

The Senate

Community Affairs
Legislation Committee

Social Services Legislation Amendment
(Cashless Debit Card Trial Expansion) Bill
2018 [Provisions]

August 2018

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ISBN 978-1-76010-806-9

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45th Parliament

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ABBREVIATIONS

2015 bill	Social Security Legislation Amendment (Debit Card Trial) Bill 2015
2017 bill	Social Services Legislation Amendment (Cashless Debit Card) Bill 2017
Act	<i>Social Security (Administration) Act 1999</i>
AIMN	Accountable Income Management Network
ANAO report	<i>Auditor-General Report No.1 2018–1: The Implementation and Performance of the Cashless Debit Card Trial</i>
ANUCSRM	ANU Centre for Social Research and Methods
Bill	Social Services Legislation Amendment (Cashless Debit Card Trial Expansion) Bill 2018
Cashless debit card establishment bill	Social Security Legislation Amendment (Debit Card Trial) Bill 2015
Cashless debit card expansion bill	Social Services Legislation Amendment (Cashless Debit Card) Bill 2017
Committee	Senate Community Affairs Legislation Committee
CPSU	Community and Public Sector Union
Department	Department of Social Services
DHS	Department of Human Services
Explanatory memorandum	Social Services Legislation Amendment (Cashless Debit Card Trial Expansion) Bill 2018, Explanatory memorandum
Housing affordability bill	Social Services Legislation Amendment (Housing Affordability) Bill 2017
Human rights committee	Parliamentary Joint Committee on Human Rights
New trial area	Bundaberg and Hervey Bay area
NILS	No Interest Loan Scheme
NSSRN	National Social Security Rights Network

Secretary	Secretary of the Department of Social Services
SNTCWC/NCDCR	Say No To the Cashless Welfare Card Australia/No Cashless Debit Card Hinkler Region
Statement of compatibility	Social Services Legislation Amendment (Cashless Debit Card Trial Expansion) Bill 2018, Statement of compatibility with human rights

LIST OF RECOMMENDATIONS

Recommendation 1

2.81 The committee recommends that the bill be passed.

Chapter 1

Introduction

Purpose of the bill

1.1 The Social Services Legislation Amendment (Cashless Debit Card Trial Expansion) Bill 2018 (bill) has three purposes:

- (a) To expand existing cashless debit card trial arrangements¹ to a new trial site in the Bundaberg and Hervey Bay region of Queensland until 30 June 2020, for a specific group of trial participants, increasing the total number of trial participants to 15 000.
- (b) To introduce an exemption for merchants from part of the *Competition and Consumer Act 2010* for transactions involving the cashless debit card and certain restricted items.
- (c) To introduce a limitation on the use of the restricted portion of a payment to prevent it from being used to purchase cash-like products.²

Background

1.2 The Senate Community Affairs Legislation Committee (committee) has held two previous inquiries into cashless debit card legislation. The committee tabled its report on the Social Security Legislation Amendment (Debit Card Trial) Bill 2015 (cashless debit card establishment bill) on 12 October 2015³ and its report on the Social Services Legislation Amendment (Cashless Debit Card) Bill 2017 (cashless debit card expansion bill) on 6 December 2017.⁴ The committee recommended in each instance that those bills be passed.

1.3 The cashless debit card establishment bill introduced measures which split income support payments into restricted and unrestricted portions, with the payment of the restricted portion to an account which would be subject to certain restrictions on access and use.⁵ For the trial, 80 per cent of a recipient's income support payments would be placed in a restricted bank account which could only be accessed by a debit card and could not be used to purchase alcohol or gambling products or to withdraw

1 For information on the existing cashless debit card program, see the Department of Social Services website at <https://www.dss.gov.au/families-and-children/programmes-services/welfare-conditionality/cashless-debit-card-overview>.

2 Social Services Legislation Amendment (Cashless Debit Card Trial Expansion) Bill 2018, Explanatory memorandum (Explanatory memorandum), p. 2.

3 Community Affairs Legislation Committee, *Social Security Legislation Amendment (Debit Card Trial) Bill 2015*, 12 October 2015.

4 Community Affairs Legislation Committee, *Social Services Legislation Amendment (Cashless Debit Card) Bill 2017*, 6 December 2017.

5 Social Security Legislation Amendment (Debit Card Trial) Bill 2015, Explanatory memorandum (Debit card trial bill explanatory memorandum), p. 4.

cash. The remaining 20 per cent of income support payments would be available for use at the individual participant's discretion.⁶

1.4 The cashless debit card establishment bill proposed that the trial be introduced into a maximum of three discrete locations, with no more than 10 000 participants at any time, and operate between 1 February 2016 and 30 June 2018.⁷ The trial of the cashless debit card scheme commenced in Ceduna, South Australia, on 15 March 2016 and in the East Kimberley region, Western Australia, on 26 April 2016.⁸

1.5 The Government announced in the 2017–18 Budget that it would seek to extend the cashless debit card trial in the existing sites of Ceduna and the East Kimberley by one year to 30 June 2019 and would be expanded to two new sites.⁹

1.6 In August 2017, the Government introduced the cashless debit card expansion bill which sought to amend existing legislation to allow for the expansion of the trial. The cashless debit card expansion bill sought to remove a section of the *Social Security (Administration) Act 1999* which specified that the cashless debit card trial could occur in up to three discrete locations, include no more than 10 000 people and end on 30 June 2018.¹⁰ The removal of this section would have allowed the cashless debit card trial to continue in the two existing sites and expand to other new sites determined by disallowable legislative instrument.¹¹

1.7 The Government announced in September 2017 that the new sites would be the Goldfields region of Western Australia, for recipients of working-age income support payments, and the Hinkler electorate (Bundaberg and Hervey Bay area), Queensland, for recipients of Newstart, Youth Allowance (Job seeker), Parenting Payment (Single) and Parenting Payment (Partnered) aged 35 and under.¹²

1.8 The cashless debit card expansion bill was amended by the Senate¹³ and was passed with Government amendments which instead specified and defined the trial

6 Debit card trial bill explanatory memorandum, pp. 2–3.

7 Debit card trial bill explanatory memorandum, p. 4.

8 Department of Social Services, *Welfare Quarantining*, <https://www.dss.gov.au/our-responsibilities/families-and-children/programmes-services/welfare-quarantining> (accessed 14 August 2018).

9 Social Services Legislation Amendment (Cashless Debit Card) Bill 2017, Explanatory memorandum (Cashless debit card bill explanatory memorandum), p. 2.

10 Cashless debit card bill explanatory memorandum, p. 2.

11 Explanatory memorandum, p. 2.

12 Community Affairs Legislation Committee, *Social Services Legislation Amendment (Cashless Debit Card) Bill 2017*, 6 December 2017, pp. 2–3.

13 [Social Services Legislation Amendment \(Cashless Debit Card\) Bill 2017, Schedule of the amendment made by the Senate, 12 February 2018.](#)

site areas of Ceduna, East Kimberley and Goldfields, and removed the ability for trial areas to be determined by the Minister under legislative instrument.¹⁴

1.9 For this reason, new legislation is required to expand the cashless debit card trial to the proposed Bundaberg and Hervey Bay area trial site.

Evaluations of the cashless debit card trial

1.10 The Government commissioned ORIMA Research to undertake an independent evaluation of the cashless debit card trial in Ceduna and the East Kimberley. The evaluation was reported in 3 stages: Initial Conditions Report, Wave 1 Interim Evaluation Report and Final Evaluation Report (Wave 2). The Final Evaluation Report was released on 1 September 2017.¹⁵

1.11 The Australian National Audit Office also undertook an independent performance audit of the cashless debit card trial, the objective of which was to assess the Department of Social Services' implementation and evaluation of the trial. The Auditor-General presented the report to Parliament out-of-session on 17 July 2018.¹⁶

1.12 The findings of these reports were referenced frequently in submissions made to this inquiry and are discussed, where relevant, in Chapter 2.

Key provisions of the bill

Bundaberg and Hervey Bay trial site and participants

1.13 The bill amends the *Social Security (Administration) Act 1999* (the Act) to include the Bundaberg and Hervey Bay area as a trial site for the cashless debit card and introduces a definition of the Bundaberg and Hervey Bay area as the area within the electoral boundaries of the Division of Hinkler (as those boundaries were in force on 31 May 2018).¹⁷

1.14 To allow for an increased number of participants in the cashless debit card trial, the bill increases the maximum number of participants from 10 000 to 15 000.¹⁸

1.15 The bill also replaces paragraph 124PF(1)(b) of the Act to end the trial duration in existing sites by 30 June 2019 but to end the trial in the Bundaberg and Hervey Bay area by 30 June 2020. The explanatory memorandum notes that this allows time to implement the trial and for it to operate for at least 12 months in the area.¹⁹

14 Social Services Legislation Amendment (Cashless Debit Card) Bill 2017, Supplementary explanatory memorandum, p. 2.

15 The Hon Alan Tudge MP, Minister for Human Services, '[Evaluation finds "considerable positive impact" from cashless debit card trial](#)', *Media release*, 1 September 2017.

16 *Auditor-General Report No.1 2018–1: The Implementation and Performance of the Cashless Debit Card Trial*, July 2018, p. 8.

17 Explanatory memorandum, p. 5.

18 Explanatory memorandum, p. 6.

19 Explanatory memorandum, p. 6.

1.16 A new section 124PGA provides that a person is a trial participant in the Bundaberg and Hervey Bay area if:

- (a) their usual place of residence is, becomes, or was within the area; and
- (b) they receive Newstart Allowance, Youth Allowance (unless they are a new apprentice or a full-time student), or Parenting Payment; and
- (c) they have not turned 36 years of age and are under 35 years of age at the commencement of the trial; and
- (d) they do not have a payment nominee; and
- (e) they are not covered by a determination that results in their fortnightly payment being paid in two instalments; and
- (f) they are not subject to another income management regime; and
- (g) they are not undertaking full-time study outside of the area; and
- (h) the Secretary of the Department of Social Services has not determined that they are not a trial participant.²⁰

1.17 Amended paragraph 124PH(1)(b) prevents people in the Bundaberg and Hervey Bay area who are not trial participants from becoming voluntary participants in the trial.²¹

1.18 The bill also removes the legislative instrument-making power for varied percentages of restricted payments under subsection 124PJ(4) of the Act for the Bundaberg and Hervey Bay area. It instead introduces provisions to allow the Secretary of the Department of Social Services to make determinations for these trial participants to access their full welfare payment in cash in circumstances such as technological fault, malfunction or natural disaster which prevents use of the card, or if the person is in severe financial hardship from unexpected or unforeseen circumstances, or is being paid in advance under subsection 51(1) of the Act.²²

Product-level blocking

1.19 The bill introduces an exemption for the purposes of subsection 51(1) of the *Competition and Consumer Act 2010* (Cth). This new subsection authorises a supplier of goods or services to decline a transaction which uses money in a welfare restricted bank account and involves obtaining alcohol, gambling or cash-like products which could be used to obtain alcohol or gambling.²³

