

Submission to the House of Representatives' Select Committee on Intergenerational Welfare Dependence

December 2018

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1. Introduction

Uniting Communities works with South Australians across metropolitan, regional and remote South Australia through more than 90 community service programs. The organisation is made up of a team of more than 1,500 staff and volunteers who support and engage with more than 20,000 South Australians each year.

As part of its remit, Uniting Communities monitors government commitments to remote Anangu communities and advocates for the timely and appropriate delivery of infrastructure, services, programs and policy frameworks, to improve the lives of people living in these remote communities, including those who are in receipt of income support payments.

Uniting Communities is a founding member of the Accountable Income Management Network (AIMN), which is a nation-wide group of community members; representatives of national, state and local non-government organisations and community bodies; academics; social researchers and public policy experts. The Network is concerned about the provision of equitable and appropriate social security support to economically marginalised Australians, with particular reference to the effects of compulsory income management and welfare conditionality.

2. Focus of this submission

This submission focuses attention on the following:

- Understandings of income support or ‘welfare’ and how these perspectives animate notions of ‘welfare dependence’.
- An exploration of what is meant by ‘welfare dependence’ and the factors that contribute to it, including welfare conditionality.
- The historical, systemic and structural nature of welfare reliance.
- Considerations towards developing an alternative approach.

3. Commentary on ‘intergenerational welfare dependence’

3.1 Understandings of ‘welfare’ and how these animate notions of ‘welfare dependence’

The Select Committee’s Discussion Paper (August 2018) indicates that, ‘a fundamental question for the inquiry is the definition of “welfare”. At its broadest, welfare can be defined as all social assistance payments (p. 3)’.¹

Prior to characterising ‘welfare dependence’ and its possible inter-generational nature, this submission sets out a critique of how income support (or ‘welfare’) and its definition, purpose and function in society is understood and explained.

Temporary stop-gap or long-term reliance?

In terms of current Government policy prescriptions, income support payments are supposed to act as a stop-gap measure to assist unemployed Australians manage while they find paid employment.

The Centrelink website states that ‘the Newstart allowance is the main income support payment *while you’re unemployed and looking for work* and the Youth Allowance for job seekers is financial help if you’re 21 or younger and looking for work, or *temporarily unable to work*’.²

