

Senate Standing Committee on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600
community.affairs.sen@aph.gov.au

30 October 2020

Dear Chair and Members of the Committee,

We are writing in regards to the Committee's Inquiry into the Social Security (Administration) Amendment (Continuation of Cashless Welfare) Bill 2020, which proposes to make the Cashless Debit Card scheme permanent in existing trial locations, and expand it to the Northern Territory and Cape York.

Last year, we made a submission to the Committee's Inquiry into the Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019, which proposed an expansion of the Cashless Debit Card trial scheme. At the time, we opposed the expansion of the trial scheme based on the following grounds:

- The disproportionate impact of the Cashless Debit Card trial on Aboriginal and Torres Strait Islander communities.
- The lack of adequate or genuine consultation with communities on this issue.
- The lack of evidence that the Cashless Debit Card trial is effective in reducing violence and harm in communities, and moreover, the evidence that it has had negative impacts on people including cases where the trial has caused or exacerbated financial hardship.
- The top-down, punitive approach of the Cashless Debit Card trial and its imposition on a mandatory and blanket-basis.
- The undermining of communities' right to self-determination.

We write now to express our deep concerns with the Social Security (Administration) Amendment (Continuation of Cashless Welfare) Bill 2020. These include the following:

- The same fundamental problems that were inherent in the trial scheme will be perpetuated and deepened if the scheme is expanded and becomes permanent.
- There has been a lack of consultation of communities who would be impacted by the proposed expansion of the scheme.
- Since last year's Inquiry, two additional research reports from the University of Adelaide and the University of Queensland have raised significant questions and concerns about the effectiveness of the scheme in achieving its stated objectives, as well as a lack of support among communities and the harmful impacts of the measures.

These concerns are described in greater detail in the submission by Jesuit Social Services to this Inquiry (and provided as an appendix to this letter).

We urge the Committee to use the principles of self-determination and subsidiarity as the guiding principles for their consideration of, and recommendations to, this Inquiry. The principle of subsidiarity, and its importance in Indigenous Affairs, is described by the National Aboriginal and Torres Strait Islander Catholic Council as follows: “Subsidiarity compels us to realise that the people closest to, and most affected by, the issues are the ones best placed to address them, with the help of the Government... From the experience of the Council, programs that genuinely embrace the principles of subsidiarity when working with Aboriginal and Torres Strait Islander peoples are the most effective”.¹

We encourage the Committee to refer to the ‘Joint Statement on Subsidiarity’, issued by twelve organisations including Caritas Australia, Djilpin Arts Aboriginal Corporation, Jesuit Social Services, Kinchela Boys Home Aboriginal Corporation, the National Aboriginal and Torres Strait Islander Catholic Council, and Red Dust Healing, and echo its call for governments and organisations who work for the wellbeing of First Australians to commit to the principle of subsidiarity.²

We also refer the Committee to the principles outlined in the Australian Council For International Development’s Practice Note on Effective Development Practice with Aboriginal and Torres Strait Islander Communities.³

We urge the Australian Government to listen to First Australians communities and work with them to support community-led solutions.

We endorse the submission by Jesuit Social Services to this Inquiry and draw attention to its key recommendations:

- Recommendation 1: Jesuit Social Services does not support the permanent implementation of mandatory cashless welfare arrangements in existing trial locations, as provided for in this bill. We are also opposed to the expansion of these arrangements to the Northern Territory and Cape York.
- Recommendation 2: Implement a fair and permanent increase to JobSeeker and related payments to ensure people are supported with a living wage while they look for work.
- Recommendation 3: Replace the Community Development Program with a model in line with that proposed by Aboriginal Peak Organisations NT (APO NT) that is place-based, community-driven and fosters long-term collaboration across governments, employers, Indigenous organisations and communities.

¹ Quote from Mr John Lochowiak, Chair of the National Aboriginal and Torres Strait Islander Catholic Council as quoted in the *Joint Statement on Subsidiarity*. Available at www.caritas.org.au/docs/default-source/publications-and-reports/joint-statement-on-subsidiarity-booklet.pdf

² *Joint Statement on Subsidiarity*, *ibid*.

