Western Australian
Council of Social Service Inc
Ways to make
a difference

WACOSS Discussion Paper

Income management and social welfare: the role of NGOs

About WACOSS and the COSS network

The Western Australian Council of Social Service (WACOSS) is the leading peak organisation for the community, representing 300 member organisations and individuals, and over 800 organisations involved in the provision of services to individuals, families and children in the community.

Each year, WACOSS member organisations deliver services to hundreds of thousands of West Australians. These include:

Housing and homelessness support;
Health and mental health services;
Education, employment and training;
Treatment services for alcohol and other drugs issues;
Services for children, youth and families;
Services for those experiencing domestic and family violence;
Welfare provision and emergency relief;
Disability services;
Aged and community care;
Financial counselling; and
Support for indigenous and culturally and linguistically diverse people.

WACOSS is part of a national network consisting of State and Territory Councils of Social Service, and the Australia Council of Social Service (ACOSS). Our national coverage strengthens our capacity to represent the interests of low income and disadvantaged West Australians across the breadth of State and National agendas.

In December 2009, the COSS network released a joint statement outlining its position on the proposed amendments of the *Welfare Reform and Reinstatement of Racial Discrimination Act Bill 2009.* The statement was supported by community service organisations nationally such as the Australian Association of Social Workers, Catholic

Social Services Australia, People with Disabilities Australia, Jobs Australia, National Shelter, St Vincent de Paul and UnitingCare Australia.

To read the COSS joint statement in more detail, please refer to the ACOSS website www.acoss.org.au.

Background

Income management is stated to be the "key tool in the Government's broader welfare reforms designed to deliver on (the) commitment to a welfare system based on principles of engagement, participation and responsibility".[1]

Income management in the Northern Territory

Compulsory income management was initially introduced to reduce disadvantage in prescribed areas in the Northern Territory (NT), as one component of the Northern Territory Emergency Response (NTER). Its aim was to ensure that welfare payments were spent on priority needs such as food, housing, and utilities. It currently applies to most welfare recipients here, due to the high Indigenous population.

Other components of the NTER include alcohol and pornography restrictions, five-year leases, community store licensing, controls on the use of publicly-funded computers, law enforcement powers and business management areas powers.[2]

The NTER is part of the Australian Government's commitment to 'close the gap'. An investment of $1.2 billion in resources and $572 million to indigenous housing, through the Strategic Indigenous Housing and Infrastructure Program, are significant other measures.[3] However, a recent report written for this program found that of the $572 million, $45 million has been spent without a single house actually being built.[4]

The Aboriginal Medical Services Alliance of the Northern Territory worked closely with the Australian Government to implement the Australian Government Child Health Check (AGCHC) initiative. They note "there have been some encouraging developments… particularly with regard to increased levels of Commonwealth and Northern Territory funding and resources around primary health care and addressing the social determinants of health. However, these still fall short of need and are not linked to a comprehensive, coordinated long-term plan to 'close the gap' on Aboriginal disadvantage".[5] They argue that the $72.7 million originally budgeted for the health

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[1] Australian Government. (2009). (p.1) Policy Statement. *Landmark Reform to the Welfare System. Reinstatement of the Racial Discrimination Act and Strengthening of the Northern Territory Emergency Response.* See http://www.fahcsia.gov.au/SA/INDIGENOUS/PUBS/NTER_REPORTS/POLICY_STATEMENT_NTER/Pages/default.aspx

[2] Australian Government. (2009). (p.4) Policy Statement. *Landmark Reform to the Welfare System. Reinstatement of the Racial Discrimination Act and Strengthening of the Northern Territory Emergency Response.* See http://www.fahcsia.gov.au/SA/INDIGENOUS/PUBS/NTER_REPORTS/POLICY_STATEMENT_NTER/Pages/default.aspx

[3] Ibid. (p.3)

[4] See http://www.jennymacklin.fahcsia.gov.au/internet/jennymacklin.nsf/content/indig_housing_9sept09.htm

[5] See http://fahcsia.gov.au/sa/indigenous/pubs/nter_reports/Documents/nt_eval_rpt/NT_eval_rpt.pdf

checks could have been used to carry out checks of a higher standard by using existing community controlled services, rather than the AGCHC teams.

