Salvation Army Submission
The Senate Community Affairs legislation Committee

Inquiry into Social Security and Other Legislation Amendment

February 2010

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Introduction

This submission relates to the Inquiry by The Senate Community Affairs Legislation Committee into the impact of the introduction of following three Bills:

- *Social Security and Other Legislation Amendment (Welfare Reform and Reinstatement of the Racial Discrimination Act) Bill 2009 ['the Welfare Reform Bill'];*

- *Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (2009 Measures) Bill 2009 ['the 2009 Measures Bill']; and*

- *Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (Restoration of Racial Discrimination Act) Bill 2009 ['the Greens Bill'].*

The Salvation Army has significant experience in working in disadvantaged communities and providing support to people at risk of social exclusion and marginalisation within the Northern Territory and throughout Australia and this submission is informed by our considerable practice experience and engagement with Indigenous communities.

The Salvation Army believes that Income management limits people's freedom to control their own lives and stigmatises people based solely on their race or where they live. The Australian Government's attempt to address the race based aspects of their previous policy appears to suggest that there are questions about fairness in this policy response that must be answered, in addition to the consideration of evidence regarding efficacy.

Background

The Salvation Army is one of Australia's largest providers of social services and programs which support disadvantaged people who are marginalised and at risk of social exclusion because of poverty, homelessness, poor physical and mental health, unemployment, disability, ethnicity and/or Aboriginality. We have a firm belief in the inherent worth of every human person and understand that some people need support to realise their full potential. We take an holistic approach which seeks to build the capacity of each individual. All of our services are client centred and based on the principles of empowerment

Salvation Army Work in Indigenous Communities

The Salvation Army is committed to providing services that meet the specific needs of all clients in ways which celebrate and incorporates their origin, both cultural and habitual. The Salvation Army is supportive of a service system which enhances a social infrastructure and regional development role, e.g:

- to be equal partners in the planning, provision and review of services;

- to ensure that all clients have their unique cultural characteristics recognized and valued;
- to ensure increased access to all services and in this way broaden choices of services and programs beyond those that are culturally specific;
- to ensure that clients have access to a variety of services to address their needs;
- to ensure a sensitive response to their needs and requirements;
- to adopt a co-ordinated approach to planning and delivery of services; and
- to have 'equality of outcomes' and not just 'equal use of services'

The Salvation Army provides a wide range of social programs throughout the Northern Territory, including supported accommodation, drug and alcohol rehabilitation and counselling, women's crisis services, community services and family services. Our primary work is concentrated in Alice Springs, Darwin and Katherine. In addition The Salvation Army Flying Padre provides support to people living in remote and isolated communities throughout the Territory. We work closely with over 1500 Indigenous families and have developed a keen insight into the issues impacting upon Indigenous people. In Alice Springs we also provide a range of services and supports which aim to create a sense of community and social inclusion for Indigenous people, these include practical supports such as shower and laundry facilities, community meals programs, Emergency Relief and material aid as well as music, art and recreation programs. Many of the people we work with, particularly in Alice Springs have limited understanding of the English language and consequently have struggled to understand the nature and mechanisms of income management and other measures.

Understanding Indigenous Disadvantage

The Prime Minister's February 2009 report to Parliament, *Closing the Gap on Indigenous Disadvantage: The Challenge for Australia*, provides an overview of contemporary issues faced by Aboriginal and Torres Strait Island people.

A major focus of the report is in the application of a range of strategies to break down the social and economic isolation of Indigenous people, wherever they live, and tackling the inter-generational transfer of disadvantage.

Both the Australian Government and State and Territory governments through COAG have agreed on seven priority areas where action is required across all Indigenous communities:

1. Early Childhood development
2. Education
3. Healthy Homes
4. Safe Communities
5. Health

6. Economic Participation

7. Governance and Leadership

The report *Closing the Gap on Indigenous Disadvantage: The Challenge for Australia* (2009) describes an Indigenous population which is young and growing, and which faces a number of demographic challenges not faced by non Indigenous people. The *Closing the Gap* report outlines the unacceptable levels of disadvantage in living standards, education, health and employment experienced by many Indigenous people. This is highlighted by the large disparity in life expectancy for indigenous people compared to non indigenous people.

Indigenous disadvantage has many causes. It is, in part, a legacy of our nation's history, including the historical acts that prompted the National Apology by the Prime Minister in February 2008.

Some commentators would argue that disadvantage amongst Indigenous people is also a product of failed policy. Under-investment by Commonwealth and State Governments over a long period of time, coupled with confused State and Commonwealth responsibilities have contributed to a less than optimum policy response to Indigenous disadvantage.

Inadequate and poorly maintained infrastructure is a major issue affecting Indigenous communities, particularly those in remote and rural Australia. It is recognised that improving basic environmental health conditions, such as access to clean water, safe food and adequate sanitation, are critical issues that need to be addressed if better health outcomes for Indigenous people living in these communities are to be achieved.

Increasing life expectancy amongst Indigenous Australians has become a matter of national priority. Australian Bureau of Statistics (ABS) 2006 estimates show life expectancy for Indigenous Australians to be approximately 17 years lower than the total population for the period of 1996-2001; for Indigenous males, 59 years compared with 77 years in the non-Indigenous population and, for Indigenous females, 65 years compared with 82 years. Life expectancy is affected by many factors, including socio-economic status, quality and accessibility of the health system, risk factor behaviour (tobacco, alcohol, nutrition, exercise), social factors and environmental factors (e.g. over-crowded housing, poor drinking water and sanitation).

Children born in remote communities over the last decade have the worst life prospects of any Australian children. They also have a greater risk of being born with foetal alcohol syndrome. Many begin life with poor health due to poor maternal nutrition. Approximately 83 per cent of Indigenous deaths below age 5 occur within the first year of life and, of these, nearly half occur within the first month. Infant mortality (less than 1 year) largely stems from problems during pregnancy and birth. Infant mortality for Indigenous infants in the 2002-06 period was 12.3 deaths per 1000 live births, compared with 4.2 deaths for non-Indigenous infants.

Indigenous children currently experience much poorer outcomes than non-Indigenous children, with high levels of disadvantage in early childhood associated with poorer outcomes in health and education. They are more likely to live in overcrowded housing, and have little education – no early

childhood education, poor educational attendance and little opportunity to finish secondary school. Limited skills attainment and poor foundational educational skills make getting a job difficult. There is a considerable gap in both attainment and attendance in year 12 and equivalent. In 2007, only 42.9 per cent of Indigenous 17-year-olds attended secondary school, compared with 65 per cent of non-Indigenous 17-year-olds. Evidence indicates that young Australians who do not complete year 12 are less likely to have the same opportunities as those who do. In 2006, year 12 completions for Indigenous Australians were 45.3 per cent, compared to 86.3 per cent for non-Indigenous.

