



1 February 2010

Committee Secretary  
Senate Economics Committee  
Department of the Senate  
PO Box 6100  
Parliament House  
CANBERRA ACT 2600

Dear Secretary

**INQUIRY INTO SOCIAL SECURITY AND OTHER LEGISLATION AMENDMENT (WELFARE REFORM AND REINSTATEMENT OF RACIAL DISCRIMINATION ACT) BILL 2009**

**Introduction**

The National Council of the St Vincent de Paul Society of Australia welcomes the opportunity to make a submission to the Senate Standing Committee on Economics regarding the Inquiry into Social Security and Other Legislation Amendment (Welfare Reform and Reinstatement of Racial Discrimination Act) Bill 2009 and the Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (2009 Measures) Bill 2009 along with the Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (Restoration of Racial Discrimination Act) Bill 2009.

**Background**

The St Vincent de Paul Society ("the Society") provides assistance to Australians on a person to person basis. Our 40,000 members and volunteers visit Australians in their homes every day that are struggling to make their limited financial resources meet their needs. Some Australians struggle as a result of limited opportunity to obtain the necessary skills to budget, but the majority are excellent managers of their limited resources who simply do not have sufficient income to meet required expenses. Australian Bureau of Statistics Australian Social Trends data 4102.0, released on 7 August 2007, demonstrated that in 2003–04, the mean weekly equivalised disposable household income for low economic resources households was \$262, while for the same period, the mean weekly equivalised household expenditure on goods and services for low economic resources households was \$309.

## **Reinstatement of the Racial Discrimination Act**

The Society supports the reinstatement of the *Racial Discrimination Act* to all Northern Territory Emergency Response (NTER) legislation.

## **From Race Discrimination to Class Discrimination**

The Society is concerned that the extension of compulsory income management is a cynical manoeuvre to get around the Racial Discrimination Act. This is insulting to the people we stand in solidarity with.

This paltry effort to conceal racial discrimination merely leads the government into the equally dangerous waters of class discrimination as well as gender discrimination, particularly in its impact on sole parents. Former chief justice, Alistair Nicholson says compulsory income management is like Big Brother and interferes with people's rights and liberties. "The Government is so desperate to retain what I would see as some of the objectionable aspects of the intervention that it's prepared to go to these lengths to do so," he said.

## **Evidence Base**

To this end the Society has witnessed the sad spectacle of data being wheeled out towards the end of last year, purportedly showing how compulsory income management in its current racist application as part of the Northern Territory Emergency Response, is somehow responsible for wonderful improvements in the quality of life of families affected.

This "evidence base" was gathered from 76 "income management clients" out of a possible 15,125. These people were interviewed in 4 affected locations out of a possible 73 prescribed communities and town camps.

As the authors of the *Report on the evaluation of income management in the Northern Territory* point out: "The research studies used in the income management evaluations would all sit towards the bottom of the evidence hierarchy. A major problem for the evaluation was the lack of a comparison group, or baseline data, to measure what would have happened in the absence of income management."

## **Exemptions**

To suggest that exemptions will be available for some welfare recipients if they can demonstrate responsible behaviour is an indication that the government is beginning with the assumption that welfare recipients are guilty until proven innocent. People are clearly being constructed as "spectators in the definition of their own need" as sociologist Richard Sennett put it so eloquently.

## **Back to the Susso**

Income Management is returning social policy in Australia to the depression era Sustainance Allowance, commonly referred to as the 'susso'. While recipients were obviously appreciative of the susso, the manner in which it was administered commonly stripped any remaining dignity from the recipient.

*The unemployed were generally given food tickets (the 'dole' or 'susso') that had to be used at certain stores, not money, though gradually with dole strikes and unemployment marches this changed.*<sup>1</sup>

Unfortunately the dole strikes and unemployment marches have been forgotten. The present legislation seeks to turn back the clock to provide the modern equivalent to a food ticket. A food ticket with all sorts of problems, as the Aboriginal Medical Services Alliance of the Northern Territory reported to the NTER Review:

Many residents have been experiencing problems with the administrative arrangements of quarantining, including the use of store cards. This includes problems accessing money and lack of understanding of the system. In remote areas where communications are poor and travel into regional centres is very expensive, the financial impacts on individuals and families of extra travel can be very high.<sup>2</sup>

Indigenous Australians were not provided the susso, but instead received even worse treatment. While Indigenous Australians are now recognised as citizens, it is ironic that the regressive social policy of income management was first applied to them and required the suspension of the Racial Discrimination Act.