The lack of a clear evidence base to justify the income management scheme has been one of the major criticisms leveled at FaHCSIA. The Australian Institute of Health and Welfare's (AIHW) final evaluation report also indicated data quality issues, stating that:

- Only 76 participants completed the 2009 Client Interviews (a key data source for the evaluation), out of the 15,125 clients being income managed.
- There were consistent complaints about the lack of consultation around implementation, and confusion as to why it was only applying to Aboriginal people – many of whom were managing their finances very well.
- Participants in the evaluation were not randomly selected
- There was no previously established baseline data on expenditure patterns, making it hard to gauge whether improvements were in fact improvements, and whether they could be attributed solely to income management.[6]

Doubt as to the positive and lasting impact that compulsory income management has actually had on recipients has circulated in various forums since the evaluation phase in the Northern Territory.

An independent report released in March 2010, by the Australian Indigenous Doctors' Association (AIDA), in collaboration with the University of New South Wales' Centre for Health Equity Training, Research and Evaluation, and with support from the Fred Hollows Foundation, raised serious concerns about the continued future wellbeing of Indigenous children and families under the Northern Territory Intervention.

Specifically, the Health Impact Assessment (HIA) found that compulsory income management had profound long-term negative impacts on psychological health, social health and wellbeing and cultural integrity.[7] They recommended that compulsory income management be stopped and instead:

- Target income management for proven abuse or neglect or non-compliance with school attendance or other welfare requirements;
- Provide a voluntary option for income management (opt in); and
- Make sure the costs are borne by government, not families.

In May 2010, evidence was released from the Menzies School of Health Research that cast doubt on the effectiveness of income management on improving health outcomes for Indigenous people. The research found:

> "…that income management led to no sustained change in the sales of healthy food, soft drink or tobacco. During the brief period in 2008 when additional lump-sum payments of $1000 per child were paid to families (the "government stimulus" payment) all store sales increased, including soft drinks, tobacco, and fruit and vegetables.

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[6] AIHW. August 2009. *Report on the evaluation of income management in the Northern Territory*. See http://www.nterreview.gov.au/subs/nter_review_report/190_aboriginal_medical_services/190_Aboriginal_Medical_Services_4.htm

[7] AIDA. (March 2010). *Health Impact Assessment of the Northern Territory Emergency Response.* Executive Summary. See http://www.aida.org.au/hia.aspx

> These findings suggest that, without an actual increase in income (as occurred with the government stimulus payment), income management may not modify people's spending habits in a positive way."[8]

This shows the complexity and scope of disadvantage that Indigenous Australians face, and strengthens WACOSS' call for a greater investment in appropriately delivered, well targeted support services and other social infrastructure such as health, education and policing services, especially if measures are taken to forcibly control people's finances.

Cleary, behavioral change is not easy to engender without the appropriate support and services wrapped around individuals and families at risk. It cannot be achieved by punitive approaches that do not invest in long term, sustainable solutions for that family.

Nationally, various other income management trials have been implemented by the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) in partnership with Centrelink and State Governments.

Compulsory and voluntary income management in WA

In WA, compulsory and voluntary income management trials have been undertaken under the auspice of the Minister of Child Protection; Communities. Under this scheme, families identified by the Department for Child Protection as abusing or neglecting their children (or at risk of doing so) can have 70% of their income managed by Centrelink.

Income management for child protection is considered by the West Australian Government as a way to assist in providing a safe environment for children; for the provision of food, clothes, rent, electricity, medicine, and basic household goods.[9] It is intended to be just one tool as part of a case management model for families, while the Federal Government sees income management as their 'key tool' in social security reform.

