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## **Women's Electoral Lobby Australia Inc.**

66 Albion St Sydney 2010  
Contact [eva.cox@uts.edu.au](mailto:eva.cox@uts.edu.au)

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**Submission to 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**

### **Statement of reasons for referral of the Bills**

These are significant reforms to welfare policy which will affect a large number of disadvantaged Australians around which there has been significant community interest.

Assess the effectiveness of the amendments proposed in the Bills to:

- **improve the social and economic conditions, social inclusion and life outcomes of all the disadvantaged individuals and communities affected by the measures, including but not limited to the Northern Territory;**
- **deliver measurable improvements in protecting women and children, reducing alcohol-related harm, improving nutrition and food security, promoting community engagement and strengthening personal and cultural sense of value in all affected communities, including but not limited to Indigenous communities in the Northern Territory;**
- **reinstate the Racial Discrimination Act 1975 and deliver on our international commitments under the UN Convention on the Elimination of All Forms of Racial Discrimination in the operation of relevant legislation, particularly the Northern Territory National Emergency Response Act 2007;**

Assess the evidence that the proposed measures will deliver their stated policy objectives in an appropriate and cost effective manner.

Consider the relative merits of alternative measures in achieving these outcomes.

Assess the likely direct and incidental costs of the proposed measures including:

- **the cost of administration and delivery of the measures;**

In addition to the above in relation to the three Bills referred, the following issues for consideration were also provided in relation to the Social Security and Other Legislation Amendment (Welfare Reform and Reinstatement of Racial Discrimination Act) Bill 2009

Assess the effectiveness of the amendments proposed in the Bill in meeting the Government's policy objectives to:

- **address the social and economic disengagement arising from long term welfare dependence in disadvantaged regions, and in particular across the whole of the Northern Territory;**
- **improve the engagement, participation and responsibility of certain welfare recipients;**
- **continue and strengthen the measures to protect women and children, including reduce alcohol-related harm, improve food security, ensure appropriately secure tenure for the delivery of government services, promote personal responsibility and rebuild community norms in Northern Territory Indigenous communities; and**
- **reinstate the Racial Discrimination Act 1975 (RDA) in the operation of relevant legislation, particularly the Northern Territory National Emergency Response Act 2007.**

WELA is a feminist advocacy group with a long involvement in social policy issues affecting women. We have limited our submission to the areas in bold above. We are very concerned that the Bills are being promoted as both enhancing human rights by reinstating the RDA and protecting women and children, despite the lack of evidence for continuing the current system or extending it. While recognising that there are some women's groups in the NT that see some merit in income management, we feel strongly that this viewpoint does not justify supporting the extension of the program nationally or retaining discriminatory measures in the NT.

We are concerned at the way the Bills are being pushed through the Parliament as no groups outside the Territory have been consulted. Many women's groups, those representing refugees and other recent arrivals, those in disability services, dealing with people not eligible for the DSP have not been consulted. We ask that at least the proposed extensions be delayed but this not be used to delay the reinstatement of the RDA.

#### **Recommendations:**

1. The Racial Discrimination Act must be reinstated because, like sex discrimination, it is not appropriate to target particular populations for negative treatment, even if claimed to be for their own good;

2. The current legislation that imposes income management in declared NT areas be withdrawn;
3. That legislation that proposes extension of Income Management on any broad based post code or other area identification system be withdrawn;
4. That the Senate Committee extend its current review to examine any evidence for the following assumptions in this legislation and the Government's social exclusion policy that:
  - a. Income Management protects the well being of women and children in both the short and long term
  - b. Most recipients of certain types of benefits in certain locations are widely dysfunctional
  - c. In particular, most sole parents in low income areas are not functioning well as parents while on benefits
  - d. Indigenous violence and now presumably non-Indigenous violence can be corrected by income management.
  - e. Income quaranting is an appropriate policy to remedy social dysfunction
  - f. There is evidence the Intervention has improved the situation of women and children in prescribed communities.

