

Dissenting Report by the Australian Greens

1.1 The Australian Greens do not support the majority report on Social Services Legislation Amendment (Cashless Debit Card) Bill 2017. This bill will allow the cashless debit card scheme to continue indefinitely in the two current trial sites (Ceduna and East Kimberley) and expand to new sites to be determined by disallowable instrument.

1.2 The Australian Greens reject the committee view in the majority report that the ORIMA research indicates fewer incidents of anti-social behaviour. The ORIMA reports are not reliable sources of evidence. Not only have these ORIMA reports been widely criticised by numerous social scientists and academics for not adhering to academic standards, having major flaws in both methodology and the way it was reported, the committee also heard at the inquiries and through written submissions from people on the ground who gave evidence to the contrary.

1.3 The Australian Greens reject the committee view in the majority report that extensive consultation was undertaken with the Kimberley and Ceduna trial sites as well as the proposed new sites of the Goldfields and Hinkler regions. The evidence presented to the committee showed that the consultation process was flawed. The Government's lack of consultation with the community members who would be subject to the card was almost non-existent and showed a fundamental lack of respect for people receiving income support.

1.4 Unlike the committee view in the majority report the Australian Greens are still concerned about the operation of the cashless debit card and its impact on participants. The Australian Greens are not satisfied with the committee view that the department's continued consultation will ensure that the proposed new sites are prepared to implement the card and be able to provide the appropriate services when the previous consultation process was so poor and the implementation of support services sporadic.

1.5 Unlike the view expressed in the majority report the Australian Greens are deeply concerned that this bill limits human rights. As outlined in many submissions to the inquiry the circumstances in the trial site are not so extreme or exceptional as to warrant an approach that infringes on the human rights of income support recipients and the Australian Greens reject the committee view that this approach is warranted and legitimate.

1.6 The Australian Greens reject the committee view in the majority report that the cashless debit card has had a positive impact on the trial sites. The so-called independent evaluations the major committee report is relying on as justification for recommending the further implementation of the cashless debit card have been widely rejected by researchers and social policy experts and they do not stand up to scrutiny.

1.7 The Australian Greens submitted a dissenting report to the Social Security Legislation Amendment (Debit Card Trial) Bill 2015 (bill) expressing deep concerns regarding Compulsory Income Management, recommending that the bill not be passed. The evaluations of the two existing trial sites have reinforced these concerns.

1.8 The Australian Greens oppose Compulsory Income Management. It is a failed measure as can be seen in the final evaluation of the NT Intervention. Compulsory Income Management impacts negatively on individuals and the community and imposes significant costs on Government. Evidence provided through submissions and through hearings to this inquiry show the fundamental and deep flaws in this approach.

1.9 The Australian Greens share the view of the Western Australian Council of Social Services who said in their submission that:

While the Prime Minister continues to claim that 'the best form of welfare is a job' it is evident that no matter how unpleasant or demeaning they make accessing income support, nor how far below the poverty line the level of payments fall – you simply cannot force people into jobs when the jobs they need aren't there. The resources being spent on complex cashless debit card arrangements and trials would have a much greater impact if spent on job creation, on providing appropriate support for those who need help to deal with alcohol, drug or gambling addictions and mental health problems.¹

Using evidence-based programs to improve outcomes

1.10 Income management has proven to be an ineffective policy that disempowers and harms those that need help the most. Submissions to the inquiry by peak social service bodies and Aboriginal and Torres Strait Islander organisations from across Australia expressed deep and fundamental concerns with Compulsory Income Management.

