



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

**SOCIAL SECURITY AND OTHER
LEGISLATION AMENDMENT (WELFARE
REFORM AND REINSTATEMENT OF
RACIAL DISCRIMINATION ACT) BILL 2009**

Second Reading

SPEECH

Wednesday, 24 February 2010

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

Date Wednesday, 24 February 2010
Page 1753
Questioner
Speaker Macklin, Jenny, MP

Source House
Proof No
Responder
Question No.

Ms MACKLIN (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (5.09 pm)—in reply—I thank all of the members who have contributed to this debate, particularly the member for Wakefield. His contribution right at the end of the debate really encapsulated what this bill is all about. The Social Security and Other Legislation Amendment (Welfare Reform and Reinstatement of Racial Discrimination Act) Bill 2009 is a very significant piece of legislation. It is landmark reform to the social security system. I know that the member for Wakefield, in representing his constituency, understands that this can help us work with people who are not only very disadvantaged but often very disengaged to really confront the difficulties that they find themselves in. The principles behind this legislation really do go to the heart of what we are on about. It is about doing everything we possibly can to see people engaged in work, caring for their children, participating in their communities and, above all else, being responsible citizens, being responsible for their children and making sure that the purpose of the welfare system is honoured.

The bill provides that from 1 July 2010 we will see a new scheme of income management rolled out, in the first instance, in the Northern Territory. This will be a first step in seeing it rolled out to other disadvantaged regions across the country. Very importantly, this scheme is designed to be non-discriminatory and is targeted at individuals at risk. The new arrangements will replace the current scheme of income management that applies only in prescribed Northern Territory Indigenous communities. This bill places income management on a new and now sustainable basis. The proposed scheme will extend the benefits of income management right across the Northern Territory. This is a very significant change and one that has been some time coming. We want to see the benefits of income management extended to people who live in the towns and cities of Darwin, Alice Springs, Tennant Creek, Katherine and, of course, those parts of the Northern Territory where it has not applied to date.

When we came to government there were only around 1,400 people on income management in the Northern Territory. But, as a result of our government's commitment to continuing and maintaining the Northern Territory Emergency Response, the present income management scheme now applies to around 16,000 income support recipients in the 73 prescribed communities. The new scheme is estimated to apply to around 20,000 income support recipients in the Northern Territory, who as a result of this legislation are going to see the benefits of income management. The scheme will apply to a number of different groups of income support recipients, all of whom are at risk of social and economic disengagement—to income support recipients under the age of 25, to the long-term unemployed, to long-term recipients of parenting payment, to people who are assessed as vulnerable by Centrelink social workers, to those parents on income support who are referred by child protection authorities and also to those who seek access to voluntary income management.

One of the important changes in this bill is that it also provides a pathway out of income management for those who show that they do want to engage and be responsible, particularly for their children and for seeking work. The pathways are designed to provide incentives for those who are engaging in study or employment and, similarly, for parents who are able to demonstrate responsible parenting, particularly to make sure that we provide an incentive for parents to get their children to school.

There will be access to financial counselling, and money management services will be available to those who want to improve their budgeting skills. There will be a matched savings incentive introduced to encourage people on compulsory income management to establish savings. Those on voluntary income management will have access to an incentive payment to remain in the scheme and to access the benefits of income management. The reforms help to tackle the very destructive intergenerational cycle of passive welfare. This really is fundamental to what we are on about. The reforms are entirely focused on providing assistance to those members of our society who are the most vulnerable and at risk. They are, particularly, children.

The government has embarked on these very significant welfare reforms because the direct payment of all welfare moneys to individuals is not in many circumstances meeting the objectives that I think we as a society have set for our welfare system. It is the case—I agree with the member for Wakefield and I think most Australians take the view—that welfare money should be spent on the essentials of life, particularly when it is available for

children. The essentials are things like food, rent, other essential bills and school uniforms. I think it is the case that the Australian people think that our children deserve no less than this.

This bill also contains a very important commitment that the government made to introduce legislation so that the Racial Discrimination Act and the state and territory antidiscrimination laws apply to the Northern Territory Emergency Response and to the Cape York welfare reform trial. Once the Racial Discrimination Act is reinstated, all of the Northern Territory Emergency Response measures will be subject to the requirements of the Racial Discrimination Act and must comply with its provisions. The bill makes a number of changes to the other Northern Territory Emergency Response measures, including restrictions on alcohol and prohibited material and the community stores licensing scheme, so that these measures are improved, made more sustainable and are more clearly special measures.

It will be necessary to make sure that there is an effective transition to the redesigned measures before the Racial Discrimination Act exemption is lifted. The new income management scheme is designed to be non-discriminatory. The Racial Discrimination Act will apply to the new income management scheme from 1 July 2010, when it is introduced. The Racial Discrimination Act suspension in relation to existing Northern Territory Emergency Response measures will be lifted on 31 December 2010 to enable an effective transition to the new arrangements. These changes complement the government's focus on closing the gap; as the member for Makin emphasised, we are delivering unprecedented action and investment in education, health, housing, jobs and remote service delivery, with all of these areas receiving a very significant increase in investment.

All of these changes in the Northern Territory follow very extensive consultations with Indigenous Australians. These consultations were unprecedented in their scale and in their intensity. They were conducted in around 500 meetings over a series of months. The key message that we received from Indigenous people in these consultations is that they really want to accept a greater level of both personal and community responsibility, and the reforms contained in this legislation really respond to those calls.

I am concerned that the opposition has signalled that they intend to vote against this bill today. I hope that they will reconsider that position, because these reforms that we are proposing make the Northern Territory Emergency Response sustainable. They extend income management beyond the original 73 prescribed communities. The reforms provide very strong incentives to those on income support to engage and participate in study, training, employment and responsible parenting. They will extend the number of people benefiting from income management. They maintain and improve the other core measures of the Northern Territory Emergency Response, and the reforms bring the Northern Territory Emergency Response legislation into compliance with the Racial Discrimination Act. A failure to support this bill would put all of this at risk. More importantly, it would place at risk the lives of innumerable women and children as well as those other people who are disengaged in the Northern Territory in the first instance—people who are at risk from poor nutrition, financial exploitation or the effects of alcohol abuse. I call on all members opposite to give serious reconsideration to their position. I commend the bill to the House.

Question put:

That this bill be now read a second time.