



Danila Dilba[®]
Health Service

Corporate Services

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Committee Secretary
Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600

Via email: community.affairs.sen@aph.gov.au

18 October 2019

Dear Committee Secretary,

Danila Dilba Health Service welcomes the opportunity to provide a submission to the Committee's Inquiry.

About Danila Dilba Health Service

Danila Dilba Health Service (DDHS) is an Aboriginal Community Controlled comprehensive primary health care service offering a wide range of health and related services to Aboriginal people in the Greater Darwin Region. Comprehensive primary health care encompasses the range of health care generally offered by general practice but extends beyond that to provide:

- Specialist and allied health professionals
- Health promotion to help people get more control over their health
- Care coordination for clients with complex health needs
- Social and emotional wellbeing services
- Drug and alcohol services
- Outreach services to clients
- Support services for young people including young people at Don Dale
- Family support and strengthening through the Australian Nurse Family Partnership Program.

Our organisation has adopted a 'whole of life' approach to the health of our clients, meaning that we look to the social determinants which drive inequities in health outcomes in our work and advocacy to improve those outcomes. DDHS is an inclusive and non-discriminatory organisation.

Income Management (IM) in the Northern Territory and the evidence base

Aboriginal people make up 30% of the Northern Territory's population. Around 80% of the NT's Aboriginal population live in remote or very remote communities which have limited access to a range of services that other Australians take for granted. All NT Aboriginal communities experience high rates of overcrowding, poor housing and infrastructure.

More than 23,000 Aboriginal Territorians have been subjected to income management since 2007.

The stated **objective of IM** was to improve the health, wellbeing and education of Aboriginal children and to protect women and older people from humbugging and violence.

Since 2010, the main form of Income Management in place in the Northern Territory has been what is known as 'New Income Management'.

New Income Management consists of a number of subprograms or streams. These are differentiated by: the criteria for determining who will be income managed; the proportion of income which is subject to income management; whether the person has access to exemptions from the program; and whether they receive any additional payment for participating in the program.¹

In the Northern Territory these 'streams' of NIM are:

1. Long Term Welfare Recipients and Disengaged Youth, two groups to which the scheme applies compulsorily if they have been in receipt of certain income support payments for more than a specified period. People laced on this form of IM are able to apply for an exemption, exemptions cannot be gained from other forms of NIM.
2. Voluntary Income Management, allows people who want to be on income management to participate.
3. Compulsory forms of Vulnerable Income Management – people assessed by Centrelink as being vulnerable, this assessment is often made because of the type of income support payments they receive, e.g. Child Protection Income Management, and Supporting People at Risk income management, to which people are referred to by Northern Territory Government Authorities.

In the most recent evaluation of New Income Management in the Northern Territory, commissioned by the Department of Social Services and published in 2014, the findings highlighted the discriminatory operation of Income Management in the Territory:²

- In December 2013, 18,300 people were income managed. Of this total, 76.8 per cent were on the main compulsory measures, 20.1 per cent were on Voluntary Income Management, and the remaining 3.1 per cent were on the other seven measures and subprograms.
- 90.2 per cent of those being income managed are Indigenous. It is estimated that 1.3 per cent of non- Indigenous people and 34.0 per cent of Indigenous people aged 15 years and over living in the Northern Territory are subject to income management.
- Few exemptions have been granted and most exemptions have been obtained by non-Indigenous people who have an exemption rate of 36.3 per cent, compared with 4.9 per cent for Indigenous people. Indigenous people have both a low rate of application for exemptions and a high rejection rate for those who do apply. Almost all exemptions have been granted to people with dependent children; 0.6 per cent of those without children have gained an exemption.

'The evaluation could not find any substantive evidence of the program having significant changes relative to its key policy objectives, including changing people's behaviours.'³

There was no evidence that:⁴

- It brought about changes in spending patterns including in food and alcohol sales.
- It caused any improvement in overall financial well-being.

The evaluation found that, rather than building capacity and independence, for many the program has acted to make people more dependent on welfare.

¹ *Evaluation of New Income Management in the Northern Territory: Final Evaluation Report*, 2014, J Rob Bray, Matthew Gray, Kelly Hand and Ilan Katz.

² Ibid.

³ Ibid, xxi.

⁴ Ibid.

Importantly, there are differences in outcomes for those on compulsory Income Management compared with those in the voluntary scheme or for whom Income Management formed part of an individually tailored program in which some individuals used it as an effective tool.⁵

Of course, Aboriginal people in the NT have been subject to forms of income management since its introduction as part of the NT Emergency Response – the Intervention. Despite the long term implementation of income management in the NT – some 12 years - there is an astonishing lack of credible evidence that IM has made **any** improvement in any of the key indicators – child health, birthweight, failure to thrive, child protection notifications and substantiations, school attendance and family violence.

Aboriginal people's observations about the Basics Card is almost universally negative. They talk about feelings of shame, embarrassment, and humiliation. Hardly the language of feeling empowered.