On 19 October 2009, voluntary income management was expanded to Armadale and Gosnells. Fremantle, Spearwood and Rockingham starting on 16 November, and Morley, Warwick Grove and Innaloo started on 7 December. Centrelink started rolling out the income management for child protection initiative across these districts in early 2010.[10]

On the same day as the expansion of the voluntary income management scheme was announced in Western Australia, Minister Constable announced five new Family and Children Centres across WA – delivering early childhood and education, pregnancy,

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8 Research News. Menzies School of Health Research. (May 2010). Welfare Quarantining Fails to Prompt Healthier Purchases in Indigenous Community Stores. See http://www.menzies.edu.au/research/research-news/welfare-quarantining-fails-prompt-healthier-purchases-indigenous-community-st

9 Centrelink. Fact Sheet. *Income Management for Child Protection.* See http://www.centrelink.gov.au/internet/internet.nsf/publications/co497.htm

10 Minister Macklin. October 2010. *Income Management expanded across Perth.* See http://www.jennymacklin.fahcsia.gov.au/mediareleases/2009/Pages/income_management_2oct09.aspx

teenage health and child health services, for a total cost of $7 million per year. For the cost of the income management scheme (approximately $19 million), we could have doubled the number of those Centres and rolled them out across the regions. WACOSS argues that this would have had a much more sustained benefit for families.

Recent developments

Expanding the scheme in the Northern Territory

On the 25 November 2009, The Australian Government announced its intent to extend compulsory income management in the NT to five categories of welfare recipients[11], beginning on 1 July 2010. It is expected to be fully implemented there by 31 December 2010. This is despite the NTER Review Board's[12] recommendation to cease the current blanket application of compulsory income management in the Northern Territory.[13] After collection and evaluation of evidence from the NT scheme, it is expected to be extended to other disadvantaged regions across Australia.

In order to bring about these changes, the Senate referred three bills to the Committee Affairs Legislation Committee, for report back by 9 March 2010:

- *Social Security and Other Legislation Amendment (Welfare Reform and Reinstatement of Racial Discrimination Act) Bill 2009 ["the Welfare Reform Bill"];*
- *Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (2009 Measures) Bill 2009 ["the 2009 Measures Bill"]; and*
- *Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (Restoration of Racial Discrimination Act) Bill 2009 ["the Greens Bill"]*

The Racial Discrimination Act (RDA)

As part of the NTER, the Racial Discrimination Act was suspended in order to carry out various measures which would ordinarily have been considered discriminatory, as they disproportionately applied to Indigenous people. In its policy statement on 25 November 2009, The Australian Government announced the reinstatement of the Racial Discrimination Act.

WACOSS supports the *full* reinstatement of the Racial Discrimination Act, and also recommends that the legislation is amended with a 'notwithstanding' clause. This means there will be a clear indication that the Racial Discrimination Act is intended to prevail over the provisions of the NTER. This recommendation was made by numerous

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[11] Senate Committee Report. Social Security and Other Legislation Amendment. March 2010. (p.35). See http://www.aph.gov.au/Senate/committee/clac_ctte/soc_sec_welfare_reform_racial_discrim_09/report/report.pdf

[12] The Northern Territory Emergency Response (NTER) Review Board was established to conduct an independent and transparent review of the NTER. The Review Board comprised Mr Peter Yu (Chair), Ms Marcia Ella Duncan and Mr Bill Gray AM.

[13] Australian Government. October 2008. (p.1). *Report of the NTER Review Board.* Summary of recommendations

witnesses who gave evidence at the Community Affairs Legislation Committee hearings in February 2010. However, WACOSS remains concerned that by virtue of the disadvantage Indigenous people face on a number of fronts, the new income management scheme will still disproportionately affect them. The Australian Human Rights Commission expressed similar concerns over the potential for indirect discrimination through the proposed income management categories.[14]

Current legislation before Parliament

In March 2010, the Community Affairs Legislation Committee tabled its Senate Committee Report. It made four recommendations, in essence offering its broad support for the Australian Government's proposed legislation by recommending that the Senate pass the Government's bills. Dissenting reports by Senator Rachel Siewert (Australian Greens WA), and Coalition Senators Judith Adams (WA) and Sue Boyce (QLD) followed.

