

SENATE STANDING COMMITTEE ON  
COMMUNITY AFFAIRS

INQUIRY INTO THE SOCIAL SECURITY  
*LEGISLATION AMENDMENT BILL 2011*

31 January 2012

VCOSS Submission



SUBMISSION: Inquiry into the Social Security Legislation Amendment Bill 2011

# ABOUT VCOSS

The Victorian Council of Social Service (VCOSS) is the peak body of the social and community sector in Victoria. VCOSS works to ensure that all Victorians have access to and a fair share of the community's resources and services, through advocating for the development of a sustainable, fair and equitable society. VCOSS members reflect a wide diversity, with members ranging from large charities, sector peak organisations, small community services, advocacy groups and individuals involved in social policy debates.

VCOSS is committed to living out the principles of equity and justice, and acknowledges we live in a society where people are interdependent of one another. VCOSS respects the land we live in and recognises the Aboriginal custodians of the country. VCOSS is committed to reconciling all injustices with Aboriginal Australians. The VCOSS vision is one where social well being is a national priority, and:

- ❑ ensures everyone has access to and a fair share of the community's resources and services;
- ❑ involves all people as equals, without discrimination; and
- ❑ values and encourages people's participation in decision making about their own lives and their community.

**Authorised by:**

Cath Smith, Chief Executive Officer

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**Victorian Council of Social Service**

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## Introduction

VCOSS welcomes the opportunity to respond to the *Inquiry into the Social Security Legislation Amendment Bill 2011* (the Senate Inquiry). VCOSS has been working with a number of community sector organisations in the Shepparton region since the extension of the income management pilot was announced in the 2011-12 federal budget. These organisations, including FamilyCare, The Bridge Youth Service, Primary Care Connect, Berry Street, UnitingCare Cutting Edge, Rumbalara Aboriginal Cooperative and the Goulburn Valley Community Legal Centre Pilot, provide a range of community services to vulnerable children, young people and their families. These programs include financial counselling, drug and alcohol counselling, family violence programs, gambler's help programs, legal assistance, health services, child and family services and support for refugees.

Given the short time frame of the Senate Inquiry and the limited capacity of organisations to develop their own submissions, particularly over the holiday period, VCOSS developed this submission to highlight the specific issues raised by the community sector organisations in the Shepparton region.

These organisations have raised a number of significant concerns regarding the development and implementation of the targeted income management initiative to date. These concerns include:

- ❑ The lack of community consultation about the roll-out in Shepparton;
- ❑ The lack of evidence regarding how the initiative will improve outcomes for vulnerable children, young people and families;
- ❑ The lack of evidence about how this initiative meets the specific needs of the Shepparton community; and
- ❑ The lack of clarity around the practical implementation of the initiative.

VCOSS is also aware that the Australian Council of Social Service (ACOSS) has submitted a comprehensive response to the Senate Inquiry and VCOSS endorses the broader issues raised in the ACOSS submission.

## Australian Social Inclusion Board's place based principles

It is useful to note that the Australian Social Inclusion Board has articulated a number of governance principles to guide the development and implementation of placed based initiatives, which include targeted income management. These principles are:

- ❑ A clear connection between economic and social strategies;
- ❑ A framework for providing integration of effort across governments;
- ❑ A meaningful devolution that allows significant and meaningful local involvement in determining the issues and solutions;
- ❑ Capacity development at both the local level and in government, without which greater community engagement or devolution of responsibility will be impossible; and

- Funding, measurement and accountability mechanisms that are designed to support the long term, whole of government and community aims for the initiative, rather than attempting to build an initiative around unsuitable measurement and accountability.<sup>1</sup>

The experience of community sector organisations in the Shepparton region of Victoria suggests that these principles have not been applied in the development of the income management initiative. This submission will highlight examples of how the process has failed to engage the local community, including local community sector organisations, meaningfully in identifying and addressing local issues. Although this submission draws specifically on the experience of community sector organisations in Shepparton, VCOSS believes that these issues are of national relevance.

VCOSS does not support the extension of income management. There are a broad range of more effective and sustainable approaches to addressing the issues facing vulnerable children, young people and families, particularly in rural and regional areas. These approaches include improving access to financial support, family services, quality childcare and case managed education, and training and employment initiatives. Such approaches support and engage, rather than punish, families, and better enable improved outcomes for vulnerable children, young people and families.

## Appendices

The community sector organisations that VCOSS has worked with have also undertaken additional consultations in the Shepparton region in response to the extension of the income management initiative. This work is provided as appendices to the VCOSS submission. This work provides further detail about the local response to the initiative.

Appendix 1 includes the minutes of a community forum on income management held on 24 January 2012 at FamilyCare in Shepparton. The forum was conducted to allow a dialogue between community sector organisations in the region and to provide an opportunity for the community to comment on the local impact of the measures.

The report of an online survey conducted by Goulburn Valley Community Legal Centre Pilot to assess community views on the extension of income management measures in Shepparton is provided in Appendix 2.

<sup>1</sup> Social Inclusion Board National Place Based Advisory Group, *September 2011 Communiqué*.

<sup>2</sup> See for example:

<http://www.fahcsia.gov.au/about/publicationsarticles/research/occasional/Documents/op3>

## Lack of consultation

VCOSS is concerned about the Federal Government's lack of consultation with local communities prior to the 2011-12 federal budget announcement. This includes a lack of consultation with community sector organisations in the region as well as with the Victorian Government and local government. While VCOSS appreciates the confidential nature of budget decision making processes, it is vital that policy initiatives are developed in consultation with local communities to ensure the initiatives address identified need and enhance outcomes for the communities targeted.

The lack of communication and engagement continued in the post-budget period. Organisations have expressed frustration that there was little detail provided about the roll-out of the initiative and how the State Government and local community sector organisations would be engaged in the process. VCOSS, in partnership with the community sector organisations listed above, wrote to the Department of Families, Housing, Community Services and Indigenous Affairs on 8 August 2010 to request a briefing. A briefing was then held on 31 August and in Hume on 22 September. Minister Plibersek also visited in November 2011 and responded to questions from community representatives. While these briefings were positive, it is disappointing that the detail provided at these meetings was not available immediately following the budget announcement. Given that the initiative is due to commence on 1 July 2012, it is of particular concern that the Federal Government has still not established a Local Advisory Group (LAG), which is the key mechanism to bring together stakeholders to consider local ramifications and to provide advice to the Federal Government about the local roll-out.

Given this initiative will target families that community sector organisations work with, it is vital that the both the Federal and State Governments work with local organisations to inform the development, implementation and evaluation of initiatives which seek to improve outcomes for vulnerable children, young people and families.

## The local impact

VCOSS notes that there is little evidence that compulsory income management initiatives provide improved and sustainable outcomes for vulnerable children, young people and families, including Aboriginal children, young people and families. The evaluation reports published to date, which acknowledge methodological limitations, provide conflicting evidence about the outcomes for the communities involved.<sup>2</sup> These findings alone highlight the need for initiatives to

<sup>2</sup> See for example:

[http://www.fahcsia.gov.au/about/publicationsarticles/research/occasional/Documents/op34/0\\_summary.htm](http://www.fahcsia.gov.au/about/publicationsarticles/research/occasional/Documents/op34/0_summary.htm)

be tailored to local issues and conditions rather than rolling out one model nationally.

There has also been little evidence provided to community sector organisations in the region as to why Shepparton was selected as part of the roll out of this scheme and whether other initiatives may be more successful in improving outcomes for communities. In contrast to the place-based principles identified by the Australian Social Inclusion Board listed above, a 'one-size fits all' model has been adopted which fails to recognise the specific issues experienced in different communities and fails to address how compulsory income management will respond to these issues.