Employment and economic development are fundamental to parents taking responsibility for their family's wellbeing and economic security and their children's health, safety and education. Indigenous Australians experience much higher levels of unemployment than non-Indigenous Australians. At the time of the last Census (in 2006), around 48 per cent of the Indigenous workforce-aged population was in employment. This compares to 72 per cent for other Australians – a gap of 24 percentage points.

The Australian Government, together with the States and Territories through COAG, has set specific and ambitious targets to end Indigenous disadvantage:

- to close the life expectancy gap within a generation;

- to halve the gap in mortality rates for Indigenous children under five within a decade;

- to ensure access to early childhood education for all Indigenous four year olds in remote communities within five years;

- to halve the gap in reading, writing and numeracy achievements for children within a decade;

- to halve the gap for Indigenous students in Year 12 attainment or equivalent by 2020; and

- to halve the gap in employment outcomes between Indigenous and non-Indigenous Australians within a decade.

Language barriers

Aboriginal language is an important embodiment of cultural heritage, knowledge, tradition and identity unique to Aboriginal and Torres Strait Islander peoples. Because they had/have an oral culture Aboriginal people are/were masters in remembering, contrary to the dominant western culture today who relies on the written word. Language instills a sense of wellbeing and belonging for many Indigenous people who have lost ties to their culture and land. For many Indigenous people, particularly those from remote and rural communities, English is a second or third language. This can create significant barriers to accessing a range of support services and information much of which is geared towards non-Indigenous people.

Mobility

Kinship is the driving force of Aboriginal mobility in many parts of Australia. Blood ties and marriage principally define Aboriginal kinship and a

classificatory system of relationships extends the range of kin to many others in the wider society. According to a report prepared for AHURI by Professor Paul Memmott, Dr Stephen Long and Linda Thomson much Indigenous mobility can be defined as a social process geared simultaneously towards the enjoyment of social interaction, the maintenance of social relationships and the maintenance of social identity. Their research demonstrated that the most common reason for movement by Indigenous householders was to visit family and friends; and when visiting, people mostly relied on kin for accommodation or they camped.

Other drivers of spatial mobility pattern in the study by AHURI included sporting events and recreation, hunting and collecting bush resources, and shopping. The pattern of mobility is often associated with a calendar of annual Aboriginal social, economic and regional events. Mobility patterns are also influenced by the timing of work, school and holidays. An example of this is seasonal cattle station work. Mobility patterns are influenced by seasonal climatic events which determines the availability of bush resources and thus the movement of people to hunt and collect bush foods. The seasonal event of rain also prohibits or restricts mobility. This mobility leads to additional wear and tear on houses, with small houses accommodating high household numbers likely to require more frequent maintenance than would otherwise be the case. This is simply due to the natural wear and tear associated with high use by a large household.

Discrimination

Since white people arrived in Australia it has always been difficult for them to understand Aboriginal culture. It can be argued that ignorance has led to many thousand Indigenous people being killed by white settlers, and attempts being made to "breed out" their culture through assimilation.

Even today Aboriginal people do not feel understood by white Australian politics. They claim that many legislative acts reflect a white point of view where at least a dual view would be necessary. Some Indigenous activists even speak of "genocide" still going on in Australia today.

Unacceptably high incidences of discrimination are experienced by Indigenous Australians. In its March 2000 report on Australia's performance in combating discrimination against its Indigenous citizens, the United Nations Committee on the Elimination of Racial Discrimination commented:

> "Serious concern remains at the extent of the continuing
> discrimination faced by Indigenous Australians in the
> enjoyment of their economic, social and cultural rights. The
> Committee remains seriously concerned about the extent
> of the dramatic inequality still experienced by an
> Indigenous population that represents only 2.1% of the
> total population of a highly industrialised state."

Some commentators have argued that discrimination causes reduced levels of health, poorer housing, and reduced access to education and employment experienced by Indigenous Australians. They cite the example of the high incidence of incarceration and contact with the justice system amongst Indigenous people which they argue cannot be redressed without promoting

access for Indigenous Australians to employment, education, housing and health, and improved access to these entitlements cannot occur without addressing discrimination.

The Annual Report of the NSW Anti-Discrimination Board (2007/08) indicates that the Board received complaints from 119 Indigenous people (this constituted 10.6% of the year's complaints, whereas Indigenous Australians constitute only 1.9% of the total population of NSW). Most of these complaints were related to race discrimination and racial vilification (76.5%, as compared with 19.5% of overall complaints). 31.9% of complaints by Indigenous Australians related to discrimination in employment. 43% of complaints related to discrimination in the area of goods and services and 8.4% of complaints were about accommodation.

For Indigenous communities there is often a lack of awareness of their legal rights. Even if they know about their rights this is often meaningless without emotional and financial support to assist them through the legal process. There are cultural barriers also: it is uncommon for Indigenous people to complain to authorities or speak out against actions or behaviour. Furthermore, literacy and education levels are lower within Indigenous communities as compared with non-Indigenous communities, and this impedes the ability of many Indigenous Australians to participate in the legal system. The fact that complaints are to be made in writing represents yet another hurdle in relation to an already difficult avenue of redress.

Social and Emotional Wellbeing

In the past decade social and emotional wellbeing has emerged as a priority for the Aboriginal community for government sectors, for policy makers, service providers and researchers. It is recognised as an integral component of the Aboriginal health reform agenda, particularly in relation to National, State and Territory policy frameworks and community-based interventions.

The term 'social and emotional wellbeing' is a recent construct, but its origins and meaning are embodied in Aboriginal social, cultural and historical understandings. Aboriginal belief systems are based on complex social relationships in which individuals and groups are intimately bound to each other and their environment. These beliefs continue to inform all aspects of Aboriginal people's lives, including health and wellbeing.

According to the National Strategic Framework for ATSI People's Mental Health and Social and Emotional Well Being (2004-09) in attempting to understand social and emotional well being, the influence of a range of factors that can impact positively or negatively on health, growth and development must be recognised.

Social and emotional well being problems are distinct from mental illness, although the two interact and influence each other. Even with good social and emotional well being people can still experience mental illness, and people with a long-term mental health condition can live and function at a high level with adequate support.

The National Framework indicates that Aboriginal and Torres Strait Islander people experience higher rates of both social and emotional well being problems and some mental disorders than other Australians.

Social and emotional well being problems can result from: grief; loss; trauma; abuse; violence; substance misuse; physical health problems; child development problems; gender identity issues; child removals; incarceration; family breakdown; cultural dislocation; racism; and social disadvantage.

