

The Senate

Community Affairs
Legislation Committee

Social Services Legislation Amendment
(Cashless Debit Card) Bill 2017 [Provisions]

December 2017

© Commonwealth of Australia 2017

ISBN 978-1-76010-673-7

Secretariat

Ms Jeanette Radcliffe (Committee Secretary)

Ms Hannah Dibley (Senior Research Officer)

Ms Carol Stewart (Administrative Officer)

Ms Kate Morris (Administrative Officer)

PO Box 6100
Parliament House
Canberra ACT 2600

Phone: 02 6277 3515

Fax: 02 6277 5829

E-mail: community.affairs.sen@aph.gov.au

Internet: www.aph.gov.au/senate_ca

This document was produced by the Senate Community Affairs Committee Secretariat and printed by the Senate Printing Unit, Parliament House, Canberra.

This work is licensed under the Creative Commons Attribution-NonCommercial-NoDerivs 3.0 Australia License.



The details of this licence are available on the Creative Commons website: <http://creativecommons.org/licenses/by-nc-nd/3.0/au/>

MEMBERSHIP OF THE COMMITTEE

45th Parliament

Members

Senator Slade Brockman, Chair (from 21 August 2017)	Western Australia, LP
Senator Jonathon Duniam, Chair (to 21 August 2017)	Tasmania, LP
Senator Rachel Siewert, Deputy Chair	Western Australia, AG
Senator the Hon Lisa Singh	Tasmania, ALP
Senator Dean Smith	Western Australia, LP
Senator Murray Watt	Queensland, ALP

Substitute members

Senator Sue Lines for Senator Murray Watt (from 12 October to 12 October 2017)	Western Australia, ALP
Senator Malarndirri McCarthy for Senator Lisa Singh (from 12 October to 12 October 2017)	Northern Territory, ALP

Participating members for this inquiry

Senator Peter Georgiou	Western Australia, PHON
Senator Pauline Hanson	Queensland, PHON
Senator Skye Kakoschke-Moore	South Australia, NXT
Senator Louise Pratt	Western Australia, ALP

TABLE OF CONTENTS

Membership of the Committee	iii
Abbreviations	vii
List of Recommendations	ix
Chapter 1	
Introduction	1
Purpose of the bill.....	1
Financial implications	1
Background.....	1
Legislative scrutiny	3
Conduct of the inquiry.....	5
Chapter 2	
Key issues.....	7
Introduction	7
Reducing social harm	7
Results of the evaluation	13
Community consultation	15
Operation of the cashless debit card.....	19
Human rights implications	24
Parliamentary oversight.....	27
Committee view.....	28
Australian Labor Party Senators' Dissenting Report	
Consultation.....	31
Reliability of the Orima Evaluations.....	32
Clarity regarding community panels	34
Wrap-around Services	35

Costs	36
Dissenting Report by the Australian Greens.....	39
Using evidence-based programs to improve outcomes.....	40
Consultation.....	41
Implementation.....	43
Indirect discrimination and human rights.....	44
Evaluations	46
Support Services	47
Parliamentary oversight.....	49
Conclusion	49
Appendix 1	
Submissions and additional information received by the Committee.....	51
Appendix 2	
Public hearings.....	61

ABBREVIATIONS

ACOSS	Australian Council of Social Service
AHRC	Australian Human Rights Commission
bill	Social Security Legislation Amendment (Cashless Debit Card) Bill 2017
committee	Community Affairs Legislation Committee
debit card trial bill	Social Security Legislation Amendment (Debit Card Trial) Bill 2015
department	Department of Social Services
EFTPOS	Electronic funds transfer at point of sale
final evaluation	Wave 2 Final Evaluation Report
human rights committee	Parliamentary Joint Committee on Human Rights
interim evaluation	Wave 1 Interim Evaluation Report
minister	The Hon Alan Tudge MP
PJCHR	Parliamentary Joint Committee on Human Rights
RANZCP	Royal Australian and New Zealand College of Psychiatrists
scrutiny committee	Senate Standing Committee for the Scrutiny of Bills

LIST OF RECOMMENDATIONS

Recommendation 1

2.113 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) Bill 2017 (bill) was introduced into the House of Representatives on 17 August 2017.¹

1.2 The bill seeks to remove section 124F of the *Social Security (Administration) Act 1999* which specifies that the cashless debit card trial will occur in up to three discrete locations, include no more than 10 000 people and end on 30 June 2018.² The removal of this section allows the cashless debit card scheme to continue in the two current sites (Ceduna and the East Kimberley) and expand to new sites which will be determined by disallowable legislative instrument.³

Financial implications

1.3 The explanatory memorandum to the bill notes that the funding associated with the bill is not for publication as negotiations with potential commercial providers are yet to be finalised.⁴

Background

1.4 The Community Affairs Legislation Committee (committee) tabled its report on the Social Security Legislation Amendment (Debit Card Trial) Bill 2015 (debit card trial bill) on 12 October 2015, recommending that the debit card trial bill be passed.⁵

1.5 The debit card trial bill introduced measures which split income support payments into restricted and unrestricted portions, with the payment of the restricted portion to a bank account which was subject to certain restrictions on access and use.⁶

1.6 Under the cashless debit card 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

1 *House of Representatives Votes and Proceedings*, No. 71, 17 August 2017, p. 1004.

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

3 Explanatory memorandum, p. 2.

4 Explanatory memorandum, p. 2.

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

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

withdraw cash. The remaining 20 per cent of income support payments would be available for use at the individual participant's discretion.⁷

1.7 The *Social Security (Administration) Act 1999* sets out the objective of the cashless debit card scheme is to:

- (a) reduce the amount of certain restrictable payments available to be spent on alcoholic beverages, gambling and illegal drugs; and
- (b) determine whether such a reduction decreases violence or harm in the Region; and
- (c) determine whether such arrangements are more effective when community bodies are involved; and
- (d) encourage socially responsible behaviour.⁸

1.8 The cashless debit card trial was to be introduced into a maximum of three discrete locations, with no more than 10 000 participants at any particular time, and operate between 1 February 2016 and 30 June 2018.⁹ The trial of the cashless debit card scheme commenced in Ceduna, South Australia on 15 March 2016 and in the East Kimberley region of Western Australia on 26 April 2016.¹⁰

1.9 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 2017.¹¹

1.10 In the 2017-18 Budget, the Government announced that the cashless debit card scheme would be extended in the current sites of Ceduna and the East Kimberley and that the program would be expanded to two new sites.¹²

1.11 On 1 September 2017, the Prime Minister announced the Goldfields region in Western Australia as the first new site where the cashless debit card will be introduced.¹³ The card will be rolled out in the local government areas of Kalgoorlie-Boulder, Laverton, Leonora and Coolgardie and apply to recipients of working age

7 Debit card trial bill, Explanatory memorandum, pp. 2-3.

8 *Social Security (Administration) Act 1999* s 124PC.

9 Debit card trial bill, Explanatory memorandum, p. 4.

10 Department of Social Services, *Cashless Debit Card Trial - Evaluation reports*, <https://www.dss.gov.au/families-and-children/programs-services/welfare-quarantining/cashless-debit-card-trial-evaluation-reports> (accessed 20 November 2017).

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

12 Explanatory memorandum, p. 2.

13 The Hon Malcolm Turnbull MP, Prime Minister of Australia, '[Cashless Welfare Card for WA Goldfields](#)', *Media release*, 1 September 2017.

income support payments.¹⁴ The committee understands that negotiations are continuing with other local government areas in the region, including the Shire of Menzies.¹⁵

1.12 On 21 September 2017, the Government announced the Hinkler electorate in Queensland, which includes the towns Bundaberg, Hervey Bay, Childers and Howard, as the second new site.¹⁶ The card will apply to recipients of Newstart, Youth Allowance (Job seeker), Parenting Payment (Single) and Parenting Payment (Partnered) who are 35 and under.¹⁷

1.13 The cashless debit card will be rolled out progressively in the Goldfields region and Hinkler electorate from early 2018, dependent upon when the bill is passed by the Parliament.¹⁸

Legislative scrutiny

Senate Standing Committee for the Scrutiny of Bills

1.14 The Senate Standing Committee for the Scrutiny of Bills (scrutiny committee) noted that the effect of the bill is to convert a trial program into a program which may be expanded to apply to any site chosen by the government and determined by disallowable legislative instrument.¹⁹

1.15 The scrutiny committee commented that the legislative instruments may specify other parameters to ensure appropriate safeguards and accountability. However, the scrutiny committee pointed out that legislative instruments are not subject to the full range of parliamentary scrutiny which applies to bills.²⁰

1.16 The scrutiny committee sought advice from the Minister for Human Services in regard to why the primary legislation, the *Social Security (Administration) Act*

14 Department of Social Services, *Cashless Debit Card – Goldfields*, <https://www.dss.gov.au/families-and-children/programs-services/welfare-quarantining/cashless-debit-card-goldfields> (accessed 20 November 2017).

15 Ms Jill Dwyer, Shire President, Shire of Menzies, *Committee Hansard*, 12 October 2017, p. 10.

16 The Hon Alan Tudge MP, Minister for Human Services, '[Cashless Welfare Card for Bundaberg/Hervey Bay](#)', *Media release*, 21 September 2017.

17 Department of Social Services, *Hinkler – Cashless Debit Card*, <https://www.dss.gov.au/families-and-children/programs-services/welfare-quarantining/cashless-debit-card-overview/hinkler-cashless-debit-card> (accessed 20 November 2017).

18 Department of Social Services, *Submission 8*, [p. 3].

19 Senate Standing Committee for the Scrutiny of Bills, [Scrutiny Digest No. 10 of 2017](#), 6 September 2017, p. 25.

20 Senate Standing Committee for the Scrutiny of Bills, [Scrutiny Digest No. 10 of 2017](#), 6 September 2017, pp. 25-26.

1999, does not include more guidance and safeguards in relation to the cashless debit card scheme, such as site selection and participant criteria.²¹

1.17 The scrutiny committee noted the Minister for Human Services' advice that the bill does not indefinitely extend or expand the program, rather it removes a date beyond which the program could not continue, and that Parliament still retains the right to consider any expansion through legislative instruments.²²

1.18 The minister's response to the scrutiny committee also noted that the selection of sites for the use of the card is guided by the objectives of the primary legislation, and the use of legislative instruments to specify a location and define details of how the program can operate in each location provides the necessary flexibility to give effect to the objectives of the program in a chosen location.²³

1.19 The scrutiny committee requested that the information provided by the Minister for Human Services be incorporated into the explanatory memorandum.²⁴

Parliamentary Joint Committee on Human Rights

1.20 The Parliamentary Joint Committee on Human Rights (human rights committee) noted that the committee had considered the compatibility of the cashless debit card scheme and income management more generally in its previous reports on the debit card trial bill and the 2013 and 2016 reviews of the Stronger Future measures.²⁵

1.21 The human rights committee noted that the bill's statement of compatibility acknowledges that the right to social security, right to privacy and family and the right to equality and non-discrimination are engaged and limited by the bill and that these rights may be subject to permissible limitations where they pursue a legitimate objective and are rationally connected to, and proportionate to, that objective.²⁶

1.22 The human rights committee previously accepted that the cashless debit card scheme trial may pursue a legitimate objective but raised concerns that the measures

21 Senate Standing Committee for the Scrutiny of Bills, *Scrutiny Digest No. 10 of 2017*, 6 September 2017, p. 26.

22 Senate Standing Committee for the Scrutiny of Bills, [Scrutiny Digest No. 12 of 2017](#), 18 October 2017, p. 139.

23 Senate Standing Committee for the Scrutiny of Bills, *Scrutiny Digest No. 12 of 2017*, 18 October 2017, p. 139.

24 Senate Standing Committee for the Scrutiny of Bills, *Scrutiny Digest No. 12 of 2017*, 18 October 2017, p. 139.

25 Parliamentary Joint Committee on Human Rights (PJCHR), [Report 9 of 2017](#), 5 September 2017, p. 34. See also: PJCHR, *Twenty-seventh report of the 44th Parliament*, 8 September 2015, pp. 20-29; PJCHR, *Thirty-first report of the 44th Parliament*, 24 November 2015, pp. 21-36; PJCHR, *Eleventh Report of 2013: Stronger Futures in the Northern Territory Act 2012 and related legislation*, 27 June 2013; and PJCHR, *2016 Review of Stronger Futures measures*, 16 March 2016.