The Committee's recommendations are detailed as follows:

Recommendation 1

2.76 The committee recommends that the government maintain its commitment to increase the capacity of Indigenous interpretative services in the Northern Territory and in Indigenous communities across Australia.

Recommendation 2

3.17 The committee recommends that, should the government's proposed legislation be passed, the Department of Families, Housing, Community Services and Indigenous Affairs should consult with relevant non-government organisations, peak advocacy groups and other stakeholders in developing the legislative instruments associated with the legislation.

Recommendation 3

3.57 The committee recommends that the evaluation of the proposed income management measure in the Northern Territory be well-resourced, include community consultation in the design of the evaluation, feature the collection of baseline data prior to implementation, include robust quantitative data analysis and be undertaken by an independent research organisation.

Recommendation 4

4.19 The committee recommends that the Senate pass the government's bills.[15]

Under the new income management scheme, an individual will have 50% of their regular payments and 100% of their lump sum payments income managed. The funds can be spent on priority items by using the BasicsCard, Centrepay or other arrangements

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[14] Senate Committee Report. March 2010. (p.25). *Social Security and Other Legislation Amendment*. See http://www.aph.gov.au/Senate/committee/clac_ctte/soc_sec_welfare_reform_racial_discrim_09/report/report.pdf

[15] Senate Committee Report. Social Security and Other Legislation Amendment. March 2010. (p.xi). See http://www.aph.gov.au/Senate/committee/clac_ctte/soc_sec_welfare_reform_racial_discrim_09/report/report.pdf

through Centrelink[16], and will apply to five categories of social security recipients in declared income management areas[17]:

- Disengaged youth aged 15-24 who have been on the benefit for 13 out of 26 weeks in declared areas;
- Long term welfare recipients – people aged 25 and above (and younger than age pension age) who have been in receipt of Youth Allowance, Newstart Allowance, Special Benefit or Parenting Payment for more than 52 weeks in the last 104 weeks;
- Individual 'vulnerable' welfare recipients;
- Referral by child protection authorities (as in WA); and
- Voluntary income management. The proposed income management model includes a provision for people who wish to voluntarily opt-in to income management arrangements[18]

The new measures aim to "tackle intergenerational passive welfare", by:

- quarantining income;
- offering 'evidence-based' exemptions to individuals who "demonstrate responsible parenting, and to young people and long-term unemployed who take personal initiative through participation in education and training"; and
- offering matched savings incentives and access to financial management support services. [19]

The proposed new model of income management is an opt-out system. Requests can be made for exemptions, meaning the burden of compliance is on the recipient. These requests for exemptions are assessed on the "individual's demonstrated record of responsible parenting, or participation in employment or study"[20], including:

- A young person – if they're in full time study or training, or engaging in paid work;
- A parent – who demonstrates responsibility as shown by their children attending school regularly and being up to date with immunization, for example; or
- A long term Newstart recipient – who has a history of engaging in work, even if it is not permanent.[21]

FaHCSIA has released five draft policy outlines relating to exemptions and other measures, which they are currently seeking comment on. There are no face to face

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[16] Minister Macklin's media release (25 November 2009). See http://www.jennymacklin.fahcsia.gov.au/internet/jennymacklin.nsf/content/welfare_reforms_protect_children_25nov2009.htm

[17] The decision to introduce income management into a particular area, thus making it a 'declared income management area' is prescribed by the Minister, but is subject to Senate approval.

[18] Senate Committee Report. March 2010. (p.37). *Social Security and Other Legislation Amendment*. See http://www.aph.gov.au/Senate/committee/clac_ctte/soc_sec_welfare_reform_racial_discrim_09/report/report.pdf

[19] Ibid. (p.1).

[20] Minister Macklin's media release (25 November 2009). See http://www.jennymacklin.fahcsia.gov.au/internet/jennymacklin.nsf/content/welfare_reforms_protect_children_25nov2009.htm

[21] ibid

consultations scheduled for WA, despite it being one of the states where the scheme is currently operating.

