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Dear Committee

re Social Services Legislation Amendment (Cashless Debit Card) Bill 2017

We thank you for this opportunity to make a submission in relation to the Inquiry into the Social Services Legislation Amendment (Cashless Debit Card) Bill 2017.

Yours sincerely



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1. About QAI.....	- 2 -
2. Submission Summary.....	- 3 -
3. Introduction	- 5 -
4. What the Evaluations did not Measure	- 5 -
5. The Ceduna and East Kimberley Evaluation	- 6 -
6. The Norther Territory (NT) Evaluation.....	- 6 -
7. Perception and Fact	- 8 -
8. Attack on Australia’s Income Support System.....	- 9 -
9. Conclusion.....	- 9 -

1. About QAI

Queensland Advocacy Incorporated (QAI) is a not-for-profit disability advocacy organisation. Our mission is to promote, protect and defend, through systems and individual advocacy, the fundamental needs, rights and lives of the most vulnerable people with disability in Queensland.

QAI has a 30 year track record of campaigns directed to attitudinal, law and policy reform. Our individual advocacy initiatives include the Human Rights Legal Service, the Mental Health Legal Service and the Justice Support Program. These programs inform our systemic work.

Our principles include:

- All people are equally important, unique, whole and of intrinsic worth.
- All communities should embrace difference and diversity rather than an homogenous ideal.
- Appropriate language and discourse protects the rights and dignity and elevates the status of people with disability. QAI avoids language that stereotypes or detracts from the worth or status of a person with disability.

Our constitution mandates that a majority of the Board of Management is comprised of people with disability. Their wisdom and lived experience is our foundation and guide.

2. Submission Summary

QAI does not support mandatory income management through a cashless card.

- The card will disproportionately affect people with disabilities, for whom the card's certain detriment as a mechanism for stigmatisation and diminishing individual autonomy surely outweighs the unsubstantiated benefits associated with alcohol and drug consumption and gambling.
- Create jobs, not stigma. People with disabilities experience greater difficulty in seeking employment, having lower rates of labour force participation compared to those of people without disabilities of working age (52.8% v 82.5% in 2012).¹
- The evaluation report for the Northern Territory Emergency Response ('NTER') states that 'creating additional jobs communities was the biggest positive influence on people's perceptions of their lives and their communities'.²
- Instead of a punitive and presumptive card, in areas of high unemployment provide meaningful jobs through economic development and labour market programs providing pathways to them.
- A minimum standard of living is the principal purpose of Australia's income support system. A reasonable standard depends on both access to money *and* choice in spending.
- The card is anti-liberal, anti-free market, patriarchal social control. It is inconsistent with principles of individual freedom and autonomy.
- The card diminishes individuals' economic self-determination and unfairly stereotypes whole communities, without demonstrable benefit to them.
- Health and budget benefits through leveraged (i.e. involuntary) participation will not last. Moving into paid employment, people will have more money, unfettered choice and lack experience of autonomous self-restraint.
- A voluntary card. The trial evidence supports the card, if participation is voluntary.
- A voluntary card should be accompanied by a range of supports and services, including addiction support and pathways to employment.
- Before voluntary implementation, the Australian Government should articulate:
 - A non-discriminatory foundation
 - Evidence that proves that people in proposed sites disproportionately drink, take drugs and or gamble; and

¹ Source: Australian Bureau of Statistics. 4433.0.55.006 - *Disability and Labour Force Participation*, 2012. <
<http://www.abs.gov.au/ausstats/abs@.nsf/mf/4433.0.55.006>>

² *Northern Territory Emergency Response Evaluation Report 2011*, page 6. <
http://web.archive.org/web/20120317140037/http://www.facs.gov.au/sa/indigenous/pubs/nter_reports/Documents/nter_evaluation_report_2011.PDF>

