



## “Nothing more than chicken feed”:

The inadequacy of Centrelink’s Crisis Payment for released prisoners and people fleeing domestic violence.



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# Introduction

## Homeless Persons' Legal Service

The Homeless Persons' Legal Service (**HPLS**) was established in 2004 by the Public Interest Advocacy Centre and the Public Interest Law Clearing House<sup>1</sup>. HPLS is funded by the NSW Public Purpose Fund through the support of the NSW Attorney General. HPLS provides free legal advice and ongoing representation to people who are homeless or at risk of homelessness. It operates nine clinics on a roster basis at welfare agencies in the inner city of Sydney, Parramatta and Bondi. The clinics are co-ordinated by HPLS and staffed by lawyers from organisations that are members of PILCH.<sup>2</sup>

In addition to legal assistance, HPLS has a policy role. This involves identification of key issues that affect its clients and working with all levels of government and other relevant organisations in order to deliver better outcomes for people who are homeless. As a part of this policy role, HPLS has identified homelessness amongst recently released prisoners as an area requiring urgent attention.

## Centrelink's Crisis Payment

### What is the Crisis Payment?

Crisis Payment is one-off financial assistance provided to individuals who are experiencing severe financial hardship and are already receiving an income support payment.

In order to obtain a crisis payment an applicant must either have:

- experienced an extreme circumstance (a natural disaster or domestic violence) that has forced them to leave their home;
- remained in their home after the removal of a family member because of domestic violence; or
- been recently released from prison or psychiatric confinement.

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<sup>1</sup> For information about the Public Interest Advocacy Centre and the Public Interest Law Clearing House, see Appendix 2 of this paper.

<sup>2</sup> The following PILCH members provide lawyers on a *pro bono* basis to HPLS to provide legal services through the clinics: Allens Arthur Robinson, Baker & McKenzie, Corrs Chambers Westgarth, DLA Phillips Fox, Deacons, Ebsworth and Ebsworth, Gilbert + Tobin, Henry Davis York, Legal Aid NSW and Minter Ellison. The clinics are hosted by the following welfare agencies: the St Vincent de Paul Society's Matthew Talbot Hostel, Uniting Care's Norman Andrews House, Wayside Chapel, The Station, the Uniting Church's Parramatta Mission, Wesley Mission's Edward Eagar Lodge, Women's and Girls' Emergency Centre, Newtown Mission in Partnership with Newtown Neighbourhood Centre, and the Salvation Army's Streetlevel Mission.

## Making an application

Each category of crisis payment also has additional qualification criteria. In order to qualify for a payment on the basis of extreme circumstances, the applicant must have left home and show that it is unreasonable for them to return and that they intend to establish a new home, They also must apply for the payment within seven days of the extreme circumstance. To obtain a payment after remaining in their home after removal of a family member for domestic and family violence, the applicant must make a claim within seven days of the family member being removed.

For a payment upon release from prison, a prisoner must have been imprisoned for at least a 14 day period as a result of being charged with an offence and a claim must be made no later than 21 days prior to release.

To be eligible for a crisis payment the applicant must already be receiving an income support payment from Centrelink.

## Number of Crisis Payments available

If the applicant is applying for a crisis payment on release from prison, they may receive a crisis payment for each time they are released from prison. For applicants making a claim for a crisis payment on the basis of extreme circumstances or for remaining in the home after a family member leaves or is removed due to domestic violence, there is a limit of four payments every 12 months.

## The amount of Crisis Payment received

The payment is equal to one week's payment of the recipient's normal Centrelink pension or benefit payment without add-ons.<sup>3</sup>

Payment Type	Maximum Crisis Payment claimable <sup>4</sup>
Newstart Allowance	\$215
Disability Support Pension	\$268.80
Parenting Payment	\$268.80
Youth Allowance	\$211.40

<sup>3</sup> For example, rent assistance or payments for children.

<sup>4</sup> Maximum amounts as at 10 September 2007.

When an individual receives a crisis payment, they have the option of receiving a week's advance of their regular income support payment. They therefore can obtain either:

- a. the crisis payment then a fortnight later receive their regular income support payment or;
- b. the crisis payment plus a week of their income support payment, then a fortnight later receive the other week of their payment.

## **Problems with the Crisis Payment**

### **Introduction**

The current amount of the crisis payment is insufficient to meet the rehabilitative needs of individuals escaping domestic violence or being released from prison.

### **Those escaping domestic or family violence**

Those escaping domestic or family violence are seldom able to take personal belongings with them and subsequently must purchase clothing, emergency food and personal hygiene products, shoes and accommodation. The small amount paid leaves the person falling far short of achieving financial independence and creates the danger that they may view returning to a violent situation as an easier alternative than struggling on this small amount. The situation is worse for those fleeing domestic violence with dependent children.

### **Prisoners on release**

The crisis payment is also insufficient to cover even the basic needs of released prisoners. On release, many prisoners have minimal personal effects, which must then be purchased on their discharge from prison. Upon release, they also need to access basic living requirements such as food, transport, and of course, shelter.

Many exiting prisoners have 'burnt their bridges' with friends and family and are thus forced to seek accommodation on the small amount of money they have post-release.

Recent studies have indicated that over 38% of prisoners across Australia were reimprisoned within two years of their release<sup>5</sup>, and that 60% of the current prisoner population have been in prison on at least one other occasion in their lifetime.<sup>6</sup> Studies have also identified the adequacy of post-release housing as a significant determinant of whether or not an individual re-offends.<sup>7</sup> The current crisis payment is not sufficient to enable the individual to obtain adequate housing for the two-week waiting period before they are able to access the regular income support payment. Even emergency, temporary accommodation services have fortnightly rents well above the crisis payment levels. For example, it costs \$17 per night (or \$238 a fortnight) to stay at

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<sup>5</sup> Steering Committee for the Review of Government Services, Parliament of Australia, *Report on Government Services 2005* (2006) Productivity Commission, <<http://www.pc.gov.au/gsp/reports/rogs/2005/>> at 6 November 2007.

