

Submission to the Inquiry into the Social Security (Administration) Amendment (Repeal of Cashless Debit Card and Other Measures) Bill 2022

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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 provision.

We are the largest network of social service providers in Australia, supporting 1.4 million people every 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 Submission

UnitingCare Australia welcomes the opportunity to contribute to the Senate Community Affairs Legislation Committee's Inquiry into the Social Security (Administration) Amendment (Repeal of Cashless Debit Card and Other Measures) Bill 2022 ('the Bill').

We commend the Labor Government's fulfilment of its election commitment to abolish the Cashless Debit Card (CDC). This has been something we have been advocating for many years and are pleased and grateful for the leadership being shown in this vital area of social policy.

We have been advocating against Compulsory Income Management (CIM) for the following reasons:

- **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;
- **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;
- **is not cost-effective**, diverting considerable funds away from evidence-based programs and under-resourced services;
- **has not been developed through genuine consultation;**
- **undermines self-determination** by First Peoples and the goals of the Closing the Gap Agreement;
- does not address **logistical and technical problems**, which may be compounded in areas lacking consistent and reliable communications infrastructure;
- may lead to **unintended consequences** and **create or exacerbate social problems**, including the very problems the CIM is meant to remedy.

Under the proposed Bill we note that although the CDC will be abolished, there will still be participants who will be required to stay on CIM. We do not support this. What we do support is that an opt-in approach to a Voluntary Income Management (VIM) program be adopted, developed in consultation with communities and backed up by wrap-around supports. 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.¹

We support the Government's staged approach which will provide the opportunity to put in place supports for individuals as they transition from the CDC program. However, it is essential that these supports are available, accessible, and appropriate to the needs of the individual to ensure they have the resources they need to live with dignity.

The experience of the extensive UnitingCare Network of service providers is that the most effective way to gain long term sustainable change is to provide individualised, culturally safe, wrap-around supports for as long as is required. These supports should include financial counselling, family

¹ Katz and Bates, Voluntary Income Management in the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands, 19-20.

counselling, community services and programs that focus on drug and alcohol and domestic and family violence responses.

In conclusion, we recognise that in many of the communities where the CDC has been in place, resourcing community led solutions will address many of the underlying systemic issues that have plagued these communities for so long such as inadequate housing, lack of education, meaningful employment opportunities, health and wellbeing and economic and social participation. We believe that resourcing these community led solutions will achieve long term sustainable outcomes that will address the underlying causes of poor financial management of social security payments.

There are many examples of the most effective programs that we could provide to the Committee on request.

Recommendations

Recommendation 1: UnitingCare Australia recommends this Bill be passed but notes that we are concerned about the participants who will be transferred to, or remain on, Compulsory Income Management.

Recommendation 2: UnitingCare Australia recommends that Compulsory Income Management be abolished and an opt-in approach to Voluntary Income Management be developed in consultation with communities to achieve positive outcomes for participants.

Recommendation 3: UnitingCare Australia supports the Government's staged approach which provides time for participants to transition from the Cashless Debit Card program. We recommend that Government adequately fund ongoing wrap-around supports for communities, with a focus on community led solutions that will address the underlying issues which lead to participants being placed onto Compulsory Income Management.