



17 April 2023

Senate Community Affairs Legislation Committee
PO Box 6100
Parliament House
Canberra ACT 2600

RE: Inquiry into the Social Security (Administration) Amendment (Income Management Reform) Bill 2023

The Accountable Income Management Network (AIMN) welcomes the opportunity to make a contribution to the Senate Community Affairs Legislation Committee's inquiry into the Social Security (Administration) Amendment (Income Management Reform) Bill 2023 (hereafter referred to as 'the Bill').

While we applaud the Labor government for ending the Cashless Debit Card (CDC) regime we are deeply concerned about this Bill.

In addition to the brief 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](#).

Key Recommendations

The AIMN strongly recommends that amendments are made to this Bill to ensure that:

1. Enhanced Income Management (eIM) is introduced as 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.

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 has 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 showed 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 been able to conclusively demonstrate that CIM successfully achieves the programs objectives of reducing the issues in communities caused by alcohol, drugs and gambling.

Key Concerns

This Bill represents the second part of Labor's bridge between the Cashless Debit Card and "enhanced" income management. The first part, legislated via the [Social Security \(Administration\) Amendment \(Repeal of Cashless Debit Card and Other Measures\) Act 2022](#), brought the Cashless Debit Card scheme to an end (i.e., ended this specific 'branding') and introduced part of the legislative framework for enhanced income management (eIM).

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

AIMN members are deeply alarmed that this specific Bill will reinforce and consolidate the establishment of eIM as a permanent program. Members are also worried that no additional legislation will be required to expand CIM, as the Minister will be enabled to do this via legislative instrument under the proposed provisions of child protection, school enrolment and attendance, other State/Territory referrals, vulnerable welfare payment recipients, disengaged youth, long-term welfare payment recipients, or voluntary participation.

While the Bill's Explanatory Memorandum states that the "disengaged youth" and "long-term welfare payment recipients" measures are currently intended to continue in the Northern Territory only, proposed section 123SDA (item 32) will provide for these measures to apply in areas outside of the Northern Territory.

We urge the Government to address **all** Compulsory Income Management regimes in the same way that they have addressed the Cashless Debit Card regime, namely by removing the compulsory nature of the regime and by extending existing support services and delivering a range of new initiatives that are community driven and place-based.

Compulsory Income Management (CIM) denies agency over personal income for all welfare recipients and the *Social Security (Administration) Amendment (Income Management Reform) Bill 2023* should be altered to ensure that all CIM regimes are ceased.

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.



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 last year and for the opportunity for the AIMN Secretary to provide verbal evidence at a public hearing related to this inquiry.

The final report into this 2022 Inquiry³ made several key statements that the AIMN is particularly supportive of, 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 *Social Security (Administration) Amendment (Income Management Reform) Bill 2023* does not provide any confidence that all remaining forms 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 such compulsory measures apply as a blanket to all recipients or are targeted to specific individuals or cohorts is largely irrelevant.

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 Bill as it stands does not deliver this right.

Accountable Income Management Network, April 2023
accountableincomemanagementnetwork.wordpress.com

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