³ Australian Council For International Development’s Practice Note on Effective Development Practice with Aboriginal and Torres Strait Islander Communities. Available at https://acfid.asn.au/sites/site.acfid/files/resource_document/Effective-Development-Practice-with-Aboriginal-and-Torres-Strait-Islander-Communities.pdf

We do not support the Social Security (Administration) Amendment (Continuation of Cashless Welfare) Bill 2020. We do not support the permanent implementation of mandatory cashless welfare arrangements in existing trial locations, nor the expansion of these arrangements to the Northern Territory and Cape York.

Sincerely,

Aunty Margaret Farrell
Chairperson, Baabayn Aboriginal Corporation

Kirsty Robertson
CEO, Caritas Australia

Loretta George, Chairperson
Fleur Parry, Manager
Djilpin Arts Aboriginal Corporation

Uncle Lester Maher, Chairperson
Dr Tiffany McComsey, CEO
Kinchela Boys Home Aboriginal Corporation

John Lochowiak
Chairperson, National Aboriginal and Torres Strait Islander Catholic Council

Uncle Tom Powell
Founder, Red Dust Healing



About the signatory organisations

Baabayn Aboriginal Corporation

We, the Directors of the Baabayn Aboriginal Corporation, are four Aboriginal elders who live in Western Sydney and know all about the ups and downs of life for Aboriginal People in the Mount Druitt area.

Our main purpose is to support our people in healing from the past and building towards the future. We work as a group to support individuals, we turn no one away, and we seek to build our people's pride in who they are, their sense of belonging, and their sense of connectedness to community and culture.

Caritas Australia

Caritas Australia is the international aid and development agency of the Catholic Church. We work to end poverty, promote justice and uphold human dignity. We work in partnership with marginalised communities regardless of ethnicity, political beliefs or religion. We have walked in solidarity with Indigenous communities since its inception, with designated First Australians Programs beginning in 1972. We are guided by the right to self-determination, we support Aboriginal and Torres Strait Islander led solutions, and we are committed to the principle of subsidiarity.

Djilpin Arts Aboriginal Corporation

Djilpin Arts is a community-owned, not-for-profit organisation based in the remote Indigenous community of Beswick/Wugularr, Northern Territory. Established in 2002, by the late actor and musician Balang T.E. Lewis, Djilpin Arts works to maintain, develop and promote local art and culture. Djilpin Arts Board, members and staff have a strong involvement in the development and sustainability of the organisation's activities and programs. Community ownership and responsibility are central. Programs provide and promote an environment in which the complexities of Aboriginal knowledge, kinship and society are valued and respected. Programs have a direct impact on the community's sense of pride, identity and well-being.

Kinchela Boys Home Aboriginal Corporation

Kinchela Boys Home Aboriginal Corporation (KBHAC) is a not-for-profit Aboriginal community controlled organisation established by survivors of Kinchela Aboriginal Boys Training Home (KBH), a 'home' run by the NSW Government for over 50 years (1924 – 1970) to house Aboriginal boys forcibly removed from their families.

Led by the KBH survivors and their families, KBHAC encourages and supports sustainable healing programs that address the legacy of physical, sexual, psychological and cultural abuse experienced by the KBH survivors as well as the intergenerational trauma experienced by their descendants.

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Our vision is to improve the social, emotional, cultural and spiritual wellbeing of the KBH survivors and their families in meaningful ways.

We are committed to empowering positive, healthy peer support models that address the reconstruction of identity and restoration of family structures.

National Aboriginal and Torres Strait Islander Catholic Council

The National Aboriginal and Torres Strait Islander Catholic Council (NATSICC) is the peak advisory body to the Australian Catholic Bishops on issues relating to Aboriginal and Torres Strait Islander Catholics.

