20 July 2018

Senator Slade Brockman

Chair

Legislation Committee

Senate Standing Committees on Community Affairs

PO Box 6100

Parliament House

Canberra ACT 2600

Dear Chair

### Re: Inquiry into the Social Services Legislation Amendment (Cashless Debit Card Trial Expansion) Bill 2018

People with Disability Australia (PWDA) welcomes the inquiry into the Social Services Legislation Amendment (Cashless Debit Card Trial Expansion) Bill 2018 (the Bill). PWDA is a national disability rights, advocacy and representative organisation that is made up of, led and governed by people with disability. We provide individual and group advocacy to people across NSW and parts of Queensland. This includes the Bundaberg and Fraser Coast areas, which are areas targeted by this bill.

We are making this submission as a disability rights organisation. It is written to provide the committee with the perspective of people with disability. It is informed by our membership and our advocacy work with people with disability and builds upon our previous submissions to this committee on the issue of compulsory income management.

The current proposal is for an expansion of the existing compulsory cashless debit card trials. This Bill follows multiple attempts to use compulsory income management to change the behaviour of people in receipt of social security payments.[[1]](#footnote-1) The Government has indicated that the aims of these trials of compulsory income management have been to address intergenerational welfare dependency and to address issues associated with gambling, alcohol and other drugs.[[2]](#footnote-2)

The proposed Cashless Debit Card Trial Expansion Bill 2018 differs from the other trials as it would only apply compulsory income management to people aged under 36 years old in the Commonwealth electoral district of Hinkler, primarily the Bundaberg and Hervey Bay area. It would only apply to people in receipt of a limited number of payments, primarily Newstart Allowance or Youth Allowance (other). The cashless debit card aims to restrict the purchase of alcohol and the use of funds for gambling for any person in receipt of income support and who meets the trial criteria.

### Our concerns

PWDA has a number of concerns about expanding the trial of compulsory income management. We are concerned that this Bill:

* ignores clear recommendations from the United Nations that compulsory income management is not in line with Australia’s human rights obligations;
* is based on inadequate research and evaluation;
* is expensive to administer;
* will not deliver the intended outcomes for people in receipt of social security payments;
* will have specific negative impacts on people with disability, similar to those in the existing trial areas;

PWDA has raised our concerns with this Committee previously, during the inquiry into the Social Services Legislation Amendment (Cashless Debit Card) Bill 2017. This submission reiterates and continues the themes raised in our previous submission.[[3]](#footnote-3)

We endorse the submissions made by the Australian Council of Social Service (ACOSS) and the National Social Security Rights Network (NSSRN) to this inquiry.

We urge the committee to recommend that this Bill not be passed into law. In the following pages, we outline in more detail our reasons why we do not support the proposed Bill.

### Proposed legislation doesn’t meet Australia’s human rights obligations

All Australians have a right to social security. This right is contained in the International Covenant on Economic, Social and Cultural Rights (ICESCR), a convention which Australia signed and ratified. The right is also articulated in other international human rights instruments, including the Convention on the Rights of Persons with Disabilities, which Australia has also signed and ratified.[[4]](#footnote-4) The expansion of income management proposed in this Bill undermines the Australian Government’s obligations to fulfil these rights.

The Explanatory Memorandum for this Bill contains a Statement of Compatibility with Human Rights that fails to recognise the complexity of these rights and Australia’s obligations under international human rights agreements.

Australia was recently reviewed by the Committee on Economic, Social and Cultural Rights (CESCR) as part of the ongoing review of compliance with its obligations under ICESCR. The appearance of the Australian Government was held on 30-31 May 2017 and the CESCR raised its concerns about mandatory income management.[[5]](#footnote-5) In its Concluding Observations, the committee recommended that income management be implemented only on an ‘opt-in’ or voluntary basis. The observation urged the Australian Government to:

“Consider maintaining only an opt-in income management scheme with appropriate oversight of decision-making and monitoring, and review existing and envisaged conditionalities for eligibility to social assistance and unemployment benefits and penalties for non-compliance, and ensure that all beneficiaries receive adequate benefits, without discrimination.” [[6]](#footnote-6)

The Statement of Compatibility with Human Rights appears contradictory to the concerns raised by CESCR.

We strongly urge the Committee to reject the compulsory nature of income management that is contained in the Bill, an action in line with CESCR’s recent Concluding Observations.

### Evaluation and research are providing increasing evidence that the trails are not working

The analysis of the evaluation undertaken by ORIMA Research into the cashless debit card trials in Ceduna and East Kimberly have highlighted the inadequacies and flaws of the evaluation of the scheme. Researchers, including those from the Centre for Aboriginal Economic Policy Research (CAEPR)[[7]](#footnote-7), and many from the non-government sector, including ACOSS and the NSSRN, have raised concerns about the methods and interpretation of the research undertaken by ORIMA Research on the outcome of the existing cashless debit card trials. The over-reliance on administrative data and of self-reported use of alcohol, drugs and gambling products was based on people’s memory with questions asked after the trial had started. There was also a lack of disaggregated data on the experiences of people with disability.

