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SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

**Reference: Social Security and Other Legislation Amendment (Welfare Reform
and Reinstatement of Racial Discrimination Act) Bill 2009**

MONDAY, 22 FEBRUARY 2010

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SENATE COMMUNITY AFFAIRS

LEGISLATION COMMITTEE

Monday, 22 February 2010

Members: Senator Moore (*Chair*), Senator Siewert (*Deputy Chair*) and Senators Adams, Boyce, Carol Brown and Furner

Participating members: Senators Abetz, Back, Barnett, Bernardi, Bilyk, Birmingham, Bishop, Boswell, Brandis, Bob Brown, Carol Brown, Bushby, Cameron, Cash, Colbeck, Collins, Coonan, Cormann, Crossin, Eggleston, Farrell, Feeney, Ferguson, Fielding, Fierravanti-Wells, Fifield, Fisher, Forshaw, Hanson-Young, Heffernan, Humphries, Hurley, Hutchins, Johnston, Joyce, Kroger, Ludlam, Ian Macdonald, Marshall, Mason, McEwen, McGauran, McLucas, Milne, Minchin, Nash, O'Brien, Parry, Payne, Polley, Pratt, Ronaldson, Ryan, Scullion, Sterle, Troeth, Trood, Williams, Wortley and Xenophon

Senators in attendance: Senators Adams, Boyce, Crossin, Furner, Moore and Siewert,

Terms of reference for the inquiry:

To inquire into and report on: Social Security and Other Legislation Amendment (Welfare Reform and Reinstatement of Racial Discrimination Act) Bill 2009

WITNESSES

ASH, Ms Sue, Chief Executive Officer, Western Australian Council of Social Services..... 10

BEECROFT, Ms Lorilee, Senior Policy Officer, Western Australian Council of Social Services..... 10

DEL BORRELLO, Ms Melissa, Corporate Projects Officer, UnitingCare West 18

**DIAMOND, Ms Susan Kerri Reidpath, Director, Child Protection, Department for Child
Protection (Western Australia)..... 1**

HALL, Mr Chris, Chief Executive Officer, UnitingCare West..... 18

**LANDER, Ms Fiona Jane, Executive Director, Policy and Learning, Department for Child
Protection (Western Australia)..... 1**

Committee met at 4.00 pm

DIAMOND, Ms Susan Kerri Reidpath, Director, Child Protection, Department for Child Protection (Western Australia)

LANDER, Ms Fiona Jane, Executive Director, Policy and Learning, Department for Child Protection (Western Australia)

Evidence was taken via videoconference—

CHAIR (Senator Moore)—Welcome. We always begin by acknowledging the traditional owners when we are dealing with legislation that has so much impact on people who are from Aboriginal and Islander backgrounds. The Community Affairs Legislation Committee is looking into a raft of bills—none of which I will actually talk about in detail, because you know what they are—which relate to social security and other legislation and the reinstatement of the Racial Discrimination Act.

As departmental officers, I am sure that you have had experience in giving evidence at these sorts of hearings before. You will not be asked to give opinions on matters of policy, though questions concerning explanations and facts about the process can be directed to you. I cannot always guarantee that senators will not ask you questions about policy but you are not required to answer them. You have received information on parliamentary privilege and the protection of witnesses. I invite either or both of you to give an opening statement and then we will go to questions.

Ms Lander—The strategy of compulsory income management for child protection has not previously been undertaken in Australia. The WA intervention is significantly different from the interventions in the Northern Territory and Cape York. It is a child protection measure targeting specific families on a case by case basis when neglected children are an issue.

Income management for child protection has tended to be a short-term, high impact measure which focuses specifically on addressing neglect or assisting with the reunification of children with their families. It is important to point out that income management for child protection is not a net widening initiative. Parents referred for income management are those with whom the Department for Child Protection would normally have a role. Income management has not changed the threshold of neglect cases that we deal with. As the committee is aware, the measure is made possible under the Commonwealth social security and other legislation amendment act, with the initiatives announced by the Commonwealth Minister for Families, Housing, Community Services and Indigenous Affairs on 27 February 2008.

That announcement followed the publication, in 2008, of the Hope report—Alistair Hope is our coroner—and the findings of his inquiry into the deaths of 22 Indigenous people in the Kimberley. The Hope report recommended that, in cases of child neglect, income management for child protection be introduced as a case management tool and as part of broader services to address underlying issues contributing to child neglect.

Income management for child protection in WA is an ongoing evaluated trial which runs until 30 June 2010. It is being rolled out incrementally. It is targeted at addressing child neglect, exacerbated by financial mismanagement. It is considered on a case by case basis and is supported by access to voluntary income management. This measure allows the Department of Child Protection to notify Centrelink to income manage up to 70 per cent of a client's welfare payment. At the midpoint review between the department and Centrelink the department can reduce this to 50 per cent if it will be of benefit to the department's case goal with the family. An individual must be in receipt of specific kinds of welfare payments, known as trigger payments, and they are defined in legislation as a category H payment from Centrelink or the Department of Veterans' Affairs.

The Department of Child Protection determines the length of time that income management can be applied. It can be for a minimum of three months and up to a maximum of 12 months in any two-year period. If the current situation improves at any point during that time the Department of Child Protection can advise Centrelink to cease income management or reduce the length of time for which it applies. Once the client exits the Income Management for Child Protection scheme they are encouraged to continue to manage their resources through voluntary income management where it is available. Currently, income management for child protection operates across eight metropolitan districts, those being Armadale, Cannington, Fremantle, Joondalup, Midland, Mirrabooka, Rockingham and the country districts of East and West Kimberley.

The Department of Child Protection has expressed its concerns about child neglect and works with the parent and relevant agencies to ensure that the basic needs of children and young people are met. We use income management as one tool, along with other support services, to assist parents to manage their income to

meet those basic needs. The decision that neglect is occurring can arise from an assessment of a concern for a child. An assessment is part of the normal case management process with a family that the department is already working with. For example, it might be for chronic neglect or domestic violence, an investigation of neglect or an investigation of other forms of abuse, which may or may not be substantiated. However, during the investigation it becomes apparent that neglect is occurring.

The department's operational description of neglect is the basis of explaining when neglect is occurring. Neglect is when a child is not provided with adequate food or shelter; effective medical, therapeutic or remedial treatment and/or care; and supervision to a severe and/or persistent extent. The referral criteria for income management for open cases where the child is not in the CEO's care are as follows: neglect of a person's child is occurring and income management is likely to be in the best interests of the child and the parent's or the person with parental responsibility's use of available financial resources is a contributing factor to the neglect and income management is likely to improve the parent's use of available financial resources and the department has case management for the period of income management.

For children who are in the CEO's care for reunification purposes the criteria are that the parent's current use of available financial resources is a barrier to reunification as it is likely to result in the neglect of the child if returned and income management is likely to improve the parent's use of available financial resources to meet the needs of the child. And, finally, income management is also in the best interests of any children currently in that person's care.

Case managers look for one or more of the following signs of neglect when considering whether income management should be used as a case management tool: low weight for age or failure to grow for no medical reason; neglected health or medical needs; concerns regarding standards of hygiene, inadequate food, accommodation or clothing; neglect of educational needs but not truancy; and a lack of supervision relevant to the age of the child.

Departmental staff have indicated that income management for child protection is proving to be a very useful tool in addressing neglect and assisting in the reunification of children and, where appropriate, supporting children leaving the CEO's care to achieve independence.

In relation to review processes Centrelink is responsible for appeals in relation to decisions regarding eligibility and allocation of funds. The Department of Child Protection, however, is responsible for reviewing decisions where the person disagrees with either the department's decision to refer the individual for income management or the proposed duration of income management. If the decisions relate to a child who is not in the CEO's care, reviews are dealt with through the administrative process. If the decision relates to a child in the CEO's care, that is part of the care plan. Our Children and Community Services Act applies and sets out procedures to be followed in relation to review of case planning decisions by the case review panel and the state administrative tribunal.