The National Framework outlines that care is effective when multi-dimensional solutions are provided, which build on existing community strengths and capacity and include counselling and social support, and where necessary, support during family reunification.

Loss of Culture

Australian Aboriginal culture is one of the world's longest surviving cultures, which dates back at least 50,000 years and there are many who think it could be closer to 150,000 years. The original Aboriginal population was diverse with over 500 nations living within mainland Australia and Tasmania.

All of Australia's Aborigines were semi-nomadic hunters and gatherers, with each clan having its own territory. Those communities living along the coast or rivers were expert fishermen. The territories or 'traditional lands' were defined by geographic boundaries such as rivers, lakes and mountains. All Australian Aborigines shared an intimate understanding of, and relationship with, the land. That relationship was the basis of their spiritual life and shaped the Aboriginal culture. Land is fundamental to the well-being of all Aboriginal people.

The arrival of Europeans spelt the end of traditional Aboriginal culture, including:

- The dispossession of land
- Removal of children
- Loss of identity
- Loss of culture and
- Introduction of diseases never seen before by Indigenous communities

Loss of Land

The importance of land has the following significance for many indigenous people:

- emotional, spiritual, social and physical connections to the land and how this influences and indigenous persons lifestyle.
- how connections with the land links in with governance systems
- how land determines the role of custodians, what it means and how it operates
- methods for looking after and caring for land.

For indigenous people land is central to well-being. This holistic concept does not merely refer to the "whole body" but in fact is steeped in the harmonised inter-relations which constitute cultural well-being. These inter-relating factors can be categorised largely as spiritual, environmental, ideological, political, social, economic, mental and physical. Crucially, it must be understood that

when the harmony of these inter-relations is disrupted, Aboriginal ill health will persist.

Stolen Generation

The Stolen Generations (also Stolen children) is a term used to describe those children of Australian Aboriginal and Torres Strait Islander descent who were removed from their families by the Australian Federal and State government agencies and church missions, under acts of their respective Parliaments. The removals occurred in the period between approximately 1869 and 1969, although in some places children were still being taken in the 1970s.

The 1997 publication of *Bringing Them Home - Report of the National Inquiry into the Separation of Aboriginal and Torres Strait Islander Children from Their Families-* brought broader awareness of the Stolen Generations. The acceptance of the term in Australia is illustrated by the 13 February 2008 formal apology to the Stolen Generations, led by Prime Minister Kevin Rudd, and passed by both houses of the Parliament of Australia.

The report concluded among other things that *"Indigenous families and communities have endured gross violations of their human rights. These violations continue to affect Indigenous people's daily lives. They were an act of genocide, aimed at wiping out Indigenous families, communities and cultures, vital to the precious and inalienable heritage of Australia."*

Domestic and Family Violence

There is no issue currently causing more destruction to the fabric of Indigenous communities than family violence. This has been acknowledged by all levels of government in recent years, with a number of significant inquiries and initiatives undertaken at the Federal, State and Territory level to address its impact.

The term family violence better reflects the Indigenous communities understanding of violence, as family violence is broader than the usual mainstream definition of domestic violence. Family and domestic violence has occurred in Indigenous communities as a result of many factors: substance abuse, the impact of colonisation, health issues, trauma and the resulting loss and grief, unemployment and lack of education and training.

Substance Misuse

Public attention has been drawn in the past few years to the prevalence of petrol sniffing in Indigenous communities. Petrol sniffing can lead to serious health consequences for individuals, including death, long-term brain damage and long-term disability. It can cause problems for families and communities through social alienation of sniffers, social disruption, vandalism and violence, inter-family conflict, and reduced morale. Most Aboriginal and Torres Strait Islander petrol sniffers are males in their teenage years, though the age of users ranges from 8 to 30 years. Studies show that people who try petrol sniffing do not become regular or chronic sniffers, but the practice is regarded as a very serious problem because it mainly affects the young and it carries a high potential for permanent physical damage.

Disability

The 2002 National Aboriginal and Torres Strait Islander Social Survey (NATSISS) provided information on disability among Indigenous Australians; it surveyed people 15 years of age and over. This research found that 36% of Indigenous people aged 15 years or older had a disability or long term health condition. Some 8% had a profound or severe core activity limitation - sometimes/always needing assistance with core activities of daily living.

The NATSISS study found that the experience of disability was much more prevalent amongst Indigenous people than non Indigenous people. The Study estimated that Indigenous people were twice as likely to have profound/severe core activity limitation

According to the Australian Institute of Health and Welfare in a report prepared in 2005, Indigenous people with disabilities tend to experience further social and economic disadvantage compared to Indigenous people without a disability: fewer years of formal education; less likely to be in workforce/employed; lower levels of income and likely to be in households experiencing financial stress

Introduction of Income Management in the Northern Territory

In June 2007 The Chief Minister of the Northern Territory released the report of the Inquiry into the Protection of Aboriginal Children from Sexual Abuse, entitled *'Little Children are Sacred.'* Six days after the reports release, the Australian government announced a 'national emergency response' (now referred to as the 'intervention') to protect NT Aboriginal children. A sweeping series of changes were outlined for 'prescribed communities, including:

- Restriction of access to alcohol and X rated pornography
- Welfare reforms to redirect cash from substance abuse and toward children
- Use of the welfare system to enforce school attendance
- Increasing policing
- Scrapping of the land permit system
- Federal government acquisition of townships
- Improved governance of government business

In August 2007 The Northern Territory National Emergency Response Bill and four related Bills passed through the House of Representatives and the introduction of the Income Management measures were introduced with the stated intention, 'to promote socially responsible behaviour and help protect children'[1].

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[1]www.fahcsia.gov.au/sa/indigenous/progserv/ntresponse/about_response/welfare_reform_employment/Pages/income_management.aspx

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Consultations with Indigenous People in Northern Territory

The Salvation Army contends that the development of critical social policy must be informed by a transparent evidence base which considers the views and experience of the people impacted by the policy as well as community service providers and key stakeholders. The Government conducted several consultations which involved Indigenous people and these are reported in several documents including the Report on the Northern Territory Emergency Response Redesign Consultation (2009). The Salvation Army along with several other organisations has observed considerable weaknesses in the consultation process which have informed the new compulsory income management measures the Government seeks to introduce and potentially roll out across Australia. The contradictory views expressed in various reports on the process, weakens the evidence base.

Experience of Indigenous People in Alice Springs

Salvation Army services in Alice Springs have spoken to numerous clients about their experience of income management. English is the third language for many of these Indigenous people, and they have really struggled to understand the rationale behind income management and have great difficultly in comprehending the processes involved.

