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Dear Senators,

Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019

Thank you for the opportunity to contribute to the Senate Community Affairs Legislation Committee's consideration of this Bill. This Bill would extend the end date for existing cashless debit card trial areas. More importantly, it establishes the Northern Territory and Cape York area as trial areas and transitions Income Management participants in these sites onto the trial.

Anglicare Australia strongly recommends that the Senate rejects this Bill and the extension of the cashless debit card to the Northern Territory and Cape York area. We reiterate our concerns with these trials and compulsory income management. There is no evidence that compulsory income management and the cashless debit card reduce social harm. The evidence does show that it causes hardship, disruption and shame for people experiencing severe disadvantage. We point the Commission to our previous submissions on this matter.ⁱ In this submission we will highlight additional aspects we find troubling with the proposed Bill.

The Government claims that placing people on cashless debit card will reduce "immediate hardship and deprivation, reduce violence and harm, encourage socially responsible behaviour, and reduce the likelihood that welfare recipients will remain on welfare and out of the workforce for extended periodsⁱⁱ".

The most comprehensive research evaluation to date on New Income Management in the Northern Territory undertaken over a four year period could not find "any substantive evidence of the program having significant changes relative to its key policy objectives, including changing people's behaviours"ⁱⁱⁱ. It found no evidence of changes in spending patterns, improved financial wellbeing, or improved community wellbeing, including for children. This was in spite of the fact that the most vulnerable third of the Indigenous population has been subject to the measures.

The evaluation also showed that income management did not increase people's ability to manage their money better, and that it may harm people's ability to develop the skills to manage their own finances. This was particularly true for those on Voluntary Income Management with over 70 per cent of respondents who indicated that they wanted to remain on income management saying that a reason for this was that it was easier being income managed^{iv}.

Dr. Eve Vincent's research into the cashless debit card trial in Ceduna, South Australia echoes some of these results. While some participants supported aspects of the card, many experienced it as an unfair intervention into lives that were already characterised by hardship. Participants who had experiences overcoming alcoholism did so with support from individuals, personal determination, and access to rehabilitation services. These experiences led people to question the assumption that the cashless debit card would be of any benefit to remedying alcoholism^v.

If the cashless card were really about alleviating substance misuse in communities, the substantial funds used to implement it would instead be allocated to evidence-based practices shown to work –rehabilitation and counselling services, or support for the families affected^{vi}. Dr Vincent's paper highlights the need for government to listen to the lived experiences of Indigenous peoples, rather than placing sanctions on those who are in need of care and support.

The experience of Anglicare Australia member organisations is that systems of compliance and control are ineffective. They further disempower people experiencing vulnerability. Instead, approaches which support people to identify and build on their capacity and strengths while addressing situational barriers have been shown to be effective in overcoming disadvantage^{vii}.

A review of the multiple evaluations of income management, undertaken by the Centre for Aboriginal Economic Policy Research in 2016, found no conclusive evidence of benefit. It showed that the most effective schemes were voluntary and target people with high-needs as part of a holistic set of services^{viii}.

Anglicare Australia believes that imposing a blanket law that forcibly restricts how and where a person can spend their money is punishing those who turn to the social safety net because of the lack of paid jobs in their communities. Anglicare Australia's research into jobs availability shows that there are simply not enough jobs for those with the greatest challenges to find work. When comparing the number of jobseekers in Jobactive Stream C to the number of vacancies, we find that for every Level 5 position, there are four people competing for each job in the Northern Territory^{ix}. The Department's own data shows employers receive an average of 19 applicants for each of these jobs. Only three make it to the interview stage of recruitment. Over half of employers considered relevant experience to be essential for lower skilled vacancies^x, yet many people lack recent work experience. This highlights the Catch-22 many jobseekers face getting a foothold in the workforce.

It is no wonder that the Aboriginal Peak Organisations Northern Territory, during the committee's hearing in September, opposed the basis of compulsory income management and cashless welfare card. They noted that it contradicts international research conducted over decades which shows that a sense of control and empowerment are key social determinants of people's health and wellbeing^{xi}. We believe that it also fails to treat immediate financial distress within a broader context of income inequality, unaffordable housing and unemployment. Instead, the problem is turned inwards towards individuals and their behaviours, practices and choices.

It is worth noting that one of the few Indigenous community leaders who backed the cashless welfare card in its infancy, Professor Maria Langton, has since changed her mind. She now believes the program has become little more than a "big stick to punish the poor"^{xii}. Professor Langton recently told the National Press Club that it was a tragedy the Government had not implemented the scheme in accordance with the commitments initially made to Indigenous leaders. This would have included the power to decide who should be taken off the cashless welfare card and receive their full income in cash.

Lastly, Anglicare Australia cannot support further trials commencing until independent impact evaluations by the University of Adelaide are complete. There is currently no evidence that the cashless program reduces hardship and deprivation, and social harms due to alcohol and drugs. Expanding this program to the Northern Territory and Cape York suggests that the Government is looking to entrench a policy without proving that it works. Policy-makers cannot continue to justify the extension of welfare management on ideological grounds while ignoring the evidence.

The compulsory nature of the measure, together with the restrictions, disruptions and shame it causes in people's lives, cause real harm to those subject to it. We should be looking at what really works to change communities and the lives of individuals, rather than spending public money on programs with no tangible impact. Real and sustained engagement with Aboriginal and Torres Strait Islander peoples should be the starting point. For too long our governments have taken a colonising approach to dealing with our Indigenous population. The cashless debit card appears only to be a new form of disempowerment, continuing the stigmatisation and trauma of Aboriginal and Torres Strait Islander peoples. Instead of less choice and more imposed decisions on their lives, we need to afford them equity and equal rights as Indigenous peoples to have free and informed consent over the policies that affect them.

Yours sincerely,



Kasy Chambers
Executive Director

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- ⁱ Anglicare Australia, [Submission to Senate Community Affairs Legislation Committee Inquiry into Social Services Legislation Amendment \(Cashless Debit Card Trial Expansion\) Bill 2018](#), and [\(Administration\) Amendment \(Income Management and Cashless Welfare\) Bill 2019](#)
- ⁱⁱ [Minister's second reading speech](#) (11 September 2019)
- ⁱⁱⁱ J R. Bray et al (2014). [Evaluating New Income Management in the Northern Territory: Final Evaluation Report](#)
- ^{iv} Ibid p.305
- ^v E Vincent (2016). [Lived experiences of the Cashless Debit Card trial, Ceduna, South Australia](#)
- ^{vi} For example, Intergovernmental Committee on Drugs, [National Aboriginal and Torres Strait Islander Peoples' Drug Strategy 2014 - 2019](#)
- ^{vii} For example, Goodwin-Smith, I. and Hutchinson, C. (2015) '[Beyond supply and demand: addressing the complexities of workforce exclusion in Australia.](#)' Journal of Social Inclusion 6 (1)
- ^{viii} J R. Bray, (2016). [Income management evaluations – What do we know? Placing the findings of the evaluation of New Income Management in the Northern Territory in context.](#) Centre for Aboriginal Economic Policy Research (CAPEPR).
- ^{ix} Anglicare Australia (2019). Jobs Availability Snapshot 2019.
- ^x Department of Jobs and Small Business (2018) Survey of Employers' Recruitment Experiences 2016–17.
- ^{xi} Proof Committee Hansard, Community Affairs Legislation Committee, [Public Hearing Monday 23 September](#)
- ^{xiii} The Sydney Morning Herald (25 September 2019). ['Brutal': Marcia Langton, early backer of welfare card, savages its roll out](#)