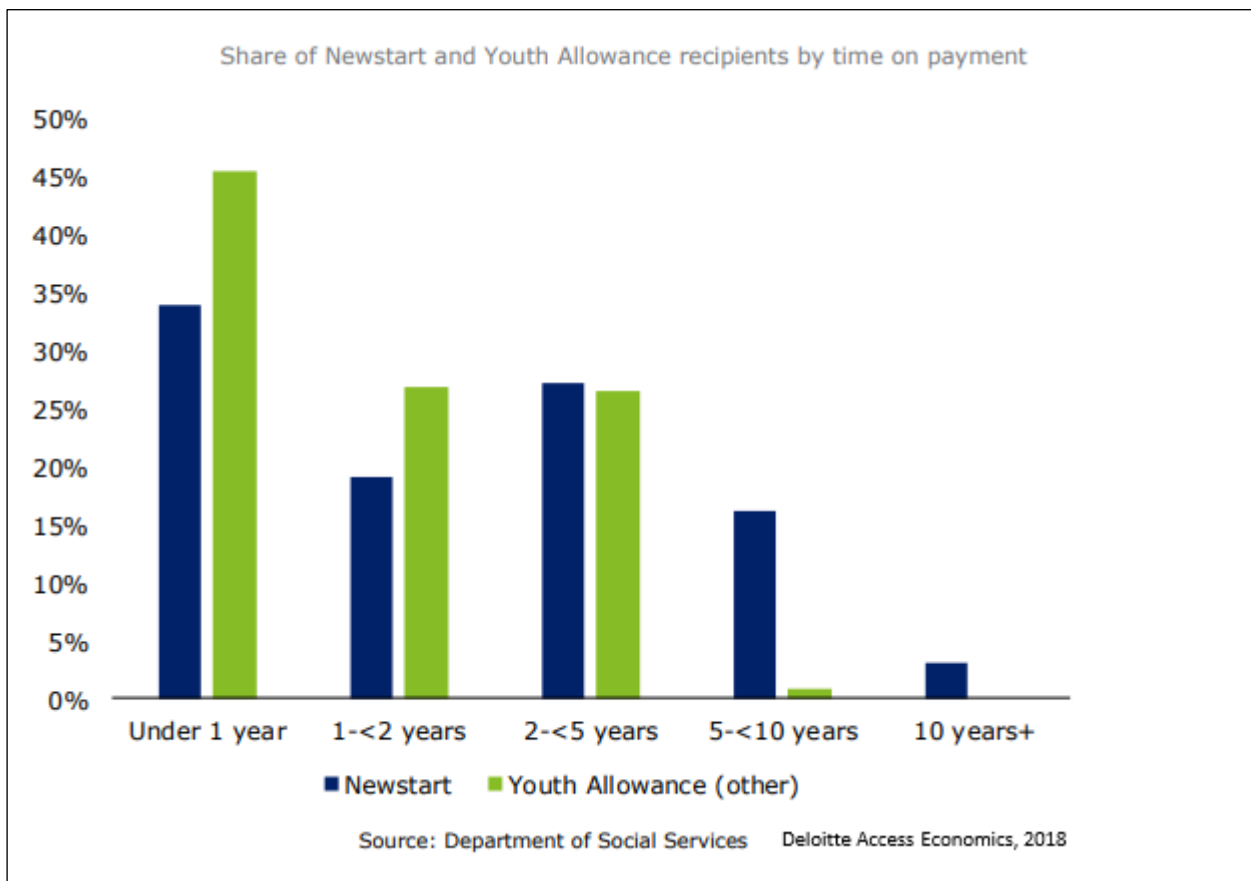
In response to a question about the low rate of the Newstart payment, the previous Minister for Jobs, Michaelia Cash, stated: ‘We focus very much on getting people off welfare and into work. The best form

¹ Parliament of the Commonwealth of Australia. Discussion Paper House of Representatives’ Select Committee on Intergenerational Welfare Dependence, August 2018 Canberra.

² <https://www.humanservices.gov.au/individuals/subjects/payments-job-seekers>

of welfare is a job. It (Newstart) is there to provide a basic safety net for those who are looking for work who are on welfare'.³

However, a significant number of recipients spend increasing lengths of time on these payments. The graph below shows that, for many Newstart and Youth Allowance recipients, being on unemployment payments is not a temporary state. Nearly half of Newstart recipients and a quarter of Youth Allowance recipients have been on their respective payments for at least two years. There are also a number of Youth Allowance recipients who transition from Youth Allowance to Newstart when they turn 22 years of age.⁴



The data above indicates that access to unemployment income support payments is generally not short-lived and that for many recipients, there is a need for more long-term reliance on support.

What is meant by 'welfare dependence'?

The Discussion Paper describes dependence on welfare as 'the amount of welfare received, the proportion of family income derived from welfare, and the duration of time spent' receiving welfare (page 5). A more useful and exact description is provided by Mendes (2004), who defines welfare dependency as, 'The increasing (and prolonged) financial reliance of individuals or families on income support payments for their primary source of income'.⁵

³ <https://www.thecourier.com.au/story/5377132/labor-promises-newstart-payment-review/>

⁴ Deloitte Access Economics, September 2018. *Analysis of the impact of raising benefit rates Australian Council of Social Service*, accessed at <https://www.acoss.org.au/wp-content/uploads/2018/09/DAE-Analysis-of-the-impact-of-raising-benefit-rates-FINAL-4-September-...-1.pdf>