> *One client who desperately needed a new pair of shoes advised that he could only buy cordial on his Basics Card.*

This client is an older man, who has limited English and clearly does not understand the basic mechanics of the system, he has been living on approximately half of his Centrelink payments for as long as he has been subjected to income management, and simply accepts that his entitlement has been reduced and that he now only gets half the money he used to. He agrees that it was much better before the Basics Card system because he used to get more money.

Some client's initially acknowledged support for the system but over time their loss of control over their own finances became evident and their views altered.

> *One client was excited when the new system was introduced, she said she believed the government wanted to change things for Aboriginal people and make it better for them. Initially this woman was very positive about Income Management and she felt the system was working OK, however over a period of time, she became increasingly despondent with the system, she made statements such as*
> *"It's no good, I can pay my bills by myself"*
> *"I can't save any money for the next week now"*
> *"I don't like it"*
> *"I want it to go back how it was"*
> *"I can look after myself, they shouldn't put half my money away for me"*
> *"I only get a little bit money now"*

Another client was clearly confused about how her Centrelink payments were being allocated.

> *This particular client has been living in town with her daughter for the past 7 months. Prior to this she lived at a town camp and as a consequence she is subjected to compulsory Income Management. She has very poor English and little comprehension of Centrelink systems and she has given up trying to work out where her money goes. Recently she was told that some of the Income Managed portion of her payment was being used to pay rent. It would appear that she has been paying rent for accommodation and yet she no longer lives there. Prior to being Income Managed, she managed her finances well.*
> *This particular client will require considerable assistance in trying to sort through the complications of the Income Managed portion of her payments and she has stated that 'she's found so many difficulties in navigating the 'whitefella ways.'*
> *She cannot use the phone to check the balance on the Basics Card; when she talks with the operator she is rarely understood, she cannot read or write and she lacks the confidence to try and work things out and gets embarrassed very easily. Consequently without help, she is likely to accept the situation as it is.*

Salvation Army workers in Alice Springs, confirm that the experience of compulsory income management for many of the Indigenous people who use our services has been bewildering and overall the impact has been disempowering. Some of the issues associated with the compulsory income management system include:

- Loss of Autonomy
- Lack of understanding of the system
- Confusion about the rationale for the introduction of compulsory income management.
- Language/Cultural/Technology Barriers make it difficult for people to comprehend the process.
- Feeling demoralised – too hard to keep trying
- Loss of Dignity
- Loss of Hope
- Passive acceptance and apathy
- Resignation
- No option for people to get out of the system

The Salvation Army in Alice Springs is working closely with Aboriginal people to help them to better understand the mechanics of income management and how to use the Basics Card. The Salvation Army is open to working closely

with Government and Centrelink in particular in developing appropriate services which support and encourage Aboriginal people to develop their confidence and capacity and to ensure that they are not further disadvantaged because of inability to navigate, (what is perceived to be) a very complex system.

Basics Card

As noted above, there have been some difficulties with the actual application of the Basics Card including:

- Card Readers for the Basics Card are not available in many centres and commercial areas and the distribution is not sufficiently widespread.

- The range of commercial enterprises that accept the Basics Card, or are entitled to use the card is limited and the Card Readers are often not available in places that might provide better value for money. (e.g. Thrift stores).

- Community Stores vary in quality and capacity to provide services.

- There needs to be range of support mechanisms in communities and language and translation services need to be widely available.

- There is also a need for Community Advocates to provide support to individuals and families and to advocate for them in navigating the system, including various appeals mechanisms.

Financial Literacy

Research shows that Indigenous Australians are among the most disadvantaged in our community in terms of financial literacy. Money management education and financial counselling support is much needed and should be widely available through community agencies and/or Emergency Relief services operating throughout the Northern Territory.

Alcohol Abuse Issues

The use of alcohol is both the cause and effect of much suffering in Aboriginal and Torres Strait Islander communities. Alienation, unemployment and despair arising from dispossession and dislocation all contribute to the use of substances such as alcohol, tobacco and other drugs in an attempt to relieve symptoms or temporarily escape. The use of these substances does serious harm to physical health, but possibly even more harm to the social health of individuals and the fabric of communities. Acts of alcohol-related violence, overrepresentation of Aboriginal and Torres Strait Islander peoples in the criminal justice system and other forms of societal breakdown are manifestations of the pain, anger and grief experienced by Aboriginal people arising from the process of colonisation. This disturbing burden contributes to the unacceptable levels of harm currently caused by alcohol and other drug use by Aboriginal and Torres Strait Islander peoples.

National data collections have consistently shown that, although the proportion of Aboriginal and Torres Strait Islander people who drink alcohol is lower than among non-Indigenous people, Indigenous people who do

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consume alcohol are more likely to do so at hazardous levels (AIHW 1995a, b; MCDS 1998; ABS & AIHW 1999).

At the community level, alcohol is a contributor to problems including family breakdown, domestic violence, financial and legal problems, child abuse and neglect, and psychological distress among relations, friends and associates of the drinker, (Memmott et al. 2001). Family violence is highly prevalent in some Aboriginal and Torres Strait Islander communities. It is disproportionately directed towards women and often associated with alcohol consumption (Aboriginal and Torres Strait Islander Women's Taskforce on Violence 2000). Although not all communities are affected by violence to the same degree, Aboriginal and Torres Strait Islander women in all communities have identified violence as one of their greatest concerns. Alcohol consumption has been associated with violence for many of these women.

The Salvation Army recognises the problems associated with abuse of alcohol and acknowledge that the focus on reducing alcohol consumption, together with increased attention to health and nutrition has produced positive outcomes in some communities. We have observed anecdotally in a number of communities that school attendances have improved, nutrition has been improved, and there is less emergency work in health centres related to excessive alcohol consumption. However one of the unintended consequences is the movement of people from communities with alcohol restrictions to other communities. Of particular concern is the pressure this is particularly placing on areas such as the APY Lands. To be most effective, measures such as alcohol restriction zones must also incorporate increased funding to support detoxification services and alcohol rehabilitation and counselling programs.

Evidence Based Policy

Whilst the Salvation Army welcomes the Australian governments intention to re-instate the Racial Discrimination Act, we are concerned about applying untried policies with little evidence base across the country, particularly when there are many current programs and services that are known to be effective. This policy approach and the intent of the policy seem to be at odds with the Governments own social inclusion agenda which seeks to empower individuals and communities.

This policy initiative raises a number of serious questions about both the efficacy and evidence base for income management:

- Is the current level of income support (whether managed or not) adequate for families to meet their basic needs?

- What is an adequate level of income and should it be determined?

- What credible research evidence exists that demonstrates that income management is successful in lifting people out of poverty?

- Is there any credible research evidence that demonstrates the success of a place based approach?