1.11 Despite the history of its imposition, there is no clear evidence that compulsory income management works, or improves the lives of those it affects.²

1.12 One of the most extensive evaluations of income management is the evaluation of income management in the Northern Territory, commissioned by the then FaHCSIA. The report was completed by experts from the Social Policy Research Centre at UNSW, the Australian National University and the Australian Institute of Family Studies, over several years.³

1.13 The final report, building on extensive research, concluded:

The evaluation could not find any substantive evidence of the program having significant changes relative to its key policy objectives, including changing people's behaviours ... The evaluation data does not provide evidence of income management having improved the outcomes that it was intending to have an impact upon⁴

1 WACOSS, *Submission 7*, p. 4.

2 Reconciliation Australia, *Submission 38*, p. 3.

3 J Rob Bray, Matthew Gray, Kelly Hand and Ilan Katz, *Evaluating New Income Management in the Northern Territory: Final Evaluation Report*, September 2014.

4 J Rob Bray, Matthew Gray, Kelly Hand and Ilan Katz, *Evaluating New Income Management in the Northern Territory: Final Evaluation Report*, September 2014, pp. xxi-xxii.

1.14 In evidence to the committee inquiry into the Social Security Legislation Amendment (Debit Card Trial) Bill 2015 (bill) one of the authors of that report confirmed the findings and relevance of that report:

...the evaluation of income management in the Northern Territory is very relevant to this particular trial. The measures are very, very similar in how they operate. There are some differences, but I think on balance the substance of the measures is very similar. It is basically putting some limitations on how some people can use some of their funds. Turning to what we found in the evaluation of new income management, the first was effectively that the program did not achieve its goals. It did not change behaviours and it did not improve outcomes.⁵

1.15 The Australian Greens share the concerns of ACOSS regarding the opportunity cost of CDC:

CDC costs approximately \$10,000 per person covered by the trial over a 12-month period. The actual cost of the program over the forward estimates is unknown as this information is commercial –in-confidence. To put this expenditure into perspective, the individual cost of CDC is almost as much as the single rate Newstart Allowance, which is \$14,000 per annum. Legitimate questions have been raised about the opportunity cost of the CDC, particularly when the trial sites have serious problems such as poverty, lack of employment opportunities, poor/unaffordable housing and poor access to health services. The expenditure on CDC may have far greater impact if it was directed to services and programs developed and led by communities.⁶

Consultation

1.16 In addition to broad concerns with Compulsory Income Management, there are clear flaws in how the Government has consulted with communities before, during and after they have imposed this card. This inquiry process as well as the inquiry process into the Social Security Legislation Amendment (Debit Card Trial) Bill 2015 (bill) highlighted significant gaps in the consultation process. Individuals directly impacted by the measure have not been adequately consulted or in fact barely consulted at all.

1.17 It is also clear that the Government has focused consultation on some Aboriginal peak organisations and some individual members of Aboriginal communities but has not consulted broadly with community members including those who are on income support and would be directly affected by this legislation.

1.18 The Australian Human Rights Commission and the Australian Law Council unequivocally told the inquiry that community consultation was inadequate and communities were unable to give free, prior and informed consent to the trials.⁷

5 Mr J Rob Bray, Australian National University, *Committee Hansard*, 11 September 2015, p. 6.

6 ACOSS, *Submission 39*, p. 10.

7 Law Council of Australia, *Committee Hansard*, 2 November 2017, p.16.

1.19 Ms Hatfield from Catholic Social Services who spent time in both Ceduna and East Kimberley told the inquiry that:

Many of the people that I spoke to felt that the government had consulted with a number of key leaders but hadn't consulted more broadly with the community, and that those key leaders didn't represent them and couldn't speak for them. So they felt this card had been imposed on them. It was suggested that if the consultation had been more inclusive and took into account people that were directly affected by the changes, it could have been done better and there would have been more a sense that the card was not imposed on people. Most of the people that I spoke to said that the card had just made their lives more difficult, and they were very frustrated that they didn't have an opportunity to be involved in the consultation beforehand.⁸

1.20 Evidence in the Committee process and direct communication with members in the Ceduna community suggests that the consultation process has focused on select organisations, rather than talking to the people affected. Some community members have organised petitions and meetings in opposition to the measure. This is a strong response in a small community, where community leaders may have significant influence.