⁵ http://www.academia.edu/3534995/Is_there_such_a_thing_as_welfare_dependency_in_Arena_Magazine_No.69_pp.31-35

Attitudes and assumptions about those 'on welfare' and their reliance on welfare

The popular use of the term 'welfare dependency' is generally pejorative, and implies that a person who is reliant on welfare is a 'leaner' or a 'dole bludger' and is usually 'work-shy'. A previous Australian Treasurer stated that Australia needed to be a nation of 'lifters, not leaners', and Senator Fierravanti-Wells recently described being on Newstart and income support as a 'lifestyle choice'.⁶

Rather than viewing reliance on income support as a necessity and in recognition of multiple factors that act against someone moving away from this reliance, much of the public discourse about welfare has been distorted by notions that 'dole bludgers' consume an inordinate amount of taxpayers' money, despite Newstart and sickness allowance payments costing less than [2.1% of the total 2018 Federal Budget](#).⁷

Assistance to families with children makes up 7.53% of the 2018 Budget, and income assistance to the aged is at 13.67%. Both of these welfare programs cost a great deal more than the total cost of unemployment and sick benefits, which constitute just over six percent of the total welfare expenditure, yet it is invariably unemployed Australians who are demonised and criticised for being 'dependent' on welfare.

The Australian income support system and its accompanying notion of 'welfare dependence' is primarily driven by an assumption that people experience poverty and are in need of income support because of inherently *individual* rather than a *structural* attributes. Having individualised poverty in this way, the income support system does not then go on to individualise or tailor the Government's response to those experiencing poverty; rather, it provides a unilateral, mandatory and one-size-fits-all response.

This individualised and deficit model is premised on an assumption that everyone has equal access to work, resources and opportunities. It fails to recognise that our socio-economic and political system is based on fundamental inequalities and varying material conditions, including chronic disadvantage, that determine people's access and agency.

While the Discussion Paper cites two main approaches to working towards understanding and addressing welfare dependence – a 'resources and opportunity approach' (structural) and a 'behavioural approach' (individualised) – and proposes an amalgam of these that focuses on social investment to increase the life chances of children, the Paper is guilty of subscribing to the very ideological position that it is critical of, namely, the individual or 'behavioural' approach.

Much of the content of the Discussion Paper is premised on a deficit model that outlines the failings of individuals or their families. For example, section 3.16 on 'Sustainable self-reliance' (p. 14) equates 'self-reliance' with 'employability' and with 'skill sets' while saying nothing about the availability of jobs or training i.e. the structural ('resources and opportunities') factors that militate against people seeking and securing employment. Similarly, in section 3.18, the Paper does not identify the broader economy or failing labour markets as playing a role in job creation but individualises this responsibility down to the level of individual *employers* who might 'need support to provide real and meaningful jobs (p. 14)'.

The characterisation of and attitudes towards those who are reliant on income support, ascribes blame or fault as lying with the income support recipient and not with the structural factors or externalities that cause people to need income support. It places the onus and the blame on the individual and characterises the individual on income support as being the one who has a 'dependency issue' or a 'bad habit', who has a deficit, rather than analysing the issue from a systemic or structural perspective. The term 'welfare dependence' infers an *addiction* to income support on the part of the recipient, rather than focusing on the structural and material conditions (primarily resulting from unemployment) which contribute to people needing to rely on income support in order to survive. Being 'dependent on' or

⁶ New Matilda on July 22, 2014 *Lifters and Leaners: The Real Welfare Bludgers* accessed at <https://newmatilda.com/2014/07/22/lifters-and-leaners-real-welfare-bludgers/>

⁷ <https://www.abc.net.au/news/2018-05-08/federal-budget-2018-sliced-diced-interactive/9723604#spending/breakdown/2019/social-security-and-welfare>

'addicted to' something implies a failing on the part of the person, rather than a failing on the part of the broader system or the way in which society and its political economy is structured.

