

Senate Standing Committees on Community Affairs
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17 April 2023

To the Committee Secretary,

Re: Social Security (Administration) Amendment (Income Management Reform) Bill 2023 [Provisions]

Please find enclosed the Antipoverty Centre submission to the Senate Standing Committees on Community Affairs inquiry into amendments of the income control reform bill 2023.

It is disappointing to yet again be writing to the committee about this program and its continuation. It is also deeply concerning that despite the government's rhetoric about seeking to end a harmful program, it is now moving to entrench it as a permanent program in social security legislation.

We are also concerned with the lack of transparency behind the consultation of such a program that is targeted specifically at people on social security amidst a cost-of-living crisis and particularly those in rural and remote areas, and the continued targeting of Aboriginal and Torres Strait Islander peoples.

This program was built by racism and racism continues it. It must end..

For enquiries related to this submission please contact team@antipovertycentre.org.

Regards,

Jay Coonan
Research and policy at the Antipoverty Centre

End income control

Antipoverty Centre submission to the Senate Standing Committees on Community Affairs inquiry into income control reform | April 2023

Prepared by Jay Coonan with support from Priya Kunjan. For enquiries related to this submission please contact team@antipovertycentre.org.

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Acknowledgement of Country

The Antipoverty Centre acknowledges the First Peoples of this unceded continent, who have been custodians of Country for thousands of generations, as its rightful owners. First Peoples have connections to place, land, waters and community that have been unbroken for 120,000 years.¹ We recognise Indigenous sovereignty and the cultural significance inherent in these connections; historical and contemporary.

We pay respect to Elders past and present and stand with all First Peoples in the quest for land back, self-determination, justice and truth-telling in the face of ongoing colonial violence, including that inflicted through racism in the welfare system, carceral system and labour market.

About the Antipoverty Centre

The Antipoverty Centre was established in May 2021 to counter problems with academics, think tanks, charities, bureaucrats and others in the political class making harmful decisions on behalf of people they purport to represent. We are a collective of activists, advocates and researchers with direct, contemporary experience of poverty and unemployment.

We have deep expertise in poverty because we live it. We defend and fight for the rights of people like ourselves who experience violence at the hands of an economic system designed to oppress us. It is our mission to shift how people speak about and respond to poverty and unemployment in this colony.

We work closely with peer support groups, activists and grassroots civil society organisations to complement their work. Our goal is to help ensure the voices and rights of people on the lowest incomes are at the centre of social policy development and discourse. We believe there should be no decision made about us without us.

¹ Bowler J, Price D, Sherwood J and Carey S (2019) 'The Moyjil Site, South-West Victoria, Australia: Fire and Environment in a 120,000-Year Coastal Midden — Nature or People?', *Proceedings of the Royal Society of Victoria*, 130(2):71–93, publish.csiro.au/rs/rs18007.

Introduction

The Antipoverty Centre condemns this bill and urges the senate to vote it down and instead, commit to ending income control in all its forms.

The bill is functionally very similar to the previous coalition government's bill, Social Security (Administration) Amendment (Continuation of Cashless Welfare) Bill 2020. The major difference between the former government's approach and the current bill is the latter's limited role for Indue.

We use the term 'income control' rather than 'income management' because these programs control and ration how an individual can spend their income. The stigma associated with such programs are underpinned by an apparent bipartisan belief that people in poverty must be criminalised.

Issues with the bill

- The bill is in contradiction with Minister for Social Services Amanda Rishworth's stated intentions. Despite the Minister saying that the bill will not be used to expand income control outside of Cape York and the Northern Territory, if passed, it will permit the Minister to authorise such an expansion by legislative instrument. The Minister will be enabled to broaden the reach of income control at will through the discretionary specification of particular States, Territories or areas as sites for the operation of "enhanced income management." This can then be justified through the arbitrary and vague application of the categories "disengaged youth", "long-term welfare payment recipients," "vulnerable welfare payment recipients," or in relation to school attendance or enrolment.^{2 3}

The Minister must also clarify what she means by "special-needs" as she stated in her second reading speech.⁴ If she is referring to disability, then it is unclear how this bill won't discriminate against people with a disability, given that 43% of people on JobSeeker reported a partial capacity to work,⁵ and the difficulties that people face accessing the Disability Support Pension.

- This is no longer a trial and will make income control in so-called Australia permanent. With no sunset provisions, this bill brings to an end a 16-year trial of income control which began under

2 Bill Digest, Social Security (Administration) Amendment (Income Management Reform) Bill 2023. https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bld=r6989.

3 Report 4 of 2023, Parliamentary Joint Committee on Human Rights. https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Human_Rights/Scrutiny_reports/2023/Report_4_of_2023.