1.21 Dr Elise Klein who is completing a 14-month research project at the University of Melbourne on the cashless debit card in the East Kimberley told the inquiry in regards to consultation:

The term 'community' has deployed this imagery by policymakers to infer some sort of unity and that the card was invited by people of the community, and 'leadership' was used to infer some form of representation. But in reality, both these terms used by government have picked supporters of the people to be put on the trial were not even included in conversations, partly because they were already reduced through this discourse of deficit, deemed as alcoholics and gamblers, which is extremely disempowering for people who have a lot to say and are very informed. The consultation itself was never about working with people and co-designing it; it was more of a PR sales pitch and it was about getting the card accepted through whatever means necessary. We can't underestimate the symbolic power of the card in the East Kimberley, where it's referred to as the white card. To people the card represented continued government intervention and attempts of control over first-nations people. This is not a good thing for community development.⁹

1.22 In regards to consultation at the proposed third trial site in the Hinkler region, Ms Leanne Donaldson, the Member for Bundaberg told the committee:

In relation to the federal member talking about his 'wide consultation', his consultation has been selective and secretive. It hasn't been open. In contrast to that, I held a community forum in Bundaberg on 5 June, and I

8 Ms Hatfield, Catholic Social Services Australia, *Committee Hansard*, 2 November 2017, p. 6.

9 Dr Klein, *Committee Hansard*, 2 November 2017, p. 32.

made it an open invitation. I invited the federal member to come along. He chose not to and didn't send a representative. For our community, over 120 people attended. The consultation has been very selective and very secretive. As a community leader, I've had no approach from either the minister or the federal member to include me in any consultation. In fact, Minister Tudge came to town and did a media interview across the road from my office and then had a meeting a block away on the other side. The afternoon before, he sent an email inviting me to meet with him in Melbourne, knowing full well he was going to be in Bundaberg. So I feel that I've been actively excluded and that there have not been any opportunities for people in the community to have their voices heard at all.¹⁰

1.23 Ms Mason from the Gidarjil Development Corporation told the inquiry about the lack of consultation with the Aboriginal community in Queensland:

Gidarjil is probably considered the largest Indigenous organisation in Bundaberg, and there hasn't been any approach from the federal minister in regard to this or in fact anything. He has been invited to come, and I have personally invited him to come to our offices to see what we do, but we haven't had any consultation at all on this.¹¹

1.24 The community consultation process across both trial sites as well as the intended trial sites has been opaque, fractured and secretive and is not a reliable indicator of community sentiment.

Implementation

1.25 During this inquiry there were many issues raised by people on the card, service providers in the community and business owners. Many people face barriers using the cards to purchase necessities and to pay their bills.

1.26 Practical concerns raised during the inquiry that people subjected to the card have experienced:

- Unable to buy second-hand goods – deeply disruptive for people on low incomes
- The card not working at the supermarket, chemist or post office
- No joint accounts—difficult for people with disability and carers and couples
- No direct debits
- No privacy and feeling of being stigmatised resulting in poor mental health outcomes
- Restrictions from many dining venues
- Being unable to purchase from 'mixed merchants'

10 Ms Donaldson, Member for Bundaberg, *Committee Hansard*, 2 November 2017, p. 39-41.

11 Ms Mason, Gidarjil Development Corporation, *Committee Hansard*, 2 November 2017, p. 42.

- Isolation from their communities because they can't participate in activities where cash is required or are at venues where alcohol is served
- Landlords in some communities only accepting cash as payment for rent
- Difficulties for individuals to visit country without access to cash.

1.27 The Committee also heard evidence of how people are circumventing the system to get the cash they need:

- 'Humbugging' – putting pressure on members of family to provide cash
- Many anecdotal reports by a variety of stakeholders that people have left communities before the card was implemented
- Reports of women selling their bodies for sex in order to get cash
- Reports of a significant increase in family violence because of the increase in poverty and pressure on the household
- Reports of deliberately overcharging in taxis and receiving money back in cash
- People gambling to be able to afford alcohol sold on the black market
- Paying for other peoples' shopping with the card and receiving cash in exchange.

