



Australian Government
Department of Social Services

Barbara Bennett
Deputy Secretary

Jeanette Radcliffe
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Senate Standing Committee on Community Affairs
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Dear Ms Radcliffe

SOCIAL SECURITY LEGISLATION AMENDMENT (QUEENSLAND COMMISSION INCOME MANAGEMENT REGIME) BILL 2017

Thank you for the opportunity to make a submission to the Community Affairs Legislation Committee about the *Social Security Legislation Amendment (Queensland Commission Income Management Regime) Bill 2017* (the Bill), referred for inquiry by the Selection of Bills Committee on 13 June 2017. I am pleased to support the Committee's deliberations through providing information regarding the proposed continuation of the Income Management element of Cape York Welfare Reform.

Two Year Extension of Income Management

Income Management supports over 25,000 vulnerable people in locations across Australia, including individuals referred by child protection authorities. Income Management seeks to direct spending towards priority needs, including housing, utilities, food and clothing, especially for children. Income managed funds cannot be used to purchase alcohol, gambling, tobacco and pornography, or to access cash.

Funding for Income Management was due to cease on 30 June 2017. The Government has decided to extend Income Management in all existing locations until 30 June 2019, with \$145.5 million to do so agreed in Budget 2017-18.

Extending Income Management for two years ensures continuity of support for vulnerable participants and will allow the Government time to work through future directions for welfare quarantining.

There are high risks associated with ceasing Income Management without a mechanism to replace it. An influx of cash into Income Management sites could lead to an increase in levels of violence, hospitalisation and abuse. Income Management also increases food security in communities as it encourages community stores to stock plenty of food and household goods. This could be compromised if Income Management were to cease on 30 June 2017.

Income Management and Cape York Welfare Reform

Cape York Welfare Reform is a partnership between the communities of Aurukun, Coen, Hope Vale and Mossman Gorge, the Australian Government, the Queensland Government and the Cape York Institute for Policy and Leadership. It aims to restore local Indigenous authority, rebuild social norms, encourage positive behaviours, and improve economic and living conditions. Cape York Welfare Reform commenced in the four partnership communities on 1 July 2008.

The Family Responsibilities Commission, which is established under Queensland Government legislation, is a key part of Cape York Welfare Reform. Local Commissioners hold conferences with community members, refer people to support services and, when necessary, can decide to place people on Income Management. The role of Local Commissioner is a statutory appointment under Queensland's *Family Responsibilities Commission Act 2008*. Many Local Commissioners are elders and respected leaders in their communities. Currently, a person can be placed on Income Management under Cape York Welfare Reform only after a decision by the Family Responsibilities Commission made before 1 July 2017.

In 2016, Income Management was extended to the community of Doomadgee. The same referral pathway (a decision by the Family Responsibilities Commission) that applies in the four Cape York Welfare Reform communities, applies in Doomadgee.

The Income Management component of the Cape York Welfare Reform is used both as a mechanism for ensuring that welfare payments are spent on necessities and as an incentive for individuals to engage with social supports and make positive behavioural change. Cape York Income Management is targeted in nature and is a tool used to work with individuals and families to build capability and resilience. Income Management applies to 181 people across the five communities.

A 2012 evaluation of Cape York Welfare Reform found that progress has been made at the foundational level in stabilising social circumstances and fostering behavioural change, particularly in the areas of sending children to school, caring for children and increasing individual responsibility. The evaluation also found there was evidence that Income Management assists in reducing behaviours that lead people to being referred to the Family Responsibilities Commission. Further, 78 per cent of income managed people surveyed reported that the program had made their lives better.

Social Security Legislation Amendment (Queensland Commission Income Management Regime) Bill 2017
Income Management in Cape York is the only Income Management measure with a legislated sunset date. Current legislation allows for all other Income Management measures to continue beyond 30 June 2017.

The Bill extends the date before which the Families Responsibilities Commission can make a decision to place a person on Income Management to 1 July 2019. This enables the continuation of Income Management in Aurukun, Coen, Hope Vale, Mossman Gorge and Doomadgee for a further two years, to align with the end date of Income Management in all existing locations across Australia.

The proposed approach to the extension of Income Management in Cape York was discussed with the Queensland Government and Cape York Partnerships, which agreed to the extension of the legislative arrangements in order to support the functions of the Family Responsibilities Commission. Cape York Partnership continues to be intensively engaged on the ground in the four Cape communities involved, as it was in the design phase of these reforms. The ongoing Cape York Partnership engagement is particularly concerned with ensuring that the reform innovations provided through the Family Responsibilities Commission and Income Management are well supported on the ground, and continue to meet community need.

The Department will provide additional assistance or information that is required by the Committee to support their deliberations.

This submission has been drafted in consultation with the Department of the Prime Minister and Cabinet and the Department of Human Services.

Yours sincerely

Barbara Bennett
16 June 2017