



# Northern Territory Council of Social Service

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22 June 2010

Mr Rob Heferen  
FAHCSIA

Dear Mr Heferen

## **Income Management Policy Outlines**

The Northern Territory Council of Social Service (NTCOSS) is a peak body for community sector organisations across the NT, and an advocate for low income and disadvantaged Territorians. We appreciate this opportunity to make a brief submission in respect to the Exposure Draft of the instruments relating to the expansion of the Income Management system.

Our recent submission to the Senate Community Affairs and Legislation Committee inquiry into changes to the Social Security arrangements outlines our position that income management on prescribed NT communities has not been successful on its own terms.

In the absence of clear objective evidence, NTCOSS would suggest that the case for extending these measures cannot be sustained. It has not been demonstrated that income management has improved the lives of children and families. Indeed, the blanket imposition of welfare quarantining has diminished the self-esteem of the many welfare recipients who were managing their money capably. They now experience the stigma of the BasicsCard

The Exposure Draft of the policy outlines associated with these measures gives rise to many concerns. There is a prevailing theme of welfare recipients being deemed 'guilty' until they can demonstrate their innocence. NTCOSS believes that this reversal of onus is fundamentally unfair and serves to demonise welfare recipients as being somehow undeserving. It appears that the administration of the scheme will be enormously costly and will divert Centrelink resources away from the areas where they could do the greatest good.

While NTCOSS does not have the resources to undertake a thorough assessment of the exposure draft, we endorse the more detailed ACOSS assessment of the document, and wish to highlight a few examples which demonstrate the inequity of the proposals.

The processes associated with individuals gaining an exemption from IM are onerous and invasive. NTCOSS believes that many clients will find them so daunting that they will be dissuaded from seeking an exemption, regardless of the apparent merits of their case.

NTCOSS is also greatly concerned about the lack of specificity and precision around the instructions to Centrelink social workers in determining whether any social security recipient may be deemed a "Vulnerable Welfare Payment Recipient". We believe that the government must be more transparent and accountable in explaining the basis on which this decision will be made. It is also unreasonable to ask social workers to make such critical decisions without clear direction. NTCOSS believes that it is unfair for such a decision to be made merely on the basis of a file assessment, and would strongly recommend that the guideline be altered to require at least a telephone interview, before a client is deemed 'vulnerable'.

We are concerned also at the perception that social security recipients are being held to higher standards of behavior than the general community. We wish to highlight the following examples, drawn from the guidelines for parents, which seem to be based on the kind of payment a client is receiving, rather than their capacity as a parent:

\* One incident of 'financial vulnerability' – perhaps as trifling as 'finding it difficult to say no when family members ask for money' or 'making three checks of a BasicsCard balance' is sufficient to raise a flag against the client concerned.

\* There is no requirement under law for parents to send children to preschool. It is for parents to judge what reasonable and appropriate activities are for their preschool age children.

Additionally, there are concerns about the capacity of Centrelink staff to undertake assessments about 'age-appropriate social, learning or physical activities', when they may not be professionally trained in this task.

Finally, we believe that the circumstances of refugees in the NT have been overlooked. The imposition of Income Management will have serious cultural repercussions with a negative impact on the integrity and structure of family relationships, and traditional 'provider' roles. Many refugee communities who prefer to buy fresh produce from small markets, and groceries will be denied this opportunity because small merchants don't have Basic Card facilities. These locations are often points of key community linkage as these communities seek social support as they adjust to new surroundings. Refugees are used to surviving on very limited incomes and consequently learn to be good managers of their finances. It will be highly counter-productive to routinely require refugees to be income managed.

In summary, NTCOSS believes that the exposure draft – like its parent legislation – lacks a substantial evidence base and will serve only to demonise and stigmatise social security recipients. In our view the substantial amount of money which has been budgeted for this new system could be much more effectively spent on case management, support services, financial counseling, and subsidizing the cost of food in remote communities.

Should you require further information, please feel free to contact NTCOSS on 08 8948-2665.

Yours sincerely



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