1.28 Ms McLeod SC, President of the Law Council of Australia told the inquiry:

In the East Kimberley particularly, they had seen pressure applied on those family members who were not on the program by members who were on the program. In particular, elderly people were under pressure to hand over their cash to those family members who were cash restricted. So we had shifted the problem away from the management of health issues and towards an encouragement of 'humbug'—that is, pressure on vulnerable family members—which created additional pressures for that community given that those vulnerable and, in this case, elderly family members were often providing guidance or support to other family members. There was also reporting—and this is anecdotal through the lawyers—of people leaving the community where they were restricted and crossing a nominal geographic barrier to the next town to run grog or to obtain services from family members or extended family in the next town.¹²

Indirect discrimination and human rights

1.29 A number of submissions noted concerns that the trial sites disproportionately impact Aboriginal and Torres Strait Islander communities.

1.30 In the Australian Human Rights Commission submission to the Inquiry the Aboriginal and Torres Strait Islander Social Justice Commissioner said:

12 Ms McLeod, President, Law Council of Australia, *Committee Hansard*, 2 November 2017, p. 12.

The Commission has particularly been concerned about the effects of these income management measures in relation to Aboriginal and Torres Strait Islander peoples, whom we have previously identified to be a group that are disproportionately impacted by such measures. As at September 2016, 75% of trial participants in Ceduna and 82% of trial participants in the East Kimberley were Indigenous. Whilst the Explanatory Memorandum acknowledges that trials of the cashless debit card are already underway in areas with high Indigenous populations, it proposes that future sites will give priority to locations with lower proportions of Aboriginal and Torres Strait Islander peoples. The Commission remains concerned that the measures will continue to disproportionately affect Aboriginal and Torres Strait Islander people, not just in the existing locations of the East Kimberley and Ceduna where Indigenous populations are high, but also in future locations. This is the case because the measures proposed in the Bill target a section of the population who are receiving income support payments.¹³

There are therefore concerns about whether the measures are inconsistent with the *Racial Discrimination Act 1975* (Cth) and guarantee Aboriginal and Torres Strait Islander peoples equality before the law. The Commission considers that the measures are not proportionate to the benefits sought by the Bill because their purpose could be achieved through other, less restrictive means. The Commission does not agree with the assessment that the Bill or existing cashless debit card measures are compatible with human rights standards.¹⁴

1.31 The Kimberley Land Council told the inquiry:

While we acknowledge the widespread negative impacts of alcohol and drugs in the Australian community, it is evident that it is Aboriginal people and communities who are most often penalised by punitive, experimental and top-down policies regarding an issue that impacts the whole society. The government has taken what the KLC would characterise as a sledgehammer approach, which does little to address the root cause of the issues faced by Aboriginal people, particularly those in the East Kimberley. The KLC is further concerned that, for those who need assistance to overcome alcohol and drug dependency, the cashless debit card has very little proven ability to improve lives or create meaningful change. In 2014, the federal government announced its \$5 million Empowered Communities program. It promised Aboriginal people a greater say, a greater responsibility, on how best to respond to local issues. Only two years later, we see Empowered Communities being undermined by the implementation of the cashless debit card and the views of those most affected local Aboriginal people sidelined by a government seemingly determined to implement a flawed policy.¹⁵

13 Australian Human Rights Commission, *Submission 30*, p. 2.

14 Australian Human Rights Commission, *Submission 30*, p. 3.

15 Mr Garstone, Kimberley Land Council, *Committee Hansard*, 2 November 2017, p. 18.

Evaluations

1.32 The Australian Greens are deeply concerned that the Government is not implementing social policy based on evidence. Not only have they discounted the NT Intervention evaluation the three so-called independent evaluations of the Cashless Debit Card trial - Initial Conditions Report, Wave 1 Interim Evaluation Report and Final Evaluation Report (Wave 2) have been widely criticised for not adhering to academic standards, having major flaws in both methodology and the way it has reported and relying on piecemeal and anecdotal evidence.