We have consistently delivered community information sessions in the districts in which income management is operating. These have been joint community information sessions between our department and Centrelink staff and FaHCSIA on most social occasions. Attendees at the community sessions have generally been supportive of the issues and any concerns have related to how the process actually works rather than whether it is an appropriate tool to assist issues of child neglect. Community members have responded very positively to voluntary income management. The department has ensured that key stakeholders have been kept informed of the issue and we consistently briefed the Aboriginal Reference Group, the communities at the roundtable, the Western Australian Council of Social Services, Aboriginal Legal Services WA, the Women's Council for Domestic and Family Violence Services and the Multicultural Services Centre WA.

As at 29 January 2010 the department made inquiries as to the eligibility of 193 individuals for income management for child protection, of whom 177 were considered appropriate and eligible. On the same date the department had referred 339 clients, with 204 of those clients currently on income management for child protection. Of those, 176 are Indigenous, 26 are non-Indigenous and two did not disclose. I hope that gives you a broad overview of how income management for child protection in WA works. I am happy to answer questions.

CHAIR—Ms Diamond, do you have anything to add at this stage?

Ms Diamond—No, I do not.

CHAIR—Given the time, senators can have two questions each to start with.

Senator SIEWERT—I am particularly interested in your comments about the effectiveness of income management. Can you tell me how you measured the effectiveness and who did the measurement. How do you then assign that effectiveness to income management rather than to a case management or between the two?

Ms Lander—There is an evaluation schedule that I am sure you are aware of. There has been an interim evaluation report prepared. However, that is not being released publicly. The evaluation is being managed and coordinated by the Commonwealth, not by the department. We have had input into the development of the methodology et cetera, but it is the Commonwealth's responsibility. A final report, the focus group, the interview, the survey are due to be done sometime between March and May, with the final report due in June and July. We are working towards that schedule. Of course, we are very interested to see what those final results will be, particularly with the focus groups where clients have been on income management. However, in the interim, in terms of assessing effectiveness we assess income management for child protection in the same way that we assess all of our case management tools and that is through how effective it is with the client. Anecdotally, we talk to our case workers on a very frequent basis and we get feedback about how it is working. As you would expect, where the parents are initially referred for income management the reaction is not always positive. However, when they understand how the process works and how it can help them manage their financial resources and understand that they still have 30 per cent of their funds as discretionary they are generally very supportive. So we look for case managers' referral rate and uptake and also the anecdotal feedback about how clients are responding and how they are finding it. We have had some fantastic stories about how the financial management aspect has really helped people look after their children much more effectively.

Senator SIEWERT—In terms of case management, could you outline what additional support the department provides for people that are on income management?

Ms Lander—If the children are not in care we will be working with the family in a non-statutory sense. We provide other family support services such as parent support where it is available, which is a program that helps parents understand the principles of parenting and includes home visits et cetera. There is a range of other non-government support that we provide, but it all depends on a case-by-case analysis.

Senator SIEWERT—Is the parent support program the current program that the WA government provides?

Ms Lander—Yes, that is correct, under the umbrella service of responsible parenting.

Senator SIEWERT—Thank you. I have lots of other questions and I will see if I can get another shot later.

Senator ADAMS—I would like to ask you a question about the Kimberley and the BasicsCard. We have just been up in the Territory and I asked about Territory people with the BasicsCard going into WA for the sorry business and issues like that where they have had to travel. Someone did say that the BasicsCard could be accepted by stores in Western Australia. Could you help me with that?

Ms Lander—Do you mean those BasicsCards issued in the Northern Territory and used by WA merchants?

Senator ADAMS—Yes.

Ms Lander—We think that is the case. I have not come across it myself but we understand that the arrangements are that, if you have a BasicsCard, it can be used by any signed-up merchant.

Senator ADAMS—Could you take that on notice and see if you could get some more information for us about that?

Ms Lander—Certainly it will come from the Commonwealth.

Senator ADAMS—The second question was on the 70 per cent of income. There has been some criticism of such a large slice of the income being quarantined. Could tell me how that has worked out as far as the people concerned? You said that once they get accustomed to it the rent is being paid and a few other things that they want come out as well. Could you comment about the practical aspect of that?

Ms Lander—Initially the initiative was rolled out in WA and we were talking about people thinking that 70 per cent was an awful lot of money. The reality is that a lot of those basic needs do chew up about 70 per cent of the income. What we are finding though is, where the 70 per cent has been quarantined, there are a number of families who are actually accruing some excess funds, which is a really positive unintended consequence. At the end of or during the period of income management they can actually use those accrued funds for a special purchase. It might be whitegoods. We have heard of stories where people have booked holidays for the first time because they have never managed their finances before to a point where they had savings. I think that is a really positive story that is coming out.

Senator FURNER—In relation to your interim evaluation program or report card that is coming out, I am wondering whether you have any data at this stage of improvements in nutrition in particular for children in some of those remote locations?

Ms Lander—The interim evaluation report is not going to be made public. That is a decision that has been made by the Commonwealth minister. In terms of whether there is actual detail of things like nutrition, it does not drill down to the specific factors that we look for, so that will not be in the report.

Senator FURNER—I do not have any more questions at this stage.

Senator SIEWERT—I would like to continue the line of questioning that I was pursuing earlier. For the additional case management support, how much would you say that the department has provided in additional support for the people that have been quarantined? What is the additional workload or resources that the WA department has put into that case management?

Ms Lander—It is not a huge deal of resources because it is a case management tool that we have streamlined into all of our other case management support. It is just another initiative or another measure that case workers can invoke when it is appropriate. In terms of the additional support that people have received, as I said earlier, it does depend on the case. If it is a fairly significant case but it does not meet the threshold of a child protection concern then we would obviously wrap more support around that family than just income management, and they would be referred for non-government service provision, responsible care and a host of other services.

Senator SIEWERT—In terms of the non-government support, are you relying on the additional money the Commonwealth has given to some of the non-government organisations, or are you providing additional resources to the non-government organisations as well?

Ms Lander—No, this has not changed the way we work with non-government organisations at all. We already have funding arrangements in place with a large number of non-government organisations and, as I said, we have not changed our threshold for neglect and we have not broadened the net of the people we are working with. So it is business as usual in terms of our relationship with non-government agencies. We would make referrals as we did two years ago, before income management applied.

Senator SIEWERT—If this legislation were rolled out, the provisions in the legislation that we are looking at give the government the ability to roll out compulsory income management to a certain category, category E, across Australia into the future. Would you see that as a valuable tool, and what resource implications would it have for your agency, where you have a much wider group of people that are subject to income management?

Ms Lander—Sorry, your question is: if we rolled out income management for child protection across Australia?

Senator SIEWERT—No. If you rolled it out according to this legislation to category E people—which includes single parents, so you obviously have people with dependants there—do you foresee that it would have an increased impact for your agency, or who would provide the support in Western Australia for parents that are quarantined?

Ms Lander—That scheme would be more similar to the way in which voluntary income management works, and the staff of Child Protection would probably not have a role in those particular cases, but there may well be cost implications for state governments.

Senator SIEWERT—Yes, that is what I am asking. Are there cost implications? You are saying that your agency would not necessarily provide that support, but then my question is: who would in WA?

Ms Lander—It really does depend on how that initiative was rolled out and whether support services were part of the package. It could well be that income management is rolled out and support services are not mandatorily wrapped around the individuals. I am not 100 per cent sure of how that scheme would work.

Senator SIEWERT—So you are not aware of any discussions, then, between the WA government and the federal government on how such a rollout would work?

Ms Lander—No.

CHAIR—Senator Adams, you now have three question areas.

Senator ADAMS—With the number of people wanting to opt in, is that becoming more popular, or what could you comment about that?

