



THE HON TANYA PLIBERSEK MP
MINISTER FOR SOCIAL SERVICES

MB26-000215

Senator the Hon Sue Lines
President of the Senate
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear President

I am writing to advise you that the Government responded to the recommendations of the Senate Community Affairs Legislation Committee's report on the *Social Security (Administration) Amendment (Income Management Reform) Bill 2023* by moving a motion in the Senate on 22 June 2023. The first recommendation was not agreed to by Government and therefore not implemented. The second recommendation was agreed to by Government and implemented.

I have enclosed the relevant extract of the Hansard from 22 June 2023.

Yours sincerely

TANYA PLIBERSEK

25.8.2026

So Labor is okay with breaking those promises but is too scared to touch things like stage 3 tax cuts—that was also an election promise. Guess what other promise the government has also broken? It was a promise that the new Prime Minister made on their election night—that no-one would be left behind. This is in fact a very sneaky and dangerous move by the government, who want you to believe that improving the technology is what they're up to. This bill will in fact expand the powers being given to the minister to roll out compulsory income management right across the country.

Income management has its place. However, it must be voluntary, and that's been said time and time again in numerous reports and media releases. But forcing people into such schemes doesn't actually help them build any financial independence. Senator Rice mentioned the Minister for Indigenous Australians when she spoke about how the fundamental principles of the BasicsCard and the cashless debit card should mean that they're issued on a voluntary basis. This government has said repeatedly that it would abolish the cashless debit card, so what's changed? Now we have more than 20,000 people trapped in compulsory income management, and we know that those schemes disproportionately impact First Nations people, which was also mentioned here today in this chamber. And the government knows this. Various levels of government have looked at this over the years, in organisations, on think tanks, in advocacy groups, in numerous inquiries before I came to this place and people like former senator Rachel Siewert were involved in some of those inquiries looking into the consequences and the harm of imposing compulsory income management.

This bill today was subject to an inquiry which only held one hearing, which Senator Rice was part of, and this inquiry heard from First Nations people who talked about how compulsory income management doesn't work for them. But, again, this government in this place, in this week when we have passed a bill on a voice to parliament, is ignoring First Nations voices on critical issues such as this. This bill is a continuation of failed policy, and there is a large body of evidence showing compulsory income management doesn't work. We had members of the government in the last round of speeches get up and say, 'Everything we implement will be evidence based.' Guess what? This is evidence based, and you're ignoring the evidence on it. You continue to go down this line, and the government are hell-bent and clearly intent on breaking their promise and ignoring First Nations people's voices and pursuing a policy that they know doesn't work.

We heard about the Aboriginal peak organisations in the Northern Territory in particular who made submissions on this. They asked: how many times do we have to ask government to listen to our voices? This has been going on since income management was introduced in 2007 as part of the Northern Territory intervention, which was when they first said no. It was the first time they said no to income management support. It's now a different card in a different colour, but it's all for the same purpose: to control their lives. That is what they told the government. 'We are not guinea pigs,' they told the government. Even the Central Land Council calls on the government to end all forms of compulsory income management, and I could go on and on and on in this debate about how many times First Nations people have told governments in this place to stop imposing these racist policies that are driven by removing our basic human rights in this country.

Income management doesn't help people. It doesn't do what you say it does. It is in fact a punishment. It is a punishment for being on welfare payments, which are the legacy of colonisation in this country. Welfare was the legacy piece of the 1967 referendum, and here we are again looking at another referendum with another government telling us that they're going to listen to our voices. I don't think so. Financial freedom is what is needed—empowerment, giving people the tools to learn about financial responsibility—not prohibiting people from being able to purchase the essential items they need, such as food, from places where they will actually save money, not places that are making money for the big corporations in this country, so going to markets and things like that. It doesn't restrict drugs and alcohol, as you've heard the Opposition suggest. It perpetuates harm and allows the black market in these communities to thrive. I'll give an example from my home state of Western Australia: \$400 for a bottle of vodka, and they play cards for it for two days. You want to talk about how you manage black people's income. You're not stopping any of that. That's a farce that's in this bubble, unfortunately.

