

# Dissenting Report Australian Greens

1.1 The Australian Greens do not support the majority report of the inquiry into the Social Security Legislation Amendment (Debit Card Trial) Bill 2015 (Bill).

1.2 Despite claims by the Government the proposed debit card is an extension of Income Management. Compulsory Income Management is a failed measure, which impacts negatively on the community and imposes significant costs on Government. Evidence provided through submissions and oral evidence to this inquiry show the fundamental problems in this approach. We thank submitters for the time and effort put into the many submissions the Committee received, including those who wished to provide evidence to the committee but were not able to do so in person.

1.3 While the Government has attempted to define this approach as 'a more mainstream delivery of welfare restrictions',<sup>1</sup> it is clear that the debit card trial is a form of income management, as recognised by a number of submissions to the committee.

1.4 The Law Society of New South Wales noted that 'the concept underpinning the proposal under the Bill is, in effect, compulsory income management',<sup>2</sup> and the Australian Council of Social Service (ACOSS) notes that 'The Bill provides for income management to apply to all people who rely on (nominated) income support payments in trial sites'.<sup>3</sup>

1.5 In his second reading speech, the then Parliamentary Secretary, the Hon Alan Tudge MP said:

The trial, expected to start in the first quarter of 2016, will make a vital contribution towards informing potential future arrangements for income management.<sup>4</sup>

## **Income management doesn't help those that need assistance**

1.6 The Australian Greens argue that income management has proved to be an ineffective policy, and that it disempowers and harms those that need help the most.<sup>5</sup> Submissions to the inquiry by peak social service organisations noted fundamental concerns with compulsory income management.<sup>6</sup>

---

1 Department of Social Services, *Submission 15*, p. [1–2].

2 Law Society of New South Wales, *Submission 28*, p. 2.

3 Australian Council of Social Services (ACOSS), *Submission 27*, p. 1.

4 *House of Representatives Hansard*, 19 August 2015.

5 Australian Greens, *Dissenting report: Social Services Legislation Amendment (No. 2) Bill 2015*, 15 June 2015.

6 National Welfare Rights Network, *Submission: Social Security Legislation Amendment (Debit Card Trial) Bill 2015*, p. 15; ACOSS, *Submission: Social Security Legislation Amendment (Debit Card Trial) Bill 2015*, p. 2.

1.7 A crucial issue is that despite the history of its imposition, there is no clear evidence that compulsory income management works, or improves the lives of those it affects.

1.8 A recent note by the Parliamentary Library found that 'The evaluation reports published to date have not provided strong evidence of benefit for those referred under the "membership of a class" measures', which would apply under this regime.<sup>7</sup>

1.9 A submission to the inquiry by academic Eva Cox concluded that:

Despite denials by the government, the evidence is that a universally applied limited access to cash does not restrict access to alcohol and drugs. The percentage differences are not likely to make much difference, nor the Bank versus Centrelink delivery...there is no valid evidence that the income management program, in its various forms, has improved the alcohol and related problems in the range of communities in the NT where it has been applied.<sup>8</sup>

1.10 One of the most extensive evaluations of income management is the evaluation of income management in the Northern Territory, commissioned by the then FaHCSIA. The report was completed by experts from the Social Policy Research Centre at UNSW, the Australian National University and the Australian Institute of Family Studies, over several years.<sup>9</sup>

1.11 The final report, building on extensive research, concluded:

The evaluation could not find any substantive evidence of the program having significant changes relative to its key policy objectives, including changing people's behaviours ... The evaluation data does not provide evidence of income management having improved the outcomes that it was intending to have an impact upon ....<sup>10</sup>

1.12 In oral evidence to the committee, one of the authors of that report confirmed the findings and relevance of that report:

...the evaluation of income management in the Northern Territory is very relevant to this particular trial. The measures are very, very similar in how they operate. There are some differences, but I think on balance the substance of the measures is very similar. It is basically putting some limitations on how some people can use some of their funds. Turning to what we found in the evaluation of new income management, the first was effectively that the program did not achieve its goals. It did not change behaviours and it did not improve outcomes.<sup>11</sup>

---

7 Don Arthur, *Income Management: A Quick Guide*, Parliamentary Library, 2015, p. 6.

8 Eva Cox, Adjunct Professor, University of Technology Sydney, *Submission 24*, pp. 1-2.

9 J Rob Bray, Matthew Gray, Kelly Hand and Ilan Katz, *Evaluating New Income Management in the Northern Territory: Final Evaluation Report*, September 2014, pp. 2-3.

10 *Evaluating New Income Management in the Northern Territory*, pp. xxi-xxii.

11 Mr J Rob Bray, Australian National University, *Committee Hansard*, 11 September 2015, p. 6.

---

## Consultation

1.13 In addition to broad concerns with income management, there are clear concerns with the processes associated with this measure. The inquiry process highlighted significant gaps in the consultation process, and a risk that individuals directly impacted by the measure may have not been adequately consulted or in fact consulted at all.