Ms Lander—Yes, the voluntary income management scheme has become more popular and, of course, as we roll the child protection income management initiative into this scheme, the voluntary scheme becomes more available and more known about as well. I think that people in the community do see voluntary income management as a positive tool to help them with their financial management, and that is why we are seeing increasing numbers self-referring.

Senator ADAMS—Is there any limit to the number that can self-refer?

Ms Lander—That is a Commonwealth fund; that would be a question for the Commonwealth. It is funded through the Commonwealth, but I do not think there is an upper limit.

Senator ADAMS—Could you just give me an overview of the Kimberley for the numbers, firstly, that are referred from a case manager and, secondly, that are opting in to be income managed?

Ms Lander—I am sorry; we do not have Kimberley-specific data with us.

Senator ADAMS—Is it possible to get it? Can you take it notice?

Ms Lander—That is fine.

Senator ADAMS—I would appreciate that if you could do it.

Ms Lander—So you want the number of clients referred on to compulsory income management for the Kimberley?

Senator ADAMS—Yes, and voluntary as well.

Ms Lander—Okay. We do not keep data on voluntary income management referrals; that is the Commonwealth.

Senator ADAMS—All right, thank you.

CHAIR—Ms Lander, you gave us a series of figures in your opening presentation about how many families were involved. Would you be able to run through those figures again for us? Also, could you send that document over to us so that we can read it? Is that possible?

Ms Lander—Yes, that is fine.

CHAIR—If you could just run through those figures so that we have them very clear in our minds, that would be very useful.

Ms Lander—Okay. The figures as at 29 January were that the department had made inquiries as to the eligibility for compulsory income management of 193 individuals. Of those, 177—

CHAIR—Ms Lander, there is a question before you even go any further.

Senator SIEWERT—Could you define what ‘eligible’ means, because I am a bit confused—I apologise—when you are talking about those that are on it and those that are eligible? Could you just explain what you mean by those terms?

Ms Lander—Yes. The eligibility relates to the type of Centrelink payment that the individuals are on. They are called trigger payments, and there are some payments that are excluded, such as CDEP, and family tax benefit is excluded as well if it is the sole payment.

Senator SIEWERT—Sorry?

Ms Lander—Family tax benefit is excluded as well if it is the sole payment to that family.

Senator SIEWERT—So, when you say 193 were eligible, they were people that the department referred?

Ms Lander—There were 177 of the 193 that we rang up about to inquire about whether they were eligible.

Senator SIEWERT—Thank you, that is clearer.

Ms Lander—So, again, as at 29 January, the department had referred 339 clients, with 204 of those clients currently on income management for child protection. Of those 204, 176 are indigenous, 26 are non-Indigenous and two did not disclose.

Senator SIEWERT—Presumably those 204 are throughout the state; is that correct?

Ms Lander—They live in the 10 districts, so that is eight metropolitan districts and two country districts.

Senator SIEWERT—So you will send us the breakdown of the metro versus the Kimberley?

Ms Lander—Can do. Yes, we will provide that.

Senator SIEWERT—What is the difference between the 339 that were referred and the 204?

Ms Lander—Some were considered not eligible, but we did not make the original inquiry, so the referral was made and they were not allowed to go on income management. Some had been on income management but since exited the scheme. Others we worked with and decided not to proceed with income management because there were other tools available to us to work with that family to achieve outcomes.

Senator SIEWERT—Could you tell us—and you might have to take this on notice—how many have come on and gone off? I am presuming that they have addressed the issues of neglect that they were referred for. And could you tell us if there is anybody who has gone on, come off and gone back on again? Does that make sense?

Ms Lander—It does. Those who have exited the program have exited for a range of reasons. It might be because they have achieved the goals that were set through case planning and therefore neglect is no longer present. It might be that they have changed the payment that they get from Centrelink and they are no longer on a trigger payment so they are no longer eligible. It might even be that things have escalated and the children are now in the care of the CEO and it is a different approach. So there are a range of reasons.

In terms of whether anyone has been on income management, come off and gone back on, yes, that has been our experience. We do not see that as a negative thing. The second time around, obviously, the clients know how the system works. It is always consensual, and quite often they would be very happy to go back on it because they know it helps.

Senator SIEWERT—When you said it is always consensual, I did not understand that that was the case. I thought, if you are triggered, you are on.

Ms Lander—Yes, a poor choice of words. It is compulsory in the sense that our caseworkers would always sit down with the family and talk it through. So they talk about how the measure would work, they suggest very strongly that it would be a good way of going in order to achieve better outcomes for their children. I understand the parents are not always happy about it in the first instance but normally it is received. I am not aware of any cases where the family has been so objectionable that it has been antagonistic. There have been a couple of appeals. But the way that social workers work is quite conciliatory and obviously they sit down with the family and try to get some consensus for the referral. You are right, it is not always possible.

Senator SIEWERT—In terms of appeals you have gone to a place that I want to go to and ask around the number of appeals that have gone to Centrelink. You probably do not know about that so I will ask Centrelink. Is that correct?

Ms Lander—Yes.

Senator SIEWERT—That is about technicalities, I presume, about the way the income support works?

Ms Lander—Centrelink would receive appeals on the grounds of eligibility and the amount of money that is being managed—the way it is allocated.

Senator SIEWERT—So they appeal to you about whether they should have been put on in the first place? Is that the correct breakdown?

Ms Lander—And for the duration. They can appeal on the ground that they think they should not be going on income management or they can appeal on the ground that they are going on income management for too long a period.

Senator SIEWERT—And how many have you had?

Ms Lander—There are three appeals that we are aware of. Two have been resolved. Of those two, the original decision to refer the client onto income management was upheld and there is one that is currently in process.

Senator SIEWERT—Parenting plans are when the child is in the care of the CEO. Is that correct?

Ms Lander—When a child comes into the care of the CEO we have a legislative requirement that, within quite a short period of time, we document a care plan that outlines how we will look after that child against a domain of care.

Senator SIEWERT—So that is when the child comes into the care of the CEO. What happens with the parent's income? Are you saying that when a child comes into the care of a CEO, the parent's income is quarantined? I am not quite getting the comment around the use of this instrument.

Ms Lander—No, it is not used for that purpose. If the children are in the CEO's care, and it is determined that a barrier to reunification is the parent using their financial resources, we may refer them.

Senator SIEWERT—Sorry, I was a little confused about where income support was being used in those circumstances where a child was in the care of the CEO. So what you are saying—so I get it right—is that, if you are looking at reunification, you may talk to the parent around income quarantining to enable the child to return.

Ms Lander—Yes, if one of the contributing factors to our not returning the child is neglect caused by financial mismanagement.

Senator SIEWERT—How many times has that occurred?

Ms Lander—We do not have the numbers available on that. Reunification was not the primary usage for income management for child protection. However, once we rolled it out into the initial district, a number of the districts said to us, 'You know, this could really work for reunification' and it has. So we could look at providing those numbers out of session.

Senator SIEWERT—If you could take it on notice, that would be really appreciated. I do not have another area but somebody else might have a question.

CHAIR—Ms Lander, I have a question. It is to do with the example you gave about some of your clients having told you that they were able to accumulate more cash via income management. You were saying that under the system you are involved in—not your personal system—it is up to 70 per cent of quarantining if that is deemed appropriate. Is that right?

Ms Lander—Yes, it is up to 70 per cent and then at the mid-term review that can be revised down to 50 per cent.

CHAIR—I am trying to understand how people can get cash. It seems to me that what you are saying is that by having their income quarantined and the actual basic needs of the family covered by the 70 per cent it means that they can accumulate more in the 30 per cent towards ready cash. Is that what you are saying?

Ms Lander—No.

CHAIR—No? That is what I wanted to get clear.

Ms Lander—If we quarantine 70 per cent, they have 30 per cent discretionary funding. Of the 70 per cent, where funds are accumulated above and beyond meeting the basic necessities, there is still a plan in place for that expenditure. The cash would not be released to them. It is for bulk purchases. They might wish to buy some white goods. They might wish to purchase a bigger item. That is what it is used for. If they exited the scheme and the excess fund was still in the account, it would be released incrementally. They would not get a large lump sum in one hit.

