

Compulsory Income Management: Where it might apply in SA

With the federal government set to expand Compulsory Income Management for welfare recipients beyond the Northern Territory Intervention, SACOSS has released a report identifying which areas in South Australia may be targeted.

SACOSS Executive Director, Ross Womersley said, “We have major concerns about compulsory income management because it is expensive, denigrates welfare recipients, stigmatises whole communities, and is not a way forward for addressing complex social problems”.

“The government has said that compulsory income management will be applied to ‘disadvantaged areas’, but has not identified which areas” Womersley said. “The SACOSS report uses figures on socially disadvantaged areas produced by the Australian Bureau of Statistics, Centrelink, and the national Social Inclusion Board, to identify which areas might be targeted in South Australia”.

The areas identified include:

- The APY lands and other Aboriginal communities like Gerard, Kooniba, Nepabunna, Point Pearce and Yalata.
- The “Parks” suburbs to the north of Woodville and east of Port Adelaide, and a range of suburbs around Elizabeth.
- Approximately 30 regional towns and communities, particularly in the mid-north and the north of the state.

The analysis of where it might apply in practice in South Australia also shows a range of practical local problems including:

- “border problems” with people living on different sides of a street potentially having different welfare rights and obligations;
- “retailer-participation problems” with administrative burdens placed on local shops and/or people missing out if shops in non-targeted areas do not accept the Basics Card; and
- potential migration out of designated income management areas further hurting already vulnerable communities.

“While *voluntary* income management schemes may be useful in some circumstances, we do not want to see compulsory income management in South Australia – or anywhere else in the country” said Womersley.

Compulsory income management was first introduced in Aboriginal communities by the Howard government as part of the Northern Territory Emergency Response, but the current government is planning to expand the scheme to welfare recipients across all of the Northern Territory and then to the rest of the country. Under compulsory income management, welfare recipients in designated areas have half their payments put on a “Basics Card” which can only be spent in particular shops and on items deemed essential.

The SACOSS Report comes just a week after a report from Menzies School of Health Research in Darwin raised doubts about the effectiveness of income management on improving Indigenous

health outcomes, finding that there was no long term change in the consumption of key commodities.

<http://menzies.edu.au/research/research-news/welfare-quarantining-fails-prompt-healthier-purchases-indigenous-community-st>

The SACOSS Report, *Compulsory Social Security Income Management in South Australia*, and four associated Fact Sheets, are available at www.sacoss.org.au/income-management