26 PJCHR, *Report 9 of 2017*, 5 September 2017, p. 35.

were not rationally connected and proportionate to the objective.²⁷ The human rights committee expressed concern that the current bill extended the trial without including a specified end date or sunset provision, without the need for adequate consultation with the affected communities, imposed the cashless debit card on individuals without assessing a participant's suitability for the scheme and that the measures may not be the least rights restrictive way to achieve the bill's stated objective.²⁸

1.23 The human rights committee sought advice from the Minister for Human Services as to:

- why it is necessary to extend and expand the cashless debit card trial;
- how the measures are effective to achieve the stated objectives;
- how the limitation on human rights is reasonable and proportionate to the stated objectives; and
- whether the cashless debit card could be restricted to instances where an individual's suitability to participate in the scheme has been assessed or on a voluntary basis.²⁹

1.24 The Minister for Human Services' response was received on 20 September 2017.³⁰ The minister's response noted that the expansion of the cashless debit card trial was necessary to allow communities to seek positive outcomes which had been demonstrated in the evaluations. The response also acknowledged that while the bill engages human rights, these rights are only limited to the extent of a participant's ability to use a proportion of their income support payment to purchase harmful goods and that this limitation was directly related to the objective of the bill.³¹

1.25 The human rights committee concluded that, based on the information provided, the measures introduced by the bill may not be a reasonable and proportionate limitation on human rights.³²

Conduct of the inquiry

1.26 On 17 August 2017, the Senate referred the provisions of the bill to the Community Affairs Legislation Committee for inquiry and report by 13 November

27 PJCHR, *Report 9 of 2017*, 5 September 2017, p. 36. See also: PJCHR, *Thirty-first report of the 44th Parliament*, 24 November 2015, p. 27.

28 PJCHR, *Report 9 of 2017*, 5 September 2017, p. 38.

29 PJCHR, *Report 9 of 2017*, 5 September 2017, pp. 39-40.

30 PJCHR, [Report 11 of 2017](#), 17 October 2017, p. 126.

31 The Hon Alan Tudge MP, Minister for Human Services, correspondence to PJCHR. See: PJCHR, *Report 11 of 2017*, 17 October 2017, Appendix 3 – Correspondence, pp. 252-256.

32 PJCHR, *Report 11 of 2017*, 17 October 2017, p. 137.

2017.³³ The committee subsequently received an extension to report by 6 December 2017.³⁴

1.27 Details of the inquiry, including a link to the bill and associated documents, were placed on the committee's website.³⁵ The committee wrote to relevant individuals and organisations inviting submissions to the inquiry by 29 September 2017. Submissions continued to be accepted after that date.

1.28 The committee received 172 submissions to the inquiry and held public hearings in Kalgoorlie on 12 October 2017 and Canberra on 2 November 2017. Submitters and witnesses are listed at Appendices 1 and 2.

1.29 The committee thanks those individuals and organisations that made submissions to the inquiry and gave evidence at its public hearings.

Note on references

1.30 References to the committee *Hansard* is to the proof transcript. Page numbers may vary between the proof and official *Hansard* transcript.

33 *Journals of the Senate*, No. 55, 17 August 2017, p. 1756.

34 *Journals of the Senate*, No. 68, 13 November 2017, p. 2190; *Journals of the Senate*, No. 72, 27 November 2017, p. 2282.

35 See: Community Affairs Legislation Committee, https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/CashlessDebitCard (accessed 16 November 2017).

Chapter 2

Key issues

Introduction

2.1 A number of submitters and witnesses expressed their support for the objective of the cashless debit card scheme which would be expanded to more sites by the Social Security Legislation Amendment (Cashless Debit Card) Bill 2017 (bill). In particular, submitters and witnesses noted the potential of the cashless debit card to address excessive alcohol consumption, anti-social behaviour, neglect of children and violence within communities.¹

2.2 While submitters and witnesses recognised and supported the need to reduce the social harm caused by alcohol and gambling, they also raised a number of concerns regarding the expansion of the card to new sites, including:

- the effectiveness of the card at reducing social harm;
- the results of the independent evaluation;
- the extent to which affected communities were adequately consulted;
- the operation and impact of the cashless debit card;
- human rights implications; and
- parliamentary oversight.

Reducing social harm

2.3 In its submission, the Department of Social Services (department) noted that the objective of the cashless debit card scheme is to limit the amount of income support payments available to be spent on alcohol, drugs and gambling, which would lead to a reduction in social harm.²

2.4 The department advised that the Goldfields region and Hinkler electorate had been selected as new cashless debit card sites due to a number of factors including 'community readiness and willingness, high levels of disadvantage and welfare dependence, and high levels of social harm caused by alcohol, drugs and gambling.'³

Goldfields region

2.5 The committee heard that the social harm caused by drugs and alcohol is of particular concern to communities in the Goldfields region. The Mayor of the City of

1 See, for example: The Minderoo Foundation, *Submission 5*; Catholic Social Services Australia, *Submission 9*; PeakCare Queensland, *Submission 32*; Cape York Institute, *Submission 40*; UnitingCare Australia, *Submission 44*; UNICEF Australia, *Submission 51*; Ms Jacinta Nampijinpa Price, *Submission 54*; Wyndham Advisory Group, *Submission 111*.

2 Department of Social Services, *Submission 8*, [p. 1].

3 Department of Social Services, *Submission 8*, [p. 2].

Kalgoorlie-Boulder, Mr John Bowler, told the committee that the level of antisocial behaviour on the streets of Kalgoorlie-Boulder had increased in recent years and led to a number of people leaving the town.⁴ Mr Bowler explained that the majority of inquiries he receives as Mayor relate to people being abused in the street and how this can be addressed.⁵

2.6 Mr Bowler expressed support for the introduction of the cashless debit card in the City of Kalgoorlie-Boulder after visiting Ceduna. Mr Bowler considered that after speaking with locals and the Deputy Mayor of Ceduna, people in Ceduna thought life there had improved dramatically since the introduction of the cashless debit card trial.⁶

2.7 The Shires of Laverton, Coolgardie, Leonora and Menzies expressed similar concerns regarding the social harm caused by alcohol, drugs and gambling in their local communities. Mr Patrick Hill, President of the Shire of Laverton explained that the shire's support for the cashless debit card was as a result of other measures not working:

Everyone in town—the police, the hospital, the school, the Laverton Crisis Centre, the ambulance, the fire brigade, the resident group, the shire—has done everything possible to try and stem this abuse and the effects that alcohol, drugs and gambling have on our towns and the availability of cash. Council has formally adopted and supports the cashless welfare card because we see this as an opportunity to try and do something.⁷

2.8 Mr Malcolm Cullen, President of the Shire of Coolgardie, advised the committee that his shire believes the cashless debit card will address a number of social issues facing the local community:

We believe it will improve the housing and living conditions of the people in the town. We also believe it will reduce the alcohol and drug dependency of a lot of the people that we have. There are people I went to school with who have passed away between the ages of 38 and 40, or less, through alcohol abuse. In most of our towns, we have children who are not being looked after. That is one of the biggest things that I think will improve for our future. What we are looking at is the future of these people. We have people who are not being educated. They are roaming the streets and committing crimes. They are burgling houses to feed themselves and their siblings.⁸

2.9 Councillor Betty Logan of the Shire of Coolgardie also expressed support for the introduction of the cashless debit card, noting her personal experience caring for

4 Mr John Bowler, Mayor, City of Kalgoorlie-Boulder, *Committee Hansard*, 12 October 2017, p. 1.

5 Mr Bowler, *Committee Hansard*, 12 October 2017, p. 1.

6 Mr Bowler, *Committee Hansard*, 12 October 2017, p. 2.

7 Mr Patrick Hill, President, Shire of Laverton, *Committee Hansard*, 12 October 2017, p. 7.

8 Mr Malcolm Cullen, President, Shire of Coolgardie, *Committee Hansard*, 12 October 2017, p. 8.

neglected children in the community who were not cared for by their parents as they were continually affected by alcohol.⁹

2.10 Mr Jim Epis of the Shire of Leonora explained that social harm caused by alcohol and drug abuse has increased in recent years:

In the last three years, it has been devastating to see the escalation of antisocial behaviour between individuals caused by alcohol and drugs. This has often reached crisis levels. Some of the issues include young people taking their own lives, violence within the community and the impact that this has on families, such as young children roaming the streets late at night because they don't have a safe home to go to. Every child deserves a safe place to sleep at night, and this has to happen very quickly.¹⁰

2.11 In contrast, the Shire of Menzies noted that they do not experience the same problems with anti-social behaviour and drug and alcohol addiction in their community. However, the Shire of Menzies expressed support for the introduction of the cashless debit card in the Goldfields region as they are concerned that the social problems in nearby communities will spread to their town and recognised that the card is in the interests of the whole Goldfields region.¹¹

Hinkler electorate

2.12 The department submitted that the intention to implement the cashless debit card in the Hinkler electorate to people 35 and under on certain income support payment will help to determine the effectiveness of a cohort-based approach to implementing the card.¹²

2.13 The department also advised that potential benefits identified included more money being spent on meeting basic living needs, increased savings, increased motivation to find employment, and positive impacts on parenting and wellbeing.¹³

2.14 The Hinkler region has the second highest rate of youth unemployment in Queensland at 23.6 per cent.¹⁴ In addition, the department informed the committee

9 Mrs Betty Logan, Councillor, Shire of Coolgardie, *Committee Hansard*, 12 October 2017, p. 11.

10 Mr James (Jim) Epis, Chief Executive Officer, Shire of Leonora, *Committee Hansard*, 12 October 2017, pp. 8-9.

11 Shire of Menzies, answers to questions on notice, 12 October 2017 (received 31 October 2017) [pp. 3-4].

12 Department of Social Services, *Submission 8*, [p. 3].

13 Ms Barbara Bennett, Deputy Secretary, Families and Communities, Department of Social Services, *Committee Hansard*, 2 November 2017, p. 68. See also: Department of Social Services, *Hinkler – Cashless Debit Card*, <https://www.dss.gov.au/families-and-children/programs-services/welfare-quarantining/cashless-debit-card-overview/hinkler-cashless-debit-card> (accessed 28 November 2017).

14 Department of Social Services, *Hinkler – Cashless Debit Card*, <https://www.dss.gov.au/families-and-children/programs-services/welfare-quarantining/cashless-debit-card-overview/hinkler-cashless-debit-card> (accessed 28 November 2017).

that of those 35 and under in the Hinkler electorate, half of Newstart recipients have spent over three years on income support, half of parenting payment recipients have spent over five years on income support and approximately one-quarter of those aged between 30 and 35 years old have spent over 10 years on income support.¹⁵

2.15 The department's advice on the cashless debit card also noted that community organisations have advised that their services are increasingly being used by young families and raised concerns that money intended to support children is being spent on alcohol, drugs and gambling.¹⁶

East Kimberley and Ceduna

2.16 During the committee's inquiry into the Social Security Legislation Amendment (Debit Card Trial) Bill 2015 (debit card trial bill), the committee heard that alcohol, drug and gambling related harm was a significant problem in the East Kimberley and Ceduna.¹⁷

2.17 The Far West Community Heads Group, representing Indigenous communities in the Ceduna region, expressed particular support for the cashless debit card trial, commenting that 'past, measures to reduce alcohol fuelled violence and chronic alcohol misuse – contributing to the premature deaths of our people – have been tried and tested and failed.'¹⁸

2.18 The District Council of Ceduna submitted that the trial will be 'a life saving measure which will have positive health benefits, significantly improve the quality of life for many and help to put an end to premature and tragic deaths.'¹⁹

2.19 Similarly, the Wunan Foundation submitted that Indigenous people in the East Kimberley are among the most disadvantaged in Australia and experience high rates of family violence, child abuse and neglect, suicide, alcohol fuelled violence, increasing rates of Foetal Alcohol Spectrum Disorder and large number of children spending night on the street than returning to unsafe homes.²⁰

15 Mr Tristan Reed, Branch Manager, Welfare, Quarantining and Gambling, Department of Social Services, *Committee Hansard*, 2 November 2017, p. 77.

