



## ***Position Statement***

### **Introduction: The Social Work Platform**

The social work profession is committed to maximising the well being of individuals and society. It considers that individual and societal wellbeing is underpinned by socially inclusive communities which emphasise principles of social justice and respect for human dignity and human rights, including the right to freedom from intimidation and terror in society. Minimum standards of human rights include also the right to adequate housing, income, employment, education and health care.

### **Role of Social Workers**

The AASW is the only national organisation for social workers in Australia, with over 6,000 members, many of whom are involved in the delivery of services in a range of fields of practice and regions where both Compulsory and voluntary Income Management has been either trialled or is likely to be introduced in the future.

The AASW, and its members, support, assist, and advocate on behalf of many individuals in receipt of Centrelink income support benefits. They encourage and empower individuals, families and communities to build their own capacity to reach their optimal potential as community members through supporting them to have an active role in the decisions and service provision impacting their daily lives. Working from a strengths based approach with an underlining participatory framework, the AASW and, by extension, AASW members recognise individuals' rights to self-determination, autonomy and freedom from discrimination, supporting the enablement of individuals to become *rights holders*.

Significant numbers of AASW members work within the fields of children and family support and community development in a range of roles including case work, management, policy, early intervention and prevention and project management roles. Social workers are recognised on a local, national and international scale as key stakeholders in the effective provision of human, social and community-based services.

### **Policy Context**

- Compulsory income management was introduced to many Aboriginal communities in 2007 in the Howard Coalition Government's Northern Territory Emergency Response (NTER).



- In November 2008, the Australian Government implemented the trial of two separate measures of income management (IM) in the Kimberley region and metropolitan area of Perth in Western Australia. The two measures of income management being trialled were the Child Protection Scheme of Income Management (CPSIM) and Voluntary Income Management (VIM).
- In June 2010 the Rudd Labor Government established new Income Management legislation extending the power nationally to introduce compulsory income management for certain groups of social security recipients that will restrict how they spend their social security payments. These trials have now extended across the Northern Territory and to some outer suburbs of Brisbane -Logan and Woodridge, Queensland and are proposed in 2011 to a regional rural centre-Shepparton, Victoria.
- ORIMA Research was commissioned by the Australian Government Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) to conduct an evaluation of both trials in Western Australia and reported its findings in September 2010 in the *Evaluation of the Child Protection Scheme of Income Management and Voluntary Income Management Measures in Western Australia*. However there are concerns about the rigour of the evaluation in terms of sampling, attribution and satisfaction survey methodology. Further research is needed to demonstrate longer term outcomes based on quantitative evidenced based data.(1)

The Northern Territory model of Compulsory Income Management blanket roll out policy implementation still continues to predominantly impact on Indigenous communities. The measures are an untested tool to address problems sometimes faced by low income households, such as alcohol and drug usage, and the lack of training and education places for those seeking work, particularly in rural and remote parts of Australia.

The AASW Code of Ethics establishes that social workers strive to challenge and change potential oppressive, disempowering or culturally inappropriate courses of action (AASW Code of Ethics 4.2.2d pg. 19). The AASW welcomed the reinstatement of the Racial Discrimination Act in the Northern Territory, but acknowledges that the majority of those Centrelink recipients who are currently having their income managed in the Northern Territory are Indigenous.



## **Role of Government**

The policy does not address broader structural challenges faced by low income households in many of the regions in which it is being implemented. These communities need to have improved access to employment support services, programs addressing disadvantage in training or education and addiction rehabilitation services.

The Australian Indigenous Doctors Association (AIDA) Health Impact Statement (HIA) in 2007 (2) highlighted that psychological and social health determinants were negatively impacted by experiences of distress due to lack of control over life choices. Research and strengths based policies such as deinstitutionalisation and anti-discrimination aimed at reducing stigma and empowering individuals has proven more effective in creating long term positive change than policies that lead to decreased control over personal agency and autonomy.

