

## **MEDIA RELEASE: Three Years Of Income Management In Playford; Three Years Of Failure, Punishment, And Waste**

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July 1st marks the three-year anniversary of the introduction of Income Management to the City of Playford in the northern suburbs of Adelaide. This is an unhappy anniversary for a policy that has:

- 1) Consistently failed to improve the financial and personal well-being of those forced on the scheme
- 2) Punished low-income people receiving Centrelink payments
- 3) Wasted valuable resources that could have funded much more effective community programs

Introduced to Playford by the Gillard Government in 2012, the 2015 Federal Budget saw the Abbott Government extend funding for Income Management in Playford (along with the NT, where the policy has operated since 2007, and 14 other sites) to 2017. This two-year funding extension was announced despite the government being aware of the lack of evidence showing the scheme is working.

According to March 27th data from the Department of Social Services, there were 608 Playford residents on Income Management. Of these, 494, or 81 percent, were forced on the program, while 114, or 19 percent, were volunteers.

Of the 494 residents forced on Income Management, 98 percent, or 485, were young people on Income Management solely because of their age and payment type, not because of their personal or financial skills or situation.

SIMPla (Stop Income Management in Playford) Spokesperson Pas Forgione said, "In Playford, Income Management is largely operating as a blanket measure, with large numbers of young people having control of their funds restricted, despite no history of mismanaging their payments or personal crisis. Many of these people study and work part-time."

"Most of them 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 full control over their money."

"There has been no evidence of strengthened money-management skills, better health outcomes, or reduced alcohol and tobacco consumption, according to the Abbott Government's *Place-Based Income Management - Process And Short Term Outcomes Evaluation*, released last October."

"For those forced on Income Management there has been no positive change across a range of indicators of well-being. Only the small minority who volunteered for the scheme have derived benefits."

"Interestingly, there is evidence that those forced on Income Management tend to be better at budgeting, and drink and smoke less, than those who volunteer for the scheme."

"Numerous reports have now confirmed what critics of the policy have long argued: that for the majority of Income Management clients who are forced on the program, the experience can be embarrassing and humiliating, with little to no improvement in quality of life."

"How many more government and independent studies do we need before both major political parties acknowledge Income Management has not worked?"

The cost of Income Management is enormous, with \$1 billion spent nationwide on the scheme since 2007, according to the Commonwealth Parliamentary Library, and per person costs in Playford of roughly \$4000-\$5000 per year.

This highlights the hypocritical, mean-spirited mindset of the Abbott Government, that at a time when important community services, such as domestic violence programs, anti-addiction services, and financial counselling, are being cut or being underfunded, a failed policy like Income Management continues to receive taxpayer funds.