1.20 This change to the Act is designed to ensure merchants are not in breach of the *Competition and Consumer Act 2010* if they decline transactions involving these

20 Explanatory memorandum, pp. 5–8.

21 Explanatory memorandum, p. 8.

22 Explanatory memorandum, pp. 8–9.

23 Social Services Legislation Amendment (Cashless Debit Card Trial Expansion) Bill 2018, cl. 14.

elements and would allow systems that automatically identify that a cashless debit card is being used to decline a transaction if a participant seeks to purchase restricted products.²⁴

Cash-like products

1.21 The bill introduces a category of 'cash-like products' which cannot be purchased using the restricted portion of a welfare payment. These include gift cards, store cards, vouchers or similar (in physical or digital form); money orders, postal orders or similar orders (in physical or digital form); and digital currency. It is intended that this will help to prevent trial participants from circumventing the program and spending their restricted welfare payment on cash-like products which could be used to purchase alcohol or gambling.²⁵

Financial implications

1.22 The explanatory memorandum to the bill notes that the financial impact of these amendments is not for publication as negotiations with potential commercial providers are yet to be finalised.²⁶

Legislative scrutiny

Parliamentary Joint Committee on Human Rights

1.23 The Parliamentary Joint Committee on Human Rights (human rights committee) reported that its previous human rights assessments of cashless debit card trial measures had raised concerns about the compulsory quarantining of welfare payments in the trial and the restriction of individual's agency and ability to spend their welfare payments at certain businesses. The human rights committee's concerns related specifically to the rights to social security, privacy and family and the right to equality and non-discrimination.²⁷ It noted that the current bill also engages and limits these rights and that this is acknowledged in the bill's statement of compatibility with human rights.²⁸

1.24 The statement of compatibility notes that the objective of the bill is 'reducing immediate hardship and deprivation, reducing violence and harm, encouraging socially responsible behaviour, and reducing the likelihood that welfare payment recipients will remain on welfare and out of the workforce for extended periods of

24 Explanatory memorandum, pp. 2, 9.

25 Department of Social Services, *Submission 69*, p. 4.

26 Explanatory memorandum, p. 2.

27 Parliamentary Joint Committee on Human Rights (human rights committee), *Report 6 of 2018*, 26 June 2018, p. 33. See also human rights committee reports: *Thirty-first report of the 44th Parliament*, 24 November 2015, pp. 21–36; *2016 Review of Stronger Futures measures*, 16 March 2016, p. 61; *Report 7 of 2016*, 11 October 2016, pp. 58–61; *Report 9 of 2017*, 5 September 2017, pp. 34–40; *Report 11 of 2017*, 17 October 2017, pp. 126–137.

28 Human rights committee, *Report 6 of 2018*, p. 33. See also: Social Services Legislation Amendment (Cashless Debit Card Trial Expansion) Bill 2018, Statement of compatibility with human rights.

time'.²⁹ The human rights committee expressed repeated concerns whether measures in the bill are rationally connected, effective and proportionate to the stated objective of the bill and sought advice from the Minister for Social Services.³⁰

1.25 The Minister's response was not published prior to the tabling of this report.

Senate Standing Committee for the Scrutiny of Bills

1.26 The Senate Standing Committee for the Scrutiny of Bills had no comment in relation to the bill.³¹

Conduct of the inquiry

1.27 The bill was introduced into the House of Representatives on 30 May 2018.³²

1.28 On 21 June 2018 the provisions of the bill were referred to the committee for inquiry and report by 14 August 2018, pursuant to the adoption of the Selection of Bills Committee report.³³

1.29 The bill passed the House of Representatives on 21 June 2018³⁴ and was introduced in the Senate on 25 June 2018.³⁵

Submissions

1.30 The committee wrote to relevant organisations and individuals and invited them to make a submission to the inquiry by 20 July 2018. Submissions continued to be accepted after this date.

1.31 The committee received 105 public submissions which were published on the committee's website. A further 3 submissions were accepted as confidential. A list of submissions received is included at Appendix 1.

Witnesses

1.32 A public hearing for the inquiry was held in Canberra on 7 August 2018.

1.33 The committee heard evidence from organisations and individuals from the region proposed as the trial site, as well as from the Department of Social Services. A list of witnesses is included at Appendix 2.

29 Social Services Legislation Amendment (Cashless Debit Card Trial Expansion) Bill 2018, Statement of compatibility with human rights, p. 2.

30 Human rights committee, *Report 6 of 2018*, p. 38.

31 Senate Standing Committee for Scrutiny of Bills, *Scrutiny Digest 6 of 2018*, 20 June 2018, p. 64.

32 House of Representatives, *Votes and proceedings*, No. 115, 30 May 2018, p. 1573.

33 *Journals of the Senate*, No. 101, 21 June 2018, p. 3242.

34 House of Representatives, *Votes and proceedings*, No. 120, 21 June 2018, pp. 1635–1636.

35 *Journals of the Senate*, No. 102, 25 June 2018, p. 3284.

Acknowledgement

1.34 The committee would like to thank those individuals and organisations that made submissions and gave evidence at the public hearing.

Note on references

1.35 References to the *Committee Hansard* are to the proof *Hansard*. Page numbers may vary between the proof and official *Hansard* transcripts.

Chapter 2

Key issues

Introduction

2.1 This chapter outlines some of the key issues raised by submitters and witnesses in relation to the Social Services Legislation Amendment (Cashless Debit Card Trial Expansion) Bill 2018 (bill).

2.2 Many submitters and witnesses noted the importance of reducing the social harms caused by alcohol, gambling and drug abuse,¹ the key object of the bill. However, some submitters and witnesses raised concerns relating to the expansion of the cashless debit card trial to a new site and the operation of the card, including:

- selection of the Bundaberg and Hervey Bay area as a trial site, the participant cohort for that trial site, and the extent to which the communities of that area were consulted;
- operation of the cashless debit card; and
- ongoing concerns about the cashless debit card scheme, which may have an impact on the new site, such as:
 - communication with participants;
 - monitoring and evaluation of current trials; and
 - human rights implications.

Bundaberg and Hervey Bay area trial site

2.3 The bill defines and introduces the Bundaberg and Hervey Bay area (new trial area) as a trial site for the cashless debit card scheme.

2.4 In its submission, the Department of Social Services (Department) noted statistics that demonstrated the high levels of long-term and intergenerational welfare dependency in the region which the cashless debit card trial aims to address:

- 90 per cent of the people in the region under the age of 30 and on Newstart or Youth Allowance, had a parent or guardian who received income support at some point in the last 15 years; and
- 13 per cent of that cohort had a parent or guardian who received income support at least once each year for the past 15 years.²

1 See for example: PeakCare Queensland Inc, *Submission 95*, pp. 1, 5; Australian Association of Social Workers, *Submission 46*, p. 2; Anglicare Australia, *Submission 52*, p. 3; Name withheld, *Submissions 2, 4, 7, 8, 11, 14, 18, 19, 29, 31, 32*, and 86.

2 Department of Social Services, *Submission 69*, p. 2.

Community views on site selection

2.5 The committee received a large number of submissions from members of the new trial area community which discussed the significant problems with alcohol, drugs and gambling in the proposed trial site area and praised the introduction of the cashless debit card to address these problems.³

2.6 Witnesses at the hearing also voiced their concerns about social problems in the region. Ms Faye Whiffin told the committee that the problems of 'welfare dependency and neglected children will not go away' in the community,⁴ while Mr Steven Beer referenced a very high youth unemployment rate.⁵ The youth unemployment rate in the Wide Bay region, which includes the Hinkler electorate, was 28.7 per cent as at March 2018.⁶

2.7 However, others have expressed reservations about whether these problems were specific to the cohort of the population which would be targeted in the trial, or were more general to the region. Mr George Seymour, Mayor of Fraser Coast, in his capacity as a private citizen, submitted that he had not seen any causal evidence which linked the target cohort with alcohol, drug and gambling problems.⁷ Some submitters also questioned how the cashless debit card would solve the issue of high youth unemployment, given a low number of job vacancies in the region.⁸

2.8 Submitters and witnesses were concerned that, with discussion being focused on the social issues in the region as the purpose of the card, that participants would be stigmatised as 'bludgers' or addicts, even if they do not personally have problems with drugs, alcohol or gambling.⁹

3 Name withheld, *Submissions 2, 3, 4, 5, 6, 7, 8, 10, 11, 14, 17, 18, 19, 20, 21, 22, 23, 29, 30, 31, 32, 72, 73, 78, 86, 87, 88, 89 and 92.*

4 Ms Faye Whiffin, private capacity, *Committee Hansard*, 7 August 2018, p. 10.

5 Mr Steven Beer, General Manager Operations, IMPACT Community Services, *Committee Hansard*, 7 August 2018, p. 9.

6 Department of Social Services, answers to questions on notice, 7 August 2018 (received 10 August 2018).

7 Mr George Seymour, *Submission 25*, [p. 1].

8 Mr George Seymour, *Submission 25*, [p. 2]; National Social Security Rights Network (NSSRN), *Submission 45*, [p. 3]; Uniting Communities, *Submission 51*, pp. 8–9; Anglicare Australia, *Submission 52*, p. 3; Bundaberg Awareness Group, *Submission 74*, p. 4; Accountable Income Management Network (AIMN), *Submission 76*, p. 11; Associate Professor Janet Hunt, *Submission 79*, p. 3; UnitingCare Australia, *Submission 81*, p. 5; Australian Council of Social Service, *Submission 60*, p. 3.

9 Miss Kathryn Wilkes, Main Administrator, Say No to the Cashless Welfare Card Australia, *Committee Hansard*, 7 August 2018, p. 2; Mr George Seymour, Mayor, Fraser Coast Regional Council, *Committee Hansard*, 7 August 2018, p. 7; PeakCare Queensland, *Submission 95*, p. 5; Bundaberg Awareness Group, *Submission 74*, p. 1; ANU Centre for Social Research and Methods (ANUCSRM), *Submission 80*, p. 4. See also National Congress of Australia's First Peoples, *Submission 82*, p. 12; Respect Inc, *Submission 57*, pp. 1–2.

