I make this submission as an academic with a disciplinary background in law whose research focuses on issues of public policy, social justice, human rights and Indigenous peoples.

It is timely that the government gives consideration to the important issues raised in the Stronger Futures legislative package. The June 2013 report of the Parliamentary Joint Committee on Human Rights raised significant human rights concerns with this legislation. This submission addresses three areas of concern covered in the 2013 report: Income Management, the School Enrolment and Attendance Welfare Reform Measure (SEAM), and the alcohol measures. SEAM is also dealt with in a recent publication of mine, which is attached as Appendix A.

**Income management**

The 2013 PJCHR report raised concerns about ongoing racial discrimination in the income management scheme due to its disproportionate impact on Indigenous welfare recipients. Recent data shows that Indigenous peoples are still overwhelming overrepresented in the income management scheme, and the vast majority are subject to compulsory income management rather than voluntary income management. For example, in the Northern Territory those classified as ‘Disengaged Youth’ number ‘4,201 (89% Indigenous, 11% non-Indigenous)’ and those defined as ‘Long Term Welfare Payment Recipients’ number ‘10,529 (87% Indigenous, 13% non-Indigenous)’. These are compulsory income management categories, and it is well documented that Indigenous welfare recipients face a range of barriers in obtaining exemptions from income management.

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Article 1 of the *International Convention on the Elimination of All Forms of Racial Discrimination* refers to measures as racially discriminatory if they have ‘the purpose or effect’ of restricting the enjoyment of human rights. The PJCHR concluded in 2013 that:

[T]he government has not yet clearly demonstrated that:

- the income management regime to the extent it may be viewed as having a differential impact based on race, is a reasonable and proportionate measure and therefore not discriminatory; or
- the income management regime is a justifiable limitation on the rights to social security and the right to privacy and family.

I submit that that the government still has not clearly demonstrated that income management meets these criteria. The government evaluations of income management to date show mixed results at best, and matters of extreme concern at worst.

Although a key reason why income management was originally introduced was to address demand sharing or humbugging, as Bray and others pointed out in 2012, ‘the reduction in cash in communities has reduced financial harassment for many, but has in some cases increased harassment for others.’ They observed that people can still “humbug” for the BasicsCard.
The persistence of demand sharing was also confirmed in the recent September 2014 report on the operation of voluntary income management in the APY Lands. Communities in the APY Lands had requested voluntary income management as a means of addressing a range of concerns, including humbugging. Their consent to the measure is a crucial distinction between this form of income management and the compulsory income management to which most Indigenous welfare recipients are subject in the Northern Territory. The 2014 APY Lands report noted that '[t]he majority of community members and other stakeholders who participated in this study were positive about income management being introduced into the APY Lands.' However, the report states that '[w]ith less cash available, some of the ‘humbugging’ has reportedly been transferred from humbugging for money to humbugging for food.' Although the data in this report is presented as tentative, with further research required, it noted that ‘people on income management appear to be more likely to run out of money than those not on income management.' This raises questions about the efficacy of income management.

An enormous amount is currently spent on income management. As I note in a forthcoming publication in the Sydney Law Review:

Buckmaster and others estimate that the implementation of the income management scheme will cost the government ‘in the range of $1 billion’ between ‘2005–06 to 2014–15.’ The Australian National Audit Office estimates that income management for welfare recipients living in remote areas costs approximately ‘$6600 to $7900 per annum’, which is ‘equal to 62 per cent of the $246-a-week Newstart payment.’ The finances currently allocated to resourcing the compulsory income management system could

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arguably be better spent on providing necessary social services to effectively assist these welfare recipients in a culturally appropriate manner.\textsuperscript{19}

These funds could also arguably be utilised in a manner more compatible with human rights than the compulsory income management system. The APY Lands report sets out a range of voluntary budgetary management tools which may be useful for welfare recipients as alternatives to the BasicsCard:

Before the introduction of income management and the BasicsCard into the APY Lands there were already a number of methods for people to allocate money for specific purposes. Like Voluntary Income Management, these are all voluntary arrangements which individuals can change when they wish to do so.

- The Key Card is a card issued by a financial institution (e.g. bank) used by account holders to access their money. Community members can set up direct debit payment arrangements with the financial institution to transfer funds to a store or make bill payments via BPAY. The Key Card gives people direct access to the available cash in their account. Particular amounts can be allocated per day so that the person can only spend up to that amount per day and therefore money can be spread over the payment period. This is arranged with the financial institution.
- The Centrepay system is a free bill paying service people can use to make payments to registered organisations directly from their Centrelink payments. Centrepay has been in place for several years prior to the introduction of income management.
- Store accounts or Store Cards. People can arrange for funds to be paid to the store under a pre-paid account system. Some stores will provide clients with a Store Card where these funds are uploaded. The client can arrange payments to the store through Centrepay or through a direct debit arrangement with their financial institution.
- Many people hold accounts in financial institutions which may or may not have Key Card access. People can allocate their funds by arranging direct debits and making bill payments via BPAY.\textsuperscript{20}

In assessing the proportionality of income management it seems appropriate to consider other budgetary management alternatives which could achieve the same objective the government claims to want to achieve, but in a less stigmatising manner. Since the BasicsCard was initially introduced as part of the Northern Territory Emergency Response, there is an intense social stigma attached to its use.


for numerous welfare recipients. This is especially so in regards to the numerous compulsory income management categories operating in the NT.

