

Homeless Persons' Legal Service

Legal help for the homeless and those at risk of homelessness
A joint initiative of the Public Interest Advocacy Centre Ltd
and the Public Interest Law Clearing House Inc



Public Interest Advocacy Centre Ltd
Level 9, 299 Elizabeth Street
Sydney NSW 2000
DX 643 Sydney
Tel: +61 2 8898 6545
Fax: +61 2 8898 6555
E-mail: homelessproject@piac.asn.au
ABN: 77 002 773 524

Welfare Payments Reform Branch
PO Box 7576,
Canberra Business Centre ACT 2610

Dear Secretary

25 June 2010

Proposed Vulnerable Welfare Payment Recipient Measure

I am writing in response to the Department of Families, Housing, Community Services and Indigenous Affairs call for submissions into models of income management proposed for vulnerable welfare recipients.

The Homeless Persons' Legal Service (HPLS) provides free legal advice and ongoing representation to people who are homeless or at risk of homelessness. In addition to providing free services, HPLS has a policy role, which involves identification of key issues that affect homeless people and working with all levels of government and other relevant organisations in order to deliver better outcomes for people who are homeless.

HPLS is concerned that the proposed Vulnerable Welfare Payment Recipient Measure (Policy Outline One) will have the result of forcing all people who are experiencing homelessness to be subject to compulsory income management.

The consultation document details that 'people who are homeless or who are at risk of homelessness' are automatically deemed as vulnerable persons who are thus subject to compulsory income management. HPLS believes such compulsory measures are not only unnecessary but an ineffective response to the problems that many homeless people experience with income management.

HPLS recognises the positive role income management can play in providing structure and support to many vulnerable groups including those who are experiencing homelessness. During HPLS's many consultations with homeless people, the ability to pay rent and other



essential services through Centrepay is often mentioned as a positive service. However there is considerable risk associated with applying compulsory income management to all groups that are 'homeless or at risk of homelessness'. Simply because a person is homeless or at risk of homelessness does not mean that he or she requires or would benefit from compulsory income management. In fact, for many it would be very disempowering as it further entrenches the perception that all potentially vulnerable people must be treated differently from the mainstream community.

HPLS believes the proposed application of compulsory income management to homeless people is based in part on the Federal Government's determination to provide support to individuals with complex needs. As the Federal Government's White Paper on Homelessness, *The Road Home, A National Approach to Reducing Homelessness* (the White Paper) details, a large proportion of people who are homeless experience mental health and substance abuse issues that may cause or exacerbate their homelessness.

While a voluntary form of income management may be beneficial to groups in this situation, not all people who are homeless have conditions that may affect their financial management ability. It is important to recognise that the accepted definition of homelessness used by the Australian Bureau of Statistics is very broad. If such a definition is adopted in the Vulnerable Welfare Payment Recipient Measure process, it is likely that a large number of people who do not require, and who will be severely disadvantaged by income management, will be covered.

An inadequate response to the need of homeless people

Compulsory income management is also an ineffective and unthinking response to addressing the needs of those homeless people who do require assistance managing their finances. It is HPLS's experience that income management problems amongst homeless people are often the simple result of a lack of budgeting and other financial skills rather than complex issues requiring compulsory income management.

HPLS's consultations with homeless people have revealed that there is a lack of financial counselling and budgeting training available or known to people who are currently or who are at risk of homelessness.

In order to address this issue it would be much more effective for the Federal Government to fund and develop access to programs such financial skills and counselling that teach and entrench independence rather than focussing on compulsory income management.

Homelessness white flag

HPLS also believes that compulsory income management is contrary to the principles behind the implementation of a 'homeless white flag' in Centrelink processes. In the White Paper, the Federal Government announced that Centrelink would develop a white flag process to assist staff in the identification of current and at-risk homeless users of Centrelink services. The purpose of the white flag is to enable Centrelink staff to provide referral information and services to clients in a way that is adequate to their own particular needs.

In contrast, the Vulnerable Welfare Payment Recipient approach uses the same identification system to effectively compel Centrelink clients who are homeless to be part of a particular service delivery model, that is, compulsory income management.

Should you have any questions about this submission, please feel free to contact me on (02) 8898 6511.

Yours sincerely

Julie Hourigan Ruse
Co-ordinator
Homeless Persons' Legal Service
Public Interest Advocacy Service (PIAC)

Phone: (02) 8898 6511
E-mail: julie@piac.asn.au