1.14 It is also clear that the Government has focussed consultation on Aboriginal peak organisations and some individual members of Aboriginal communities but has not consulted broadly with community members including those who are on income support.

1.15 The North Australian Aboriginal Justice Agency (NAAJA) stated:

It is clear from the consultation that NAAJA has been involved in that the Commonwealth does not have ready access to information which should have already have been provided to community organisations and trial participants ... We note that whilst there appears to have been extensive consultations with community organisations, government appears to have wholly failed to consult with potential trial participants.

This is reminiscent of the rollout of income management and the subsequent introduction of the BasicsCard ... we consider that the failure to consult with trial participants will mean that the Commonwealth is unaware of participant's views on any negative consequences of the trial, or strategies for overcoming them.<sup>12</sup>

1.16 In a supplementary submission, the National Welfare Rights Network (NWRN) noted that:

The effectiveness of the consultation arrangements for the trial is of significant concern and conjecture. Individuals impacted by the Debit Card trial have expressed dissatisfaction to the Committee and directly to the NWRN. The media has also reported a range of views about the consultation process to date. Documents provided to the Committee indicate that extensive consultations have taken place locally with organisations in and around Ceduna. Witnesses however were unable to advise of the number of people directly consulted who receive income support payments and who will be directly impacted by the trial.<sup>13</sup>

1.17 In its submission to the Committee the Shire of Halls Creek said:

To date consultation has been at a high level with groups and individuals considered by the DPM&C to have leadership roles in the various communities and in some cases local business operators. It appears to have been focused on Aboriginal people and relied on others to make contact with non-Aboriginal income support recipients rather than groups or leadership. Consultation does not appear to have been undertaken with the

---

12 *Submission 29*, p. 5.

13 *Supplementary Submission 17*, p. 2.

income support recipients who will be affected by the trials nor has any official information been made available to them. The media and word of mouth has been the only source of information for these people in the communities affected.<sup>14</sup>

1.18 The Shire of Halls Creek also noted that they had first heard of the trial through the media, and that from the timing between meetings and legislation 'it is clear that the views of the Shire of Halls Creek were not considered'.<sup>15</sup>

1.19 The Shire of Halls Creek has rejected the measure. They have set out several reasons for their decision, including: the evidence in the *Evaluation of New Income Management in the Northern Territory*; the practical impact of the measure on people who need cash for everyday transactions; the lack of other resources; and, the consultation process.<sup>16</sup>

1.20 The Shire of Halls Creek later wrote to the Committee, following statements by the Assistant Minister the Hon Alan Tudge MP in the media. They were concerned that the Assistant Minister may have had incorrect crime statistics, and wrote:

The Shire is genuinely concerned that the Assistant Minister would use incorrect statistics to defend the trials of a cashless debit card and that they would then be published in the national media. It is another example of the misuse of statistics to support a policy which will not achieve its stated intentions.<sup>17</sup>

1.21 Evidence in the Committee process and direct communication with members in the Ceduna community suggest that the consultation process has focused on select organisations, rather than talking to the people affected. Some community members have organised petitions and meetings in opposition to the measure.<sup>18</sup> This is a strong response in a small community, where community leaders may have significant influence.

## **Implementation**

1.22 It is obvious from this inquiry that the Government is still working out how this process will work. It's unclear how this debit card trial will be implemented in practice, which raises a number of unanswered questions. During the committee process, the Department of Social Services (DSS) were unable to identify which financial institution would be involved in the measure and hence unable to answer a number of questions about how the card system would work.<sup>19</sup>

---

14 Shire of Halls Creek, *Submission 32*, pp. 6-7.

15 *Submission 32*, p. 7.

16 *Submission 32*, pp. 1-2.

17 Shire of Halls Creek, correspondence, received 8 October 2015, p. 2.

18 Personal communication.

19 Dr Roslyn Baxter, Group Manager, Families Group, Department of Social Services (DSS), *Committee Hansard*, 11 September 2015, p. 54.

---

1.23 Among the practical concerns raised during the inquiry process were:

- Minimum purchase amounts: Many merchants require a minimum transaction, which will place an additional burden on participants.
- Merchant surcharges and card fees: Many merchants charge an additional amount for using EFTPOS or other payment systems. The Government has confirmed that it will not be able to offset the cost of merchant surcharges applying to transactions by trial participants.<sup>20</sup> This is an additional cost imposed because of the trial, which reduces the amount available to individuals reliant on income support. For people on income support every dollar is important.
- Accessing funds while waiting for a replacement card: Participants waiting for a replacement card may be unable to access their funds, which can cause significant hardship for individuals without strong supports.
- Identifying debit card trial participants: One argument put forward for the debit card is that it will not involve the stigma associated with the BasicsCard. However a DSS factsheet identifies the possibility that merchants who sell alcohol or gambling products as well as other goods may enter into a contract to accept the card, while preventing participants from purchasing alcohol or gambling products.<sup>21</sup> It is unclear how this would operate in practice, and whether some form of identification will be required, that will identify (and potentially stigmatise) participants using the card.
- The costs associated with potentially being required to operate two bank accounts.
- The practical challenges associated with undertaking informal transactions around cash, such as providing money for gifts, splitting bills when using cash, or buying cheaper second-hand goods.<sup>22</sup>
- How the proposed community panels will operate. The government has proposed that 'community panels' can reduce the portion of an individual's payment that is quarantined, but there is no information on how the panels will be selected or their guidelines.<sup>23</sup> This means there is significant uncertainty about what effect they'll have, and how representative of the community they will be.