As a result of the susso, people took to the road, 'jumped the rattler' and descended on towns along the railway lines. The impact of income management has been similar. The Larrakia Nation Aboriginal Corporation found that in Darwin the primary homeless rate rapidly increased immediately following the NTER. The report stated "While unintentional, the NTER policy became a structural driver of Aboriginal homelessness and internal displacement in Darwin; contrary to the goals articulated in other key national policies that attempt to address homelessness and Aboriginal disadvantage."<sup>3</sup> This displacement clearly works against the ideals of social inclusion. During the times of the susso, local communities resented the displaced susso unemployed, sometimes turning to violence.

The susso stripped people of dignity. It has been remembered that "*'Susso' kids got 'Susso' soup, 'Susso' shirts and dresses, These were certainly warm and probably the only brand new garments they owned but made out of ugly material that identified them immediately.*"<sup>4</sup> Members of the St Vincent de Paul Society were actively engaged in face-to-face encounters with these people who had been pushed to the margins. Then, as now, our members called for social policy approaches that were respectful and empowering rather than demeaning and degrading. If income management forces people to shop at limited range of stores, the effect will likely be similar. Choice and dignity

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<sup>1</sup> Jackie French, *Somewhere Around the Corner* 1994 Harper Collins

<sup>2</sup> Aboriginal Medical Services Alliance of the Northern Territory, Submission to the NTER Review, 2008.

<sup>3</sup> Larrakia Nation Aboriginal Corporation, *Being undesirable: law, health and life in Darwin's long grass*, 2009.

<sup>4</sup> <http://www.seniors.gov.au/internet/seniors/publishing.nsf/Content/Contribution+-+JanetA>

will be removed as individuals have to pay the stores prices for a limited range of goods. The lack of discretionary cash for larger purchases will further the loss of dignity.

### **Social Inclusion Agenda**

The Federal Government continues to portray the proposed roll-out of compulsory income management as somehow being integral to its commitment to a social inclusion agenda.

We are repeatedly told that the people 'on welfare', to use the rather degrading American term, are basically dysfunctional; that they are either mad or bad; that the fault for their exclusion lies fundamentally with them and so, like naughty children, they must be made to change or be punished. This is deeply offensive to anyone, Indigenous or non-Indigenous. It is not true that people doing it tough can have a better life as a result of being treated in a paternalistic way.

### **An Alternative**

Instead of a costly blanket roll out for a scheme that takes social security back to the days of the *ussu*, the Government should look to positive voluntary successful systems such as Centrepay that have been used widely to help people. The Government should accept the recommendation of the NTER Taskforce that "at some point income management should become voluntary"<sup>5</sup>. When the then Opposition Leader, Kevin Rudd, spoke to the NT Emergency Response legislation in Federal Parliament, he stated Labor's preference for a targeted income quarantining regime. Income management can be an extremely useful tool in some circumstances, specifically when it is voluntary and forms part of a context of support and appropriate service-delivery.

The Society helps people struggling on inadequate levels of Centrelink benefits. Instead of costly blanket bureaucratic schemes, the Government could look to real welfare reform in lifting allowances to those that have missed out.

The Government should also recognise that while social security payments are not the problem, neither are they the solution. It is not enough to stop at social security payments. To put the blame for poverty on these payments is completely disingenuous. Intergenerational poverty needs to be addressed also from a health, housing and education perspective. Disadvantage springs from the concrete reality of inequality. We need, as a nation, to address these structural causes rather than treating people as if their personal behaviour is the key driver of disadvantage.

### **Conclusion**

The Society supports the reinstatement of the *Racial Discrimination Act* to all NTER measures. However, we have serious concerns about the proposed extension of compulsory income management and cannot support the relevant Bills.

The Society does not abandon our hope for a genuine re-framing. The Society maintains the belief that the people who are excluded are best equipped to determine the best means and ends of real social inclusion based on justice rather than paternalism.

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<sup>5</sup> NTER taskforce, Final Report to Government, June 2008, p21.

As Lilla Watson and a group of Aboriginal activists in Queensland in the 1970s put it:

*"If you have come to help me, you are wasting your time. But if you have come because your liberation is bound up with mine, then let us work together."*

Yours sincerely

Dr John Falzon V

Chief Executive Officer

National Council of Australia