The Greens have an amendment to this bill that will introduce a sunset clause. It will restrict the ministerial power and enable those at risk of harm to exit this framework. This amendment will improve the worst elements of this bill but, let's be clear, we, over here at the Australian Greens, do not support compulsory income management. We implore this government to keep their promises to the Australian people, to First Nations people in this country, to make income management voluntary.

Senator AYRES (New South Wales—Assistant Minister for Trade and Assistant Minister for Manufacturing) (11:10): I thank senators who have contributed to this important debate on the Social Security (Administration) Amendment (Income Management Reform) Bill 2023. The government has listened closely to the contributions of all senators and I'm pleased to be able to address some of those contributions.

The bill is the next step in the Albanese government's election commitment to abolish the punitive cashless debit card regime and take on the reform of income management. It builds on changes made by the Social Security (Administration) Amendment (Repeal of Cashless Debit Card and Other Measures) Act 2022, which established the enhanced income management program and repealed the cashless debit card program.

This bill ensures that no new participants are issued with the out-of-date BasicsCard and, instead, that they have access to a significantly updated technology platform and modern card, the SmartCard, capable of supporting a range of mainstream banking functions, including tap and go payments, online shopping and BPAY bill payments. Importantly, the SmartCard is delivered by Services Australia and has a PIN for added protection. The bill will also give people subject to the income management regime the choice to move to enhanced income management from the commencement date, thereby allowing them to access the BasicsCard bank account and superior SmartCard.

Our absolute priority is to ensure participants are supported and given access to a modern financial experience and do not experience the stigma of outdated financial technology. With the passage of this bill we will take another step towards reforming income management in Australia, and more than 25,000 Australians will have access to enhanced income management and the SmartCard, increasing choice over where and how they can spend their money. But, we know there is still a way to go.

I'd like to thank the Community Affairs Legislation Committee for its report into this bill, acknowledge the contributions of all those who made submissions or appeared at the hearing and note the various recommendations provided. The committee report recommended that the government consider whether a review period is practicable and facilitative to the policy intent. The Albanese government made a commitment to continue consulting with and listening to a wide range of stakeholders, including First Nations leaders, women's groups, service providers, communities and people receiving welfare payments.

This consultation is underway and is the most appropriate way to review and reform the income management program, which has been in place since 2007. For some people on income management, this program has been the norm for them during their entire adult life. The government takes this matter seriously and we worked with individuals and communities on what services and supports are needed, and what the future of income management looks like.

I also thank the Australian Greens and Senator Thorpe for their input into the report and ongoing interest in this program. Both have recommended or raised the inclusion of a sunset clause, limitation on ministerial powers, exit provisions or the abolition of all compulsory income management. The government notes these recommendations and considers that those changes are not appropriate to be made through this bill. However, I want to be clear about our position. The current consultation underway in regard to the future of income management is listening to individuals and communities about these very issues. Decisions we take about this matter will be informed by those consultations. Anything which affects those consultations runs the risk of undermining the integrity of that process and undermining the trust of communities. The government will not make decisions or support amendments that would see vulnerable people transitioned off this program without much-needed support.

Senators in this debate have raised concerns about the powers of the minister to make instruments that will operationalise the enhanced income management program. The bill does not extend the powers to the minister, it only replicates what is already in the existing income management legislation. By replicating the measures and ministerial powers already existing for income management, support remains in place for communities while consultation on the future of the program, more broadly, continues. Limiting or removing the flexibility that the ministerial powers provide would limit the government's ability to respond to the feedback gathered through consultation and to provide real and tailored outcomes.

Senator Thorpe's dissenting report also recommended a substantial investment in social services.

The PRESIDENT: Thank you, Minister. The time for this matter has expired. We're at 11.15 am, the hard marker.