2.9 The statement of compatibility with human rights for the bill (statement of compatibility) addresses a number of these concerns, describing that the cohort for the trial was selected in response to the community's concerns particularly about youth unemployment, intergenerational welfare and families who need assistance in meeting the needs of their children. It also observes that the area of the trial site was selected to include Bundaberg and Hervey Bay 'which have the largest population, service and employment hubs in the region' to ensure employment opportunities and support services are available to participants.¹⁰

2.10 The explanatory memorandum for the bill also provides context for the area being chosen as a trial site:

...to help in addressing key social problems that were identified during extensive consultations conducted with community stakeholders. These include the high youth unemployment and intergenerational welfare dependence as well as the high use of alcohol, drugs and gambling. Consultations also revealed significant problems with alcohol, drugs and gambling among young families.¹¹

2.11 Regarding the selection of the participant cohort for the new trial site, the statement of compatibility reports:

... targeting a younger cohort allows the Cashless Debit Card to influence positive behaviour change before welfare dependency becomes entrenched. Setting the age limit at 36 allows the Australian Government to target most young people and families with young children who are receiving welfare payments.¹²

2.12 The Department also noted that, in deciding to trial a younger cohort for the site, it had consulted extensively with stakeholders in the region, including community organisations, local councils, church groups and members of the public.¹³

Participant cohort—inclusion and exclusion

2.13 As detailed in Chapter 1, trial participants in the new trial area will be a targeted cohort aged under 36 years and receiving Newstart Allowance, Youth Allowance or Parenting Payment. Some submitters have raised questions about specific measures in the bill that include or exclude participants from this cohort.

2.14 Under proposed subsection 124PGA(4), the Secretary of the Department (Secretary) will have powers to determine that a person is not a trial participant if participation would pose a serious risk to that person's mental, physical or emotional wellbeing. Some submitters were critical of the related subsection 124PGA(5), which

10 Social Services Legislation Amendment (Cashless Debit Card Trial Expansion) Bill 2018, Statement of compatibility with human rights (Statement of compatibility), p. 2.

11 Social Services Legislation Amendment (Cashless Debit Card Trial Expansion) Bill 2018, Explanatory memorandum (Explanatory memorandum), p. 4.

12 Statement of compatibility, p. 3.

13 Department of Social Services, answers to questions on notice, 7 August 2018 (received 10 August 2018).

does not put an onus on the Secretary to enquire into whether a participant's wellbeing would be adversely affected by the card prior to them becoming a participant.¹⁴ The Parliamentary Joint Committee on Human Rights (human rights committee) made a similar observation, noting that:

It is not clear how the secretary would be made aware of whether a person's participation in the trial is impacting a person's mental, physical and emotional wellbeing.¹⁵

2.15 The Department explained that a wellbeing exemption assessment can be initiated if the Department becomes aware of a participant being at serious risk via a referral from the Cashless Debit Card Hotline, local partners, Indue Ltd, or the Department of Human Services (DHS). The participant may then be referred to a DHS social worker for assessment and, where appropriate, be exempted from the scheme.¹⁶

2.16 Professor Matthew Gray and Mr Robert Bray PSM, from the ANU Centre for Social Research and Methods, questioned why people from the new trial area would be unable to volunteer as participants if they are not in the specified cohort.¹⁷ The Department explained in its submission that:

This will allow the Government to test the impacts of the [cashless debit card] trial exclusively for the selected group, as has been asked for by the community.¹⁸

2.17 Some submitters raised the issue of people being included as participants in the trial even if they subsequently move away from the new trial area.¹⁹ The ANU Centre for Social Research and Methods submission noted that, although there is an exclusion under subsection 124PGA(3) for students from the trial area who are undertaking full-time study outside of the area on the grounds that these students 'may find it impractical to use a cashless debit card outside the trial area', there is no such exclusion for job-seekers who move out of the trial area to find employment and 'would be in the same situation'.²⁰ The Department noted that the Australian Government invests in support services across the country and that those participants who move away from the trial site will be able to access support services in the area

14 ANUCSRM, *Submission 80*, p. 2; AIMN, *Submission 76*, p. 17.

15 Parliamentary Joint Committee on Human Rights, *Report 6 of 2018*, p. 37.

16 Department of Social Services, answers to questions on notice, 7 August 2018 (received 10 August 2018).

17 ANUCSRM, *Submission 80*, p. 3.

18 Department of Social Services, *Submission 69*, p. 4.

19 Australian Human Rights Commission (AHRC), *Submission 43*, p. 2; AIMN, *Submission 76*, p. 17; ANUCSRM, *Submission 80*, p. 7.

20 ANUCSRM, *Submission 80*, p. 7. See also: Explanatory memorandum, p. 7.

they reside in. Furthermore, those participants will be able to use the cashless debit card in any store that accepts EFTPOS and at approved online stores.²¹

2.18 The committee also received a number of submissions from individuals in the new trial area receiving other welfare payments, such as Disability Support Pension or Aged Pension, or in other age groups, who questioned whether this trial would be later expanded to include them.²²

2.19 The committee notes that the bill does not include provisions to expand the new trial area's participant cohort and that any such expansion would require further legislation.

Services and supports for new trial participants

2.20 Several submitters have raised concerns about whether there are sufficient 'wrap-around services' in the new trial area to support participants. Such services may include employment services; services to manage drug, alcohol and gambling addiction; financial counselling and support; family violence programs; parenting programs; and housing.²³

2.21 In its submission, the Department noted that a Community Reference Group was established in the new trial area in late 2017 'to work through local policy and implementation issues', including to ensure that the trial is 'complemented by appropriate supports' for participants.²⁴

2.22 Also in late 2017, the Minister for Human Services, the Hon Alan Tudge MP, and the Federal Member for Hinkler, Mr Keith Pitt MP, issued a joint media release announcing a further investment in community services of \$1 million to 'assist in providing for any unmet need as a result of the card'.²⁵ The Department explained that these services may include drug and alcohol services, financial capability services to help people transition onto the card, employment, and families and children's programs, and that it would 'continue to work with the local community to determine how the funding would be best allocated'.²⁶

2.23 Ms Faye Whiffin told the committee that her small community of Howard currently had limited wrap-around services, but that the local community centre has a partnership with a service provider in Hervey Bay to come and provide financial

21 Department of Social Services, answers to questions on notice, 7 August 2018 (received 10 August 2018).

22 See for example: Name withheld, *Submissions 28, 40 and 55*.

23 Uniting Communities, *Submission 51*, pp. 9–10; People With Disability Australia, *Submission 58*, p. 5; AIMN, *Submission 76*, p. 11.

24 Department of Social Services, *Submission 69*, p. 3.

25 The Hon Alan Tudge MP, Minister for Human Services, and Mr Keith Pitt MP, Federal Member for Hinkler, 'Cashless welfare card for Bundaberg/Hervey Bay', *Media Release*, 17 September 2017.

26 Department of Social Services, answers to questions on notice, 7 August 2018 (received 10 August 2018).

counselling programs. She noted that the additional funding committed by the Government would mean that '[i]f the card comes here, the services will come here faster than they would without the card'.²⁷

Role of community bodies in the trial

2.24 The bill proposes a new subsection 124PE(2) be inserted into the *Social Security Administration Act 1999* (Cth) (Act), which empowers the Minister for Social Services to authorise, by notifiable instrument, an incorporated or unincorporated body in the new trial area as a 'community body'. This community body must provide, or intend to provide, services relating to the care, protection, welfare or safety of adults, children or families residing in the area.²⁸ This community body would have statutory powers under section 124PK of the Act to direct the Secretary to vary the percentage amounts applying to a participant's restricted payment.

2.25 Some submitters have noted that the role of the community bodies or panels under section 124PE has been confusing for participants in existing trial sites, with some participants being unaware of their existence or function.²⁹

2.26 The Auditor-General also noted in the report into *The Implementation and Performance of the Cashless Debit Card Trial* (ANAO report) that the Department had reviewed the role of community panels in earlier trial sites and found that they:

...were not as effective as envisaged, resulting in lengthy delays in making decisions and that they would not be introduced into new localities.³⁰

2.27 Correspondence between the Department and the Minister for Social Services in October 2017, referenced in the ANAO report, stated that community panels would not be a mandatory feature or focal point in future trial sites.³¹

2.28 The Department told the committee that the bill provides the new trial area community with the option:

...to establish a Community Panel, if it so wishes, to assess applications from participants to reduce the restricted portion of their Centrelink payments from 80 to 50 per cent if an applicant is assessed as meeting agreed social norms.³²

27 Ms Faye Whiffin, private capacity, *Committee Hansard*, 7 August 2018, p. 11.

28 Social Services Legislation Amendment (Cashless Debit Card Trial Expansion) Bill 2018, cl. 6.

29 National Aboriginal Community Controlled Health Organisation, *Submission 39*, p. 3; AIMN, *Submission 76*, p. 15; Dr Elise Klein, *Submission 44*, pp. 5–6.

30 *Auditor-General Report No.1 2018–1: The Implementation and Performance of the Cashless Debit Card Trial* (ANAO report), July 2018, p. 47.

31 ANAO report, p. 47.

32 Department of Social Services, answers to questions on notice, 7 August 2018 (received 10 August 2018).

Consultation with the new trial area community

2.29 During the second reading debate of the bill in the House of Representatives, the Attorney-General, the Hon Christian Porter MP, noted that the payment types and age group for the new trial area were selected based on feedback from over 188 meetings held in the Bundaberg and Hervey Bay area between May and September 2017, including three community information sessions:

These [meetings] canvassed views from a very broad range of stakeholders, including the community sector, service providers, community members, church groups, the business sector and all levels of government. These meetings demonstrated a clear need for support and intervention in the areas of youth unemployment, young families and intergenerational welfare dependency.³³

2.30 Submissions from individuals in the region show that the trial has significant support among the community.³⁴ However, several submitters to the inquiry have questioned whether the level of consultation with those who may become participants in the trial has been adequate.³⁵

2.31 A number of individuals impacted by the trial expansion in the Bundaberg and Harvey Bay area have expressed their concern in submissions to the committee that their voices have not been heard in the consultation process and are of the belief that the trial does not have the support of the broader community.³⁶

2.32 At the hearing on 7 August 2018, Miss Kathryn Wilkes from Say No to the Cashless Welfare Card Australia told the committee that she believed there had been insufficient public consultation, that some individuals felt their views about the trial were being ignored, and that consultation sessions had been held at times inconvenient for potential participants, such as during school pick-up time.³⁷ Mr Peter Feerick, an individual who believes he meets the criteria for participation in the new trial area, also told the committee that a consultation session he had attended in Bundaberg was

33 The Hon Christian Porter MP, Attorney-General, *House of Representatives Hansard*, 21 June 2018, p. 33.

34 Name withheld, *Submissions 2, 3, 4, 5, 6, 7, 8, 10, 11, 14, 17, 18, 19, 20, 21, 22, 23, 29, 30, 31, 32, 72, 73, 78, 86, 87, 88, 89 and 92*.

35 Council of Single Mothers and their Children and the National Council of Single Mothers and their Children, *Submission 53*, p. 2; Mr George Seymour, *Submission 25*, p. 1; National Aboriginal Community Controlled Health Organisation, *Submission 39*, p. 3, NSSRN, *Submission 45*, [p. 6]; Uniting Communities, *Submission 51*, pp. 2–3; Anglicare Australia, *Submission 52*, p. 3; Dr Shelley Bielefeld, *Submission 68*, p. 9; Say No To the Cashless Welfare Card Australia/No Cashless Debit Card Hinkler Region (SNTCWC/NCDCHR), *Submission 75*, [p. 1]; AIMN, *Submission 76*, p. 7; Australian Council of Social Service, *Submission 60*, p 2.

