



Kulila Research & Advocacy Institute

Submission

6 Nov 2023

The Kulila Research & Advocacy Institute (KRAI) welcomes the opportunity to provide this submission to the Senate Standing Committee on Community Affairs for consideration in the inquiry into the three legislative instruments made by the Minister for the purposes of Part 3AA or Part 3 B of Social Security (Administration) Act 1999.

About the Kulila Research and Advocacy Institute

KRAI is an independent Aboriginal and Torres Strait Islander think tank dedicated to improving the welfare, cultural and self-determination of First Nations Australians through representation and advocacy of direct consultation with Indigenous communities and organisations, complimented by evidence based-research on policy matters important to help improve the welfare, culture and self-determination of First Nations people. Kulila means 'listen up' in the Pitjantjara language, and KRAI was formed in response to the failed Voice referendum, recognising the urgent need for independent representation to better communicate the needs of First Nations communities to both government and the non-Indigenous Australians.

KRAI welcomes the Australian Government's reforms to transition Income Management (IM) programs such as the Cashless Debit Card (CDC). This is a positive move towards protecting the basic human rights of welfare recipients, particularly Aboriginal and Torres Strait Islander communities. However, KRAI would like to highlight our concerns around a number of the proposed amendments:

1. Evidence suggests that on balance the negative impacts outweigh the positive

The evidence supporting the effectiveness of IM remains inconclusive. Without robust data demonstrating its benefits, the imposition of IM may not be justified. Further, as the ANAO has outlined, the justification of the cost benefits remains unclear. It stated that the CDC had not been able to demonstrate it is meeting its goals.¹

Many of the initial proposals by Aboriginal and Torres Strait Islander bodies stressed the importance of wrap-around services. There is limited evidence wrap-around services were implemented. This failure to listen to Aboriginal communities about the need to treat the underlying causes, such as mental health, and hope that by limiting the availability of cash will somehow result in changes to behaviour is inconsistent with advice provided by allied health professionals.

¹ ANAO Evaluation of the CDC

<https://www.anao.gov.au/work/performance-audit/implementation-and-performance-the-cashless-debit-card-trial-follow>



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Moreover, across all the literature, there is a consistent observation that those who have IM imposed on them have high levels of shame as a result.^{2,3} With feelings such as infantilization being common. While the legislation makes reforms to ensure IM is voluntary, the existing legislation has provisions for the establishment of involuntary IM, a provision that Kulila has concerns about.

2. Too much power in the Department of Social Services Secretary

Kulila does not believe that the proposed legislation provides sufficient safeguards to prevent overreach of the Secretary or authorised officer of the Department of Social Services to ensure that dignity of recipients is protected.

Currently, the proposed legislation allows for the Secretary or authorised officer of the Department of Social Services to impose enhanced Income Management (IM) on an individual who has not initiated the process themselves as part of the Commonwealth Referrals mechanism.

For involuntary cases, the Secretary relies on certain indicators of vulnerability to make a determination under subsection 123SCM(1) of the Act.

These indicators include financial exploitation, hardship, failure to undertake reasonable self-care, and homelessness or risk of homelessness. The Secretary must consider whether the individual is appropriately applying their resources to meet their relevant priority needs and whether being under the IM regime would assist in doing so.

Kulila acknowledges that if an individual disagrees with the Secretary's decision to impose IM, they can request a reconsideration of their case, which involves an internal review process. This process provides a check on the Secretary's decisions and ensures that individuals have an avenue to contest decisions made about their welfare.

We do not believe that these safeguards are sufficient. While the oversight of the Secretary's decisions includes a review process, this process involves significant engagement with administrative departments. Aboriginal and Torres Strait Islander people may feel they cannot engage with the Department due to the perception of discrimination or sense of powerlessness.

