

## Submission:

# *Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019*

The Centre for Excellence in Child and Family Welfare (the Centre) welcomes the opportunity to provide a submission on the *Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019* for consideration by the Senate Community Affairs Legislation Committee.

The Centre is the peak body for child and family services in Victoria. 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 over 150 community service organisations, students and individuals throughout Victoria working across the continuum of child and family services.

Our members work directly with children, parents, carers, and families experiencing disadvantage and hardship and see firsthand the impacts that social security policy can have on people's wellbeing and long term prospects. The Centre is a member of a network, Treating Families Fairly, whose members engage in research and collective advocacy on these issues.

**The Centre does not support this Bill and urges the Committee to recommend it be opposed.**

We reiterate the concerns we outlined in a submission to the Committee earlier this year in relation to the *Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019*. Based on our review of the literature and feedback from a range of members who work with families experiencing hardship and vulnerability, the Centre opposes all forms of compulsory income management on the grounds that it:

- Causes harm and creates social division, stigma and shame
- Constitutes an unjust and disproportionate restriction of personal agency and choice that creates additional stress and hardship
- Is applied in an unfair and discriminatory manner on the basis of race, income status and geographic region
- Places limitations on human rights to social security, privacy, self-determination, equality and non-discrimination
- Inhibits the realisation of an adequate standard of living for families and their children by limiting access to cash and affordable goods
- Is excessively costly to administer
- Has not been informed by quality, sustained consultation with affected communities, particularly people subjected to it
- Has failed to produce valid evidence of benefits for the people, communities and populations affected
- Is supported by government based on a heavily criticised and flawed government-commissioned evaluation
- Has not been supported by significant investment in complementary social services
- Has not been found to be effective according to the Australian National Audit Office.

An additional concern relating specifically to this Bill is the level of discretion that a Minister would be given, namely the ability to increase the quarantined amount to 100 per cent.<sup>1</sup> The government claims that the Cashless Debit Card offers more ‘opportunity’ and ‘choice’ than the BasicsCard and yet it can quarantine a higher percentage of income.<sup>2</sup> The Centre shares the concerns raised by the Senate Scrutiny of Bills Committee in relation to this broad discretionary power and significant privacy concerns.<sup>3</sup>

According to the Explanatory Memorandum ‘the program has the objective of reducing immediate hardship and deprivation, reducing violence and harm, encouraging socially responsible behaviour, and reducing the likelihood that welfare recipients will remain on welfare and out of the workforce for extended periods’.<sup>4</sup> There is no evidence that the trial is achieving these objectives.

An amendment passed earlier this year extended the trial for an additional year to ‘provide sufficient time for the findings of a second evaluation of the program to be finalised’.<sup>5</sup> The then Minister for Families and Social Services Paul Fletcher stated that these findings are expected in late 2019.<sup>6</sup> Despite this, this Bill proposes to extend existing sites for yet another year, to 30 June 2021, using the previous justification that such an extension will provide time ‘to develop a rigorous evidence base to inform policy decisions through evaluation’.<sup>7</sup> There is no justifiable reason to further extend the trials until the promised findings are released and independently scrutinised, given the poor track record of previous Cashless Debit Card Trial evaluations and the 2014 evaluation findings of compulsory income management in the Northern Territory which found ‘no evidence to indicate that income management has any effects at the community level, nor that income management, in itself, facilitates long-term behavioural change’.<sup>8</sup>

It is also unlikely that we can expect the forthcoming evaluation to offer any real indication of outcomes, given that it is based on a baseline report that, according to independent analysis, ‘provides no substantive data upon which the effectiveness of the program can be measured’.<sup>9</sup>

New analysis from the Australian National University has found that compulsory income management in the North Territory:

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<sup>1</sup> Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019, p. 15.

<sup>2</sup> Commonwealth, *Parliamentary Debates*, House of Representatives, 11 September 2019, (Stuart Robert, Minister for the National Disability Insurance Scheme and Minister for Government Services).

<sup>3</sup> Senate Standing Committee for the Scrutiny of Bills, *Scrutiny Digest 6 of 2019*, Parliament House, Canberra.

<sup>4</sup> Explanatory Memorandum, Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019 (Cth), p. 19.

<sup>5</sup> Explanatory Memorandum, Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019 (Cth), p. 6.

<sup>6</sup> Commonwealth, *Parliamentary Debates*, House of Representatives, 13 February 2019, (Paul Fletcher, Minister for Families and Social Services).

<sup>7</sup> Explanatory Memorandum, Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019 (Cth), p. 3.

<sup>8</sup> Bray, J, Gray, M, Hand, K, & Katz, I 2014. Evaluating New Income Management in the Northern Territory: final evaluation report, Social Policy Research Centre, UNSW Australia, Sydney, p. xxii.

<sup>9</sup> Gray, M & Bray, R 2019, *Commentary on the evaluations of the Cashless Debit Card*, Submission 1 – Attachment B, viewed 10 October 2019,

<[https://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Community\\_Affairs/CashlessCardTransition/Submissions](https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/CashlessCardTransition/Submissions)>.



Has had no discernible positive benefits across the wide range of social indicators.<sup>10</sup>

In fact there [have] been negative trends in a number of key outcomes for Indigenous people living in the Northern Territory including infant mortality, low birthweight children, injury deaths, substantiated child abuse and neglect notifications, and school attendance.<sup>11</sup>

Introducing the more restrictive Cashless Debit Card Trial in the Northern Territory in this context is harmful. The evidence is clear: compulsory income management does not work and must be abandoned.

### **Recommendation**

That the Committee recommend that the Bill be opposed.

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<sup>10</sup> Gray, M & Bray, R 2019, *Measuring the social impact of Income Management in the Northern Territory – an updated analysis*, Submission 1 – Attachment A, viewed 10 October 2019, <[https://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Community\\_Affairs/CashlessCardTransition/Submissions](https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/CashlessCardTransition/Submissions)>, p. 38.

<sup>11</sup> Ibid, p. 37.