36 See for example: Name withheld, *Submissions 1, 16, 24, 40, 61, 62, 63 and 64*.

37 Miss Kathryn Wilkes, Main Administrator, Say No to the Cashless Welfare Card Australia, *Committee Hansard*, 7 August 2018, pp. 1, 5.

an information session about how the card would work, rather than an opportunity for concerns about the broader scheme to be addressed.³⁸

2.33 However Mr Steven Beer from IMPACT Community Services, one of the community service organisations working with the Department to hold consultation with the community, told the committee that his experience had been that people who held concerns had been misinformed about the operation of the cashless debit card and that consultation meetings appeared to have a positive impact on people's perception of the scheme:

Once they've got information about what the card is and is not, what it looks like, how it operates and works et cetera, whilst those younger people came into those sessions with some fairly negative points of view and some great questions, most of them left thinking that it was a fairly good thing to proceed with.³⁹

Operation of the cashless debit card

Cash-like products

2.34 The bill introduces new provisions which prevent the purchase of cash-like products, such as gift cards, money orders and digital currency, which could be used to obtain alcohol or gambling, from the restricted portion of a welfare payment on a cashless debit card across all trial sites.

2.35 Submitters raised concerns that the limitations on the purchase of cash-like products restrict a trial participant's ability to participate freely in the economy of their community,⁴⁰ while others suggested that preventing people from purchasing digital currency may have the effect of locking participants out of potential engagement with the online economy.⁴¹

2.36 Individual submitters affected by the cashless debit card scheme have expressed disappointment with this provision, noting that not being able to purchase gift cards will limit their ability to purchase birthday gifts for friends and family members.⁴²

2.37 The National Social Security Rights Network also questioned in its submission whether participants will be restricted from also buying gift cards or store cards from a merchant that does not sell any of the targeted prohibited items.⁴³ Submitters told the committee that gift cards for digital stores, for example, are used

38 Mr Peter Feerick, private capacity, *Committee Hansard*, 7 August 2018, p. 5.

39 Mr Steven Beer, General Manager Operations, IMPACT Community Services, *Committee Hansard*, 7 August 2018, p. 8.

40 NSSRN, *Submission 45*, [p. 8]; AIMN, GLSC p. 4.

41 AIMN, *Submission 76*, pp. 18–19. See also: SNTCWC/NCDCCHR, *Submission 75*, [p. 4]; Name withheld, *Submission 62*, [p. 2].

42 Name withheld, *Submissions 35, 36 and 62*. See also: Dr Shelley Bielefeld, *Submission 68*, p. 1.

43 NSSRN, *Submission 45*, [p. 8].

to buy educational apps necessary for children's school devices⁴⁴ or for clinical apps for mental health or stress management.⁴⁵

2.38 The Department explained in its submission that:

These products are included as restricted goods, as has always been the intention of the program, and in line with existing cash withdrawal restrictions on the [cashless debit card] account. Clarifying this provision to include 'cash-like' products will support product level blocking amendments, and help prevent participants from circumventing the program and spending their welfare payments on alcohol, gambling and drugs.⁴⁶

2.39 In relation to gift cards for stores that do not sell restricted items, the statement of compatibility clarifies that:

Cash-like products that could not be used to obtain alcohol and gambling, such as a 'closed loop' gift card for a specific store, would not be restricted.⁴⁷

2.40 The committee also notes that participants remain able to purchase cash-like products at their discretion, as well as other restricted products, using the unrestricted portion of their welfare payment.⁴⁸

Contingent amendments and cash-like products

2.41 The bill also contains contingent amendments to section 124PM of the Act, in line with other provisions in the bill to introduce the cash-like products into the list of restricted products.⁴⁹ The form of these amendments is contingent on whether the Social Services Legislation Amendment (Housing Affordability) Bill 2017 (housing affordability bill), which at the date of reporting was still before the House of Representatives, has been passed into law.⁵⁰

2.42 A small number of submitters to this inquiry have expressed reservations about provisions in the housing affordability bill which would allow a deduction of social housing rent from the unrestricted portion of a cashless debit card trial

44 Name withheld, *Submission 36*, [p. 3].

45 Name withheld, *Submission 62*, [p. 2].

46 Department of Social Services, *Submission 69*, p. 4.

47 Statement of compatibility, p. 7.

48 *Social Security Administration Act 1999*, s. 124PM.

49 Social Services Legislation Amendment (Cashless Debit Card Trial Expansion) Bill 2018, Schedule 1, Part 2.

50 Parliament of Australia, *Bills of the current Parliament: Social Services Legislation Amendment (Housing Affordability) Bill 2017*, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22legislation%2Fbillhome%2Fr5974%22> (accessed 8 August 2018). See also: Explanatory memorandum, pp. 10–11.

participant's welfare payment, leading to a reduction in available cash.⁵¹ The committee considered this matter in its report into the housing affordability bill.⁵²

Product-level blocking of restricted products

2.43 As discussed in Chapter 1, the bill introduces a provision which authorises a supplier of goods or services to decline a transaction which uses money in a welfare restricted bank account and involves obtaining restricted products (i.e. alcohol, gambling or cash-like products), which will allow merchants to introduce product-level blocking for transactions.⁵³

2.44 Dr Elise Klein, Lecturer in Development Studies at the University of Melbourne, noted that because the cashless debit card currently stops purchases of alcohol at a merchant level, some shops that serve both alcohol and food (such as pubs and restaurants) in existing trial sites are either unable to accept the card or need to have a separate till for the card to allow participants to purchase food.⁵⁴

2.45 The submission from the ANU Centre for Social Research and Methods questioned how product-level blocking would be operationalised, what the level of implementation and cooperation would be among merchants, and the extent to which legitimate purchases may be erroneously blocked.⁵⁵ The AIMN also told the committee that product-level blocking may have an unintended consequence of 'highly public' discrimination against participants if transactions are declined at the point of sale.⁵⁶

2.46 The Department explained in its submission that product-level blocking will allow merchants to be more readily able to service participants in the cashless debit card trial.⁵⁷ The statement of compatibility further notes that the provisions for product-level blocking are consistent with current processes for merchants to block purchases of restricted products, but will reduce manual management of transactions for merchants who sell both restricted and un-restricted products.⁵⁸

51 AIMN, *Submission 76*, p. 5; AHRC, *Submission 43*, p. 6.

52 Community Affairs Legislation Committee, *Social Services Legislation Amendment (Housing Affordability) Bill 2017 [Provisions]*, 6 December 2017, pp. 14–15.

53 Social Services Legislation Amendment (Cashless Debit Card Trial Expansion) Bill 2018, cl. 14; Explanatory memorandum, pp. 4, 9.

54 Dr Elise Klein, *Submission 44*, [p. 3]. Note: Indue Ltd has made available a list of excluded merchants, including merchants with a separate till for cashless debit card purchases, at <https://indue.com.au/dct/merchants/excluded/>.

55 ANUCSRM, *Submission 80*, p. 3.

56 AIMN, *Submission 76*, pp. 3–4.

57 Department of Social Services, *Submission 69*, p. 4.

58 Statement of compatibility, p. 7.

Participants' access to the restricted portion of the payment

2.47 During the committee's inquiry into the Social Services Legislation Amendment (Cashless Debit Card) Bill 2017 (2017 bill), evidence was received relating to participants' access to their restricted welfare payments for bills, online transactions and transfers, including the role of technology in using the restricted portion on the card.⁵⁹ The committee has received evidence to the current inquiry which expresses ongoing concerns about the functionality and usability of direct debit, BPAY, online shopping and other non-EFTPOS uses of the cashless debit card.

2.48 Submitters have observed that participants in existing trial sites who were unable to use technology to set up their own direct debits and bills payments have been subject to late fees after setting up their payments through Indue Ltd, the provider of the cashless debit card.⁶⁰ No Cashless Card Kalgoorlie & Surrounds described a situation where one participant was issued a breach notice for her rental property due to a mistake made in processing her rent.⁶¹ Participants also detailed frustrations in not being able to use their cashless debit card for online transactions to purchase medical devices, gifts, or other items which are not restricted.⁶²

2.49 The Department explained in its submission that, following existing trials, a number of learnings had informed and improved its communications about using the cashless debit card to address these concerns. These include:

- (a) Clear, effective messaging about setting up direct debits and automatic payments. Where appropriate, the Department will also consider refunding participants who were financially at risk due to fees associated with issues in setting-up direct debits and automatic payments from the cashless debit card.
- (b) Communication of the availability of external transfers in some circumstances, ensuring participants are aware that these can take a number of days to occur. The Department is also investigating the use of the banking sector's new payments platform, which can facilitate instant transfers between bank accounts.
- (c) Online merchant identification improvements, including streamlining processes for approval of online merchants.⁶³

2.50 During the hearing on 7 August 2018, Miss Crystal Silk, an individual who believes she meets the criteria for participation in the new trial area, told the committee her fear was that she would not be able to make direct debit payments for

59 Community Affairs Legislation Committee, *Social Services Legislation Amendment (Cashless Debit Card) Bill 2017*, 6 December 2017, pp. 20–22.

60 NSSRN, *Submission 45*, [p. 5]; SNTWC/NCDCHR, *Submission 75*, [p. 3]; No Cashless Card Kalgoorlie & Surrounds, *Submission 37*, [pp. 2–3].

61 No Cashless Card Kalgoorlie & Surrounds, *Submission 37*, [p. 2].

62 Name withheld, *Submissions 33, 34, 36 and 85*.

63 Department of Social Services, *Submission 69*, p. 5.

her car loan using the cashless debit card, which requires direct debit to be made from a bank account.⁶⁴ The Department explained that, in such an instance, a trial participant can contact the cashless debit card hotline and set up a higher recurring transfer limit to allow for the loan payment amount to be transferred to another bank account.⁶⁵

2.51 Other witnesses raised concerns about participants in the new trial site being able to access loan products in the first instance. Mrs Annette Mason and Mrs Patti Webb from the Bundaberg and District Neighbourhood Centre described that the process for people on low income to access a No Interest Loan Scheme (NILS) loan requires verification of their spending habits, generally through copies of applicants' bank statements, and questioned whether applicants would be able to provide similar statements in relation to a cashless debit card.⁶⁶ The Department confirmed that participants receive a downloadable bank statement via the Indue Ltd online portal or mobile app and may also choose to have a physical statement mailed each month.⁶⁷

Participants' access to the unrestricted portion of the payment

2.52 A number of submitters and witnesses raised concerns about the cashless debit card scheme directing only 20 per cent of a participants' income for unrestricted use, limiting their access to cash for purposes such as farmers' markets, second-hand goods, tank water and firewood, and whether lack of access to cash for these purposes could lead to undue hardship and stress for some participants.⁶⁸

2.53 These concerns were also raised by submitters to previous inquiries into the cashless debit card scheme and are discussed by the committee in its reports into the Social Security Legislation Amendment (Debit Card Trial) Bill 2015⁶⁹ (2015 bill) and the 2017 bill.⁷⁰

64 Miss Crystal Silk, private capacity, *Committee Hansard*, 7 August 2018, p. 2.

65 Mrs Selena Patrick, Branch Manager, Welfare Quarantining and Gambling Branch, Department of Social Services, *Committee Hansard*, 7 August 2018, p. 18.