Expanding the scheme in the Territory is expected to cost $350 million over four years, and will see some 20,000 Territorians affected. The new scheme will be supported by the Commonwealth with financial counselling and money management services, totaling $53 million over four years.[22] There has been no extra investment by the Commonwealth in family services[23], nor is it known what direct investment, if any, will be made in the various other support services that need to be available to people already facing hardship and disadvantage, whose situations may be exacerbated as a result of the new income management arrangements, These services include, but are not limited to, mental health and drug and alcohol services, emergency relief, and housing assistance.

Evidence given by the Northern Territory's Department of Health and Families recognises the investment that must be made in accompanying support services if a new income management scheme is rolled out:

> "There has been a public statement made… that we will be investigating a range of service gaps and potential ways forward, in particular looking at the non-government sector and the role that they could be playing in preventing (sic) and early intervention across the Territory. That is one part of the child protection system that is extremely underdeveloped in the Territory that we have recognised that we need to invest in the future. It is through the public inquiry that is being undertaken at the moment that we will examine those issues in more detail, and recommendations will be presented to government. The Department of Health and Families will be making a formal submission to that inquiry about where we believe the investment needs to occur and the strengthening of the system that needs to occur, including in those rural and remote communities and, in particular, the family support services that need to be provided to those vulnerable families."[24]

The Department of Health and Families has also acknowledged that "there are significant issues in relation to remote area coverage of financial counselling and money management services that need to be worked through and closely considered." They also believe that "the effectiveness of the measure will be greatly determined by the extent of family and parent support services able to be offered to clients while they become income managed. There are current gaps in service delivery across the NT that will need to be addressed to ensure the success of this measure."[25]

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[22] Minister Macklin's media release (25 November 2009). See http://www.jennymacklin.fahcsia.gov.au/internet/jennymacklin.nsf/content/welfare_reforms_protect_children_25nov2009.htm

[23] Gardiner-Barnes, Ms Clare, Acting Executive Director, NT Families and Children, Department of Health and Families, Northern Government. Committee Hansard. 15 February 2010. See http://www.aph.gov.au/hansard/senate/commttee/S12780.pdf

[24] Gardiner-Barnes, Ms Clare, Acting Executive Director, NT Families and Children, Department of Health and Families, Northern Government. Committee Hansard. 15 February 2010. See http://www.aph.gov.au/hansard/senate/commttee/S12780.pdf

[25] Ibid.

However, the Northern Territory Government is yet to commit to providing extra resources, acknowledging there is going to be a gap between when the income management process starts and when the services actually start to hit the ground.[26]

WACOSS position

As far as the Senate Committee Report is concerned, WACOSS strongly supports recommendations 1 – 3 concerning resourcing, consultation and evaluation. We do not, however, support the Committee's recommendation that the Senate pass the Government's bills. We remain concerned about the impact on families and children in certain areas that may be prescribed by the Minister as disadvantaged, in terms of the supports that will be made available to assist them with these significant changes. As we have seen in the Northern Territory, even if there is an investment in additional resources and an increase in service provision, there could still be significant gaps and lags that may have a negative impact on families.

Community service organisations nationally have continued to oppose the proposed legislation in its current form, along with the recommendations to pass the bills. ACOSS maintains that the cost per head to implement the scheme ($4,400) is ill-targeted and should be directed instead to deliver assistance to people who are at risk and who need intensive interventions.

WACOSS maintains the same position from a Western Australian perspective, where approximately $65,000 per family (approximately $19 million total investment) is being spent on the 280[27] families being income managed by the Department for Child Protection. WACOSS would like to see evidence of how this $65,000 has enhanced a family's situation, or reduced their living costs on a day to day basis. We argue that restricting a family's already stretched budget may actually force that family into more financial hardship than they previously faced, which may have negative unintended consequences.