This blame transference and individualising of poverty enables the Government to abdicate its responsibilities for providing an adequate safety net for all Australians – whether this be in the short or longer-term.

The low rate of income support contributes to levels of reliance

This submission proposes that the low rate of income support payments contributes to people remaining on income support in the longer term. For example, the amount of Newstart does not enable people to meet their basic needs such as housing, utility bills, food, transport etc. never-mind having sufficient resources to enable them to look for jobs, which requires money for access to the internet to do job searches; appropriate clothes to wear to interviews; or transport to attend *Jobactive* centres, training or interviews.

Added to the low amount of income support payments is the high cost of living. Many necessary items cannot be bought in bulk or at cheaper rates by those with insufficient resources because this requires more capital outlay. SACOSS highlights that 'poverty premiums'⁸ are being paid by people on the lowest incomes – these are the extra costs incurred by people experiencing poverty and that others with more income and resources can buy their way out of or minimise. Examples of these poverty premiums include additional premiums associated with the cost of utilities, telecommunications, banking, government charges and every-day shopping.

In the words of a Newstart recipient in South Australia: 'Being poor is expensive'. This is echoed by Greg Ogle of SACOSS who says: 'The old saying is that money makes money, but in these cases the reverse is true: lack of money costs money ...It is not just that there is not much money to go around, but that it actually costs more to be poor!'⁹

Poverty premiums and the low rate of income support payments such as Newstart compound people's reliance on income support, thereby extending the length of time that people require support and resulting in so-called 'welfare dependence'.

[A report](#) by Deloitte Access Economics for the Australian Council of Social Service - *Analysis of the impact of raising benefit rates* – published in September 2018, concluded that raising the rate of the Newstart allowance by \$75 a week would create a 'prosperity dividend', which would generate 10,000 jobs, boost consumer spending and raise wages.¹⁰ A positive change, such as raising the rate of Newstart, would therefore make a significant contribution towards decreasing the number of people who are reliant on welfare in the long-term.

The scope of the Select Committee's Discussion Paper

The Select Committee's Discussion Paper assumes that the Inquiry's focus on the effect of welfare payments over generations, should necessarily focus primarily on people who are raising children. The Discussion Paper proposes that it may therefore be useful to focus on payments to working age people. This would exclude age pension and aged care but would include childcare assistance and study assistance. (pages 4, 5). This submission holds that this narrow focus is a mistake and will, in all likelihood, serve to provide only a narrow picture and skew the findings of the Inquiry.

It is noted that the Discussion Paper pays considerable attention to predictive data and definitions of 'welfare dependence', and to the need to 'accurately identify groups that are – or that could become – long-term welfare recipients, as this will lead to better targeted programs for addressing entrenched disadvantage (page 6)'. This focus on data, definitions and the identification of groups does little to ask or answer the question as to *why* people may become reliant on welfare, in either the short or longer term. It avoids any thorough-going analysis of the causative factors of inequality and poverty. The espoused activities that will apparently 'lead to better targeted programs for addressing entrenched

⁸ SACOSS. October 2017 'Being Poor Costs More' <https://www.sacoss.org.au/being-poor-costs-more>

⁹ SACOSS. October 2017 'Being Poor Costs More' <https://www.sacoss.org.au/being-poor-costs-more>

¹⁰ <https://www.acoss.org.au/wp-content/uploads/2018/09/DAE-Analysis-of-the-impact-of-raising-benefit-rates-FINAL-4-September-...-1.pdf>

disadvantage (page 6) will never be attained if the root causes of entrenched disadvantage are not given proper consideration. This submission advocates for more attention to be directed towards the causes of poverty and the structural inequality that operates in our society and that drives people to become dependent on income support.

The underlying causes of long-term welfare dependency are a more complex socio-economic and systemic policy challenge and cannot be relegated to the vagaries of the labour market and its available jobs or addressed merely by data analysis, definitions or the identification of certain cohorts. The causes and the challenges that need to be addressed are profound, structural and endogenous – by their very nature, they are the underpinnings of Australia's socio-economic and political system. If the Select Committee is serious about understanding and addressing 'welfare dependence', these factors and challenges will need to be considered in a more comprehensive and analytical manner.