## **A. Why Women's Electoral Lobby Australia is involved**

This submission is made by WEL Australia about the proposed changes in the social security system. We are particularly interested in whether the proposed measures will enhance, reduce or otherwise affect the well being of women and the children in their care. The Howard government's justification for the original NTER was based substantially on the presumption that it would protect women and children from violence and abuse in the designated communities, and the current Government's justification for extending some measures puts similar arguments.

We note in the reasons for the referral of the Bill to the Committee the following aims:

- ***(to) deliver measurable improvements in protecting women and children, reducing alcohol-related harm, improving nutrition and food security, promoting community engagement and strengthening personal and cultural sense of value in all affected communities, including but not limited to Indigenous communities in the Northern Territory***

This is preceded by aims to:

- ***address the social and economic disengagement arising from long term welfare dependence in disadvantaged regions, and in particular across the whole of the Northern Territory;***
- ***improve the engagement, participation and responsibility of certain welfare recipients.***

We acknowledge the difficulties that face many of the residents of the current designated communities, in particular many of the women and children, and the level of problems faced by those groups wanting to reduce violence caused, in part by access to alcohol, drugs, and other addictive behaviours. We know some women's groups have found aspects of the current control useful, and acknowledge the excellent work done by these groups. However, we are also aware of the views of many other women and women's groups in the same areas who are deeply unhappy that they have had their access to money constrained, and are angry and hurt that they have been treated as though they have been irresponsible money manager. We have concerns that the voices of a few groups have played into prejudices and assumptions about women's need of paternalistic protection. The claimed support by women for such measures is not supported in the limited survey data, eg from the Northern Land Council, which showed no significant gender differences in support.

As a feminist advocacy group, WELA has serious concerns that Government measures to protect the women should not in any way reintroduce patriarchal/paternalistic measures that remove women's rights. Many of the legislative provisions that discriminated against women up to the last quarter of the 20<sup>th</sup> century purported to be there for the women's benefit. Any legislation that removes from a woman the same basic right to control her life that is available to others needs to be carefully examined to see whether the benefits outweigh the costs. We are therefore particularly interested in examining and commenting on any proposals for changes that unduly impact on women, as well as assessing the wider issues of whether these offer any wider community benefits.

The NT Intervention has been of concern to us because it was hard to see a connection between the measures introduced and the purported aim of reducing violence and sexual abuse against women and children in certain areas. We were not convinced that the income management and other measures were effective in reducing the risks of violence against women or protecting mothers and children. This view is supported by the FAHCSIA data which shows no reduction in violence or domestic assaults. We therefore find the evidence unconvincing and are particularly concerned that the original and updated justifications of protecting women and children are being used to introduce drastic changes to an income maintenance system that undermines the basic rights of recipients without any significant benefits for most.

The assumptions made by the Minister of the widespread dysfunction of income recipients such as sole parents cannot be supported. This ministerial viewpoint is stated in her recent speech on social inclusion that: (our emphases)

*2010 will be a big year for social policy reform. Landmark legislation introduced into Parliament last November, will deliver comprehensive reform of the welfare system and re instate the application of the Racial Discrimination Act to the Northern Territory Emergency Response. Over time, a new income management*

*system will be rolled out nationally aimed at **fostering individual responsibility; providing a platform for people to move up and out of welfare dependence and to tackle the destructive, intergenerational cycle of passive welfare.***

*This legislation is not without controversy. However I believe it is a fundamentally important reform. Governments cannot shy away from taking difficult but necessary reform decisions. **Income management can help people regain control over their lives – rebuilding financial capacity where this capacity has been broken down by addiction or when lives spin out of control.** These reforms reflect the Government's determination to put the safety, health and wellbeing of children and families at the centre of our welfare reform agenda.*

WELA members have examined the data and reports on which both the legislation under consideration and the above speech are based. We remain unconvinced that the rationale and documentation support such drastic changes to the current basic assumptions of the income support system. The consequences for many vulnerable recipients of getting this policy wrong will be serious as they are infantilised, stigmatised, shamed, confused, while being confronted with bureaucratised supervisions and complexities.

