



Brotherhood
of St Laurence

Working for an Australia free of poverty

Senate Inquiry into Social Security and Other Legislation Amendment (Welfare Reform...) Bill 2009 et al

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Summary of key points

1. The Brotherhood submission provides context for the discussion of the appropriate role for income management in contemporary social policy

The Brotherhood of St Laurence submission to this inquiry situates the income management reforms in the context of Australia's history of social welfare. This historical analysis indicates that "conditionality" and the idea of behavioural change in response to social investment have been central to Australian policy since Federation. As such, the income management reforms do not constitute a radical departure in policy approach established for more than a century.

2. The Brotherhood supports the proposed extension to income management, with an appropriate balance of rights and obligations that address the social and economic environment

With the appropriate balance, the Brotherhood supports the current legislation's proposed extension to income management as a legitimate tool in an Australian social policy arsenal.

As a community, we are reliant upon the effective behavior of parents and can reasonably expect them to make every endeavour to meet their responsibilities as parents. However, any requirements placed on individuals should be with a view to enhancing their active economic and social participation. As a result, any income management measures must be implemented in such a way that:

- a. people have the resources necessary to fulfill their obligations;
- b. people have an effective voice in deciding the requirements affecting them; and
- c. the requirements are simple to undertake, easily understood, unobtrusive and not unduly burdensome.

While the detail of implementation will be critical, the Brotherhood can see no reason why income management measures cannot meet these criteria.

3. The Brotherhood maintains the need for a coherent set of social policy principles, involving a pattern of rights and obligations adapted to the needs of the twenty first century.

The economic and social risks faced by Australians today are vastly different to that which shaped our now outdated welfare system. Whether expressed as a new 'social contract' or a new 'Australian settlement', we have to be clear about the basic values and institutions which we want to shape policy development.



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Recently, there has been a tendency to talk about welfare as though it has been nothing but income support for sole parents and the unemployed. However, the social inclusion agenda has illustrated that there are various domains of inclusion and exclusion - of which income is just one. The Brotherhood believes that by taking a life course approach, we can identify the key social and economic risks Australians face in each critical life transition.

Australia's new social inclusion policy architecture must integrate economic and social rights and obligations in such a way that every individual has the personal capacities and the material resources need to participate in the life of the nation.

Consideration of these legislative amendments provides an opportunity for bipartisan support for a new approach to social policy which can reconcile and integrate a legitimate emphasis on the responsibility of individuals with due regard for the ways in which their choices are shaped and structured by the economic and social environment – that is, achieving the appropriate balance of rights and obligations.

4. History shows that the Australian community support will support a fair deal

Based on a century of social policy interventions, the Brotherhood believes that the Australian community will support social investments to build the capacities of the disadvantaged to participate in the economic and social life of the nation if they consider that the balance struck between rights and obligations is a reasonable one. Especially in relation to policies that promote the well-being of children, Australians expect and will support policies that emphasize behavioral change in response to significant new social investment.

The Brotherhood of St Laurence (the Brotherhood) is an independent non-government organization with strong community links that has been working to reduce poverty in Australia since the 1930s. Based in Melbourne, but with a national profile, the Brotherhood continues to fight for an Australia free of poverty, guided by the principles of advocacy, innovation and sustainability. Our work includes direct service provision to people in need, the development of social enterprises to address inequality, research to better understand the causes and effects of poverty in Australia, and the development of policy solutions to address social exclusion at the national and local levels.

Professor Paul Smyth is the Professor of Social Policy at the University of Melbourne and General Manager of the Research & Policy Centre at the Brotherhood of St Laurence. One of Australia's leading social policy experts, Paul's research areas include social policy as investment, local governance and social inclusion, and international perspectives on social inclusion.