For example, there are considerable pressures being experienced by communities in the Shepparton region in relation to the sustainability of its agricultural and manufacturing industries. In the short term, Shepparton's manufacturing industry is experiencing significant change as a result of a variety of commercial pressures. The closure of the Heinz factory at Girgarre and the downsizing of SPC Ardmona's operations, particularly the closure of the Mooroopna processing facility, are examples of those pressures. The loss of hundreds of manufacturing jobs will have a significant impact on the local community. Medium to longer term pressures include the likely consequences of the changes to water policy being considered through the Murray-Darling Basin planning process.

These issues highlight the economic and social pressures facing the region which will have an impact on the community as a whole, as well as specific impacts on the families likely to be targeted by income management given the additional barriers to employment vulnerable families experience.

VCOSS argues that it would be more effective to assist the community to understand and respond to the dramatic changes in economic conditions, than to impose punitive programs which do not provide sustainable solutions. This is particularly important given the focus on the long-term unemployed and other participation programs that are already underway in Shepparton or will commence concurrently with income management.

VCOSS also notes the potential for the program to deliver or exacerbate negative economic consequences in communities that are already under stress. The income management process selects and preferences certain service providers to participate in the program. Smaller retailers ill-equipped to participate as Centrelink approved income management providers are likely to lose trade to larger firms that already have relationships with the Federal Government or the infrastructure to build such a relationship. It is possible that some smaller businesses will experience some hardship as a result of the intervention. VCOSS calls on the Federal Government to consider the impact on local businesses as part of the evaluation process.

For the families referred for compulsory income management, VCOSS is concerned that their purchasing choices will be significantly curtailed, particularly in a regional area such as Shepparton that has limited public transport options. It is likely people

will have to travel further to purchase goods and may miss-out on the best or most economical choices as a result of the program. For example, those on income management may not be able to purchase fresh produce from informal sources like community markets with their quarantined funds. Instead they are likely to have to purchase goods, potentially at a higher price, from larger supermarkets.

VCOSS is also concerned that public housing rental arrears might also be a trigger for income management. Using rental arrears as an income management referral trigger pays insufficient regard to the possible causes underlying the payment difficulties. Specifically, it does not recognise the difference between an inability to pay and an unwillingness to do so. In Victoria, as in other jurisdictions, public housing rental arrears can lead to eviction. The debts can also be used as a bar preventing the indebted ex-tenant from returning to public housing accommodation. There is however no practical mechanism to waive or reduce public housing rental debts in appropriate circumstances.

## The impact on community sector organisations

VCOSS is concerned that this initiative will place additional pressures on local community sector organisations. To date, there has been little discussion about what support local community sector organisations will receive to enable them to support the families targeted by the initiative.

The community sector organisations VCOSS works with have also expressed concern that the initiative may provide a disincentive for families to work more closely with local organisations. Income Management punishes rather than engages which is at the heart of effectively working with vulnerable families and communities.

While community sector organisations are uncertain as to the exact impact of income management given so much of the detail is still evolving, it is clear that the current financial counselling services available in Shepparton will not be sufficient to meet community demand. The initiative needs to be accompanied by a plan as to how community sector organisations will be supported to respond to the impacts on organisations, including ensuring the full range of support services are available in a timely way.

## Change of residence and review

VCOSS is concerned that the *Social Security Legislation Amendment Bill 2011* provides that income management will continue even where a person changes residence which could take them out of the pilot regions. VCOSS questions how this will operate in practice given that the income management initiative relies on local retailers signing-up to the program to enable people to use their income management account with those retailers. While agreement with major national retailers may partly address this issue, it raises a concern about civil and political rights relating to freedom of movement and again, the cost/benefit of this initiative.

Greater clarity is also required regarding the review process, how people will be able to exit from the income management process, how quickly this exit will take effect, and which agency provides oversight of the referral agency's decision making processes.

## Alternative initiatives

The evidence available to date is conflicting regarding whether income management has achieved improved outcomes for the children, young people, families and communities involved in the Northern Territory and Western Australia.<sup>3</sup> The administrative costs of income management cannot be justified in light of this conflicting evaluation evidence. The Western Australia Council of Social Service (WACOSS) estimated that the cost of the income management scheme in Western Australia was approximately \$65,000 per family.<sup>4</sup> This resource would be much more effectively utilised to provide services that support and strengthen vulnerable families. For example, financial counselling provides people with the skills to manage their money, and can be combined with existing infrastructure, such as Centrepay, to support people to more effectively manage their finances and enable them to voluntarily prioritise their financial demands. Compulsory income management does not provide people with these skills nor enhance their individual capacity.

VCOSS does not support the extension of income management and calls for the compulsory income management legislation to be withdrawn. More effective and sustainable approaches to addressing the issues facing vulnerable children, young people and families, particularly in rural and regional areas and Aboriginal families, is required to support improved outcomes for them. Such approaches include improved access to financial support, family services and training and employment initiatives – all of which support and engage, rather than punish, families. VCOSS supports voluntary income management where individuals, families or communities can opt-in if income management is identified as an appropriate response to local issues.

To improve outcomes for vulnerable children, young people and families, local community sector organisations need also to be better resourced to provide the required support services to address the underlying causes of disadvantage and poverty and support improved outcomes for vulnerable children, young people and families.

<sup>3</sup> See for example:

[http://www.fahcsia.gov.au/about/publicationsarticles/research/occasional/Documents/op34/0\\_summary.htm](http://www.fahcsia.gov.au/about/publicationsarticles/research/occasional/Documents/op34/0_summary.htm)

<sup>4</sup> Western Australian Council of Social Service (WACOSS), *Income management and social welfare: the role of NGOs*, May 2008, WACOSS, Perth, see:

[http://www.wacoss.org.au/Libraries/P\\_A\\_Children\\_Vun\\_Indigenous\\_People\\_Publications/State\\_Budget\\_2008\\_09\\_Information\\_Sheet\\_%E2%80%93\\_Aboriginal\\_May\\_2008.sflb.ashx](http://www.wacoss.org.au/Libraries/P_A_Children_Vun_Indigenous_People_Publications/State_Budget_2008_09_Information_Sheet_%E2%80%93_Aboriginal_May_2008.sflb.ashx)



## Appendix 1 –

# Shepparton Community Forum on Income Management MINUTES

24 January 2012, 12.00-1.45pm

Familycare, Shepparton

## Attendees

### Facilitators:

David Tennant  
CEO, FamilyCare

Jo Ellis  
Solicitor, Goulburn Valley Community Legal Centre Pilot

### Present:

Belina Briggs; Bradley Boon; Dale Nelson; Diane O'Bree; Fran Smullen; Frank Purcell; Ian Michaelson; Jill Myers; Jo Barrett; Joel Board; Khiara Harrison; Loretta O'Neill; Louise Hicks; Marie Harding; Narida Vella; Nat Purcell; Nive Achuthan; Paul Teusner; Sharon McNeill; Sheena Waters; Sonali Jayasundera.

### Apologies

Mary Casey, Patrice Jackson, Simon Rose, Roger Dowsett, Graeme Parish

## The extension of Income Management to Shepparton

1. An overview of the Income Management roll-out was provided by David Tennant. David provided a summary of the rationale behind the policy and the decision to choose Shepparton as a trial sight. The group discussed the particulars of income management, i.e. voluntary income management, vulnerable welfare recipients, and referral by state-based agencies. A general explanation of the 'basics card' and permissible uses of income-managed funds was given. It was noted that there was a lack of practical knowledge on the income management roll-out in the group due to the inaccessibility of information.

### Outcome 1:

There is a lack of practical information about the roll-out of Income Management. The Government should take steps to ensure that information is accessible and the community is better informed.

2. A number of concerns were raised by the group about the lack of consultation between government and the community prior to and following the announcement of Shepparton as a trial site in the May budget. Of the local agencies in attendance, none had been consulted by FaHCSIA in advance and consultations since have been piecemeal.