- Community 'buy-in' via consultation that gives priority to the views of people who receive government income support and will be affected directly by the changes.
- The program will be discriminatory insofar as it targets regions of high unemployment, for persons with disabilities are located there disproportionately. Of the people living in Inner Regional Australia in 2009, 22% reported having a disability, compared to 17% of those living in Major Cities and 20% of those living in Outer Regional and Remote Australia.³
- Card programs are discriminatory everywhere:
 - People with disabilities have lower rates of labour force participation compared to those of people without disabilities of working age (52.8% v 82.5% in 2012).⁴
 - People with disabilities are more likely to be receiving government income support compared to people without disabilities of working age.
- The cashless debit card may further stigmatise welfare recipients in places where options are limited.
- A government that is committed to equity and non-discrimination would extend the cashless card option universally, offering it to the \$90,000 per week CEO in Double Bay and the \$267 per week Aboriginal and Torres Strait Islander Newstart recipient who has a disability and lives in the desert west of Alice Springs.
- The card is a double-standard: Government would never consider placing similar limits on earned income
- A government committed to equity and non-discrimination would extend a *compulsory* cashless card to aged pensioners, federal politicians, Commonwealth public servants and other income support recipients alike.
- National Disability Insurance Scheme – supporting autonomy and control in the lives of vulnerable people with disability is a rights based approach to supports. Participant Goals

³ ABS Survey of Disability Ageing and Carers.

⁴ Australian Bureau of Statistics. 4433.0.55.006 - *Disability and Labour Force Participation*, 2012.
<<http://www.abs.gov.au/ausstats/abs@.nsf/mf/4433.0.55.006>>

3. Introduction

In his second reading speech, the Minister said-

The trials have been completed, an evaluation has been conducted, and it's been shown to work and now there's an opportunity to expand the cashless debit card to new locations.⁵

The Minister's assertion that 'it's been shown to work' is not consistent with the conclusions outlined in ORIMA Research's *Final Evaluation Report of the Ceduna trial*⁶, nor with the conclusions drawn in an evaluation of the Northern Territory Intervention.⁷ The NT evaluation results are not equivocal. They indicate that the cashless card did *not* work. The Card made no difference to alcohol consumption, while abuse-related incidents increased.

Despite the per capita levels of alcohol consumption falling steadily since 2005, the Northern Territory is still 30% above the national average. Alcohol restrictions have caused the annual supply of alcohol to drop 2.5% per year, but the bans have been circumvented in Indigenous communities through home brewing, illicit alcohol trafficking and leaving prescribed areas to drink. Substance abuse-related incidents have increased 37% between 2010-12. Over two-thirds of the increase was caused by alcohol-related incidents. Drug related incidents have remained stable.⁸

With the exception of drug driving offences and apprehensions under the Public Intoxication Act in Ceduna, crime statistics showed no improvement since the commencement of the trial.⁹

4. What the Evaluations did not Measure

Autonomy and individual freedom or the lack of them is hard to measure, but a failure to count or measure them does not mean that they do not exist. The reports on the NT Intervention and the Cashless Card Trial in Ceduna do not discuss the deficits that, in our view, are the cashless card scheme's greatest drawbacks: namely:

- The scheme's denial of personal autonomy and individual self-determination, and
- a community-wide loss of capacity for self-management.

To deprive a person of income is to deprive them of much more than the means to purchase goods and services. It denies people the opportunity to determine how they can best meet their own needs in the short and long terms, deprives people of the opportunity to determine their own future, of the opportunity to build their capacity to budget and save, and of the opportunity to learn money management skills they will need if their circumstances change. Cashless welfare encourages people to be passive recipients, denying them the opportunity to manage their own finances and to determine their own destiny.

⁵ Hon Mr Tudge, Minister for Human Services, Second Reading Speech, 17 August 2017

⁶ ORIMA Research. August 2017. 2017. *Final Evaluation Report: Cashless Debit Card Trial Evaluation*. Australian Government, Department of Social Services Cashless Debit Card Trial Evaluation, Final Evaluation Report August 2017.

⁷ Castan Centre for Human Rights Law. 2015. *The Northern Territory Intervention: An Evaluation*. Monash University. <https://www.monash.edu/___data/assets/pdf_file/0008/406943/Caitlin-edit-of-NT-Intervention-page-1.pdf>

⁸ Castan Centre for Human Rights Law. 2015. *The Northern Territory Intervention: An Evaluation*. Monash University.

