Submission to the Senate Community Affairs Legislation Committee on the:

Social Services Legislation Amendment (Cashless Debit Card) Bill 2017

29 September 2017

The Western Australian Council of Social Service Inc. (WACOSS) welcomes the opportunity to comment on the Social Services Legislation Amendment (Cashless Debit Card) Bill 2017

WACOSS is the peak body of community service organisations and individuals in Western Australia. WACOSS stands for an inclusive, just and equitable society. We advocate for social change to improve the wellbeing of West Australians and to strengthen the community sector service that supports them. WACOSS is part of a national network consisting of ACOSS and the State and Territory Councils of Social Service, who assist low income and disadvantaged people Australia wide.

WACOSS supports the submissions on CDC prepared by ACOSS and QCOSS.

Trial Limitations

Our overriding concern with the proposed legislative extension of the Cashless Debit Card trials is the significant gap between the actual evidence of the impacts of the trials carried out to date and the claims being made politically about that evidence. Quite simply the evidence is not there to support the claims of positive impacts and improved outcomes being made by Minister for Social Services and the Minister for Human Services to justify extending the measures to other populations and location.

We note that the repeal of section 124PF of the *Social Security (Administration) Act 1999* as proposed in this Bill removes the limitations on the Cashless Debit Card trial period, the number of trial areas and the number of trial participants.

The explanatory memorandum states that by removing these limitations, more flexibility is provided for the expansion of the trails.

It is our position that the provision of flexibility to allow ongoing expansion of the Cashless Debit Card trials has not been justified and we have significant concerns around the research that is being used to support their continuation and expansion.

The Council strongly advocates for evidence-based policy and believes that is critical that changes to key legislation impacting on the daily lives and well-being of Australians is independently and transparently examined, tested and justified. This, we believe, is particularly critical when such changes impact upon some of the most disadvantaged and vulnerable members of our community to curtail their access to the resources necessary to achieve a basic standard of living and their ability to exercise some choice and control.

Significant concerns have been raised publicly by academic experts into the methodology of the trial evaluations conducted by Orima Research (including Dr Janet Hunter at CAEPR, ANU and Prof. Eva Cox at Jumbunna, UTS). We expect the committee will receive several reports from social

researchers (noting submissions are not yet publicly available). The analysis relies in large part on secondary survey data of reported purchasing patterns (many of them given some time after the fact), rather than on primary data of income support recipients' consumption of goods that cannot be purchased with the card. This results in several confounding factors that directly impact the reliability and validity of the research results, and the ability to draw conclusions from it that allow the attribution of causality of changes in behaviour and wider social outcomes. These include research design and sampling strategy, questionnaire design, recall bias and social desirability bias, rising refusal rates and the combination of longitudinal and intercept data among others.

'Recall bias' is where reliability is impaired because people's memories of past patterns of behaviour are unreliable and shown to be easily influenced by the context in which questions about historic behaviour are asked. Recall data needs to be tested against primary sources of data such as actual spending behaviour. Self-reports are also at a high risk of 'social desirability bias', where participants respond in what they consider to be a socially acceptable way. Interviewees were asked to provide personal ID before being interviewed about a government program with a high public profile that includes coercive powers, then questioned about alcohol consumption, gambling and illicit drug use. Researchers working with Aboriginal people (and a significant proportion of those interviewed were Aboriginal) are particularly conscious of cultural conventions where it is considered polite to agree with others and there is a risk they will only tell a stranger or a person in authority what they think they want to hear. It is, in fact, specifically stated in the final evaluation report that this is a particular concern around self-reports of illegal drug use and as a result these reports should be "interpreted with caution."

Though these trials are taking place in areas with a high proportion of Aboriginal people, such as the East Kimberley, there is no indication given as to how the survey evaluation engaged with people whose primary language was not English. This is of particular importance considering the difficulties reported in the trial for Aboriginal subjects accessing support for problems with the Cashless Debit Card from Indue due to language barriers. There are robust and well-established ethical principles for conducting research with Aboriginal people – both the AIATSIS (2012) Guidelines and the NHMRC (2003) Guidelines – but neither is mentioned or appear to have been adhered to in this research.

We also note that the data from the East Kimberley and Ceduna sites were weighted equally, despite the East Kimberley having a much higher rate of trial participants (1247 compared to 757). The description of the first and second survey sampling periods as 'waves' is somewhat misleading, as this language is properly associated with a longitudinal study model. The second stage of the study is in fact a combination of a second round of systematic intercept sampling and follow-up sampling of 134 subjects. This data is not analysed separately and it is unclear whether this model introduces a systematic bias into the findings.