There are some quite specific needs that will be vital in the roll-out, in particular the provision of Money Management services. The group would like more detail on FaHCSIA's consultation with local services and access to any resultant report on the adequacy of Money Management services.

3. Many in attendance commented that our local Centrelink workers had done a good job in attempting to keep the community informed in difficult circumstances.

### Outcome 2:

Federal Government consultation has been inadequate. The Government has failed to engage the community in a meaningful way.

4. In addressing disadvantage in our community, attendees stated that Government responses should be tailored and should link-in with local services. It was the view of a majority in attendance that local expertise and local knowledge of our community was being undervalued and over-looked by Government.
5. Concern was raised that a 'Community Action Leader' had only recently been appointed and that there did not appear to be a clear timeline for Government to appoint a "Local Advisory Group".

Attendees were concerned that positions on the Local Advisory Group would not be open to all community organisations and therefore participation would be limited. As these are the only clear means for the community to feed information back to Government, it was considered inadequate that the government has not yet put these measures in place.

### Outcome 3:

A Local Advisory Group should be immediately appointed.

## Referrals from State-based agencies to Income Management

6. An overview was provided of delegated powers to be given to State-based agencies under the new Bill.

It was noted by the group that there was inadequate information on how state-based agencies in Shepparton would refer people to Income Management from 1 July 2012. It was noted that the Federal Government is continuing negotiations with the State Government on the referral process and that this is yet to be finalised.

Although the broad nature of powers delegated to state-based agencies under the Bill was noted, attendees were unable to comment on the practicalities of these types of income management referrals because these important details have not yet been finalised. With the roll-out in our region to begin in only 5 months, this was considered by the group to be inadequate.

Generally, attendees were concerned that agencies such as the Department of Human Services were under-resourced, under-skilled and ill-equipped to manage under the roll-out.

### Outcome 4:

The community wants evidence that the state-based agencies are prepared for the roll-out and details of how they will engage with their roles

## The accessibility of review/appeal options

7. Review and appeal options for income managed people were discussed.

A number of concerns were raised by attendees about the adequacy of these processes:

- ❑ Appeal processes are too complicated and will therefore be inaccessible for disadvantaged welfare recipients.
- ❑ There is a lack of federal oversight of decisions of state-based agencies.
- ❑ The community needs to be educated on the appeals process which need to be communicated clearly and in an accessible way.
- ❑ It is unfair that there are different appeal mechanisms for people depending on who referred them to income management – i.e. whether they are referred by Centrelink or by a State-based agency.
- ❑ The exit strategies for leaving income management have not been communicated clearly – even for people on voluntary income management.
- ❑ Community agencies are not well-equipped to assist clients through the appeal process.

### Outcome 5:

Appeals processes should be simplified and streamlined. Regular Centrelink appeal options should apply to everyone on income management.

## Human rights implications of the legislation

8. Attendees raised a number of human rights concerns. A majority thought that income management would unfairly infringe on the human rights of local people who were being income managed. The following concerns were voiced:
- ❑ Income management denies people dignity, particularly when using the basic card.
  - ❑ The policy limits freedom of movement by dictating which towns and stores a person can shop in.
  - ❑ The policy does not affect people equally.
  - ❑ The policy will impact unfairly on people with a disability and already disadvantaged groups be disproportionately affected.

It was noted that Victorian state-based agencies should consider the *Victorian Charter of Human Rights and Responsibilities* when implementing policies and making referrals around income management.

### Outcome 6:

Income management infringes on human rights. These infringements are unjustified.

## Community views on alternate approaches to income management

9. The group discussed a range of alternatives to income management. It was agreed that these options would be more effective in assisting vulnerable welfare recipients:
- ❑ Participation in financial counselling / financial literacy programs.
  - ❑ Increasing social security payments to a reasonable level that would afford welfare recipients a reasonable standard of living.
  - ❑ Assisting disadvantaged welfare recipients to address underlying causes of disadvantage.
  - ❑ Reforming the way the office of housing deals with rental arrears.
  - ❑ Improving access to affordable housing.

The group agreed largely that income management was unlikely to assist vulnerable welfare recipients to manage their money better. This is because the policy does not address the underlying causes of disadvantage.

### Outcome 7:

Income management will not address underlying causes of disadvantage. Alternate approaches should be adopted.

10. Most agreed that income management should be a voluntary measure.

11. Where income management is compulsorily enforced, it should be done as a last resort. The group discussed less intrusive measures that are already available to assist people with their money-management, like Centrepay and financial counselling. It was noted that there have been some great results locally where an increase in Centrepay use has resulted in fewer requests for material aid.
12. Further to this, many agreed that the Guardianship and Administration list was adequate for those who are unable to manage their money by reason of a disability.
13. A majority of attendees agreed that whether or not a person is placed on compulsory income management should be a judicial decision

#### Outcome 8:

Where a person is compulsorily income managed, this should be a last resort and should be implemented by judicial decision.

14. Possible negative implications of the policy were identified by the group:
  - ❑ The policy limits competition. It limits choice for consumers and also limits clientele for business. This may impact on the local economy and will not help people get jobs.
  - ❑ May see people committing criminal acts to obtain cash.
  - ❑ May see the beginning of a 'basic-card economy' where people are trading goods for cash.
  - ❑ Will make people less likely to engage with community services for fear of being income managed.
  - ❑ Will place increased stress on local services – there are only 3 financial counsellors locally.
  - ❑ May place undue burden on schools and other state-based agencies who could all become referrers under the new legislation.

#### Practical issues in making comment on the Bill

15. Submissions to Senate Inquiry due by next Wednesday 1 February.

It was agreed that it was important to voice our concerns as local agencies.

Attendees decided to support the VCOSS submission by providing input and endorsing the submission. It was agreed that we would make the minutes of this meeting available to VCOSS to attach to their submission.

16. Data from online survey would also be provided to VCOSS.
17. Minutes to be circulated amongst attendees by Friday 27 January 2012.  
Attendees to contact David Tennant or Joanne Ellis if there are any issues arising

from the minutes. Due to short time frame, any issues regarding minutes must be raised by Monday 30 January 2012.

## Where to from here?

It was decided by the group that it would be beneficial to establish regular meetings to discuss issues with the Income Management roll-out as they arise in our community.

It was agreed that these meeting should be open to anyone in the community who wants to attend.

This was considered to be particularly important due to the fact that there is no Local Advisory Group and that, when established, this group will include only invited participants.

Other stakeholders to engage with in the future include: local business groups, media, Victorian Human Rights & Equal Opportunity Commission and the local Centrelink office.

Information will be circulated and notice of meetings given via email.

### Outcome 11:

The group will conduct regular meetings and may engage in local advocacy around income management measures.

Meeting close: 1:45pm



# Shepparton Income Management Survey Report

31 January 2012

## About the survey

The Goulburn Valley Community Legal Centre Pilot (GVCLCP) conducted an online survey to assess community views on the extension of income management measures in Shepparton. Invitations to participate in the survey were sent to local agencies and the survey was advertised via the GVCLCP website at [www.clc4gv.org.au](http://www.clc4gv.org.au). The survey was open between 17 and 25 January 2012. Survey results were compiled by Joanne Ellis, solicitor, GVCLCP.

## About the GVCLCP

The GVCLCP is a project of the Loddon Campaspe Community Legal Centre and UnitingCare Cutting Edge. The GVCLCP is based in Shepparton and provides free legal assistance to disadvantaged residents of the Goulburn Valley. Currently a pilot project, the service is campaigning for a permanent Community Legal Centre in the Goulburn Valley, a region that represents one of the last significant black spots for community legal services in Victoria.

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# Looking for Justice in the Goulburn Valley?