Due to strong and sustained advocacy from Centrelink social workers, many of whom are AASW members, the decision to implement compulsory income management is subject to a recommendation from a Centrelink social worker. This allows Centrelink social workers to fully consider a client's individual needs and to frame decisions about income management in the context of building the person's overall capacity. Compulsory income management is deployed only as a measure of last resort when all other support avenues have been exhausted.

Some AASW members working directly with people in the Northern Territory have been involved in the rollout of this legislation. They have reported that, in the context of extreme levels of disadvantage, compulsory income management for highly vulnerable people is effective in immediately reducing extremely poor health and improving welfare outcomes for those previously spending their benefits on alcohol. Others reported that women in violent relationships have responded positively to being placed on compulsory income management as they would be at risk had they entered into income management voluntarily.

However in the Northern Territory compulsory income management has been implemented with income support recipients not known to Centrelink social workers or other social workers. This was based on the assumption that if these recipients are on benefits for a certain period of time they must be mismanaging their Centrelink income support. Long term recipients of the nominated payments can be automatically enrolled in the scheme, regardless of how diligently they budget their money, search for work or care for their children.



Compulsory income management is based on the assumption that income support recipients are unable and/or unwilling to manage their finances. There is no evidence to support this. These target groups as set out by the legislation affecting Centrelink policy are:

- *Young people (under 25 years) who have been on nominated payments for at least 13 weeks in the last 26 weeks and*
- *'Long term unemployed' (over 25 year olds) and recipients of Parenting Payments who have been on nominated payments for at least 52 weeks in the previous 2 years.*

In regards to the Northern Territory Emergency Response NTER and the current Income Management IM framework it is important to note more rigorous protective intervention measures had already been available to professionals concerned about vulnerable adults with cognitive impairment or for families/children at risk under established legal instruments (for example the *NT Adult Guardianship Act 2010* & *NT The Care and Protection of Children's Act 2007*). These processes require social workers to present evidence to an independent tribunal member or magistrate and demonstrate how all other less restrictive options have been attempted and failed. The AASW would question then why further legislation regarding compulsory income management for vulnerable adults was required.

The AASW notes the Northern Territory government's response to the Senate Inquiry into Welfare Reform (2009) indicated insufficient resources to address disadvantage prior to the implementation of the NTER in the Northern Territory. In light of continuing unmet demand for health, education and community services there has still not been a proportionate increase of funding in wrap around support services to adequately address the root causes of domestic violence and remote disadvantage in the longer term. The IM system is extremely costly with Centrelink management costs of \$4,400 per annum per person which could be better spent on providing services that would build long term capacity and change.

The AASW endorses the voluntary uptake of income management mechanisms and products, aligned within a rights-based approach that enables a client's right to self-determination. This needs to include the person's ability to remove themselves from income management which is currently only possible after they have been on the scheme for 13 weeks.



The AASW acknowledges that some individuals have been referred for income management by child protection authorities. The AASW endorse income management as a case management tool as part of a broader comprehensive strategy in line with other Child Protection intervention approaches. The AASW supports findings from the Western Australia's Coronial Report (February 2008) that identifies families referred to income management, stating that this measure *must* be part of a supportive framework through ongoing case management (3). Under Child Protection Support Income Management, clients retain the right to appeal the decision to be placed on the program and the duration of time on the program, they can also apply for review of the Department of Child Protection's decision to refer them to Centrelink for Income Management.

The AASW also endorses the Child Protection income management, through local level programming in line with the Family Responsibility Commission (FRC Queensland):

- Income management is only used as a recommendation out of case conferencing where all other supportive intervention measures have been explored and failed.
- Income management is only considered when a client has failed to attend two case conferences, or has not kept to a negotiated and agreed to case plan. In this circumstance, income management is only to be used as a means to enable a client to reengage within the case conference process.
- A collaborative approach, encompassing a variety of agency notifications, is used in the determination of income management as an intervention measure, including but not exclusive to – school attendance, tenancy breaches; convictions; child safety notifications; employment.
- Where appropriate case managers, indigenous leaders and community elders work collaboratively and intensely within communities that are identified as possible income management recipients.
- Case plans are to be planned and supported through case management for a 12 month period where income management is considered.