66 Mrs Annette Mason, NILS Coordinator, and Mrs Patti Webb, Retired NILS Coordinator, Bundaberg & District Neighbourhood Centre, *Committee Hansard*, 7 August 2018, pp. 3–4.

67 Department of Social Services, answers to questions on notice, 7 August 2018 (received 10 August 2018).

68 Name withheld, *Submissions 1, 12, 24, 55, 56, 62 and 63*; Australian Council of Social Service, *Submission 60*, p. 4; UnitingCare Australia, *Submission 81*, p. 4; National Congress of Australia's First Peoples, *Submission 82*, p. 12; Dr Elise Klein, *Submission 44*, [p. 6]; NSSRN, *Submission 45*, [p. 5]; People With Disability Australia, *Submission 58*, p. 6; Australian Unemployed Workers Union, *Submission 59*, [p. 1]; Bundaberg Awareness Group, *Submission 74*, p. 2. See also: Commonwealth Ombudsman, *Submission 27*, p. 3.

69 Community Affairs Legislation Committee, *Social Security Legislation Amendment (Debit Card Trial) Bill 2015*, 12 October 2015, pp. 17–18.

70 Community Affairs Legislation Committee, *Social Services Legislation Amendment (Cashless Debit Card) Bill 2017*, 6 December 2017, pp. 20–22.

2.54 As discussed previously in this chapter, the Secretary will have powers to determine that a person is not a trial participant if participation would pose a serious risk to that person's mental, physical or emotional wellbeing. The Department explained in its submission that this power 'will be used to ensure vulnerable people are not adversely affected by the trial'.⁷¹

2.55 The committee also notes the Department's submission to the 2017 bill inquiry, which observed that the 80 per cent restricted/20 per cent unrestricted payment ensures that income support recipients have enough money available for life's essentials and that the cashless debit card will have very little impact for people who already spend their money responsibly.⁷²

Other issues related to the cashless debit card scheme

2.56 Across the course of this inquiry the committee received a wide range of evidence from submitters and witnesses that, although not specific to the expansion of the cashless debit card trial proposed in the bill, related to the cashless debit card scheme in a more broad sense. The committee notes that several submitters and witnesses expressed an opinion that any ongoing concerns with the cashless debit card scheme should be addressed before further expansion into new trial sites, as proposed in the bill.⁷³

2.57 Several key themes raised by submitters in relation to the scheme are discussed below.

Communication with participants in the trial

2.58 Beyond concerns about communication of the operation of the cashless debit card itself, as discussed above, some submitters noted general issues relating to communication between the Department, other stakeholders, and participants.⁷⁴

2.59 The ANAO report found that the Department had developed and implemented a communication strategy that was largely effective, but had also identified areas for improvement.⁷⁵

2.60 The Commonwealth Ombudsman told the committee that, in the small number of complaints received in relation to the cashless debit card trial, a common theme was 'poor or inadequate communication of the arrangements that apply to a person when they become a participant in the trial'.⁷⁶

71 Department of Social Services, *Submission 69*, p. 3.

72 Community Affairs Legislation Committee, *Social Services Legislation Amendment (Cashless Debit Card) Bill 2017*, Department of Social Services, Submission 8, [p. 1].

73 See for example: AHRC, *Submission 43*, p. 3; Council of Single Mothers and their Children and the National Council of Single Mothers and their Children, *Submission 53*, p. 8.

74 Dr Elise Klein, *Submission 44*, [p. 5]; People With Disability Australia, *Submission 58*, p. 5.

75 ANAO report, p. 9.

76 Commonwealth Ombudsman, *Submission 27*, p. 3.

2.61 The Community and Public Sector Union (CPSU) reported that both community engagement and the need for better resourcing and coordination between DHS and the Department has been a common theme among its members. CPSU described that frontline staff from DHS had been unable to help trial participants to fix problems that arose with their cashless debit card. CPSU noted that even where DHS staff provided the appropriate contact number for the Department, participants still attended DHS offices to try and find a face-to-face solution to their problem due to a lack of knowledge that the Department, and not DHS, managed the card.⁷⁷

2.62 Uniting Communities raised a similar concern about participants not being able to receive face-to-face information or help relating to their card, noting that 'not everyone is literate or numerate, and technology can be confusing, overwhelming and alienating'.⁷⁸

2.63 The Department explained that Indue Ltd contracts local organisations to provide face-to-face services for trial participants in each trial location.⁷⁹ A list of all local partners providing these services in existing trial sites is published on Indue Ltd's website.⁸⁰

2.64 The Department reported that the local organisations that would provide services in the new trial site had yet to be identified and that this would be done through consultation with the Community Reference Group.⁸¹

Monitoring and evaluation

2.65 As discussed in the committee's report for the inquiry into the 2017 bill, submitters and witnesses to that inquiry questioned the methodology and characterisation of the results of the final evaluation report prepared by ORIMA Research in 2017 about the cashless debit card trial. In evidence to the committee at a hearing for that inquiry, the Department informed the committee that ORIMA Research had recognised in its reports the limitations of some of the data sources and provided caveats where necessary.⁸²

77 Community and Public Sector Union, *Submission 50*, p. 1.

78 Uniting Communities, *Submission 51*, p. 7.

79 Mrs Selena Patrick, Branch Manager, Welfare Quarantining and Gambling Branch, Department of Social Services, *Committee Hansard*, 7 August 2018, p. 17.

80 Indue Ltd, 'Local partners', <https://indue.com.au/dct/localpartners/> (accessed 10 August 2018).

81 Mrs Selena Patrick, Branch Manager, Welfare Quarantining and Gambling Branch, Department of Social Services, *Committee Hansard*, 7 August 2018, p. 17.

82 Community Affairs Legislation Committee, *Social Services Legislation Amendment (Cashless Debit Card) Bill 2017*, 6 December 2017, pp. 13–15.

2.66 Submitters to this inquiry reiterated their concerns about the quality of the ORIMA Research evaluation as evidence of the efficacy of the cashless debit card trial, with many also noting the Auditor-General's findings in relation to this matter.⁸³

2.67 In the ANAO report, the Auditor-General found that while the Department had developed 'high level guidance' which informed its evaluation processes, it had not been 'fully operationalised'. The report further found that:

Social Services did not build evaluation into the [cashless debit card trial] design, nor did they collaborate and coordinate data collection to ensure an adequate baseline to measure the impact of the trial, including any change in social harm.⁸⁴

2.68 In response to these concerns about the evaluation processes for the cashless debit card trial, the Auditor-General recommended that:

Social Services should fully utilise all available data to measure performance, review its arrangements for monitoring, evaluation and collaboration between its evaluation and line areas, and build evaluation capability within the department to facilitate the effective review of evaluation methodology and the development of performance indicators.⁸⁵

2.69 The Department responded to the ANAO report findings, noting that it was in the process of implementing this recommendation and making improvements, including appointing a Chief Evaluator and establishing a new evaluation policy.⁸⁶

2.70 The Department explained that it is 'actively working' on these improvements and that it is:

...also looking at its procedures and guidance material relating to its procurement practices and developing new approaches to data monitoring and evaluation.⁸⁷

2.71 The Department also informed the committee that it is currently in the process of putting out a tender to seek a provider to conduct a second evaluation of the current trial sites. This second evaluation will build on baseline data currently being collected in the Goldfields region.⁸⁸

83 See: National Aboriginal Community Controlled Health Organisation, *Submission 39*; AHRC, *Submission 43*; Dr Elise Klein, *Submission 44*; Adjunct Professor Eva Cox, *Submission 49*; Dr Shelley Bielefeld, *Submission 68*; Associate Professor Janet Hunt, *Submission 79*; ANUCSRM, *Submission 80*; among others.

84 ANAO report, p. 38.

85 ANAO report, p. 44.

86 ANAO report, p. 44.

87 Ms Elizabeth Hefren-Webb, Deputy Secretary, Families and Communities, Department of Social Services, *Committee Hansard*, 7 August 2018, p. 13.

88 Ms Elizabeth Hefren-Webb, Deputy Secretary, Families and Communities, Department of Social Services, *Committee Hansard*, 7 August 2018, pp. 13–14.

Human rights considerations

2.72 Other notable issues raised by submitters were the extent to which the bill engages and limits certain human rights and the disproportionate impact of the bill on the rights of Aboriginal and Torres Strait Islander peoples, who are overrepresented in current trial cohorts.⁸⁹ As reported in Chapter 1, the human rights committee raised similar concerns.⁹⁰

2.73 These issues were also raised by submitters to previous inquiries into the cashless debit card scheme and are discussed by the committee in its reports into the 2015 bill⁹¹ and the 2017 bill.⁹²

2.74 The statement of compatibility recognises that the scheme engages and limits three human rights: the right to social security; the right to a private life; and the right to equality and non-discrimination. The statement of compatibility notes that, to the extent that the bill may limit human rights:

...those limitations are reasonable and proportionate to achieving the objectives of the welfare quarantining measures. The Cashless Debit Card will assist to reduce immediate hardship and deprivation, reduce violence and harm, encourage socially responsible behaviour, and reduce the likelihood that welfare payment recipients will remain on welfare and out of the workforce for extended periods of time.⁹³

2.75 In relation to concerns about the disproportionate impact of the cashless debit card scheme on Aboriginal and Torres Strait Islander peoples, the statement of compatibility acknowledges previous concerns about the indirect impact the trial may have on the right to equality and non-discrimination in existing trial sites. The statement of compatibility explains that cashless debit card scheme is not applied on the basis of race or culture, but is trialled in communities chosen on objective criteria such as high levels of welfare dependence and community harm, and that the indirect impact on Aboriginal and Torres Strait Islander peoples was a consideration in selecting a new trial site with an urban population. With the addition of the new trial area in Bundaberg and Hervey Bay, the proportion of Indigenous participants across all cohorts will be approximately 33 per cent.⁹⁴

89 Goldfields Land and Sea Council, *Submission 9*, pp. 3–4; Queensland Council of Social Service, *Submission 41*, Attachment A; AHRC, *Submission 43*, pp. 1–3; NSSRN, *Submission 45*, [p. 8].

90 Parliamentary Joint Committee on Human Rights, *Report 6 of 2018*, pp. 33, 38.

91 Community Affairs Legislation Committee, *Social Security Legislation Amendment (Debit Card Trial) Bill 2015*, 12 October 2015, pp. 14–17.