1.33 The Greens share the concerns of the Social Services peak body ACOSS regarding the ORIMA evaluations:

No respected researcher or social policy expert has supported the Orima evaluation as a robust piece of research. The lack of rigour of the Orima evaluation is deeply disappointing, not least because the people subjected to CDC deserve reliable evaluation to determine whether or not the card has improved health and wellbeing outcomes. It should also mean that it is difficult for policy makers to judge the effectiveness of CDC and whether it should be expanded or disbanded.¹⁶

In the evaluation of CDC, around 75% of survey respondents stated they did not drink or take drugs or gamble, or had not changed their behaviours since the commencement of trial. In other words, three quarters of people affected by CDC either do not engage in the behaviours the government is seeking to change or their consumption of these goods are unchanged by CDC. Just as compulsory income management in Northern Territory was criticised for being poorly targeted, the Parliamentary Joint Committee on Human Rights questioned the blanket application of CDC. The Committee state that applying the policy to all working age payment recipients raises "serious doubts as to whether the measure are the least rights restrictive way to achieve stated objectives".¹⁷

1.34 There were a number of submissions and evidence to the inquiry from social scientists and academics experts who stated that there were major flaws with the evaluation method and reporting noting a myriad of concerns with how the data has been presented and researched. The key concerns in regards to the way research was conducted were:

- Unreliability of self-reporting on behaviours - social desirability and recall bias problem
- The East Kimberley and Ceduna data weighting findings were not proportionate to the populations of income support recipients in the trial sites – meaning improvements were overstated at the very best
- Lack of adequate baseline data on alcohol, drug and gambling in trial sites prior to trial commencing to compare so-called 'improvements' to

16 ACOSS, *Submission 39*, p. 6.

17 ACOSS, *Submission 39*, p. 7.

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- Lack of differentiation between large number of people who reported to not drink at all
 - The evaluation reports do not make clear additional services were provided to help people deal with the addictive behaviours or when those were up and running. But it seems that what there was came late in the trial period.

1.35 Dr Janet Hunt from Australian National University told the inquiry:

I'm concerned that the government has publicly represented the ORIMA evaluations as indicating total success of the cashless debit card trial in Ceduna and East Kimberley and on that basis is proposing legislation to extend the trial in time and in other locations. My assessment, based on my extensive experience as a social scientist, is that the evaluation reports do not present adequate evidence of the trial leading to successful outcomes for participants. There are major flaws in the evaluation method and reporting, such that from the data presented it is impossible to have confidence that the trial actually succeeded. It is difficult to summarise quickly all the problems with the evaluation methodology. The detail is in my submission. But I want to acknowledge that, particularly in relation to the Wave 2 report, the report's authors did make many important caveats to the findings that they presented and these seem to have been disregarded by the government. I acknowledge that evaluating a program like this is not easy, but the design did not address adequately the challenge of attribution, which is central. Nor did the authors consider evidence that had a potentially counter narrative to the success that they purported to find. This is inexcusable.¹⁸

1.36 Dr Klein also expressed her deep concern in regards to the three reports which are being used to justify these trials as a success:

My concern as a researcher is how that has been allowed to be evidence and used as a proof of concept. It gives a very distorted idea of what the card is or is not doing. I do believe there needs to be a review of how that has been allowed into the public sphere and to be labelled by politicians as proof of concept. As a researcher and as an academic, I think it's a real problem the way that evidence has been used in this process.¹⁹

Support Services

1.37 Real help for people in communities means providing services they need, not cutting off access to cash for everyday transactions. While the Australian Greens welcomed the announcement of funding for services in Ceduna, when the trials were announced, these drug and alcohol services and other supports shouldn't be limited to communities undertaking the trial.

