



**AASW**

**Australian Association  
of Social Workers**

*Submission to the Senate  
Community Affairs Committee  
Re: Social Security Legislation Amendment  
(Debit Card Trial) Bill 2015*

**September 2015**

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## Introduction

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### Who we are

The Australian Association of Social Workers (AASW) is the professional body representing more than 8000 social workers throughout Australia.

We set the benchmark for professional education and practice in social work and have a strong voice on matters of social inclusion, social justice, human rights and issues that impact upon the quality of life of all Australians.

### The social work profession

The social work profession is committed to the pursuit of social justice, the enhancement of the quality of life, and the development of the full potential of each individual, group and community in society.

Principles of social justice, human rights, collective responsibility and respect for diversities are central to the profession and are underpinned by theories of social work, social sciences, humanities and Indigenous knowledge.

Social workers work with individuals, families, groups and communities. Professional social workers consider the relationship between biological, psychological, social, cultural and spiritual factors and how they impact on a client's health, wellbeing and development. Accordingly, social workers maintain a dual focus in both assisting with and improving human wellbeing and identifying and addressing any external issues (known as systemic or structural issues) that may impact on wellbeing, such as inequality, injustice and discrimination.

### Our submission

Professional social workers have an ongoing commitment to social justice for individuals, groups and communities. Therefore, we welcome the opportunity to contribute to this inquiry into the Social Security Legislation Amendment (Debit Card Trial) Bill 2015. While social workers work with people from every strata of society, we have a particular commitment to those who are most disadvantaged. Social workers have been directly involved in the various trials of income management (including their evaluations) of which the current proposed Debit Card Trial is a potential continuation. At the outset it is therefore useful to point out the current evidence from the various trials to date.

*The evidence from evaluations suggests that income management has had a positive impact on the lives of some individuals and families. People who have volunteered for income management seemed to have benefited most. It is less clear that compulsory participation has been beneficial. The evaluation reports published to date have not provided strong evidence of benefit for those referred under the 'membership of a class' measures.<sup>1</sup>*

The reason for the current Amendment Bill as laid out in the explanatory memorandum is to

*test whether significantly reducing access to discretionary cash, by placing a significant proportion of a person's welfare payments into a restricted bank account, can reduce the habitual abuse and associated harm resulting from alcohol, gambling and illegal drugs. It will test whether cashless welfare arrangements are more effective when community bodies are involved.<sup>2</sup>*

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<sup>1</sup> Don Arthur (2015). *Income management: a quick guide*. Parliamentary Library. pp.5-6. Available at <http://goo.gl/v4bGZh>

<sup>2</sup> Hon Scott Morrison MP. *Explanatory Memorandum*. p.2. Available at <http://goo.gl/E5BbdI>

Underlying this test is the belief spelt out by Andrew Forrest in the Forrest Review that income management as it has been tried to date is “complex, it can be considered paternalistic and comes with a cost that renders it unsustainable and unsuitable for broader application.”<sup>3</sup> In other words, given that the Forrest Review is a guiding document for this initiative, it is presumed that the current Amendment will allow a scheme to be tested that will be less complex, less paternalistic, cheaper and with results as good as or better than current income management schemes.

It is envisaged further that the trials in each of the three locations will only take 12 months.<sup>4</sup>

In the following section the AASW raises a number of specific issues that Senators should consider before passing the proposed Social Security Legislation Amendment (Debit Card Trial) Bill 2015.

## Responses

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### 1. This Amendment allows for a trial on an aspect of income management that has failed in the past

- 1.1 This Amendment effectively allows a trial of income management for all members of a particular class within a trial area. On the evidence to date, involuntary income management has not been successful in reducing the habitual abuse and associated harm resulting from alcohol, gambling and illegal drugs. The recent Evaluating New Income Management in the Northern Territory: Final Evaluation Report sums up the situation succinctly.

*When the data are taken as a whole, not only does it suggest that there has been very little progress in addressing many of the substantial disadvantages faced by many people in the Northern Territory, but it also suggests that there is no evidence of changes in aggregate outcomes that can plausibly be linked to income management.*<sup>5</sup>

- 1.2 While it is also true that research in this area has been limited, and there is indeed a need for ongoing research and evaluation, the research to date indicates that the trial envisaged in this Bill is likely again not to show any clear connection between involuntary income management and reducing alcohol and drug abuse and its effects at a population level.

### 2. A trial of 12 months not long enough to give reliable data on stated goals

- 2.1 The trial foreshadowed in this Amendment seeks to answer or at least shed light on three quite complex questions:
- 2.2 *Does reducing access to discretionary cash, by placing a significant proportion of a person’s welfare payments into a restricted bank account with access by a debit card, reduce the habitual abuse of alcohol, gambling and illegal drugs?*
- 2.3 *Does reducing access to discretionary cash, by placing a significant proportion of a person’s welfare payments into a restricted bank account with access via a debit card, reduce the harm associated with the habitual abuse of alcohol, gambling and illegal drugs?*
- 2.4 *Does the involvement of community bodies increase the effectiveness of reducing access to discretionary cash etc?*

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<sup>3</sup> Andrew Forrest (2014). *The Forrest Review: Creating Parity*. p.27. Available at <https://goo.gl/fd432n>

<sup>4</sup> Hon Scott Morrison MP. *Explanatory Memorandum*. p.4. Available at <http://goo.gl/E5BbdI>