1.24 The fact that these issues haven't been fully resolved, and the potential problems dealt with, may have a daily negative effect for people who are forced to access their income support through the debit card. That they haven't been fully

---

20 DSS, response to questions on notice, 25 September 2015, (received 6 October 2015), p. 7.

21 Australian Government, *Cashless Debit Card Trial – Merchant Information*, 24 August 2015, [https://www.dss.gov.au/sites/default/files/documents/08\\_2015/cashless-debit-card-trial-merchant-information-aug\\_24\\_2.pdf](https://www.dss.gov.au/sites/default/files/documents/08_2015/cashless-debit-card-trial-merchant-information-aug_24_2.pdf) (accessed 12 October 2015).

22 See: NWRN, *Submission 17*.

23 DSS, response to questions on notice, 25 September 2015, (received 6 October 2015), p. 10.

identified and dealt with, when legislation for the trial has already been introduced into the Parliament, is an additional concern for the Australian Greens. It is likely that the Senate will be asked to vote on this legislation before these issues are resolved. This is unacceptable.

### **Indirect discrimination**

1.25 A number of submissions noted concerns that the trial sites disproportionately impacted Aboriginal communities.<sup>24</sup> In its report, the Parliamentary Joint Committee on Human Rights noted that:

...international human rights law recognises that a measure may be neutral on its face but in practice have a disproportionate impact on groups of people with a particular attribute such as race, colour, sex, language, religion, political or other status. Where this occurs without justification it is called indirect discrimination. Indirect discrimination does not necessarily import any intention to discriminate and can be an unintended consequence of a measure implemented for a legitimate purpose. The concept of indirect discrimination in international human rights law therefore looks beyond the form of a measure and focuses instead on whether the measure could have a disproportionately negative effect on particular groups in practice.

...the Parliamentary Secretary to the Prime Minister's Second Reading speech stated that Ceduna in South Australia will be the first site under the trial to commence, and that advanced discussions were under way with leaders in the East Kimberly region to trial the arrangement. A high proportion of the population of Ceduna and the East Kimberley region are Indigenous, many of whom are receiving social security benefits. It therefore appears likely that the measures may disproportionately impact on Indigenous persons, and as such may be indirectly discriminatory unless this disproportionate effect is demonstrated to be justifiable. This has not been explored in the statement of compatibility.<sup>25</sup>

### **Evaluations**

1.26 The measure has been identified as trial, and the then Parliamentary Secretary the Hon Alan Tudge MP said that it will be used to inform future income management. But there are major problems with how the trial would be evaluated.

1.27 Experts from earlier evaluations highlighted the practical challenges in evaluating income management measures, including obtaining data, measuring a baseline, and finding a comparison which received similar support but did not

---

24 NWRN, *Submission 17*, p. 13-14; Law Society of New South Wales, *Submission 28*, pp. 4-5.

25 Parliamentary Joint Committee on Human Rights, *Twenty-seventh report of the 44th Parliament*, 8 September 2015, p. 27.

---

participate.<sup>26</sup> DSS has not yet identified how these issues will be resolved, or which communities will serve as points of comparison.<sup>27</sup>

### **Support services**

1.28 Real help for people in communities means providing services they need, not cutting off access to cash for everyday transactions. While the Australian Greens welcome the announcement of funding for services in Ceduna,<sup>28</sup> these drug and alcohol services and other supports shouldn't be limited to communities undertaking the trial. Communities across Australia need well-funded, adequate social services that genuinely help those struggling with substance abuse. These should be provided regardless of whether the communities partake in particular trials, and regional, rural and urban communities across Australia deserve better support from the Government.

### **Recommendation 1**

**1.29 The Australian Greens do not support the recommendation in the Committee's majority report.**

### **Recommendation 2**

**1.30 The Australian Greens recommend that the Bill not be passed.**

1.31 Communities facing significant challenges need genuine social services that help individuals deal with the challenges they are facing. The Government should abandon its punitive, ideologically driven approach that hurts rather than helps.

## **Senator Rachel Siewert**

---

26 See: Mr J Rob Bray, Professor Illan Katz, Adjunct Professor Eva Cox, *Committee Hansard*, 11 September 2015.

27 Dr Roslyn Baxter, Group Manager, Families Group, DSS, *Committee Hansard*, 11 September 2015.

28 The Hon Alan Tudge MP, *Additional services for Ceduna as part of welfare card trial*, media release, 8 October 2015, <http://alantudge.dpmc.gov.au/media/2015-10-08/additional-services-ceduna-part-welfare-card-trial> (accessed 12 October 2015).