16 Department of Social Services, *Hinkler – Cashless Debit Card*, <https://www.dss.gov.au/families-and-children/programs-services/welfare-quarantining/cashless-debit-card-overview/hinkler-cashless-debit-card> (accessed 28 November 2017).

17 Community Affairs Legislation Committee, *Social Security Legislation Amendment (Debit Card Trial) Bill 2015*, 12 October 2015, pp. 6-9.

18 Mr Michael Haynes, Chief Executive Officer, Ceduna Aboriginal Corporation, *Committee Hansard*, 11 September 2015, p. 31.

19 Inquiry into the Social Security Legislation Amendment (Debit Card Trial) Bill 2015, District Council of Ceduna, *Submission 1*, p. 4.

20 Inquiry into the Social Security Legislation Amendment (Debit Card Trial) Bill 2015, Wunan Foundation, *Submission 10*, pp. 1-2.

2.20 Mr Desmond Hill from Kununurra in the East Kimberley told the committee that since the introduction of the cashless debit card, he has seen the difference it has made to his community:

I've actually seen more kids go to school with uniforms. I've had grandparents say that they're happy the cards are there because now their children have food in the fridge, the kids are clothed and they're all going to school. We're living with the changes, albeit it took 18 months to see the changes happening. They are actually happening.²¹

2.21 Councillor Allan Suter, Mayor of the District Council of Ceduna, informed the committee that the cashless debit card trial has been the most effective initiative to address excessive use of alcohol, drugs and gambling products in Ceduna and that it has resulted in significant improvements for families, particularly for children.²²

Effectiveness of the cashless debit card

2.22 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 (interim evaluation) and Wave 2 Final Evaluation Report (final evaluation).

2.23 The department noted in its submission that the final evaluation report on the cashless debit card trial found that the card had been effective in reducing alcohol consumption and gambling in both trial sites and that there had been a subsequent reduction in violence and harm related to alcohol consumption, illegal drug use and gambling.²³

2.24 However, some submitters questioned whether the reduction in social harm could be entirely attributed to the cashless debit card scheme. Carers' Australia submitted that other measures and programs to reduce alcohol and drug use were introduced in the trial sites including the Take Away Management System in the East Kimberley and new outreach support services in Ceduna which may have contributed to a reduction in drug and alcohol use.²⁴

2.25 The final evaluation report indicated that alcohol was identified by the communities of Ceduna and the East Kimberley as a leading cause of violent behaviours:

Community leaders and stakeholders across both Trial sites at the Initial Conditions stage felt that alcohol was the primary contributor to violent behaviours. Drug use and gambling were also identified as contributing

21 Mr Desmond Hill, *Committee Hansard*, 2 November 2017, p. 44.

22 Councillor Allan Suter, Mayor, District Council of Ceduna, *Committee Hansard*, 2 November 2017, p. 25.

23 Department of Social Services, *Submission 8*, [p. 2].

24 Carers' Australia, *Submission 29*, p. 3. See also: Dr Janet Hunt, *Submission 47*, Attachment 1, p. 6.

factors. Stakeholders and community leaders noted that intoxication tended to lead to anger and negative behaviours. Alcohol consumption, illegal drug use and gambling also led to increased financial pressures, resulting in arguments and disputes.²⁵

2.26 The final evaluation noted that the first few months of the cashless debit card trial were associated with a reduction in alcohol consumption, illegal drug use and gambling. Information collected approximately nine months later indicated that these reductions had been sustained and broadened in the communities with a larger proportion of trial participants reporting a reduction in alcohol consumption, illegal drug use and gambling.²⁶

2.27 The department noted that, in particular the evaluation found:

- of those who drank alcohol before the trial started, towards the end of the trial 41 per cent of participants surveyed say they are drinking alcohol less often (up from 25 per cent at the Wave 1, which was conducted around six months into the trial);
- of those surveyed who said they had drunk six or more drinks at once before the trial started, 37 per cent reported that they did this less often (up from 25 per cent at Wave 1);
- of those surveyed who said they were using illegal drugs before the trial started, 48 per cent reported using these less since the Cashless Debit Card's introduction (up from 24 per cent at Wave 1);
- of those surveyed who said they gambled before the trial started, 48 per cent reported gambling less (up from 32 per cent at Wave 1); and
- of those parents surveyed, 40 per cent reported being able to better care for their children since being on the Cashless Debit Card, and 39 per cent reported being more involved in their children's homework and school.²⁷

2.28 The final evaluation report stated that the administrative data available in relation to the level of crime in the trial sites did not show that there had been a reduction in crime since the cashless debit card trial commenced.²⁸ However, the administrative data considered during the final evaluation only captured the period between February 2015 and April 2017 in the East Kimberley and between July 2015 and March 2017 in Ceduna.²⁹

25 ORIMA Research, *Cashless Debit Card Trial Evaluation: Final Evaluation Report*, August 2017, p. 65.

26 ORIMA Research, *Cashless Debit Card Trial Evaluation: Final Evaluation Report*, August 2017, p. 43.

27 Department of Social Services, *Submission 8*, [p. 2].

28 ORIMA Research, *Cashless Debit Card Trial Evaluation: Final Evaluation Report*, August 2017, p. 61.

29 ORIMA Research, *Cashless Debit Card Trial Evaluation: Final Evaluation Report*, August 2017, pp. 289, 299.

2.29 Superintendent Allan Adams of the Western Australia Police Force, Kimberley District Office, informed the committee that while there had been some reports that crime had increased in the East Kimberley during the trial period, Western Australia Police Force data showed that between May and August 2017, property related crime had significantly decreased compared to the same period last year.³⁰ For example, in the community of Kununurra, between May and August 2016 there were 35 dwelling burglaries compared to 24 in 2017, and there were 135 thefts between May and August 2016 compared to 60 during the same period in 2017.³¹

2.30 Superintendent Adams noted that reports that domestic violence incidents had increased could be attributed to a change in the response standards by the Western Australian Police Force and that the increase in reported domestic violence incidents had occurred across the Kimberley region and not only in Kununurra where the trial occurred, and therefore could not be linked to the introduction cashless debit card.³²

2.31 The Ceduna trial site saw a similar decrease in property related crime during the trial period. Offences against property decreased from 496 in 2015-16 to 368 in the 2016-17 financial year.³³

2.32 The department submitted that the measures proposed by the bill will enable the cashless debit card to continue to operate in the current trial sites beyond 30 June 2018 and expand to new locations. The department noted that considering the ongoing community support and positive evaluation findings, if the cashless debit card scheme does not continue it would likely have a detrimental effect on these communities.³⁴

Results of the evaluation

2.33 A number of submitters and witnesses questioned the methodology and characterisation of the results of the final evaluation report prepared by ORIMA Research. In particular, submitters and witnesses drew on analysis prepared by

30 Superintendent Allan Adams, District Superintendent, Kimberley Police District, Western Australia Police Force, *Committee Hansard*, 12 October 2017, p. 57. See also: Ms Michelle Nelson-Cox, Chairperson, Aboriginal Health Council of Western Australia, *Committee Hansard*, 12 October 2017, pp. 22, 26; Mr William (Bill) McKenzie, Executive Member, Kalgoorlie-Boulder Chamber of Commerce and Industry Inc. *Committee Hansard*, 12 October 2017, p. 40.

31 Superintendent Allan Adams, Western Australia Police Force, answers to questions on notice, 12 October 2017 (received 1 November 2017), p. 4.

32 Superintendent Allan Adams, Western Australia Police Force, answers to questions on notice, 12 October 2017 (received 1 November 2017), p. 3.

33 Councillor Allan Suter, Mayor, District Council of Ceduna, answers to questions on notice, 2 November 2017 (received 3 November 2017), p. 1.

34 Department of Social Services, *Submission 8*, [p. 3].

Dr Janet Hunt from the Centre for Aboriginal and Economic Policy Research at the Australian National University.³⁵

2.34 Dr Hunt expressed reservations about the data collected by ORIMA Research in the initial conditions report which was not collected until after the trial had commenced and included interviews with just 37 stakeholders who were mainly regional leaders and service providers.³⁶ Dr Hunt submitted that ORIMA Research should have conducted a baseline survey of participants in Ceduna and the East Kimberley prior to commencement of the trial.³⁷

2.35 In regard to the interim evaluation, Dr Hunt noted that the evaluation relied on subjective perceptions of participants without adequate triangulation with other sources and that it was difficult to assess the level of change without adequate baseline data.³⁸

2.36 In addition, Professor Eva Cox from the Jumbunna Institute for Indigenous Education and Research at University of Technology Sydney, raised concerns about the design of the questionnaire which was used to collect data from participants for the final evaluation:

My criticism is wider than those in the report, as it includes the user questionnaire design, its length, the order of questions, the language and shape of some questions, and importantly, the probable contamination of responses. Preliminary information, read from the tablet used to record answers, includes promises of a gift card, \$30 or \$50 on completion. Paying respondents affects relationships with interviewer and answers. The next step is asking for respondents' ID. This is to avoid duplication, but, as this is an official government survey, the reassurance of confidentiality may not be believed and affect responses. Given Indigenous anxieties about authority, and welfare, they are likely to give acceptable answers. It is also not clear if the interviews were private or in the presence of others, which may also affect answers. The above effects on the data collected are likely to be serious and undermine the legitimacy of responses.³⁹

2.37 Dr Hunt also expressed concern that the data from both trial sites was weighted equally in both the interim and final evaluation reports, noting that this

35 See, for example: MG Corporation, *Submission 6*, pp. 3-4; Australian Council of Social Service (ACOSS), *Submission 39*, pp. 5-6; National Congress of Australia's First Peoples, *Submission 42*, pp. 6-7; Dr Elise Klein, *Submission 48*, pp. 4-7; Kimberley Land Council, *Submission 71*, [pp. 3-4].

36 Dr Janet Hunt, *Submission 47*, [p. 3].

37 Dr Janet Hunt, *Submission 47*, [p. 2]. Dr Hunt noted that ORIMA Research may not have been contracted to undertake a baseline data survey.

38 Dr Janet Hunt, *Submission 47*, Attachment 1, p. 2.

39 Professor Eva Cox, *Submission 49*, p. 7. See also: Eva Cox, 'Much of the data used to justify the welfare card is flawed', *The Guardian*, 7 September 2017, <https://www.theguardian.com/commentisfree/2017/sep/07/much-of-the-data-used-to-justify-the-welfare-card-is-flawed> (accessed 28 November 2017).

favoured the findings from Ceduna, despite the East Kimberley having a far greater number of participants.⁴⁰

2.38 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.⁴¹ The final evaluation report noted that the data may be subject to recall error and response bias but that interviewers were trained to minimise its impact:

When reporting on their own behaviours, survey respondents may be prone to social desirability effects and hence respond in a socially acceptable way. In order to minimise this source of error, interviewers were trained to remain impartial and free from judgement when conducting interviews and respondents were also provided with full confidentiality of responses.⁴²

2.39 Furthermore, the department advised that the surveys were conducted by ORIMA Research's Indigenous Fieldforce which includes trained Indigenous interviewers who were supported by experienced researchers interviewers and local Indigenous people, to ensure that that the data collection was conducted in a culturally appropriate and sensitive manner.⁴³

2.40 When introducing the bill, the Minister for Human Services noted that the evaluation undertaken by ORIMA Research had concluded that 'the trial has been effective in reducing alcohol consumption, illegal drug use and gambling – establishing a clear proof-of-concept.'⁴⁴

Community consultation

2.41 A number of submitters and witnesses expressed concern about the level of community consultation regarding the extension of the cashless debit card in the current trial sites of the East Kimberley and Ceduna and the proposed roll out of the card in the Goldfields region and the Hinkler electorate.⁴⁵

40 Dr Janet Hunt, *Submission 47*, [p. 5].

41 Dr Tim Reddel, Group Manager, Policy Office, Department of Social Services, *Committee Hansard*, 2 November 2017, p. 69.