²

<https://theconversation.com/i-dont-want-anybody-to-see-me-using-it-cashless-welfare-cards-do-more-harm-than-good-132341>

³

https://openresearch-repository.anu.edu.au/bitstream/1885/164009/1/Working_Paper_129_2019_final.pdf



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Our concern arises from the mental health consequences that research demonstrates results from perceptions of discrimination, with meta-analytic studies showing significant increases in physical and mental health, including symptoms of depression and anxiety⁴⁵⁶. Moreover, neurological research has demonstrated neuro-anatomical thinning of the cortex over time resulting from discrimination⁷. Aboriginal and Torres Strait Islander communities are already subject to higher levels of discrimination, continued perceptions that they are targeted for IM is only likely going to exacerbate mental health and health of Aboriginal and Torres Strait Islander communities.

However, KRAI recognises that some literature suggests for some people the Cashless Debit Card may be beneficial, and in some cases, this may be warranted. As such, while KRAI would prefer to see the abolishment of mandatory IM altogether, we suggest that the powers to impose IM should only be considered by a Committee, with at least 50% of this committee including Indigenous representatives from the Department, ensuring decisions are made with diverse and culturally informed perspectives. We believe that this is important, as a committee would have to agree that the evidence available outweighs the risks, and ensure that mandatory IM is imposed only when absolutely necessary.

3. Telecommunications infrastructure in remote communities prevents access to essentials

Finally, our concerns around over-reliance on technology, and the inability to withdraw cash is problematic. The recent Optus outage, which affected over 10 million people, including businesses unable to process transactions, exemplifies the risks of being unable to access cash. However, this has happened in the past. In 2020, Aboriginal communities on the basics card were unable to access food due to network outages on numerous occasions.

Currently, the advice on the Services Australia website states that if the EFTPOS terminal is down, recipients are unable to sign for approval. It is important that the government act on ensuring that access to food and medicine can always be provided for participants on any IM. Aboriginal and Torres Strait Islander communities have been subject to numerous outages frequently affecting their ability to use IM cards such as the BasicsCard or Cashless Debit Card.

⁴ Matsumoto, A., Santelices, C., & Lincoln, A. K. (2021). Perceived Stigma, Discrimination and Mental Health Among Women in Publicly Funded Substance Abuse Treatment. *Stigma and Health*. <https://doi.org/10.1037/sah0000226>;

⁵ Pascoe, E. A., & Richman, L. S. (2009). Perceived Discrimination and Health: A Meta-Analytic Review. *Psychological Bulletin*. <https://doi.org/10.1037/a0016059>

⁶ Paradies, Y., Ben, J., Denson, N., Elias, A., Priest, N., Pieterse, A. L., Gupta, A. R., Kelaher, M., & Gee, G. C. (2015). Racism as a Determinant of Health: A Systematic Review and Meta-Analysis. *Plos One*. <https://doi.org/10.1371/journal.pone.0138511>

⁷ Grasser, L. R., & Jovanovic, T. (2022). Neural impacts of stigma, racism, and discrimination. *Biological Psychiatry: Cognitive Neuroscience and Neuroimaging*, 7(12), 1225–1234. <https://doi.org/10.1016/j.bpsc.2022.06.012>



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While KRAI welcomes the Government's reforms to alter IM regimes, and the move to a voluntary regime is welcome, we have significant reservations about the mechanisms proposed, and the absence of important complimentary infrastructure to safeguard the health and wellbeing of Aboriginal and Torres Strait Islander peoples, particularly in remote communities.

We make the following recommendations with this in mind:

Recommendation 1:

The government should further consult with Indigenous communities to better develop wrap-around services to address mental health and employment opportunities.

Recommendation 2:

Involuntary IM should be a last resort, and the powers to impose involuntary IM should only be considered by a committee with at least 50% Indigenous membership to ensure culturally appropriate considerations.

Moreover, recommendations to impose mandatory IM should ensure that review processes are streamlined and simplified to avoid compounding the stress on the recipient, and that they feel as if they are able to review the decision.

Recommendation 3:

Immediate implementation of procedures to ensure that existing IM recipients can access food and medication when EFTPOS and telecommunications outages occur.

Where outages have occurred, IM should be completely abolished until sufficient mechanisms exist to ensure access to essentials such as food and medicine.



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I thank the committee for their consideration of our submission.

Yours sincerely,

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