WELA restricts its submission to the removal of the existing income management systems and the proposed extensions of it to the rest of the HT and then the wider Australian population. We have concerns about other areas but not the expertise to comment on these but support a wider review of the legislation proposed.

The Government and public views are illustrated by this article in the Australian  
Matthew Franklin and Brendan Nicholson February 4, 2010

*INDIGENOUS Affairs Minister Jenny Macklin has appealed for Coalition backing for her plan to manage the incomes of all welfare recipients so they do not squander their payments on alcohol, drugs or gambling.*

*Ms Macklin, who announced her income-management plan in November, told The Australian last night she feared the Greens would attempt to hold up her legislation in the Senate.*

*She said it was time for Opposition Leader Tony Abbott to state his position and help her make her plan law.*

*Opposition spokesman on human services Kevin Andrews said the Coalition believed income management had led to substantial benefits for indigenous people. He said he would be concerned if the proposed legislation watered down those benefits.*

The assertions made by the Minister and the Opposition spokesman need to be properly researched and examined before any legislation to extend the current system or maintain it is passed.

## **B. Problems with the proposed changes and current practices**

What the proposed changes mean in practical terms is that particular postcodes in the NT initially, and the rest of country in 2011, will be identified and targeted for income maintenance. In these generally lower SES areas, sole parents and other benefit recipients on longer term payments will have half their income quarantined to be managed by a plastic card.

Spending of this income will be restricted to those items seen by the Government as necessities for family living to be purchased at approved mainly large stores. Other news items suggest that the government is hoping that these purchases can be bar coded, presumable to monitor unhealthy spending eg on chocolate biscuits. This is a level of control that is an anathema to most Australians and not necessary, except for maybe a small minority of recipients with money management issues. The assumptions that all on welfare are in destructive cycles of poverty, live chaotic lives or other such conjecture is deeply offensive to the many people, including sole parents, who do an excellent job of money management on very limited income.

The inclusion of long-term unemployed will also affect many sole parents because of changes in eligibility ages of children, as well as many older women, including ex carers and stay-at-home mothers, who have difficulty in finding work. It will also include those whose disabilities make it hard for them to find work, though above the DSP threshold, women who have limited English and limited other skills who arrived as partners, refugees and other groups with little workforce experience or training.

There are many on the various benefits to be included in the new system whose length of time on the payment is not because they have personal deficiencies that can be remedied so they can be socially and economically included but because they are discriminated against by employers, lack of services and prejudice. Now they are to be subjected to further embarrassment and shame by losing control over half their limited income. We have collected many stories of the difficulties faced by women affected by Welfare to Work changes, both with Centrelink and employment services. Add the possibilities of stuff-ups with access to funds on the plastic card and the requirements may well become impossible to manage.

Given the effects of the Financial Crisis, there are now many people who have been unemployed for over 12 months who will now be affected under the category 'long-term unemployed'. The Social Inclusion report showed how differentially unemployment increased for some vulnerable groups:

*Segments of our society can suffer more from economic downturns, for example between June 2008 and June 2009, the proportion of the population aged 15 to 64 years who have paid work fell from 73.4 to 71.8%, a fall of 1.6 percentage points, whereas for lone parents, the fall was close to 5 percentage points, and for lone parents with their youngest child under 5 years, the fall was 8 points. This evidence indicates the need to provide more support to at-risk groups in our community if we are to achieve our goal of inclusion.*

This information suggests that many other victims of economic downturns will be included under an extended scheme, as well as others whose income situation cannot be seen as their 'fault'. There is an exaggerated minority of income recipients, sometimes highlighted by the media, that fits the prejudiced stereotype of spendthrift, addicted and incompetent but unrepresentative of the wider population. It is very concerning that the Minister and government seem to be swayed by populist stereotypes of welfare recipients and are prepared to alter policy accordingly.