- If income management is to be more broadly applied, what additional

programs and services will be required to ensure the initiative is effective and non discriminatory?

- How will the government determine what is a disadvantaged local community?

- What additional resources will be applied to local communities once the government identifies them as disadvantaged?

- How is this initiative to be integrated with other programs so that multiple disadvantage can be addressed in a coordinated way?

- How will income management mesh with state approaches to improving education and preventing child maltreatment?

- How does the ethos of welfare quarantining and sanctioning fit with (or contradict) a social inclusion agenda?

The Salvation Army is concerned that the Australian Government intends to take the most regressive aspects of the Northern Territory Emergency Response and apply them nationally without the merits or success of such an approach being evaluated or applying the same additional support resources as were applied in the Northern Territory. There already exists many effective programs across these disadvantaged communities which are not adequately funded. It is the Salvation Army's contention that income management will have little positive effect on its own, in a community and may even have the effect of further demoralising some poor families.

Supporting people to move beyond disadvantage requires a balance between incentives and support and must be underpinned by a practice which builds on people's pre-existing capacity and capability; in other words through support which empowers them and allows them to maintain their dignity.

Impact of Proposed Measures to be Introduced

Reinstatement of the Disability Discrimination Act (1975)

The Salvation Army has had serious misgivings about the way in which Indigenous communities were singled out in the implementation of the Northern Territory Emergency Response. We believed that the arbitrary manner in which the NTER measures were introduced, without proper consultation with Indigenous communities and leaders, to be disrespectful and failed to recognise the inherent capacity within Indigenous communities. The decision to restore the relevant provisions of the Racial Discrimination Act (1975) is commended as the right and proper action required to demonstrate that Indigenous people are given racial equality and treated with the respect that should be afforded to all Australians.

National Welfare Reform Initiative

It is understood that the National Welfare Reform Initiative proposes a new scheme of income management which will commence across the Northern Territory in urban, regional and remote areas, as a first step in a future

national roll out of Income Management to disadvantaged regions and that following an evaluation, there are plans to roll this scheme out in other areas/regions.

The Salvation Army has serious concerns about the initiatives being proposed. We have extensive expertise in providing support and assistance to people who fall into the categories of income support recipients covered by the redesigned model of income management and we understand their needs and challenges. Many of these people have experienced significant barriers throughout their lives and have not had access to the opportunities which many of us take for granted, in particular the benefit of foundational education.

As an organisation which seeks to help individuals to develop their potential The Salvation Army understands the specific issues which impact on people who are socially and economically disadvantaged. A number of our programs aim to create a sense of community and belonging and engage effectively with disengaged young people and people who are long term recipients of government income support. Many of these people are socially isolated and need to be connected to services which help them to develop self esteem and confidence, services which are based on developing trusting relationships and mutual respect and services which focus on recognising and developing their unique capacity.

Our concern with the suggested roll out of compulsory income management, is that this approach is likely to reinforce feelings of low self worth by stigmatising people and demoralising them further. In our experience, mandated and/or coercive programs do not help people to become more resilient, rather they emphasise perceptions of inadequacy and failure.

Social Inclusion

Research that identifies "hot spots" or compiling rankings of disadvantaged suburbs needs to be approached with some caution. This research can simply increase the stigma attached to particular places, treating individuals and families within these communities without respect. Mark Peel's interviews in some of Australia's poorest localities reminds us that this sort of stigmatisation only adds insult to injury, and reinforces negative images that some places have no hope and no community vitality. (Peel, 2003).

There has been a resurgence of interest in recent years in attempts to gauge the strength of local communities. Part of this effort derives from analyses of "social capital", as the intangible assets of communities and localities. Robert Putnam's work on what he saw as the decline of community associations in America has been a major stimulus, directing attention from simply assessing socio-economic conditions, to including a sense of the sinews of networks, belonging and association that hold communities together, and that provide a platform for social investment (Putnam, 2000). Much of this work significantly influenced Blair's 'Third Way' and the creation of a Social Exclusion Unit in the Cabinet office - which has been profoundly influential in European Union social policy. In turn the Rudd Labor government has drawn on the UK experience to develop its own Social Inclusion Policy and Framework.

The American sociologist Richard Sennett has pointed to the relationship

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between inequality and an ethics of respect. He argues that many welfare services (and welfare researchers) treat their "clients" or "subjects" without fundamental dignity as fellow human beings: "lack of respect, though less aggressive than an outright insult, can take an equally wounding form. No insult is offered another person, but neither is recognition extended". He drew on his experience of growing up poor in Chicago to argue that poverty presented two assaults to "its residents' sense of self-worth". The first was the demeaning experience of adult dependence on others. The second was that people were increasingly denied control over their own lives. They were rendered spectators to their own needs, mere consumers of care provided to them. It was here that they experienced that peculiar lack of respect which consists in not being seen, not being accounted as full human beings. (Sennett, 2003; 3 & 12-3)

During the 1990s, when the British social policy researcher Hartley Dean investigated ordinary peoples' ideas about the poverty of others, he asked them what being poor meant. The answers his interviewees gave him included obvious ones (not having enough income), but also included striking phrases such as "being less respected" and "not having enough to avoid being frightened." (Dean, 1999; 37) These statements start to hint at the connections between income poverty, and not being able to take part in the wider society.

Social exclusion theories propose that poverty locks people out of participating fully in communities, education and employment. Anthony Giddens, the British sociologist once considered Tony Blair's favourite intellectual, describes social exclusion through "mechanisms that act to detach groups of people from the social mainstream." (Giddens, 1998; 104) While social exclusion is sometimes seen only as a lack of paid work, others see it as including; exclusion from the labour market, the legal and political systems, the welfare system, and family / community networks.

Both Professor Brian Howe and Ray Cleary, in a wide-ranging review of the international shift in policy discussion towards "community building strategies and place-oriented policies designed to address social exclusion" distinguished five different aspects. These were:

- a focus on capacity building, through education and developing social capital,

- a linked approach, that connects between government portfolios and between different levels of government, as well as building partnerships between governments, communities, business and the non-government welfare sector,

- an emphasis on local democracy, that gives priority to local initiative and leadership,

- flexible approaches to dealing with social problems, to allow for continuous reflection and development, and

- an emphasis on the sustainability of projects, rather than quick interventions. (Howe and Cleary, 2001)

Clearly the Australian Governments income management policy does not appear to align itself with the five aspects mentioned above or the principles of social inclusion broadly accepted internationally. There is clearly a policy conflict at play here between income management and social inclusion. On the one had we have a policy discourse about meeting the needs of children through enforced income management, on the other, we have a social inclusion policy which seeks to empower and build people's capacity. Income management will only work through the imposition of regimes of surveillance and micro management of peoples lives - a stark contrast to the fundamental intent of social inclusion.