The council was first formed in 1989 at the first National Conference of the Aboriginal and Islander Catholic Councils. In 1992 the Australian Catholic Bishops Conference officially recognised the Council as the national representative and consultative body to the Church on issues concerning Indigenous Catholics.

NATSICC is a not-for-profit organisation that is funded by the Catholic Church and Caritas Australia's First Australians program.

Red Dust Healing

Red Dust Healing is a specific cultural healing program, written from an Indigenous perspective, and targeted at Indigenous Men, women and families, as well as other Australian people, to address family and community violence, suicide, rejection, addictions, grief and loss and mental health issues. The program encompasses visual holistic learning modules, linking Indigenous and non-Indigenous cultures, to help participants with their individual insights and the journey of personal growth and wellbeing. By individualising and personalising the program through a series of cultural modules targeted at real issues that affect the lives of the participants, it makes it easier for them to engage in the program.

The Red Dust Healing program has been delivered to over 16,000 people in over 400 communities, in Australia and overseas.

Appendix

The following pages contain the submission by Jesuit Social Services to the Inquiry into the Social Security (Administration) Amendment (Continuation of Cashless Welfare) Bill 2020.

Senator Wendy Askew, Chair
Senate Standing Committees on Community Affairs
(Legislation Committee)
PO Box 6100
Parliament House
Canberra ACT 2600

22 October 2020

Dear Chair

Jesuit Social Services welcomes the opportunity to respond to the committee's inquiry into the Social Security (Administration) Amendment (Continuation of Cashless Welfare) Bill 2020.

Summary of recommendations:

RECOMMENDATION 1: Jesuit Social Services does not support the permanent implementation of mandatory cashless welfare arrangements in existing trial locations, as provided for in this bill. We are also opposed to the expansion of these arrangements to the Northern Territory and Cape York.

RECOMMENDATION 2: Implement a fair and permanent increase to JobSeeker and related payments to ensure people are supported with a living wage while they look for work.

RECOMMENDATION 3: Replace the Community Development Program with a model in line with that proposed by Aboriginal Peak Organisations NT (APO NT) that is place-based, community-driven and fosters long-term collaboration across governments, employers, Indigenous organisations and communities.

Introduction

Jesuit Social Services has previously outlined a range of concerns about the ongoing trials and continued expansion of the cashless debit card measures.¹ These include the disproportionate impact of the scheme on Aboriginal and Torres Strait Islander communities; inadequate consultation with affected communities; its compulsory nature; the lack of a clear evidence base; and evidence illustrating the trials' harmful impacts. These concerns remain.

We are therefore opposed to this legislation, which seeks to make the cashless debit card scheme permanent in existing trial locations, and expand it to the Northern Territory and Cape York. We believe these measures, implemented on a blanket basis in areas with high levels of social and economic disadvantage, only further disempower, demoralise and stigmatise people who are

¹ Jesuit Social Services (October 2019) *Submission to the Senate Standing Committee on Community Affairs' inquiry into the Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019*, <https://jss.org.au/wp-content/uploads/2019/10/SUB-2019-Submission-on-cashless-debit-card-bill-Jesuit-Social-Services-FINAL.pdf>.

vulnerable. The impact of COVID-19, which has taken a disproportionate toll on already marginalised communities, only heightens concerns about this blunt approach to income support.

1. Jesuit Social Services' concerns in relation to the scheme

a. Disproportionate impact on Aboriginal and Torres Strait Islander communities

The cashless debit card trial in its current form was initially rolled out in Ceduna (South Australia) and the East Kimberley (Western Australia), where 75-80 per cent of participants in each site were Aboriginal or Torres Strait Islander.² The vast majority of people in the Northern Territory and in Queensland's Cape York who, under this bill, would be transferred from existing Income Management measures to the cashless welfare scheme, are also Indigenous. However, the explanatory materials to this bill do not directly address the disproportionate impact of these measures on Aboriginal and Torres Strait Islander communities. The Parliamentary Joint Committee on Human Rights has repeatedly concluded that the cashless welfare scheme in its current form may not be compatible with the right to equality and non-discrimination.³