⁹ ORIMA Research. August 2017. 2017. *Final Evaluation Report: Cashless Debit Card Trial Evaluation*. Australian Government, Department of Social Services Cashless Debit Card Trial Evaluation, Final Evaluation Report August 2017, page 4.

Despite the equivocal trial findings - in Ceduna, for example, drink driving increased during the trial, - the government's conclusions from the evaluation reports appear to have been 'foregone'. Had the trials been conducted without bias and with robust safeguards, at least it would have included evaluation of the effects in similar communities receiving additional services only, without the card.

5. The Ceduna and East Kimberley Evaluation¹⁰

The ORIMA report¹¹ states that the Cashless Debit Card Trial (CDCT) was effective in terms of its performance against the key indicators established in the evaluation framework. However, ORIMA's conclusions do not reflect the mixed data throughout the report.

- 49% of participants said the intervention made their lives worse¹²
- More than half had not noticed a reduction in the drinking of alcohol. 41% of non-participant community members, 24% of CDCT participants and 28% of CDCT participants' family members had noticed a reduction in the drinking of alcohol in their community since the Trial started. 7%, 16% and 10% respectively, felt that the drinking of alcohol had increased.¹³

The Ceduna trial evaluation results are equivocal. They offer little evidentiary support for further implementation. The Minister justified the trial in his second reading speech for this bill by referring to excess rates of alcohol and drug fuelled crime, but there was no reduction in crime in Ceduna. For example, ORIMA states:

Administrative data available in relation to criminal activity across the two Trial sites generally did not show evidence of a reduction in crime since Trial commencement.

At the time of the Wave 1 data collection, there was only limited evidence to suggest that there was a reduction in crime, violence and harm related to alcohol consumption, illegal drug use and gambling since the Trial commenced. Overall, in Wave 2 there was some additional evidence of positive impacts in these domains. However, it is important to note that, with the exception of drug driving offences and apprehensions under the Public Intoxication Act (PIA) in Ceduna, crime statistics showed no improvement since the commencement of the Trial.¹⁴

Participants reported not being able to send money to family members or give children pocket money, and not being able to make second hand purchases in cash-only environments such as markets.

6. The Northern Territory (NT) Evaluation

The Northern Territory Intervention ('NTER') ran for nearly 10 years. Aboriginal communities subject to it were, and are, communities with a disproportionate consumption of petrol,

¹⁰ Orima Research. 2017. *Evaluation- Wave 1 Interim Evaluation Report* -February 2017

¹¹ ORIMA Research. February. 2017. *Department of Social Services Cashless Debit Card Trial Evaluation Wave 1 Interim Evaluation Report February 2017* Australian Government, Department of Social Services. .

¹² ORIMA Research. February. 2017. *Department of Social Services Cashless Debit Card Trial Evaluation Wave 1 Interim Evaluation Report February 2017* Australian Government, Department of Social Services. Page 34.

¹³ ORIMA Research. February. 2017. *Department of Social Services Cashless Debit Card Trial Evaluation Wave 1 Interim Evaluation Report February 2017* Australian Government, Department of Social Services. Page 18.

¹⁴ ORIMA Research. August 2017. 2017. *Final Evaluation Report: Cashless Debit Card Trial Evaluation*. Australian Government, Department of Social Services

alcohol and other drugs, child sexual abuse, public and domestic violence, unemployment, poverty, homelessness and despair. In these communities, suicide including youth suicide is endemic and heart rending.

A 'world first',¹⁵ the federal government imposed the unproven cashless card, keystone of the program, as medicinal tough-love. In support of the NTER, the official evaluation report offered little data or other robust evidence. Some of the statistics quoted, for example, were for areas not co-extensive with that of the Trial.

Other evaluations elicited no evidence of improvement in people's lives. The card was yet another wild speculation, the latest disappointment in almost a century of unsatisfactory Commonwealth policies.¹⁶

The NT evaluation revealed no statistically significant changes in the level of reported problems for those on compulsory or voluntary income management. It showed a relative *worsening* of problems due to drinking.