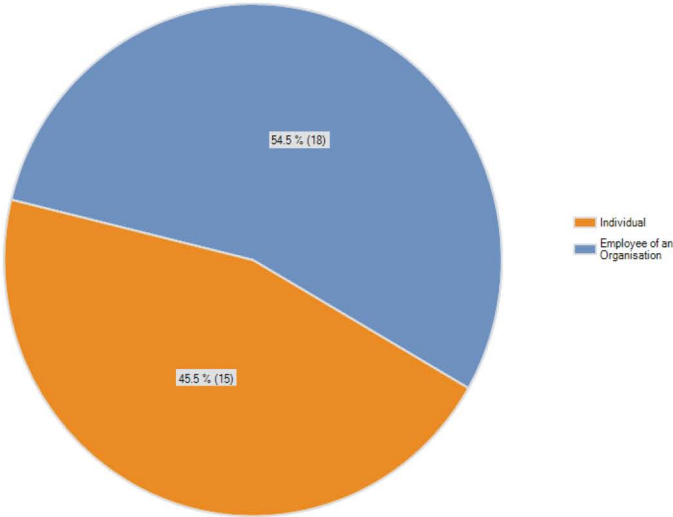
So are we.  
[www.clc4gv.org.au](http://www.clc4gv.org.au)



### About the survey participants

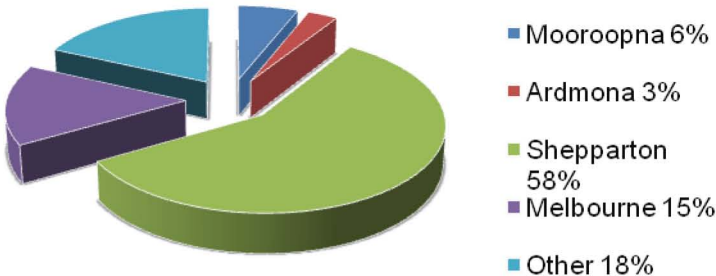
1. There were 33 survey participants. Participants were asked to disclose the capacity in which they were completing the survey and the town in which they live. For those who identified as being an employee of an organisation, represented occupations included: youth workers, managers of local organisations, counsellors, lawyers, community development workers and consultants.

In what capacity are you completing this survey?



2. Most survey participants came from Shepparton. In total, 67% of participants came from areas within the local government area of the City of Greater Shepparton and will therefore be directly affected by income management measures. Other participants identified as living outside the City of Greater Shepparton but many noted that they would have clients directly affected by income management measures.

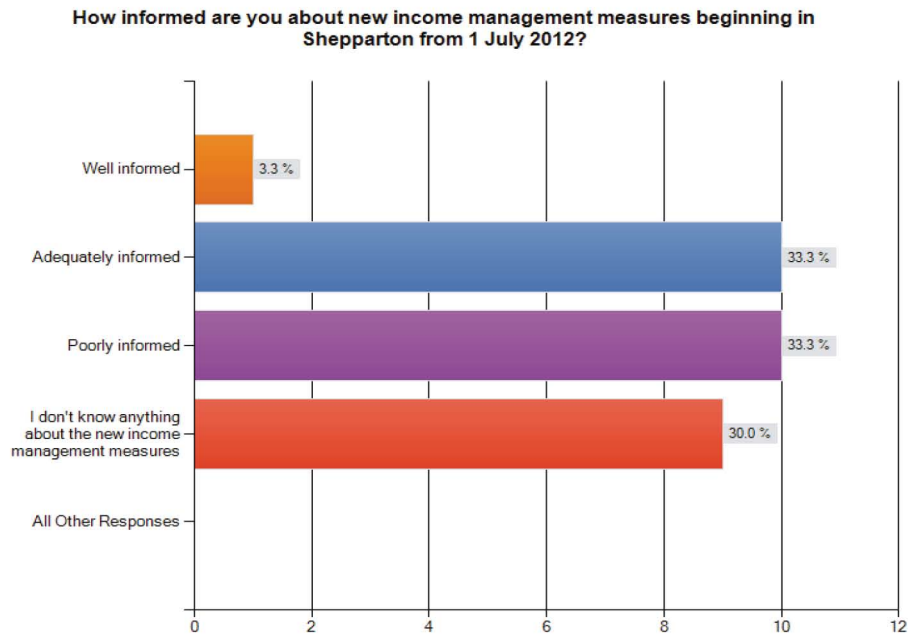
Origin of Participants:



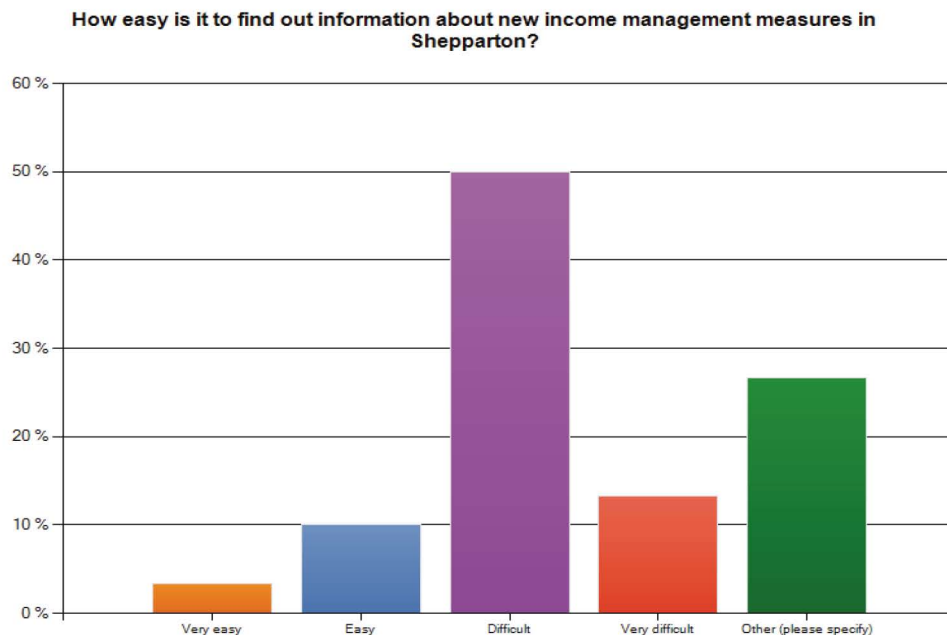


## The extension of income management to Shepparton

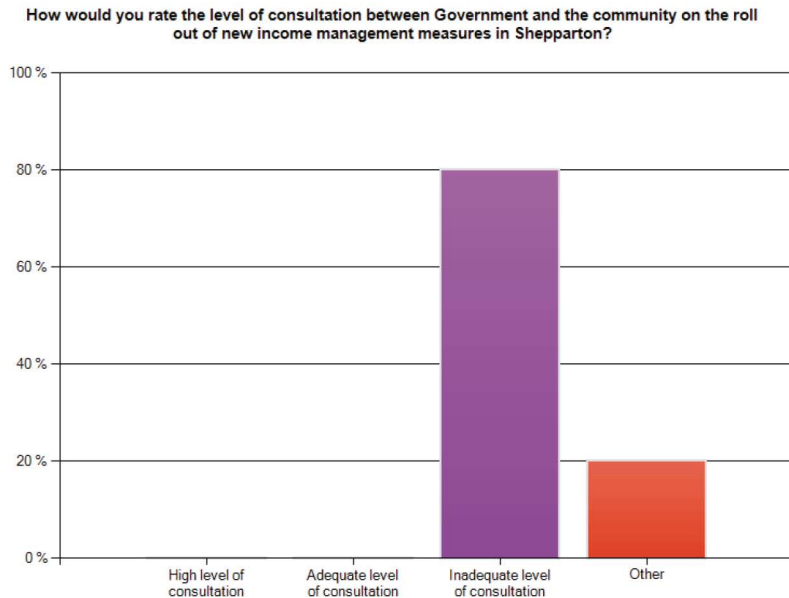
- Participants were asked questions to measure how informed they are about the rollout of income management in the City of Greater Shepparton. Only a small percentage of participants identified themselves as being 'well informed' about the rollout while a majority identified as being either 'poorly informed' or 'not knowing anything' about the new income management measures.