CHAIR—In terms of the planning process—and I think it is particularly important that they are working with someone all the way through to see how the money is being spent and accumulated—if they did want to have a large discretionary payment out of the 70 per cent quarantined fund that would then go into their plan; is that right?

Ms Lander—Not our case plan or care plan. That would be a discussion with Centrelink around what they would like to use the money for, and Centrelink would then arrange for that purchase or that payment.

CHAIR—So all the way through someone is helping them and working with them with the money?

Ms Lander—Yes. They can use those excess funds for anything other than prohibited goods. They cannot buy alcohol, pornography or gift cards.

CHAIR—Are you using the BasicsCard in your system?

Ms Lander—We are.

CHAIR—I know Senator Adams went here a little bit earlier, but are you aware of whether people have come to you with problems about the way the BasicsCard operates?

Ms Lander—I think in a scheme of this nature you will always come across some individuals who have had some problems. However, on the whole, I think it is operating really well. There was a glitch last year at one point in one of our remote locations where the technology failed, but Centrelink and FaHCSIA were very good. They got a phone line and they were able to issue vouchers and/or arrange for the purchases to be made

directly from the merchants. So I think the system that Centrelink has in place to manage the BasicsCard is actually very good.

Senator SIEWERT—Can I just follow up on that. Are you aware of the number of complaints that people have lodged about the use of the BasicsCard?

Ms Lander—No, we would not receive those because they would be made directly to Centrelink.

Senator SIEWERT—In other words, what you are saying is that what you have is a feeling. You do not actually have any figures on what reaction people have had to the BasicsCard.

Ms Lander—No. We have had no complaints lodged with us about the BasicsCard. We have had a number of people who have indicated that they could not use the merchant in their area. They then rang Centrelink and Centrelink did everything they could to sign that merchant up and if the merchant did not want to sign up they arranged payment straight away. So the stories we have heard back have been quite positive.

Senator SIEWERT—I appreciate that people deal with Centrelink as a voluntary approach; do you have anything to do with the people who have gone voluntarily onto income management?

Ms Lander—Only if we were already working with the families in some capacity. If an individual elected to go on voluntary income management and had nothing to do with Child Protection before it is unlikely they would then have something to do with Child Protection unless something changed in their family's situation. But we initiated a process with Centrelink just last year whereby we became aware that a lot of the clients we were working with did want to access income management and we had no handle on how many were accessing voluntary income management because of what they had found out from Child Protection. We do a kind of warm referral where clients we are working with who do not meet the neglect threshold can go to Centrelink and we to record whether they found out about voluntary income management through the Department of Child Protection.

Senator SIEWERT—Do you use it as a tool in terms of saying to people, 'This will help you with your parenting plans if you go onto voluntary management'?

Ms Lander—We do. We work with families across a broad range of areas. It is not just child protection; we also provide individual and family support to individuals and families, and quite often we have contact with families who just need a little more help. In meeting with them we would be recommending or suggesting that they might like to go down that path.

Senator SIEWERT—How many people have you suggested that to and how many of those have taken it up? Do you track that?

Ms Lander—We do not necessarily have a case on it. If someone walks into one of our district offices for a chat about their situation, we record some basic information, but it would not go down to the detail of what was suggested.

Senator SIEWERT—I have a question about how your caseworkers work with Centrelink and the financial assistance that Centrelink provide to the people that you are working with. Is there an automatic link there or is it up to the individual's case managers?

Ms Lander—On the referral form that we send through there is a reference to the financial counselling and money management support but, of course, that is a voluntary component that the individual can choose to take up or not. We identify the priority needs. On our form we list whether clothing, housing or food are the priorities. Then if that individual does go to the financial counsellor, they look at the priority list and assist them accordingly.

Senator SIEWERT—Sorry, I might have confused you with my question. I meant in terms of the specific. There is access to financial managers—financial counselling—but there are also the case managers associated with Centrelink who are the ones who actually work out how much somebody spends on something.

Ms Lander—The Centrelink case managers sit down or talk to the client and they work out the allocations based on that priority list that we provide. Again, it links back to what was the cause of the neglect.

Senator SIEWERT—What about the link between the two case managers—the one from your agency and the one from Centrelink?

Ms Lander—There would not be a strong relationship. It is mostly based around the referral form. In regional areas, where people tend to know the other case managers working for different agencies, there would be a better relationship perhaps than in the metropolitan area, where it would be a paper based referral.

CHAIR—Thank you, Ms Lander and Ms Diamond, for your evidence. The secretariat will be in contact with you specifying exactly what questions we have put on notice and we hope that we will be able to get that information.

Ms Lander—Thanks very much.

[4.45 pm]

ASH, Ms Sue, Chief Executive Officer, Western Australian Council of Social Services

BEECROFT, Ms Lorilee, Senior Policy Officer, Western Australian Council of Social Services

Evidence was taken via teleconference—

CHAIR—We welcome witnesses from Western Australian Council of Social Services. Thank you for your time and your submission—we do appreciate that. I know you are experienced with these things, so following any opening comments you might wish to make we will go directly to questions.

Ms Ash—Thank you to the committee for the opportunity to participate in your inquiry. WACOSS has a great interest in this reform, one that we see as being a radical shift in social policy that will affect a great number of vulnerable members in our community. If I can just give you a quick precis about WACOSS, we are a member organisation. We have about 300 members, both organisations and individuals, and about 800 social service organisations are connected with us in some shape or form in Western Australia. Our members are mostly providers of social services and we fulfil two roles: (1) we support the delivery of services by sustainable community service organisations; and (2) we are also heavily involved in ensuring that those who are vulnerable in our community are treated fairly and justly.

Our particular interest is in the implications of trying to live on low incomes in Western Australia. In December 2009 WACOSS participated in the COSS network development of a joint statement outlining our position on the proposed amendments of the Social Security and Other Legislation Amendment (Welfare Reform and Reinstatement of Racial Discrimination Act) Bill 2009. Our statement was supported by community service organisations nationally including the AASW, the Catholic Social Services organisation, People with Disability Australia, Jobs Australia, National Shelter, St Vincent de Paul and UnitingCare Australia.

We share ACOSS's concerns relating to the reform measures and we endorse their submission that was made to this inquiry. In giving evidence today, WACOSS would like to highlight a number of our own concerns with these reforms. They relate broadly to the policy development and consultation process, the lack of evidence base, the human rights implications of a shift to blanket conditional welfare and what we see as a failure to address the systemic causes of poverty and disadvantage by this strategy. We would like to share our experiences of what we know works for children and families and offer alternatives for how federal government policy might achieve its stated aims of these reforms.

One of these reforms is around promoting responsibility and strengthening families by ensuring that welfare is spent where it is intended: on the essentials of life and in the interests of children. We would argue that to see better outcomes for children and families we should stop diverting resources from effective programs and services into income management, which is expensive to administer, with no established hard evidence that it actually works. We would argue that a sustainable approach would invest in addressing the root causes of poverty and social exclusion. We must also be prepared to wait for the outcomes if we are to see real lasting and meaningful change for families facing poverty.

The other aim is to foster individual responsibility and to provide a platform for people to move up and out of welfare dependence. We join ACOSS in suggesting that solutions should focus on investment in social services, ensuring the adequacy of social security payments and providing better employment assistance for the long-term unemployed. We would also argue that imposing compulsory income management to control already inadequate payments may indeed be counterproductive to achieving this outcome. This is especially true for our young people, who at this point in their lives are just learning how to be financially independent. The learning process involves trial and error. We must give our young people the chance to learn these lessons themselves before imposing such strict income management on them.