There has been a substantial decrease in *per capita* alcohol consumption from the mid-2000s. However, this decrease started well before the NTER [Northern Territory Emergency Response] and is almost certainly driven by factors other than income management.¹⁷

The number of alcohol-related presentations to emergency departments and admissions to public hospitals by Indigenous people in the Northern Territory has increased dramatically since the mid-2000s.¹⁸

Imprisonment rates of the Indigenous population have increased in the Northern Territory since 2002 at a faster rate than amongst the Indigenous population Australia-wide.¹⁹

There was no evidence of changes in spending patterns, including food and alcohol sales, other than a slight improvement in the incidence of running out of money for food by those on Voluntary Income Management, but no change for those on Compulsory Income Management.²⁰

Measures of wellbeing at the community level show no evidence of improvement, including for children.²¹

To the extent some people reported less financial harassment at the individual level, they also tended to ask others for money more, and there was no decrease in harassment at the community level.

More general measures of wellbeing at the community level show no improvement including for children. While people reported a reduction at a personal level of having

¹⁵ Hon Mr Tudge, Minister for Human Services, Second Reading Speech, 17 August 2017.

¹⁶ J Rob Bray, Matthew Gray, Kelly Hand and Ilan Katz. 2014. *Evaluating New Income Management in the Northern Territory: Final Evaluation Report*. The Social Policy Research Centre, Australian National University.

¹⁷ J Rob Bray, Matthew Gray, Kelly Hand and Ilan Katz. 2014. *Evaluating New Income Management in the Northern Territory: Final Evaluation Report and Summary Report*. Social Policy Research Centre, Australian National University. Page 235.

¹⁸ *Ibid*, p. 235.

¹⁹ *Ibid*, p 235.

²⁰ Professor Gray in Kate Wild. 2015. More income management flagged for NT, despite report finding 'no evidence' it works' ABC News online <<http://www.abc.net.au/news/2014-12-18/govt-flags-more-income-management-despite-report/5975832>>

²¹ Erwin Chlanda. 'Income Management Misses Mark: Report.' <<http://www.alicespringsnews.com.au/2015/01/07/income-management-misses-mark-report/>>

some problems due to alcohol, drugs and gambling, they also reported no improvement – and potentially a worsening of severe problems from these causes.

There is often no substitute for cash. The payment of rent, for example, was a major problem for some people in urban areas in a range of situations, including group housing and where landlords sought cash payment. Many people reported income management had made managing money easier and improved outcomes [but] there was no evidence of any overall improvements in financial wellbeing, including reductions in financial harassment or improved financial management skills.

The report continues:

When the data are taken as a whole, not only does it suggest that there has been very little progress in addressing many of the substantial disadvantages faced by many people in the Northern Territory, but it also suggests that there is no evidence of changes in aggregate outcomes that plausibly can be linked to income management.²²

In the NT, a substantial group of people subject to income management felt that income management is unfair, embarrassing and discriminatory. 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.

Other reported findings were:

- No evidence of changed spending patterns or overall improvement in financial wellbeing.
- Basics Card spending on fruit and vegetables is low.
- An increase in asking others for money to purchase essentials.
- No decrease in reported harassment.
- Measures of well-being showed no evidence of improvement, including children.
- Only those on Voluntary Income Management reported a relative reduction in alcohol problems in their family, but none in problems with drinking in their community.
- Rather than building capacity and independence, for many the program has acted to make people more dependent on welfare.²³

7. Perception and Fact

ORIMA suggests that the trial has boosted public *perceptions* of safety, but only in the subjective view of the general community, community leaders, stakeholders and merchants. This may be so, but public perceptions of safety and crime frequently are inaccurate.

²² J Rob Bray, Matthew Gray, Kelly Hand and Ilan Katz (2014). Evaluating New Income Management in the Northern Territory: Final Evaluation Report. p.235. available at <https://goo.gl/0wdtYI>

²³ J Rob Bray, Matthew Gray, Kelly Hand and Ilan Katz. 2014. *Evaluating New Income Management in the Northern Territory: Final Evaluation Report*. Social Policy Research Centre, Australian National University p i.

Researchers at the University of Western Australia have demonstrated that public perception of crime is not reliable and rarely correct. In their survey, two-thirds of respondents believed that crime had increased over two years. More than a third overall responded that crime had increased 'a lot', but actual crime trends showed the opposite. For six of the nine major categories of criminal offences over the same period, police-recorded rates of crime in Australia declined. Recorded rates of crime fell for homicide and related offences, kidnapping/abduction, robbery, unlawful entry with intent, motor vehicle theft and other theft.