More recently the Auditor General has released a report into the performance and implementation of the existing cashless debit card trials.[[8]](#footnote-8) It found serious flaws in the approach to the monitoring and evaluation of the program. It also found that it was “difficult to conclude whether there had been a reduction in social harm and whether the card was a lower cost welfare quarantining approach”.[[9]](#footnote-9)

PWDA shares the growing concerns about the research and evaluation of the current trials. The research fails to adequately collate and assess the full impact on the communities affected by the trials. It is important to note that the roll out of this form of compulsory income management is a trial. The independent evaluation from the Auditor General has shown that this approach is not delivering the desired outcomes and provides further evidence that the trials should not be expanded.

### Voluntary income management is more effective than compulsory income management

In Queensland, PWDA works with people with disability in areas where income management has been rolled out on a voluntary basis. Some people with disability (the majority being Aboriginal people with disability) voluntarily sign up to income management and see positive outcomes. They have reported that they have greater control over their finances, including no longer requiring access to pay day lenders and other predatory loan schemes.

A critical factor to the success of income management for these individuals is that they have chosen to participate. They have made this choice after considering the personal value and compromises this may involve, alongside the broader community benefits. They have expressed clearly to PWDA that they do not believe that the same benefit would have come from a compulsory scheme like that being proposed in this Bill. This view of the benefit of voluntary income management over a compulsory approach is supported by research undertaken by CAEPR into a variety of voluntary and compulsory income management schemes in the Northern Territory.[[10]](#footnote-10)

Compulsory income management takes control and choice away, disenfranchising communities who are already facing considerable social and economic hardship. The people with disability who have voluntarily entered into income management believe that if income management had been compulsory for them, it would have been seen as a further extension of paternalistic control and punishment. The positive outcomes would inevitably not have been the same.

### Increased access to wrap-around and community-led services is required

Income management is a blunt tool that has not been shown to work without other services to support the community. Other organisations, such as ACOSS, have noted in previous submissions to this Committee that a wide range of services are required to address the complexity of needs of people and communities experiencing high levels of social and economic disadvantage.[[11]](#footnote-11) ACOSS outlined a detailed program to develop community-led responses to drug and alcohol issues, mental health, financial literacy, housing and homelessness, parenting programs and job creation, amongst others. Consultation in the Bundaberg and Hervey Bay area would be required to ascertain local needs in those communities. This would be a more effective approach to empowering and supporting communties to develop local solutions to address social and economic disadvantage. The implementation of these wrap-around services would also create an enabling environment where opt-in income management could succeed.

### Harassment of people in receipt of the Disability Support Pension

There is a lack of available disaggregated data in the existing research that would allow a thorough analysis of the impact of these compulsory income management trials on people with disability. However, in the final evaluation of the cashless debit cards’ trial in Ceduna and East Kimberly, ORIMA Research found a number of concerning issues for the implementation of the cashless debit card trials.[[12]](#footnote-12) The evaluation found that people with disability reported a greater level of pressure and harassment to use cash to buy restricted items for other members of the community. This pressure was felt by people in receipt of the Disability Support Pension (DSP) and others in receipt of higher paid pensions, as the cash component of these payments types is higher.

The DSP is excluded from this proposed expansion of the trial, however the experience of harassment felt by people on the DSP in the existing trial sites is still likely to occur, especially as many people with disability are in receipt of Newstart or Youth Allowance, which are subject to this trial.

### Inaccessible information on the cashless debit card

The trials in other areas have included people receiving the DSP. The evaluation found that there was a much lower understanding of the scheme amongst recipients of the DSP. Through the evaluation, the researchers found that this was due to a lack of a targeted communication and information strategy to meet the needs of the people in these communities who were in receipt of the DSP.

We are concerned about the impact on people with disability when information about the trial is not provided in an accessible and appropriate way. While the trial being proposed in the Bundaberg and Fraser Coast does not include people in receipt of the DSP, we know that people with disability receive all types of social security payments including Newstart and Youth Allowance. Not meeting the information and communication needs of this group is unacceptable and highlights the further limitations with the approach and implementation of the income management trials

### Access to social and cultural life

The impact of the restrictions on the use of the debit card used in the compulsory income management trials will have specific negative impacts on the ability of people with disability to access social and cultural life. Licensed clubs, such as RSL clubs, workers clubs, or sporting clubs are often the only accessible venue in smaller towns. People with disability, like others in the community, utilise these venues for a number of reasons not directly related to gambling and alcohol. While some venues in the existing trial areas of compulsory income management have installed separate payment points to allow people to buy non-excluded items, others have opted out entirely. When a venue chooses to opt-out of the cashless debit card system, this has the consequence of limiting access to social events and venues, a meal out, family experiences, or entertainment for people with disability subject to compulsory income management.