Welfare conditionality and compulsory income management

Sections 3.24 – 3.29 of the Discussion Paper invite commentary on whether increasing conditional welfare mechanisms and removing access to cash – such as compulsory income management in the form of the Basics Card and Cashless Debit Card – are likely to reduce long-term reliance on income support.

Section 3.24 states: 'If income support fosters dependency because it places too few conditions on recipient behaviour, then increasing conditions should reduce reliance on welfare (p. 15)'. The lack of internal logic and the narrow and erroneous conclusion as drawn in this statement ignores the multiple factors that might lead to a reliance on income support. It is not the lack of conditionality that leads to 'dependence', and increasing the level of conditionality would not necessarily result in a decrease in reliance. In fact, the converse might be true – the more that conditional measures are imposed on income support recipients, the more likely they are to need longer-term support. This is evidenced by the clear lessons from the Intervention and its application of the Basics Card during more than eleven years – the imposition of compulsory income management and conditional welfare has done little to reduce people's need for reliance on welfare.

While the lessons from the Northern Territory Intervention and its application of the Basics Card are plain to see, further 'trials' of compulsory income management and conditional welfare have been imposed in other communities across Australia. These include the 'place-based' trials of the Basics Card in Cape York, the Kimberley, Perth, Playford, Shepparton, Bankstown, Logan, Rockhampton and a number of remote First Nations communities; and the 'trials' of the Cashless Debit Card in Kununurra, Wyndham, Ceduna, the Goldfields and Hervey Bay and Bundaberg.

According to the government-commissioned evaluation of the Cashless Debit Card Trial (CDCT) by ORIMA Research, in response to survey question asking respondents about the effects of the CDCT on program participants, their families and the broader community, the Report stated that 'More participants said the CDCT had made their lives worse than made it better – 49% compared to 22% (p.5)'.¹¹

Overwhelmingly, people on the Card have indicated that the situation in their communities has become worse. The Final ORIMA Evaluation Report states that in the East Kimberley, 49% of respondents report that they cannot better look after their children on the CDC (n=198). In Ceduna, 47% of respondents reported that they cannot better look after their children on the CDC (p. 79).

The ORIMA Final report details that in the past two months (prior to the evaluation of the trial):

- 52% of respondents had run out of money to buy food;
- 45% had run out of money to pay for things children needed for school like books;
- 44% had run out of money to pay for essential non-food items for children such as nappies, clothes and medicine
- 55% had borrowed money from family or friends (p. 72).

¹¹ ORIMA Research 'Cashless Debit Card Trial Evaluation: Wave 1 Interim Evaluation Report'

While this data does not necessarily point to failings of the Card alone, and could be attributable to other factors or the generalised state of poverty that people are living in due to the lack of employment and paucity of benefit payments, it does highlight that increased conditionality has not resulted in the majority of people feeling better off on the Card and that most people are not finding it any easier to make ends meet. This points to a need for ongoing and increased levels of income support, rather than the need for increased levels of conditionality.

International evidence on welfare conditionality points to the need to address and change the structural and systemic factors that create unemployment and drive people to rely on income support. These research studies have highlighted that attempts at the behaviour modification of recipients through increased conditionality only serve to exacerbate the situation and prolong their need for support.¹²

3.2 The historical and structural nature of welfare reliance

The descriptor of ‘welfare dependence’ – in terms of its general usage as well as that outlined in the Discussion Paper – does little to convey the causative historical and socio-economic realities for why or for how long people might need income support, or the attitudes expressed towards those who are reliant on income support.

This section of the Submission focuses on key causal factors for welfare dependence and the ways in which these have been framed. It considers the systemic and structural nature of poverty and inequality, as well as the contribution of Australia’s damaging history towards fostering welfare dependence, most notably that of the Northern Territory Intervention.

