



23 November 2023

Committee Secretary
Senate Standing Committees on Community Affairs – References Committee
PO Box 6100
Parliament House
Canberra ACT 2600

RE: Inquiry into the Social Security (Administration) (Enhanced Income Management Regime – State Referrals and Commonwealth Referrals and Exemptions) Determinations 2023

The Accountable Income Management Network (AIMN) welcomes the opportunity to contribute to the Senate Community Affairs Legislation Committee's inquiry into the *Social Security (Administration) (Enhanced Income Management Regime - State Referrals and Commonwealth Referrals and Exemptions) Determinations 2023* (hereafter referred to as 'the Determinations').

Key Recommendations

The AIMN strongly recommends that the Determinations outline:

1. That enhanced Income Management (eIM) transitions to a voluntary "opt in" regime with no provision for designated bodies to refer participants to any forms of Compulsory Income Management.
2. All existing CIM regimes transition to Voluntary Income Management regimes to ensure that the core principles of choice and self-determination are central to any reforms.
3. A repeal date of 1 July 2026 is added to the State Referrals Determination.
4. How the Government will adopt Recommendation 10.1 of the Robodebt Royal Commission report that states that the Government should "Design policies and processes with an emphasis on the people they are meant to serve."
5. How the Indicators of Vulnerability (outlined in Part 1, Section 4 of the Commonwealth Referrals Determination) will be removed or, at least, revised to ensure that the language used is appropriate and aligns with the above recommendation.

While we applaud the Labor government for ending the Cashless Debit Card (CDC) regime in 2022 we remain deeply concerned about the continuation of any form of compulsory income management (CIM) regime.

In addition to the submission below, we direct the Committee to our more substantive consideration of the process of ending all forms of compulsory income management (CIM) in the attached [Policy Paper](#).

About Accountable Income Management Network (AIMN)

The [AIMN](#) is a nation-wide group of community members, grassroots advocates, representatives of national, state and local non-government organisations and community bodies, academics, social researchers and public policy experts. Our members have a strong commitment to social justice and human rights and are concerned about the provision of equitable and appropriate social security support to economically marginalised Australians.



The AIMN is particularly concerned with issues raised by compulsory income management (CIM).

Introduction

CIM in Australia was initially introduced in 2007 to specifically target remote Aboriginal communities as part of the Northern Territory Emergency Response (the Intervention). This decision garnered significant concern regarding its impacts on human rights and due to its initial implementation via the suspension of the *Racial Discrimination Act 1975*. While the reach of CIM has since expanded to capture non-Indigenous people and has spread outside the Northern Territory, Aboriginal people continue to be disproportionately targeted by these punitive and paternalistic measures.

The introduction of CIM under the Intervention and its extension via New Income Management and later Place Based Income Management enjoyed bipartisan support, and crucially has laid the foundation for a political consensus on punitive welfare quarantining as representing a legitimate policy initiative in Australia.

Independent research has described clear signs of harm associated with CIM, including the exacerbation of financial hardship, experiences of stigma and discrimination and evidence of disproportionate targeting of Indigenous communities¹.

As outlined in the Department of Social Services' (DSS) October 2022 "Reforming the Cashless Debit Card and Income Management" Regulation Impact Statement (RIS)², numerous evaluations over the years since CIM was announced in 2007, have not demonstrated that CIM successfully achieves the programs objectives of reducing the issues in communities caused by alcohol, drugs and gambling.

Key Concerns

The rationale underpinning eIM under the SmartCard is a continuation of the punitive, racialised system of income control established via Income Management under the Basics Card and continued through the Cashless Debit Card.

AIMN members are alarmed that the Determinations reinforce and consolidate the establishment of eIM as a permanent program. It is noted, however, that the Commonwealth Referrals and Exemptions Determination 2023 outlines that the instrument will be repealed at the start of 1 July 2026.

We urge the Government to address **all** Compulsory Income Management regimes, before this repeal date, in the same way in which the Cashless Debit Card regime was managed, by:

- removing the compulsory nature of the regime
- extending existing support services and
- delivering a range of new initiatives that are community driven and place-based.