In policy development and the consultation process, WACOSS's concerns are fundamentally around the seemingly limited phase of policy development compared with the scope and magnitude of the proposed reforms. There were consistent complaints about the lack of consultation preceding implementation in the Northern Territory and confusion as to why the scheme was applying only to Aboriginal people, many of whom were managing their finances very well. Aboriginal people were not given the option of participating in a voluntary scheme; they were asked only if they were happy with the existing model or if they would like an opt-out model whereby they would be exempt if they showed evidence of positive parenting and socially responsible behaviour.

In essence, it feels as though they were guilty until they were able to prove themselves innocent, and this is a real concern for us in terms of where the burden of compliance remains with individual people. While extensive consultations followed the many reports and reviews of the Northern Territory Emergency Response, many of the recommendations contained in one major review by the Northern Territory review board appear to have been ignored. Released in October 2008, it called for the blanket application of income management in the Northern Territory to cease and be replaced with a voluntary scheme with limited compulsory income management for child protection, as in WA.

As the evaluations of income management in the Northern Territory came to light it was clear that the support of the scheme was patchy and that there were some significant data limitations. The AIHW report released in August 2009 stated that only 76 participants out of the 15,000-plus clients being income managed completed the 2009 client interviews. These were key data sources for the evaluation. Other methods of data collection were used but many also had quality issues. For example, participants in the evaluation were not randomly selected, which may have increased the risk of bias to report favourably on the outcomes. Importantly, there was also no previously established baseline data on expenditure patterns, making it difficult to gauge whether improvements in living conditions had been achieved and whether they could be attributed solely to income management.

Our next issue was really the lack of an evidence base. The evidence to support these reforms seems to be severely lacking. The Northern Territory review board noted these limitations, one of the most significant being, as mentioned, that there was no baseline data to enable comparisons to be made about the wellbeing of people in the Northern Territory before and after the intervention. The AIHW's report also noted that all the research methods used would sit towards the bottom of the evidence hierarchy.

In WA, WACOSS was involved in very early discussions evaluating the income management scheme in April 2009. Since the scheme had only been in operation since November 2008 it was very difficult to determine the effectiveness of the scheme, bar what little anecdotal evidence we had started to gather from services operating in the Cannington district. In fact, at the consultation we were involved with, only six representatives from community service organisations were present.

Initially WACOSS was concerned that the scheme was introduced in a policy vacuum. The national child protection framework had not been signed off, and so we were unsure how this legislation was going to interact. We also see a disconnect here between federal and state social policy. Our view would be that the federal government describes it as a key tool in welfare reform, whereas in WA the child protection agency and others describe it as one tool in the child protection system. We believe that these two measures are very different.

We had concerns about the extremely high percentage of income—in this case, 70 per cent—that was to be withheld. In metropolitan settings where rents are higher along with the cost of living more generally, we felt withholding such a large amount would be very detrimental for families. WACOSS has tracked living costs in WA for a number of years, and if it is relevant to the committee we could certainly provide you our research on living costs in WA. The living costs continue to rise far beyond the level of wage growth in Western Australia. We argue that to quarantine even 50 per cent of income will create immense pressures for families who are struggling to make ends meet. We would be pleased to provide you with a copy of our report, if that is relevant.

Reports also suggest that the merchant stores accepting BasicsCards were not necessarily appropriate for the demographic of families being subjected to income management. People were limited in where they could shop, subjecting them to higher prices and less choice. Shopping around at markets or smaller businesses was very difficult. From a cultural perspective, many people from diverse backgrounds were also not having their needs met. Many were unable to buy certified halal produce and were restricted in where they could shop.

I suppose in summary what we are trying to say is that taking the principles from the Northern Territory intervention and applying them in metropolitan areas is a really significant and difficult jump. These are just some of the examples of what happens when you try and do that. Introducing blanket income management for all welfare recipients in disadvantaged areas is effectively, we believe, an expensive gamble. The problem for many people will be the message that that gives about the government's confidence in their ability to be engaged. My understanding is that you have the rest of this submission with you. If that is the case, then I wonder whether it is better if we engage in answering any questions that you have. Otherwise, I could continue with our submission.

CHAIR—I thought you were making some commentary on your submission—

Ms Ash—Yes, I was.

CHAIR—but you are just reading it. There is no value in just reading it.

Ms Ash—No.

CHAIR—Ms Beecroft, did you have anything to add at this stage?

Ms Beecroft—Not at this stage, no.

CHAIR—I have one question, and I noted it on your written submission. You make a point about the rent costs in WA, which we are very much familiar with in this committee. My understanding was that rent was part of the quarantined amount, so it was not part of the discretionary payment.

Ms Beecroft—Yes, I think that is correct, but I suppose in terms of living costs in general there would be other components of a family's general expenditure patterns that would be greatly affected by income being quarantined.

CHAIR—What part of a general family support income is not covered in the quarantine? Rent, gas, electricity and food are all part of the quarantined component. I am really interested to know what parts of your standard family support expenditure would not be covered in the quarantined component.

Ms Ash—Our concern would be that for many families where the income is being managed there is just not sufficient money to actually meet all of those costs because of the aggregate of the costs that the families have to make out of those payments.

CHAIR—That is a question about the quantum of the payment rather than what is quarantined and what is not?

Ms Ash—Yes.

CHAIR—That is fine; I totally accept that. From the argument, I thought it was linking the inability to survive with the fact that part of it is quarantined, but you are actually making the comment—quite supportable in many ways—that, with the high cost of living, a standard pension payment or a standard unemployment payment or a Newstart payment is just not sufficient.

Ms Ash—Yes, and I think one of the really big issues is that, in terms of which payments get priority, what we are finding is that, for instance, accommodation costs that are being covered by the payment are taking priority over some of the other more discretionary costs. So, effectively, it is beginning to be like guaranteeing payment for landlords as opposed to looking at the whole challenge of trying to live on a very small income. And many of the families who are battling to make their income stretch are then getting into the circumstances where they are being seen to be making poor decisions about expenditure and therefore, in terms of child protection, are being looked at to see whether or not they are falling into the realm of neglecting their children.

CHAIR—I could go on for a while, Ms Ash, but I will not take up the time; I will go to Senator Siewert.

Senator SIEWERT—Thank you. I have some other questions but I will just follow up on where we just left off. Are you saying that, in terms of the way people prioritise payments, sometimes they will prioritise buying food—for instance, if they can make a bulk purchase—or if they are short one particular week then they will not pay their rent and make up the arrears later on? So it is not always that they will pay their rent every week or every second week but that sometimes they will go into debt on their accommodation in order to pay other bills, and that they essentially move their payments around in order to meet the greatest need at the time—is that what you are saying?

Ms Ash—Yes, that is certainly the feedback that we are getting from both emergency assistance and financial counselling organisations—that, for people on limited incomes, with expenses that are beyond their limited income, that is exactly how they will manage. The consequences, however, are that sometimes that effectively comes unstuck, and they end up with bills that mount up and then they end up in default situations—for instance, around their accommodation—and that then becomes a much bigger issue than just juggling how you make limited income meet the demands of a family.

Senator SIEWERT—I would like to go back and explore with you your experience with the implementation of both the compulsory component and the voluntary component of income management in Western Australia because, besides the Cape York trial, it is the only other example in Australia of where we have had another version of the income management trial. We have had Cape York, the Northern Territory and Western Australia. I do not know if you were in the room when we heard from the department but we heard

from them of their experience and view of this, and I am wondering if you could give us your view on how you think it has been implemented in Western Australia.

Ms Ash—The Kimberley's experience and the metropolitan area's experience were quite different. The feedback that we have had from the Kimberley—and this has been sourced through some community service organisations and some individuals—is that, on the whole, because it did not cover whole communities like it did in the Northern Territory, there was a degree of people wanting to engage with the concept of income management.

Certainly there has been some support for voluntary income management in the Kimberley. People were very nervous about the compulsory income management. They did not want to engage with it, except in one circumstance. That was where, apparently, women vulnerable to domestic violence felt that it was a good way of being able to get some control over the way in which their income was being used. Effectively it enabled them to say to family members that the government or the welfare had determined how money was to be spent, and that gave them a semblance of protection.

