

Compulsory Income Management and human rights - May 2024

The Centre for Excellence in Child and Family Welfare (the Centre) welcomes the opportunity to provide a submission to the Parliamentary Joint Committee on Human Rights on the impact of compulsory income management on human rights.

The Centre is the peak body for child and family services in Victoria and Tasmania. 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 around 180 community service organisations, students and individuals working across child and family services, many of whom are working with families on low incomes.

The Centre has consistently advocated against compulsory income management over many years. The Centre would like to see the Albanese government commit to finally ending all forms of compulsory income management, including the BasicsCard bank account and the SmartCard, delivered through the enhanced income management regime. Since its inception in 2007, the Cashless Debit Card and income management programs have been subjected to several evaluations in a number of states and territories.¹ These evaluations have consistently failed to demonstrate that the programs have successfully achieved their primary objectives or show any tangible policy benefit. The lack of a robust evidence base raises questions about the rationale for the continuation and potential expansion of the scheme with the Determinations added to the Social Security (Administration) (Enhanced Income Management Regime —Commonwealth Referrals and Exemptions) late last year.

The Centre is concerned that compulsory income management programs, no matter how well-intentioned, breach the human right to be treated with dignity. Mandating and limiting the ways in which individuals manage their income is inconsistent with the moral entitlement to be treated fairly and equitably, which underpins the international recognition of human rights. Compulsory income management programs not only have detrimental effects on the people subjected to them, but also on their children and families. They stigmatise individuals and rob them of personal agency, and disproportionately affect First Nations peoples.² The Centre supports replacement of compulsory income management programs with more empowering models which are voluntary or 'opt-in', so that families and communities have the tools they need to thrive.³

Children and young people are also significantly impacted by compulsory income management, and their human rights are similarly infringed upon.⁴ The impact of poverty and disadvantage on children and young people needs to be better understood by government and policy makers.⁵ Recently published research indicates that compulsory income management can contribute to family violence and is ineffective in reducing social harms.⁶

A primary objective of income management programs is to support children's wellbeing by protecting them from harmful behaviours, such as drug and alcohol use by their parent or caregiver. However, there is minimal evidence that income management has a positive impact on children's wellbeing and welfare or

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

² Australian Council of Social Services (ACOSS) (2023), Submission to the Inquiry into the Income Management Reform Bill, https://www.acoss.org.au/wp-content/uploads/2023/06/Sub16_ACOSS.pdf, pg.2

³ See, for example, APO NT, Submission 118, [p. 27]; ACOSS, Submission 23, p. 13; Mr Damian Griffiths, Chief Executive Officer, First Nations Disability Network Australia, Committee Hansard, 31 October 2023, p. 11; Ms Megan Krakouer, Director, National Suicide Prevention and Trauma Recovery Project, Committee Hansard, 31 October 2023, p. 12; Dr Elise Klein OAM, Member, Accountable Income Management Network and Associate Professor of Public Policy, Crawford School of Public Policy, Australian National University, Committee Hansard, 31 October 2023, p. 17

⁴ Australian Council of Social Services, pg.2

⁵ Australian Human Rights Commission (2024), Submission 244 - The Extent and Nature of Poverty In Australia, p. 28.

⁶ Mendes P et al (2024). Perspectives on the ongoing impact of compulsory income management in the Northern Territory Australian Social Justice Issues,

changes their experience of socioeconomic disadvantage.⁷ Rather than a set of prescribed, perceived aids such as short courses on budgeting and cash management, the Centre recommends support for families 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.

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',⁸ geographical location, demographic information and welfare payment.⁹ Identifying specific cohorts through Commonwealth referrals for mandated income management without choice, control or adequate supports, continues to enable social division, stigma and shame.¹⁰

Language around vulnerability matters, as we saw during the Robodebt saga generated by the previous Commonwealth government. Recommendation 10.1 of the Robodebt Royal Commission report emphasises the need to design policies and processes with a focus on the people these are meant to serve. It is unclear how income management can reflect the intent of, or sit comfortably alongside, this recommendation. Commissioner Holmes argues for politicians 'to lead a change in social attitudes to people receiving welfare payments'.¹¹ 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.

The cohort of Australians who are considered by the federal government to be 'vulnerable welfare recipients' are often people who have been through significant and damaging events in their lives. The recent Australian Child Maltreatment Study highlighted how more than 60 per cent of Australians are living with experiences of harm, maltreatment, and disadvantage. One in four Australians over 16 report having experienced child sexual abuse or neglect. Australians with vulnerabilities require support, not judgement, stigma, or shame placed on them.

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
- Disproportionately affects First Nations people, children and families
- Places limitations on human rights to social security, privacy, self-determination and equality
- 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.¹²

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

⁷ Children and Youth Services Review (2021). How effective is conditional welfare support for enhancing child wellbeing? An examination of compulsory income management (welfare payment quarantining) in Australia, <https://www.sciencedirect.com/science/article/abs/pii/S0190740921003303?via%3Dihub>

⁸ Gray, M. & Bray, R. (2023). 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.

⁹ Humpage, L., Peterie, M., Marston, G., Mendes, P., Bielefeld, S. & Staines, Z. (2020). Helping or harming? Compulsory income management in Australia and New Zealand, Summary report.

¹⁰ Humpage, et al.

¹¹ Commonwealth of Australia (2023). Royal Commission into the Robodebt Scheme, Report, vol. 1, p. iii.

¹² Centre for Aboriginal Economic Policy Research (2020). Australian National University, Measuring the social impact of income management in the Northern Territory: An updated analysis/Working Paper. <https://doi.org/10.25911/5ed0e50bd56dc>