4 Minister Rishworth's Second Reading Speech, March 2023. <https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22chamber%2Fhansard%2F26428%2F0035%22https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22chamber%2Fhansard%2F26428%2F0035%22>.

5 JobSeeker Payment and Youth Allowance (other) recipients by Work Capacity, by various demographics, December 2022. DSS Benefit and Payment Recipient Demographics - quarterly data. <https://data.gov.au/data/dataset/dss-payment-demographic-data>.



the Northern Territory Intervention by entrenching it as a permanent program. This is despite ample evidence proving that income control impedes a range of human, economic and social rights and has had specific detrimental impacts on the health and wellbeing of children whose parents are subject to these programs.⁶

During a worsening cost-of-living crisis where people on payments and low-incomes are struggling to afford housing and food, the government is choosing to maintain a program that undermines and restricts people's control over the allocation of their limited finances. This is a particularly acute concern in remote areas where the cost-of-living is even higher than urban areas.^{7,8}

- It is evident that the government isn't making the program voluntary because it will cost them more,⁹ and they aren't committed to ending the program out of fear of media backlash.

The end of the Cashless Debit Card program outside of the Northern Territory has shown that the people targeted by this program do not want to be on it, and given the option it would likely be underutilised.¹⁰

- There is no exit clause for this bill and is in contravention with the election promises of the government to make the program wholly voluntary.

The continuation of income control in Australia breaks the government's election commitment to "abolish the cashless debit card". Their proposed model of the "enhanced income management" instead utilises the same technologies of the cashless debit card and merges this with the legislative framework underpinning the BasicsCard.

- Government messaging about the Bill and in the Explanatory Memorandum avoid any substantial discussion about community control or how communities might voluntarily opt-in to the program.

Government has indicated that further consultation will dictate the future of any income control

6 Calla Wahlquist and Helen Davidson. 'Drop in birth weights and school attendance could be linked to NT welfare restrictions'. The Guardian. December 8, 2017. <https://www.theguardian.com/australia-news/2017/dec/08/drop-in-birth-weights-and-school-attendance-could-be-linked-to-nt-welfare-restrictions>.

7 A parliamentary committee tabled a report on the cost of food and food security in remote Indigenous communities in December 2020, reporting widespread overpricing. https://www.aph.gov.au/Parliamentary_Business/Committees/House/Former_Committees/Indigenous_Affairs/Foodpricing/Report.

8 Rural and Remote Health, July 2022. Australian Institute of Health and Welfare. <https://www.aihw.gov.au/reports/rural-remote-australians/rural-and-remote-health>.

9 Bill Digest, Social Security (Administration) Amendment (Income Management Reform) Bill 2023, p8. https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bld=r6989.

10 Senate Budget Estimates in November 2022 found that only 55 people volunteered to remain on the Cashless Debit Card, and 73.3% of people eligible to exit the program did so. Community Affairs Legislation Committee - Estimates, 9 November 2022, p11. https://www.aph.gov.au/Parliamentary_Business/Senate_estimates/ca/2022-23_Budget_estimates_November.



program operated in this country, but this claim is at odds with the approach taken in the Bill, which appears to frame consultation as largely complete (see 'Impact Analysis Executive Summary' in Explanatory Memorandum). This approach has stark similarities with the previous government's attempted expansion of the Cashless Debit card, and there is no opportunity for public or Parliamentary scrutiny of the department and government's consultation processes in relation to this bill.

- The committee must seek that the Minister clarifies how this bill is different from the Social Security (Administration) Amendment (Continuation of Cashless Welfare) Bill 2020 that the current government voted against whilst in opposition, in December 2020.

The two bills seem to be very similar albeit the change from "Cashless Debit Card" to "Enhanced Income Management".

The ongoing racialised targeting of this program is paramount, particularly at a time when the government is promoting constitutional recognition and a voice to parliament. The amendments made to the program by this bill capture more people and can continue the overrepresentation of Aboriginal peoples on the card.

As stated by Senator Lidia Thorpe during the CDC 2020 debate.¹¹

That's what this is. Let's tell the truth: it's putting black people back on rations. In the late 19th and early 20th centuries the government of this country introduced legislation to regulate the lives of our people. These laws were commonly referred to as 'protection acts', because we were told that they were to protect our people. These acts existed and were used until the eighties as a means to forcefully separate our families, create division, disempower our people, try to destroy our cultures and assimilate the oldest culture in the world into settler colonial societies.

Recommendation

1. We do not believe that income control should be carried out in any form and are opposed to this program, the current bill and the rationalisation of income control. This bill should not be "reformed" or "amended" and the only bill to mention income control should be the one that repeals all legislation enabling such programs.

¹¹ Speech during Senate debate on income control in December 2020. https://www.aph.gov.au/Parliamentary_Business/Hansard/Hansard_Display?bid=chamber/hansards/fd2295d6-3f93-487a-95ba-ab6d5334b30f/&sid=0018.