More fundamentally, WACOSS does not support the proposed roll-out of income management to social security recipients in the Northern Territory, or an expansion of the scheme Australia-wide. This significant social policy shift raises a number of social justice and human rights concerns.

In addition to this, WACOSS maintains its opposition to compulsory income management as it currently operates in WA, although we recognise it is a vastly different measure to the national proposition. Even as a child protection tool, as it is being used in this State, income management is not a solution on its own. We have acknowledged that it may be a useful circuit breaker in the experience of disadvantage, hardship and neglect, but we would argue it is not a long term, sustainable solution, and it risks stigmatising and further isolating families.

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26 Senate Committee Hansard. 15 February 2010. See http://www.aph.gov.au/hansard/senate/commttee/S12780.pdf

27 Most recent media reports (October 2009) in WA indicate there are 60 families who have been referred to CIM through DCP, and 220 families who volunteer for the scheme. These figures have been verified by FaHCSIA. They may not represent the most up to date numbers.

An alternative approach

Struggling families at risk of neglecting their children need access to parenting and health services, financial support, and affordable, good quality childcare – before a crisis eventuates. Especially in rural, regional and remote locations, there are a lack of services and programs to deal with the underlying issues that lead to neglect and abuse. We must increase the level of support and wrap-around services available to at-risk families, and indeed to all families. We must invest in strengths-based community development models – that are sustainable, accessible, well-managed and appropriate to need. We must make these services work for the people who need them.

For individuals who are disadvantaged, WACOSS supports ACOSS in advocating for an alternative approach to reducing poverty, social disadvantage and deprivation. This includes adequate social security payments; better employment assistance; support and case management; and voluntary income management to supplement other supports and services.[28] International evidence[29] shows that case management is a key determining factor in the success or failure of social security reform models from overseas, and it has made significant improvements to school attendance and other social outcomes in the Cape York trials.[30]

While there has been some success in the Cape York trials, school attendance in the Northern Territory remains an issue. Punishing parents for non-attendance without recognition of the issues will not fix the problem or address its root cause. People working in the community report that there is no cultural security at schools. Many children see no value in attending school as they believe they are born into a historical cycle of poverty. There is no recognition that an alternative future is possible, as there is no recognition of the past or explanation of their circumstances. If school attendance is to be addressed, going forward it is vital that this history is acknowledged and shared, and that young people realise their life goals and experiences are not necessarily pre-determined.

We acknowledge the temptation to deploy short-term, intensive interventions when community needs are complex and require immediate solutions. However, we maintain that although the investment in longer term, more sustainable solutions may be greater at the outset, the investment will pay off in future years. Complex social problems cannot be solved with simple policy interventions.

Compulsory income management may yield some short terms benefits for a few individuals, but we must analyse carefully the risks associated with these kinds of policy decisions, as distinct from solutions that address the root cause of disadvantage and work with people to make positive changes to their lives.

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[28] ACOSS. February 2010. (p. 20-22).Submission to Senate Community Affairs Legislation Committee: Inquiry into Social Security and Other Legislation Amendment (*Welfare Reform and Reinstatement of Racial Discrimination Act) Bill 2009* and related bills.

[29] Labour market assistance programs such as the 'transitional jobs' schemes in the UK and the US; the former Supported Work Demonstration Program in the US; and the Danish work training scheme that combines paid work experience and training. (ibid).

[30] Ibid.

This is reflected in AIDA's research, which summarises some of the negative health impacts of the compulsory income management scheme in the Northern Territory.[31]

Impact on and role of Non-Government Organisations (NGOs)

If and when income management is rolled out across Australia, pressure will be on community services to provide the financial and other counselling that should accompany the scheme – whether they are appropriately resourced and funded to do so or not.

As we have seen in the Northern Territory, there has been no commitment from the Commonwealth to fund additional support services apart from financial counselling, and the Northern Territory Government is yet to make a decision as to what it will fund – although they have acknowledged the need is present.

