

10<sup>th</sup> June 2015

STANDING COMMITTEE ON COMMUNITY AFFAIRS

Legislation Committee

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Dear Committee

### **Inquiry into the Social Services Legislation Amendment (No. 2) Bill 2015**

#### **Who we are**

The National Council of Single Mothers and their Children Incorporated (NCSMC) is an organisation dedicated to single mothers. The Council has become a platform whereby both the community and the government can communicate; it has led the way in obtaining a range of beneficial outcomes; has actively sought to reduce systemic prejudice; continually challenges existing norms, and over many years has achieved improved opportunities and outcomes for single mothers and their children.

One of our greatest strengths is our expertise and commitment in working with and for the advancement of women and children due to poverty, violence, exclusion and gender inequality.

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The rationale behind the introduction and continuation of Income management is to respond to entrenched social concerns. These are gallant quests and are the goals that we want and support the Government to pursue. We further support steps that aim to protect women and children and would argue that they receive an elevated status given that overexposure to family violence, hardship and poverty resultant in multiple deprivation.

NCSMC remains opposed to compulsory income management as the evidence does not support the policy aims. We hear from women who report that they are more unsafe, endure stigma, have less control within their family and feel that they must be complicit in this social security policy. They are keen not to 'rock the boat' and do not want to risk a suspension, reduction or removal from income.

Furthermore, we are fearful that if compulsory income management is a key mechanism chosen to 'close the gap', reduce violence against women and children, increase school retention and improve nutrition in 'targeted areas', that other approaches will not be explored and opportunities to make headway lost.

We are also concerned that both the Government and Non-government service system appear to be the spokespeople and the source of evidence regarding the effectiveness of Income Management. NCSMC further notes that it is a costly “service system” to administer and we want to ensure that money spent is well-targeted, effective and well-received. It is our view that the best source of information to tackle problems is the voices of those who will be impacted by the policy and/or their representative organisation. This is distinct from an organisation that have a funding arrangement to deliver such a service.

In June 2015 ABC gave voice to Kirstyn, a young woman who was placed on income management as she moved into Playford, one of the targeted areas. Her account of the process illustrates the concerns associated with compulsory income management, how it negatively impacted upon her and her capacity to flourish when away from income management. Kirstyn was captured under the “blanket post code” approach<sup>i</sup>.

We understand that income management has extended beyond areas that have a high indigenous population but indigenous leaders connected with their community are essential voices in seeking solutions. NCSMC is informed of research undertaken by the Equality Rights Alliance<sup>ii</sup> which sought the views of indigenous women who were under income management. This research revealed many concerns, which included the use of income management in the context of family and domestic violence.

The report identified that women who sought help to flee an abusive relationship, on applying for and then receiving the crisis payment, only weeks later were placed onto compulsory Income Management under the Vulnerable Welfare Recipient Measure. This raises serious issues for the safety and protection of victims and their children, when they fear being income managed<sup>iii</sup>.

Similar observations were made by the Australian Law Reform Commission

*10.46 The ALRC considers that the compulsory element in this form of income management runs counter to the theme of self-agency identified as a central theme in this Inquiry and, therefore, that compulsory IM is not an appropriate response for victims of family violence.*

They further stated that:

*Stakeholders argued strongly to similar effect—a problem arising from coercive and controlling conduct should not be met with a similar response<sup>iv</sup>.*



## Our Recommendations

1. NCSMC remains opposed to Compulsory Income Management but while this policy is in place we support the incentive payments. NCSMC supports access to the matched savings scheme (income management) payment and the voluntary income management incentive payment which provide payments for remaining on voluntary income management for periods of six months or more, or for accumulating savings of income managed funds. NCSMC views them as a small compensation of the addition cost and the limitations of compulsory income managements such as not purchasing food from a local market, travelling to the large participating outlets and not capitalising on 'sale items' from stores than do not accept the basis card.
2. NCSMC contends that a low 'take up rate' does not indicate that a lack of interest or benefit but rather a lack of knowledge and or a challenging process. NCSMC would prefer administrative corrective action taken as a way of addressing the concern rather than the ceasing of the benefit.

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<sup>i</sup> Life Matters, 2<sup>nd</sup> June 2015, Should governments control how you spend your [welfare payments?](#)

<sup>ii</sup> Equality Rights Alliance in 2011, Women's Experiences of Income Management in the Northern Territory,

<sup>iv</sup> Australian Law Reform Commission, 10.48 Income Management—Social Security Law, [Compulsory income management](#)

Australian Law Reform Commission, 10.45 recommendation Income Management—Social Security Law, [Compulsory income management](#)

