



Jesuit Social Services is a social change organisation. We work with the most disadvantaged members of the community, providing services and advocacy in the areas of justice and crime prevention; mental health and well-being; settlement and community building; education, training and employment; gender and ecological justice.

Senate Standing Committee on Community Affairs
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Dear Committee

Jesuit Social Services welcomes the opportunity to respond to the committee's inquiry into the *Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019*.

Introduction

Jesuit Social Services considers that the continued expansion of the cashless debit card trials is problematic, and forms part of a suite of concerning policy measures that undermine the dignity and personal agency of people experiencing multiple forms of disadvantage. These policies include the low rate of Newstart and related payments; inflexible obligations and excessive penalties for compliance failures as part of jobactive and the Community Development Program; and proposals to drug test welfare recipients and extend waiting periods for certain social security payments.

While the underlying rationale of these policies may be to encourage people to work, the reality is they trap people in a cycle of poverty while they look for jobs that in many cases simply are not available.¹ Instead, punitive and rigid policies are forcing people who are already struggling into an even more precarious existence. As a society, we should be listening to and supporting people who are struggling, not implementing measures imposed on a mandatory basis with little regard to individual circumstances.

The cashless debit card trial, in its current form, was initially rolled out in Ceduna (South Australia) and the East Kimberley (Western Australia), where 75-80 per cent of participants in each site were Aboriginal or Torres Strait Islander.² The vast majority of people in the Northern Territory and in Queensland's Cape York – who, under this Bill, would be transferred from existing Income Management measures to the cashless welfare trial – are also Indigenous. The scheme therefore disproportionately impacts Aboriginal and Torres Strait Islander communities – a point not addressed in the explanatory materials to this Bill.

In the Northern Territory, compulsory income management was introduced as part of the Northern Territory Emergency Response, or the Intervention, in 2007. The cashless debit card trial is seemingly being applied in the Northern Territory in a similar vein – as a compulsory measure imposed on communities by the Federal Government without adequate consultation. The Aboriginal Peak Organisations of the Northern Territory (APO NT) and the National Congress of Australia's First Peoples describe the cashless welfare scheme as compounding disadvantage and disempowerment among Aboriginal and Torres Strait Islander communities, and undermining their right to self-determination.³

¹ The Anglicare Jobs Availability Snapshot 2019 found that at least five people are applying for every entry-level position advertised, with disadvantaged jobseekers forced to compete against growing numbers of underemployed people for a dwindling number of suitable jobs, <https://www.anglicare.asn.au/docs/default-source/default-document-library/jobs-availability-snapshot-2019.pdf?sfvrsn=4>.

² Parliament of Australia, Parliamentary Library, Bills Digest No. 58, 2017-18, throughout the Northern Territory in preparation for the transition, https://parlinfo.aph.gov.au/parlInfo/download/legislation/billsdgs/5684380/upload_binary/5684380.pdf.

³ NTCOSS, *Response to Government plan to force cashless debit card across the Northern Territory*, <https://ntcoss.org.au/media-release-response-to-government-plan-to-force-cashless-debit-card-across-the-northern-territory/>.

More than ten years after the Intervention, it is alarming that the same punitive approach toward the provision of welfare support continues to feature in government policymaking.

Why we oppose this bill

1) Lack of evidence

The cashless debit card trials continue to be expanded without clear evidence that they are achieving what they purport to – namely, to reduce violence and harm in communities as a result of alcohol, gambling and drugs and to “encourage socially responsible behaviour”.⁴ The toll of substance abuse and associated harms on many communities is undisputed and must be addressed. However, basing any response on the blanket application of the cashless debit card trials is not supported by evidence.

The Federal Government continues to cite the 2017 ORIMA Research evaluation of the scheme in Ceduna and the East Kimberly as evidence that the trials are effective. However, a number of organisations and researchers, as well as the Australian National Audit Office (ANAO), have highlighted serious flaws in the evaluation’s methodology likely to compromise the findings.⁵ The ANAO stated that the Department of Social Services’ “approach to monitoring and evaluation was inadequate” and that it was “difficult to conclude whether there had been a reduction in social harm” as a result of the cashless welfare measures.⁶

