



## QUESTIONS ON NOTICE:

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

#### **1. Identity of Person who made the statement below:**

*"Let's be clear. We are not talking about the CDC; we are talking about our people. We are here to defend our people. The CDC is like the brakes on a motorcar. It is not the whole car. It is not the whole car. It stops us from killing ourselves and others".*

This statement was made by Jamie Elliott, Wunan Director at an Elders Meeting on 19 September 2019. Mr. Elliott has given permission to disclose himself as the source of this information. Please refer to Generation One's written submission for further community feedback on the Cashless Debit Card from the East Kimberley.

#### **2. Evidence on how the Cashless Debit Card is going in tackling problem gambling, alcohol and other drugs in trial sites to back up verbal statements:**

##### **2.1 Community support for the Cashless Debit Card (CDC)**

The roll out of the CDC in Ceduna and East Kimberley was at the request of Community Elders due to concerns about high levels of intoxication, gambling, family violence and drug use in their communities. Those people advocating for the CDC remain committed in their support because of the difference they have noticed in their communities. Reported differences include improved school attendance, stronger food sales at grocery outlets, happier and healthy children, increased community safety, declining use of alcohol and drugs, lower levels of gambling and family violence. These differences are consistently reported from service providers, community leaders and businesses. Support for the CDC was also contingent on the associated wrap around services that were promised to tackle the underlying drivers of alcohol, drug and gambling abuse.

##### **2.2 How the Cashless Debit Card is Working**

Generation One has conducted site visits to two trial sites in the past two months (East Kimberley, Ceduna) and heard from a range of sources that:

- Ambulance and police call outs for alcohol-related incidents have fallen since the CDC.
- Ceduna reported a decline in emergency presentations at the local hospital due to alcohol and drug related symptoms.
- Street drinking has been eliminated in Wyndham and Ceduna.



- There have been no deaths in Ceduna of people sleeping rough since the CDC and the suicide rate in the East Kimberley has dramatically declined to one since the CDC.
- Businesses report people are spending more on groceries and items for their children in both locations.
- Noticeable increase in tourists visiting both CDC sites.
- School attendance has increased significantly in Ceduna.

The impact of the CDC is maximised when linked to liquor restrictions and effective wrap around services. Many of the technological issues with the CDC are being ironed out although there is still room for improvement.

Our own observations and information gathered align with the positive findings of the 2017 Orima research (Cashless Debit Card Evaluation Report) which included the Ceduna and East Kimberley sites and Adelaide University's Cashless Debit Card Baseline Data Collection in the Goldfields Region. Key findings from these reports include a reduction in levels of substance, gambling and alcohol misuse as well as a reduction in family violence and offending. They reported improvements in the welfare of children based on more positive spending patterns and improved budgeting. Communities report that they are quieter and safer, a key message we also heard during our recent trial site visits. Improved expenditure of food is supported by a recent Freedom of Information Request which showed figures stating that 37% of CDC transactions from April 2016 to July 2019 were food related and spent at supermarkets.

In Hinkler, the latest ABS data shows that youth unemployment in the Wide Bay region dropped from 27.6 per cent in June 2018 to 18.4 per cent in June 2019. This supports the feedback we have received that the CDC is encouraging people to transition off welfare.

### 2.3 Feedback on Cashless Debit Card

In talking to people on the CDC we found in both Ceduna and East Kimberley that women are more supportive of the CDC than men. Among participants, there was general support for families to be placed on the CDC as children were benefitting from changed expenditure and many women indicated they felt that their money was lasting longer, and they were budgeting better. Many CDC participants who opposed the CDC did so because of the restrictions preventing them from buying alcohol, playing the pokies and having cash for card games. They also stated they were unable to have sufficient cash for small items or ability to purchase items online. A small number indicated they felt stigmatised being on the Indue card (this was more common in Ceduna than the East Kimberley where there was a broader acceptance of the CDC).

People advised us that whilst they privately supported the CDC and had seen positive changes they were frightened to speak up because of a backlash from some people in their family or community. This included personal attacks on social media.

There remain some technological challenges around online purchases, transfers and loopholes which enable some people to find workarounds. Short turnaround times for CDC enquiries and replacement cards were reported by participants and service providers.



