

## **Submission to Senate Community Affairs Committee re: Stronger Futures in the Northern Territory Bill 2011 and two related bills**

Dear Senators,

I understand that ' the Australian Government's vision of a socially inclusive society is one in which all Australians feel valued and have the opportunity to participate fully in the life of our society'<sup>1</sup>

If we are to make the vision of social inclusion a reality then we can not implement legislation that excludes people: which is exactly what the Stronger Futures in the Northern Territory Bill 2011 and two related bills will do.

There are several aspects of the legislation that are particularly disturbing:

**1. Improving School Enrolment and Attendance through Welfare Reform Measure (known as SEAM).** Social Security Legislation Amendment Bill 2011- Explanatory Memorandum.

Punitive measures to supposedly 'support disadvantaged and vulnerable Australians' is not only an oxymoron but inhumane and unethical. In addition, it does not work, as noted in the Sydney Morning article 'Welfare Stick Fails for NT Schools' <sup>2</sup>

As a nurse in the Northern Territory I recall the argy bargy that went on between the Department of Health and the Department of Education on who would fund the hearing equipment in schools to support the many children with a hearing impairment as a result of ear infections.

*Remote Australian Indigenous children have the highest rates of severe ear infection reported in the medical literature. Recent NT surveys report average tympanic membrane perforation rates of around 20% in Indigenous children living in remote communities. This far exceeds the rate of 4% described by the World Health Organization as a public health emergency.*<sup>3</sup>

I urge the Senate Committee to take note of the comments made by the prominent child health expert Fiona Stanley<sup>4</sup>

*"Professor Stanley said racism and bullying were factors discouraging Aboriginal children from attending school....withholding money is a superficial and singular response to a complex problem and is unlikely to result in sustainable change which needs to come from wider community, home and school environments," she said, adding that more emphasis should be on positive relationship building"*

It is too easy to continuously apply a reductionist Newtonian approach to complex problems. This can also feed into the racism that prevails in our society.

***2. The amendments also ensure that income management may be triggered by referrals from State and Territory agencies, such as the alcohol and drug tribunal in the Northern Territory. The income management regime under Part 3B of the Social Security Administration Act operates as a tool to support vulnerable individuals and families. It provides a tool to stabilise people's circumstances by limiting expenditure of income support payments on excluded items, including alcohol, tobacco, pornography, gambling goods and activities.*** Social Security Legislation Amendment Bill 2011- Explanatory Memorandum.

## **2.1 Blanket income management makes people more vulnerable**

Once again a punitive action, blanket income management, is claimed to 'support vulnerable individuals and families'.

The very fact that someone is put on income management without reference to their ability to manage their own finances is unethical and irrational.

Someone I know in the Northern Territory managed his meagre income so that he wouldn't end up homeless. He paid his Territory Housing rent regularly by going to the post office and receiving a receipt. He was surviving, balancing things as best he could with his meagre income. Once Big Brother came along and decided he fitted the criteria to be 'income managed' new problems were created. He can longer pay his rent in full at the post office and get a receipt. Thus he longer knows whether his rent has been paid on not. Blanket income management has made him vulnerable to getting into arrears. I worry about the people who are or will be income managed and in the private rental market.

Another person I know had a Centrelink bureaucrat tell him 'Centrelink policy over rides legislation' when he was refused access to his income managed money to pay a rental bond. How does the government plan on preventing its own bureaucrats from making arbitrary decisions that impact on the vulnerable? The government should not extend the powers to more State and Territory agencies because of the sometimes-arbitrary nature of bureaucrats' decisions. In fact, blanket income management legislation should be dropped.

Blanket income management coupled with the well publicized roting by Job Service Providers<sup>5</sup> is costing taxpayers millions of dollars. This is money that could be better spent on initiatives that work, the local people want and that promote social inclusion. An example of this is the trial to improve school attendance rates in Gunbalanya- the government is demonstrating flexibility in meeting the needs of the local community.<sup>6</sup> Let's be less punitive and more creative.

## **2.2 Blanket income management and the BasicsCard- more transparency needed**

The Commonwealth Government has contracted **Indue** (<http://www.indue.com.au/home/>) to manage the BasicsCard. Transparency relating to this contractual agreement is lacking and needs to be rectified, for instance:

- a) A person can have 50-70% of his/her meagre Centrelink benefits placed in an income management account. As I mentioned earlier, it does not need to be proved that someone is mismanaging their finances for that person to be put on income management. So, if one had been managing their meagre income it was possible for them to choose to keep a little in their bank account to earn interest. Blanket income management makes that harder. Splitting the income between a normal bank account and the income management account has made it harder for people to earn interest on their money. ***Is Indue earning the interest? if not, who is?***
- b) I wonder why people are not accessing the 'Matched Savings Scheme'?

## **2.3 Blanket income management, the BasicsCard and the ACCC**

The BasicsCard is an instrument people who are income managed can use to access their funds. Australians pride themselves in their pursuit of fairness through regulatory institutions such as the Australian Competition and Consumer Commission (ACCC). However, people who are income managed and use the BasicsCard can only do so in prescribed stores, how is this inline with legislation that the ACCC supports?

For example, the government proposes to force income management on people living in Bankstown. Bankstown is a diverse multicultural community and just as Jewish people like to have access to Kosher foods, Muslim people like to have access to Halal foods. If stores that sell Halal or Kosher foods refuse to accept the BasicsCard, people deemed to be 'vulnerable' will have another right stripped from them- the right to choose where they shop and what they eat. Blanket income management legislation should be dropped.

There are other fundamental flaws with the BasicsCard system that should prevent the government from imposing it on more people than it already has.

**3. ‘..having become subject to income management, it may not be to the person’s benefit for income management to end upon their moving to reside outside the declared area. The current provisions may also create an inappropriate incentive for people to move in order to avoid income management. These amendments provide for income management to continue despite a change in residence, provided the other elements of income management qualification are maintained.’** Social Security Legislation Amendment Bill 2011 Explanatory Memorandum.

Firstly, if the government believes blanket income management supports the vulnerable then why would the vulnerable want to ‘avoid income management’? Perhaps the lack of control over their own finances and paternalistic interference has something to do with it.

Secondly, if the government proposes blanket income management follow a person despite a change of address, access to stores that accept the BasicsCard won’t necessarily be available. So in effect, a person has no choice but to stay wherever they are. This will impact on a person’s ability to decide where they are best placed for job opportunities- does the government really want this?

The freedom to choose where one lives is a fundamental right. Not only does Centrelink penalize people who move from a location which has a low unemployment rate to a place with a higher one, if one wants to move from a high unemployment area to a lower unemployment area- income management and the BasicsCard will restrict that movement. Does the government really want this?

In conclusion, the Australian Government has a provision whereby parents who are conscientious objectors to immunisations can still receive family benefits without having their children immunised. Therefore, if income management and Stronger Futures NT legislation is not dropped, people who are conscientious objectors to blanket income management should be allowed to have their full Centrelink benefit deposited into their own bank account.

## References

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