One of the worrying concerns for us with the long-term implications of this sort of strategy is what it then does in terms of people effectively leading family members to believe that they are being compulsorily income managed when in actual fact they are wanting to engage in voluntary income management. We believe that long term it just builds a really problematic relationship between government and the people. Essentially it is maintaining the sense of government as being controller of the outcomes for Aboriginal people in particular, whereas we believe this whole strategy is about trying to decrease welfare dependence and the control of government in people's lives.

In the metropolitan area the rollout was much more patchy. We know that there has been support from the Minister for Child Protection and she has extended the number of areas in which income management was able to be implemented within the scope of the child protection strategy. The feedback that we have had from the vast majority of people is that they have been very concerned about what that meant in terms of how the review process could happen. There is a bit of a sense that once you are on income management you are going to be income managed for a long time, even though there are demonstrable review processes and controls. But the perception of the people who are on income management seems to be that once you are there, you are there for a long time. So that is one concern.

The second big concern has been that in the metropolitan area, where compulsory income management was only for the purposes of child protection, we have serious concerns about whether or not the level of intervention and family support services and other things have actually been able to be implemented. We have sought clarification from the Department for Child Protection around this but we are still very concerned, from feedback from our members, about interventions such as family support services, financial counselling and other interventions that were necessary in order to get those families off compulsory income management and away from being at risk of neglecting their children. We are still not convinced that those services were being implemented at the level that we were led to believe.

Senator SIEWERT—What did you understand was the level of support that the department was going to provide? They said that they run a supporting parents program—their standard program—and that they have caseworkers to support the families, and they have obviously then got their caseworker from Centrelink. So they are the support services we were told the department provides to people that have been compulsorily quarantined. There are not any if you are on voluntary, but if you are on compulsory they are the services the department said they provide.

Ms Ash—Our source of information comes from people who are members of WACOSS, where we have had forums and informal discussions with them. They are telling us that, while the Department for Child Protection keeps a compulsorily income managed family as an open case, they still had serious concerns about whether or not there was enough active involvement, and their words were 'around sufficient family support services'.

Senator ADAMS—I would like to go back to a comment you made when talking about the Kimberley. I have had a number of conversations with people there. Their consensus is that they really do want to be involved and they want to be income managed, so I just wonder about your comment that it is not exactly a stigma but that it appears like that. I just think it is a choice. If those people feel that they can get on with their lives and do a lot better, they should be able to do it. A lot of them are saying, 'It's one way that we can get organised and, later on, if we want to get out we will.' They have opted to do it because they have seen the

way how well those who have gone on to the compulsory income management are doing and what they have been able to achieve. So could you just comment a little bit more on that, specifically on the Kimberley area.

Ms Beecroft—Certainly WACOSS has never opposed voluntary income management. Our concern about voluntary income management is really just the cost of running the system when in fact we believe that the Centrepay system could have been enhanced and that we did not need to actually have the second system in place. Our serious concern about the compulsory income management for the Kimberley is what it conveys in terms of a dependence on the government in making decisions. If compulsory income management were to be supported by people in the Kimberley, I suppose at one level it could be understood, but the concern is that it will go on, it does not have sufficient checks and balances and people do not have a sense that they need to move from compulsory income management to voluntary income management. Our view is that it needs to be a continuum so that people do not stay within voluntary income management but actually move to the Centrepay system, which is essentially the normative system for the rest of the community.

Senator ADAMS—It is not my place to argue with you, I guess. My second question is on your second statement that you have grave concerns about the punitive nature of conditional welfare, especially in terms of its impact on human rights and its discriminatory nature for Indigenous welfare recipients and the Northern Territory despite the reinstatement of the RDA. Would you like to comment on that?

Ms Beecroft—Fundamentally, while we welcome the reinstatement of the Racial Discrimination Act, we are worried that it will still disproportionately affect Aboriginal people. We are really quite concerned that the social security might not be being used for its intended purpose, which we feel is not just to effect social change or behavioural change but actually to help people get out of a hard spot and move into employment and have those options available to them.

Senator ADAMS—What is preventing them doing that at the moment?

Ms Beecroft—The financial hardships that they are under and the numerous different hard situations that people might find themselves in, whether it is homelessness, mental health or drug and alcohol issues, or a fall in employment. They might not be unemployed but underemployed. They might find themselves in housing stress. It is just a number of those interfacing wellbeing indicators that we feel a lot of people might not be able to move through.

Ms Ash—The corollary to that is that we need to continue to build a range of services that actually meet these quite complex needs. Again going back to the Kimberley, we have very limited access to drug and alcohol treatment services. We have limited mental health services. There are a whole range of services that need to be in place in order to facilitate some of the outcomes you are describing. But, again, income management is a simple way of trying to deal with the money issue when in actual fact for many of these people who are vulnerable to being put on compulsory income management their circumstances are such that they really need longer term, more intense and complex intervention in order to be able to achieve the outcomes. Compulsory income management will only achieve a short change in terms of their financial situation but it will not actually lead to the long-term outcomes that we are all desiring.

Senator ADAMS—Were you listening to the evidence given by the witnesses before you?

Ms Ash—No, we were not in the room.

Senator ADAMS—It is a pity that you were not, because you would have had a much better idea about the case management, the way that these people are being managed, and just where the office of child protection is hoping to go. I think they are making quite a positive move, and this is just the start. I would like to come back to my original question about the Northern Territory and how much involvement you have had to be able to make a statement such as the one you have put in your conclusion.

Ms Ash—We have worked heavily with the Northern Territory Council of Social Services, including quite robust discussions around what their position would be. Obviously they have been heavily involved with the whole implementation of the Northern Territory intervention. We have had close contact with the Northern Territory Council of Social Services and have been briefed by them about some of the debates of their board. They have continued to come out with the position of not supporting compulsory income management. We have certainly attempted to be as well briefed as possible about all of those things.

CHAIR—Ms Ash, in your comment you talked about the fact that income management is just one tool, a short, sharp tool on financial management rather than a longer term process to provide support. Are you aware that the government is only going to implement income management? Has it been in the information you have received that no other services will be provided?

Ms Ash—I do not quite understand the question.

CHAIR—I do not want to verbal you. It was just an immediate response to the financial means rather than what is more important—to have longer term support for people. That was in your last statement, at the heart of it. I am just trying to ascertain whether in your questioning of the government, or in any discussion, you have seen anything that said the only change is going to be income management.

Ms Ash—No, we certainly understood that there were going to be other services. Particularly within the state system, our concern was the lack of services such as the drug and alcohol services and the family support services.

CHAIR—That is totally understandable. I was just wondering whether you had seen anywhere that this was going to be in isolation, that the only change was going to be the income management.

Ms Ash—No.

Senator BOYCE—I have recently arrived at the hearing so I am not sure what has been covered already. Ms Ash, you talk about the Centrelink social worker being the person who would decide whether someone who is perhaps on an age or disability support pension would be brought into the compulsory income management system. Could you outline for us your concerns about that and what safeguards, if any, you think would make it acceptable?

Ms Ash—Fundamentally, we would be concerned about why a person on an age pension might even be considered. In the feedback around this issue that we are getting from our members, people who work in the aged care field, there does not seem to be a lot about even the need for this. In disability, the really critical issues are about people's engagement in making decisions about how they spend their income and the complexity of needing to make sure that carers or other people who are involved in the ongoing life of the person with the disability are actually engaged in any decision-making process

Senator BOYCE—Okay. But there would be examples of older people being financially or economically abused by other family members, for instance.

Ms Ash—There are certainly those examples, but there are systems in place to deal with that. Our public advocate takes up a number of those cases. The public trustee is already engaged with a number of those systems. Those systems do work. We understand that they get stretched in regional areas. Our question is whether we need another system. It is the same argument that we had about Centrepay: why not improve Centrepay rather than go down this track? Certainly for older people or vulnerable people, we have a range of systems already in place that seem to work.