The high level of non-responders and refusers to the survey undermines how representative its results should be considered to be. It is important to acknowledge that the experiences of non-responders are often different to those who respond to surveys, and sometimes dramatically so. We note that there was a dramatic increase in the refusal rate to the second round of the survey (89 refusals in 'Wave 1' vs '222 in 'Wave 2' in Ceduna). This is partially masked by the way the data is reported, as follow up surveys with those who agreed to be re-interviewed in the first round and were directly contacted are included, producing an apparent refusal rate of 24% rather than the actual refusal rate of new interviewees of 48%.

Furthermore, a significant proportion of the respondents in the interviews reported none of the behaviours the trial was intended to target – 180 of the 552 respondents (31.5%) in wave 1 and 228

of the 479 respondents (42%) in wave 2 reporting not drinking, gambling or taking drugs before or during the trial period. The proportion of those not doing so significantly increasing in the second wave at the same time the refusal rate has also risen dramatically.

Taken together, these factors cast significant doubt on the representativeness of the survey findings. As a result, the ability to meaningfully generalising from the survey findings as to the impact the trials have had on behaviour and consumption is very limited.

It should be noted that, while this research has been used as a justification for extending and expanding the trials, no credence seems to have been placed on the finding in both the Wave 1 and 2 reports that the majority of participants indicated that the card had made their lives worse, rather than better. As an outcome from the trials, this seems to be an extraordinary failure and something should at the very least be taken as an indication that the trials should be put on hold until an appropriate fix or service response can be determined, if not permanently ending the trials.

The survey data includes significant personal reports of increased hardship as a result of the trials. 52% ran out of money to buy food during the trial and 26% reported doing so on a fortnightly basis. 19% were unable to pay the rent or mortgage during the period, 6% on a fortnightly basis. 35% reported being unable to pay bills, 11% fortnightly. 45% couldn't pay for their child's needs (such as school books) with 19% doing so fortnightly. 44% couldn't pay for essential times during the trial, 19% fortnightly. 55% were forced to borrow money from family and friends during the trial, 21% were doing so regularly. 43% ran out of money because they had given it to family or friends, 17% did so regularly. These are significant hardships, which do not meet with community expectations of basic living standards.

It is also important to remember in this context that the 2014 evaluation of the income management component of the Northern Territory Intervention found no impact on alcohol consumption or related harm, with no evidence that outcomes for children had improved.

Disallowable Instruments

The explanatory memorandum also states that the amendments do not remove the legislative safeguards protecting how, when and where the cashless debit can operate, by virtue of only being implemented in a location with the introduction of a disallowable instrument.

WACOSS is concerned that although the legislative instruments are disallowable by Parliament, the level of oversight and consultation will in fact be reduced should it be possible for the Government to apply the cashless debit card to locations without having to go through the process of amending the existing legislation. In the absence of credible evidence of the claimed benefits of the card, this appears to be an attempt to facilitate more widespread roll-out of these controversial measures without appropriate public scrutiny.

Conclusion

WACOSS is opposed to the blanket application of cashless debit cards or income management.

Restricting access to cash should only be adopted when there is full community support, the program is co-designed with communities, and those effected are provided a pathway out and adequate and appropriate support to take control of their own finances and to deal with any existing addictions, mental health problems or history of trauma. We note that the explanatory

memorandum states that these legislative amendments will provide the opportunity for Government to co-design the parameters of the trials with interested communities, and tailor the program to meet community need. It is not however clear why, considering the legislation only sets out the utmost limits of the trials, a co-designed and tailored approach could not and has not been taken with the existing trials. The proposed amendments may provide Government with the 'flexibility' to undertake such processes, but there is nothing the community can rely on as a guarantee that such processes will take place.

This kind of targeting and quarantining of income support should not take place in the absence of the provision of a suite of wrap-around, community-led and run supports to address social issues such as addiction. This is because, fundamentally, restricting access to cash does not address the underlying issues that contribute to social problems.

An approach that genuinely seeks to tackle these issues through providing the kind of supports that people need to overcome life-events of this nature is what is needed in our communities. It is not something we have seen with these trials.

There is simply not enough evidence of meaningful benefit to those effected by the trials to justify the harm produced by these measures and the curtailing of their basic human rights.

While the Prime Minister continues to claim that 'the best form of welfare is a job' it is evident that no matter how unpleasant or demeaning they make accessing income support, nor how far below the poverty line the level of payments fall – you simply cannot force people into jobs when the jobs they need aren't there. The resources being spent on complex cashless debit card arrangements and trials would have a much greater impact if spent of job creation, on providing appropriate support for those who need help to deal with alcohol, drug or gambling addictions and mental health problems.

If you would like to discuss this submission further, please feel free to contact the WACOSS Research and Policy Development Leader [redacted] at [redacted] or [redacted]

Yours sincerely,

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WACOSS