42 ORIMA Research, *Cashless Debit Card Trial Evaluation: Final Evaluation Report*, August 2017, p. 9.

43 Department of Social Services, answers to questions on notice, 2 November 2017 (received 28 November 2017), [p. 4].

44 The Hon Alan Tudge MP, Minister for Human Services, *House of Representatives Hansard*, 17 August 2017, p. 8838.

45 See, for example: Goldfields Land and Sea Council, *Submission 22*; National Social Security Rights Network, *Submission 25*; Law Council of Australia, *Submission 37*; UNICEF Australia, *Submission 51*; Dr Shelley Bielefeld, *Submission 55*; St Vincent de Paul Society National Council, *Submission 163*.

East Kimberley and Ceduna

2.42 The MG Corporation submitted that while four local leaders in the East Kimberley had taken a public stance in support of the cashless debit card, the trial was implemented without widespread consultation and the proposal to expand and extend the cashless debit card had also occurred without consulting those who are most affected by the card.⁴⁶

2.43 Similarly, the Aboriginal Health Council of Western Australia expressed concern that many people, services and organisations in the East Kimberley first heard about the cashless debit card through the media and not through community consultations.⁴⁷

2.44 The department submitted that the cashless debit card trial was developed in close partnership with Ceduna and East Kimberley community leaders who had a thorough understanding of issues affecting the local community and that the co-design process enabled the cashless debit card to be tailored to address local needs and incorporate local ideas. This included the card's design, the percentage of income support payments quarantined and the wrap around support services needed in the communities.⁴⁸

2.45 This is supported by documents provided to the committee by the Department of Prime Minister and Cabinet at the committee's earlier public hearing on the debit card trial bill which included an extensive list of stakeholders consulted in both the East Kimberley and Ceduna.⁴⁹

2.46 Mayor Allan Suter informed the committee that in Ceduna consultation has occurred with 184 organisations and individuals since the cashless debit card process began.⁵⁰

2.47 The department advised the committee that prior to the announcement of the East Kimberley as a cashless debit card trial site, approximately 110 consultations were held in Wyndham and Kununurra. The consultations consisted of one-on-one meetings and group roundtables with a range of community members including Indigenous leaders, family violence and family support service providers, education providers, health providers, rehabilitation service providers, Western Australian Police, local government, state government agencies and local staff from the Department of Human Services.⁵¹

46 MG Corporation, *Submission 6*, p. 2.

47 Aboriginal Health Council of Western Australia, *Submission 21*, [p. 2]; Attachment 1, p. 3.

48 Department of Social Services, *Submission 8*, [p. 2].

49 Department of Prime Minister and Cabinet, *Consultations in Ceduna and East Kimberley*, tabled 11 September 2015.

50 Councillor Allan Suter, Mayor, District Council of Ceduna, *Committee Hansard*, 2 November 2017, p. 28.

51 Department of Social Services, answers to questions on notice, 2 November 2017 (received 13 November 2017) [p. 14].

2.48 The department made clear that the decision to extend the operation of the cashless debit card in the East Kimberley and Ceduna was also made after consultation with the local communities and in light of the findings of the independent evaluation report.⁵²

Goldfields region and Hinkler electorate

2.49 A number of individual submitters and witnesses expressed concern about the level of community consultation and support in the proposed new sites of the Goldfields region and the Hinkler electorate.⁵³

2.50 Mr Linden Brownley expressed the view that a more thorough and wider consultation process was required in Kalgoorlie-Boulder as a range of people in the community felt as though they were not well informed about the cashless debit card.⁵⁴ Similarly, Mr Champion described the consultation session he attended in the Goldfields as 'lacklustre'.⁵⁵

2.51 Mr Dion Meredith told the committee he believed that there should have been more consultation, particularly with Aboriginal people in the Goldfields region:

There should have been an Aboriginal person on the ground doing the consultation alongside those staff. There was none. Every time there is something happening and they want to consult Aboriginal people, they haven't got an Aboriginal person there to explain in simple terms what's going on, what's going to happen et cetera. There should have been more consultation.⁵⁶

2.52 Miss Sharon Feerick, a resident of Bundaberg in the Hinkler electorate, informed the committee that she attended a departmental information session in Bundaberg on 8 August 2017 where attendees were split into groups and heard conflicting information, commenting that most people left more confused and distressed than they were when they arrived.⁵⁷

2.53 Ms Kathryn Wilkes, a resident of Hervey Bay, attended the information session on 9 August 2017 and raised similar concerns:

52 Ms Barbara Bennett, Deputy Secretary, Families and Communities, Department of Social Services, *Committee Hansard*, 2 November 2017, p. 68.

53 See, for example: Name withheld, *Submission 2*; Name withheld, *Submission 17*; Name withheld, *Submission 70*; Name withheld, *Submission 95*; Name withheld, *Submission 108*.

54 Mr Linden Brownley, *Committee Hansard*, 12 October 2017, p. 29.

55 Mr Brian Champion, Deputy Chairperson, Goldfields Aboriginal Reference Group, Kalgoorlie-Boulder Aboriginal Community Residents' Group, *Committee Hansard*, 12 October 2017, p. 32.

56 Mr Dion Meredith, Member, Kalgoorlie-Boulder Aboriginal Community Residents' Group, *Committee Hansard*, 12 October 2017, p. 33.

57 Miss Sharon Feerick, Opening statement from 2 November 2017 Canberra public hearing, received 3 November 2017, p. 2.

We found at the community centre that they did the same thing: they segregated everybody into three different groups. They had a couple of officers from different areas. They virtually told people, "This is how it's going to be when it's rolled out." There was no choice. There were no answers to questions. We were basically just told, "You are going to have to learn to live a different way."⁵⁸

2.54 The Law Council of Australia submitted that the cashless debit card should only be introduced in communities where there is strong community support for the program and on the basis of the free, prior and informed consent of the community.⁵⁹

2.55 In its submission, the department noted that the Government's intention to roll out the cashless debit card in the Goldfields region and Hinkler electorate has been underpinned by extensive consultation in both locations.⁶⁰

2.56 The department advised the committee that in the Goldfields region between May and September 2017, the department consulted with 16 state government departments and agencies, representatives of each of the affected local governments, 27 service providers, eight peak bodies, local businesses, educational institutions and members of the general public. In addition, the department undertook 11 public information sessions across the Goldfields region.⁶¹

2.57 The Shire of Leonora and the Shire of Coolgardie also provided the committee with evidence of public information sessions and consultation with local residents.⁶²

2.58 In relation to the Hinkler electorate, between July and September 2017 the department consulted with three state government departments, local police, representatives of each of the affected local governments, 32 service providers and community groups, and members of the general public. Public information sessions were held in Childers on 20 July 2017, Bundaberg on 8 August 2017 and Hervey Bay on 9 August 2017.⁶³

2.59 The department explained to the committee that attendees at the Bundaberg and Hervey Bay information sessions were broken into groups to offer a more conversational style and ensure that people were able to have their views heard, due to

58 Ms Kathryn Wilkes, Admin, No Cashless Debit Card Hinkler Region; and Admin, Say No Cashless Welfare Debit Card Australia, *Committee Hansard*, 2 November 2017, p. 65.

59 Law Council of Australia, *Submission 37*, p. 7.

60 Department of Social Services, *Submission 8*, [p. 3].

61 Department of Social Services, answers to questions on notice, 2 November 2017 (received 13 November 2017) [pp. 2-8].

62 Shire of Leonora, answers to questions on notice, 12 October 2017 (received 15 November 2017); Shire of Coolgardie, answers to questions on notice, 12 October 2017 (received 24 November 2017).

63 Department of Social Services, answers to questions on notice, 2 November 2017 (received 13 November 2017) [pp. 9-13].

the large number of people who attended.⁶⁴ Mr Tristan Reed presented at the information sessions and advised that the department responded to a range of questions:

We answered questions about how the card operates and we answered questions around some of the issues that were encountered in Ceduna and the East Kimberley. It was definitely a session where people got to ask any questions they wanted. Even after the session, we had one-on-one meetings with people who wanted to ask further questions outside of the group scenario. I can assure you that it was open to anyone who wanted to attend and no-one was turned away.⁶⁵

2.60 Furthermore, the department reassured the committee that a decision regarding the implementation of the cashless debit card in the Hinkler electorate had not been made prior to the information sessions.⁶⁶ The department advised the committee that achieving a high degree of community support is a threshold which must be met before implementing the cashless debit card in a location.⁶⁷

Operation of the cashless debit card

2.61 The cashless debit card operates by directing 80 per cent of a participant's income support payments to a restricted bank account with the remaining 20 per cent of the payments accessible through a normal, unrestricted bank account.⁶⁸ Payments directed to the restricted bank account can only be accessed by a debit card and cannot be used to purchase alcohol or gambling products or withdraw cash.

2.62 Participation in the cashless debit card is mandatory in the East Kimberley and Ceduna for all working age income support recipients who receive a specified trigger payment.⁶⁹

2.63 In the Goldfields region, it is proposed that the cashless debit card will also apply to recipients of working age income support payments.⁷⁰ In the Hinkler

64 Mr Tristan Reed, Branch Manager, Welfare, Quarantining and Gambling, Department of Social Services, *Committee Hansard*, p. 72.

65 Mr Tristan Reed, Branch Manager, Welfare, Quarantining and Gambling, Department of Social Services, *Committee Hansard*, 2 November 2017, p. 72.

66 Mr Tristan Reed, Branch Manager, Welfare, Quarantining and Gambling, Department of Social Services, *Committee Hansard*, 2 November 2017, p. 72.

67 Dr Roslyn Baxter, Group Manager, Families Group, Department of Social Services, *Committee Hansard*, 2 November 2017, p. 72.

68 ORIMA Research, *Cashless Debit Card Trial Evaluation: Final Evaluation Report*, August 2017, p. 3.

69 Department of Social Services, *Cashless Debit Card – Overview*, <https://www.dss.gov.au/families-and-children/programmes-services/welfare-conditionality/cashless-debit-card-overview> (accessed 26 November 2017).

70 Department of Social Services, *Cashless Debit Card – Goldfields*, <https://www.dss.gov.au/families-and-children/programs-services/welfare-quarantining/cashless-debit-card-goldfields> (accessed 26 November 2017).

electorate, the intention is to roll out the cashless debit card to a specific cohort which includes recipients of Newstart, Youth Allowance (job seeker) and parenting payments who are 35 and under.⁷¹

2.64 In contrast to the BasicsCard, which is only accepted at approved merchants, the cashless debit card can be used at any merchant that accepts Visa Debit and has not been blocked as an excluded merchant.⁷² The card provider, Indue, may block merchants whose main business is the sale of excluded goods, for example, hotels/bars and casinos. Mixed merchants who sell excluded and non-excluded goods, and have the ability to prevent the sale of the excluded goods, can enter a merchant agreement with Indue in order to be eligible to accept the cashless debit card.⁷³

Impact on participants

2.65 A number of submitters raised concerns regarding the practical operation of the cashless debit card including how the card is used at mixed merchants, the impact of directing 20 per cent of income support payments for unrestricted use and stigma associated with using the card.⁷⁴

2.66 The St Vincent De Paul Society National Council submitted that entering into agreements with mixed merchants adds administrative complexity to the scheme which will be compounded if the cashless debit card is rolled out to additional locations.⁷⁵

2.67 The Australian Hotels Association Western Australia told the committee that it is essential to identify the mixed merchants which will be patronised in cashless debit card sites. Otherwise, mixed merchants will be unable to process cashless debit card transactions and this will impact on business viability and cause hardship and inconvenience for cashless debit card participants.⁷⁶

2.68 The Minderoo Foundation also commented on the limitations associated with blocking particular merchants and recommended that the government invest in

71 Department of Social Services, *Submission 8*, [p. 3].

72 Don Arthur, *BasicsCard and Cashless Debit Card: What's the difference?*, 23 June 2017, Parliamentary Library, Canberra, https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/FlagPost/2017/June/BasicsCard_and_Cashless_Debit_Card (accessed 26 November 2017).

