

# Australian Greens' Dissenting Report

1.1 The Australian Greens are concerned by the very quick time frame for this inquiry. A number of stakeholders have not had adequate time to prepare submissions.

1.2 The Australian Greens have opposed this measure since it was first introduced by the Howard Government in 2007 and do not support this Bill either.

1.3 The social safety net is one of the most important features of our democracy and way of life in Australia. It is meant to ensure that there is some minimum standard of living for each and every Australian. There are already stringent tests to access that support in the first place. To impose upon some of the recipients of that support that they must now demonstrate somebody's version of socially responsible behaviour is to promote the idea that disadvantage is primarily a result of the individual's failure to demonstrate the necessary social values and norms.

1.4 There were seven submissions to the inquiry, none of which provided any documented evidence of the supposed success of income management or referred to any current evaluations. We understand there has been no follow-up evaluation to the 2012 Government commissioned evaluation report discussed below.

1.5 The major source of information about income management in Cape York is the evaluation report commissioned by the Australian Government.<sup>1</sup> This report dates back to 2012 and was unable to demonstrate conclusively that income management in Cape York had met its stated aims.

1.6 Only three of the four communities demonstrated a reduction in the number of times that people were reported to the Family Relationship Council, and only then was there a 10% reduction in reports per person.<sup>2</sup> The evaluation report goes on to say that:

The reduction in breaches may not be a function of income management alone, as it is possible that the fact of being repeatedly brought before the FRC conferences encourages individuals to comply.<sup>3</sup>

1.7 The evaluation found that there had been improvements in areas such as school attendance and reductions in crime.<sup>4</sup> However, income management is just one of a number of measures that have been implemented by the Cape York Welfare Reform Trial, which contributes to these changes.

1.8 To this end, J Rob Bray, when writing about the evaluation, in a paper in 2016 stated:

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1 FaHCSIA, *Cape York Welfare Reform: Evaluation: 2012*.

2 FaHCSIA, *Cape York Welfare Reform: Evaluation: 2012*, p. 34.

3 FaHCSIA, *Cape York Welfare Reform: Evaluation: 2012*, p. 34.

4 FaHCSIA, *Cape York Welfare Reform: Evaluation: 2012*, pp. 3-5.

The question of the specific role of income management in achieving the changes was, however, more difficult to determine, with the report noting that:

... the evidence suggests that the impact of the local FRC Commissioners is in their listening, guiding and supporting role, rather than in the exercising of their punitive powers to order income management. (FaHCSIA 2012:50)<sup>5</sup>

1.9 Furthermore, two of the evaluation report's authors, Ilan Katz and Margaret Raven, subsequently noted in the *Indigenous Law Bulletin* that it is difficult to draw conclusions from this given that 'many other Indigenous communities in Queensland had also shown improvements'.<sup>6</sup>

1.10 The evaluation also found that:

The data indicate that some community members had become habituated to income management or had found ways around it. This appears in some cases to have produced unintended consequences, such as clients on income management harassing relatives for access to alcohol or drugs. It appears that for this group income management (and welfare reform more generally) has little effect.<sup>7</sup>

1.11 The evaluation report also notes that there is some community dissent about income management and the Basics Card, including concern about the 'the paternalistic nature of the intervention'.<sup>8</sup>

1.12 The majority committee report points to a survey conducted as part of this evaluation, saying that it 'found that 78 per cent of people placed on income management felt that the program had made their lives better'.<sup>9</sup> However, it is the view of the Australian Greens that this should be supported by empirical evidence as perceptions are very different to real outcomes. In similar circumstances in the Northern Territory such perceptions proved to be incorrect as evidence later showed there was no difference in outcomes when compared to other similar communities.

1.13 On the weight of the evidence, the Australian Greens believe that income management is a failed and expensive policy that the Government is persisting with in the absence of any real justification. There are a number of other programs, which are not coercive in nature, such as Centrepay that can be used to help people manage their money better.

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5 J Rob Bray, *Income Management Evaluations – What Do We Now Know? Placing the Findings of the Evaluation of New Income Management in the Northern Territory in Context* (Working Paper No 111, Centre for Aboriginal Economic Policy Research, 2016) p. 11.

6 I Katz and M Raven, 'Evaluation of the Cape York Welfare Reform Trial' (2013) 8(7) *Indigenous Law Bulletin* p. 19.

7 FaHCSIA, *Cape York Welfare Reform: Evaluation: 2012*, p. 212.

8 FaHCSIA, *Cape York Welfare Reform: Evaluation: 2012*, p. 34.

9 *Majority Committee Report*, p. 11.

1.14 The Greens support a direct investment in programs and communities that address the underlying causes of disadvantage people are facing rather than income management which is expensive to implement.

1.15 The money being spent on income management around Australia would be better invested directly into communities in order to provide specialist, direct programs to address things like financial management, education, better access to fresh food, a reduction in alcohol and drug abuse and better support for parents and people looking for work.

1.16 The evidence does not support the continuation of income management; it is an expensive failure and should be abandoned.

### **Recommendation 1**

**The Australian Greens recommend that the Senate not pass the Social Services Legislation Amendment (Queensland Commission Income Management Regime) Bill 2017.**

**Senator Rachel Siewert**