<sup>6</sup> Australian Bureau of Statistics, *Prisoners in Australia* (2006) ABS. <<http://www.abs.gov.au/austats/abs@.nsf/mf/4517.0>> at 6 November 2007.

<sup>7</sup> Eileen Baldry et al, 'Ex-Prisoners, homelessness and the state in Australia' (2006) 39(1) *Australian and New Zealand Journal of Criminology* 20.

Edward Eagar Lodge in the inner suburbs of Sydney. This means that ex-prisoners are at a significant risk of becoming homeless.

A study conducted by Dr Eileen Baldry, an academic at the University of New South Wales, traced the experiences of people exiting prison. She found that the number of individuals identifying as homeless post-release was 8% higher than those doing so just before leaving prison.<sup>8</sup>

The large numbers of ex-prisoners re-offending or being made homeless upon release has enormous social and economic implications. A recent City of Sydney study shows the public cost of keeping someone homeless could be as much as \$34,000 per person each year.<sup>9</sup> The financial impacts of recidivism were revealed in a study conducted by the Australian Institute of Criminology, which found that the total estimated bill associated with crime and imprisonment amounts to over \$19 billion dollars per year.<sup>10</sup>

The New South Wales Government has recognised the enormous impact of recidivism by identifying reducing re-offending as a major policy focus in the NSW State Plan. A simple, yet effective means of combating the high rates of re-offending amongst newly released prisoners is to ensure that the crisis payment is adequate enough to provide them with the ability to integrate back into society.

## Your comments

If you have any comments on this paper, please contact:

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<sup>8</sup> Eileen Baldry, 'Ex-prisoners and accommodation: what bearing do different forms of housing have on social re-integration?' (Paper presented at the Housing, crime and stronger communities conference, Melbourne, 7 May 2002).

<sup>9</sup> Figures quoted in ABC Radio, 'The cost of homelessness', *702 Sydney Breakfast Show*, 2 March 2006 <http://www.abc.net.au/sydney/stories/s1582528.htm> at 6 November 2007.

<sup>10</sup> Pat Mayhew, *Counting the Costs of Crime in Australia*, (2003) Australian Institute of Criminology <<http://www.aic.gov.au/publications/tandi/tandi247t.html>> at 6 November 2007.

# Appendix 1: Clients' Stories

## Mark's Story

*"If someone is ridgy-didge about making something of themselves after prison this won't even get them one week's rent."*

Mark was imprisoned in early 2007 for breach of an Apprehended Violence Order. Mark has Post-Traumatic Stress Disorder and is on medication for a number of severe injuries that cause him constant pain.

Before his release, Mark applied for a Disability Support Pension and for the crisis payment. On release, he received \$250 as a one-off crisis payment. Mark was provided with very few instructions on what to do with his payment and felt alone and upset knowing that the crisis payment he received would soon run out and that he would be left with nothing for two weeks.

Mark was lucky enough to be able to obtain crisis accommodation that allowed him to back-pay rent when he was back on his feet.

## Colin's Story

*"Centrelink ought to know that they are dealing with real people. We should be given a chance, given a life."*

Colin had been in and out of prison for a number of years. His last time was when he was sentenced to 4½ years for assault and possession of a prohibited weapon. When he was released in late 2006, he only had \$180 to his name. He received from Centrelink a crisis payment of \$260 but no direction as to where he could find post-release accommodation. As he was not from Sydney, he wandered the streets for a number of days before he found a bed at an emergency accommodation centre.

## Appendix 2

### The Public Interest Advocacy Centre

The Public Interest Advocacy Centre (**PIAC**) is an independent, non-profit legal and policy centre located in Sydney. Its charter is:

To undertake strategic legal and policy interventions in public interest matters in order to foster a fair, just and democratic society and empower citizens, consumers and communities.

PIAC's work extends beyond the rights and interests of individuals; it specialises in working on issues that have systemic impact. PIAC's clients and constituencies are primarily those with least access to economic, social and legal resources and opportunities. PIAC provides its services for free or at minimal cost.

### The Public Interest Law Clearing House

The Public Interest Law Clearing House (**PILCH**) was established in 1992 by the Law Society of New South Wales, the Public Interest Advocacy Centre and the private legal profession to respond to the growing incidence of unmet legal needs within the community. Underlying the establishment of PILCH is the commitment from lawyers that the provision of legal services on a *pro bono publico* ('for the public good') basis is intrinsic to legal professional responsibility.

The aims of PILCH are:

1. to identify matters of public interest that warrant legal assistance *pro bono publico*;
2. to identify the legal needs of non-profit organisations;
3. to match disadvantaged and under-represented individuals, groups and non-profit organisations with a need for otherwise unavailable legal assistance with PILCH member firms and barristers;
4. to utilise the diverse skills and resources of lawyers in a broad range of public interest matters;
5. to expand the participation of private practitioners in the law reform process;
6. to seek the integration of *pro bono* work with legal practice; and
7. to encourage co-operation between private practitioners and public interest lawyers.

PILCH provides services to community organisations and individuals for free. It is a membership-based organisation with members including small, medium and large private law firms, individual barristers, barristers' chambers, accounting firms, the Law Society of NSW, the NSW Bar Association and PIAC.