### Access to affordable goods and services

Newstart and Youth Allowance (other) payment rates are already paid at an extremely low rate and have not been increased in real terms in over 24 years. We note the concerns that ACOSS has raised in its 2017 submission about the problems people face when trying to purchase permitted goods and services.[[13]](#footnote-13)

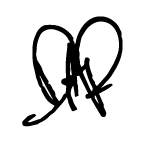
People with disability have raised the same concerns about their ability to pay for and obtain goods and services that meet their needs, particularly their disability related needs. People with disability face additional costs that compulsory income management does not consider. For example, some people with disability have difficulties preparing meals and buy pre-prepared food out of necessity, others can’t eat certain types of foods due to medication or secondary conditions. Without access to a full range of retailers, including providers of second hand goods, people are denied access to items they need at an affordable price. Income management combined with the low rates of Newstart and Youth Allowance (other) adversely impacts on the ability of people with disability to live healthy lives.

### Recommendation

* That the Legislation Committee of the Senate Standing Committees on Community Affairs does not recommend support for the Social Services Legislation Amendment (Cashless Debit Card Trial Expansion) Bill 2018.

If passed, this bill will extend a deeply flawed program to a new group of people in a different part of Australia without evidence that it is making a difference for the people and communities it is seeking to help.

Should you have any further questions then please contact me via email: [deanp@pwd.org.au](mailto:deanp@pwd.org.au) or on any of the details above.

Yours sincerely,

DEAN PRICE

Senior Policy Officer, Social Security and Housing

People with Disability Australia

1. Don Arthur ‘Income management: a quick guide’ Australian Parliamentary Library Research Paper Series, 2015–16 15 JULY 2015 [↑](#footnote-ref-1)
2. Department of Social Services ‘Cashless Debit Card - Aim and Impact’ <https://www.dss.gov.au/families-and-children/programs-services/welfare-quarantining/cashless-debit-card/cashless-debit-card-aim-and-impact> [↑](#footnote-ref-2)
3. People with Disability Australia. Senate Standing Committees on Community Affairs Inquiry into the Social Services Legislation Amendment (Cashless Debit Card) Bill 2017, Submission 139 <https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/CashlessDebitCard/Submissions> [↑](#footnote-ref-3)
4. Australia signed on to the UNCRPD on 30 March 2007 and ratified on 17 July 2008, United Nations Treaty Collection: <https://treaties.un.org/Pages/ViewDetails.aspx?src=IND&mtdsg_no=IV-15&chapter=4&lang=en> [↑](#footnote-ref-4)
5. Committee on Economic, Social and Cultural Rights Summary Records of the fifth periodic report of Australia E/C.12/2017/SR.14 and E/C.12/2017/SR.15 2017. Available at: <http://tbinternet.ohchr.org/_layouts/treatybodyexternal/SessionDetails1.aspx?SessionID=1115&Lang=en> [↑](#footnote-ref-5)
6. Committee on Economic, Social and Cultural Rights Concluding observations on the fifth periodic report of Australia E/C.12/AUS/CO/5 2017. Available at: <http://tbinternet.ohchr.org/_layouts/treatybodyexternal/Download.aspx?symbolno=E%2fC.12%2fAUS%2fCO%2f5&Lang=en> [↑](#footnote-ref-6)
7. Bray, R ‘The Cashless Debit Card Trial Evaluation: A Short Review CAEPR Topical Issue 1/2017 [↑](#footnote-ref-7)
8. Australian National Audit Office. ‘The Implementation and Performance of the Cashless Debit Card Trial’ Auditor-General Report No.1 2018–1. 2018 [↑](#footnote-ref-8)
9. Australian National Audit Office. ‘The Implementation and Performance of the Cashless Debit Card Trial’ Auditor-General Report No.1 2018–1. 2018 [↑](#footnote-ref-9)
10. Bray, R ‘Income Management Evaluations - What do we now know? Placing the findings of the evaluation of new income management in the Northern Territory incontext’ CAEPR Working Paper No. 111/2016 [↑](#footnote-ref-10)
11. Australian Council of Social Service. Senate Standing Committees on Community Affairs Inquiry into the Social Services Legislation Amendment (Cashless Debit Card) Bill 2017, Submission 39 [↑](#footnote-ref-11)
12. Orima Research ‘Cashless Debit Card Trial Evaluation’Department of Social Services 2017 <https://www.dss.gov.au/families-and-children/programs-services/welfare-quarantining/cashless-debit-card/cashless-debit-card-evaluation-framework-and-reports> [↑](#footnote-ref-12)
13. Australian Council of Social Service. Senate Standing Committees on Community Affairs Inquiry into the Social Services Legislation Amendment (Cashless Debit Card) Bill 2017, Submission 39 [↑](#footnote-ref-13)