, combined with fee for service arrangements, will have reduced access to services and subsequently increased comparative disadvantage. This will be disastrous for health outcomes for Aboriginal people.

7 Appendix

7.1 Northern Territory Issues Paper 2014

7.2 Northern Territory Issues Paper 2012

7.3 COAG Reform Council 2012/2013 Northern Territory Snapshot

8 References

2014-2015 Budget Estimates, Community Affairs, Document 1, 05/06/2014, 11.15am, Secretary Mr Finn Pratt, at p 1.

ACOSS 2014. *A budget that divides the nation: ACOSS 2014-15 Budget Analysis*. Australian Council of Social Service. Available: http://acoss.org.au/images/uploads/ACOSS_2014-15_Budget_analysis_-_WEB.pdf [Accessed 8/07/14].

Australian Instuttie for Health and Welfare. (2013a). *Australia's welfare 2013. Australia's welfare no. 11. Cat. no. AUS 174*. Canberra: Australian Institute of Health and Welfare. Available: http://www.aihw.gov.au/publication-detail/?id=60129543825.

Australian Institute for Health and Welfare. (2013b). Life expectancy of Aboriginal and Torres Strait Islander people Retrieved 9/07/14, from http://www.aihw.gov.au/deaths/life-expectancy/#indigenous

Al-Yaman, Fadwa, Mieke Van Doeland, and Michelle Wallis, *Family Violence Among Aboriginal and Torres Strait Islander Peoples,* Australian Institute of Health and Welfare, 2006.

Anglicare, Rental Affordability Snapshot 2014 Report, accessed at: <http://www.anglicare.com.au/data/RAS_National_Report_2014_final.pdf>.

Australian Bureau of Statistics 4102.0 - Australian Social Trends, 2007

Australian Institute of Family Studies, The Longitudinal Study of Australian Children Annual Statistical Report 2012, 2012, 184 pp. Accessed at: <http://www.growingupinaustralia.gov.au/pubs/asr/2012/index.html>.

Australian Job Search, http://jobsearch.gov.au/ (Accessed 1 Aug 2014)

Chilton, Mariana, Michelle Chyatte and Jennifer Breaux , 'The negative effects of poverty & food insecurity on child development', *Indian Journal of Medical Research,* vol. 126, October 2007, pp 262-272.

COAG Reform Council 2012-13. *Indigenous Reform 2012-2013: Five years of performance*. Available: https://www.coagreformcouncil.gov.au/sites/default/files/files/NIRA_chapter%206.pdf.

Committee on Economic, Social and Cultural Rights, *General Comment 14* (2000): The right to the highest attainable standard of health (UN doc. E/C.12/2000/4).

Cooper, David, *Closing the Gap in cultural understanding: social determinants of health in Indigenous policy in Australia*, Aboriginal Medical Services Alliance of the Northern Territory, (AMSANT) (2011).

Department of Social Services 2014. *A New System for Better Employment and Social Outcomes*. Available: http://www.dss.gov.au/sites/default/files/documents/06_2014/dss001_14_full_report_27_june_tagged.pdf.

Havnen, O. 2012. *Office of the Northern Territory Coordinator-General for Remote Services Report, June 2011 to August 2012*. Available: http://servicedelivery.dss.gov.au/2012/09/26/office-of-the-northern-territory-coordinator-general-for-remote-services-report-june-2011-to-august-2012/.

Kral, I, 'The literacy question in remote Indigenous Australia' (2009) Centre for Aboriginal Economic, Policy Research (ANU), Topical Issue No. 06

Musharbash, Yasmine 'Marriage, Love Magic, and Adultery: Warlpiri Relationships as Seen by Three Generations of Anthropologists' (2010) *Oceania* 80, 272, 285.

Narayan, Paresh Kumar, and Russell Smyth, 'Crime rates, male youth unemployment and real income in Australia: evidence from Granger causality tests', *Applied Economics*, Volume 36, Issue 18, 2004, pp. 2079-2095.

National Welfare Rights Submission to the Senate Standing Committee On Community Affairs Social Services And Other Legislation Amendment (2014 Budget Measures No.1) Bill 2014, July 2014.

Northern Territory Government, Department of Health, *Market Basket Survey 2012,* 2013, p 4

Senate Standing Committee on Education, Employment and Workplace Relations, *Questions on Notice,* Additional Budget Estimates, 2011-12, DEEWR Question No. EW1045_12.

Shomos, Anthony, 'Links Between Literacy and Numeracy Skills and Labour Market Outcomes' (August 2010), *Australian Government Productivity Commission Working Paper*.

Social Security (Administration) Act 1999

Taylor, Andrew, 'Darwin's housing market – a crisis for whom?' in *Population and Tourism Studies Research Brief Issue Number 2010053*,

The Ottawa Charter for Health Promotion, First International Conference on Health Promotion, Ottawa, 21 November 1986.

UNSW Social Policy Research Centre, Evaluating New Income Management in the Northern Territory: First Evaluation Report, July 2012 at p 42.

World Health Organisation, *Social Determinants of Health – Key Concepts*, accessed on 1 August 2014 at http://www.who.int/social_determinants/thecommission/finalreport/key_concepts/en/

ACOSS 2014. *A budget that divides the nation: ACOSS 2014-15 Budget Analysis*. Australian Council of Social Service. Available: http://acoss.org.au/images/uploads/ACOSS_2014-15_Budget_analysis_-_WEB.pdf [Accessed 8/07/14].

AIHW 2013a. *Australia's welfare 2013. Australia's welfare no. 11. Cat. no. AUS 174*. Canberra: Australian Institute of Health and Welfare. Available: http://www.aihw.gov.au/publication-detail/?id=60129543825.

AIHW. (2013b). Life expectancy of Aboriginal and Torres Strait Islander people Retrieved 9/07/14, from http://www.aihw.gov.au/deaths/life-expectancy/#indigenous

COAG Reform Council 2012-13. *Indigenous Reform 2012-2013: Five years of performance*. Available: https://www.coagreformcouncil.gov.au/sites/default/files/files/NIRA_chapter%206.pdf.

Department of Social Services 2014. *A New System for Better Employment and Social Outcomes*. Available: http://www.dss.gov.au/sites/default/files/documents/06_2014/dss001_14_full_report_27_june_tagged.pdf.

Havnen, O. 2012. *Office of the Northern Territory Coordinator-General for Remote Services Report, June 2011 to August 2012*. Available: http://servicedelivery.dss.gov.au/2012/09/26/office-of-the-northern-territory-coordinator-general-for-remote-services-report-june-2011-to-august-2012/.