92 Community Affairs Legislation Committee, *Social Services Legislation Amendment (Cashless Debit Card) Bill 2017*, 6 December 2017, pp. 24–26.

93 Statement of compatibility, p. 11.

94 Statement of compatibility, p. 9. See also: Department of Social Services, *Submission 69*, p. 4.

Committee view

2.76 The committee notes the wide support for solutions to reduce the social harms caused by alcohol, gambling and drug abuse. However, the committee recognises that views continue to differ on whether the cashless debit card is the most appropriate and effective solution to reduce these social harms in the target communities.

2.77 The committee notes that there has been extensive consultation conducted in the Bundaberg and Hervey Bay area by the Department of Social Services and that a high level of community support has been fundamental to the proposed introduction of the cashless debit card to the area. The committee believes that the cashless debit card trial will address the community's concerns about youth unemployment, intergenerational welfare, and families who need assistance in meeting the needs of their children in the region.

2.78 It is the committee's view that the results of the independent evaluation have shown the cashless debit card to have had a positive effect on communities in existing trial sites. The committee acknowledges concerns about the evaluation process and recognises the significant steps being taken by the Department of Social Services to improve its evaluations in the future, including the appointment of a Chief Evaluator, following recommendations by the Auditor-General.

2.79 The committee also recognises the frustrations of some participants in existing trial sites who believe that communication about the cashless debit card scheme to date has not been clear or easy to understand. The committee is encouraged that the communications strategies employed by the Department of Social Services, particularly around the operation of cashless debit card, have been informed and improved by this feedback.

2.80 The committee acknowledges that this bill may limit a participant's human rights. However, the committee remains satisfied that the cashless debit card scheme only limits those rights to the extent required to achieve the objective of reducing the social harms caused by alcohol, drugs and gambling.

Recommendation 1

2.81 The committee recommends that the bill be passed.

Senator Slade Brockman

Chair

Dissenting Report by Labor Senators

1.1 Labor Party Senators on this Committee disagree with the recommendation of the majority report.

1.2 Labor Senators on the Committee note their particular dissention to paragraph 2.78 of the majority report.

1.3 Labor Senators on the Committee vehemently disagree with the statement that 'it is the committee's view that the results of the independent evaluation have shown the cashless debit card to have had a positive effect on communities in existing trial sites'.

1.4 The Committee heard overwhelmingly that there has been a serious lack of meaningful consultation in the proposed trial area of Bundaberg/Hervey Bay with people who would be affected by the rollout of the trial.

1.5 Additionally, the Committee heard directly from a number of residents who would become trial participants that they have significant concerns about the impact the trial would have on their ability to budget and to meet existing, ongoing financial obligations.

1.6 Labor Senators on this Committee note the longstanding view of the Australian Labor Party regarding the cashless debit card trial, that new trial locations should only be supported where there is clear evidence that the community in question wants to participate.

1.7 Given the evidence received, Labor Senators on this Committee are of the view that there is not sufficient evidence of broad support for the Bundaberg/Hervey Bay communities to participate in a trial of the cashless debit card.

Lack of consultation

1.8 The Committee heard that members of the Bundaberg/Hervey Bay community do not believe that adequate consultation about the proposed cashless debit card trial has taken place.

1.9 Miss Wilkes, a Bundaberg resident and advocate told the Committee that there had been 'basically...no public consultation', and that 'everybody is being ignored'.¹

1.10 The Committee received evidence that those who would be directly affected by the rollout of the cashless debit card were not meaningfully consulted with.

1.11 Mr Feerick, another local resident, told the Committee that:

I'm somebody in the target group. I'm under 36 years of age and I'm currently on a Centrelink payment. However, I don't have any of the problem issues that this card is said to address. I don't smoke, I don't gamble, I don't drink alcohol and I don't take illicit drugs; I don't take any

1 Kathryn Wilkes, *Committee Hansard*, 7 August 2018, p. 1.

drugs at all. Our local federal member...didn't make any attempt to contact me or anyone else I know in the target group to find out what our views are on the card, as people who are directly affected.²

1.12 Mr Feerick explained further:

Why has there not been a single public consultation held by a local federal representative where members of the public, as well as service providers and community leaders, can discuss in an open and robust fashion issues that affect our region and determine, as a community, how to deal with these issues?³

1.13 Labor Senators on the Committee understand that the Department of Social Services (DSS) undertook information sessions in Bundaberg/Hervey Bay.

1.14 The Committee heard evidence that these sessions did not constitute genuine consultation.

1.15 Miss Wilkes described one session:

...that wasn't a consultation. That ended up being 50 very angry people in Hervey Bay who couldn't get any questions answered and were told basically, 'You'll just have to learn to live a different way'.⁴

1.16 Mr Feerick explained the process further:

...these are all individual consultations – one on one sessions with either a federal member or with representatives from the Department of Social Services. The sessions they held that were public were two information sessions. This is how they were marketed...these sessions were run by DSS representatives telling people 'this is how the card will work.' I believe there was a third session held in Childers, but that was only open to Childers or Isis residents, and I think that was actually predominantly held to inform members of business and the chamber of commerce. There was also a fee of \$20 to even enter.⁵

1.17 Labor Senators on the Committee are seriously concerned by the lack of open communication with those in the trial target group.

1.18 Labor Senators are of the view that a genuine consultation has not taken place in Bundaberg/Hervey Bay and genuine community consent has not been achieved.

Importance of cash

1.19 Senators on the Committee heard that potential trial participants are deeply concerned about a trial rollout could affect them.

1.20 One witness, Miss Silk, explained to the Committee how she would be personally impacted by the cashless debit card trial:

2 Peter Feerick, *Committee Hansard*, 7 August 2018, p. 3.

3 Peter Feerick, *Committee Hansard*, 7 August 2018, p. 3.

4 Kathryn Wilkes, *Committee Hansard*, 7 August 2018, p. 5.

5 Peter Feerick, *Committee Hansard*, 7 August 2018, p. 5.

I will not be able to pay my car finances with the 80 per cent that's quarantined on the CDC, as mine, like other car finance accounts, only accepts the minimum required payment via direct debit, and Indue, the company looking after the CDC, apparently do not accept any direct debit, as per their terms and conditions. In a region where used car lots advertise finance for Centrelink recipients, I believe I won't be the only one with this issue.⁶

1.21 Miss Silk explained further:

As a person who budgets every dollar I spend, I, as do many others in the community, need cash to make ends meet so I can shop online on Gumtree or Facebook, on buy or swap sell sites, at garage sales on the weekend, at markets, at cash fares and at family events. And let's not forget those roadside huts that farmers put their fresh fruit and veg in for a fraction of the supermarket prices. We still have many of those huts and stalls on the sides of our roads in our region where you pay the correct cash money into a locked box or tin that a farmer will collect at the end of the day and you take the fresh produce that you bought. It works on trust, cash and community support.⁷

1.22 DSS in evidence to the committee explained that people would have to apply to the Department for a regular transfer of cash to meet regular direct debit payments for approved items such as car repayments.

1.23 Labor Senators do not believe that this has any positive benefit and is an unfair administrative burden on those who are managing the budget of a low income household.

1.24 Labor Senators are of the view that cash plays a vital role in the local economy, and that restricting the access of people in this area to cash could jeopardise their ability to participate in that community.

1.25 Labor Senators particularly believe that this applies to low income community members, who use cash to access cheaper goods and services than they may otherwise be able to.

Harmful impacts

1.26 The Mayor of the Fraser Coast Regional Council, Mr George Seymour, provided evidence in a personal capacity, and listed a number of harmful impacts that he believes would occur as a result of the introduction of the cashless debit card in Bundaberg/Hervey Bay.

1.27 Councillor Seymour told the Committee that:

having worked in the committee services sector and representing my community, [my view] is that this bill and the policy underpinning it goes against what we're trying to do for our community, that being to care for it

6 Crystal Silk, *Committee Hansard*, 7 August 2018, p. 2.

7 Crystal Silk, *Committee Hansard*, 7 August 2018, p. 2.

and to help people by empowering them and lifting them up...this bill...takes away people's autonomy and humiliates them.⁸

1.28 Additionally, Councillor Seymour told the Committee that he was concerned that the cashless debit card trial would 'lead to a black economy' as well as 'increased crime' in the community he represents.⁹

1.29 Further, Councillor Seymour told the Committee of his previous experiences of segregation, and gave evidence about his concern that the introduction of the cashless debit card in Bundaberg and Hervey Bay could have similar results:

I grew up in an area in the US where, when I went to school, we had lunch tickets. The people who were on social security had blue tickets and other children had green tickets. I also grew up in apartheid South Africa. So I've seen disadvantage. I don't understand why this is being brought to my community.¹⁰

1.30 Members of the community also explained to the Committee that there was a serious lack of entry level jobs in the Bundaberg/Hervey bay region.

1.31 Specifically, the Committee heard evidence that, according to a staff member from a local job agency, they had received 'for one entry-level job...around 400 applications'.¹¹

ORIMA evaluation

1.32 Labor Senators on the Committee note the Auditor-General's recent report on the ORIMA evaluation of the cashless debit card trial.

1.33 This independent assessment has exposed the high cost of the trials, budget overruns, a lack of effective evaluation and flawed procurement processes.

1.34 The Auditor-General's report states:

...monitoring and evaluation was inadequate. As a consequence, it is difficult to conclude whether there had been a reduction in social harm and whether the card was a lower cost welfare quarantining approach.¹²

1.35 By definition, the purpose of the trials is to determine whether the cashless debit card works, and the Government has failed this fundamental policy test.

1.36 Labor Senators are of the view – informed by the Auditor-General's report, and the evidence presented to this committee – that significantly more work on evaluating the current trials is needed before credible claims can be made that the cashless debit card is effective.

8 Councillor Seymour, *Committee Hansard*, 7 August 2018, p. 7.

9 Councillor Seymour, *Committee Hansard*, 7 August 2018, p. 7.

10 Councillor Seymour, *Committee Hansard*, 7 August 2018, p. 7.

11 Crystal Silk, *Committee Hansard*, 7 August 2018, p. 2.

12 Auditor-General's Report, *The Implementation and Performance of the Cashless Debit Card Trial*, p. 8.

Conclusion

1.37 In light of the serious community concern about the lack of employment opportunities, and the potential negative impacts, Labor Senators on the Committee are of the view that it would be inappropriate to further extend the cashless debit card trial to Bundaberg/Hervey Bay, particularly given the inability of Government to show that the measures are effective.

Recommendation 1

1.38 Labor Senators on the Committee recommend that the Senate reject the Bill.

Senator the Hon Lisa Singh

Senator Murray Watt

Senator Sue Lines

Senator Louise Pratt

Dissenting Report by the Australian Greens

1.1 The Australian Greens oppose the measures contained in Social Services Legislation Amendment (Cashless Debit Card Trial Expansion) Bill 2018 (Bill).