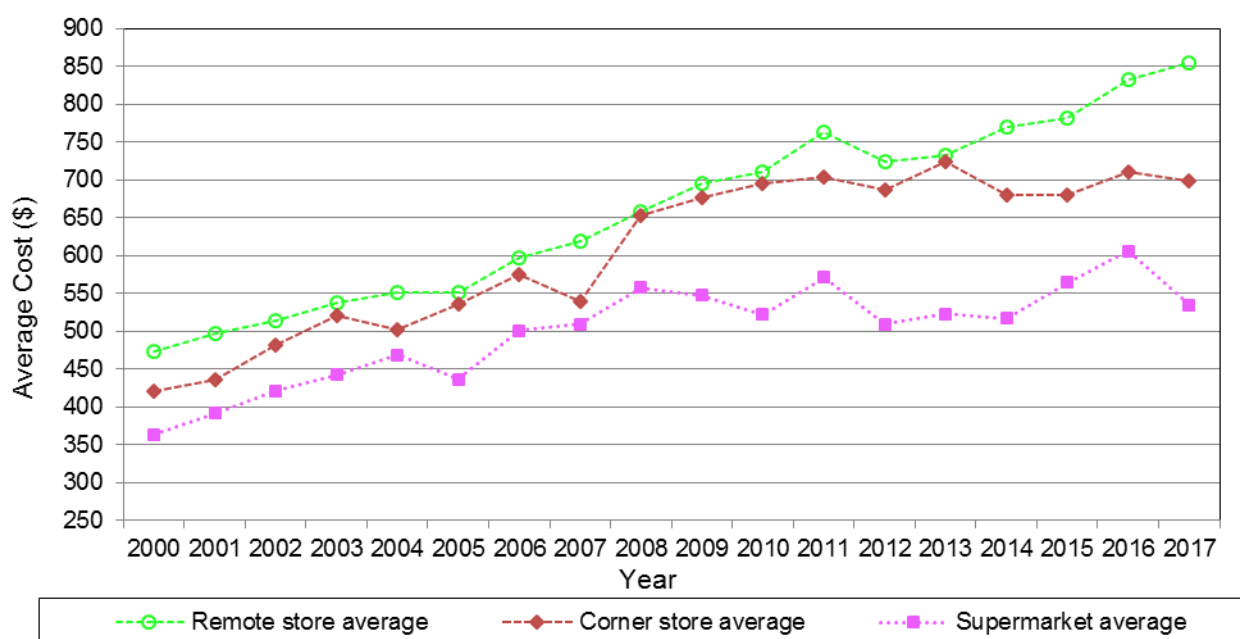
It is not surprising therefore, that the research by Sven Silburn and Stefanie Schurer⁶ on the effect of welfare quarantining on school attendance and birthweight of Aboriginal children in NT prescribed communities found that school attendance rates declined and that there was an alarming fall in the birthweight of babies born to Aboriginal women living in prescribed communities – communities where Income management has been rolled out.

Income management has done nothing to ensure that Aboriginal people in remote communities have improved **access** to healthy, affordable foods. The cost of healthy foods is widening - in 2012 a healthy food basket cost 22% more in remote stores than in a city supermarket in Darwin. In 2017 the cost of a healthy food basket from a remote community store is 60% higher than in town - \$319 more for the same basket of goods. The chart below demonstrates the widening gap and objective unaffordability of the healthy food basket in remote communities ⁷. This disparity cannot be solved by any level of compulsory income management.

⁵ Ibid, xxii.

⁶ Schurer, S. et al, *The Effect of Restricting Welfare on School Attendance and Birth Weights in Indigenous Communities*, Sydney, 2018.

⁷ Department of Health, *Northern Territory Market Basket Survey 2017*



There is no evidence from store turnover / sales data that there has been any significant change in people's purchasing or consumption patterns. The poorest people in the country pay the highest cost for food, electricity and fuel. This is no doubt having a significant impact on the health and wellbeing of Aboriginal people.

The current proposals

The proposals that are the subject of this Inquiry lack any evidence to support potential benefits. The proposal to transfer current recipients on the Basics Card to a new Cashless Debit Card is 'more of the same' and it fails to address the fundamental flaws and failures of the scheme e.g. disempowerment, failure to address underlying structural issues and exorbitant cost of implementation. It not only ignores the failure to prove any real benefits from income management but also ignores positive evidence of measures that may deliver benefits to some of the most disadvantaged people in the NT.

Disempowerment - Professor Michael Marmott and the WHO identify the 'social determinants of health' as being fundamental to improving wellbeing and health outcomes. The single most important determinant of health and wellbeing is the degree to which an individual has power and control over their lives. Marmott's book – "*The Health Gap*" persuasively argues that what really makes a difference to improving health outcomes is 'creating the conditions for people to lead flourishing lives... Empowerment is the key to reducing health inequalities' ⁸. As an alternative approach perhaps there might have been an improvement in birthweights and failure to thrive rates had government opted to subsidise freight costs for essentials such as fruit and vegetables, baby food and infant formula so that these goods both available AND affordable.

Cost of implementation - the available data on the cost of rolling out Income Management ranges from \$14,000 to \$9,000 per participant.

⁸ Marmot, M, *The Health Gap: The Challenge of an Unequal World*, 2013

Alternatives - This is a failed experiment and should be abandoned. These numerous so-called trials are an expensive, ineffective failure that has caused untold misery and hardship. It is an outrageous waste of millions of dollars of public money that could have been better used to provide targeted, tailored support services based on evidence – e.g. parenting programs, treatment programs for people with addiction problems, housing and environmental health programs, more funding for health, education and employment programs, and programs to improve the affordability of food to low income families. There are a multitude of real evidence based initiatives that could be supported to improve the lives of Aboriginal children and families and to empower rather than disempower.

If you have any questions please feel free to contact me.

Kind regards,

Olga Havnen
Chief Executive Officer