

Answer to Question on Notice: Parliamentary Joint Committee on Human Rights - Inquiry into Compulsory Income Management

Senator Lidia Thorpe asked Economic Justice Australia on 10 July 2024 -

Would you support a policy move that scrapped all forms of Income Management and instead invested in programs that create real jobs, with proper award wages and conditions, adequate training and skills, and rebuilding local community decision-making?

Answer -

We support the Accountable Income Management Network's position outlined in their Policy Paper: Alternatives to Compulsory Income Management.

First and foremost, we support the earliest possible transition from compulsory income management to a purely voluntary scheme. This should be based on a model of full, free and informed individual consent (opt-in), and meaningful community consultation.

In the meantime, while compulsory income management is still in place, it is crucial that any further amending legislation and Ministerial determinations not continue to embed compulsory income management as a feature of the social security framework.

Pending transition to a purely voluntary regime, there is an urgent need to address issues affecting access to appeal rights for people seeking to exit compulsory income management.

We support a sustained investment in local support services. This should include a full suite of support programs, noting that these are lacking in many relevant rural, regional and remote communities. This must be accompanied by expanded access to culturally competent legal assistance services for social security law matters in relevant communities.

Further, we support community-driven alternatives and investing in local job creation. First Nations community organisations have developed comprehensive and targeted solutions to address concerns about local job availability, financial management and social wellbeing which overlap with the purported aims of income management programs. For example, Aboriginal Peak Organisations Northern Territory's (APONT) *Fair Work and Strong Communities: Proposal for a Remote Development and Employment Scheme* seeks to increase the number of jobs in communities, drive community participation and development, and reduce the role that the welfare system plays.

We strongly support increasing the rate of social security income support payments. The cost-of-living crisis is critically impacting people receiving social security payments over extended periods because they are more likely to experience the long-term consequences of living in poverty, which compound barriers to re-engaging in the workforce. This is further entrenched

for people living in regional, rural and remote Australia. We specifically make the following recommendations:

- Increase social security income support payment rates to provide parity with pensions (a modest \$78 a day), with indexation linked to both inflation and wages.
- Increase and index the Remote Area Allowance to reflect living costs in remote communities.
- Increase the maximum threshold for Commonwealth Rent Assistance by 60%.
- Establish a Digital Allowance (i.e. reworking and expanding Telephone Allowance) to assist all people receiving income support to afford mobile phones and data.

We note the cost-of-living crisis is critically impacting people receiving social security payments over extended periods, which compounds barriers to re-engaging in the workforce. This is compounded for people living in regional, rural and remote Australia. Increase to the base rate of many payments (outlined above) is critical to increase capacity for people to get into jobs.

We also recommend removal of punitive mutual obligations requirements more broadly, with urgent efforts required to address the disproportionately high rates of mutual obligation non-payment penalties for First Nations people in regional and remote communities. Specifically, pending abolition of the Targeted Compliance Framework, introduce a non-punitive approach to mutual obligations developed in consultation with people directly affected by the system, peak bodies and experts, that allows decision makers to consider the full set of circumstances informing individuals' ability to comply, including each person's specific situation and the impact of natural disasters.

18 July 2024