There is yet to be evidence of compulsory income management alone facilitating the development of long term outcomes in financial skills attainment. The Australian Council of Social Services (ACOSS 2010) has outlined possible detrimental effects of compulsory income management has actually made the lives of income support recipients harder through the "imposed considerable administrative burden and removal of autonomy over individual finances"(4). The AASW does not support income management as a stand-alone intervention strategy and notes the small uptake of recipients referred to or who have taken up financial counselling.



**The AASW calls** for the Australian Government to work within the *United Nations Common Understanding of a Human Rights Based Approach to Development Cooperation* framework where considering the practical application of the income management scheme and the re-instatement of the Racial Discrimination Act in particular:

- Individuals, families and communities are recognised by the Commonwealth State and Territory governments as key stakeholders in their own development, rather than passive recipients of commodities, service provision and policy development.
- The Commonwealth, State and Territory Governments make a commitment within service provision, legislative and policy outcomes and processes to be monitored and evaluated.
- Within management, processes, and outcomes, both top-down and bottom-up approaches are to be used in synergy.
- Strategic partnerships with key community stakeholders are identified, developed, and sustained, within core business processes.

### **Workforce Issues**

**The AASW calls** for an increased investment in professionals working with individuals, families and communities in the social, community and human services sector; to include measures in increasing training and recruitment of high quality staff into case management, financial support and community development.

### **Talking Points**

Social Workers recognize the need for reciprocal obligations on those receiving income supports, but:

**The AASW recommends** a more holistic and client-centred approach to enabling individuals and families to better manage their income. These should be supported by early intervention and educational models aimed at enabling recipients to improve their capacity to manage their finances.

**The AASW calls** for detailed, timely and transparent evaluations to be conducted on all income management measures that are open to public scrutiny.



**The AASW calls** for the Government to work with the States and Territories to hold open and inclusive community consultations in areas identified as income management options, to develop models of community and land management and community resourcing that enables and builds self-determination, capacity building and sustained action to resolve financial and social hardships.

**The AASW calls** for the withdrawal of the provisions of the legislation determining a disadvantaged area imposition of compulsory income management. Instead income management should be proposed on a voluntary basis unless in cases where it is recommended following implementation of legal instruments such as Child Protection, Domestic Violence or Adult Guardianship, in which the process is non-discriminatory and is not applied on an automatic basis under circumstance of race, geographic area, type of benefit or duration of payment.

**The AASW attests** that compulsory income management does not adequately address the structural causes of social problems or economic inequalities. The 12 month Review of the Northern Territory Intervention (2010) recommended the Federal Government amend the Northern Territory Intervention to remove compulsory income management, and to only use this measure on a voluntary basis or in cases of demonstrated neglect.

**The AASW calls for**

- An increased investment in those professionals working with children and their families, including measures to increase the training and recruitment of high quality staff into child protection services and industry plans to retain experienced professionals in the sector;
- A commitment to community strengthening by increased investments in services that work with families and children and their families;
- Specific programs to address the multiple needs of Indigenous children and families who continue to be over-represented in child neglect and abuse referrals and investigations.



## Australian Association of Social Workers

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### Income Management Position Paper

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#### References

(1) WACOSS analysis of the *ORIMA Research Evaluation of the Child Protection Scheme of Income Management and Voluntary Income Management Measures in Western Australia* Perth April 2011

(2) Australian Indigenous Doctors' Association submission to the Senate Inquiry in relation to the Families, Community Services and Indigenous Affairs and Other Legislation Amendment (Northern Territory Emergency Response and Other Measures) Bill 2007; the Northern Territory Emergency Response Bill 2007; and the Social Security and Other Legislation Amendment (Welfare Payment Reform) Bill 2007 Canberra: Australian Indigenous Doctors' Association

(3) DCP Reform Implementation Delivering Child Protection Reform PROJECT SCOPING PAPER Project Category: Field Service Delivery Project Title: *Income Management for Child Neglect* Project Number: 33 July 2008 WA

(4) *ACOSS 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*, February 2010 Canberra

Disclaimer: Position statements

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