This will require the government to meaningfully engage with individuals and communities that are impacted by all CIM regimes.

¹ Australian National Audit Office, *Implementation and Performance of the Cashless Debit Card Trial – Follow-on*, Auditor-General Report No. 29 2021-22 (Canberra, ACT, 2022), https://www.anao.gov.au/sites/default/files/Auditor-General_Report_2021-22_29.pdf.

² DSS, *Reforming the Cashless Debit Card and Income Management*, (Canberra: DSS, 2022), 46.



Members request that a repeal date of 1 July 2026 is added to the State Referrals Determination.

Compulsory Income Management (CIM) denies agency over personal income for all welfare recipients and the *Determinations* should be altered to ensure that all CIM regimes cease. Compulsory Income Management is only saved from illegality by the involvement of Government. That does not solve its lack of basic morality. It is discriminatory by nature and removes rights, purely on the basis of benefit status and place of residence.

Every individual should have the right to manage and control the use of their income without externally imposed controls. The *Determinations*, as they stand, do not deliver this fundamental human right and effectively entrench compulsory income management. These *Determinations* are consistent with the Coalition government's previous bill, which Labor blocked.

The AIMN thanks the Senate's Community Affairs Legislation Committee for conducting a thorough inquiry into the *Social Security (Administration) Amendment (Repeal of Cashless Debit Card and Other Measures) Bill 2022* in August 2022 and for the opportunity for the AIMN Secretary to provide verbal evidence at a public hearing related to this inquiry.

The final report of the 2022 Inquiry³ made several key statements that the AIMN supports including:

- "The committee has listened carefully and is persuaded that the blanket imposition of mandatory income management does not work, and is in fact incredibly harmful to individuals, families and communities. It recognises that the principles of choice and self-determination must be central to any reform."
- "The committee is reassured by evidence from the Department of Social Services that the future of income management has been, and will continue to be, the subject of deep engagement with participants and stakeholders, including representative bodies and service providers."
- "To this end, the committee strongly encourages the Government to take the evidence from submitters to this inquiry into consideration as it contemplates the future of income management and the BasicsCard, particularly in the Northern Territory and Cape York."
- "It understands that amongst many submitters there is a strong preference for tailored, technologically-advanced and most importantly, voluntary, income management tools that individuals can choose to access."
- "The committee is particularly mindful of the calls from First Nations stakeholders that any reform to income management must prioritise the independence and capacity of Aboriginal and Torres Strait Islander people, encompass genuine opportunities for co-design, and include appropriate avenues for support."

The Government's current version of the *Determinations* do not provide any confidence that all remaining forms of CIM will be appropriately reformed.

There appears to be significant inconsistencies between the government's commitment to successfully "abolishing" the compulsory nature of the Cashless Debit Card whilst retaining, and potentially expanding, other forms of compulsory income management regimes. Whether

³https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/CashlessDebitCardBill/Report



such compulsory measures apply as a blanket to all recipients or are targeted to specific individuals or cohorts is largely irrelevant.

AIMN members encourage the Government to adopt Recommendation 10.1 of the Robodebt Royal Commission report that states that the Government should “Design policies and processes with an emphasis on the people they are meant to serve.”

Two recommendations that are particularly relevant to the application of all forms of CIM include that all policies and procedures should entail:

1. avoiding language and conduct which reinforces feelings of stigma and shame associated with the receipt of government support.
2. acting with sensitivity to financial and other forms of stress experienced by the customer cohort and taking all practicable steps to avoid the possibility that interactions with the government might exacerbate those stresses or introduce new ones.

Although it is heartening to see that the Government accepts this recommendation and that it recognises the importance of designing policies and government services that focus on the needs of recipients, it is essential that these recommendations are also applied to all forms of CIM.

In particular, AIMN members request that the Indicators of Vulnerability (outlined in Part 1, Section 4 of the Commonwealth Referrals Determination) are removed or, at least, revised to ensure that the language used is appropriate and aligns with Recommendation 10.1 of the Robodebt Royal Commission report.

Our clear position is that every individual should have the right to manage and control the use of their income without externally imposed controls. The State and Commonwealth Referrals Determinations as they stand do not deliver this right.