WACOSS sees that the potential national roll-out of income management could add greater pressure to community services in WA that may be utilised to support a greater number of individuals and families transitioning to these arrangements. These include family and relationship services, drug and alcohol treatment facilities, mental health services, homeless services, emergency relief, and domestic and family violence shelters.

The not-for-profit sector delivers an increasing range of services to the community, and indications from a number of sources, including the latest report handed down by the Economic Audit Committee (EAC)[32], signal that this trend will continue. Community organisations are responsive to needs, they are flexible, and can offer their clients innovative solutions to complex problems. They have the ability to form unique relationships with the people they serve, built on trust and partnership.

However, they are chronically underfunded nationally, and demand continues to rise. The ACOSS Community Sector Survey (2008) reported that approximately 10,000 eligible people across the country were turned away from services in 2007-2008, as they simply could not cope with the numbers. Community services cannot continue to provide the level of service they currently do, unless funding shortfalls are addressed as a matter of urgency. Estimates tell us that in WA, this shortfall is around 30%. This is unacceptable, especially when considering there are almost a quarter of a million not-for-profit organisations in Australia contributing $21 million (3.3%) to national GDP.[33]

As well as increased demand, the community services sector is also experiencing a shift in the demographic of people requiring assistance. Recent research conducted on behalf of The Salvation Army Australia, released on the 28 May 2010, states that a staggering 20%, or 88,000 people nationally, sought help for the first time this year, for a range of support services. "The Salvos say research clearly shows clients feel 'less in

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[31] AIDA. (March 2010). *Health Impact Assessment of the Northern Territory Emergency Response*. (p.25). See http://www.aida.org.au/hia.aspx

[32] To view the EAC's report, see http://www.dpc.wa.gov.au/Publications/Documents/eac_summary_report.pdf

[33] WACOSS (2009). (p.1). Annual Pre-Budget Submission. *Putting People First*.

control and more depressed' than they did in 2009 about the future, because of their current economic situation."[34]

The research shows more worrying statistics:

- 55% of people visiting Salvation Army community support services say they are now worse off or a lot worse off compared to 2009;
- More than one in four (26%) of clients have experienced new conflict in their family because – they say – of the worsening financial and economic conditions.
- 52% say as a result of the current economic conditions they have cut down on basic necessities.
- 55% say they've cut down on luxuries as a result of the current economic conditions.
- Nearly nine out of ten (88%) clients interviewed said they believed they would still be seeking the help of the Salvation Army the two years' time.

While these statistics have been attributed largely to the enduring hardship faced as a result of the global economic downturn, WACOSS has concerns that if large pockets of social security recipients have their meager incomes forcibly restricted, the demographic of people facing hardship, and the complexity of their problems, may continue to grow.

WACOSS has always maintained that punitive measures such as compulsory income management will not necessarily trigger positive, sustainable behavioral change. If individuals are at risk and barely coping, and compulsory income management exacerbates their situation, chances are they will find new and creative ways of making ends meet - that may not in the best interests of themselves, their children, or their communities. Anecdotal evidence of this is the practice of BasicsCard 'bartering', whereby the card is swapped for cash which is then used to purchase prohibited items.

The Department for Child Protection in WA has stated that the way they work with non-government organisations has not changed since the introduction of compulsory income management for child protection, as their "threshold for neglect" has not changed, nor have they "broadened the net of the people they work with".[35] In theory, funding arrangements that previously existed for families to be case managed should be inclusive of income management as just one plank of a more comprehensive case management model.

WACOSS would like to consider how this may differ from the experience of already stretched-to-capacity agencies on the ground in WA delivering services to families referred to them as a result of both compulsory and voluntary income management. If a broader model of income management is rolled out, WACOSS expects that the demand on these same services will increase even more, especially in light of the already heightened community need as a result of hardship faced during the global economic downturn.

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[34] Salvation Army Australia Media Centre. 28 May 2010. See http://www.salvationarmy.org.au/about-us_65047/media-centre/current-media-releases/new-survey-rsa-2010.html

[35] F Lander, Department for Child Protection. 22 February 2010. Official Committee Hansard.