In the Northern Territory, compulsory income management was introduced as part of the Northern Territory Emergency Response, or the Intervention, in 2007. The cashless debit card scheme is seemingly being applied in the Northern Territory in a similar vein – as a compulsory measure imposed on communities by the Federal Government without adequate consultation. We note strong opposition to the scheme from Aboriginal-led organisations, including the Aboriginal Peak Organisations Northern Territory (APO NT). APO NT has described⁴ the bill as against the spirit of the recent National Agreement on Closing the Gap, which emphasises genuine partnerships and shared decision-making between governments and Aboriginal and Torres Strait Islander people.⁵

b. Inadequate consultation

Genuine consultation with communities impacted by proposed government programs is a key principle of effective policy-making. It is not clear whether *any* consultations were held specifically to determine whether the implementation of this scheme is supported by communities in the Northern Territory. Insufficient consultation has been an issue consistently identified across other trial sites.⁶ The explanatory materials to the bill refer to “information sessions” held with communities in the

² Parliament of Australia, Parliamentary Library, Bills Digest No. 58, 2017-18, Social Services Legislation Amendment (Cashless Debit Card) Bill 2017,

https://parlinfo.aph.gov.au/parlInfo/download/legislation/billsdgs/5684380/upload_binary/5684380.pdf.

³ See, for example, Parliamentary Joint Committee on Human Rights, *Human rights scrutiny report 2 of 2019*,

https://www.aph.gov.au/~/_media/Committees/Senate/committee/humanrights_ctte/reports/2019/Report%202/Report%202%20of%202019.pdf?la=en.

⁴ APO NT (October 2020) *APO NT call on MP's to oppose the Cashless Debit Card Expansion Bill*,

<http://www.amsant.org.au/apont/apo-nt-call-on-mps-to-oppose-the-cashless-debit-card-expansion-bill/>.

⁵ <https://www.closingthegap.gov.au/priority-reforms>.

⁶ For example, in a government-commissioned report by researchers at the University of Adelaide it was noted that there was a lack of consultation prior to the rollout of the scheme in the Goldfields region of Western Australia. See, K.

Mavromaras, M. Moskos, L. Isherwood, and S. Mahuteau (February 2019) University of Adelaide, *Cashless Debit Card Baseline Data Collection in the Goldfields Region: Qualitative Findings*,

https://www.dss.gov.au/sites/default/files/documents/04_2019/cdc-baseline-datacollection-qualitative-findings-29-march-2019.pdf.

Northern Territory focused on how the cashless debit card operates, as if its implementation was already presumed.⁷ Despite some acknowledgement in the explanatory materials that feedback from communities in the Northern Territory and Cape York was “mixed,” including concerns as to the lack of evidence regarding the benefits of compulsory welfare management and perceptions it is targeted at Aboriginal people, it is not apparent that genuine steps have been taken to include Aboriginal communities in the decision-making process.

We draw the committee’s attention to the principles set out in the United Nations Declaration on the Rights of Indigenous Peoples, which Australia is a signatory to. In particular, to Article 19, which states: “States shall consult and cooperate in good faith with the indigenous peoples concerned through their own representative institutions in order to obtain their free, prior and informed consent before adopting and implementing legislative or administrative measures that may affect them.”⁸ The National Agreement on Closing the Gap (July 2020) emphasises the need for a shift in the way governments work, towards “shared decision-making on the design, implementation, monitoring and evaluation of policies and programs to improve life outcomes for Aboriginal and Torres Strait Islander people.”⁹ The pushing through of this legislation appears a step backwards from this commitment.

c. Lack of evidence base to support the scheme

The cashless debit card trials have consistently been extended without clear evidence that they are achieving what they purport to – namely, to reduce social harm as a result of alcohol, gambling and drugs.¹⁰ The toll of substance abuse and associated harms on many communities is undisputed and must be addressed. However, basing any response on the blanket application of the cashless debit card scheme is not supported by evidence. We also note that this bill now introduces an additional objective for the card, not previously legislated: to support participants “with their budgetary strategies.” After more than four years of trials, the addition of a new objective appears to point to a policy still searching for its justification.