### **Lack of evidence for the changes**

A quote from the NTCOSS submission shows the lack of faith in the government data by even those close to the problem:

*In respect to the narrower question of income management, we believe that the government must clearly demonstrate that these measures have worked successfully in prescribed communities. In the absence of clear objective evidence, NTCOSS would suggest that the case for extending these measures cannot be sustained. Our view is that, while the Government has provided a great deal of anecdotal information and rhetoric, there is a notable absence of hard data to support the claims that have been made for the effectiveness of the income management system.*

We also refer to the submission made personally by Eva Cox which examines the data collection/consultation processes in detail. We quote, as she did from the report prepared by the reputable Australian Institute of Health and Welfare and her conclusions:

In the summary their report states:

*The research studies used in the income management evaluation (point-in-time descriptive surveys and qualitative research) would all sit towards the bottom of an 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.*

Later in the same section:

*The approach taken by the AIHW in writing the evaluation report was to triangulate the findings of a number of different studies by looking for common issues and themes, and to draw these together around the key evaluation questions. While this approach resulted in evidence that had more strength and validity than the results of a single study, the overall evidence about the effectiveness of income management in isolation from other NTER measures was difficult to assess.*

Later again more doubts are stated.

*The evaluation findings would have greater strength if these views were supplemented by empirical indicators that showed evidence of the changes reported by the various stakeholders. In addition, there were some data quality issues with the research conducted for the evaluation. The 2009 Client interviews, for example, included only a relatively small number of clients (76) from 4 locations, who were not randomly selected for interview. The stakeholder focus group report did not attribute many of the findings to particular stakeholders. It was therefore often difficult to identify whose views were reported, or whether they applied to the majority of stakeholders in the focus groups.*

And again,

*A major challenge for the evaluation was to separate the impact of income management from these other measures introduced as part of the NTER. In some cases it was difficult to attribute the outcomes achieved to one particular measure, especially for the higher-level outcomes which were common to a number of NTER initiatives*

*In order to measure changes in spending patterns, quantitative data on expenditure before and after the implementation of income management would be required. There were, however, no quantitative baseline data on expenditure patterns. The evaluation, therefore, had to rely primarily on the perceptions of stakeholders about whether they had changed. A key source for this information was the 2009 Client interviews, which included data on expenditure after income management, but these data were based on a small sample of clients who were not randomly selected.*

These quotes indicate the serious doubts of a reputable research Institute. Despite the quite strong doubts in their Report, Macklin declares that there is 'proof' that Income Management works. She bases this mainly on very wobbly data, mostly collected in a very long survey (an hour) from people who would have wanted to give the 'right' answers, as is shown by her use of statistics in her media release. Her basis is this small survey that cannot be extrapolated to 73 communities let alone the whole NT, plus some other dubious data.



There is no adequate evidence that this type of compulsory program works anywhere. The AIHW report includes a brief summary of a literature search on the topic which found such mixed reports that it could not come to any conclusions. Outside factors make such evaluations very difficult as they have done here. Certainly for some communities, and groups there is evidence they like the process and it works for them but the question is why not make it voluntary? Misusing data to support compulsion is not acceptable.

From the ACOSS community sector joint statement 22/12/09

*There is no evidence to suggest that micro managing people's incomes empowers them or helps them to develop the necessary skills.*

*We welcome the reinstatement of the Racial Discrimination Act in the Northern Territory albeit in twelve months time. However the Bill represents little change in policy towards Indigenous Australians in prescribed communities in the Northern Territory. Further, the extension of income management will indirectly discriminate against Indigenous Australians in disadvantaged areas across the country, who are likely to be disproportionately affected by the policy.*

*The proposed changes will also discriminate against income support recipients across the country on the basis of income source, duration of income support and geography. Income managed individuals will have to use a card to purchase groceries and other essentials. This card reveals an individual's income source to retailers and others and is likely to cause shame and discrimination, as it has to affected recipients in the Northern Territory.*

*The extension of income management to all long-term Newstart Allowance and Parenting Payment recipients in targeted disadvantaged communities takes Social Security policy backwards.*