There are also unique cultural issues that can arise for Indigenous welfare recipients’ subject to compulsory income management. The history of colonisation, which has involved micromanaging the finances of Indigenous peoples, means that these intrusive forms of governance can trigger trauma for Indigenous peoples, who, unlike other Australian welfare recipients have a history of being given rations instead of cash and having their incomes controlled (at times fraudulently) by third parties.

In addition, there are three other human rights issues to be considered in the context of compulsory income management for Indigenous welfare recipients which were not considered in the 2013 PJCHR report. First, compulsory income management can affect the enjoyment of Indigenous peoples’ right to culture. The human rights instruments pertaining to the right to culture are referred to in Appendix A, and include Article 27 of the International Covenant on Civil and Political Rights (ICCPR) and Articles 8(1), 11(1), 14(3), and 15(1) of the United Nations Declaration on the Rights of Indigenous Peoples. Compulsory income management has implications for Indigenous forms of resource distribution based on kinship networks, and can affect whether Indigenous welfare recipients can obtain an exemption from compulsory income management. This can have an impact upon Indigenous cultural values regarding reciprocity, because these values have wrongly been seen as ‘financial exploitation’ by numerous Centrelink decision makers when assessing exemption requests made by Indigenous welfare recipients. I analyse this issue in my forthcoming publication in the Sydney Law Review, which I would be happy to forward to the Committee if it is of interest. I also note that reciprocal sharing of resources which is mutually beneficial for Indigenous welfare recipients is to be distinguished from humbugging.

Second, the BasicsCard is only accepted at government approved retailers, which can negatively impact upon welfare recipients who need to travel. This arguably
affects their enjoyment of freedom of movement and association, rights enshrined in Article 12(1) and 22(1) of the ICCPR.26

Third, the PJCHR concluded in 2013 that ‘[t]he income management regime limits the right to social security, the right to an adequate standard of living and the right to privacy’,27 these are rights contained in the ICCPR and the International Covenant on Economic, Social and Cultural Rights.28 These remain ongoing concerns; however, another right to consider in regard to Article 17(1) of the ICCPR is the right to be free from ‘unlawful attacks on … honour and reputation’. The income management scheme is underpinned by the ideological brutality of new paternalism,29 which unjustly disparages the capacities and character of welfare recipients by portraying them as deviants who require intensive paternalistic governance to bring about behavioural reform. It is arguable that this impugns the reputation of those subject to compulsory income management, many of whom do not have the behavioural problems identified by the government as the underpinning rationale of income management. As Bray and others state:

A central rationale for income management is to reduce the amount of welfare funds available to be spent on alcohol, gambling, tobacco products and pornography … The majority of survey participants reported that none of these issues were a problem for their family.30

The Improving School Enrolment and Attendance through Welfare Reform Measure (SEAM)

The points made in the 2013 PJCHR report on SEAM are important, and there are ongoing human rights concerns with this measure regarding ‘the right to social security, the right to privacy and family, the right to an adequate standard of living, and the rights of the child in relation to each of those rights.’31 As outlined in Appendix A, there are also significant concerns about the right of Indigenous peoples

to culture which are infringed by SEAM, in terms of Aboriginal children who need to accompany adults on sorry business and for cultural education.

It is a grave injustice to suspend the income of entire families in the name of alleging benefiting Aboriginal children. The recent Audit of SEAM released in 2014 noted that 254 welfare recipients had their payments suspended under the enrolment aspect of SEAM, and 60 under the attendance requirement. Although parents who have their income suspended can later receive back pay if they comply with SEAM, the period of the suspension imposes severe economic hardship on families throughout its duration. Furthermore, The North Australian Aboriginal Justice Agency has been contacted by Indigenous people whose payments have been ‘suspended under SEAM’ who ‘do not understand why their payment has been suspended, or what they need to do to have their payment restored.’ I submit that income suspension is a harsh measure which is unjustifiable as a means of seeking to promote the right to education. There are other ways in which the government could promote educational objectives which do not result in impoverishment for Indigenous families. Further reflections on this issue are contained in Appendix A.

**Alcohol Measures**

The alcohol measures imposed as part of the Stronger Futures package were rightly critiqued by the PJCHR in 2013. These laws raise concerns about the Federal Government’s commitment to ‘special measures’ as defined under international human rights law. I agree with the views on special measures expressed by the UN Special Rapporteur on the situation of human rights and fundamental freedoms of indigenous people, Professor James Anaya, and the Australian Human Rights Commission, referred to in the 2013 PJCHR report. I concur with the 2013 PJCHR report that under international law, measures which criminalise the people supposedly to be benefited are not legitimate special measures by international human rights standards.

If these laws cannot legitimately be classed as a special measure according to international human rights jurisprudence, then there is still an issue with human rights incompatibility due to the racially discriminatory nature of these laws. This is something that may well contribute to further international criticism of Australia for flouting the international human rights obligations under the International Convention

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on the Elimination of All Forms of Racial Discrimination by which Australia has agreed to be bound.