In the explanatory materials to this bill, the Federal Government continues to cite the 2017 ORIMA Research evaluation of the scheme in Ceduna and the East Kimberly as evidence that the trials are effective. However, a number of organisations and researchers, as well as the Australian National Audit Office (ANAO), highlighted serious flaws in the evaluation’s methodology likely to compromise the findings.¹¹ The ANAO stated that the Department of Social Services’ “approach to monitoring and evaluation was inadequate” and that it was “difficult to conclude whether there had been a reduction in social harm” as a result of the cashless welfare measures.¹²

⁷ Explanatory Memorandum, Social Security (Administration) Amendment (Continuation of Cashless Welfare) Bill 2020, https://parlinfo.aph.gov.au/parlInfo/download/legislation/ems/r6608_ems_291e3448-b2fb-4116-b3df-d5759b59cb05/upload_pdf/JC000186.pdf;fileType=application%2Fpdf.

⁸ *United Nations Declaration on the Rights of Indigenous Peoples*, adopted by the General Assembly on 13 September 2007, https://www.un.org/development/desa/indigenouspeoples/wp-content/uploads/sites/19/2018/11/UNDRIP_E_web.pdf.

⁹ <https://www.closingthegap.gov.au/sites/default/files/files/national-agreement-ctg.pdf>.

¹⁰ Part 3D of the *Social Security (Administration) Act 1999*, https://www.legislation.gov.au/Details/C2020C00290/Html/Volume_2#_Toc52365311.

¹¹ See, for example, Professor Matthew Gray and Dr Rob Bray PSM, ANU Centre for Social Research and Methods, *Submission to the Community Affairs Legislation Committee’s Inquiry into the Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019*; WA Council of Social Service (29 September 2017) *Submission to the Senate Community Affairs Legislation Committee’s Inquiry into the Social Services Legislation Amendment (Cashless Debit Card) Bill 2017*, <https://wacoss.org.au/wp-content/uploads/2017/10/WACOSS-CashlessDebit-Card-Submission-final.pdf>.

¹² Australian National Audit Office (17 July 2018) *The Implementation and Performance of the Cashless Debit Card Trial*,

A second government-commissioned evaluation of the scheme in Ceduna, East Kimberley and the Goldfields, led by researchers at the University of Adelaide, has not yet been released and it is not clear whether the findings – if completed – have been adequately considered by government decision-makers. It is concerning that the cashless debit card is now being made permanent *before* the public release of this evaluation.

d. Evidence of harmful impacts, community opposition to the scheme

A growing body of research has raised significant issues with the scheme to date, including in relation to its effectiveness, lack of support among communities, and the harmful impact of the measures on a range of fronts:

- The Australian National University's Centre for Aboriginal Economic Policy Research found that it was not clear whether a perceived reduction in alcohol use identified by the ORIMA research could be definitively linked to the trial or was the result of alcohol restrictions implemented separately in each trial location.¹³ The chief executive of the South Australian Aboriginal Drug and Alcohol Council said there had been no decrease in people accessing the Stepping Stones Drug and Alcohol Day Centre in Ceduna, with figures showing that the number of client contacts increased from 2015-16 to 2018-19.¹⁴
- Baseline data collected by University of Adelaide researchers in the Bundaberg and Hervey Bay trial sites found that around half of cashless debit card participants described themselves as against the scheme, including because of a perceived lack of consultation; that it would not address issues in the region (most prominently, high unemployment); and that it breached their rights.¹⁵ Only around a fifth of participants in the study supported the trial.
- A national study into compulsory income management (IM) in Australia found that 87 per cent of people surveyed who were on IM did not see any benefits to the scheme. The research found that: "In contrast to policy discourses about IM being used to strengthen benefit recipients' independence, build responsibility and help transition individuals away from 'welfare dependency' and into work, we found that IM appears to weaken the financial position and capabilities of those subjected to it".¹⁶
- In-depth fieldwork conducted by researcher Eve Vincent in Ceduna found that numerous participants saw the imposition of the card as punitive, stigmatising and part of a longer history of race-based treatment.¹⁷

<https://www.anao.gov.au/work/performance-audit/implementation-and-performance-cashless-debit-card-trial>.