73 Indue, *Merchants*, <https://indue.com.au/dct/merchants/> (accessed 26 November 2017).

74 See, for example: Australian Hotels Association Western Australia, *Submission 4*; Queensland Advocacy Incorporated, *Submission 36*; UnitingCare Australia, *Submission 44*; Say No To The Cashless Welfare Card Australia - Hinkler Region, *Submission 57*; Name withheld, *Submission 61*; Name withheld, *Submission 70*; Name withheld, *Submission 104*; Name withheld, *Submission 109*; Name withheld, *Submission 112*; Name withheld, *Submission 124*.

75 St Vincent de Paul Society National Council, *Submission 163*, p. 16.

76 Australian Hotels Association Western Australia, *Submission 4*, p. 4.

technological solutions that allow for item-level blocking to enable specific excluded goods to be blocked at the point of sale.⁷⁷

2.69 The Australian Bankers' Association noted that the banking industry has concerns with the technology and infrastructure limitations of the cashless debit card scheme and the potential for adverse and unintended consequences for participants where restrictions on access to cash could expose them to further financial and social marginalisation and disadvantage.⁷⁸

2.70 A number of individual submitters raised similar concerns that the unrestricted proportion of a participant's income support payments would not be sufficient to meet their needs, noting that it is often cheaper to purchase some goods and services by cash.⁷⁹ For example, farmers markets, trash and treasure markets, alternate food banks and local charity shops often only accept payment by cash.⁸⁰

2.71 The National Congress of Australia's First Peoples noted the experience of users of the BasicsCard in the Northern Territory and submitted that participants in the cashless debit card trial experienced similar problems including:

- inability to pay for second-hand goods;
- inability to purchase goods at markets;
- requirements to pay additional card payment fees or meet a minimum spend limit; and
- stigma and shame from being marked as an income management participant whenever they make a purchase.⁸¹

2.72 Dr Elise Klein of Melbourne University told the committee that through her research in the East Kimberley, she had found that the management of money was difficult for cashless debit card participants:

Specifically, limiting cash has limited peoples' ability to undertake day-to-day activities to help their families' wellbeing and household livelihoods—things like getting second-hand goods; lunch money; paying for transport, which is essential to help people get to their CDP responsibilities; and buying gifts.⁸²

77 The Minderoo Foundation, *Submission 5*, p. 7.

78 Australian Bankers' Association Inc, *Submission 35*, p. 1.

79 See, for example: Name withheld, *Submission 2*; Name withheld, *Submission 16*; Name withheld, *Submission 78*; Name withheld, *Submission 83*; Name withheld, *Submission 94*; Name withheld, *Submission 105*; Name withheld, *Submission 107*, Name withheld, *Submission 125*; Name withheld, *Submission 134*; Name withheld, *Submission 144*.

80 Name withheld, *Submission 102*, [p. 4].

81 National Congress of Australia's First Peoples, *Submission 42*, p. 5.

82 Dr Elise Klein, Lecturer, Development Studies, University of Melbourne, *Committee Hansard*, 2 November 2017, p. 31.

2.73 Other witnesses noted that the amount of income support payments participants receive does not change under the cashless debit card scheme. Mr Ian Trust from Kununurra in the East Kimberley, explained to the committee that in his community 'the only difference is that 20 per cent of it is cash and 80 per cent is on the card. So, in terms of the monetary value of it, it's the same as before.'⁸³

2.74 The department informed the committee that once the cashless debit card was implemented in the trial sites, participants were able to overcome their initial hesitations, particularly around understanding the technology and how the card operated:

... once people begin to use the card, the feedback that we've had from our local partners is that they do appreciate the extra flexibility—the fact that the card can be used anywhere, as long as it's not a gambling or alcohol merchant. People report that they find the card, once they begin to use it, less stigmatising.⁸⁴

2.75 In response to questions asked by a resident of the Hinkler electorate, the department advised that the cashless debit card allows for many flexible payment options. The cashless debit card will work at any business that accepts EFTPOS (and is not an excluded merchant), can be used to pay bills via direct debit or BPAY and can be used for online shopping at over 1800 online retailers. The department also noted that participants can transfer up to \$200 per month to non-restricted bank accounts if extra cash is required.⁸⁵

2.76 Furthermore, the department submitted that the restrictions ensure that income support recipients and their children will have enough money available for life's essentials and that for people who already spend their money responsibly, the cashless debit card will have very little impact.⁸⁶

Support services

2.77 The Royal Australian and New Zealand College of Psychiatrists (RANZCP) submitted that preventing people from purchasing alcohol or gambling products does not address the underlying causes of the addiction.⁸⁷ RANZCP expressed concern that the trial was not set up in a way to provide holistic care to individuals and that people with addiction issues may resort to increasingly negative coping mechanisms.⁸⁸

83 Mr Ian Trust, Executive Director, Wunan Foundation, *Committee Hansard*, 12 October 2017, p. 65.

84 Dr Roslyn Baxter, Group Manager, Families Group, Department of Social Services, *Committee Hansard*, 26 October 2017, p. 97.

85 Correspondence between Miss Sharon Feerick and Department of Social Services, from Miss Jennifer Cameron and Miss Sharon Feerick, received 3 November 2017, [pp. 2-3].

86 Department of Social Services, *Submission 8*, [p. 1].

87 Royal Australian and New Zealand College of Psychiatrists (RANZCP), *Submission 56*, [p. 2].

88 RANZCP, *Submission 56*, [p. 2].

2.78 Ms Michelle Nelson-Cox of the Aboriginal Health Council of Western Australia, expressed concern that there are not sufficient culturally appropriate support services in the Goldfields region:

One of the concerns we do have in this region is that there is a lack of service providers that are culturally appropriate to deliver programs that are going to meet the outcomes and expected targets of our Aboriginal people, and providers are therefore not going to be able to meet the necessary changes that our people need to have in place to take on their social responsibility...⁸⁹

2.79 The Minderoo Foundation also noted the importance of appropriate support services and guidance, in underpinning the cashless debit card's role in reducing social harm.⁹⁰

2.80 The department informed the committee that it has undertaken extensive mapping of support services in both the Goldfields region and the Hinkler electorate to determine the requirements for support services.⁹¹

2.81 In the Goldfields region, the department is undertaking a children-driven community planning process which will consider how to better streamline and coordinate the support services already in place.⁹² There are over 50 federally-funded services in the Goldfields, receiving approximately \$20 million each year in funding, in addition to state and locally funded services. Under the cashless debit card scheme, the Government will invest more than \$1 million over three years to ensure that children and families in the Goldfields have a well-targeted, coordinated, effective system of support services.⁹³

2.82 The department told the committee that in the Hinkler region, consultation regarding support services has indicated the community is interested in financial wellbeing and capability services, in addition to alcohol and drug support services.⁹⁴ As part of the cashless debit card scheme, the Government will provide an extra

89 Ms Michelle Nelson-Cox, Chairperson, Aboriginal Health Council of Western Australia, *Committee Hansard*, 12 October 2017, p. 23.

90 The Minderoo Foundation, *Submission 5*, p. 8.

91 Dr Roslyn Baxter, Group Manager, Families Group, Department of Social Services, *Committee Hansard*, 2 November 2017, p. 75.

92 Dr Roslyn Baxter, Group Manager, Families Group, Department of Social Services, *Committee Hansard*, 2 November 2017, p. 75.

93 Department of Social Services, *Cashless Debit Card – Goldfields*, <https://www.dss.gov.au/families-and-children/programs-services/welfare-quarantining/cashless-debit-card-goldfields> (accessed 28 November 2017).

94 Dr Roslyn Baxter, Group Manager, Families Group, Department of Social Services, *Committee Hansard*, 2 November 2017, p. 75.

\$1 million for support services to assist participants with budgeting and financial planning and to help people access drug and alcohol services.⁹⁵

2.83 The government has also agreed to match the first year investment in the East Kimberley and Ceduna, providing another \$2.6 million for support services in the communities for a second year.⁹⁶

Human rights implications

2.84 The statement of compatibility with human rights which accompanies the bill, states that the bill engages the right to social security, the right to a private life and the right to equality and non-discrimination.⁹⁷ As noted in Chapter 1, the Parliamentary Joint Committee on Human Rights (human rights committee) expressed the view that while the cashless debit card trial may pursue a legitimate objective, it also raised concerns as to whether the extension of the scheme is a proportionate limitation on human rights and whether adequate and effective safeguards are in place to ensure that the limitations on human rights are the least restrictive way of achieving the objective.⁹⁸

2.85 A number of submitters and witnesses expressed similar concerns that the measures proposed by the bill are not proportionate to the limitations on participants' human rights.⁹⁹ For example, the Australian Human Rights Commission (AHRC) expressed concern that there is limited evidence to demonstrate that the measures contained in the bill have been effective in the existing trial sites and realised the benefits sufficiently to justify the limitation of any rights.¹⁰⁰

2.86 The National Congress of Australia's First Peoples submitted that the restrictions placed on participants' income support payments cannot be rationally connected or proportional to the stated objective of the bill, noting the evaluations of the BasicsCard and Stronger Future measures have shown that income management policies are not effective.¹⁰¹

95 Department of Social Services, *Hinkler – Cashless Debit Card*, <https://www.dss.gov.au/families-and-children/programs-services/welfare-quarantining/cashless-debit-card-overview/hinkler-cashless-debit-card> (accessed 28 November 2017).

96 Department of Social Services, answers to questions on notice, 2 November 2017 (received 13 November 2017) [p. 18].

97 Statement of compatibility, p. 1.

98 Parliamentary Joint Committee on Human Rights (PJCHR), *Report 9 of 2017*, 5 September 2017, pp. 36-37.

99 See, for example: National Social Security Rights Network, *Submission 25*; Australian Human Rights Commission, *Submission 30*; ME/CFS Organisations, *Submission 33*; Law Council of Australia, *Submission 37*; UNICEF Australia, *Submission 51*; Dr Shelley Bielefeld, *Submission 55*; St Vincent de Paul Society National Council, *Submission 163*.

100 Mr Darren Dick, Director, Policy and Programs, Australian Human Rights Commission, *Committee Hansard*, 2 November 2017, p. 12.

101 National Congress of Australia's First Peoples, *Submission 42*, p. 7.

2.87 Reconciliation Australia stated that the bill is not consistent with past recommendations made by the human rights committee that income management policies should only be implemented where there has been a request from the community and that participants should be individually assessed as not able to appropriately manage their income support payments before being placed on income management.¹⁰²

2.88 Noting the human rights implications of the cashless debit card, a number of submitters recommended that the cashless debit card scheme should be amended to be a voluntary program. The Law Council of Australia submitted that research has indicated that income management schemes which are voluntary and target individuals with high needs are more successful.¹⁰³

2.89 In contrast, the Mayor of Ceduna, Councillor Allan Suter, told the committee that he believes that the compulsory nature of the cashless debit card is essential as the people who need help the most, are the people least likely to volunteer for the card.¹⁰⁴

2.90 In his response to the matters raised by the human rights committee, the Minister for Human Services, The Hon Alan Tudge MP (minister), noted that the cashless debit card is aimed at addressing the impacts of social harm across the community and is therefore most effective when applied to a majority of income support recipients:

While Income Management, the Australian Government's other welfare quarantining program, is targeted towards vulnerable individuals, the Cashless Debit Card is testing whether restricting the amount of cash in a community can reduce the overall social harm caused by welfare-fuelled alcohol, gambling and drug misuse at the individual and community level. The community wide impacts of these harmful goods mean that the Cashless Debit Card program is most effective when a majority of people in a community who receive a welfare payment participate in the program.¹⁰⁵

2.91 The department further explained that a community-wide approach is not uncommon when seeking to address problems and harmful behaviours which affect the community as a whole.¹⁰⁶

102 Reconciliation Australia, *Submission 38*, [pp. 7-8]. See also: PJCHR, [2016 Review of Stronger Future measures](#), 16 March 2016, p. 61.

103 Law Council of Australia, *Submission 37*, p. 11. See also: Aboriginal Health Council of Western Australia, *Submission 21*, [p. 5]; Queensland Advocacy Incorporated, *Submission 36*, p. 3; Reconciliation Australia, *Submission 38*, [p. 8]; ACOSS, *Submission 39*, p. 3; Professor John Altman, *Submission 53*, p. 4.