Labour markets, the changing nature of work and structural unemployment

The Australian income support system is, erroneously, premised on the existence of a functioning and adequate labour market. In the absence of such a market, more especially in remote communities, and given the casualised and precarious nature of many of the jobs that do exist, the notion that residents in remote communities should find a job and avoid reliance on income support is simply not practicable or possible.

Across the Australian economy and globally, the ongoing changes to the nature of work – such as deregulation, the ‘gig economy’, casualization, the loss of penalty rates, under-employment and the growing number of ‘working poor’ who are holding down two or three jobs but are still not earning enough income – are causing increased levels of income stress and poverty. The economic downturn is resulting in an increasing number of people becoming permanently unemployed, and in all likelihood more reliant on income support.

The lack of an active labour market is acutely evident in most remote settings, where many communities are reliant on government investment in infrastructure and service provision for the generation and sustainability of their local economy. This form of government involvement could either be directed towards optimising employment opportunities or consigning people to reliance on income support. It would appear that, under the current Community Development Program (CDP – work-for-the-dole), the latter is the policy choice that has been made, with apparently limited attention having been given to maximising possible jobs for community residents. The tendency has been towards the CDP automatically relegating the majority of participants into the welfare system rather than an employment system in which participants maintain their sense of agency and enjoy the value of work.

One of the arguments put forward by Government for how remote jobseekers can avoid being reliant on income support is that they should move away from their communities to find work. Experience has shown, over many decades, that this is not a solution. It causes tensions in families and communities

¹² Examples of this research evidence is cited in:

- Economic and Social Research Council. 2018. *Welfare Conditionality: Sanctions, Support and Behaviour Change 2013-2018: Final Findings Report*. Welfare Conditionality Project. Department of Social Policy and Social Work, University of York.
- Fitzpatrick, S. and Watts, B. 2018. *Welfare Conditionality*. Routledge.
- Eubanks, V. 2018. *Automating Inequality. How High-Tech Tools Profile, Police, and Punish the Poor*. Macmillan.

and undermines the familial and cultural responsibilities that people have. Besides many jobseekers feeling alienated in new living and work environments, this arrangement is also creating added pressures and social difficulties in the towns and cities in which people are seeking work.

The ahistorical approach adopted by the architects of the CDP and their lack of recognition of the historical factors and geographic isolation, as well as the political economy of most remote communities, has resulted in an unworkable arrangement that in turn has scapegoated remote community residents in order to compensate for its own structural and design failures. The unemployed and those reliant on income support are blamed and punished for their apparent lack of participation in what is a negligible labour market and an unworkable system.

Given that the CDP, and its work-for-the-dole model, is not focused on the creation of sustainable and decent work for a living wage but is driven by an imperative to establish and maintain 'mutual obligation' and conditionalities in exchange for welfare benefits, this Programme has no ability to transform the persistent joblessness in remote communities. Instead, the conditional and welfarist nature of the CDP serves to undermine how work is valued and thereby reduces people's interest in engaging in employment. Doing 'work-like activities' in order to receive dole money does not boost self-esteem and is hardly an incentive to engage in employment. This approach ultimately serves to discredit the notion of work and of what it means to be employed and to earn a decent wage.

The CDP is premised on a system of incentives and disincentives that will somehow 'reform' people's attitude to work and their understanding of their 'mutual obligations'; this is reminiscent of outdated behaviour-modification models. The CDP is designed to enforce compulsion in order to require that remote Aboriginal people fit into an urban-based notion of both employment and welfare.

Even in the absence of penalties, the income received by CDP participants, in most cases the Newstart Allowance, is not enough to live on. There are reports from many remote communities in South Australia, including the APY Lands, of people going hungry and being unable to feed their children. Besides the CDP being unworkable and driving people into further poverty, this points to the importance of not increasing the level of conditionality and the need to raise the amount of income support payments, in particular the amount of Newstart, which has not been raised in real terms over the past 25 years.

