



CHIEF MINISTER

Parliament House
State Square
Darwin NT 0800
chief.minister@nt.gov.au

GPO Box 3146
Darwin NT 0801
Telephone: 08 8936 5500
Facsimile: 08 8936 5576

Senator Wendy Askew
Committee Chair
Community Affairs Legislation Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

Via email: community.affairs.sen@aph.gov.au

Dear Senator

Thank you for your invitation to provide a written submission to the Inquiry into the Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019 (the Bill), on issues relevant to the Northern Territory.

The proposed introduction of Cashless Debit Cards in the Northern Territory is of significant concern to the Northern Territory Government. The transition from existing forms of income management to the Cashless Debit Card will impact approximately 23 000 Territorians, 83 per cent of whom are Aboriginal. The Territory has a highly geographically dispersed population, and participants will be located in a vast number of communities with the majority in remote or very remote areas. In remote parts of the Territory, an extremely limited job market or lack of skills and training is the primary reason a person requires welfare payments. Investing in job creation would be a more effective approach to reducing welfare dependence in these communities.

It is a priority for the Northern Territory Government to support Territorians to build strong communities, with a commitment to self-determination and a strength-based approach to reducing social harms.

The Northern Territory Government does not support the roll out of the Cashless Debit Card in the Northern Territory unless it is a voluntary scheme or unless it is consistent with existing Northern Territory Government policies and legislation whereby an individual is referred to the program by a court or an authorised practitioner. Please find attached our full response to the Bill.

Thank you for the opportunity to provide this advice.

Yours sincerely

MICHAEL GUNNER

17 OCT 2019



Northern Territory Government's Response to the Senate Community Affairs Legislation Committee's Inquiry into the Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019

Background and Context

On the 19 September 2019, the Standing Committee on Community Affairs invited the Northern Territory Government to prepare a written submission for the inquiry into the Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019 (the Bill).

Introduction

The proposed Bill provides the legislative authority to allow the extension of the cashless debit card (CDC) into the Northern Territory, transitioning Income Management participants onto the CDC from April 2020. Approximately 23 000 Territorians will be transitioned onto the CDC, 83% of whom are Aboriginal.¹

New Income Management was introduced to the Northern Territory in 2010, following the introduction of income management as part of the Northern Territory Emergency Response in 2007. Over 56 000 Territorians have been subject to Income Management in the Northern Territory since it was first introduced.²

Mandatory Application

The Northern Territory Government is committed to Local Decision Making, including transitioning control and decision-making power to Aboriginal communities, where communities have identified this as a priority. As stated above, the implementation of the CDC in the Northern Territory will result in approximately 23 000 Territorians being subjected to the CDC, from a vast variety of urban, regional and remote locations, all experiencing different community-level issues and personal circumstances. The blanket application of this scheme does not align with our commitment to self-determination and community-control.

Extensive consultation has been conducted over two years to develop the Aboriginal Justice Agreement, recently drafted by the Northern Territory Department of the Attorney-General and Justice.³ The clear message from communities was that any efforts to reduce social harm caused by substance misuse and gambling must include culturally competent case management and support services delivered in community to meet the needs of Aboriginal people. Imposing mandatory income management policies on Aboriginal people was viewed in communities as actively undermining Aboriginal people's capacity to lead and make decisions about their own lives. The introduction of the Basics Card and income management policies, and more broadly the impact of the Northern Territory Emergency Response in 2007, was frequently raised during consultations as an example of governments imposing punitive policies on Aboriginal people without proper consultation, and in the process undermining Aboriginal leadership and decision-making.

The objectives of the CDC scheme are to reduce harm from behaviours, such as excessive consumption of alcohol or other drugs, and gambling. It is acknowledged that in certain circumstances, there is evidence that income management can be beneficial. In the Northern Territory, for example, there are some policies and legislative settings whereby an individual can be referred for income management by a court or an authorised officer

¹ SOCIAL SECURITY (ADMINISTRATION) AMENDMENT (INCOME MANAGEMENT TO CASHLESS DEBIT CARD TRANSITION) BILL 2019, Explanatory Memorandum; Department of Social Services (DSS), March 2018. Income Management and Cashless Debit Card Summary. Available at: <https://data.gov.au/data/dataset/income-management-summary-data/resource/986ef7fe-1ba8-460e-b1c4-2cf00145a948>

² BUDGET ESTIMATES 2018-19 - 31 MAY 2018, ANSWER TO QUESTION ON NOTICE HS 68 (SQ18-000132)

³ See <https://justice.nt.gov.au/attorney-general-and-justice/northern-territory-aboriginal-justice-agreement>

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However, the cashless debit card scheme is not targeting people who engage in this behaviour, but rather is a one-size-fits-all approach. In remote parts of the Northern Territory, an extremely limited job market or lack of skills and training is the primary reason a person requires welfare payments. Therefore, applying a mandatory scheme with no flexibility is not an effective method of reducing welfare dependence or inciting behaviour change.