¹³ J Hunt, Australian National University (2017) The Cashless Debit Card trial evaluation: A short review,

<https://www.aph.gov.au/DocumentStore.ashx?id=08423a8f-68fa-4c74-90a7-b465a63f9484&subid=658057>

¹⁴ Max Koslowski and Judith Ireland (10 September 2019) Sydney Morning Herald, 'Cashless welfare card trial not working, drug and alcohol centre says', <https://www.smh.com.au/politics/federal/cashless-welfare-card-trial-not-working-drug-and-alcohol-centre-says-20190910-p52pv5.html>.

¹⁵ M. Moskos, L. Isherwood, K. Mavromaras and S Mahuteau, University of Adelaide (December 2019) *Cashless Debit Card Baseline Data Collection in the Bundaberg and Hervey Bay Region: Qualitative Findings*, https://www.dss.gov.au/sites/default/files/documents/08_2020/cdc-baseline-data-collection-qualitative-findings-6-august-2020-pdf.pdf.

¹⁶ Marston, G., Mendes, P., Bielefeld, S., Peterie, M., Staines, Z. and Roche, S. (2020) *Hidden Costs: An Independent Study into Income Management in Australia*, University of Queensland, <https://static1.squarespace.com/static/5bff47d1da02bc49ad4e890b/t/5e54c6934eb2985cbbf830a5/1582614180484/Hidden+Costs+Report+-+FINAL.pdf>, p. 12.

¹⁷ E. Vincent (2019), Lived Experiences of the Cashless Debit Card Trial, Ceduna, South Australia, Working Paper 129/2019,

- Various hardships relating to the imposition of the card have been reported, including: the difficulties of obtaining cash-only items (for example at op- shops or fresh food markets); being unable to use the card in locations such as mixed businesses, which may, for example, sell alcohol in addition to other items; technological problems with the card; and increased pressure on family members who do earn cash.¹⁸

RECOMMENDATION 1: Jesuit Social Services does not support the permanent implementation of mandatory cashless welfare arrangements in existing trial locations, as provided for in this bill. We are also opposed to the expansion of these arrangements to the Northern Territory and Cape York.

2. Better responses to support communities

The blanket imposition of compulsory income management does not address the real and pressing issues many communities, including rural or remote communities, are facing: high levels of unemployment, poverty, lack of safe and affordable housing, and food insecurity, to name a few. Jesuit Social Services acknowledges that aspects of income management may be helpful for some individuals and families who choose to take part in it. However, such initiatives should always be voluntary; be informed and developed by communities;¹⁹ and be linked to other appropriate services as part of a holistic approach to supporting people in need.

For example, despite purporting to address the social harm of alcohol misuse, under the current scheme, there is no clear process for linking people with the appropriate health and other support services that would help them address substance issues. The Royal Australian and New Zealand College of Psychiatrists has stated that the cashless welfare scheme is “not properly designed to support people with concurrent addiction and employment issues” and that the Federal Government should focus investment on evidence-based and culturally appropriate rehabilitation and addiction services.²⁰

Community-led initiatives

There are various examples of community-designed initiatives that have worked to ameliorate identified issues of social harm. One example is the ‘FOODcard’, developed by the Arnhem Land Progress Aboriginal Corporation (ALPA) as a result of community consultations in 2004, that assists families with budgeting by enabling money to be voluntarily paid onto the card and reserved for food and household essentials.

See: <https://www.alpa.asn.au/health-and-nutrition>

Centre for Aboriginal Economic Policy Research, Australian National University, Canberra.