104 Councillor Allan Suter, Mayor, District Council of Ceduna, *Committee Hansard*, 2 November 2017, p. 25.

105 The Hon Alan Tudge MP, Minister for Human Services, correspondence to PJCHR, [p. 4]. See: PJCHR, [Report 11 of 2017](#), 17 October 2017, Appendix 3 – Correspondence, p. 255.

106 Ms Roslyn Baxter, Group Manager, Families Group, Department of Social Services, *Committee Hansard*, 2 November 2017, p. 71.

2.92 The minister outlined that the right to social security is only limited to the extent of a participant's ability to use a proportion of their payment to purchase harms goods, in an area whether there are demonstrated high levels of community harm and does not detract from the eligibility or amount of a person's social security entitlement.¹⁰⁷

2.93 Similarly, the limitation on the right to a private life and right to self-determination are only limited to the extent of restricting a proportion of a participant's income support payments that can be spent on harmful goods, which is directly related to the objective of the cashless debit card to address high levels of harm in communities.¹⁰⁸

Disproportionate impact on Aboriginal and Torres Strait Islander Peoples

2.94 A number of submitters raised particular concerns that the cashless debit card scheme has a disproportionate impact on Aboriginal and Torres Strait Islander peoples.¹⁰⁹ The AHRC noted that as at September 2016, 75 per cent of trial participants in Ceduna, and 82 per cent in the East Kimberley were Indigenous.¹¹⁰

2.95 The AHRC explained that the cashless debit card scheme has a disproportionate impact on Aboriginal and Torres Strait Islander peoples as the bill targets a section of the population who are receiving income support payments, noting:

...whilst the measures may not directly target Aboriginal and Torres Strait Islander peoples, their practical effect will unduly impact upon them, as government pensions and allowances are a main source of income for approximately 46.9% of this group.¹¹¹

2.96 In his response to the human rights committee, the minister acknowledged that although a significant proportion of participants are Aboriginal and Torres Strait Islander peoples, the cashless debit card scheme is not applied on the basis of race or cultural factors and locations are chosen on the basis of objective criteria.¹¹² The department also noted that the proposed new sites have a much lower proportion of Aboriginal and Torres Strait Islander peoples than the trial locations.¹¹³

107 The Hon Alan Tudge MP, Minister for Human Services, correspondence to PJCHR, [p. 3]. See: PJCHR, *Report 11 of 2017*, 17 October 2017, Appendix 3 – Correspondence, p. 254.

108 The Hon Alan Tudge MP, Minister for Human Services, correspondence to PJCHR, [pp. 3-4]. See: PJCHR, *Report 11 of 2017*, 17 October 2017, Appendix 3 – Correspondence, pp. 254-255.

109 See, for example: Australian Human Rights Commission, *Submission 30*, p. 2; Law Council of Australia, *Submission 37*, p. 17; Dr Shelley Bielefeld, *Submission 55*, pp. 17-18; St Vincent de Paul Society National Council, *Submission 163*, pp. 19-20.

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

111 Australian Human Rights Commission, *Submission 30*, pp. 2-3.

112 The Hon Alan Tudge MP, Minister for Human Services, correspondence to PJCHR, [p. 3]. See: PJCHR, *Report 11 of 2017*, 17 October 2017, Appendix 3 – Correspondence, p. 254.

113 Department of Social Services, *Submission 8*, [p. 3].

Parliamentary oversight

2.97 The bill provides that the cashless debit card will be implemented in new sites following the introduction of a disallowable legislative instrument.¹¹⁴

2.98 A number of submitters raised concerns that new trial sites will be determined by legislative instrument and that the bill will allow the expansion of the cashless debit card program into new sites without a separate act of Parliament.¹¹⁵

2.99 The Western Australian Council of Social Service submitted that although the legislative instruments are disallowable by Parliament, the level of oversight and consultation will be reduced if the cashless debit card is implemented in new sites without the process of amending existing legislation.¹¹⁶ The Goldfields Land and Sea Council expressed the opinion that the likelihood of Parliament disallowing the legislative instrument was low.¹¹⁷

2.100 The AHRC raised concerns that there was not a requirement for particular safeguards to be included in the legislative instruments, including requirements that the instruments be time bound, limit the number of participants or consult with affected communities.¹¹⁸

2.101 The explanatory memorandum to the bill notes that the proposed amendments do not remove the legislative safeguards protecting how, when and where the cashless debit card can be implemented. Furthermore, the legislative instruments which determine new sites can specify other parameters including sunset dates and participant criteria.¹¹⁹ This provides the opportunity for the Government to co-design these parameters with the communities and tailor the program to suit their needs.¹²⁰

2.102 The department noted that while the current legislation allows for the cashless debit card to be implemented in one further site, it does not allow for the program to operate beyond 30 June 2018 or be rolled out to both the Goldfields region and the Hinkler electorate or any further locations. The department submitted that removing the limitations in the current legislation provides more flexibility for expansion of the program and that the Government's intention to implement the cashless debit card in

114 Explanatory memorandum, p. 2.

115 See, for example: Western Australian Council of Social, *Submission 7*, [p. 3]; ACOSS, *Submission 39*, p. 4; Goldfields Land and Sea Council, *Submission 22*, p. 2; Law Council of Australia, *Submission 37*, p. 19; Professor Eva Cox, *Submission 49*, p. 1.

116 Western Australian Council of Social, *Submission 7*, [p. 3].

117 Goldfields Land and Sea Council, *Submission 22*, p. 2.

118 Mr Graeme Edgerton, Deputy Director, Legal Section, Australian Human Rights Commission, *Committee Hansard*, 2 November 2017, p. 13.

119 Explanatory memorandum, p. 2.

120 The Hon Alan Tudge MP, Minister for Human Services, correspondence to PJCHR, [p. 3]. See: PJCHR, *Report 11 of 2017*, 17 October 2017, Appendix 3 – Correspondence, p. 254.

the two new locations has been prefaced by extensive consultation in both locations.¹²¹

2.103 The department submitted that Parliament will retain the right to consider each proposed cashless debit card site on an individual basis:

Instead of passing legislative amendments, for hypothetical communities and participants, Parliament can accept or reject new sites by considering the impacts and level of community support for the measure on a case by case basis.¹²²

Committee view

2.104 The committee notes the wide-ranging support for the objective of the cashless debit card to reduce the social harms caused by excessive use of alcohol, drugs and gambling. The committee recognises that views differ on whether the cashless debit card has been effective at achieving this objective.

2.105 The committee heard strong concerns from the Goldfields region regarding the devastating impact alcohol, drugs and gambling is having on communities in the region and believes the cashless debit card will go some way to creating an environment in which to address these issues.

2.106 The committee is encouraged by the results of the independent evaluation conducted by ORIMA Research which indicates that the cashless debit card trials in the East Kimberley and Ceduna have resulted in less public drunkenness, less gambling, fewer alcohol related hospital admissions and people engaging with local support services to improve their lives.

2.107 The committee notes the extensive consultation undertaken with the East Kimberley and Ceduna trial sites, as well as the proposed new sites of the Goldfields region and the Hinkler electorate, and that a high level of community support has been fundamental to the introduction of the cashless debit card in these locations.

2.108 The committee recognises that there are concerns regarding the operation of the cashless debit card and its impact on participants. The committee is satisfied that the department's continued consultation will ensure that the proposed new sites are prepared to implement the card and that appropriate support services will be provided to meet each community's needs.

2.109 The committee acknowledges concerns that the bill may limit a participant's human rights. However, the committee is satisfied that the bill only limits those rights to the extent required to realise the objective of the card to reduce the social harm caused by the excessive use of alcohol, drugs and gambling.

2.110 The committee further acknowledges the concern that there is not a requirement for particular safeguards to be included in the legislative instruments nominating new locations. However, the committee notes that the bill does not remove

121 Department of Social Services, *Submission 8*, [p. 3].

122 Department of Social Services, *Submission 8*, [p. 4].

the legislative safeguards protecting how, when and where the cashless debit card can operate.

2.111 The committee notes that disallowable legislative instruments are subject to disallowance by the Parliament within 15 sitting days of their tabling in the House of Representatives and the Senate. Further, the human rights committee and the Senate Standing Committee on Regulations and Ordinances will have the opportunity to review the legislative instruments for compliance with each committee's respective scrutiny principles and report to the Parliament.

2.112 Noting the results of the independent evaluation, the committee is encouraged by the cashless debit card's positive impact in the trial sites and sees significant benefit in the continuation of the cashless debit card in the trial sites and expansion to new locations.

Recommendation 1

2.113 The committee recommends that the bill be passed.

Senator Slade Brockman

Chair

Australian Labor Party Senators' Dissenting Report

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

1.2 Labor referred this bill to a Senate Inquiry to ensure that adequate consideration was given to the issues presented by removing the existing limits on the cashless debit card trials, which require the trials end by 30 June 2018, that there be no more than three discrete trial sites and that the trial areas include no more than 10,000 participants.

Consultation

1.3 It has become clear to Labor Senators on the Committee that there has been insufficient consultation with the communities of Bundaberg in Queensland, and in the Goldfields in Western Australia.

1.4 Witnesses at the Kalgoorlie Hearing, in particular expressed serious dissatisfaction with the consultation process that was undertaken prior to the announcement of the Goldfields trial site, describing it as 'very lacklustre.'¹

1.5 Senators at the Hearing heard that the consultation process in the Goldfields was not broad enough, and that participants often felt disempowered by the discussions. In particular, the Committee heard:

I was involved in the initial discussion. However, I felt as though my presence at that meeting was irrelevant due to the fact that I work full time and run my own business. My comment was to actually engage the people of our community, not just Aboriginal but our community as a whole, to inform them of their intentions and what the cashless card is all about.²;

I think there should be more time for a consultation process. We met with [name removed] Minister Tudge's man on the ground. I gave him my thoughts and that, but it fell on deaf ears. They don't listen because they've got their minds made up...there should be more consultation, especially with Aboriginal people so that they can digest the idea of the cashless card. In Leonora, they're not happy with the outcome up there. They weren't really consulted...especially with Aboriginal people so that they can digest the idea of the cashless card. In Leonora, they're not happy with the outcome up there. They weren't really consulted...Every time there is something happening and they want to consult Aboriginal people, they haven't got an Aboriginal person there to explain in simple terms what's going on.³;

1 Mr Brian Champion, Goldfields Aboriginal Reference Group and Kalgoorlie-Boulder Aboriginal Community Residents Group, *Committee Hansard*, 12 October 2017, p. 32.

2 Mr Linden Brownley, *Committee Hansard*, 12 October 2017, p. 32.

3 Mr Dion Meredith, Kalgoorlie-Boulder Aboriginal Community, *Committee Hansard*, 12 October 2017, p. 33.

From what I've seen as a community development officer, there hasn't been that on-ground consultation with the people who will be a part of the rollout of the card.⁴; and

They'd made a decision anyway, and all we were doing was rubber stamping it.⁵

1.6 Witnesses from Bundaberg similarly told the Committee that the consultation process in their region had been difficult to access, and not representative of the community.

1.7 Leanne Donaldson, the then Member for Bundaberg told the Committee that the consultation process 'has been selective and secretive.'⁶

1.8 Key groups from the Bundaberg region felt ignored by the consultation process. Representatives from the Gidarjil Development Corporation explained that '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.'⁷

1.9 Representatives from a community advocacy group in Bundaberg explained that 'there has been little to no public consultation. What has taken place has been behind closed doors.'⁸

1.10 The bill, as written, provides no guidance as to how consent has been established in the proposed new trial sites.

1.11 This is a point of serious concern for Labor Senators on the Committee.

Reliability of the Orima Evaluations

1.12 Over the course of the Inquiry, Labor Senators on this Committee heard that the Orima evaluations of the trial in the East Kimberley and in Ceduna are unreliable, and that no empirical judgements about the effectiveness of the trials can be made on the basis of the information collected.