- Further to this, participants were asked to rate the ease at which they have been able to obtain information about the rollout of income management in the region. Most identified that it is difficult to obtain information about the rollout. Of the participants who selected the 'other' option, most commented that they had not yet attempted to locate information specific to income management.

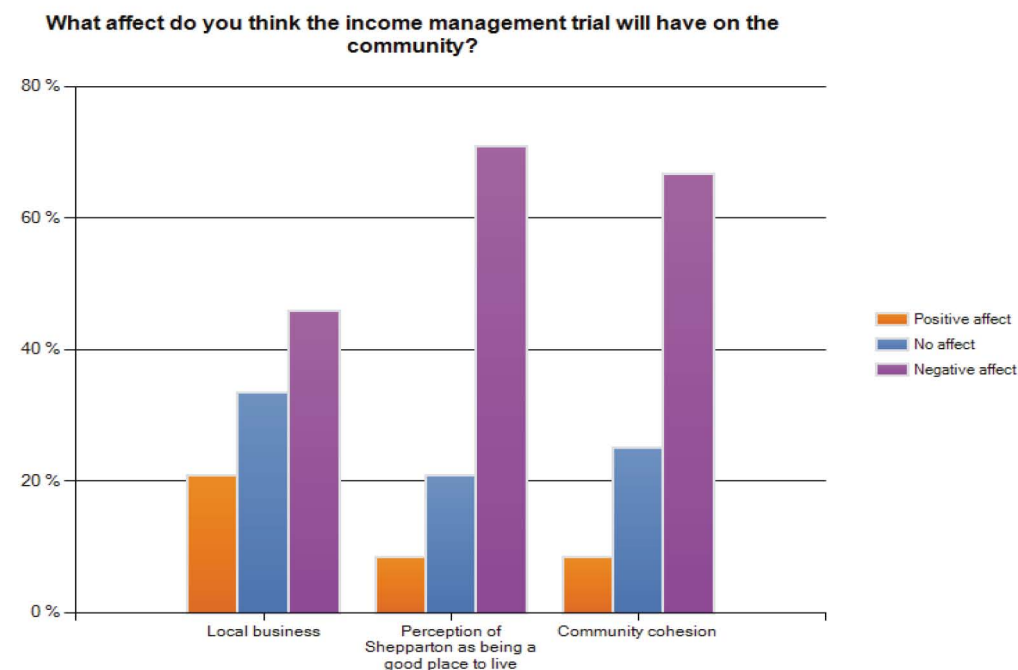


- When asked to consider the level of consultation between the government and the community a large majority of participants deemed that there had been an inadequate level of consultation. Of the 20% of participants who chose the 'other' option, most commented that they were 'unsure' or were not informed enough to respond to the question.



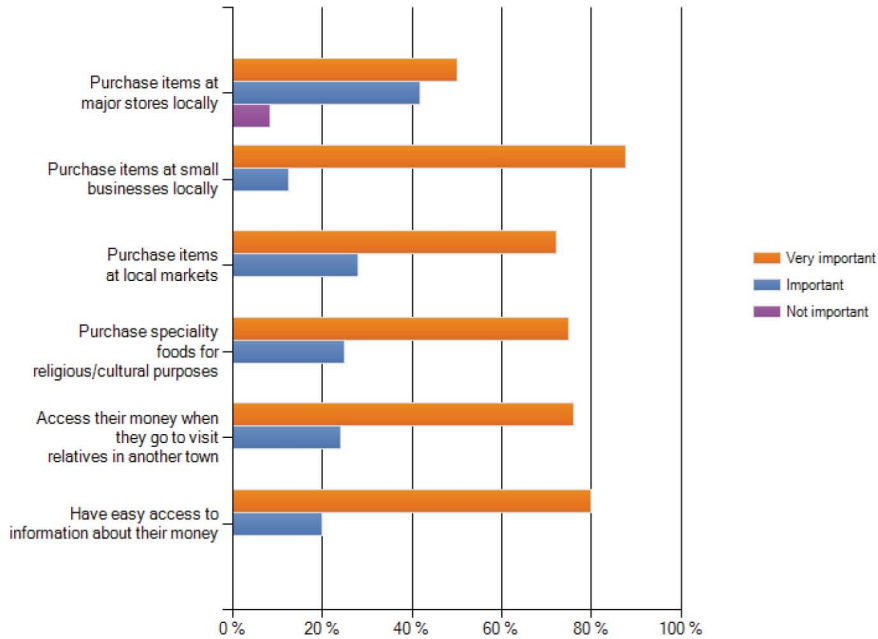
### Implications of the rollout of income management at a local level

- A majority of participants thought that income management would have a negative effect on: local business, community cohesion and the perception of Shepparton as being a good place to live. In answering this question participants provided extra comment on the negative affect that this trial may have on the local Aboriginal community and the potential economic loss to small business.



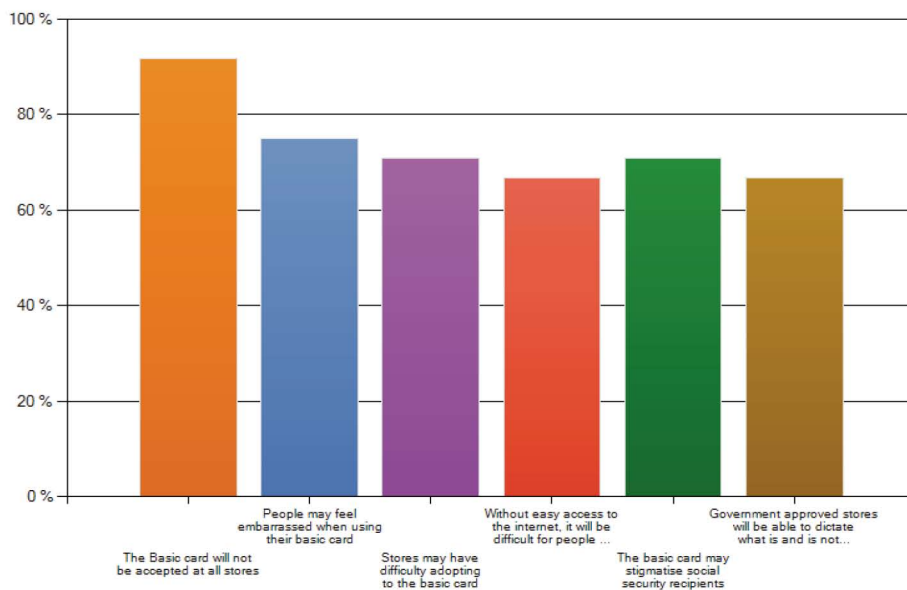
7. A large majority of participants viewed it as being either important or very important that residents of Shepparton have: choices about where they shop; easy access to their money when they travel; and easy access to information about their money.