1.38 Communities across Australia need well-funded, adequate social services that genuinely help those struggling with substance abuse. These should be provided

18 Dr Janet Hunt, *Committee Hansard*, 2 November 2017, p. 2.

19 Dr Klein, *Committee Hansard*, 2 November 2017, p. 33.

regardless of whether the communities are in particular trials. The Kimberley Land Council told the inquiry that services in that region are at breaking point, running on the sniff of an oily rag.²⁰ The Australian Greens have deep concerns regarding ongoing issues with alcohol and drugs for some people in these communities. Aboriginal service providers must be given increased funding and support as a matter of urgency.

1.39 Mr Little from National Congress of Australia's First Peoples told the inquiry:

We have seen constant failures of top-down policy in delivery and services. The inefficient resources contributed to organisations and service providers. As the funding round comes around, you're in a competitive market and the value of your delivery of a service and the effectiveness of your service is not evaluated. The other thing that I think is constantly ignored is confirmation of the benefits derived from those services to the beneficiaries.²¹

1.40 As pointed out by the Royal Australian and New Zealand College of Psychiatrists (RANZCP), addiction is a complex health issues that cannot be solved by a punitive measure such as Compulsory Income Management:

More than 50 years of psychological research shows that positive reinforcement strategies are more effective than punitive strategies in bringing about behavioural change. Furthermore, many people with substance use issues may require holistic support to deal with complex, multi-faceted concerns which may involve their physical and mental health, housing, unemployment, family violence and intergenerational trauma and deprivation. The RANZCP is concerned that the trials are not set up in a way that is likely to provide the kind of holistic care which is required for many individuals. This is because preventing people from purchasing alcohol or gambling products does not address the underlying causes of addiction. In fact, the trials may even risk doing further damage by contributing to entrenched feelings of disempowerment and hopelessness felt by many people with concurrent addiction and unemployment issues. If the underlying causes of these problems are not addressed, people with addiction issues may resort to increasingly negative coping mechanisms, including crime and family violence, in response to increasingly punitive approaches. RANZCP also notes evidence which suggests that self-determination and supportive societal structures can be a protective factor against negative mental health outcomes.²²

1.41 The Australian Greens are also deeply concerned that addiction services in Australian are extremely overstretched, particularly in remote and regional areas:

The RANZCP also notes that addiction services are currently extremely stretched with long waiting lists for people who are voluntarily seeking

20 Mr Garstone, Kimberley Land Council, *Committee Hansard*, 2 November 2017, p. 18.

21 Mr Little, National Congress of Australia's First Peoples, *Committee Hansard*, 2 November 2017, p. 20.

22 Royal Australian and New Zealand College of Psychiatrists, *Submission 56*, p. 2.

support. There are also many regions of Australia, including particular remote areas, which are simply out-of-reach of any addiction specialists. In the RANZCP's view, the addiction sector requires significant expansion to accommodate the large number of Australians in need of treatment.²³

Parliamentary oversight

1.42 The trial site location will be determined by legislative instrument and this bill will allow expansion without a separate act of Parliament. This bill does not contain safeguards including limits on how long trials can go for, how many participants there will be or requirements to consult with communities, there is also no way in which people can transition off the card.

Conclusion

1.43 It is difficult to comprehend why the Government is pushing forward with this approach. The evidence from the final report on the Northern Territory Intervention showed that compulsory income management met none of its objectives. The two ORIMA reports do not come close to standing up to the scrutiny of data experts and researchers.

1.44 The Australian Greens strongly advocate for policy based on evidence, and in this case not only is the evidence not there, it directly contradicts what the Government is proposing.

1.45 The Australian Greens are committed to assisting people with drug, alcohol and gambling problems through community based approaches driven by those on the ground.

1.46 Communities facing significant challenges need genuine social services that help individuals deal with the challenges they are facing. The Government should abandon its punitive, ideologically driven approach that is wreaking havoc on vulnerable people, they should be directing the resources being wasted on the Cashless Debit Card to community controlled therapeutic approaches.

Recommendation 1

1.47 **The Australian Greens recommend that the bill not be passed.**

Senator Rachel Siewert

23 Royal Australian and New Zealand College of Psychiatrists, *Submission 56*, p. 2.