Senator BOYCE—If this were to happen, would you support a system whereby the Centrelink social worker had to engage with the existing systems rather than make a decision themselves?

Ms Ash—We cannot see how the cost of implementing this system can be justified for the outcome. Providing additional services and resources in terms of support services and enhancing existing systems like Centrepay or other existing systems might not be a better option.

Senator BOYCE—Thank you.

Senator SIEWERT—I want to ask about the evaluation process for the WA trial. You said in your submission that you were involved in early discussions evaluating the income management scheme. Have you been involved in the evaluation process?

Ms Ash—Not formally. We have certainly made inquiries with the Department for Child Protection and with Centrelink, and we have been provided some information about those processes. We have also been engaged with ensuring that members of WACOSS are involved in any evaluation process that is going on. We have not formally appeared before any evaluation process since then.

Senator SIEWERT—Do you know much about the interim assessment that has been undertaken?

Ms Ash—We have not had any direct involvement, but we have certainly had information around that.

Senator SIEWERT—The government are not going to make the interim assessment available. Have they provided you with data around the process to date rather than just anecdotal evidence?

Ms Ash—The only information that we receive from time to time is the number of compulsory income managed families through a community service roundtable that WACOSS is part of and that is facilitated by the Department for Child Protection. I would have to check when we last received that data, but that would be the only data we have received formally.

CHAIR—It distresses me that WACOSS has not had formal briefings on the trial.

Ms Ash—We could give you the date of the last meeting that we had with FaHCSIA and with the Department for Child Protection. My recollection is that it was before Christmas. I do not think that we have had a meeting since then.

Senator SIEWERT—My understanding is that you are not saying you have not had a briefing; you are saying that you have not been given the data from the assessment.

Ms Ash—Yes. I am trying to be careful with language: briefing would be a formal tabling of a document where we would have been able to be engaged. We certainly have had meetings with FaHCSIA and the Department for Child Protection, but we have not seen formal documents apart from the data coming through the community service roundtable.

CHAIR—Some data did come to the roundtable about the number of cases and that kind of thing?

Ms Ash—Yes. It was literally the number of families on voluntary income management and families on compulsory income management. I could give you the dates.

Senator SIEWERT—It would be appreciated if you could do that, actually. What I am looking at is a more quantitative—rather than qualitative—evaluation of the trial that is being held in Western Australia. In other words, are we reducing the number of kids that are subject to neglect? Outcomes from the trial are what I am looking at. Have you had those discussions or reports back from the department about those sorts of outcomes?

Ms Ash—No, Senator.

CHAIR—No regular process of interaction?

Ms Ash—No; that would be accurate.

CHAIR—You may have been here for this, so stop me if I am repeating what you already know. I asked the department about the use of voluntary income management and they said: ‘That’s actually Centrelink’s responsibility. They suggest to people that they may want to take up voluntary income management as a tool for managing their income.’ My issue there is: how much of that is taken up in terms of the people they are engaging with? They could not give me any numbers at the time. They probably do not have any numbers; they are going to double check. Have you had feedback about the number of people that are involved in the voluntary process? We have been through the issues in the Kimberly a little bit but I am interested now in the metropolitan area. Have you had experience there?

Ms Ash—We certainly have had contact—not directly with people who have been involved in income management but from agencies that would have had contact with those people. We have always had a concern about whether that sort of referral had a coercive part to it, where people were reading into things the words, ‘If you do not go and talk to Centrelink we may well have to do something about escalation of our engagement with child protection activities.’ We have always been concerned about whether coercion was part of the referral for voluntary income management. We do not have any evidence of that. We know that there are some people who believe that it was a good idea to go to Centrelink and to look at income management.

Senator SIEWERT—If people think it is a good idea and they are doing it and they are not forced to do it, I do not have a problem with voluntary income management. I assume through the numbers I have been provided with before that in the Kimberly a large number of Aboriginal families are taking it up, whereas in the metropolitan area you have a broader population base. I am wondering how it is being picked up in the metropolitan area.

Ms Beecroft—I think the last numbers were around 280 people. The majority of those were under voluntary income management and some people were compulsorily income managed. By the nature of where the trial is being held, in the Cannington district—where there is a high proportion of Indigenous people, a high proportion of people from culturally and linguistically diverse communities, plus the mainstream—I think the pick-up of voluntary income management would be much broader. But we do not have a breakdown in that detail of who is picking up voluntary income management. But I would imagine, just by the very nature of where it is being trialled, that it would definitely be the case that a broader cross-section of people are actually being managed.

Senator SIEWERT—The trial has been broadened to, essentially, across the whole of the Perth metropolitan area. Because you have a large Aboriginal community and refugee community in Cannington, I

was thinking of looking beyond that area now, in terms of the broader metropolitan area. Is it too early to have those figures?

Ms Beecroft—I think it would be too early.

CHAIR—Thank you, Ms Ash and Ms Beecroft. I appreciate your quite detailed submission and your evidence this afternoon.

[5.32 pm]

HALL, Mr Chris, Chief Executive Officer, UnitingCare West

DEL BORRELLO, Ms Melissa, Corporate Projects Officer, UnitingCare West

Evidence was taken via teleconference—

CHAIR—Thank you very much for your patience and also for your involvement. We welcome witnesses from Uniting Care West. You understand the issues around the protection of witnesses and privacy and if you have questions, please let us know. We will start with an opening statement, if you would like to make one, and then we will have questions in the short time we have. Do either of you have an opening statement?

Mr Hall—Yes, I do and I will speak on behalf of UnitingCare West. Thank you for the invitation to appear before the committee. UnitingCare West certainly welcomes the opportunity to have input into this important inquiry. Having said that, we foreshadow our remarks by saying that we have had limited time to prepare, having only received the invitation on Friday last week. Importantly, I suppose we want to follow on from the previous presentation, with the focus primarily on compulsory income management and some of the concerns we have in relation to that.

I will say some words about UnitingCare West, which is a not-for-profit community service organisation of the Uniting Church in Western Australia. We are part of the Uniting Care national network of more than 40 organisations which provide community services to around two million people in every state and territory in Australia each year. We are, as an organisation, founded on Christian values and principles and the particular Christian ethos of the Uniting Church in Australia. We are committed to achieving justice, hope and opportunity for all, and we work to serve and empower those most in need in the Western Australian community. As an organisation we touch the lives of approximately 30,000 individuals and families each year. To do that, we employ around 430 staff and volunteers, and we deliver more than 30 different programs and services from 27 locations spread across the Perth metropolitan area with outreach to the south-west and wheat belt regions of Western Australia. As an organisation, UnitingCare West work in some very tough areas in community services and welfare, and we provide a very diverse range of programs and services in areas such as homelessness, housing affordability, tenancy and accommodation, mental health, alcohol and drug services, intensive counselling and support services, young parenting programs, therapeutic parenting programs for men exiting prison, crisis accommodation for women escaping domestic violence, and support for Indigenous families to address family violence issues. We provide financial counselling, budgeting and emergency relief services.

Of great concern to us is the general lack of community consultation, particularly consultation with the non-government sector, with organisations such as our own regarding the proposed expansion of involuntary or compulsory income management across Australia into areas to be identified as areas of locational disadvantage. This will impact upon a great number and cross-section of families and individuals with which we are engaged as service providers. UnitingCare West assists many families and individuals through its financial counselling and emergency relief services. Recent statistics show that at one of our city locations alone we assist more than 330 people each month, with predominant payments being for contributions towards rent and utility bills as major issues. For people on benefits, and on Newstart in particular, the average rent is just about equal to their Centrelink payment.