¹⁸ Max Koslowski (14 September 2019) The Age, *'The card declined and I broke down': Life on the cashless welfare card*, <https://www.smh.com.au/politics/federal/the-card-declined-and-i-broke-down-life-on-the-cashless-welfare-card-20190913-p52r02.html>; ORIMA Research (August 2017) Cashless Debit Card Trial Evaluation, Final Evaluation Report, https://www.dss.gov.au/sites/default/files/documents/10_2018/cashless-debit-card-trial-final-evaluation-report_2.pdf; K. Mavromaras, M. Moskos, L. Isherwood, and S. Mahuteau (February 2019) University of Adelaide, Cashless Debit Card Baseline Data Collection in the Goldfields Region: Qualitative Findings, https://www.dss.gov.au/sites/default/files/documents/04_2019/cdc-baseline-data-collection-qualitative-findings29-march-2019.pdf.

¹⁹ We note relevant Articles 3 and 4 of the United Nations Declaration on the Rights of Indigenous Peoples, which refer to the right to self-determination and autonomy. https://www.un.org/development/desa/indigenouspeoples/wp-content/uploads/sites/19/2018/11/UNDRIP_E_web.pdf.

²⁰ The Royal Australian and New Zealand College of Psychiatrists (27 February 2019) *Submission 3 to the Inquiry into the Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019*, <https://www.aph.gov.au/DocumentStore.ashx?id=aa87c208-a65b-433e-9b4c-ca448f50abd9&subId=667084>.

For many of the communities in which this scheme operates, a lack of local job opportunities is a key issue. The University of Adelaide study of the Bundaberg and Hervey Bay trial area found that respondents overwhelmingly stated that the “most negative aspect of the region was the high levels of unemployment, and particularly for younger people.”²¹ The unemployment rate in the region, according to the 2016 Census, was 11 per cent, compared to the national average of 7 per cent.²² This was magnified by limited education and training opportunities, and multiple, overlapping indicators of deep social disadvantage.²³ Unfortunately, this pattern is repeated in disadvantaged areas across the country, with rates of unemployment and underemployment now only worsening due to the impact of COVID-19. According to a recent study, there are 106 jobseekers for each entry-level job vacancy across Australia.²⁴

Many remote communities face additional challenges, including cost of living pressures and a lack of safe and affordable housing. In the Northern Territory, for example, the Northern Territory Council of Social Service (NTCOSS) recently found that only 12 per cent of most private rental properties are affordable for people receiving an income support payment.²⁵ In many remote communities, very limited fresh and healthy food options, exorbitant food prices, and unsafe drinking water are also ongoing issues.²⁶ These are daily realities for many people for whom compulsory income management is simply another restrictive intervention to navigate.

a) A living wage

In the midst of a recession and an ongoing public health crisis that has compounded challenges for many, we should be focused on how best we can support people in need. A clear and immediate measure would be implementing a permanent and fair level of income support to ensure people are able to cover the basics and live in safety and dignity while they are out of work. The temporary increase to JobSeeker through the Coronavirus Supplement dramatically cut poverty rates,²⁷ with people able to put healthy food on the table and better afford rent, medication and bills.²⁸ We also know that people on low incomes are more likely to spend, meaning a higher rate of income support is a boost to the economy.²⁹ We cannot go back to the appallingly low rate of Newstart (now

²¹ M. Moskos, L. Isherwood, K. Mavromaras and S Mahuteau, University of Adelaide (December 2019) *Cashless Debit Card Baseline Data Collection in the Bundaberg and Hervey Bay Region: Qualitative Findings*, https://www.dss.gov.au/sites/default/files/documents/08_2020/cdc-baseline-data-collection-qualitative-findings-6-august-2020-pdf.pdf.

²² Ibid.

²³ Ibid.

²⁴ Anglicare Australia (2020) *Jobs Availability Snapshot 2020*, <https://www.anglicare.asn.au/docs/default-source/default-document-library/2020-jobs-availability-snapshot.pdf?sfvrsn=4>.