Colonialism, government policy and 'welfare dependence'

Where it does exist, the 'intergenerational welfare dependence' that is evident today has not emerged out of a vacuum; it is not an ahistorical phenomenon. It has its roots in colonialism and in a series of acts and policies that were imposed by successive governments on First Nation peoples – a more recent example being that of the Northern Territory Intervention that is reminiscent of the 1905 *Aborigines Act* under which First Nations people's power was eroded. The history of the Intervention provides countless examples of the ways in which government action has engendered and fostered welfare dependence and eroded self-determination and people's sense of agency and control over their own lives and choices.

Rosalie Kunoth-Monks states that as a result of the Intervention, 'People have developed a very deep sense of insecurity that undermines their feelings of certainty and safety because the age-old social structures are being eroded ... people from the Homelands and the remote areas are being forced to recognise their own vulnerability and their *dependency* on the system that is being forced on them and consequently the lack of control over their futures. People who've been made to starve on a daily basis to get their food, absolutely rely on that horrible Centrelink money, which is a pittance anyway (p. 15) ... We really have been fed crumbs and *made welfare dependent* (p. 25)'.¹³

The blanket quarantining of welfare payments to all Aboriginal people – whether through the imposition of the Basics Card or, more recently, the Cashless Debit Card – has compounded the problem and is resulting in long-term reliance on income support. Pat Anderson poses the question as to 'what is being put in place to assist those communities and families to resume full control of their welfare payments?'

¹³ Scott, R. and Heiss, A. (Eds) 2016. *The Intervention – An Anthology*. NewSouth Publishing.

Or is the welfare quarantining permanent? Is this how all Aboriginal families are going to have to live, into the future? (p.38).¹⁴

The Intervention has been implemented and enforced for more than 11 years and the imposition of the blanket quarantining of welfare payments through the Basics Card has done little to improve the wellbeing of children or their families, but has in fact exacerbated their situation and resulted in further dependence on welfare. The introduction of the Cashless Debit Card is already showing strong indications that this form of income management is likely to result in similar outcomes and increased levels of reliance on welfare, more so when it is applied in conjunction with work-for-the-dole programs such as the Community Development Program in remote communities.

Increasing government control results in loss of agency and self-determination

The manifestation of blame transference, as outlined in 3.1 above, is evident in the Government's imposition of the 2007 Northern Territory Intervention. Pat Anderson, co-chair of the Inquiry into the neglect and abuse of Aboriginal children in the Northern Territory, highlights how the Intervention was 'accompanied by a "get tough, quick fix" rhetoric that clearly implied where the problem lay: it was with us. It was Aboriginal people who were to blame ... in the end, it was clear that we were to blame, we were now going to be given a good shake, told to sit down, and that they would sort it out since we were obviously incapable of doing it ourselves. The paternalism inherent in the Intervention did not escape Aboriginal people (p. 35).¹⁵ This apportionment of blame did little to strengthen people's sense of agency but, rather, actively served to undermine it and over time, to create a dependence on government's income support system and further marginalise and discredit those who are already marginalised and discriminated against.

Anita Heiss, highlights the increasing level of government control over people's lives and cites the introduction of the Northern Territory Intervention as 'shifting the power of Aboriginal lives and land away from individuals and communities, back to the Commonwealth Government (page 10).¹⁶ This, she and other argue, is resulting in a loss of agency and self-determination.

4. Conclusions and ideas towards an alternative approach

The current arrangement is disempowering

While it is acknowledged that the welfare state has an important and ongoing role to play in reducing poverty and addressing the needs of those outside the employment system or who are sole parents, elderly or sick, there is little doubt that many resource-poor and disadvantaged people are disempowered by the current income support services. This is exacerbated by the imposition of increasing levels of welfare conditionality and the compulsory and mandatory nature of supposed remedies to what is reported as a deficit and as 'dysfunction'.

