

SUBMISSION

TO | Senate Community Affairs Legislation Committee

**TOPIC | Social Security (Administration)
Amendment (Income Management Reform)
Bill 2023 Inquiry**

DATE | 13 April 2023

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Submission to the Australian Parliament's Senate Community Affairs Legislation Committee Inquiry into the Social Security (Administration) Amendment (Income Management Reform) Bill 2023.

Key Recommendations

Uniting Communities applauds the Federal Government's commitment to ending Compulsory Income Management (CIM) for those subjected to the Cashless Debit Card (CDC) regime in 2022.

However, we are greatly concerned that, if passed, this Bill will unnecessarily negatively impact countless individuals (the majority of whom are Aboriginal or Torres Strait Islander), further normalise Compulsory Income Management (CIM) as an effective policy framework and contradict the Government's commitment to reforming the Income Management (IM) program to "return the ability for people to determine how and where they spend their money"¹.

Uniting Communities, therefore, 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.

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.

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.

As part of the abolition of the Cashless Debit Card (CDC), the Department of Social Services Minister was required to develop Local Services Plans (LSPs) for each of the former CDC locations³. The LSPs are required to address:

- a. improving community services in the area; and
- b. addressing social issues in the areas.

We agree with Minister Rishworth's comments, detailed in Ceduna's 2023 LSP, that this approach will "address community needs" and "provide lasting and sustainable solutions to address longer-term issues facing our communities".

¹ DSS, *Reforming the Cashless Debit Card and Income Management*, (Canberra: DSS, 2022), 5.

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

³ <https://www.dss.gov.au/families-and-children-programs-services-welfare-reform-enhanced-income-management/support-services>

Indeed, such plans and the provision of services and assistance aimed at addressing issues of poverty and related social issues experienced by vulnerable members of the community should be available to all communities. These services should not be tied to the application or removal of income management systems in communities. As there is no evidence that income management has been of benefit to those on whom it has been imposed, we are unsure of why specific assistance should be directed to helping people exit the imposition of compulsory income management. Nonetheless the provision of greater supports for all members of communities through local service plans is a positive development and should be available as a place-based option for all communities experiencing significant socio demographic disadvantage.

About Uniting Communities

We are an inclusive not-for-profit organisation working alongside more than 80,000 South Australians each year and have been creating positive change for South Australian communities for more than 120 years. We advocate for systems change across diverse social justice issues to shape public and social policy that delivers better outcomes for marginalised communities.

We help those in need find the courage to move forward through enriching their lives and uniting the communities in which they live. By tackling the deep-seated challenges that affect people's lives, we are working to create systemic change and brighter futures for all South Australians. We have a bold and unceasing commitment to social justice, advocating for change and improvement in the lives of those who need it most.

About Accountable Income Management Network (AIMN)

The Accountable Income Management Network (AIMN) is a nation-wide group of community members, representatives of national, State and local non-government organisations and community bodies, academics, social researchers and public policy experts. Uniting Communities is a founding member of this network.

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 concerned in particular with the issues raised by compulsory income management regimes in Australia due to a lack of sound evidence for their implementation, and because of the social harms they perpetuate.

The AIMN calls for the elimination of all forms of compulsory income management in Australia.

Additional Comments

As stated above, Uniting Communities congratulates the Government on successfully ending the Cashless Debit Card regime and for providing support services in these communities. As recommended by this Bill, we agree that all individuals subjected to any form of Income Management (IM) should have access to superior banking products, however we continue to call for the elimination of all forms of compulsory income management in Australia.

We implore the Government to cease imposing this extreme form of welfare conditionality on a subset of social security recipients, the majority of whom are Aboriginal and Torres Strait Islander,

based on the communities in which these regimes have been imposed. 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.

Although the number of participants would most likely fall dramatically if the scheme was to become a voluntary scheme, as detailed in the Parliamentary Library's Bills Digest⁴, it is crucial that legislation impacting the rights of participants is not based on making the scheme more financially viable for the government. If voluntary measures are deemed of value for participants they will avail themselves of such enhanced technology – but no-one should be forced to lose agency over their own income by having such measures forcibly applied without their free consent.

For those individuals and communities that have determined that they have or would benefit from Voluntary Income Management (VIM), this service should be continued to be offered by Services Australia. All people should have the right to select financial services that suit their needs and the needs of their family and they should be able to apply their income as they see fit.

As detailed in the Bill's Explanatory Memorandum (EM)⁵, Uniting Communities thanks the Government for their commitment to genuinely consult and to work with affected communities on the future of income management and what it will look like for them. These communities have endured many years of CIM and are understandably concerned that CIM could be embedded and enshrined into legislation to ensure that CIM becomes a permanent regime. Trusting a government to "do the right thing" will be challenging for these affected communities, especially in the lead up to the Voice Referendum.

Uniting Communities 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 Uniting Communities to provide verbal evidence at a public hearing related to this inquiry.

The final report into this 2022 Inquiry⁶ made a number of key statements that Uniting Communities 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

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<https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22legislation%2Fbillsdgs%2F9076508%22>

https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22legislation%2Fems%2Fr6989_ems_bc834cad-e67f-400e-811d-531c3e2cb847%22

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

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.

We recommend that the Government undertakes a comprehensive review of the data obtained through the Local Services Plans (LSP) that have been implemented in each of the previous Cashless Debit Card regions. Each plan identified that data was critical and will enable the Government to measure the impact of the changes against identified needs. These plans set out an 18-month strategy and are due to be finalised by mid-2024.

Uniting Communities strongly encourages the Government to expand the introduction of LSPs to all communities that have remained impacted by CIM (and indeed consider their application more broadly if demonstrated to have positive impacts for communities). This will ensure that these communities smoothly transition to a reformed IM regime; a regime that we respectfully request, will hold the fundamental principle that participation in the scheme is on a voluntary basis.

A key principle of the AIMN is that unemployment and underemployment have structural causes that need to be addressed alongside initiatives targeting income support recipients⁷. It is encouraging to see that each of the four LSPs detailed on the DSS website⁸ prioritises employment, education, training opportunities and economic development. Ceduna’s LSP, for example, aims to address the need for targeted supports for Aboriginal and/or Torres Strait Islander communities to find and maintain meaningful employment in the region. Progress of achieving this goal will be measured against rates of employment and welfare dependency.

⁷ <https://accountableincomemanagementnetwork.wordpress.com/about/>

⁸ <https://www.dss.gov.au/families-and-children-programs-services-welfare-reform-enhanced-income-management/support-services>

This level of support should be afforded to all communities participating in IM regimes. As emphasised on the Department of the Prime Minister and Cabinet's website on The Office of Impact Analysis' page⁹, "... the policy landscape in Australia has changed considerably. Frameworks established between the Commonwealth and State and Territory governments have seen the development of new national and community level initiatives to address the effects of drug and alcohol misuse, and reduce domestic, family and sexual violence."

There is no conclusive evidence that CIM is an effective tool to address these above-listed social issues and we request that the Government work towards ceasing all forms of CIM regimes. This process should be supported by amending the proposed *Social Security (Administration) Amendment (Income Management Reform) Bill 2023* to ensure that all forms of CIM are abolished and all existing participants of CIM regimes are provided with the freedom to easily remove themselves from the program if they so choose.

⁹ <https://oia.pmc.gov.au/published-impact-analyses-and-reports/abolish-cashless-debit-card>