Similarities between the current bill and the previous government's bill

The current government took the election policy from their National Policy Platform that, "Labor in government will not pursue any expansion of the Cashless Debit card or community wide income management without clear evidence of community benefit and informed community consent."¹²

This bill does not meet the standard of their own party or election policy, as it grants the Minister the power to expand income control to any "state, territory or area" by legislative instrument.¹³

Social Security (Administration) Amendment (Continuation of Cashless Welfare) Bill 2020

The previous government failed to secure support in the senate to pass the Social Security (Administration) Amendment (Continuation of Cashless Welfare) Bill 2020 in the final sitting week in December 2020. It managed to secure its passage by amendment which permitted people on the BasicsCard to transition to the Cashless Debit Card voluntarily, and to keep sunset provisions in place to prevent the permanence of the program.

Prior to the amendments, the bill sought to do the following:

- Entrench income management as a policy measure,¹⁴
- Transition people in income management from the BasicsCard to the then Cashless Debit Card, now called 'Enhanced Income Management',¹⁵
- Expand the categorisation of disengaged youth and long-term welfare recipients.¹⁶

The biggest difference, of course, is in how people forced into the program are administrated. It is no longer done by Indue and being run instead by Services Australia because of legislative amendments passed by the government in 2022. Also, the 'Cashless Debit Card' trial sites have been made voluntary where under the 2020 bill they would have remained mandatory.

While this bill only forces new entrants on to enhanced income management, the principal of transitioning recipients to the new card remains.

¹² 2021 ALP National Platform, p57. <https://www.alp.org.au/2021nationalplatform>.

¹³ Explanatory memorandum Social Security (Administration) Amendment (Income Management Reform) Bill 2023, p 18. https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r6989.

¹⁴ Bill Digest Social Security (Administration) Amendment (Continuation of Cashless Welfare) Bill 2020, p 31-6. <https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query%3DId%3A%22legislation%2Fbillhome%2Fr6608%22>.

¹⁵ Ibid, p 36-43.

¹⁶ Ibid, p 38-9.



Concerns and questions the committee should direct to government

The framework for income control has not changed with the government and has in fact adopted similar provisions from a bill that the current government voted down whilst in opposition.

1. The executive government needs to be clear about what their future plans are. If they do want to make income control voluntary, then how does this bill contribute to that goal?

Expansion of income control

The Minister would lead us to believe that government will not expand income control as stated in her second reading speech for the bill, “Any decisions about the future of income management will be based on genuine consultation with affected communities, state and territory governments and experts in the field.”¹⁷

However, this bill will give her the power to implement it by instrument, which in effect would force people on to the card under the framework that is directed in this bill.

Community consultation and “consent”

The government has stated that it is continuing consultation with community groups currently forced into income control. However, they are not being transparent on how this consultation is taking place, how it was designed and how they are engaging people impacted by the card.

We are deeply concerned about the lack of transparency from government as they are consulting with groups who have promoted the use of the card.

Our other concern is with the use of the term “voluntary”. It is a fundamentally flawed concept that a person will voluntarily begin using the card if their community opts into the program.

Under the current framework, the Minister could, by “consultation” introduce income control to any community across the country and people who meet the qualifications set out in this bill will be forced on to the card – that is not an individual volunteering, but the community forcing them to. This is not a voluntary scheme.

¹⁷ Minister Rishworth’s Second Reading Speech, March 2023. <https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22chamber%2Fhansard%2F26428%2F0035%22https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22chamber%2Fhansard%2F26428%2F0035%22>.



Previous government consultation

We wrote to the committee last time a bill regarding cashless welfare was before it, and we urged you then to have the Minister supply; the advice from department about the “abolition” of the cashless debit card and to make clear the guidelines and advise on community consultation that is supposedly taking place.

There has been no information made public about a timeline for the future of income control or how it will be devised.

In 2020 then-Social Services Minister Anne Ruston, claimed that the four trial sites subjected to income control were “self-selected.”¹⁸ The committee must work to understand how the current government's model is any different.

Concerns and questions the committee should direct to government

The committee must push the government for the following information:

1. Make public all details regarding consultation conducted by the government and department, this includes minutes, future consultation, guidelines, and the timeline of consultation deciding the future of income control.
2. How will this be a voluntary program for individuals when communities appear to be the ones deciding whether or not welfare recipients will be subjected to the program.
3. Who in the community will make the decision to bring income control in, and how will it be different from the blanket policies of the past?
4. How is the government's consultation process any different to the previous government's consultation process?

¹⁸ Australian Senate, *Debates*, 9 December 2020, <https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22chamber%2Fhansards%2Ffd2295d6-3f93-487a-95ba-ab6d5334b30f%2F0330%22>.