



Australian Government

Department of Social Services

Pothida Youhorn
Committee Secretary
Senate Community Affairs Legislation Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Ms Youhorn

COMMUNITY AFFAIRS LEGISLATION COMMITTEE INQUIRY INTO THE SOCIAL SECURITY (ADMINISTRATION) AMENDMENT (REPEAL OF CASHLESS DEBIT CARD AND OTHER MEASURES) BILL 2022

Thank you for your letter of 17 August 2022 seeking our clarification of the issues raised by Commissioner Williams of the Family Responsibilities Commission (FRC) in her evidence to the Committee on 16 August 2022. The Department of Social Services (the department) has met with Commissioner Williams to discuss her recommendations to amend the Bill.

Items 20, 23 and 26 of the Bill amend section 123UF of Part 3B of the *Social Security (Administration) Act 1999* (the Act). This section sets out the rules that govern the role of the FRC in placing people onto the Income Management (IM) program. With the repeal of the Cashless Debit Card (CDC) the IM program will be the only Commonwealth Government program of this type that the FRC can place people onto.

Items 20 and 23 add the words 'and on or after the closure day' in two parts of section 123UF. As drafted this would require the FRC to provide the Secretary of the department a notice that a person be subject to the IM program. In our discussions with Commissioner Williams she raised concerns that issuing new notices for people already on the CDC would place an additional burden on them as they would have to go through the conferencing process again for these people. The FRC's preference is that the legislation recognise existing notices when the transition from the CDC to the IM program occurs.

Item 26 also amends section 123UF. Under the Bill, a person in the Northern Territory who has been granted an exemption from the CDC program because of a wellbeing exemption, or because they have been found to be able to manage their financial affairs, will not be placed onto the IM program after the CDC program is abolished. Item 26 applies this principle to the decisions of the FRC. Commissioner Williams has stated that people frequently move between the Northern Territory and communities within the FRC's jurisdiction and that the amendment limits the ability of the FRC to make decisions in relation to people living in their communities.

Item 38 amends section 124PGD of Part 3D of the Act. Part 3D sets out the rules that implements the CDC program. Item 38 allows a person to request the Secretary to leave the CDC program. This will take effect from the later of 19 September or the day after Royal Assent. Commissioner Williams has raised concerns this would allow a person who has been placed on the program by the FRC to leave it before the notice expires which would remove the ability of the FRC to determine the appropriate time for a person to leave the program.

The intent of the legislation is to recognise the unique arrangements in place for the FRC and to preserve these arrangements so that the FRC can continue to operate effectively and in accordance with its statutory responsibilities. Minister Rishworth has affirmed this in direct discussions with Commissioner Williams.

The department also welcomes any views of the Committee on the issues raised by the FRC.

Yours sincerely

Liz Hefren-Webb
Deputy Secretary, Families and Communities

19 August 2022