### **3. Does the Minderoo Foundation support compulsory CDC, or voluntary? Do you have a position?**

#### **3.1 CDC Rationale:**

In 2014, the then Prime Minister commissioned Andrew Forrest to conduct a review which resulted in the Creating Parity Report. At the time, community leaders reported that they were concerned about vulnerable people being targeted by unscrupulous businesses and illegal suppliers to spend money on things that could lead to substance dependency and reduce income available for necessities.

After considering available options, the Forrest Review proposed a cashless welfare system, not just for First Australians, but for vulnerable people across Australia to enable stabilisation of circumstances and consider positive pathways to economic independence. The recommendation was made to introduce a Healthy Welfare Card which would result in long term increased health and wellbeing for individuals and communities and support them to move off welfare.

The recommendation was to roll out the Healthy Welfare Card scheme to individual welfare payments other than age and veterans' payments and block the issuance of cash for purchase of alcohol, gambling illicit services and gift cards. In addition, it recommended the card be rolled out alongside support services to assist people to help people with alcohol and drug addictions. Minderoo has not changed our view about its applicability and use given the positive feedback being received from trial sites to date.

The card has been rolled out by the Commonwealth Government in the form of the CDC and the ongoing feedback we receive indicates that a general application rather than a targeted approach in a location would be less intrusive than singling out vulnerable people for the card. A general roll out would reduce stigma and shame associated with the card if participants were supplied a debit card with the same functionalities of regular bank debit cards, with the only difference being quarantining up to 80 per cent of welfare payments and a number of purchase restrictions applied against this amount.

#### **3.2 Mandatory versus Voluntary for Welfare Recipients deemed on CDC:**

Where a community opts in for the CDC it should be applied to all welfare recipients other than those in receipt of the aged or veteran's pension.

We heard from leaders in Ceduna and East Kimberley that when signing up for the trial they wanted to ensure the process was inclusive and not targeted, which would have marginalised members of their community further. Many told us that they elected to go on the CDC to collectively support their community even if they had no drug or alcohol issues. Ceduna indicated that the panel had worked well for people to request a variance to the cash/non-cash components to reflect their individual circumstances.

#### **3.3 Voluntary opt in and changes:**

There should be provision for optional participation in the CDC scheme for welfare recipients within and outside trial sites. Legislative change should enable more communities to voluntarily opt in to trialing the CDC. We have heard from non-CDC communities that they would like to trial the CDC having seen the benefits in other areas.



#### **4. Justice reinvestment and Indigenous incarceration rates:**

Generation One believes the high levels of incarceration of Indigenous adults and young people and the associated high recidivist rates must be addressed by offering long term solutions that act as circuit breakers. To end the cycle of recidivism rates for Aboriginal people serious efforts must be made to create effective pathways out of detention into employment and training as well as early intervention and preventative strategies that invest in skills training and jobs for Indigenous young people.

Our ongoing discussions with Indigenous Community Leaders outline that Indigenous people want to work, obtain skills and move out of the poverty trap. This was recognized in the 2014 Creating Parity Report.

Recommendation 16 of the Report called for states and territories to “require compulsory participation of inmates ... in proven methods of explicit instruction in English and maths, (and require) driver’s licenses for those who need them and job skills training.” This would ensure Indigenous people would have the basic employment skills required for work on exit from prison.

Generation One is trialing a VTEC Pilot Project in partnership with Ebenezer Aboriginal Corporation and Acacia Private Prison in Western Australia to deliver demand driven jobs for Indigenous adults exiting prison and reduce recidivism. This is based on a co-design and community led model in partnership with Indigenous community members using a collective impact framework such as that used in Bourke’s justice re-investment initiative. Given feedback from Indigenous families we also attempted to pilot a VTEC model in Banksia Hill detention Centre but at this point it has not progressed further with the State Government.

A further example of Generation One’s commitment to creating positive pathways for Indigenous young people is our pilot In School Parent Employment Service (IPES) developed in collaboration with Challis Primary School and the Armadale Community. The program targets young parents (who had their child before turning 19) with a poor or non-existent employment history at risk of long-term welfare dependency. The principles of this approach align strongly with the Justice Re-Investment model by offering preventative and early intervention strategies that saves expenditure on long term welfare by placing people into real jobs.

Generation One works in local communities, with leaders, community members and service providers to end Indigenous disparity through collaborative co-designed initiatives. We combine collective impact strategies with evidence-based practice in driving policy changes, developing pilot initiatives and evaluating new ideas