



Australian Government

Australian Government response to the
Senate Standing Committee on Community Affairs Legislation:

Social Security (Administration) Amendment (Repeal of Cashless
Debit Card and Other Measures) Bill 2022

JULY 2023

Introduction

The Australian Government welcomes the Senate Standing Committee on Community Affairs Legislation (the committee) final report from their inquiry into the *Social Security (Administration) Amendment (Repeal of Cashless Debit Card and Other Measures) Bill 2022* (the bill).

The committee tabled their final report on Wednesday 31 August 2022, making 2 recommendations. The Australian Government supports both of the committee's recommendations.

The Coalition Senators and Australian Greens made a further 6 dissenting recommendations. The Australian Government supports in principle 1 of these recommendations, and notes 2. The remaining dissenting recommendations are not supported.

Background

The bill passed through parliament with amendments on 28 September 2022, and received Royal Assent on 30 September 2022. The bill gives effect to the Government's 2022 election commitment to abolish the Cashless Debit Card (CDC) program. It enables eligible program participants to exit the CDC from the day after Royal Assent.

The Australian Government is committed to delivering on its election commitment to abolish the CDC program and reform IM across Australia.

Inquiry into Social Security (Administration) Amendment (Repeal of Cashless Debit Card and Other Measures) Bill 2022

Recommendations made by the committee

Recommendation 1

The committee recommends that the Commonwealth Government work with the Queensland Family Responsibilities Commission to address the concerns raised, including considering possible amendments to the bill, to ensure that the Commission can continue to operate effectively in accordance with its statutory responsibilities.

Supported

The Australian Government supported this recommendation, introducing an amendment to the bill in the Senate on 27 September 2022.

The amendment responded to concerns about the alignment of the bill to the work of the Family Responsibilities Commission (FRC).

The amendment allowed for a seamless continuation of the FRC's operations and ensured that its decision-making powers set out in the FRC Act were not weakened. Specifically, it removed the ability for persons under the current FRC measure to request that their CDC participation cease, and removed the exemption preventing former Northern Territory CDC participants from future referral to IM if they move to a community within the FRC's jurisdiction.

Recommendation 2

Subject to recommendation 1, the committee recommends that the bill be passed.

Supported

The Australian Government supports this recommendation. The bill passed Parliament on 28 September 2022 and received Royal Assent on 30 September 2022.

Coalition Senator's Dissenting Report

Recommendation 1

Coalition Senators recommend that the Government accepts that the Cashless Debit Card is superior technology to the Basics Card.

Noted

The Australian Government heard from stakeholders that participants did not want to move onto the BasicsCard and amended the bill so this did not happen.

Former CDC participants will be provided with a new, contemporary card – the SmartCard – when they interact with Services Australia on or after 6 March 2023.

The SmartCard operates the same way as a normal bankcard except it cannot be used to buy alcohol, tobacco, pornography, gambling products, withdraw cash or purchase cash-like products.

Importantly, enhanced IM is moving customer interactions to Services Australia rather than through a third party card provider, which includes all aspects of client interface and relationship, such as the call centre, new cards and statements.

This is significant as it allows Services Australia to respond better to client's individual circumstances focusing on a broad spectrum of services, including a participant's immediate and longer term requirements.

Recommendation 2

Coalition Senators recommend that existing arrangements remain in place until such time that all future income management changes are properly consulted.

Not Supported

The Government has delivered on its election commitment to abolish the CDC, following extensive consultation with affected communities across Australia.

Minister Rishworth and Assistant Minister Elliot visited all CDC sites (Ceduna, Goldfields, East Kimberley, Bundaberg and Hervey Bay, Cape York and Northern Territory) from June to August 2022 to discuss the abolition of the CDC program. These visits included speaking to key stakeholders such as local councils, community leaders, service providers and CDC participants.

Recommendation 3

Coalition Senators recommend that the Social Security (Administration) Amendment (Repeal of Cashless Debit Card and Other Measures) Bill 2022 not be passed.

Not supported

Australian Greens Senator's Additional Comments

Recommendation 1

The Australian Greens recommend that the Bill be amended to ensure that it does not enable the continuation of the BasicsCard or any other form of compulsory income management.

Not supported

Recommendation 2

The Australian Greens recommend that the Australian Government urgently provide significant additional funding to community and support services, including drug and alcohol services, domestic violence services, legal aid services, financial counselling, and other services.

Supported in principle

As part of the October 2022-23 Budget, the Government is investing \$158.4 million in support services.

The Government has committed \$13.2 million to extend agreements with over 40 existing services in communities in 2022-23. These services, to be extended until 30 June 2024, include financial capacity building, family safety, mental health support, drug and alcohol rehabilitation, youth mentoring, cultural engagement and pathways to education or employment. Local community leaders have played a role in identifying the type of services required in each Cashless Debit Card (CDC) location based on local need.

In addition, \$49.9 million has been allocated for alcohol and drugs support services, \$17 million is being directed to the Community-led Solutions Economic Development (CSED) grant opportunity and \$8.7 million to continue the current Local Partner services network to support participants transitioning off the CDC program and onto enhanced IM from March 2023.

The bill included a requirement for Local Service Plans (LSPs) to be developed for each CDC region. With consultation occurring with relevant and impacted stakeholders, the Plans were published on the department's website on 29 March 2023. The plans focus on improving community services and addressing social issues in the relevant areas. The Plans are available to be viewed at www.dss.gov.au.

Recommendation 3

The Australian Greens recommend that the Australian Government begin the process of negotiating a Treaty or treaties with First Nations people.

Noted

As part of its commitment to implement the Uluru Statement from the Heart in full, the Australian Government will establish an independent Makarrata Commission with responsibility for truth-telling and agreement-making.

The Australian Government acknowledges truth-telling and treaty processes already underway in states and territories. These will be taken into account as part of the design and implementation of the Makarrata Commission.