



Submission to the Inquiry into the Social Security (Administration) Amendment (Income Management Reform) Bill

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Contacts



UnitingCare Australia

Level 3, 42 Macquarie St.

Barton ACT 2600

Phone (02) 6249 6717

Email ucaremail@nat.unitingcare.org.au

Website unitingcare.org.au

About UnitingCare Australia

UnitingCare Australia is the national body for the Uniting Church's community services network and is an agency of the Assembly of the Uniting Church in Australia.

We give voice to the Uniting Church's commitment to social justice through advocacy and by strengthening community service provisions.

We are the largest network of social service providers in Australia, supporting 1.4 million people very year across urban, rural, and remote communities.

We focus on articulating and meeting the needs of people at all stages of life and those that are most vulnerable.

UnitingCare Australia welcomes the opportunity to contribute to the Senate Community Affairs Legislation Committee's Inquiry into the Social Security (Administration) Amendment (Income Management Reform) Bill 2023 ('the Bill').

We commend the Labor Government's successful abolishment of the Cashless Debit Card (CDC) in 2022 and its ongoing commitment to reform Compulsory Income Management (CIM). We also welcome the Government's \$25 million commitment to extend existing support services and a range of new initiatives for former CDC program communities.

However, we are concerned that the amendments in this Bill, do not satisfy the recommendations that we have previously made to this committee in relation to CIM.

We have consistently advocated against Compulsory Income Management (CIM) for the following reasons:

- ***it is not supported by evidence***: there is no conclusive evidence that CIM has any widespread or sustained benefits – either at the individual, family or community level;
- ***it is poorly targeted***, with evaluations and studies showing most of those subject to CIM do not have substance abuse or gambling issues, and providing no evidence that the groups singled out under the scheme are the groups presenting the highest risk of engaging in target behaviours;
- ***it is not cost-effective***, diverting considerable funds away from evidence-based programs and under-resourced services;
- ***it has not been developed through genuine consultation*** with individuals and communities impacted by the program;
- ***it undermines self-determination*** by First Peoples and the goals of the Closing the Gap Agreement;
- it does not address ***logistical and technical problems***, which may be compounded in areas lacking consistent and reliable communications infrastructure;
- it may lead to ***unintended consequences*** and ***create or exacerbate social problems***, including the very problems the CIM is meant to remedy.

We believe that all forms of CIM should be abolished and replaced with an opt in approach to Voluntary Income Management (VIM). As noted in our previous submission we believe that VIM developed in consultation with communities and backed up by wrap-around supports is more likely to achieve positive life outcomes

for participants¹. For example, in the APY Lands, a Government review of VIM identified several voluntary arrangements that people chose to enter to support payment of bills and essential expenses, which helped to build their money management skills and contributed positively to their overall wellbeing.²

We acknowledge that this Bill does allow participants to transition to the enhanced Income Management (enhanced IM) program voluntarily and that the Government is committed to delivering wrap around services. However, this Bill allows CIM to continue under the guise of enhanced IM which undermines the intent of having ended the CDC. This is because the proposed enhanced program retains restrictions which will still be imposed on certain groups as identified in the legislation as per current arrangements in selected communities.

We are deeply concerned that this Bill does not seek to reduce CIM but will implement provisions that will make it a permanent part of the income support system. The proposed amendments will enable the Minister to make any future changes to CIM 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. Which means that future decisions to continue or expand the CIM could be made without requiring the rigor of the Parliamentary process.

As this is only the next stage of the Government's commitment to address Income Management reform, we are concerned that there is no exit clause for participants from CIM or a sunset clause for this Bill. Which means that there is no clear end date for CIM, and participants will continue to experience its detrimental effects indefinitely. The inclusion of these two elements will provide participants with an incentive to come off CIM and accountability measures for the program.

As experienced service providers, the UnitingCare Network re-iterates the most effective way to achieve long term sustainable change for participants is to provide individualised, culturally safe, wrap-around supports for as long as is required. These supports should include financial counselling, family counselling, community services

¹ UnitingCare Australia, Submission to the Inquiry into the Social Security (Administration) Amendment (Repeal of Cashless Debit Card and Other Measures) Bill 2022, August 2022.

and programs that focus on drug and alcohol and domestic and family violence responses.

In conclusion, we welcome the Government's commitment to reform the Income Management system and invest in wrap around services to support participants to address the issues which cause income mismanagement. However, we believe that all forms of CIM continue to restrict the rights of participants and do not address the underlying causes which placed them onto it. We believe that this Bill will not provide participants with more freedoms but will allow the Government to extend the timeframe and delivery of the program indefinitely without the accountability of the Parliamentary process, a sunset clause, and any incentive for participants to leave the program.

We believe that it is only through transitioning participants onto opt in voluntary income management solutions and providing adequate resources for community led wrap around supports and solutions that long term sustainable outcomes for participants will be achieved.