Groups Impacted by Income Management Measures

The Explanatory Memorandum to the Bill states that, 'three new income management measures will be introduced to apply to disengaged youth, long-term welfare payment recipients and persons assessed as vulnerable'[2]. According to the Explanatory Memorandum, 'these groups have been chosen based on their need for support due to their high risk of social isolation and disengagement, poor financial literacy, and participation in risky behaviour. Under the existing provisions of Part 3B, welfare recipients referred for income management by child protection authorities will also be included in the new scheme'[3].

Welfare Recipients Referred by Child Protection Authorities

Over the past several years there has been increased focus on issues relating to child abuse and neglect within the Northern Territory and more generally the broader Australian community. The national rates of children being notified to child protection authorities, of substantiations and placement in out-of-home care have been escalating steadily. The increasing numbers of children being removed from families and placed in out-of-home care is creating severe pressure within child protection systems across all jurisdictions.

Concerns relating to child abuse and neglect as documented in *the Little Children Are Sacred Report* provided the stated justification for the Northern Territory intervention in June 2007.

It is interesting to note that the Northern Territory is defying the national trend. Even since the extensive media focus on issues of child abuse and neglect, the Northern Territory Board of Inquiry into the protection of Aboriginal children from sexual abuse and the subsequent release of the *Little Children Are Sacred Report* there has been no significant increase in notifications, substantiations or placements of Aboriginal children in out-of-home care in the Northern Territory.

The Salvation Army can find little or no evidence to demonstrate that income management will address child protection issues. Responding to child abuse and neglect requires a comprehensive approach. Families that are struggling and at risk of neglecting their children need access to parenting and health services, adequate housing. financial support, and good quality childcare. Often there are a lack of services and programs to deal with underlying issues

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[2] Social Security and Other Legislation Amendment (Welfare Reform And Reinstatement Of Racial Discrimination Act) Bill 2009 Explanatory Memorandum p 16
[3] ibid p 16

that lead to neglect, especially in regional areas. Adequate investment in these services would be a more cost effective way of protecting and supporting vulnerable families and children."

The Salvation Army supports the Ten point National Action Plan proposed by the Secretariat of National Aboriginal and Islander Child Care Inc:

1. **Safety is paramount** - Allegations of child abuse and neglect must be investigated in a child centred way. The child protection system needs to be well resourced to respond when called upon to properly investigate and intervene where children are at risk of abuse or neglect.

2. **Support for children** – Interventions should primarily focus on removing the risk and perpetrators from children rather than children from their families and communities. This will necessitate extra government funding and support for local community family support and counselling services.

3. **Effective policing** - Governments need to ensure the appropriate levels and forms of policing within communities are in place to enable people to speak out against violence and abuse without placing their own safety at risk.

4. **Early intervention**. Investment needs to be made to improve access to community based early childhood, childcare, family support and child welfare programs

5. **Connections to culture**. Maintaining children's connections to their extended family and community where possible and appropriate and their cultural and spiritual heritage is critical to ensuring they feel connected and included.

6. **Build on strengths**. All families and communities have strengths and capacity to support and nurture their children. It is imperative that any intervention recognises and builds on the strengths of families, communities and kinship systems and develop workforce and community capacity.

7. **Healing and restoration**. Victims and perpetrators need access to a range of healing and therapeutic programs including alcohol and substance abuse rehabilitation, counselling and healing programs and family restoration programs to rebuild family relationships across generations.

8. **Safe and Healthy communities.** Disempowered communities with woeful housing, extreme poverty, chronic alcohol and substance abuse, few early childhood programs or health services, no economic base and inadequate schools are likely to have high rates of abuse and neglect. Well planned large scale investment over generations is required to create safe and healthy communities for all Australian children.

9. **Listen to and do what works**. Evidence on effective child protection systems from Australia and overseas demonstrates that community based and managed child protection systems achieve the best results.

10. **A national response for a national emergency**.

Disengaged Youth

The Bill describes disengaged youth, as 'people aged 15 to 24 who have been in receipt of youth allowance, newstart allowance, special benefit or parenting payment for more than 13 weeks in the last 26 weeks.'

The Salvation Army works closely with many such young people through our various youth service and supported accommodation programs operating across Australia. This includes over 180 programs supporting approximately 12,000 young people each year who are homeless or at risk of becoming homeless. In addition we make over 35,000 contacts every year with young people through street outreach and drop in centres. The programs include supported accommodation, foster care and out of home care, supported education and employment programs, drug and alcohol rehabilitation services, specialist counselling services, supports for young parents, recreation and social activities, health programs and social enterprises. We house over 1000 young people each night in our crisis accommodation and transitional housing programs. This experience has given us unique insights into the special needs of young people who are disengaged, homeless or at risk. These young people lack supportive family networks, some have experienced serious trauma and abuse during their childhood, they have limited education, lack vocational skills or employment history.

Research has proven the critical importance of education in an individual's development and as a foundation for progress through life including future employment opportunities. The recent OECD report, 'Education at a Glance,' confirms that 'that the longer individuals spend in education, the more likely they are to be in employment and to earn more.'[4] However in Australia, 'close to one in five young adults in May 2006 had not completed Year 12 or a Certificate III vocational qualification.'[5] For young people who are disengaged, including those who are homeless or at risk, their potential to achieve higher school qualifications is greatly diminished because of the multiple barriers they face. They need considerable support and encouragement to be able to see the value in education and to develop the confidence to remain in education.

Some of the early intervention programs such as Reconnect and alternative education programs have been particularly effective in assisting these young people to re-engage education which greatly enhances their opportunity to complete their education and ultimately gain employment.

The Explanatory Memorandum to the Bill states that, 'these groups have been chosen based on their need for support due to their high risk of social isolation and disengagement, poor financial literacy, and participation in risky behaviours.'[6] We do not believe that introducing compulsory income

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[4] OECD (2007) Education at a Glance' p.6

[5] It's Crunch Time – Raising Youth Engagement and Attainment (August 2007)– Dusseldorp Skills Forum & Australian Industry Group, p. 11

[6] Social Security and Other Legislation Amendment (Welfare Reform And Reinstatement Of Racial Discrimination Act) Bill 2009 Explanatory Memorandum, p 3

management is a constructive way to help these young people. Young people are not likely to respond positively to such measures, previous experience with Activity Test Breaching suggests that young people will find alternative and often unhealthy means of surviving, if their income support is removed in what they see as an arbitrary manner.

We would strongly recommend an expansion of Reconnect and other programs which endeavour to positively engage young people and help them to develop their capacity.

