

# The Realities of Income Management: A Summary<sup>1</sup>

***Sorry means you won't do it again!!!***

Legislation currently before Parliament proposes to reinstate the Racial Discrimination Act (RDA) in December 2010. BUT, it **does not** simply reinstate the RDA. Reinstatement been packaged with some awful measures, which largely legitimise the ongoing abuses of the Intervention ... **and** extend these to other disadvantaged Australians. In other words, this whole process represents significant deterioration in the treatment of both Aboriginal people ... and many other disadvantaged Australians. **In my view, if this legislation is enacted, it will represent the most significant change in Australian values since the 2<sup>nd</sup> World War.**

Under the proposed Act, **the Minister can declare ANY geographical area/State/Territory as an income management area.** Most people on most social security benefits (whether they have children or not) will have 50% of their income quarantined.

## Realities of income management

Just a few of the practical realities are:

- People are forced to shop for essentials in major department stores. It is almost impossible, for example, to purchase clothing in Op Shops, or shop for food at markets, or buy fish and chips from a local small business ... an incredible economic boost for the multi-nationals at the expense of small business!!!
- People have difficulty paying other costs of living (eg. phone, electricity, petrol) with the remaining 50%, or saving for major expenses or purchases.
- People can be expected (like those from currently prescribed communities) to be forced to join separate queues in shops, because of the time it takes to process a *Basics Card*.

## Cost of income management

Further, it will cost the wider community an enormous amount to implement. According to The Critical Times, in a statement on 9 June 2009:

In the next year alone, \$106 million will be spent on this Income Management system in the NT. That's a cost of \$7000 per person. \$11.8 million was allocated in the recent budget to developing the new BasicsCard infrastructure by June 2010, a process which will begin on

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Wednesday in Sydney. In comparison, over the same period, only \$10.5 million was allocated for “supporting families” programs, including funding to support safe houses and remote Aboriginal family and community workers. (<http://www.criticaltimes.com.au/news/stop-the-nt-intervention-end-racist-income-management-now/>)

This is an extraordinary waste of money on bureaucratic costs at the expense of funding services essential to the health and wellbeing of our most disadvantaged community members.

## **What would it mean if the raft of *emergency* measures imposed on prescribed communities in the Northern Territory, were applied to your suburb?**

What's next? Other features of the so-called *emergency response* could easily be extended to other disadvantaged Australians. Imagine that your suburb was declared by the Minister. Some of the consequences which are roughly equivalent to the realities of the Intervention could be:

- Prohibition of alcohol if you happen to live in a designated suburb, with massive fines (\$2,000 for a first offence; possible imprisonment for a second offence) for having a glass of wine with dinner in the privacy of your own home.
- HUGE signs at every entrance to your suburb, warning of alcohol and pornography prohibition.
- If you owned property, this being compulsorily acquired under lease. You would be forced to become a state housing tenant, pay rent, and live with the potential of being evicted for any number of minor transgressions ... even if you had previously paid off your mortgage!
- Losing your capacity to save for a holiday, or furniture, or car, or to rent or buy housing in another suburb!
- Being unable to live in a planned, low-budget way or to economise your purchases. Not being allowed to purchase fresh food from a local store or market; being forced to purchase new clothes at a major department store, rather than buying them at an Op Shop - including all clothes for growing kids!
- Having no access to public transport and a requirement that you purchase all essentials at a store at least 100 km away - and, not being allowed to use your Basics Card to buy the petrol to get there.