NOTICES

Presentation

Senator Roberts to move on the next day of sitting:

(1) That the Senate notes that:

(a) order for production of documents no. 200 agreed by the Senate on 27 March 2023, relating to the 22 March 2023 Jervis Bay incident involving an MRH-90 helicopter, has not been complied with; and

(b) the order included that information identifying personnel and information in relation to training techniques may be appropriately redacted.

(i) the Coalition introduced the Cashless Debit Card to protect vulnerable communities reducing the amount of welfare payments available to spend on alcohol, gambling and illegal drugs,

(ii) since the Cashless Debit Card program commenced more than \$988 million has been spent using cashless debit card accounts; participants making more than 20 million approved transactions with over \$273 million spent where the primary business is food,

(iii) the harm and hardship the Government's abolition of the Cashless Debit Card has caused some of Australia's most vulnerable communities,

(iv) the Government's hypocrisy by reintroducing the Cashless Debit Card and rebranding it the SmartCard with the new card supported by the same provider Indue,

(v) the Government has committed over \$217 million of taxpayers' funds to this expensive rebranding exercise,

(vi) the Government has failed to provide details of the total cost to taxpayers of the new SmartCard, and

(vii) the Government has rushed and total mismanaged transition to the SmartCard; and

(b) calls on the Government to, without delay, reverse its decision to abolish the Cashless Debit Card program and stop the alcohol-fuelled violence, drug abuse and childhood neglect in our most vulnerable communities".

Senator AYRES (New South Wales—Assistant Minister for Trade and Assistant Minister for Manufacturing) (12:29): As I was desperately trying to do before the last hard marker, I'll continue the second reading summing up speech. Senator Thorpe's dissenting report also recommended a substantive investment in social services and wraparound supports in communities. In last year's budget a significant investment of \$158 million was committed for support services in former cashless debit card and income management communities, including for the Northern Territory, where the majority of income management participants are located. That included \$7½ million over 2022-23 to 2023-24 to deliver mobile and internet services and digital literacy support in regional and remote Northern Territory communities, including wi-fi connectivity for four Alice Springs town camps. It also included \$10 million provided in 2023-24 for other support services in the Northern Territory.

We're working in genuine partnership with communities to co-design a range of targeted services that benefit individuals, families and the broader community. This includes initiatives supporting financial literacy and money management, programs that support pathways to greater economic independence and targeted support to address addiction to alcohol and other drugs.

I also note the recommendation of the dissenting report by the coalition senators, which called for the government to publish key metrics of social harm in relation to communities where the cashless debit card formerly operated. I remind those senators that this bill doesn't deal in any way, shape or form with the cashless debit card or the communities in which it used to operate. However, in response to that recommendation the government does not support it. It is a waste of Commonwealth government resources and a shameful attempt to force the government's attention away from doing what actually works and funding the services which communities have actually said they wanted to see on the ground.

I remind senators that it has been the Albanese government which has extended the existing support services in former cashless debit card communities and has indeed funded new ones. The government is investing over \$26.3 million in 2022-23 and 2023-24 for more than 40 established and trusted support services to continue, providing certainty for providers and the community in these locations after the former government failed to fund these services past 30 June this year. There is \$23 million to support the creation of economic and employment pathways in the Cape York, Goldfields, East Kimberley and Ceduna regions; \$3 million in local brokerage funds for Ceduna, East Kimberley and the Goldfields; and \$1.8 million to expand support initiatives in the Goldfields. On top of this funding, the government is also investing an additional \$16 million to support priorities identified in the local services plans for each former CDC site to ensure that support services are provided efficiently and are responsive to the unique needs of each of the target community.

It was the Albanese government that actually listened to communities and delivered the support that they wanted to see, and that is something that we remain absolutely committed to. As the minister has said, our focus and our objective as a government remain clear: to empower people in communities and provide individuals and communities with a range of supports that they can choose to use when and how it suits them best. I look forward to further addressing the matters raised in the report and various dissenting reports in the Committee of the Whole. In line with the second of the committee's recommendations I recommend the bill be passed.

The PRESIDENT: The question is that the amendment moved by Senator Ruston be agreed to.

The Senate divided. [12:38]

(The President—Senator Lines)

Ayes26