

## **MEDIA RELEASE: Abbott Government Plans To Expand Failed Income Management Scheme Deeply Concerning**

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Reports in the media that the Abbott Government plans to further expand Income Management – an expensive, failed scheme - are deeply concerning. The government has refused to acknowledge years of negative data about the policy and its consistent failure to benefit those it is forced upon.

In Playford, northern Adelaide, where Income Management has operated since 2012, there were 591 Income Management clients in January 2015, according to Department of Social Services. 482, or 82 percent, were forced clients, with 109, or 17 percent, voluntary.

“According to the Department's 2014 report, *Place Based Income Management – Process And Short Term Outcomes Evaluation*, there has been no evidence of enhanced money-management skills, better health outcomes, or reduced alcohol and tobacco consumption among those forced on Income Management in Playford”, SIMPla (Stop Income Management in Playford) Spokesperson Pas Forgione said.

“The report is consistent with past studies that show the policy, with its enormous cost of \$4,000-\$6,000 per person, per year, and over \$1 billion spent nationwide since 2007, is not working. This scheme is wasting resources that could fund capacity-building education, employment, and health services”, Forgione said.

The Commonwealth Parliamentary Library's 2012 paper, *Is Income Management Working*, said there was 'an absence of evidence relating to the effectiveness or otherwise' of the program. A Department of Families, Housing, Community Services, and Indigenous Affairs study from the same year, *Evaluating New Income Management In The Northern Territory: First Evaluation Report*, was less guarded:

'[Income Management] has been applied to many who do not believe they need Income Management, and for whom there is no evidence that they have a need for, or benefit from Income Management...for many people the program largely operates more as a means of control rather than a process for building behaviours or changing attitudes or norms.'

“The Menzies School of Health's 2010 study of spending patterns of NT Income Management clients reported that apart from the impacts of government stimulus payments, there have been no significant changes to consumption of alcohol, cigarettes, and soft drink, nor to fresh fruit and vegetables, among clients”, Forgione said.

“There is certainly no evidence from the NT, where rates of child protection notifications and removals have been soaring for years, that Income Management has led to declining rates of neglect and abuse, or improved child nutrition and wellbeing”.

“In WA, evidence from a 2009 Western Australian Council of Social Service study suggests Income Management has the potential to increase the dependency of clients on others, rather than building financial and personal skills. 55 percent of surveyed financial counsellors expressed concerns about Income Management actually reducing clients' ability to independently manage their funds, leaving them more vulnerable over the long-run.”

“It is time to move on from this simplistic, failed scheme. It is time to recognise that most welfare recipients are competent and responsible with their money. They survive on grossly inadequate payments below the poverty-line – what they need are higher payments to allow them a decent quality of life, and well-funded support services for times of crisis – not control of their finances taken off them”, Forgione said.