As regards the alcohol measures in the Stronger Futures package, the following quote from my 2014 article in the Alternative Law Journal may be of interest to the Committee in terms of assessing the proportionality of these measures:37

Although the object of the Stronger Futures in the Northern Territory Act 2012 (Cth) (‘SFNT Act’) contained in s 4 states that it ‘is to support Aboriginal people in the Northern Territory to live strong, independent lives’ the legislation promotes an extremely paternalistic approach to alcohol usage and is racially targeted. It is designed to affect the alcohol consumption of Indigenous people.

Whilst it is acknowledged that the amount of alcohol consumption is a problem in some Northern Territory Aboriginal communities, the trouble with the government’s unilaterally imposed ‘solution’ is that it does not necessarily offer a collaborative approach for communities to deal with alcohol related harm in their desired way. It can result in government orchestrated outcomes ‘without adequate consultation’.38 Indigenous communities are also subject to Ministerial approval of their Alcohol Management Plans under the Stronger Futures laws, hence Ministerial override.39 This approach does not allow for Indigenous communities to be self-determining in terms of effectively and appropriately addressing these issues as they choose. Instead, the Stronger Futures laws impose an approach likely to lead to further criminalisation of Indigenous people.

Section 8 of the SFNT Act inserts a range of alcohol related offences into the Liquor Act 1978 (NT). It inserts a new s 75B(1) which makes it an offence to possess alcohol in an alcohol protected area. The maximum penalty for breach of this provision is ‘100 penalty units or imprisonment for 6 months.’ Under s 5, the definition section of the SFNT Act, a penalty unit has the same meaning as s 4AA of the Crimes Act 1914 (Cth), which sets out that a penalty unit is $170. This means the applicable penalty for breach of this section could be one hundred times $170, an astounding $17,000 for possession of alcohol in one of the alcohol prohibited areas. This is likely to lead to further over-representation of Indigenous Australians in the criminal justice system40 and further impoverish communities. It does nothing to treat the causes of

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39 SFNT Act s 16.
alcoholism. Interestingly, ‘Prior to the Intervention eighty percent of Homelands were considered to be “dry” communities.’ Yet the Stronger Futures legislation keeps perpetuating the racist colonial stereotype of the drunken Aboriginal person unable to moderate alcohol intake and in need of the pervasive paternalism of the state.

Section 8 of the SFNT Act also inserts a new s 75C(1) into the Northern Territory Liquor Act which makes it an offence to supply alcohol in an alcohol protected area. The maximum penalty for breach of this provision is ‘100 penalty units or imprisonment for 6 months.’ However under s 75C(7)(a) ‘If the quantity of ethyl alcohol involved in the commission of an offence … is greater than 1,350 ml the maximum penalty for the offence is 680 penalty units or imprisonment for 18 months’. Again, this provision is likely to lead to an increase in the over-representation of Indigenous Australians in custody. This is particularly so when these extreme fines are considered in conjunction with compulsory income management which restricts 50% or more of a welfare recipient’s income to expenditure on government approved priority needs. ‘Priority needs’ are defined in s 123TH(1) of the Social Security (Administration) Act 1999 (Cth) and do not include the payment of fines, which is hardly helpful given that fine default can lead to incarceration. These sorts of Intervention measures have led to Aboriginal people in the Northern Territory finding it more difficult to pay for bail and fines ‘due to a shortage of cash from Income Management.’

This legislation and other like legislation does nothing to treat the underlying causes of alcoholism, which are often due to ‘endemic grief and emotional suffering’ as a consequence of various aspects of colonialism that have made a significant impact over many generations.

One cannot help but think that if an approach based upon harsh criminal penalties were capable of being effective in terms of addressing alcohol related harm in Indigenous communities then perhaps it should have yielded more evidence of beneficial outcomes for Indigenous people by now. After all, the criminalisation approach has been dominant throughout most of Australia’s colonial history. The possibility that the intensive, stigmatising, paternalistic governance embedded in this type of legislation might enhance the desire of some Indigenous people to engage in escapism via substance abuse should be considered.

41 Michele Harris (ed), A Decision to Discriminate – Aboriginal Disempowerment in the Northern Territory (Concerned Australians, 2012) 39.
43 Such as that which was in issue in Maloney v The Queen [2013] HCA 28.
44 June Oscar and Howard Pedersen, ‘Alcohol Restrictions and the Fitzroy Valley: Trauma and Resilience’ in Sarah Maddison and Morgan Brigg (eds), Unsettling the Settler State – Creativity and Resistance in Indigenous Settler-State Governance (Federation Press, 2011) 85.
Conclusion

Although the stated intention of the government is that these laws and policies are to be beneficial, there are significant human rights compatibility issues with income management, SEAM, and the alcohol measures. The individual assessment of each of these measures is important and necessary, however the cumulative impact of these laws and policies on the well-being of the Indigenous people subject to them should also be considered.

Yours sincerely,

Dr Shelley Bielefeld

Appendix A