1.13 Dr Janet Hunt of the Australian National University expressed significant and serious concerns about the reliability of the Orima Evaluations.

1.14 Dr Hunt explained that '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 outcome for participants.'⁹

4 Miss Ada Hanson, Australian Red Cross, *Committee Hansard*, 12 October 2017, p. 33.

5 Mr Trevor Donaldson, Goldfield Land and Sea Council, *Committee Hansard*, 12 October 2017, p. 49.

6 Ms Leanne Donaldson, then Member for Bundaberg, *Committee Hansard*, 2 November 2017, p. 39.

7 Ms Jennifer Mason, Gidarjil Development Corporation, *Committee Hansard*, 2 November 2017, p. 41.

8 Ms Kathryn Wilkes, *Committee Hansard*, 2 November 2017, p. 60.

1.15 Dr Hunt further explained that '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.'¹⁰

1.16 Overall, based on the data included in the Orima Evaluations, Dr Hunt was of the view that 'The violence doesn't seem to have reduced. We haven't got adequate data to be able to make that claim.'¹¹

1.17 The Committee heard mixed views about the effectiveness of the cashless debit card in the existing trial sites.

1.18 Superintendent Adams of the Kimberley Police District stated that there was 'lots of anecdotal evidence'¹² that the cashless debit card was effective.

1.19 This was in conflict with evidence provided to the Committee from the Aboriginal Health Council Western Australia, who explained that:

Since the introduction of the cashless card in Kununurra there has been an increase in crime, an increase around elder abuse, an increase around soliciting and black market trades happening with service providers that can trade off the card for cash. So it hasn't dealt with the contentious issues that were identified; it has actually caused a major influx around other issues.¹³

1.20 Contrary to this, Superintendent Adams told the Committee that official police figures showed a decrease in a wide variety of crimes, such as burglary, theft and damage.¹⁴

1.21 However, independent research undertaken by Monash University for the Aboriginal Health Council Western Australia did not show these same effects. Ms Nelson-Cox explained:

We also had a review that was undertaken by Monash University, which found the opposite statistics. That provided us with evidence base to say that since the introduction of the cashless card in the East Kimberley we've had very much the opposite statistics provided to us.¹⁵

1.22 It is also unclear whether the cashless debit card has had an effect on domestic violence in the trial sites.

9 Dr Janet Hunt, Australian National University, *Committee Hansard*, 2 November 2017, p. 1.

10 Dr Janet Hunt, Australian National University, *Committee Hansard*, 2 November 2017, p. 1.

11 Dr Janet Hunt, Australian National University, *Committee Hansard*, 2 November 2017, p. 7.

12 Superintendent Allan Adams, Kimberley Police District, *Committee Hansard*, 12 October 2017, p. 57.

13 Ms Michelle Nelson-Cox, Aboriginal Health Council of Western Australia, *Committee Hansard*, 12 October 2017, p. 22.

14 Superintendent Allan Adams, Kimberley Police District, *Committee Hansard*, 12 October 2017, p. 58.

15 Ms Michelle Nelson-Cox, Aboriginal Health Council of Western Australia, *Committee Hansard*, 12 October 2017, p. 26.

1.23 Superintendent Adams told the Committee that, across the entire Kimberley district, there had been 2,600 incidences of domestic violence reported in the financial year to 30 June 2017.¹⁶

1.24 In Kununurra specifically, Superintendent Adams told the Committee that in the 12 months to 30 June 2016, there were 319 domestic assaults in Kununurra, but in the 12 months to 30 June 2017, this figure had increased to 508.¹⁷

1.25 Superintended Adams explained to the Committee that it was 'difficult to assess the card from a violence perspective' as Kimberley Police had also revised their approach to domestic violence in the same period.¹⁸

1.26 The Committee also heard that the lived experience of service providers in the Ceduna trial area were not mirrored by the findings of the Orima Evaluations.

1.27 Representatives of the Ceduna Koonibba Aboriginal Health Corporation told the Committee that 'The actual statistics of the sobering-up unit during the trial period were not very different from the previous year.'¹⁹

1.28 Through the course of the Inquiry, the Committee has heard mixed views of the effectiveness of the trials.

1.29 Labor Senators on the Committee are concerned that the trials in the East Kimberley and in Ceduna have not been going for long enough to properly ascertain whether they have been effective.

1.30 Labor Senators on the Committee are firmly of the view that a more rigorous evaluation of the trials should be carried out.

1.31 Labor Senators on the Committee are unconvinced that the Orima Evaluations alone provide sufficient evidence to justify the introduction of the cashless debit card in any new communities.

Clarity regarding community panels

1.32 Labor Senators on the Committee heard that there is a lack of information in the Ceduna and East Kimberley trial sites about how the proportion of income quarantined can be adjusted.

1.33 Father Brennan, the Chief Executive Officer of Catholic Social Services explained that:

16 Superintendent Allan Adams, Kimberley Police District, Evidence provided to the Senate Committee, Thursday 12 October 2017, Hansard, p. 56.

17 Superintended Allan Adams, Kimberley Police District, Evidence provided to the Senate Committee, Thursday 12 October 2017, Hansard, p. 58.

18 Superintended Allan Adams, Kimberley Police District, Evidence provided to the Senate Committee, Thursday 12 October 2017, Hansard, p. 57.

19 Denise Karagiannis, Ceduna Koonibba Aboriginal Health Service Aboriginal Corporation, Evidence provided to the Senate Committee, Thursday 12 October 2017, Hansard, p. 22.

There's very little community understanding as to how that process works, and the evidence for that is that very few have been able to transition from 80 per cent to 50 per cent.²⁰

1.34 Labor Senators on the Committee believes that it is important for trial participants that this process be clarified, before any further trial sites are considered.

Wrap-around Services

1.35 The Committee heard that quarantining the income of people misusing alcohol and illicit substances alone will not solve the deep and entrenched social issues prevalent in trial communities.

1.36 Ms Zell Dodd, the Chief Executive Officer of the Ceduna Koonibba Aboriginal Health Service Corporation explained that:

...regarding alcohol and other drug support services which were funded as part of the cashless debit card trial in the Far West Coast region. It is not about the cashless debit card itself; it is about the support services and its consequences, such as little or not investment in social and emotional wellbeing services as part of the trial. Rather than reducing the need for alcohol and other drug support services, the view is that the trial is likely to increase the demand for alcohol and other drug services as well as social and emotional wellbeing services and, in fact, mental health services.²¹

1.37 Ms Dodd explained further that the service as it stands is not able to meet the demand, and that the funding which had initially been provided to the organisation has been 'pulled back.'²²

1.38 'To make a real difference to support the trial and mainly the health outcomes for Aboriginal people living in [the trial] community there needs to be sustainability of service agreements.'²³

1.39 Labor Senators on the Committee are concerned that a lack of certainty for wrap around services in trial communities threatens any positive outcomes which the trials may achieve.

1.40 A clear commitment from the Government is needed on the delivery of wrap around services before any further trials could be considered.

20 Fr Frank Brennan, Catholic Social Services Australia, *Committee Hansard*, 2 November 2017, p. 3.

21 Ms Zell Dodd, Ceduna Koonibba Aboriginal Health Services Corporation, *Committee Hansard*, 12 October 2017, p. 21.

22 Ms Zell Dodd, Ceduna Koonibba Aboriginal Health Services Corporation, *Committee Hansard*, 12 October 2017, p. 22.

23 Ms Zell Dodd, Ceduna Koonibba Aboriginal Health Services Corporation, *Committee Hansard*, 12 October 2017, p. 22.

Costs

1.41 Evidence was provided to the Committee from representatives of the Department of Social Services about the cost of the trial in the East Kimberley and Ceduna.

1.42 The Committee heard that the total cost of the trial in the existing trial sites in the first year was \$17.847 million.²⁴

1.43 The Department of Social Services explained that extending the trial in the East Kimberley and Ceduna for another year cost an additional \$7.726 million.

1.44 Labor Senators on this Committee understand that this represents a combined cost of \$25.573 million.

1.45 The Department of Social Services were unable to provide an estimate of the cost of introducing the cashless debit card in to the Bundaberg and Goldfields regions.

1.46 Labor Senators on the Committee understand that this is due to the information being classified as commercial-in-confidence.²⁵

1.47 Labor Senators on the Committee are concerned that a significant financial commitment is being made for a program where the effects are in doubt.

Recommendation 1

Labor Senators on this Committee recommend that the Senate not pass the Social Services Legislation Amendment (Cashless Debit Card) Bill 2017 in its current form.

Recommendation 2

Labor Senators believe that there is an insufficient basis to establish further trials at this stage and therefore recommend that the bill be amended to:

- i. Create a trial end date of 30 June 2019 for Ceduna and the East Kimberley;**
- ii. Limit the trials to only two existing, discrete trial areas;**
- iii. Oppose the removal of the limit of 10 000 participants;**
- iv. Specify how people in the trial areas who are on the cashless debit card can have the proportion of their income support payments on the card reduced or exist the trial; and**
- v. Guarantee funding for wrap around services.**

24 Ms Roslyn Baxter, Department of Social Services, *Committee Hansard*, 2 November 2017, p. 81.

25 Mr Tristan Reed, Department of Social Services, *Committee Hansard*, 2 November 2017, p. 82.

Senator the Hon Lisa Singh

Senator Murray Watt

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.

-
- 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.

APPENDIX 1

Submissions and additional information received by the Committee

Submissions

- 1** Name Withheld
- 2** Name Withheld
- 3** Name Withheld
- 4** Australian Hotels Association
- 5** The Minderoo Foundation
- 6** MG Corporation
- 7** WA Council of Social Service
- 8** Department of Social Services
- 9** Catholic Social Services Australia
- 10** Australian Unemployed Workers Union
- 11** Inner West Sydney Branch of Australian Unemployed Workers Union
- 12** Australian Association of Social Workers
- 13** Name Withheld
- 14** Name Withheld
- 15** Name Withheld
- 16** Name Withheld
- 17** Name Withheld
- 18** Name Withheld

- 19 Name Withheld
- 20 Moreton Bay Region Access & Inclusion Group
- 21 Aboriginal Health Council of Western Australia (plus an attachment)
- 22 Goldfields Land and Sea Council
- 23 Ceduna Koonibba Aboriginal Health Service Aboriginal Corporation and Tullawon Health Service
- 24 Queensland Teachers' Union
- 25 National Social Security Rights Network
- 26 Consumer Action Law Centre and FamilyCare (plus an attachment)
- 27 Australian Council of Trade Unions
- 28 ME, CFS and Lyme Association of WA
- 29 Carers Australia
- 30 Australian Human Rights Commission
- 31 National Council of Single Mothers and their Children
- 32 PeakCare Queensland
- 33 ME/CFS organisations
- 34 Public Health Association of Australia
- 35 Australian Bankers' Association Inc.
- 36 Queensland Advocacy Inc.
- 37 Law Council of Australia
- 38 Reconciliation Australia
- 39 Australian Council of Social Service
- 40 Cape York Institute

- 41 Commonwealth Bank
- 42 National Congress of Australia's First Peoples
- 43 Council of Single Mothers and their Children Victoria
- 44 UnitingCare Australia
- 45 Queensland Council of Social Service (QCOSS) (plus two attachments)
- 46 Mayor Luke Smith
- 47 Dr Janet Hunt (plus two attachments)
- 48 Dr Elise Klein
- 49 Professor Eva Cox
- 50 Name Withheld
- 51 UNICEF Australia
- 52 Mr Yingiya Mark Guyula MLA, Member for Nhulunbuy
- 53 Professor Jon Altman
- 54 Ms Jacinta Nampijinpa Price
- 55 Dr Shelley Bielefeld (plus an attachment)
- 56 The Royal Australian and New Zealand College of Psychiatrists
- 57 Say No To The Cashless Welfare Card Australia - Hinkler Region
- 58 Name Withheld
- 59 Name Withheld
- 60 Name Withheld
- 61 Name Withheld
- 62 Name Withheld
- 63 Professor Matthew Gray & Mr Rob Bray (plus an attachment)

