



28 February 2019

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Dear Senators,

**Social Security (Administration) Amendment  
(Income Management and Cashless Welfare) Bill 2019**

Thank you for the opportunity to contribute to the Senate Community Affairs Legislation Committee's consideration of this Bill. This Bill would extend the cashless debit card trial in the Ceduna, East Kimberley and Goldfields regions, and the income management program in Cape York, to 30 June 2020.

Anglicare Australia strongly recommends that the Senate reject this Bill. We reiterate our fundamental concerns with the nature and implementation of these trials and compulsory income management. These trials have not been effective in reducing social harms, and have caused hardship and disruption for people experiencing extreme disadvantage. We recommend our previous submission on this matter to the Committee,<sup>1</sup> and provide a summary of our concerns again below.

**Ineffectiveness and harm of cashless debit card trials**

The existing cashless debit card trials have failed to produce compelling evidence that this is an effective method of reducing social and individual harm caused by substance addiction or gambling, or of addressing entrenched disadvantage in any meaningful way. According to the initial ORIMA evaluation, there was no improvement in most crime statistics in the trial areas, and no improvement in community perceptions of safety.<sup>2</sup>

These expensive trials have already gone on for nearly two years longer than initially promised by the government and community leaders. In that time they have caused severe distress, disruption and further hardship for many people already experiencing vulnerability. Over both waves of the evaluation, more participants reported the card had made their lives worse than better.<sup>3</sup>

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<sup>1</sup> Anglicare Australia, [Submission to Senate Community Affairs Legislation Committee Inquiry into Social Services Legislation Amendment \(Cashless Debit Card Trial Expansion\) Bill 2018](#), Submission 52, 20 July 2018

<sup>2</sup> Department of Social Services and ORIMA Research, August 2017, [Cashless Debit Card Trial Final Evaluation Report](#), pp. 61 & 83

<sup>3</sup> Ibid. See also Klein, E. 2017. [As costs mount, the government should abandon the Cashless Debit Card](#), The Conversation, 12 December

The experience of the Anglicare Australia Network supporting people to overcome disadvantage is that increasing systems of compliance and control is ineffective, and often further disempowers people experiencing vulnerability. Alternatively, approaches which support people to identify and build on their capacity and strengths while addressing situational barriers have been shown to be effective in overcoming disadvantage.<sup>4</sup>

### **Evaluation flawed and unreliable**

The government's management and monitoring of the trials has been found to be inadequate, and the existing evaluation unreliable and inconclusive.<sup>5</sup> The ORIMA evaluation, which the government has used to justify continuation and expansion of the trials, relies largely on self-reported behaviour change. This survey methodology is extremely liable to recall inaccuracies and social desirability bias, especially given the long time frame, monetary reward for participating and power imbalance between interviewers and participants. There are many other flaws in the evaluation methodology, including the lack of guarantee of a representative sample, the failure to explore significant inconsistencies in respondents' perceptions of positive or negative change, and inappropriate generalisation of quantitative data.<sup>6</sup>

If the government insists on continuing these trials despite the cost and lack of evidence, the next evaluation must address these errors. The evaluation being undertaken by the University of Adelaide must prioritise genuine understanding of the experience of those using the cashless debit card. This policy disproportionately affects Aboriginal people and it is essential that their voices are heard in the next evaluation.

The policy design must also respect the self-determination of communities. Involving those affected not only in the evaluation but in genuine co-design would improve the effectiveness of any policy response to issues identified through the evaluation.

### **Local communities do not support the trial**

Contrary to the government's claims, the cashless debit card trials are extremely controversial and divisive in the communities in which they have been implemented. Community leaders cited by the government as supportive of the trials are not representative of the diversity of views, and people who are on the card have reported being excluded from consultations prior to trials.<sup>7</sup> In the most recent trial site, the Bundaberg mayor has stressed that what people really want is employment, and the significant funding going into these trials would be far better spent creating jobs.<sup>8</sup>

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<sup>4</sup> For example, Goodwin-Smith, I. and Hutchinson, C. (2015) '[Beyond supply and demand: addressing the complexities of workforce exclusion in Australia.](#)' Journal of Social Inclusion 6(1)

<sup>5</sup> Australian National Audit Office, 2018, [The Implementation and Performance of the Cashless Debit Card Trial](#)

<sup>6</sup> Cox, E. 2017. [Much of the data used to justify the welfare card is flawed.](#) The Guardian, 7 September ;  
Hunt, J. 2017, [The Cashless Debit Card evaluation: does it really prove success?](#), Centre for Aboriginal Economic Policy Research, ANU, Topical Issue No 2.

<sup>7</sup> Bundaberg Awareness Group representatives, 2 November 2017, Public Hearing of Senate Inquiry into Cashless Debit Card Trial Bill 2018

<sup>8</sup> Cited in Smees, B. 2018. [Bundaberg mayor turns against high cost of cashless welfare trial](#), The Guardian, 21 May



**Conclusion**

Given the compulsory nature of these trials, the absence of robust evidence and the lack of extensive community support, Anglicare Australia calls on the Committee and the Senate to reject this Bill. It is time to cease the harmful and ineffective cashless debit card trials and get on with working with communities to develop real ways to address systemic disadvantage.

Yours sincerely,

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Executive Director