We are also turning away already increasing numbers of people on a daily basis. Due to already established high demand, waiting times for appointments can be up to three weeks at any one time. Our demand for services increased during the 12-month period to 30 June last year. In that time we assisted 2,500 people with emergency relief, and we also had to turn away about 1,700 people. In the seven months since then we have assisted roughly the same number of people and turned away a staggering 2,100 people. Other agencies providing financial counselling services in the Perth Metropolitan area are experiencing similar and disturbing trends. So we have appeared before the committee today in our capacity as a major provider of community services and programs in Western Australia and as an advocate for, with and on behalf of those individuals and families in our community who experience poverty and other forms of disadvantage in their lives.

In October 2008 UnitingCare West appeared before the Senate inquiry into the proposed legislation to introduce the suspension or cancellation of income support payments for parents of children who were truant from school. This intended measure was seen as an adjunct to compulsory income management which had been introduced in the Cannington region in Western Australia. We were delighted that as a result of that

inquiry and other initiatives the trialled introduction of the suspension or cancellation of payments did actually not proceed in Western Australia. It is of grave concern, then, that just 17 months later we appear here today before yet another inquiry addressing fundamentally the same issues and concerns that are at our core as an organisation and which we expressed at that time.

The new proposed changes for compulsory income management will have widespread implications for the broader Australian community, and those in receipt of Centrelink benefits and payments in particular. Fundamentally, UnitingCare West is strongly opposed to compulsory income management and our reasons are numerous. The violation of some basic rights such as dignity and the right to manage one's own financial affairs, and the application of these measures universally applied to particular target groups is of major concern, but it is recognised and acknowledged that this argument alone is not attractive either politically or in the eyes of many members of the public. There never has been and there remains no solid evidence that the quarantining of welfare payments is an effective overall strategy for dealing with the very complex social issues intended to be addressed by this particular intervention. Whilst there may be some anecdotal evidence to suggest that compulsory income management may act as a circuit breaker to then allow issues such as child protection and neglect to be addressed, there is as yet no evidence that it is an effective long-term sustainable strategy. The evidence of the effectiveness of income management in the Northern Territory shows very mixed results as we understand them. Despite this, huge amounts of money and resources continue to be invested or are planned to be spent on this particular intervention, with very little evidence of robust and independent evaluation either undertaken to date or planned as to its effectiveness and impact. That, I think, is at the core of our concern in relation to this particular proposed legislation.

Equally, there is very little evidence to support the effectiveness of compulsory income management since it was introduced in Western Australia in late November 2008. Suffice to say that more people have signed up for voluntary income management, which is a service that many organisations such as UnitingCare West have provided to the Western Australian community for many years. The causes of the social issues which this type of intervention seeks to address are, as you have no doubt heard, exceptionally complex and multi-dimensional. No one single intervention will be effective. Compulsory income management does not and cannot address the underlying causes of many of these social issues. Compulsory income management in the form in which it is being proposed is an exceptionally expensive intervention. Its cost-benefit to the community and Australian taxpayer is yet unproven. In reality, once it has been introduced it will be expanded at what we believe will be the expense of funding and resources that would be better directed to already established and proven effective services and programs to the community. That is a second important point in our submission.

There are many services and programs already in place by organisations such as UnitingCare West to address these highly complex and multi-dimensional issues. Importantly, and unfortunately, many if not all of these services and programs are grossly underfunded and underresourced. No more is this evident than in regional, rural and remote areas of Western Australia where services and programs are either being closed currently or not delivered in the first instance because of the prohibitive cost to non-government community service organisations of providing these services and programs in these areas.

UnitingCare West does support voluntary income management arrangements, and was involved in the provision of such a scheme a few years ago which was highly successful for the participants involved. That service ceased operating due to a lack of adequate financial support from governments. UnitingCare West supports voluntary income management and non-discriminatory policies that help people manage their finances. Income management can be used as a useful tool when it is voluntary and supported by the right mix of community services and programs. We do support initiatives, some of which are mentioned in the proposed legislation, that provide incentives to those individuals who choose to participate in voluntary income management arrangements.

What UnitingCare West argues for is shifting the focus away from single and simplistic interventions to more multifocused approaches to deal with complex and multidimensional social issues, placing greater emphasis on preventative and early intervention strategies that have proven to be effective in improving outcomes for individuals and communities and for addressing underlying structural and other causes, particularly in the longer term. UnitingCare West is for tailoring support and intervention in an individualised way so as to address an individual's particular circumstances, rather than applying a 'one size fits all' solution; and implementing case management, which UnitingCare West—together with other non-government organisations—has extensive experience with, rather than income management as a key to improving outcomes.

We argue for implementing place based approaches to social disadvantage in which local communities are engaged in social change and transformation measures rather than measures that are imposed, redirecting funding and resources already allocated or proposed to be allocated from compulsory income management measures to services and programs which have an established and proven record in effectively addressing complex and multidimensional social issues and, in particular, to regional, rural and remote regions where need is high and services and resources are low or non-existent. We argue for exploring the better use of Centrepay, structured as a component of that case management approach with individuals and families, as a means of having regular amounts deducted from Centrelink payments to pay essential bills and meet basic living costs. We argue for providing financial and other incentives and rewards rather than engaging in what are perceived to be punitive and discriminatory measures, addressing current inadequate income support payments to groups such as sole parents and Newstart allowance recipients, which are often a major cause of poverty and deprivation among the very groups which this intervention proposes to tackle.

UnitingCare West supports ACOSS, WACOSS and UnitingCare Australia's positions, which are that the compulsory income management provisions of this bill should be withdrawn. We advocate for alternative approaches—many of which are already in place—which address the key causes of poverty and exclusion and include adequate social security payments for all those in receipt of benefits, as well as better employment assistance to reduce long-term reliance on these payments. We advocate for the provision of case management and, to use the jargon, wraparound services for disadvantaged and vulnerable families and individuals and support for voluntary income management according to the needs of individuals or communities. UnitingCare West is committed to working with the Commonwealth and state governments in addressing the complex and underlying causes of child neglect and disadvantage, in addressing the growing levels of unmet need in the community and helping improve the lives of thousands of Australians in need. UnitingCare West would like to see funds better spent and better targeted on individually relevant services that have been shown to deliver longer term positive outcomes for children living in disadvantaged and vulnerable families.

CHAIR—Ms Del Borrello, do you have anything to add?

Ms Del Borrello—No, I do not. Thank you.

Senator SIEWERT—Thank you for your opening comments. I would like to get some feedback on your experience on the ground of implementation of the trial. I am presuming that you have been working with people that have been subject to income quarantining in Cannington and perhaps in the broader metropolitan area. What is your feedback on the way compulsory rather than voluntary income quarantining has been implemented in WA? What, in your opinion, are the outcomes?

Mr Hall—We are basically very short on that information. We have received very little information from both the Department for Child Protection locally and FaHCSIA about the impact and outcomes of the interventions in these areas. We provide extensive services throughout most of the regions that have been the target of this intervention. We are actually short of the mark with a lot of the information about the effectiveness of these measures. When we have sought to obtain information, the figures that we have been given are somewhat inconsistent and woolly and they seem to be based more on inputs necessary than some of the outcomes or outputs that would be expected.

One critical issue that UnitingCare West struggles with in this sector is the implementation of this initiative with very little consultation, input and feedback to the non-government organisations that are involved in service delivery in these regions. We would hope in moving forward that, if these trials are to be extended and this intervention extended, that would be rectified.

Senator SIEWERT—In terms of your involvement in delivering services in the regions where people are subject to income quarantining, you mentioned earlier the amount of support you are giving in terms of emergency relief. Have you noticed any impact? Has there been increased demand for your services? They are the bells calling us into the chamber.

CHAIR—I do apologise. Because a division has come, we are going to have to cut short this session. We do appreciate your effort and your submission. If there is anything you wish to add, please contact the secretariat. We do appreciate your expertise and your work. We may even send you some questions on notice. Thank you for your time.

Committee adjourned at 5.52 pm