



**Public Health Association**  
AUSTRALIA

# **Public Health Association of Australia submission on Inquiry into the Provisions of the Social Security (Administration) Amendment (Income Management Reform) Bill 2023**

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## Preamble

### The Public Health Association of Australia

The Public Health Association of Australia (PHAA) is recognised as the principal non-government organisation for public health in Australia working to promote the health and well-being of all Australians. It is the pre-eminent voice for the public's health in Australia.

The PHAA works to ensure that the public's health is improved through sustained and determined efforts of the Board, the National Office, the State and Territory Branches, the Special Interest Groups and members.

The efforts of the PHAA are enhanced by our vision for a healthy Australia and by engaging with like-minded stakeholders in order to build coalitions of interest that influence public opinion, the media, political parties and governments.

Health is a human right, a vital resource for everyday life, and key factor in sustainability. Health equity and inequity do not exist in isolation from the conditions that underpin people's health. The health status of all people is impacted by the social, cultural, political, environmental, and economic determinants of health. Specific focus on these determinants is necessary to reduce the unfair and unjust effects of conditions of living that cause poor health and disease. These determinants underpin the strategic direction of the Association.

All members of the Association are committed to better health outcomes based on these principles.

### Vision for a healthy population

A healthy region, a healthy nation, healthy people: living in an equitable society underpinned by a well-functioning ecosystem and a healthy environment, improving and promoting health for all.

The reduction of social and health inequities should be an over-arching goal of national policy and recognised as a key measure of our progress as a society. All public health activities and related government policy should be directed towards reducing social and health inequity nationally and, where possible, internationally.

### Mission for the Public Health Association of Australia

As the leading national peak body for public health representation and advocacy, to drive better health outcomes through increased knowledge, better access and equity, evidence informed policy and effective population-based practice in public health.



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## Introduction

PHAA welcomes the opportunity to provide input to the Senate Standing Committee on Community Affairs for an inquiry into the provisions of the Social Security (Administration) Amendment (Income Management Reform) Bill 2023.

PHAA appreciates that income management is a complex issue with community voices both for and against. We welcome the recent repeal of the Cashless Debit Card. However, we are concerned that the new system of Enhanced Income Management retains many of the negative features of the Cashless Debit Card and the existing income management scheme (closed to new participants on March 6<sup>th</sup>, 2023). We are also concerned that the Bill fails to address longstanding expert and user concerns around compulsory income management.

Compulsory income management has been shown to have significant negative effects on the mental health of those subject to it, with many participants experiencing mental exhaustion, anxiety, and depression (1). In addition, many people subject to income management report experiencing strong feelings of shame and stigma that negatively affect their wellbeing (1).

Given income management disproportionately affects Aboriginal and Torres Strait Islander communities (2), the proposed bill must be considered in the context of institutional racism and structural violence against Aboriginal and Torres Strait Islander peoples enacted by various governments through a string of racist policies that have sought to restrict and control the lives of First Nations peoples (3, 4). Meaningful consultation with First Nations communities is vital to ensure that welfare policies are wanted, culturally safe, and do not have unintended negative consequences.

It is essential that income management policy is evidence-based and thoroughly evaluated for efficacy to avoid functioning as a punitive values-based measure that restricts autonomy and increases surveillance and vilification of welfare recipients. PHAA has made numerous submissions on income management which outline our pre-existing concerns - concerns which are not addressed by this Bill. Previous submissions can be accessed here:

<https://www.phaa.net.au/documents/item/2434>

<https://www.phaa.net.au/documents/item/2897>

<https://www.phaa.net.au/documents/item/3332>

<https://www.phaa.net.au/documents/item/4676>

<https://www.phaa.net.au/documents/item/4871>

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# **PHAA Response to the Inquiry into the Provisions of the Social Security (Administration) Amendment (Income Management Reform) Bill 2023 Inquiry Terms of Reference**

## **Continuation of Ministerial powers'**

PHAA objects to the continuation of Ministerial powers' to expand compulsory income management without requiring an Act of Parliament. PHAA recommends amendment of the Bill to stop expansion of compulsory income management by legislative instrument.

Despite claiming to have listened to feedback on the cashless debit card and acknowledging the negative consequences of income management, the Bill makes only technological changes. We have no issue with updating technology, however, it is concerning that this is the focus of change and that community and user concerns regarding harms of income management have not been addressed. As noted by Social Services Minister Amanda Rishworth "This Bill does not remove the income management program or amend the underlying policy" (5).

## **The unclear future of income management**

### *Need for a Sunset Clause*

The Bill contains no 'sunset clause' outlining when or how Enhanced Income Management will be phased out. This is essential if the government is serious about moving away from compulsory income management. Enhanced Income Management retains many of the undesirable features of the Cashless Debit Card and pre-existing income management scheme: it unfairly targets First Nations peoples (6), impinges on the financial freedom of users, and perpetuates paternalistic top-down strategies of addressing social harms that lack evidence of effectiveness and increase stigmatisation (7, 8).

### *Consultation with Aboriginal and Torres Strait Islander communities*

Addressing social problems in Aboriginal and Torres Strait Islander communities is complex and requires evidence-based and strengths-based approaches co-designed with local communities. PHAA understands the government intends to consult further with local communities (5), and we would like to stress the importance of meaningfully engaging in this process and actioning community feedback.

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## **The need to increase income support payment rates**

### ***Raising the Rate***

PHAA sees the implementation of Enhanced Income Management as a distraction from the bigger issue: the current level of income support payments is inadequate to meet basic living costs such as food, rent, and energy (9). PHAA strongly supports the [Raise the Rate](#) campaign to increase welfare payments to ensure those in need of social support payments are able to live above the poverty line. Our recent submission to the Senate Standing Committee on Community Affairs on the Extent and Nature of Poverty in Australia can also be found [here](#).

Two primary objectives of income management are to “reduce immediate hardship and deprivation by directing welfare payments to the priority needs of recipients, their partner, children and any other dependents” and “help affected welfare payment recipients to budget so that they can meet their priority needs” (10). Budgeting and quarantining of income become irrelevant when even the most judiciously managed payments are insufficient to cover basic necessities. In our view, unless the rate of welfare payments is substantially increased, income management’s stated objectives will never be met.

## **Conclusion**

PHAA supports the broad directions of winding back the Basics Card and updating technology to provide recipients of Enhanced Income Management with more options for where they can spend their money. However, we are keen to ensure that these systems changes do not distract from bigger issues, specifically the complete inadequacy of welfare payments to meet the rising costs of living. Furthermore, PHAA would like to reaffirm our [previously stated position](#) that income management should occur on a voluntary basis only.

Minister Rishworth stated that the government’s focus is to “empower people, empower communities, and provide individuals and communities with a range of supports that they can choose to use when and how it best suits them” (5). Compulsory income management - regardless of the implementation mechanism and technology used – is incompatible with this goal.

We are particularly keen that the following points are highlighted:

- PHAA objects to the extension of Ministerial powers that could be used to expand compulsory income management without requiring an Act of Parliament.
- We would like to see a clear plan from the government regarding the future of income management including significant consultation with affected Aboriginal and Torres Strait Islander communities and a timeline for the phasing out of compulsory income management.
- Welfare payments must be urgently increased to meet the rising costs of living and ensure those who rely on welfare payments are not forced below the poverty line.

The PHAA appreciates the opportunity to make this submission.

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Please do not hesitate to contact me should you require additional information or have any queries in relation to this submission.

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Public Health Association of Australia

6 April 2023





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