

MEDIA RELEASE: Funding Extension For Income Management Shows Government Is Blind And Deaf To Evidence, Committed To Punishing Poor People

Further Information: SIMPla (Stop Income Management in Playford) spokesperson Pas Forgione - 0411 587 663 or simpla.playford@gmail.com.

SIMPla (Stop Income Management in Playford) is dismayed and exasperated that Income Management has been awarded two more years of funding in the Federal Budget – despite having consistently failed to improve the lives of vulnerable people.

\$146.7 million has been allocated to extending the operation of Income Management in Playford in northern Adelaide, the NT, and 14 other sites, to June 30th 2017. Funding for Income Management in these locations was previously due to end on June 30th 2015.

Income Management has operated in Playford since 2012, when it was expanded beyond the NT, where it has operated since 2008. Evaluations, government and independent, have repeatedly highlighted deep flaws.

“Last October, the government's *Place Based Income Management – Process And Short Term Outcomes Evaluation* revealed there has been no evidence of strengthened 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.

“For those on Compulsory Income Management there was no positive change across a range of indicators of well-being. Only the small minority who volunteered derived any benefits.”

These results are consistent with those of government studies of Income Management in the NT. The 2012 report, *Evaluating New Income Management In The Northern Territory: First Evaluation Report*, noted '[Income Management] has been applied to many who do not believe they need Income Management and for whom there is no evidence 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.'

“In Playford Income Management largely operates as a blanket measure with large numbers of young people having control of their funds restricted, despite no history of mismanaging their payments. Many of these people study and work part-time”, Forgione said.

“Most of these individuals are subject to Income Management simply because they receive the Unreasonable To Live At Home rate of Youth Allowance and are aged 16-21 – but this is no justification for these people being deprived of control over their money.”

Also announced was the scrapping of bonus payments for those on Voluntary Income Management. Volunteers currently receive an extra \$250, paid into their quarantined funds, for every six months on the scheme. The extra income, while modest, can be valuable to welfare recipients, most of whom survive on grossly inadequate payments massively below the poverty-line.

“The elimination of these payments is a disappointing, petty move, particularly when Voluntary

Income Management has some evidence of achieving positive outcomes”, Forgione said.

“The government has repeatedly demonstrated it is blind and deaf to the evidence on Compulsory Income Management – and the experiences of those on this wasteful program. Its stubborn commitment to Income Management shows it is devoid of fairness and imagination – and committed to punishing poor people.”

“Rather than being prolonged, Income Management should be scrapped, with funds redirected towards community services that build individual capacity rather than punishing those needing extra support. Welfare recipients need extra income to deal with rising cost of living pressures, not control of their money taken of them.”