Almost all categories recorded declines with significant falls in the high-incidence category of property crime. The relatively small number of cases of the most serious crime, homicide, also dropped. Only one in twenty respondents had an accurate perception of whether crime had declined or increased.²⁴ **This is indicative of a news media that is more interested in pandering to public anxiety about crime rather than fact.**

Consistent with previous Australian research and in line with observations in similar western countries, the Australian public hold incorrect perceptions of crime trends, the proportion of violent crimes, and the number of offenders brought to trial who are convicted and imprisoned.²⁵

8. Attack on Australia's Income Support System

The Henry Review of Australia's Future Tax System examined levels of assistance offered by the income support system and found that a number of factors need to be considered in setting payment rates, including community standards, expected duration of payment, incentives to work and the overall coherence of the system. When the current allowance rates are assessed accordingly they are found wanting.

Payment rates no longer meet community standards, a fact confirmed by the Senate Committee's findings, a range of poverty and deprivation studies, and concerns expressed by charities, welfare organisations and business groups. The Card is a retrograde step, further eroding a system that already is frayed at the edges. In our view, a more positive step would be to follow Finland's example, the first country in Europe to pay its unemployed citizens an unconditional monthly sum. Under the two-year, nationwide pilot scheme, which began in 2000 unemployed Finns aged 25 to 58 have received a guaranteed sum of €560 (£475). The income replaced their existing social benefits and is paid even if they find work. The Finland trial has cut bureaucracy, reduced costs and poverty, and has had an indirectly positive effect on people's mental health by reducing job-search associated stress. Canada's largest province, Ontario, is trialling a similar universal basic income scheme.²⁶

Conclusion

²⁴ David Indermaur and Lynne Roberts. 2005. *Perceptions Of Crime And Justice*. <http://www.crc.law.uwa.edu.au/__data/page/49993/AUSSA_Indermaur&Roberts.pdf>

²⁵ Lynne Roberts and David Indermaur. 2007. *What Australians think about crime and justice: results from the 2007 Survey of Social Attitudes*. Australian Institute of Criminology (AIC). Reports Research and Public Policy Series 101.

²⁶ *The Guardian: Australia Edition*. <<https://www.theguardian.com/world/2017/jan/03/finland-trials-basic-income-for-unemployed>>

The card is punitive; driven by an ideological reduction: the 'deserving' and 'non-deserving' poor. The 'deserving' poor will not be subject to intervention; they are unable to work because they are too old or too sick. They paid their dues and now they deserve the taxpayer's help. The 'non-deserving' poor live in areas with high unemployment and high rates of alcohol and drug consumption, and are often the brunt of a lack of electoral sympathy, but plenty of blame.

The federal government invested more than \$1 million in the WA and SA trial sites. Separating the ostensible benefits of the Card from the effects of the services that accompanied the Card is impossible. It is possible that the Card has had the opposite of the intended effect; people who feel disrespected and shamed are more likely to seek escape or distraction.

The Northern Territory Intervention has been running for more than ten years, yet there is no evidence of improvement in participants' lives.²⁷ The NT evaluation report relied on hearsay and public opinion instead of data and hard evidence. When someone 'from a government survey' asks questions about personal drinking or drug use, it is unlikely that respondents will answer truthfully. The NT report compares and contrasts data for population groups whose geographical parameters are not contiguous with those of the Trial participants. Less than half of people on the NT Card had drug or alcohol issues, so the majority stood to gain no benefit.

The notion of 'participation' in the Cashless Card is bankrupt. Participation is accompanied by the threat of financial penalties for non-compliance. People on the disability pension long have been stigmatised as work-shy pretenders, feigning disability to avoid the work test. That stigma can be soul-destroying, damaging people's mental health, spiralling them into despair and addiction. For others the effect of the card is practical. Many people with intellectual impairment the use of money is a key life-skill. The cashless card diminishes their opportunities to develop those skills.

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²⁷ <http://radiodelaide.org.au/2017/07/05/eva-cox-on-cashless-debit-card/>