Researchers have also noted the problematic nature of attributing certain perceived positive outcomes in trial areas to the application of the cashless debit card. For example, the Australian National University’s Centre for Aboriginal Economic Policy Research found that it was not clear whether a perceived reduction in alcohol use identified by the ORIMA research could be definitively linked to the trial or was the result of alcohol restrictions implemented separately in each trial location.⁷ Other observers have disputed findings of a reduction in alcohol use altogether. The chief executive of the South Australian Aboriginal Drug and Alcohol Council said there had been no decrease in people accessing the Stepping Stones Drug and Alcohol Day Centre in Ceduna, with figures showing that the number of client contacts increased from 2015-16 to 2018-19.⁸

Research conducted by the University of Sydney and Menzie’s School of Health Research found a negative relationship between compulsory income management and child health outcomes, with birth weights (a key indicator of child health) falling in the months immediately following the introduction of income management measures as part of the Northern Territory Intervention.⁹

⁴ Explanatory memorandum to the Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019, p. 18.

⁵ See, for example, Professor Matthew Gray and Dr Rob Bray PSM, ANU Centre for Social Research and Methods, Submission to the Community Affairs Legislation Committee’s Inquiry into the Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019; WA Council of Social Service (29 September 2017) Submission to the Senate Community Affairs Legislation Committee’s Inquiry into the Social Services Legislation Amendment (Cashless Debit Card) Bill 2017, <https://wacoss.org.au/wp-content/uploads/2017/10/WACOSS-Cashless-Debit-Card-Submission-final.pdf>.

⁶ Australian National Audit Office (ANAO), 17 July 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>.

⁷ J Hunt, Australian National University (2017) *The Cashless Debit Card trial evaluation: A short review*, <https://www.aph.gov.au/DocumentStore.ashx?id=08423a8f-68fa-4c74-90a7-b465a63f9484&subId=658057>.

⁸ Max Koslowski and Judith Ireland (10 September 2019) *Sydney Morning Herald*, ‘Cashless welfare card trial not working, drug and alcohol centre says’, <https://www.smh.com.au/politics/federal/cashless-welfare-card-trial-not-working-drug-and-alcohol-centre-says-20190910-p52pv5.html>.

⁹ Doyle, M.A., Schurer, S. and Silburn, S. (2017) *Do Welfare Restrictions Improve Child Health? Estimating the Causal Impact of Income*

2) Lack of adequate consultation

Jesuit Social Services is concerned that the cashless welfare measures proposed in the Bill are to be rolled out across the Northern Territory without genuine consultation with communities. The statement of compatibility for the Bill notes that the Department of Social Services held “several information sessions throughout the Northern Territory in preparation for the transition.” However, there is no information provided on whether the views of communities were sought to assess support for the rollout of the trial itself. Insufficient consultation has been an issue consistently identified across other trial sites. A government-commissioned report by researchers at the University of Adelaide, released in February 2019, noted that there was a lack of consultation prior to the rollout of the scheme in the Goldfields region of Western Australia.¹⁰ These measures are another example of inflexible, top-down policies imposed on Aboriginal and Torres Strait Islander communities with little regard to local decision-making or community needs. Communities must be central in developing solutions to the problems that affect them.

3) The negative impacts of the trials

The lived experience of people affected by the cashless debit card trials must be at the forefront of decision-making and any further policy considerations. There is growing evidence illustrating that life on the card has been made tougher for those using it. In-depth fieldwork conducted by researcher Eve Vincent in Ceduna found that numerous participants saw the imposition of the card as punitive, stigmatising and part of a longer history of race-based treatment.¹¹ In Kalgoorlie, where the card is also in operation, the WA Council of Social Service documented the personal reflections of people for whom the imposition of the card caused or exacerbated financial hardship.¹² Various other issues have been reported, including in relation to the difficulties of purchasing cash-only items, for example: at op- shops or fresh food markets; being unable to use the card in locations such as mixed businesses, which may, for example, sell alcohol in addition to other items; technological problems with the card; and increased pressure on family members who do earn cash.¹³ It should also be noted that the 2017 ORIMA evaluation found that 32 per cent of people thought the card had made their lives worse.¹⁴ The continued extension of existing trials, as well as the proposed expansion to new sites, does not appear to be taking the body of evidence on the harmful impacts of these mandatory measures into account.

Management in the Northern Territory, ARC Centre of Excellence for Children and Families over the Life Course.