**How important do you think it is that Shepparton residents, including those who are in receipt of Centrelink benefits, be able to do the following things:**



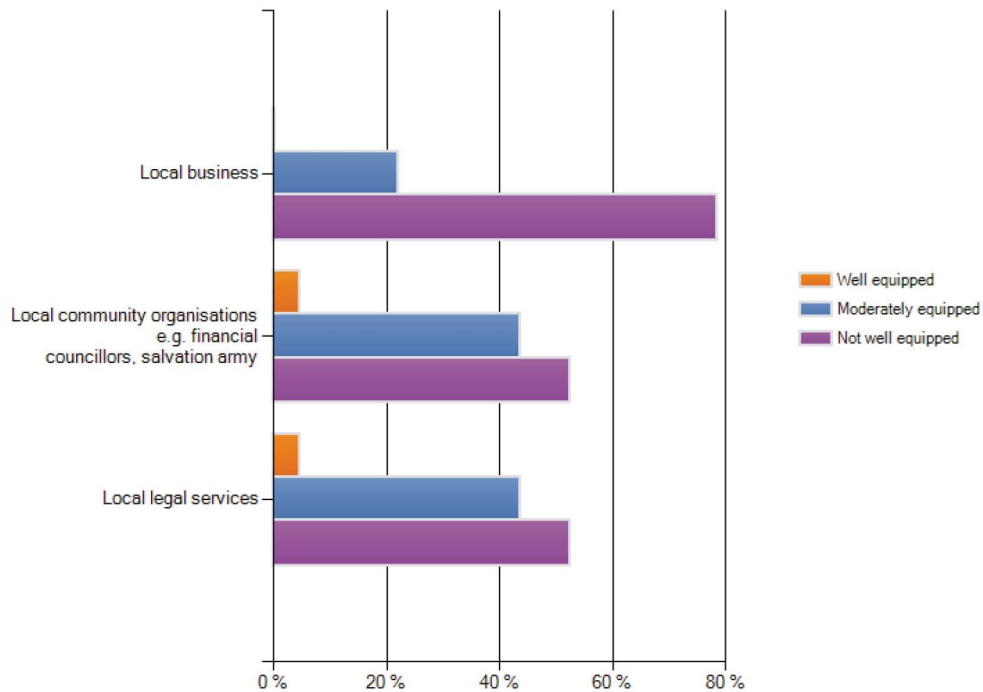
8. When asked to consider any problems that may arise for local residents when using a basic card, participants most often cited concerns that the basic card will not be accepted at all stores and that people may feel embarrassed when using the basic card. More specific concerns were raised by participants in relation to basic card holders being required to travel longer distances to shop in government approved stores, potential discrimination by store owners, and the fact that government approved stores may raise prices due to the anti-competitive nature of the scheme.

**Can you think of any difficulties that may arise for Shepparton people when using their basic card? (You may choose more than one option)**



9. Most participants thought that local business; community organisations and local legal services were not well equipped to deal with the rollout of income management in Shepparton. Several participants expressed views that local community and legal services are already under resourced and that the imposition of income management will exacerbate the strain on these services.

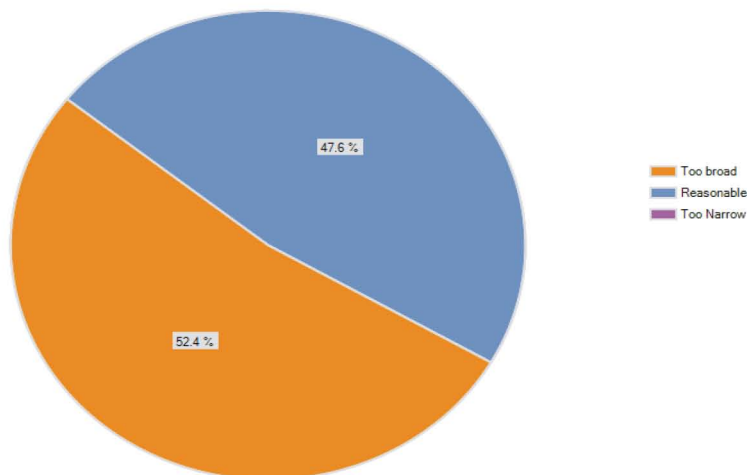
**How well equipped do you think the local community is to deal with the income management roll-out?**



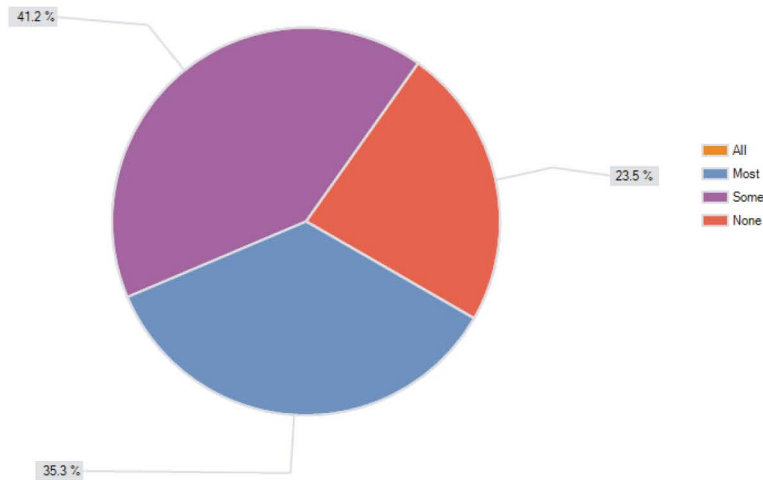
**Reviewing who in the community may be income managed**

10. A small majority of participants viewed the ‘indicators of vulnerability’ as being too broad with the remainder deeming the definition to be reasonable. Of the participants who were employees of organisations, most estimated that income management would affect ‘some’ of their clients.

When considering whether to place a person on compulsory income management, a Centrelink Social Worker will consider whether that person is experiencing any of the following ‘indicators of vulnerability’: • financial hardship • financial exploitation • failure to undertake reasonable self-care, and • homelessness or risk of homelessness. Do you think this definition is:



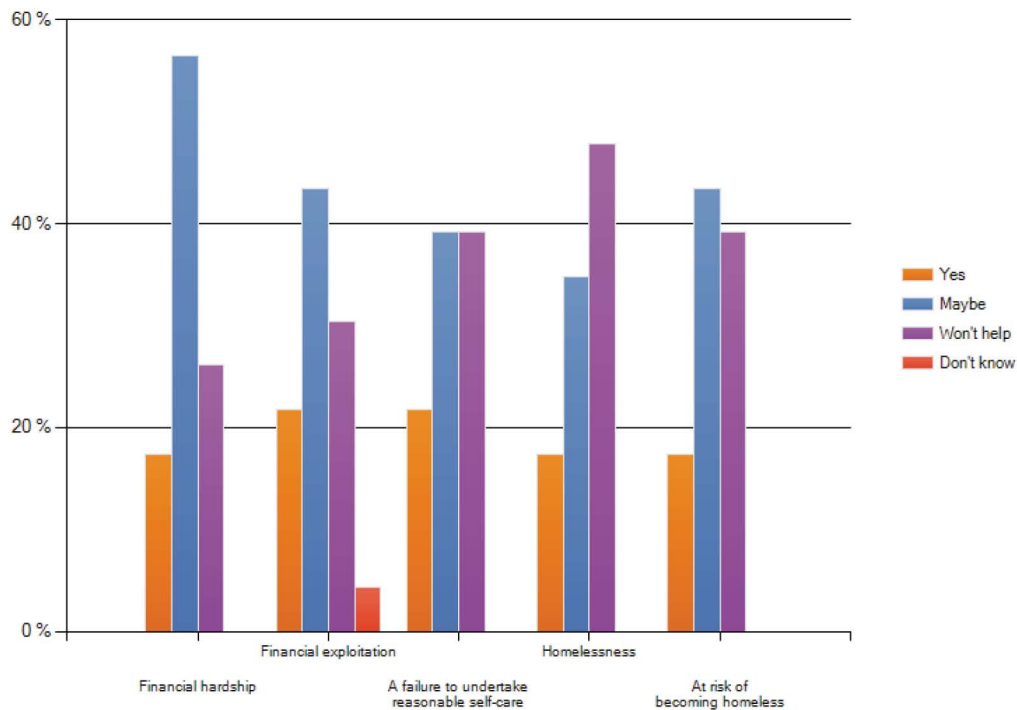
If you are an organisation, what proportion of your client base will be affected by the income management measures?



