

SOCIAL WORK POLICY & ADVOCACY ACTION GROUP RMIT UNIVERSITY

The **Social Work Policy and Advocacy Action Group** at RMIT University is made up of social work students and academics with a shared commitment to human rights, social and environmental justice. The group brings together researchers, practitioners, policy advocates and people with lived experience. In line with our professional [Code of Ethics](#), we advocate on key social issues with a particular focus on marginalized, oppressed and disenfranchised communities.

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SUBMISSION TO - INQUIRY INTO COMPULSORY INCOME MANAGEMENT

Response

Social workers, on a daily basis, witness the harmful effects of punitive policies that undermine human rights and self-determination, and entrench poverty. Compulsory income management (CIM) has taken several forms in recent years (Basics Card, Cashless Welfare Card, Enhanced Income Management) with each incarnation continuing to punish and blame individuals for structural and systemic issues. Numerous evaluations have time again demonstrated the limited impact of these policies and the significant social harm and stigma they cause. While the general idea of the policy may have some merit, the involuntary nature and lack of associated supports has done little to address the underlying issues. There continues to be a lack of consultation and collaboration with communities and the sector to develop evidence-informed, sustainable solutions to unemployment, substance misuse and poverty. While the removal of the Cashless Welfare Card was a welcomed initiative, 22,000 people remain on CIM, with most from First Nations communities. This a discriminatory, ineffective and harmful policy that must be abolished and moved towards a voluntary system that is matched with significant investment in community and social services.

Terms of Reference

Has compulsory income management been effective in achieving its stated aims?

CIM is framed as a solution to drug and alcohol misuse, gambling, unemployment and social harms. However, the majority of CIM recipients do not have these issues (Marston et al., 2022; Peterie et al., 2020). Broad groups of people are targeted for CIM based on their age, location and welfare history, meaning that only a small percentage of people will be experiencing the difficulties CIM aims to alleviate (Arthur, 2015a, 2015b; Peterie et al., 2020). This continues to be a significant flaw in the system.

Has compulsory income management caused, or contributed to, beneficial and/or detrimental outcomes?

Income management has not achieved its aims, and continuing a questionable program will create further stigma and difficulty for vulnerable people. Most recipients report that CIM increases financial stress and stigma rather than mitigates it, because they cannot participate in the mainstream cash economy (Peterie et al., 2020). Activities such as paying rent and bills can become very difficult (Marston et al., 2022; Peterie et al., 2020). This can have a flow-on effect on an individual's rental and credit history, further entrenching a reliance on welfare support and poverty. In addition, cards are not accepted by all retailers and service providers, which means that recipients are forced to spend time and money travelling to inconvenient locations to access necessities (Marston et al., 2022). CIM has failed to effect long-term changes in behaviour or outcomes. Beyond some success for people who use income management voluntarily, the evidence is limited in demonstrating that the scheme is successful in achieving its aims of preventing a small group of people from spending their money on alcohol, gambling, and drugs, or improving access to healthy and fresh food.

To what extent is compulsorily restricting the spending of welfare payments consistent with international human rights law, particularly the rights to social security, an adequate standard of living, equality and non-discrimination, a private life, and the rights of the child.

The rights of the child are often used to justify compulsory income management, despite the majority of CIM cases not being triggered by child protection measures (Arthur, 2015a; Marston et

al., 2022). When families are unable to access goods and services, and must endure stigma and discrimination, the consequences for children are severe (Doyle et al., 2022; Peterie et al., 2020; Roche et al., 2024). For example, correlations have been found between compulsory income management and low birth weight, as well as increased family violence and financial abuse (Doyle et al., 2022; Roche et al., 2024). It should also be noted that CIM is disproportionately imposed on First Nations communities, thereby exacerbating other forms of disadvantage experienced by First Nations children (Bielefeld, 2014; Marston et al., 2022). The goal of income support should be to ensure payments meet basic living costs, support employment participation, target assistance according to need, and respect people's dignity. The Cashless Debit Card does not achieve these aims.

CIM erodes the dignity and autonomy of people who are forced to use it, contravening Australia's commitment to human rights and dignity for all. It contravenes a number of articles, not least being: Article 1: All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood. Article 23: (1) Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment. (2) Everyone, without any discrimination, has the right to equal pay for equal work. (3) Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.

CIM is a reductionist approach to complex issues that need a whole-of-person approach to understand and address the barriers to meaningful engagement in life and society.

Recommendation

- **Abolish CIM and move towards a voluntary model.**
- **Work with the communities and the sector (with a particular focus on First Nations groups) to develop collaborative, evidence informed and sustainable models of supports to address the underlying issues.**

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