Long-Term Welfare Recipients

The Bill describes this group of people as, 'people aged 25 and above (and younger than age pension age) who have been in receipt of youth allowance, newstart allowance, special benefit or parenting payment for more than 52 weeks in the last 104 weeks (long-term welfare payment recipients).'

Long term unemployment is a debilitating experience for people and can create a loss of self esteem, confidence and skills atrophying. Many long-term unemployed people experience significant barriers to obtaining and maintaining employment including:

- Lack of support networks
- Lack of current or no work history
- Mental health issues
- Poor physical health
- Disability
- Homelessness
- Limited educational and or vocational qualifications
- Limited transport options
- Poor personal presentation
- Limited job opportunities
- Loss of jobs in their traditional area of work
- Restricted labour markets
- Low skill level

These personal and structural barriers mean that many long-term unemployed people find it difficult to compete in the labour market. Furthermore parents face additional barriers relating to availability and costs of child care, particularly during school holidays and this creates a further barrier in obtaining suitable employment.

Whilst these people are eligible to receive labour market and job preparation assistance from Job Services Australia, this is time limited and does not provide the intensive and extensive level of support that some long-term unemployed people require. People with multiple barriers and complex issues may require many years of support to help them to develop the capacity and

skills which will enable them to find employment in the open, competitive labour market.

Persons Assessed as Vulnerable

The bill refers to a further group of people who are 'assessed by a delegate of the Secretary (in practice, a Centrelink social worker) as requiring income management for reasons including vulnerability to financial crisis, domestic violence or economic abuse.'

There is insufficient detail in respect to how the group of people 'assessed as vulnerable' are likely to be identified or the assessment process to be applied by Centrelink Social Workers, or indeed whether Centrelink offices across Australia are adequately resourced to undertake this additional responsibility. Further, of significant concern for The Salvation Army is that a number of people in vulnerable situations may become more reticent about disclosing their personal circumstances to Centrelink for fear of being forced into compulsory income management. There is evidence to suggest that homeless young people, people with mental health issues and people with addictions are reluctant to disclose these issues with Centrelink because they fear the consequences of such disclosure may be detrimental. The danger with these situations is that vulnerable people are not readily identified and referred to supportive services that could provide the assistance they need.

Job Services Australia

The groups of people impacted by the proposed new measures, are eligible to receive employment assistance from Job Services Australia providers, which is a network of community organisations and private companies who have successfully tendered to deliver employment services under contract to the Australian Government.

In May 2008, the then Minister for Workforce Participation, Minister Brendan O'Connor, released a discussion paper which sought feedback on the effectiveness of employment services with a view to redesigning the services as required. The Discussion Paper acknowledged that the most disadvantaged unemployed people were not receiving the intensive assistance they needed to help them to overcome barriers to employment.

This resulted in the development of a new Stream Services model of employment services (Stream 1- 4), which is designed to ensure that job seekers received the right level of support. The most disadvantaged job seekers should be referred to Stream 4 Services which is designed to provide the highest level of intensive and individualised support.

The Job Services Australia model commenced on 1st July 2009 and consequently has only been operating for approximately 7 months. To date there has been no data to determine the effectiveness of the new service model in engaging highly disadvantaged job seekers and supporting them to obtain sustainable employment. Whilst the structure of the new model provides the framework to support very disadvantaged people, it is too early to establish whether or not the new employment services model has been effective in helping highly disadvantaged people in securing employment. However anecdotal evidence suggests that there have been some issues with

the incorrect assessment and referral of highly disadvantaged people into Stream Services which offer less support, i.e. Stream 1 or Stream 2.

Furthermore, at the completion of 18 months of employment case management support job seekers move into the Work Experience phase of employment services and there is a sense that this aspect of the employment services is the least well developed and resourced.

Developing an Integrated Approach to Addressing Social Disadvantage

The Rudd Labour Government in the lead up to the last Federal election defined social inclusion in terms of social exclusion: '*the outcome of people or communities suffering from a range of problems such as unemployment, low incomes, poor housing, crime, poor health and disability and family breakdown [which in] combination can result in cycles of poverty, spanning generations and geographical regions'*. As a result, the Rudd Government's Social Inclusion Agenda has two guiding principles:

- It must tackle the social exclusion of individuals and communities; and

- It must invest in the human capital of all our people, especially the most disadvantaged.

The Australian Government believes that to be socially included, all Australians need to be able to play a full role in Australian life, in economic, social, psychological and political terms. To be socially included, all Australians must be given the opportunity to:

- secure a job;

- access services;

- connect with others in life through family, friends, work, personal interests and local community;

- deal with personal crisis such as ill health, bereavement or the loss of a job; and

- have their voice heard.[7]

As stated earlier in this submission the Salvation Army supports the Australian Governments Social Inclusion Policy and Framework. It is our contention that to practically apply this framework with appropriate resources in disadvantaged communities would yield considerably greater outcomes for individuals, families and communities than income management.

The Salvation Army believes that a social inclusion approach can be enhanced by applying Amartya Sen's 'capabilities' approach. In his keynote address to the *Australia's Welfare 2007* conference, for example, Treasury Secretary Ken Henry said:

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[7] Julia Gillard MP and Senator Penny Wong, 'An Australian Social Inclusion agenda', ELECTION 2007, www.kevin07.com.au, p. 1.

From the Treasury perspective, there is far more to sharing prosperity than simply ensuring that income is redistributed in a way that avoids inequality widening over time beyond some arbitrary level. To our minds, the distributional goals of government must relate to a much broader concept of prosperity, or wellbeing; one that goes well beyond standard inequality measures, or poverty line constructs, based on crude statistical measures of dispersion around mean or median income.[8]

In Dr Henry's view, what is missing from these crude measures, and more fundamental, is Sen's emphasis on rectifying *capability deprivation* (from which broader social exclusion springs) to provide *substantive freedoms.* These include political and civil liberty, social inclusion, literacy and economic security, which form intrinsic components of individual and social development. As he continued:

Among the capabilities of importance to poverty analysis, Sen identifies one subset including such things as the capability 'to meet nutritional requirements, to escape avoidable disease, to be sheltered, to be clothed, to be able to travel, and to be educated'. Poverty lines, defined in income terms for example, that captured these capabilities would not vary much from one community to another and would not, for the same reason, vary much over time. In other words, they might provide the basis for an absolute poverty line measure.

But Sen also notes that a second subset of other relevant capabilities of considerable interest to the classical economists, such as the capability to live without shame, the capability to participate in the activities of the community, and the capability of enjoying self-respect, provides a basis for relative poverty comparisons. [9]

The capabilities approach provides the basis for a comprehensive treatment of social inclusion and poverty. It is about enhancing current and building future capability. Such an approach stands in stark contrast to income management which is fundamentally about micro managing and punishing those who are determined to be 'incapable.'