*The vast majority of income support recipients budget effectively with the inadequate payments they receive. Requiring many recipients to use a card to spend half of their Social Security payments is demeaning. It would also make it harder to budget to pay bills and other expenses using the limited discretionary funds available under income management. The proposal to impose compulsory income management on recipients deemed to be 'vulnerable' seems intended to affect victims of domestic violence and other individuals who may be subject to financial exploitation. However, the compulsory nature of the measure is likely to put individuals at risk by making them more reluctant to declare problems to Centrelink and welfare agencies and therefore increasing their ongoing vulnerability.*

*On promoting law and order, alcohol, drug and substance abuse incidents are all up (p.32-33); domestic violence related incidents are up (p.33); and breaches of*

*domestic violence orders are up (p.33) despite a far greater police presence. The most disturbing data are contained in Table 4.4.1 on p.35 which reports personal harm incidents reported to police: all categories are up except for sexual assault reports that are slightly down.*

*A number of observations can be made about these findings. First and foremost they are comparative pre- and post-Intervention in prescribed communities, they are not comparative with any other group in Australian society so it is hard to say how relatively bad outcomes are, all that is clear is that where time series information is provided almost without exception things have gotten worse.*

*Second, the quality of the report is highly variable so in some key areas like land reform and especially welfare reform and employment there is the standard reporting of current outputs and no comparative analysis. And in the area of income quarantining there is still fraught methodology so it is store operators rather than customers that are surveyed, so while 68.2 per cent of store operators report more healthy food purchased, it is unclear if this 'more' is in dollar terms or quantity; and who is doing the purchasing? Interestingly, store operators report no change in tobacco purchase.*

(Jon Altman – Comments on the FAHCSIA statistical report on the Intervention 2009). The following data is from the FAHCSIA report itself, not interpreted and cannot be read to back the assumptions of the benefits of the intervention. (Our emphasis)

*For the period 1 January to 31 March 2009 the total number of people (men and women) **transported by a night patrol service was approximately 39,000.**<sup>1</sup>*

*The number of alcohol related incidents **increased 29% or almost 900** in the NTER Communities between 2007-08 and 2008-09<sup>2</sup>.*

*The level of **domestic violence** reported to police across the NTER communities remains high (**2,058 incidents in 2008-09**).*

*The number of **convictions for assault in the NTER communities is significantly higher in 2008–09** than in the previous three years.*

***For NTER communities, hospital separations** for all injury related categories considered as resulting from assault or interpersonal violence **dropped by 6%** since the introduction of the NTER measures.*

*The number of **sexual assault lodgements** for NTER communities **was very similar** (57) across 2007–08 to its level for the previous two years (52).*

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<sup>1</sup> Note: This figure is based on information provided by service providers, data collection is problematic and continues to be refined

<sup>2</sup> Police and Justice Data fro NTER communities do not include Town Camps.

*The number of **convictions for child sexual assaults** committed in the NTER communities in the two years **since the introduction of the NTER measures is 22**; there were 15 convictions in the two years prior to the NTER.*

*The number of **confirmed incidence of child abuse** in the NTER communities **rose from 66 in 2006–07 to 227 in 2008–09**.*

## **Costs**

The Joint report show how expensive the proposed changes would be in terms of administration. On that basis alone it should be rejected.

*Substantial resources are being directed to meet the administrative costs of income management, despite the lack of evidence. The Government has committed \$352 million over 4 years to income management in the Northern Territory and estimates that it will affect 20,000 people. On average, this represents \$17,600 per person over 4 years or \$4400 per person per annum, one third of the single rate of Newstart Allowance.*

## **Conclusions**

In sum, such policy changes are not justifiable or justified by the data available and in fact would be harmful. WELA realises that there may be groups that see short term benefits, and in particular those groups dealing with domestic violence. However, the potential for damage to the rights of many others, including women, means that other solutions need to be sought. Where an organisation or community chooses democratically to suspend rights, as was done with alcohol bans, they should be supported, However, central government controls of these types are not either the solution or acceptable.