<sup>5</sup> J Rob Bray, Matthew Gray, Kelly Hand and Ilan Katz (2014). *Evaluating New Income Management in the Northern Territory: Final Evaluation Report*. p.235. available at <https://goo.gl/0wdtYi>

- 2.5 It is our view that these questions cannot be answered in a year. The best one could expect of a one year trial is that a percentage of participants (it could be as low as 0% or as high as 100%) reduced their use of alcohol, or gambling or illegal drugs during the course of the trial. Whether this would become habitual would take longer to assess. Similarly measuring effects will take longer.
- 2.6 Trying to assess community involvement's influence on effectiveness is similarly complex. Much depends on the type of community involvement and the indicators used to measure it. There are a great number of compounding variables when trying to measure community involvement in the real world.
- 2.7 While the AASW is not opposed to these types of evaluations, Senators need to be aware that results after one year will by their nature be tentative and longer trials will be necessary to answer questions outlined in the explanatory memorandum of this Bill.

### **3. The technology of the proposed debit card is unproven**

- 3.1 The Australian Bankers Association (ABA) in its submission to the Forrest Review outlined a number of technological and practical problems associated with the Healthy Welfare Card,<sup>6</sup> the precursor of the Debit Card of this Amendment. In their concluding remarks the ABA stated that "the ABA does not support the implementation of the Healthy Welfare Card, a scheme that does not have the technology or infrastructure to support its implementation and one which could result in adverse and unintended consequences for welfare recipients (p.8)."
- 3.2 It would seem therefore that this trial is not only a trial of reducing access to discretionary cash but also a trial of the technology which would enable this to happen. It is unclear to the AASW at this time, to what extent the issues raised by the ABA have been addressed

### **4. A considerable number of people who do not need income management will be affected by this proposed Amendment**

- 4.1 Within the trial sites there will be a large number of welfare recipients who manage their scarce resources well and who do not have a problem with alcohol, illegal drugs or gambling. Their normal patterns of financial management will be disrupted yet they will gain nothing from the trial. The Evaluation New Income Management in the Northern Territory: Final Evaluation Report highlighted a number of such instances.<sup>7</sup> Overall, around half of those on income management reported not having problems with alcohol, illegal drugs or gambling.<sup>8</sup>

### **5. Possible infringement of human rights**

- 5.1 The AASW does not believe that all the implications with regard to human rights have been explored by the Statement of Compatibility with Human Rights attached to the Explanatory Memorandum. In particular we bring to the your attention the comments of the Parliamentary Joint Committee on Human Rights,
- 5.2 *Restricting how a person can access, and where they can spend, their social security benefits, interferes with the person's right to personal autonomy and therefore their right to a private life. In addition, being able to only access 20 per cent of welfare payments in cash could have serious restrictions on what a person is able to do in their private life.*<sup>9</sup>

<sup>6</sup> Diane Tait (2014). Available at <http://goo.gl/tQK01g>

<sup>7</sup> J Rob Bray, Matthew Gray, Kelly Hand and Ilan Katz, (2014). *Evaluating New Income Management in the Northern Territory: Final Evaluation Report*. p.197. available at <https://goo.gl/OwdtYi>

<sup>8</sup> Op.cit. p.184.

<sup>9</sup> Parliamentary Joint Committee on Human Rights (2015). *Human rights scrutiny report. Twenty-seventh report of the 44<sup>th</sup> Parliament*. p.22. 1.97. Available at <http://goo.gl/AGuiEY>

5.3 Restricting a right to personal autonomy or a right to a private life might be justified if the resultant good enhances some other right. However, as noted in point 4 above, this proposed Amendment is likely to directly affect quite a number of people for whom there is no tangible benefit.

## **6. Danger that a Welfare Debit Card could evolve into an American style Food Stamp Debit Card**

6.1 In his discussion of the benefits of the Healthy Welfare Card, Andrew Forrest has cited the benefits of the South African cashless welfare system.<sup>10</sup> However the AASW believes a better comparison is with the United States of America's Supplementary Nutrition Assistance Program (SNAP) formerly known as the Food Stamp Program. While supposedly assisting with the nutrition of Americans on welfare the system appears to be deeply intrusive into the lives of welfare recipients. Though this program is now supported by a debit card system, it is quite a complex system to manage for recipients, private traders and the government. It is a system that the AASW believes would not be acceptable to the Australian public because of its intrusiveness and disrespect for the abilities of the vast majority of people who for a time need government welfare assistance.

## **7. Conclusion**

7.1 The AASW believes that the Government, in proposing the Social Security Legislation Amendment (Debit Card Trial) Bill 2015 has not considered many important aspects and consequences of the Bill, nor has the evidence been examined adequately. The Bill seeks to simultaneously test a number of complex questions about compulsory income management in a short time frame using an untried technology about which the banking community (ABA) has raised serious technical concerns. Furthermore, if the trials were to proceed, it is very likely to seriously inconvenience and undermine the autonomy of large numbers of welfare recipients who are in no need of income management. These and other ethical issues have not been explored adequately in the Statement of Compatibility with Human Rights associated with this Bill. Finally, the AASW has concerns that there is a real danger that this Bill foreshadows a movement toward a more intrusive and disrespectful welfare system that would be rejected by the majority of Australians as paternalistic.

Submitted for and on behalf of the Australian Association of Social Workers Ltd

**Glenys Wilkinson**

AASW Chief Executive Officer

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<sup>10</sup> Andrew Forrest (2014). *The Forrest Review: Creating Parity*. p.104. Available at <https://goo.gl/fd432n>



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