### Community views on the effectiveness of income management

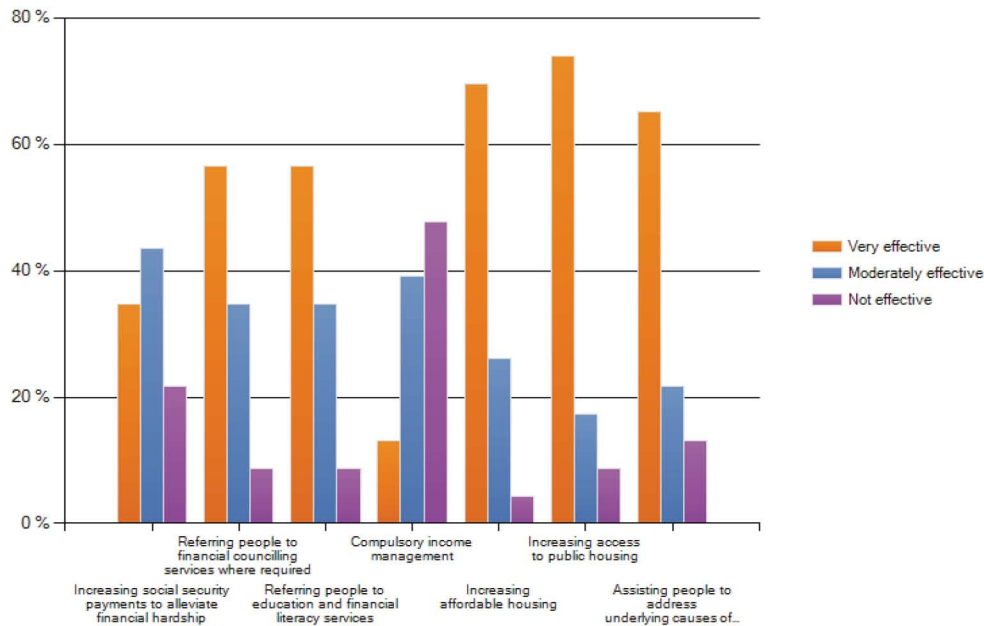
11. Overall, participants thought that income management might assist people who are experiencing financial hardship, financial exploitation and/or a risk of homelessness. A majority thought that income management would not help people experiencing homelessness. Around 40% of participants thought that income management would not help those failing to undertake reasonable self-care while the same number thought that it may help in this situation.

Do you think income management will help people who are experiencing the following:



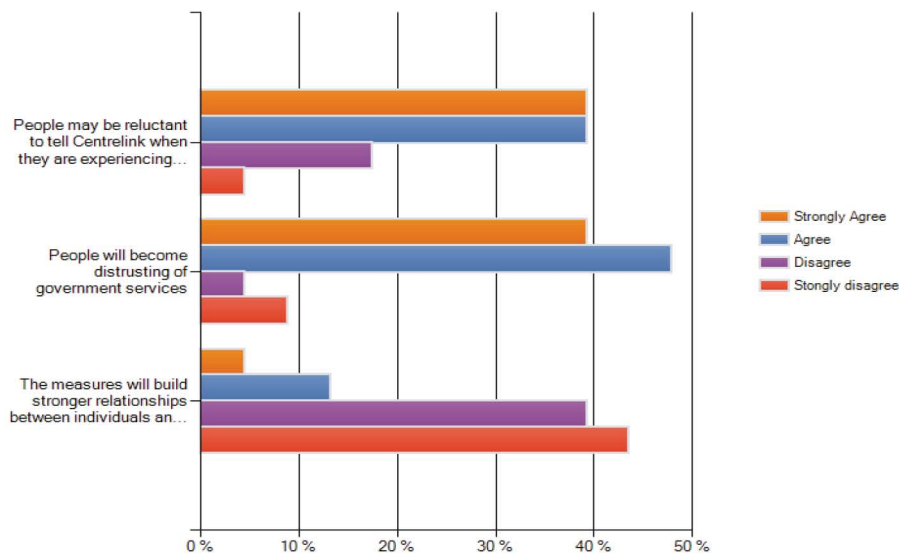
12. Most participants thought that income management would not be effective in assisting vulnerable welfare recipients at risk of financial crisis. Participants consistently identified measures other than income management as being more effective in assisting vulnerable welfare recipients. Participants thought measures such as: financial counselling, financial literacy education, increasing access to affordable and public housing and assisting people to address the underlying causes of crisis would be very effective in assisting vulnerable welfare recipients.

**Please rate each of the following measures as to how effective you think they would be at assisting vulnerable welfare recipients at risk of financial crisis:**



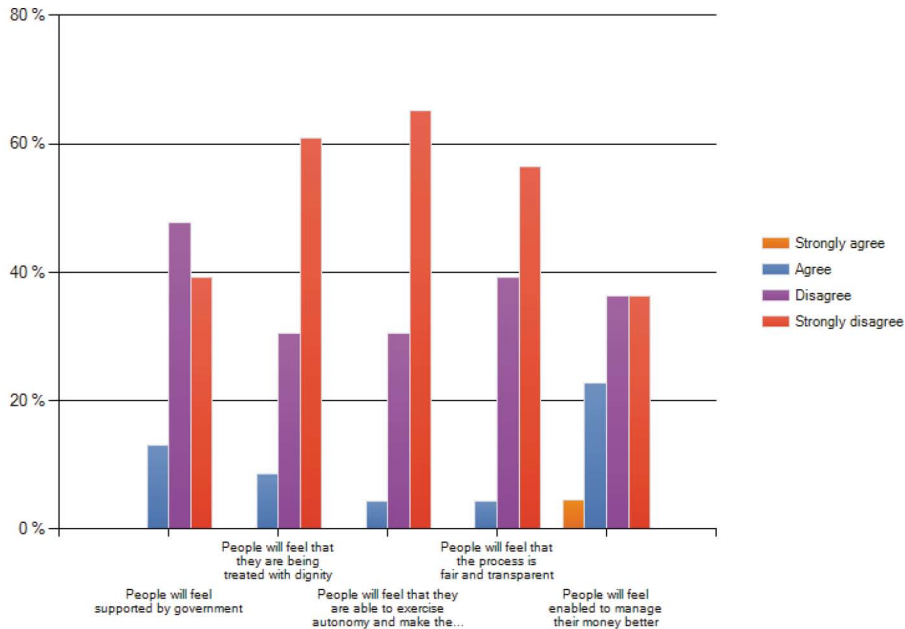
13. In reviewing the effect that income management would have on the relationship between individuals and Centrelink, most participants agreed, or strongly agreed, with the proposition that 'people may be reluctant to tell Centrelink when they are experiencing a crisis'. Similarly, most participants agreed that income management measures may have the effect of making people distrusting of government services. Only a very small number of participants thought that income management measures would build stronger relationships between individuals and government.

**What affect do you think the new income management measures will have on the relationship between Shepparton residents and Centrelink?**



14. When considering the effect that income management will have on individuals, most participants disagreed with propositions that people will feel: supported by government; treated with dignity; that the process is fair and transparent; able to exercise autonomy and make their own choices. Only a very small number of participants thought that income management would make people feel better able to manage their money.

