



Committee Secretary
Senate Economics Committee
Department of the Senate
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***SUBMISSION FOR THE INQUIRY INTO
SOCIAL SECURITY AND OTHER LEGISLATION AMENDMENT
(WELFARE REFORM AND REINSTATEMENT OF RACIAL
DISCRIMINATION ACT) BILL 2009***

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The Sole Parents' Union welcomes the opportunity to make a submission to the Inquiry into Social Security and Other Legislation Amendment (Welfare Reform and Reinstatement of Racial Discrimination Act) Bill 2009 and the Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (2009 Measures) Bill 2009 along with the Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (Restoration of Racial Discrimination Act) Bill 2009.

We welcome the moves by the Committee to assess the evidence that the Bills will achieve their stated objectives to:

- improve the social and economic conditions, social inclusion and life outcomes of all the disadvantaged individuals and communities affected by the measures, including but not limited to the Northern Territory;
- deliver measurable improvements in protecting women and children, reducing alcohol-related harm, improving nutrition and food security, promoting community engagement and strengthening personal and cultural sense of value in all affected communities, including but not limited to Indigenous communities in the Northern Territory;
- reinstate the Racial Discrimination Act 1975 and deliver on our international commitments under the UN Convention on the Elimination of All Forms of Racial Discrimination in the operation of relevant legislation, particularly the Northern Territory National Emergency Response Act 2007;

and the Government's policy objectives to:

- address the social and economic disengagement arising from long term welfare dependence in disadvantaged regions, and in particular across the whole of the Northern Territory;
- improve the engagement, participation and responsibility of certain welfare recipients;
- continue and strengthen the measures to protect women and children, including reduce alcohol-related harm, improve food security, ensure appropriately secure tenure for the delivery of government services, promote personal responsibility and rebuild community norms in Northern Territory Indigenous communities; and
- reinstate the Racial Discrimination Act 1975 (RDA) in the operation of relevant legislation, particularly the Northern Territory National Emergency Response Act 2007.

Evidence based policy

The Sole Parents' Union has a number of concerns about these Bills, chiefly that there is no evidence, either in Australia or elsewhere, that income management is an effective way to address disadvantage and improve life outcomes for those affected by this legislation.

The government's own report into the effectiveness of income management in the Northern Territory expresses some concern not only about the outcomes, but about the validity of the evaluation itself. The report by the Australian Institute of Health and Welfare states on page IV:

The research studies used in the income management evaluation (point-in-time descriptive surveys and qualitative research) would all sit towards the bottom of an evidence hierarchy. A major problem for the evaluation was the lack of a comparison group, or baseline data, to measure what would have happened in the absence of income management.

It goes on to say

In addition, there were some data quality issues with the research conducted for the evaluation. The 2009 Client interviews, for example, included only a relatively small number of clients (76) from 4 locations, who were not randomly selected for interview.

The stakeholder focus group report did not attribute many of the findings to particular stakeholders. It was therefore often difficult to identify whose views were reported, or whether they applied to the majority of stakeholders in the focus groups.

Even with the methodological problems identified, the report found that:

stakeholders from the community, the community sector and peak bodies reported that there was still resentment about income management in communities, and that many people viewed it as discriminatory and unfair.

Data from a FaHCSIA report on the NT interventions shows variable outcomes:

- For the period 1 January to 31 March 2009 the total number of people (men and women) transported by a night patrol service was approximately 39,000¹.
- The number of alcohol related incidents increased 29% or almost 900 in the NTER Communities between 2007-08 and 2008-09².
- The level of domestic violence reported to police across the NTER communities remains high (2,058 incidents in 2008-09).
- The number of convictions for assault in the NTER communities is significantly higher in 2008-09 than in the previous three years.
- For NTER communities, hospital separations for all injury related categories considered as resulting from assault or interpersonal violence dropped by 6% since the introduction of the NTER measures.
- The number of sexual assault lodgements for NTER communities was very similar (57) across 2007-08 to its level for the previous two years (52).

¹ Note: This figure is based on information provided by service providers, data collection is problematic and continues to be refined

² Police and Justice Data fro NTER communities do not include Town Camps.

This is hardly the outstanding success being trumpeted by the Minister, and is not a valid or credible basis on which to justify extension of the program.

Racial Discrimination

The Sole Parents' Union welcomes the move to reinstate the Racial Discrimination Act to the Northern Territory Emergency Response legislation. However blanket imposition of income management to welfare recipients regardless of individual's capacity increases discrimination, rather than lessens it.

Providing exemptions from income management for those who can prove they are responsible, is not only insulting and discriminatory, but it reverses the entire basis of our legal and justice system. This legislation starts from an assumption that welfare recipients are unfit and improper people purely because of their lack of paid employment.

The Prime Minister has acknowledged that he would find it difficult to manage on an aged pension. That sole parents not only manage on this income for themselves, but also to raise their children should be taken as a testament of their capacity, rather than an indication of their need to be controlled.

This legislation is a return to the 1930s style treatment of welfare recipients, and the "susso". It is regressive, insulting, unnecessary, and there is no evidence that it works.

Improve the engagement, participation and responsibility of certain welfare recipients

In her keynote address to the *Australian Government Social Inclusion Conference* in Melbourne on 28 January, Minister Macklin said:

Financial inclusion goes hand in hand with social inclusion which is why financial independence is critical. We need new approaches that go beyond immediate assistance to promote capacity and build confidence in managing money. We need to give people not only the financial resources to participate but the opportunities and capabilities they need to build their own financial security.

It is hard to understand the logic that managing people's income for them, telling them where to shop and what to buy, will increase their capacity to manage for themselves.

On the contrary, there is a great deal of research that shows that people's capacity to manage their own affairs and to engage in the community are strengthened where they feel some sense of control over their own lives. This level of government intervention will reduce that sense of control, and be counterproductive to the stated objectives.

Additionally, restricting people's choices to certain shops reduces their capacity to shop for bargains, and thus better manage a low income. The maximum rate for parenting payment single is \$574.50/fortnight. In addition to this individual receive family tax benefit, the rate of which varies according to numbers and ages of children.

Deliver measurable improvements in protecting women and children

The Sole Parents' Union is supportive of measures to protect women and children from violence and abuse in all communities. Protection of children is one of our core values. We also support women's choice to voluntarily opt in to an income management scheme, either as individuals or as communities. However, this must be *voluntary*. Compulsory income management for women because they have been victims of domestic violence compounds the victimisation and trauma they and their children experience.

Centrelink has excellent income management schemes, such as Centrepay, that are accessible to many income support recipients. As part of a proper support regime, these schemes can be very useful in assisting people to get back on their feet and better manage their lives.

Conclusion

Sole Parents' Union strongly opposed any extension of compulsory income management. It is insulting, discriminatory, unnecessary and there is no evidence that it works to achieve the stated objectives.

As stated by one of the participants in the evaluation:

But no-one should be on the card anyway...But they shouldn't tell us to run our lives. It should be abolished, this thing should be abolished. Really that's the story.

Kathleen Swinbourne

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President