- 64** Name Withheld
- 65** Name Withheld
- 66** Name Withheld
- 67** Name Withheld
- 68** Name Withheld
- 69** Name Withheld
- 70** Name Withheld
- 71** Kimberley Land Council
- 72** Name Withheld
- 73** Name Withheld
- 74** Name Withheld
- 75** Name Withheld
- 76** Name Withheld
- 77** Name Withheld
- 78** Name Withheld
- 79** Name Withheld
- 80** Name Withheld
- 81** Name Withheld
- 82** Name Withheld
- 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 Name Withheld
- 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 Name Withheld
- 105 Name Withheld
- 106 Name Withheld
- 107 Name Withheld
- 108 Name Withheld
- 109 Name Withheld

- 110 Name Withheld
- 111 Wyndham Advisory Group
- 112 Name Withheld
- 113 Name Withheld
- 114 Name Withheld
- 115 Name Withheld
- 116 Name Withheld
- 117 Name Withheld
- 118 Name Withheld
- 119 Name Withheld
- 120 Name Withheld
- 121 Name Withheld
- 122 Name Withheld
- 123 Name Withheld
- 124 Name Withheld
- 125 Name Withheld
- 126 Name Withheld
- 127 Name Withheld (plus an attachment)
- 128 Name Withheld
- 129 Name Withheld
- 130 Name Withheld
- 131 Name Withheld
- 132 Mr Bill Bartlett

- 133 Name Withheld
- 134 Name Withheld
- 135 Name Withheld
- 136 Name Withheld
- 137 Name Withheld (plus an attachment)
- 138 Ms Rosie Williams
- 139 People with Disability Australia
- 140 Australian Aged Pensioner Group
- 141 Name Withheld
- 142 Name Withheld
- 143 Name Withheld
- 144 Name Withheld
- 145 Confidential
- 146 Confidential
- 147 Confidential
- 148 Confidential
- 149 Confidential
- 150 Confidential
- 151 Confidential
- 152 Confidential
- 153 Name Withheld
- 154 Confidential
- 155 Confidential

156	Confidential
157	Confidential
158	Confidential
159	Confidential
160	Confidential
161	Indue Ltd
162	Northern Territory Government
163	St Vincent de Paul Society National Council
164	Name Withheld
165	Name Withheld
166	Name Withheld
167	The Say No Seven
168	Name Withheld
169	Uniting Communities
170	Name Withheld
171	Ms Beverley Walley and Ms Gailene Chulung
172	Confidential

Additional Information

- 1 Correspondence between Miss Sharon Feerick and Department of Social Services, from Miss Jennifer Cameron and Miss Sharon Feerick, received 3 November 2017
- 2 Opening statement from 2 November 2017 Canberra public hearing, from Mr Daniel Stafford, Organiser, Bundaberg Awareness Group, received 3 November 2017
- 3 Opening statement from 2 November 2017 Canberra public hearing, from Miss Sharon Feerick, received 3 November 2017

Answers to Questions on Notice

- 1 Answers to Questions taken on Notice during 12 October public hearing, received from Western Australian Council of Social Service, 16 October 2017
- 2 Answers to Questions taken on Notice during 12 October public hearing, received from Kalgoorlie-Boulder Chamber of Commerce & Industry Inc, 28 October 2017
- 3 Answers to Questions taken on Notice during 12 October public hearing, received from Shire of Menzies, 31 October 2017
- 4 Answers to Questions taken on Notice during 12 October public hearing, received from Superintendent Allan Adams, 1 November 2017
- 5 Answers to Questions taken on Notice during 12 October public hearing, received from Australian Hotels Association Western Australia, 3 November 2017
- 6 Answers to Questions taken on Notice during 12 October public hearing, received from Shire of Leonora, 15 November 2017
- 7 Answers to Questions taken on Notice during 12 October public hearing, received from Shire of Coolgardie, 24 November 2017
- 8 Answers to Questions taken on Notice during 2 November public hearing, received from Mayor Allan Suter, 3 November 2017
- 9 Answers to Questions taken on Notice during 2 November public hearing, received from Minderoo Foundation, 9 November 2017
- 10 Answers to Questions taken on Notice during 2 November public hearing, received from Department of Social Services, 13 November 2017
- 11 Answers to Questions taken on Notice during 2 November public hearing, received from Department of Social Services, 14 November 2017
- 12 Answers to Questions taken on Notice during 2 November public hearing, received from Department of Social Services, 17 November 2017
- 13 Answers to Questions taken on Notice during 2 November public hearing, received from Kununurra Waringarri Aboriginal Corporation, 17 November 2017
- 14 Answers to Questions taken on Notice during 2 November public hearing, received from Department of Social Services, 28 November 2017

Tabled Documents

- 1 Minutes: Meeting with Minister Tudge and Rick Wilson MP, 22 December 2015 at the Shire of Leonora Administration Offices, tabled by Shire of Leonora, at Kalgoorlie public hearing, 12 October 2017
- 2 Opening statement, tabled by Australian Red Cross, at Kalgoorlie public hearing, 12 October 2017
- 3 On-line news article: The Australian Independent Media Network, The LNP Welfare Card: the true facts exposed. Corruption disguised as philanthropy! February 27, 2017, tabled by Goldfields Land and Sea Council, at Kalgoorlie public hearing, 12 October 2017
- 4 Report: The Cashless Debit Card: Learnings from Trial Site Communities and Recommendations, 1 November 2017, tabled by Catholic Social Services Australia, at Canberra public hearing, 2 November 2017

- 5 CSSA Position paper—Income management and the Healthy Welfare Card, tabled by Catholic Social Services Australia, at Canberra public hearing, 2 November 2017
- 6 Examples of correspondence and Community Newsletter, tabled by Ms Kathryn Wilkes, at Canberra public hearing, 2 November 2017
- 7 Statement, tabled by Ms Amanda Smith, at Canberra public hearing, 2 November 2017
- 8 Example of wine gift voucher received following Afterpay purchase, tabled by Miss Jennifer Cameron, at Canberra public hearing, 2 November 2017

Correspondence

- 1 Letter to Minderoo Foundation, from Shire of Leonora, received 28 September 2017
- 2 Correspondence clarifying evidence given at Canberra public hearing on 2 November 2017, received from Department of Social Services , 13 November 2017
- 3 Letter following on from his appearance at the Kalgoorlie public hearing on 12 October 2017, from Mr Jim Epis, Chief Executive Officer, Shire of Leonora, received 27 October 2017

Form Letters

- 1 The committee received correspondence from six individuals in relation to this inquiry. The committee has noted and accepted this correspondence.

APPENDIX 2

Public hearings

Thursday, 12 October 2017

Quality Inn Railway Motel & Function Centre, Kalgoorlie

Witnesses

City of Kalgoorlie-Boulder

BOWLER, Mr John, MLA, Mayor

Shire of Coolgardie

CULLEN, Mr Malcolm, Shire President

LOGAN, Mrs Betty, Councillor

Shire of Leonora

EPIS, Mr James Gregory (Jim), Chief Executive Officer

NORRIE, Mr Ross, Deputy President

Shire of Laverton

HILL, Mr Patrick, President

Shire of Menzies

DWYER, Ms Jill, Shire President

TUCKER, Mr Ian Rodney, Councillor

EVANS, Ms Rhonda, Chief Executive Officer

TAYLOR, Mr Matthew, Private capacity

Ceduna Koonibba Aboriginal Health Service Aboriginal Corporation

DODD, Ms Zell, Chief Executive Officer

BILNEY, Mr Leeroy, Deputy Chairperson

KARAGIANNIS, Mrs Denise, Acting Program Manager

LOVIBOND, Ms Kim, Business Manager, Tullawon Health Service Inc.

Aboriginal Health Council of Western Australia

NELSON-COX, Ms Michelle, Chairperson

WYN-JONES, Mr Shaun, Senior Policy Officer

Australian Red Cross

HANSON, Miss Ada, Community Development Officer

Kalgoorlie-Boulder Aboriginal Community Residents' Group

CHAMPION, Mr Brian, Deputy Chairperson, Goldfields Aboriginal Reference Group

PEEL, Mrs Raelene, Member

MEREDITH, Mr Dion, Member

BROWNLEY, Mr Linden, Private capacity

Kalgoorlie-Boulder Chamber of Commerce and Industry Inc.

DeBEEN, Mrs Simone, Chief Executive Officer

McKENZIE, Mr William (Bill) Thomas, Executive Member

HOLMAN, Mrs Kerry, Private capacity

Australian Hotels Association Western Australia

JACKSON, Ms Victoria, Government Relations Manager

ANDREW, Mr Michael, Membership and Regulatory Advice Manager

Yamatji Marlpa Aboriginal Corporation

TRAN, Ms Ailan, Senior Communications Advisor

Goldfields Land and Sea Council

MEREDITH, Ms Maria, Vice Chair Person

DONALDSON, Mr Trevor, Native Title Cultural Liaison Manager

MG Corporation

BENNING, Mr Lawford, Chairperson

WEDDERBURN, Mr Allan, Chief Executive Officer

ADAMS, Superintendent Allan, District Superintendent, Kimberley Police District,
Western Australia Police Force

SPURLING, Ms Jacqueline, Private capacity

Wunan Foundation

TRUST, Mr Ian, Executive Director

Western Australian Council of Social Service

TWOMEY, Mr Chris, Leader, Policy Development and Research

Thursday, 2 November 2017

Parliament House, Canberra

Witnesses

HUNT, Dr Janet Eileen, Private capacity

Catholic Social Services Australia

de CHASTEL, Ms Liz, Director, Social Policy

BRENNAN, Father Frank, AO, Chief Executive Officer

HATFIELD, Ms Ingrid, Research and Special Projects Officer

CLEARY, Dr Jen, Chief Executive Officer, Centacare Catholic Family Services South Australia

Law Council of Australia

McLEOD, Ms Fiona, SC, President

ZORNADA, Ms Kristen, Policy Lawyer

Australian Human Rights Commission

DEVEREAUX, Mr Nick, Manager, Aboriginal and Torres Strait Islander Social Justice

DICK, Mr Darren, Director, Policy and Programs

EDGERTON, Mr Graeme, Deputy Director, Legal Section

National Congress of Australia's First Peoples

LITTLE, Mr Rod, Co-Chair

McLOUGHLIN, Ms Meg, Senior Policy Officer

Kimberley Land Council

GARSTONE, Mr Tyrone, Deputy Chief Executive Officer

CARTER, Ms Merle, Deputy Chair

SUTER, Councillor Allan John, Mayor, District Council of Ceduna

Australian Council of Social Service

GOLDIE, Dr Cassandra, Chief Executive Officer

DAVIDSON, Mr Peter, Senior Adviser

KLEIN, Dr Elise, Lecturer, Development Studies, University of Melbourne

DONALDSON, Ms Leanne, MP, Member for Bundaberg, Queensland Government

Gidarjil Development Corporation

MASON, Ms Jennifer, Arts Development Officer

HOLDEN, Ms Melinda, Elder

BLACKMAN, Ms Cherissma, Ngardu Training and Development

Bundaberg Awareness Group

STAFFORD, Mr Daniel, Organiser

FEERICK, Miss Sharon, Private capacity

Wyndham Advisory Group

O'REERI, Ms Jean, Representative

HILL, Mr Desmond, Private capacity

Minderoo Foundation

O'SULLIVAN, Mr Matthew, Chief Operating Officer, GenerationOne

MANSFIELD, Mr Bruce, Special Adviser, GenerationOne

WILKES, Ms Kathryn, Admin, No Cashless Debit Card Hinkler Region; and
Admin, Say No Cashless Welfare Debit Card Australia

SMITH, Ms Dianne, Private capacity

CAMERON, Miss Jennifer, Private capacity

SMITH, Ms Amanda, Group Delegate, The Say NO Seven Online Community

WHIFFIN, Ms Faye, Private capacity

Department of Social Services

BENNETT, Ms Barbara, Deputy Secretary, Families and Communities

BAXTER, Ms Roslyn, Group Manager, Families Group

REDDEL, Dr Tim, Group Manager, Policy Office

REED, Mr Tristan, Branch Manager, Welfare, Quarantining and Gambling

KIMBER, Mr Murray, Branch Manager, Policy Capability and Evaluation