¹⁰ K. Mavromaras, M. Moskos, L. Isherwood, and S. Mahuteau (February 2019) University of Adelaide, *Cashless Debit Card Baseline Data Collection in the Goldfields Region: Qualitative Findings*, https://www.dss.gov.au/sites/default/files/documents/04_2019/cdc-baseline-data-collection-qualitative-findings-29-march-2019.pdf.

¹¹ E. Vincent (2019), *Lived Experiences of the Cashless Debit Card Trial, Ceduna, South Australia*, Working Paper 129/2019, Centre for Aboriginal Economic Policy Research, Australian National University, Canberra.

¹² WACOSS (7 March 2019) Submission to the Senate Community Affairs Legislation Committee inquiry into the Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019, <https://wacoss.org.au/wp-content/uploads/2019/03/Cashless-Debit-Card-Submission-2019.pdf>.

¹³ Max Koslowski (14 September 2019) *The Age*, “The card declined and I broke down’: Life on the cashless welfare card’, <https://www.smh.com.au/politics/federal/the-card-declined-and-i-broke-down-life-on-the-cashless-welfare-card-20190913-p52r02.html>; ORIMA Research (August 2017) *Cashless Debit Card Trial Evaluation, Final Evaluation Report*, https://www.dss.gov.au/sites/default/files/documents/10_2018/cashless-debit-card-trial-final-evaluation-report_2.pdf; K. Mavromaras, M. Moskos, L. Isherwood, and S. Mahuteau (February 2019) University of Adelaide, *Cashless Debit Card Baseline Data Collection in the Goldfields Region: Qualitative Findings*, https://www.dss.gov.au/sites/default/files/documents/04_2019/cdc-baseline-data-collection-qualitative-findings-29-march-2019.pdf.

¹⁴ ORIMA Research (August 2017) *Cashless Debit Card Trial Evaluation, Final Evaluation Report*, https://www.dss.gov.au/sites/default/files/documents/10_2018/cashless-debit-card-trial-final-evaluation-report_2.pdf.

4) People need support, not punitive approaches

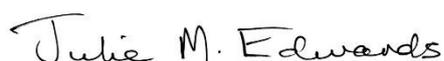
Evidence indicates that compulsory income management is not an effective way to address the serious harms caused by alcohol and drug abuse in communities. As noted by the National Aboriginal and Torres Strait Islander Legal Services (NATSILS) and Human Rights Law Centre (HRLC), under the current trials there is no clear process for linking people with appropriate health or other support services.¹⁵ The Royal Australian and New Zealand College of Psychiatrists has also stated that the cashless welfare scheme is “not properly designed to support people with concurrent addiction and employment issues” and that, rather than extending the trials, the Federal Government should focus investment on evidence-based and culturally appropriate rehabilitation and addiction services.¹⁶

Jesuit Social Services acknowledges that aspects of income management may be helpful for some individuals and families who choose to take part in it. However, such initiatives should: always be voluntary; be informed and developed by communities; and be linked to other appropriate services as part of a holistic approach to supporting people in need. There are various examples of community-designed initiatives that have worked to ameliorate identified issues of social harm. One example is the ‘FOODcard’, developed by the Arnhem Land Progress Aboriginal Corporation (ALPA) as a result of community consultations in 2004, that assists families with budgeting by enabling money to be voluntarily paid onto the card and reserved for food and household essentials.¹⁷

The cashless debit card trials in their current form are imposed on a mandatory basis, and without targeted assessments of a person’s suitability or level of need, much less their consent. **Jesuit Social Services does not support the trial’s expansion, as provided for in this Bill.**

We appreciate the committee taking our views into account.

Yours sincerely



Julie Edwards – CEO, Jesuit Social Services

¹⁵ National Aboriginal and Torres Strait Islander Legal Services (NATSILS) and Human Rights Law Centre (HRLC) (15 March 2019) *Submission to the Inquiry into the Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019*, http://www.natsils.org.au/portals/natsils/submission/NATSILS_HRLC%20submission_CDC%20Expansion%20Bill%202019.pdf?ver=2019-03-19-173205-627.

¹⁶ The Royal Australian and New Zealand College of Psychiatrists (27 February 2019) *Submission 3 to the Inquiry into the Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019*, <https://www.aph.gov.au/DocumentStore.ashx?id=aa87c208-a65b-433e-9b4c-ca448f50abd9&subId=667084>.

¹⁷ <http://www.alpa.asn.au/alpa-food-card/>.