Trial End Date and Evaluation

The Bill establishes an end date for the CDC trial in the Cape York area of 31 December 2021. However, the Northern Territory Government notes, with concern, there is no end date established for the CDC trial in the Northern Territory. The stated objectives of the CDC trials include to reduce the amount of money in the community that is available to be spent on alcohol, gambling and illegal drugs, and determine whether such a reduction decreases violence or harm in trial areas.⁴ Trials need to be time limited with comprehensive evaluation, including baseline data gathered prior to the trial beginning, to be an effective method of determining whether the CDC is achieving its objectives as a tool of social and behavioural change.

After more than 12 years of income management in the Territory and two years of CDC trials elsewhere, no evaluation has produced credible evidence that income management of any form is achieving its objectives.

The final evaluation report of new income management in the Northern Territory conducted by the University of New South Wales did not find any substantive evidence of the program achieving significant change relative to its key policy objectives, including changing people's behaviour.⁵

The Final Evaluation Report of the Cashless Debit Card trial evaluation (the ORIMA report) released in September 2017, indicated some positive impacts in reduction of alcohol and drug use. However, it also indicated the trials were not a definitive success and noted unintended adverse consequences, ongoing circumvention behaviours, and significant limitations of the evaluation method.⁶ The Auditor-General's report concluded that the Department of Social Services' approach to monitoring and evaluation of the CDC trial was inadequate. As a result it is difficult to conclude whether there had been a reduction in social harm or if outcomes were a result of other initiatives underway at the time.⁷

The University of Adelaide is currently conducting a second impact evaluation of several existing CDC trial sites. It is anticipated the results of this study will be available towards the end of 2019.⁸

⁴ Social Security (Admin) Act, section 124PC. Available at: <https://guides.dss.gov.au/guide-social-security-law/8/7/1/20>

⁵ Bray, R., Gray, M., Hand, K. & Katz, I. 2014. Evaluation of new income management in the Northern Territory: Final Evaluation Report. Available at: https://www.dss.gov.au/sites/default/files/documents/12_2014/evaluation_of_new_income_management_in_the_northern_territory_full_repor.pdf

⁶ ORIMA Research. 2017. Cashless Debit Card Trial Evaluation. Available at: https://www.dss.gov.au/sites/default/files/documents/08_2017/cashless_debit_card_trial_evaluation_-_final_evaluation_report.pdf, page 88-91; 85-87; and 9.

⁷ The Auditor General, Auditor-General Report No.1 2018-19 Performance Audit. The Implementation and performance of the Cashless Debit Card Trial. Available at: https://parlinfo.aph.gov.au/parlInfo/download/publications/taledpapers/5ff2b68a-1c48-459c-ae23-a40c3c9794be/upload_pdf/Auditor-General_Report_2018-2019_1.pdf;fileType=application%2Fpdf#search=%22publications/taledpapers/5ff2b68a-1c48-459c-ae23-a40c3c9794be%22

⁸ DSS. Cashless Debit Cards – Evaluation. Available at: <https://www.dss.gov.au/families-and-children-programs-services-welfare-quarantining-cashless-debit-card/cashless-debit-card-evaluation>

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The Northern Territory Government notes with concern the expansion of further trials, without first establishing a solid evidence base as to the CDC's efficacy and a clear evaluation strategy, including an end date for the trial in the Northern Territory.

Variations to the proportion of income on the CDC

The proposed Bill introduces the provision for the Minister for Northern Territory trial participants to vary the proportion of payment on the CDC up to 100%. It is unclear which Minister this is referring to, and under what circumstances this will be able to occur. The level of community consultation required in order for this power to be exercised is not stipulated. This provision should be clarified, including a clear commitment to community consultation.

Transition timeframe and support services

The Commonwealth Government has committed to provide \$17.8 million for support services to assist the transition in the Northern Territory and Cape York area, however it is unclear what these support services will include. The Northern Territory Government recommends that these funds be used for supporting wrap-around services for drug, alcohol and gambling, mental health, financial counselling and social support services, subject to communities' identified requirements.

The proposed timeframe beginning the transition from 8 April 2020 may not allow sufficient time for appropriate levels of community consultation to be conducted and tailored implementation plan developed. The starting date and timeline for transitional arrangements should be subject to substantive consultation so that it can be responsive to community needs.

Position

The Northern Territory Government does not support the roll out of Cashless Debit Card in the Northern Territory unless it is a voluntary scheme or unless it is consistent with existing Northern Territory Government policies and legislation whereby an individual is referred to the program by a court or an authorised practitioner.