The Salvation Army therefore believes that the critical issue is to develop programs which provide supports for people that help them to build their individual capacity and not perpetuate vulnerability. Some of the key areas which we believe need to be addressed include:

Education Options

The critical role of foundational education for all individuals cannot be overstated. All children have a fundamental right to education and we have a responsibility to ensure that those young people who are 'at risk' of early

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[8] Ken Henry, 'Addressing extreme disadvantage through investment in capability development', Closing keynote address to the Australian Institute of Health and Welfare conference, *Australia's Welfare 2007,* Canberra, 6 December 2007.

[9] Sen received the 1998 Nobel Prize for his work on welfare economics. For Australian applications see, for example, P. Smyth, 'Social investment in human capital: Revisioning Australian social policy', Brotherhood of St Laurence/University of Melbourne Centre for Public Policy, Social Policy Working Paper No. 8, September 2007

school leaving have access to supports which will keep them connected to a learning environment. It is our experience that if a young person drops out of school early there life and employment opportunities are greatly reduced. Consequently young people who have learning difficulties or those who struggle at school need to be provided with higher levels of assistance and personalised approaches which aim to keep them at school or in education. The Salvation Army strongly supports education models which proactively engage disconnected young people and which create learning environments that are conducive to the individual learning styles of these young people.

Housing

The National Aboriginal and Torres Strait Islander Health Survey (NATSIHS) and National Aboriginal and Torres Strait Islander Social Survey (NATSISS) estimated that in 2004/05 there were 127,546 Indigenous Australians living in overcrowded households. This represents 27% of all Indigenous persons. There were around 1 million other Australians living in overcrowded households in 2004–05, representing 5% of all other persons. Approximately 14% of Indigenous people were living in households that required two or more additional bedrooms compared with 1% of other people. In 2004–05, the Northern Territory had the highest proportion of Indigenous people living in overcrowded households (65%); and New South Wales, Victoria, Tasmania and the Australian Capital Territory had the lowest (between 10% and 12%). In 2004–05, the proportion of Indigenous people living in overcrowded households was much higher in Remote and Very Remote areas (53%) than in Major Cities (14%).

We acknowledge and endorse the Australian Government's commitment to tackling homelessness and the strategies outlined in the White Paper – The Road Home will do much to address an issue which has been seriously neglected for many years.

Capacity Building Programs for Parents

The Salvation Army understands the importance of healthy family functioning in providing a sound environment to raise children. However we also understand there are some families who simply do not have the capacity to parent well. Often their ability to parent is diminished because of the enormous challenges they face personally, dealing with financial insecurity, lack of support networks, poor health or addiction issues. Furthermore, some parents of young people who are at risk, may not have experienced a safe and secure family life as they were growing up and therefore lack positive role models to learn from and now find it difficult to provide for their children, particularly during the turbulent years of adolescence. Therefore, it is important that as a community we do not simple label or blame these parents, but rather that we provide services and programs which support these families to develop their skills and capacity to care for their children and create a safe, nurturing home environment. This might involve providing supports in the area of parenting, home management, health and nutrition, budgeting and building relationships. Initiatives such as these provide critical preventative interventions which support the family unit and give them the skills to deal with any crisis which has the potential to cause harm to children or young people.

Job Creation

The Salvation Army has had considerable experience in job creation and developing social enterprises. The job creation programs which were an integral component of the Job Compact in Working Nation during the early 1990's provided an opportunity for people to acquire the interpersonal and social skills needed to be successful in the labour market, in a supported yet 'real work' environment. Many of the people who gained vital work experience and social connection through these job creation programs were unlikely to find work in the short term in the open labour market. The intermediate labour market programs in the UK provided a similar opportunity for highly disadvantaged long-term unemployed people.

It is noted that the Jobs Fund has the potential to develop job creation projects that could provide supported employment opportunities for highly disadvantaged job seekers.

The Salvation Army strongly supports the development of job creation opportunities which will provide work experience for disadvantaged people, in particular homeless people, who need considerable support in developing work behaviours and skills which will ultimately enable them to make the transition into employment in the competitive labour market.

Developing Financial Literacy

The Salvation Army acknowledges the efforts of the Australian Government to improve Financial Literacy with the funding of Financial Counsellors and Money Management Education programs. We would strongly encourage continued expansion of these programs to increase the availability of Financial Counselling services. We note that there are some geographic areas where it is difficult to access financial counselling and we would advocate for increased funding in this area to ensure that money management education programs become an integral part of Emergency Relief services.

Emergency Relief and Community Support Services

The Salvation Army has developed Doorways as a new approach to Emergency Relief engagement. Doorways, seeks to build the capacity of individuals by providing a range of integrated services and supports which develop financial literacy, self efficacy and connectedness. Doorways uses a case management approach known as Positive Action Planning which is based on the principle of empowerment and supports the individual to develop a positive life plan which includes strategies to address the underlying issues which may have led to the financial crisis.

A critical element of Doorways is the development of partnerships with a range of other agencies and services to create pathways for people. The Salvation Army notes and endorses the Australian Government's encouragement of various service providers to develop more collaborative approaches to assisting people at risk of social exclusion.

Recommendations

1. The Salvation Army recommends that prior to any expansion of income management a full and complete evaluation should be undertaken by a credible research institute to determine the efficacy, benefits and outcomes of the existing scheme.

2. The Salvation Army recommends that the expansion of income management should be done as a last resort following a full community audit which can determine the resources available in a given community and how these can be strengthened to support individuals, families and the community itself.

3. The Salvation Army recommends that that the Australian Government withdraw the provisions of the Bill which would enable income management to be compulsorily applied across designated geographic areas, payment types or categories of recipient, for example, 'vulnerable welfare payment recipient'.

4. The Salvation Army supports the recommendation of the Australian Council of Social Services (ACOSS) to replace the income management provisions in the Bill with a system of income management that people can opt into, on an individual or on a local community basis. We support ACOSS' recommendation that the following conditions must apply:

   a. The system must be non-discriminatory: it must not automatically apply on the basis of race, geographic area or type or duration of payment.

   b. Legislation should provide that, before a community opts in to an income management scheme a thorough and inclusive consultation process (consistent with the Australian Human Rights Commission guidelines) must be undertaken within that community.

   c. Adequate Government funding for support services must be provided as a pre-condition to applying income management in a community.

   d. Individuals in communities which opt into income management should be able to opt out where there are no identified trigger factors present.

   e. Income management on an individual or community basis should be regularly reviewed in an open and inclusive way, and individual appeal rights (to the Social Security Appeals Tribunal) should be maintained.