1.2 This Bill will extend the Cashless Debit Card to the Bundaberg and Hervey Bay area, defined as the Division of Hinkler on 31 May 2018, until 30 June 2020, and it will raise the participant cap across the trial sites from 10 000 to 15 000.

1.3 It will also introduce an exemption to the *Competition and Consumer Act 2010* for merchants who decline transactions that use the funds in a welfare restricted bank account to purchase restricted products, specifically alcohol, gambling and cash-like products. Cash-like products are defined in the Bill.

1.4 The Australian Greens note that this is the third legislation inquiry into the Cashless Debit Card and that our dissenting reports to both of the previous bills' inquiries remain relevant to the issues before us.

1.5 We continue to hold concerns about the harmful nature of compulsory income management and its ineffectiveness as a policy, the widely criticised ORIMA evaluation of the first two trial sites in Ceduna and the East Kimberley, the indirect discrimination of the card against First Nations peoples, the lack of consultation with individuals who will be affected by the card's rollout and the barriers the card creates for those forced onto it.

1.6 Our fresh concerns relating to the Cashless Debit Card and this Bill are outlined below.

1.7 The Australian Greens wish to express their disappointment that there was only a single short hearing for this inquiry held in Canberra and that there was no hearing held in the Bundaberg and Hervey Bay area.

Australian National Audit Office report

1.8 Since the last inquiry into the Cashless Debit Card, the Australian National Audit Office (ANAO) has released its report *The Implementation and Performance of the Cashless Debit Card Trial*.

1.9 In its submission to the inquiry, the Accountable Income Management Network says:

...the ANAO's report on the CDC has explicitly condemned both ORIMA's evaluation process and final report. The ANAO undertook an audit of the CDC trials to identify whether the Department of Social Services was appropriately informed and positioned to justify further roll-out of the CDC. The ANAO's report concluded that the Department of Social Services' "approach to monitoring and evaluation was inadequate. As a consequence, it is difficult to conclude whether there had been a reduction in social harm and whether the card was a lower cost welfare quarantining approach." The report also noted that the Department of Social Services failed to "actively monitor risks identified in risk plans and there were deficiencies in elements of the procurement process." Referring specifically

to the ORIMA evaluation of the trial, "there was a lack of robustness in data collection and the department's evaluation did not make use of all available administrative data to measure the impact of the trial including any change in social harm." Crucially, the Auditor-General found that "the trial was not designed to test the scalability of the CDC and there was no plan in place to undertake further evaluation." This indictment of the trials specifies that there is no clear basis for expansion of the CDC, and casts doubt on the validity of the current trials.¹

Scope for Bundaberg/Hervey Bay area trial site

1.10 The Bill will see those under 36 years who are receiving Newstart Allowance, Youth Allowance (excluding new apprentices or those undertaking full-time study out of area) or Parenting Payment and whose usual place of residence is, becomes or was within the Bundaberg and Hervey Bay area subjected to the Cashless Debit Card.

1.11 The Accountable Income Management Network says in its submission:

While the justification given by the Department of Social Services is that this age bracket encompasses those at most risk of harm related to alcohol and other drugs and gambling, this will result in the further marginalisation of a particular demographic within the group of income support recipients in the Bundaberg and Hervey Bay Region.²

1.12 The Parliamentary Joint Committee on Human Rights says in its most recent report:

As the cashless debit card trial applies to anyone below the age of 35 residing in the trial location who receives the specified social security payments, there are serious doubts as to whether the measures are the least rights restrictive way of achieving the objective. In relation to the bill, this concern is heightened insofar as the trial applies not only to persons whose usual place of residence 'is or becomes' within the Bundaberg and Hervey Bay area, but also applies to a person whose usual place of residence *was* within the area.³

1.13 In relation to the trial applying to those whose usual place of residence was within the area, the Australian Human Rights Commission says in its submission:

The Commission considers that this over-inclusive application of the cashless debit card trial is unnecessary and notes that the statement of compatibility with human rights does not provide a compelling justification for the proposed amendment.⁴

1 Accountable Income Management Network, *Submission 76*, pp. 9-10.

2 Accountable Income Management Network, *Submission 76*, p. 4.

3 Parliamentary Joint Committee on Human Rights, *Report 6 of 2018*, p. 37.

4 Australian Human Rights Commission, *Submission 43*, p. 2.

Consideration of Participant Wellbeing

1.14 The Australian Greens have concerns regarding subsection 124PGA(5) of the Bill, which says:

The Secretary is not required to inquire into whether a person being a trial participant under this section would pose a serious risk to the person's mental, physical or emotional wellbeing.

1.15 The Accountable Income Management Network says in its submission:

The lack of requirement for the Secretary to consider the detrimental effects of the CDC on a participant's wellbeing prior to their enrolment in the trial is of great concern, as it forces the burden of proof of hardship on to income support recipients.⁵

1.16 Further on, it continues:

As noted by the ANAO, key services in trial sites that relate directly to participant wellbeing [including the wellbeing exemptions] were not adequately monitored and evaluated to determine their effectiveness and to drive improvement in trial operation by the Department of Social Services[.]⁶

1.17 The Parliamentary Joint Committee on Human Rights says in its most recent report:

...the secretary is not required to make inquiries on this matter but is only required to take action once being made aware of the relevant facts. It is not clear how the secretary would be made aware of whether a person's participation in the trial is impacting a person's mental, physical and emotional wellbeing.⁷

Community bodies/panels

1.18 The Australian Greens are concerned about the inclusion of the community body/panel model for the proposed new trial site. This concern is exacerbated by the recent ANAO report.

1.19 The Accountable Income Management Network says in its submission:

This directly contradicts the Department of Social Services' statement [to the ANAO] that the Community Panels were not...suitable for carry-over to further trial sites.⁸

1.20 Further on, it continues:

...the ANAO report reveals that the community panels were not effectively or sufficiently evaluated as a component of the trials in current trial sites, noting that "the indicator developed to assess the operational performance

5 Accountable Income Management Network, *Submission 76*, p. 4.

6 Accountable Income Management Network, *Submission 76*, p. 18.

7 Parliamentary Joint Committee on Human Rights, *Report 6 of 2018*, p. 37.

8 Accountable Income Management Network, *Submission 76*, p. 4.

of the Community Panels did not take into account feedback from trial applicants."

Finally, the ANAO notes that the Department of Social Services did not appropriately report on Community Panels in their report to the Minister in October of 2017: "Social Services did not refer to the evaluation of the trial, which noted other factors that impacted on the effectiveness of Community Panels, including the '...delay in establishing and commencing the Community Panels from the start of the trial' and that '...the panel process was not adequately known and communicated' to the trial participants and communities. The evaluation report indicated that community leaders and stakeholders indicated they believed the Community Panel was '...a good and necessary safeguard process in the trial to ensure that personal/family circumstances and needs were taken into consideration'."⁹

1.21 Say No To Cashless Welfare Card/No Cashless Debit Card Hinkler Region says in its submission:

This is concern[ing] as to who would be empowered to run such programs without being professionals, who would be involved, what experience would they have? Who would be able to gain power to take control of other peoples' lives? PRIVACY!¹⁰

1.22 The National Social Security Rights Network (NSSRN) says in its submission:

We have previously highlighted concerns with the CDC community panels. In the small trial communities, there is a strong likelihood that an applicant will know members of the Community Panels. This raises issues of bias, conflicts of interest, and discrimination. We have also raised specific concerns about the application process and the evaluation criteria. The application process requires applicants to consent to the release or cross-matching of data from a range of government agencies. This process inevitably involves the disclosure of substantial personal information to people personally known to them. Furthermore, there is no independent review of a percentage decision, either through internal review or review by the Administrative Appeals Tribunal.¹¹

1.23 The Australian Greens are also concerned that the Bill amends how the authorisation of community bodies will occur for the new site. Instead of authorisation being by legislative instrument, it will be by way of notifiable instrument, which removes the ability for parliamentary scrutiny.

9 Accountable Income Management Network, *Submission 76*, p. 16.

10 Say No To Cashless Welfare Card/No Cashless Debit Card Hinkler Region, *Submission 75*, p. 5.

11 National Social Security Rights Network, *Submission 45*, p. 7.

Additional amendments in the Bill

Point of sale exemption and cash-like products ban

1.24 The Australian Greens have concerns regarding subsection 124PQ(2A) of the Bill, which seeks to exempt the declining of a transaction from the *Competition and Consumer Act 2010* if it involves money from a welfare restricted bank account and the purchasing of alcohol, gambling or a cash-like product that could be used to purchase alcohol or gambling. This will affect all trial sites.

1.25 Subsection 124PQA will insert the definition of cash-like products. It says:

Without limiting sections 124PM and 124PQ, cash-like product includes any of the following:

- (a) a gift card, store card, voucher or similar article (whether in a physical or electronic form);
- (b) a money order, postal order or similar order (whether in a physical or electronic form);
- (c) digital currency.

1.26 The NSSRN says in its submission:

This amendment will unnecessarily expand the ambit of control exercised over the restricted portion of a CDC. Under this measure, a person will be restricted from buy[ing] a gift or store card from a merchant that does not even sell any of the targeted prohibited items. This provision will further act to disempower CDC holders and limit their economic and social participation in their communities.¹²

1.27 The Australian Council of Social Service says in its submission:

We also note that people will be denied purchasing gift cards, money orders and postal orders. This could lead to some people being unable to pay things like a bond (which often requires a money order) or send money by post.¹³

1.28 The Accountable Income Management Network says in its submission:

This means that merchants will be authorised to discriminate against trial participants at the point of sale based on their being subject to the trial. We note that the recommendation for further technologisation of the CDC through point-of-sale blocking of restricted products was included and developed in the Minderoo Foundation's report on the CDC from late 2017...

While the Bill does not make declining such transitions mandatory, it does open the possibility for merchants to undertake such actions without violating the *Competition and Consumer Act 2010*.¹⁴

12 National Social Security Rights Network, *Submission 45*, p. 8.

13 Australian Council of Social Service, *Submission 60*, p. 5.

14 Accountable Income Management Network, *Submission 76*, pp. 18-19.

1.29 Say No To Cashless Welfare Card/No Cashless Debit Card Hinkler Region says in its submission:

We assert:

- a) That the inclusion of digital currencies on prohibited lists bears no relation to the stated cash control objectives of the CDCT.
- b) That exclusion from the digital currency marketplace is a breach of economic, social and cultural rights and is radically discriminating against Social Security recipients as a cohort.
- c) That digital currencies are part of the digital /online world schema and therefore represent an essential generational and cultural artefact in their own right.
- d) That this amendment will impact significantly upon the under 36 year old cohort and others, that may require digital currency access for self advancement and self maintenance ie: the unemployed and under-employed and persons with mental illness.
- e) This amendment is changing the entire nature of the Cashless debit Card legislation from being one of cash restriction for purpose, to one of wholesale economic segregation.
- f) This amendment seeks to remove the right of individuals to transact external to the banking sector in a manner of their own choosing.¹⁵

Secretary's discretionary powers

1.30 The Australian Greens have concerns regarding subsection 124PJ(4A) and (4B) of the Bill. Subsection 124PJ(4A) and 124PJ(4B) have the effect of transferring the power for varying percentages of restricted and unrestricted portions for particular individuals from the Minister via legislative instrument to the Secretary via written determination.