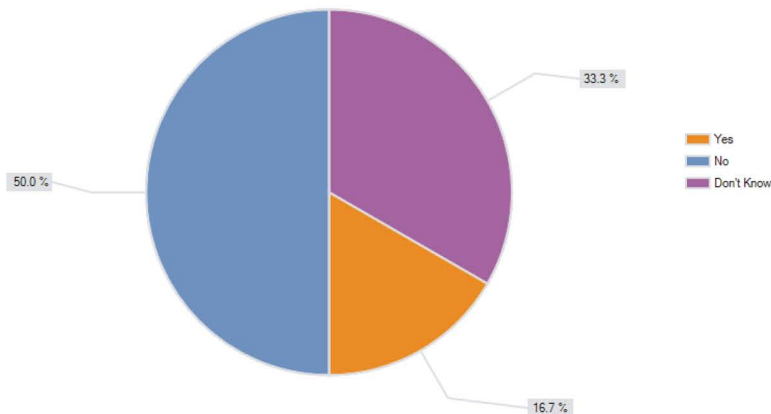
**What affect do you think that compulsory income management will have on individuals?**



### Referral of decision-making powers to state-based agencies

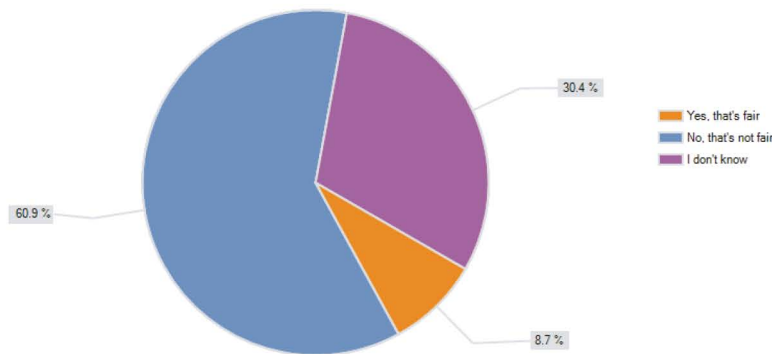
15. Most participants did not think that the referral of decision-making power to state-based agencies was appropriate. Although some participants thought that child protection workers may be well placed to make this type of decision because of their close contact with families, a majority questioned the qualification and expertise of child protection workers to make decisions about Social Security.

**Do you think the referral of decision making power to state based agencies like the Department of Human Services is appropriate?**



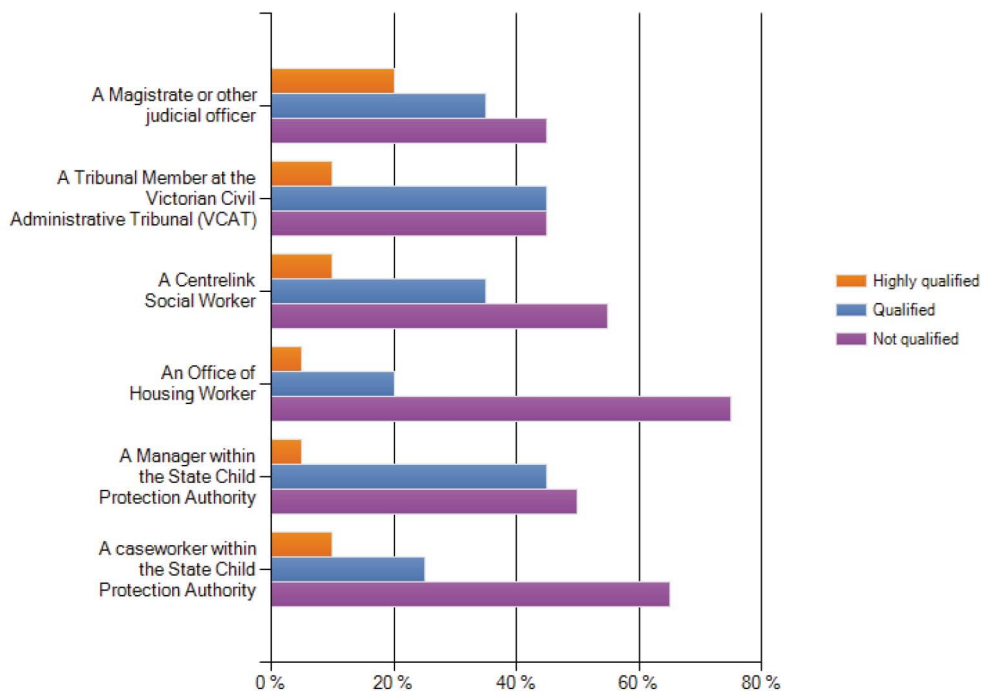
16. A majority of participants found that it was not 'fair' to limit the appeal measures available to some income-managed people because they were referred under the state-based referral process. Participants made specific comments on the lack of Federal oversight and the complexity of appeal avenues for people referred to income management by state-based agencies.

Where a person is referred to income management by a state-based authority, like Child Protection, they will not have access to ordinary Centrelink appeals processes. Rather, they will be required to follow the internal review processes of the state-based authority. Do you think this is fair?



17. There was a broad range of responses to the question of who should make decisions about income management. Overall, most participants viewed Office of Housing workers, Child Protection Managers and Child Protection workers to be unqualified to make these decisions. A majority of participants viewed Magistrates and VCAT tribunal members as being either qualified or highly qualified to make fair decisions about income management.

**Who do you think is best qualified to make a fair decision about whether to place a person on income management?**

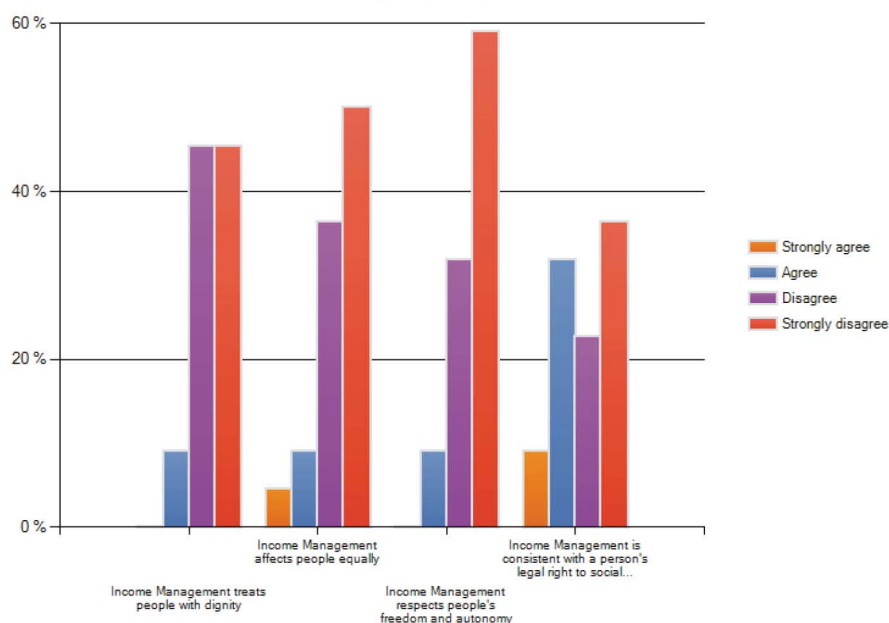




## Human rights implications of income management

18. Overwhelmingly participants' responses indicate a strong concern that income management will infringe on people's human rights. A majority of participants thought that income management measures would not treat people equally or with dignity. Almost 60% of participants strongly disagreed with the proposition that income management will respect people's freedom and autonomy. Similarly, a majority of participants viewed income management as being inconsistent with a person's legal right to social security.

**As a policy, how consistent do you think income management is with the following human rights principles:**



## Other responses

In concluding, several participants noted concern about the extension of income management to further locations in Australia, including Shepparton, when there is little evidence that the measure has worked elsewhere.

## Conclusion

Participants highlighted a number of serious concerns about the introduction of income management in Shepparton, namely:

- The community has not been adequately consulted or informed about income management.
- The community believes that income management will have a negative social and economic impact on Shepparton and that local business and services are not equipped to deal with the rollout.
- Most people think that income management will not help disadvantaged welfare recipients experiencing financial crisis. Instead the community favours alternate measures that address the underlying causes of crisis.
- The community is concerned that income management will infringe on the human rights of welfare recipients and that it will not better enable people to manage their money.
- The community is concerned about the transparency of the referral of decision-making powers to state-based agencies. Overall the community does not view this referral of powers as being fair or appropriate.