²⁵ NTCOSS (2020) *Cost of Living Report No. 29 Fact Sheet*, <https://mk0ntcossq2ubakxf8.kinstacdn.com/wp-content/uploads/2020/09/Factsheet-CoL-Report-29.pdf>.

²⁶ SACOSS (June 2020) *Scoping study on water issues in remote Aboriginal communities*, https://www.sacoss.org.au/sites/default/files/public/200630_SACOSS%20Scoping%20Study%20Remote%20Communities_FINAL_0.pdf; ABC (July 2020) *Calls for price caps and shopping subsidies to bring grocery pricing equality to remote Australia*, <https://www.abc.net.au/news/2020-07-11/remote-community-food-price-inquiry-details-rotten-meat/12441976>; The Guardian (July 2020) *'Disgusting' prices and mouldy fruit: the shocking allegations about Indigenous Australians' food supply*, <https://www.theguardian.com/australia-news/2020/jul/18/disgusting-prices-and-mouldy-fruit-the-shocking-allegations-about-indigenous-australians-food-supply>.

²⁷ https://www.acoss.org.au/media-releases/?media_release=post-budget-analysis-in-anti-poverty-week.

²⁸ <https://www.acoss.org.au/wp-content/uploads/2020/09/If-It-Wasnt-For-The-Supplement-I-Dont-Know-Where-Id-Be-August-2020-JobSeeker-Survey.pdf>.

²⁹ Deloitte Access Economics (September 2020) *Estimating the economic impacts of lowering current levels of income support payments*, <https://www.acoss.org.au/wp-content/uploads/2020/09/Final-ACOSS-Coronavirus-Supplement-to->

JobSeeker) at \$40 a day. We are calling for a fairer social safety net, with a permanent adequate increase to JobSeeker and related payments.

RECOMMENDATION 2: Implement a fair and permanent increase to JobSeeker and related payments to ensure people are supported with a living wage while they look for work.

b) Community-led, government-backed support

Another step needed to better support people in remote communities is to replace the Community Development Program (CDP). The federal remote-area employment scheme has failed to deliver meaningful training or employment outcomes for participants, the majority of whom are Aboriginal or Torres Strait Islander people, while setting onerous requirements and significant penalties for compliance failures. People have been expected to undertake compulsory work, at an hourly rate below the minimum wage, within a centralised system that has led to a decline in local decision-making and discretion in its implementation. The Government has stated that “full CDP servicing,” including mutual obligation requirements that were paused due to COVID-19, were resumed on October 19.³⁰

This scheme is overdue for replacement. Jesuit Social Services supports a model in line with that proposed by Aboriginal Peak Organisations NT (APO NT) that is place-based, community-driven and fosters long-term collaboration across governments, employers, Indigenous organisations and communities.³¹ APO NT’s proposal envisages a shift in resources away from the administration of compliance obligations and into participation and community development in remote areas, including work on services and projects identified by, and with value for, remote communities.

The current punitive approach to income support, including the low rate of Newstart/JobSeeker, the compliance-focused CDP and the compulsory cashless debit card scheme, only compounds socioeconomic disadvantage and further marginalises those already struggling.

RECOMMENDATION 3: Replace the Community Development Program with a model in line with that proposed by Aboriginal Peak Organisations NT (APO NT) that is place-based, community-driven and fosters long-term collaboration across governments, employers, Indigenous organisations and communities.

We appreciate the committee taking our views into account.

Yours sincerely



Sally Parnell, Acting CEO, Jesuit Social Services

[ACOSS-09.09.2020.pdf](#)

³⁰ <https://www.niaa.gov.au/covid-19/cdp>.

³¹ Aboriginal Peak Organisations NT (APO NT) (May 2017) Fair Work and Strong Communities: Proposal for a Remote Development and Employment Scheme, <https://www.clc.org.au/files/pdf/Proposal-for-Remote-Development-and-Employment-Scheme.pdf>.