1.31 The Accountable Income Management Network says in its submission:

Importantly, this means that these decisions, while subject to Parliamentary disallowance in the Ceduna, East Kimberley and Goldfields regions, will *not* be subject to the same mechanism in the Hinkler electorate.¹⁶

Contingent amendments

1.32 The Australian Greens have concerns regarding the contingent amendment in the Bill (item 20) that will come into effect if the applicable amendments in Social Services Legislation Amendment (Housing Affordability) Bill 2017 have commenced at the time these amendments commence.

1.33 As the Parliamentary Joint Committee on Human Rights says in its most recent report:

15 Say No To Cashless Welfare Card/No Cashless Debit Card Hinkler Region, *Submission 75*, p. 4.

16 Accountable Income Management Network, *Submission 76*, p. 18.

The effect of this amendment would be to...retain the proposed deletion of current section 124PM(b) which allows persons to use the unrestricted portion of the payment, as paid to the person, at the person's discretion.¹⁷

1.34 The Australian Human Rights Commission says in its submission:

...by removing the safeguard for persons to use the 'unrestricted' portion 'at their discretion' and by further restricting the uses to which the 'restricted' portion can be directed, both Bills are therefore detrimental to the economic freedom of trial participants.¹⁸

1.35 The Australian Greens do not support the Social Services Legislation Amendment (Housing Affordability) Bill 2017.

Concerns of those who will be subjected to the card in the Bundaberg and Hervey Bay area

1.36 A number of submissions were received from individuals who will be subjected to the card if this Bill passes. A number of these individuals also provided evidence at the hearing for this inquiry. The Australian Greens are concerned that their views have not been heard through consultations. Accordingly, we have highlighted some of their concerns below.

1.37 Say No To Cashless Welfare Card/No Cashless Debit Card Hinkler Region, among other things, was concerned about the lack of public consultation from the local member and the costs associated with the card, both monetary and for those to be subjected to the trial.¹⁹ They say in their submission:

The stigma attached to the card through the constant demonising of the people on social security, the media "welfare bashing" has already changed our local community language and the way people on social security are being treated[.]²⁰

1.38 They continue:

This card will further divide our community, excluding so many people in so many ways, from community events, school events, charity events, cash economy, secondhand economy, but also the banking economy...

Just like the people on the card in other regions, our residents do not deserve to be treated as a sub class citizen with their human rights removed, their freedom removed, their ability to travel, decided for them...²¹

17 Parliamentary Joint Committee on Human Rights, *Report 6 of 2018*, p. 39.

18 Australian Human Rights Commission, *Submission 43*, p. 2.

19 Say No To Cashless Welfare Card/No Cashless Debit Card Hinkler Region, *Submission 75*, p. 1.

20 Say No To Cashless Welfare Card/No Cashless Debit Card Hinkler Region, *Submission 75*, p. 2.

21 Say No To Cashless Welfare Card/No Cashless Debit Card Hinkler Region, *Submission 75*, p. 3.

1.39 Instead, they wanted to see the money that would be spent on the trial go into funding services such as homeless and domestic violence shelters and to funding education pathways and creating jobs for the local young people.²²

1.40 Submission 1 says:

We live in Childers QLD and it would make our household worse off than it is now as many of our household bills are handled by direct debiting especially our mortgages, which the card does not allow, with alternative payment options taking up to nine months to arrange.²³

1.41 It continues:

Housing with the card wi[ll] be virtually unattainable as most of the real estate agencies use direct debiting options and again not an option on the cashless card. Households that rely on cash income streams like garage sales, markets, Ebay, Etsy and so forth, will lose that income and be worse off and kiss goodbye to school tuckshops as most of these (at least in the Childers area) are cash facilities only.²⁴

1.42 Submission 12 says:

I feel that the removal of cash from a place like the seat of [H]inkler would place a very large strain on the local economy.

1/ The local farmers who sell on the side of the road will feel it.

2/ People trying to sell second hand items will feel the loss of buyers.

3/ The local markets will also lose buyers.

4/ School fetes will lose out as some of the people targeted here will probably have school age children and won[']t have the cash to buy or participate[.]

5/ Children will miss out on school activities or buying second hand items from schools as the parents won[']t have cash.

6/ Local small businesses who deal in cash will lose customers.

7/ People won[']t be able to buy online thus pushing their cost of living up.²⁵

Conclusion

1.43 It is difficult to comprehend why the Government is pushing forward with the expansion of the Cashless Debit Card to the Bundaberg and Hervey Bay area, particularly when the evidence does not exist to support this further roll out. Instead,

22 Say No To Cashless Welfare Card/No Cashless Debit Card Hinkler Region, *Submission 75*, p. 3.

23 Name withheld, *Submission 1*, p. 1.

24 Name withheld, *Submission 1*, p. 1.

25 Name withheld, *Submission 12*, p. 1.

the Government should be investing the money to be spent administering this trial on services for the area.

Recommendation 1

1.44 The Australian Greens recommend that the bill not be passed.

Senator Rachel Siewert

Senator Andrew Bartlett

APPENDIX 1

Submissions and additional information received by the Committee

Submissions

- 1** Name Withheld
- 2** Name Withheld
- 3** Name Withheld
- 4** Name Withheld
- 5** Name Withheld
- 6** Name Withheld
- 7** Name Withheld
- 8** Name Withheld
- 9** Goldfields Land and Sea Council (plus an attachment)
- 10** Name Withheld
- 11** Name Withheld
- 12** Name Withheld
- 13** Confidential
- 14** Name Withheld
- 15** Confidential
- 16** Name Withheld
- 17** Name Withheld
- 18** Name Withheld

- 19 Name Withheld
- 20 Name Withheld
- 21 Name Withheld
- 22 Name Withheld
- 23 Name Withheld
- 24 Name Withheld
- 25 Mr George Seymour
- 26 Name Withheld
- 27 Commonwealth Ombudsman
- 28 Name Withheld
- 29 Name Withheld
- 30 Name Withheld
- 31 Name Withheld
- 32 Name Withheld
- 33 Name Withheld
- 34 Name Withheld
- 35 Name Withheld
- 36 Name Withheld
- 37 No Cashless Card Kalgoorlie and Surrounds
- 38 Name Withheld
- 39 National Aboriginal Community Controlled Health Organisation
- 40 Name Withheld

- 41 Queensland Council of Social Service (plus two attachments)
- 42 Shire of Coolgardie
- 43 Australian Human Rights Commission (plus an attachment)
- 44 Dr Elise Klein
- 45 National Social Security Rights Network
- 46 Australian Association of Social Workers
- 47 Confidential
- 48 Public Health Association of Australia
- 49 Adjunct Professor Eva Cox
- 50 Community and Public Sector Union
- 51 Uniting Communities
- 52 Anglicare Australia
- 53 Council of Single Mothers and their Children and National Council of Single Mothers and their Children
- 54 Name Withheld
- 55 Name Withheld
- 56 Name Withheld
- 57 Respect Inc
- 58 People with Disability Australia
- 59 Australian Unemployed Workers' Union
- 60 Australian Council of Social Service
- 61 Name Withheld

- 62 Name Withheld
- 63 Name Withheld
- 64 Name Withheld
- 65 Name Withheld
- 66 Name Withheld
- 67 Name Withheld
- 68 Dr Shelley Bielefeld
- 69 Department of Social Services
- 70 Name Withheld
- 71 Australian Association of Social Workers - Queensland Branch
- 72 Name Withheld
- 73 Name Withheld
- 74 Bundaberg Awareness Group
- 75 Say No To Cashless Welfare Card and No Cashless Debit Card Hinkler Region (plus four attachments)
- 76 Accountable Income Management Network
- 77 Good Shepherd Australia New Zealand
- 78 Name Withheld
- 79 Dr Janet Hunt (plus two attachments)
- 80 ANU Centre for Social Research and Methods
- 81 UnitingCare Australia
- 82 National Congress of Australia's First Peoples

- 83 Name Withheld
- 84 Name Withheld
- 85 Name Withheld
- 86 Name Withheld
- 87 Name Withheld
- 88 Name Withheld
- 89 Name Withheld
- 90 Name Withheld
- 91 Name Withheld
- 92 Name Withheld
- 93 Name Withheld
- 94 Name Withheld
- 95 PeakCare Queensland
- 96 Name Withheld
- 97 Name Withheld
- 98 Name Withheld
- 99 Name Withheld
- 100 Name Withheld
- 101 Name Withheld
- 102 Name Withheld
- 103 Name Withheld
- 104 Say No Seven Community

- 105 Royal Australian and New Zealand College of Psychiatrists
- 106 Name Withheld (plus an attachment)
- 107 Indue
- 108 St Vincent de Paul Society National Council

Additional Information

- 1 Hearing speaking points, from Mr Peter Feerick, received 9 August 2018

Answers to Questions on Notice

- 1 Answers to Questions taken on Notice during 7 August public hearing, received from IMPACT Community Services, 7 August 2018
- 2 Answers to Questions taken on Notice during 7 August public hearing, received from Ms Faye Whiffin, 8 August 2018
- 3 Answers to Questions taken on Notice during 7 August public hearing, received from Mr Peter Feerick, 9 August 2018
- 4 Answers to Questions taken on Notice during 7 August public hearing, received from Miss Crystal Silk, 9 August 2018
- 5 Answers to Questions taken on Notice during 7 August public hearing, received from Department of Social Services, 10 August 2018

Correspondence

- 1 Petition letter, received from the residents of Kalgoorlie-Boulder and surrounds, 18 July 2018

APPENDIX 2

Public hearings

Tuesday, 7 August 2018

Parliament House, Canberra

Witnesses

Say No to the Cashless Welfare Card Australia

WILKES, Miss Kathryn, Main Administrator

FEERICK, Mr Peter, Private capacity

SILK, Miss Crystal, Private capacity

Bundaberg and District Neighbourhood Centre

MASON, Mrs Annette, NILS Coordinator

WEBB, Mrs Patti, Retired NILS Coordinator

Fraser Coast Regional Council

SEYMOUR, Mr George, Mayor

Bundaberg and District Chamber of Commerce

SAYRE, Mr Tim, Vice President

IMPACT Community Services

BEER, Mr Steven, General Manager Operations

WHIFFIN, Ms Faye, Private capacity

Department of Social Services

HEFREN-WEBB, Ms Elizabeth, Deputy Secretary, Families and Communities

TALONI, Mr Bruce, Group Manager, Families and Communities Reform Group

PATTRICK, Mrs Selena, Branch Manager, Welfare Quarantining and Gambling Branch

BROWN, Mr Philip, Branch Manager, Policy Strategy and Capability Branch