Separate the employment and income benefit systems

While recognising that unemployment and the income benefits system are inextricably linked, the current conflation of employment with the income benefits system serves to undermine and bedevil the potential efficacy and implementation of both these enterprises. Unemployment and joblessness in remote communities should be addressed as an employment and labour market issue rather than as a social welfare issue. Continuing with the current arrangement will only serve to erode and disadvantage communities and families and result in unproductive and damaging perceptions of the value of paid work and the relevant applicability of an income support system. In all likelihood, it will also extend the time that people are reliant on income support payments.

It is proposed that job opportunities should be identified and maximised through the existing service providers, in order to enable job seekers to engage in work with award wages based on proper conditions

¹⁴ Scott, R. and Heiss, A. (Eds) 2016. *The Intervention – An Anthology*. NewSouth Publishing.

¹⁵ Scott, R. and Heiss, A. (Eds) 2016. *The Intervention – An Anthology*. NewSouth Publishing.

¹⁶ Scott, R. and Heiss, A. (Eds) 2016. *The Intervention – An Anthology*. NewSouth Publishing.

of employment. In addition, the needs and objectives as defined by communities should determine meaningful and productive local work initiatives. It is proposed that such an arrangement would be managed by community-based providers who would be accountable to their respective communities and the relevant funding agency. For those who are unable, for whatever reason, to secure the available jobs, they should have access to an adequately resourced income support system.

The current Community Development Program (remote work-for-the-dole) – more particularly in its toxic combination with the Basics Card or Cashless Debit Card – is entrenching poverty and welfare dependency. What is required is a complete rethink and overhaul of the system, resulting in a response that focuses, on the one hand, on the reality of high unemployment, the lack of job opportunities, and the livelihoods and wellbeing of people living in remote communities and, on the other hand, on the availability of a respectful and responsive income support system for those who cannot engage in paid employment, for whatever reason. This would necessitate genuine engagement with the residents of remote communities.

Focus on the socio-economic determinants of wellbeing

As outlined in this submission, it is evident that urgent policy action is required in order to address persistent levels of socio-economic and political disadvantage and exclusion. In remote communities, this will necessitate a focus on:

- Adequate and sustained investment in housing, education, health and infrastructure;
- A recognition of the negligible labour market in remote regions and the need to support opportunities for First Nations people to access work for decent wages and also to generate income from customary and mainstream activities – including land management, the production of art and cultural and language maintenance – as part of reducing reliance on income support;
- Any future policy changes must include direct involvement of communities, traditional owners, peak organisations and on-the-ground service providers.

In conclusion

Uniting Communities urges the Select Committee to:

- consider the contributing and structural factors that result in socio-economic and political exclusion and, consequently, on necessitating a reliance on welfare;
- discard the individualised ('behavioural') and punitive deficit model of welfare;
- reject the increased imposition of compulsory income management and conditional welfare in the form of the Basics Card and the Cashless Debit Card;
- separate the employment and income benefit systems as the current conflation of employment with the income benefits system serves to undermine the potential efficacy and implementation of both these enterprises. Unemployment and joblessness in remote communities should be addressed as an employment and labour market issue rather than as a social welfare issue;
- propose an income support system that is evidence-based, informed by genuine community engagement and co-design, and that respects human and cultural rights;
- advocate for the raising of the rate of income support payments, more especially Newstart, in order to alleviate people's experience of poverty and exclusion.

Ultimately, the emphasis needs to be on reducing poverty and inequality and less on so-called 'welfare dependence'. As we work towards reducing inequality and disadvantage in our society, the issue of 'welfare dependence' will become less and less relevant. We need to focus on the causes rather than the symptoms; many of the latter having remained unsubstantiated and leading to blame transference and a misplaced focus on the individuals experiencing poverty and disadvantage rather than the systemic arrangements that have caused this poverty and inequality.