

Social Security (Administration) (Enhanced Income Management Regime—Commonwealth Referrals and Exemptions) Determination, 2023

The Centre for Excellence in Child and Family Welfare (the Centre) welcomes the opportunity to provide comment on the Social Security (Administration) (Enhanced Income Management Regime—Commonwealth Referrals and Exemptions) Determination, 2023 for consideration by the Senate Community Affairs References Committee. The Centre is the peak body for child and family services in Victoria. For over 100 years we have advocated for the rights of children and young people to be heard, to be safe, to access education and to remain connected to family, community and culture. We represent over 150 community service organisations, students and individuals in Victoria working across child and family services.

While the Centre welcomes the Federal Labor Government's announcement that it would end the cashless debit card and transition from compulsory to voluntary income management, this review of the three legislative instruments is a reminder that the issue of income management continues to be put forward by government for comment despite all the evidence questioning the efficacy of welfare programs like ParentsNext and the Cashless Debit Card.¹

The Centre would like to see the Albanese Government commit to ending all forms of compulsory income management, including the BasicsCard bank account and the SmartCard, delivered through the enhanced income management regime. Far from ending income management, these actions reflect the minister's power to expand income management to new areas.

Research shows that individual circumstances are not taken into account when subjecting people to an enhanced income management regime but rather that 'individuals are placed on mandated programs on the basis of their membership of a particular class of persons related to their pattern of receipt of income support',² geographical location, demographic information and welfare payment.³ Identifying specific cohorts through Commonwealth referrals as requiring mandated income management without choice, control or adequate supports, causes harm and continues to enable social division, stigma and shame.⁴

We note the recently released findings and recommendations arising from the Royal Commission into the Robodebt Scheme inquiry in which Commissioner Holmes argues for politicians 'to lead a change in social attitudes to people receiving welfare payments'.⁵ The language around 'income management' places some people apart from others and continues the stigmatisation which Robodebt perpetuated: i.e., that there are some people ('vulnerable welfare payment recipients') who need help to manage their income day-to-day and those who do not need this help ('taxpayers'). Maintenance of income management as a welfare policy prolongs the stigmatisation and undermining of the right to dignity and self-determination that is evident in the pages of the Robodebt report.

In summary, compulsory income management for specific cohorts:

- Is applied in an unfair and discriminatory manner based on race, income status, perceived levels of vulnerability and geographic location
- Places limitations on human rights to social security, privacy, self-determination, equality and non-discrimination

¹ See, for example, Australian National Audit Office, The implementation and performance of the cashless debit card trial, 2018, <https://www.anao.gov.au/work/performance-audit/implementation-and-performance-cashless-debit-card-trial>

² Gray, M. & Bray, R., Submission to Senate Standing Committee on Community Affairs, Legislation Committee, Inquiry into the provisions of the Social Security (Administration) Amendments (Income Management Reform) Bill 2023. Submission 3.

³ Humpage, L., Peterie, M., Marston, G., Mendes, P., Bielefeld, S. & Staines, Z. Helping or harming? Compulsory income management in Australia and New Zealand, Summary report.

⁴ Humpage, et al.

⁵ Commonwealth of Australia, Royal Commission into the Robodebt Scheme, Report, vol. 1, p.iii.

- Inhibits the realisation of an adequate standard of living for families and their children, by limiting access to cash and affordable goods, restricting choice and control
- Has failed to produce valid evidence of benefits for the people, communities and populations affected.⁶

Specific groups identified in the Determination should be supported by a broader range of policy changes to the delivery of social security. The Centre welcomes increased assistance and support around financial literacy to cohorts experiencing co-occurring vulnerabilities. Rather than a set of prescribed, perceived aids such as short courses on budgeting and cash management, the Centre recommends support in the form of engagement with community service organisations (CSOs) which provide financial counselling. These organisations are best placed to deliver wrap-around, place-based and tailored supports to meet the individual needs of children, young people and families.

The Centre has previously prepared submissions on mandatory and voluntary forms of income management and would be pleased to provide additional insights as needed.

⁶ Centre for Aboriginal Economic Policy Research, Australian National University, Measuring the social impact of income management in the Northern Territory: An updated analysis/Working Paper, 2020, <https://doi.org/10.25911/5ed0e50bd56dc>