

To: Senate Standing Committee on Community Affairs

**Submission on the *Social Services Legislation Amendment
(Cashless Debit Card) Bill 2017***

Submitted by the Anangu Lands Paper Tracker Project of Uniting Communities

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Contact:

Susan Tilley
Manager, Aboriginal Policy and Advocacy
Uniting Communities
South Australia
Tel: (08) 8202 5867
SusanT@unitingcommunities.org

1. Uniting Communities and the Anangu Lands Paper Tracker Project

Thank you for the opportunity to make a submission on the important issue of the *Social Services Legislation Amendment (Cashless Debit Card) Bill 2017* and the proposed extension and expansion of the application of the Cashless Debit Card.

Uniting Communities works with South Australians across metropolitan, regional and remote South Australia through more than 90 community service programs.

The organisation is made up of a team of more than 1,400 staff and volunteers who support and engage with more than 20,000 South Australians each year.

The Anangu Lands Paper Tracker Project of Uniting Communities monitors government commitments to Anangu communities and advocates for the timely and appropriate delivery of infrastructure, services and programs and policy frameworks, to improve the lives of people living in these remote communities, including those across the West Coast of South Australia who fall within the scope of the Cashless Debit Card Trial.

The Project provides information to Anangu communities in their first languages to support informed decision-making, and has tracked progress made against key government commitments and areas of identified need since 2007. The main formats used for doing this include a weekly radio show broadcast in English and Pitjantjatjara/Yankunytjatjara, an informative website, an interactive Facebook page, and a quarterly electronic newsletter.

The Anangu Lands Paper Tracker has received comments and insights from communities affected by the imposition of the Cashless Debit Card; these are included in this submission.

2. Introduction and focus of this submission

The focus of this submission is on the legislative provisions of the *Social Services Legislation Amendment (Cashless Debit Card) Bill 2017* which would enable the removal of section 124PF of the *Social Security (Administration) Act 1999*. This section currently limits the number of Cashless Debit Card trial locations to three, the inclusion of no more than 10,000 trial participants, and states that the existing trial will end on 30 June 2018. The passing of the Bill would therefore allow the Federal Government to extend the timeframe for the implementation of the arrangements in the existing trial locations; enable flexibility for the expansion of the cashless debit card to new locations, which once identified, will be determined by disallowable legislative instruments; and allow for a more generalized roll-out of the Card to more than 10,000 participants.

In considering the potential effects of the Bill with its removal of the application of section 124PF of the *Social Security (Administration) Act*, and the Coalition Government's justification for this based on its self-proclaimed evidence base, this submission provides comment on the following three aspects, which demonstrate why the amending Bill should not be supported:

- The lack of genuine consultation with communities and people on the Cashless Debit Card
- Evaluation data collection, analysis and selection, and
- Social return on investment.

Uniting Communities seeks to draw the Senate Inquiry's attention to: the misleading assertions by Government that communities and their leaders support the Card; a range of identified deficiencies in the evaluation data as provided by ORIMA, and the selective use of this data by the Coalition Government

in order to provide a rationale for the proposed Bill; and the unaccountable cost and costings of the Trials and their negligible social return on investment.

3. Commentary

The *Social Services Legislation Amendment (Cashless Debit Card) Bill 2017* enables the expansion of the Cashless Debit Card into new locations and would allow for the removal of the end date for the existing trials of the Cashless Debit Card. This submission argues that the Federal Government is advocating for these provisions in the absence of having adequately consulted with the affected communities prior to or during the Trial and has not obtained community views about the extension of the implementation timeframe in their communities. It is argued that the Government has not demonstrated that a solid evidence base exists for its claims about the success of the Cashless Debit Card and that its determination to extend and expand the Card to further locations is driven, not by a sound evidence base but by an ideological imperative and a particular view of citizens who require income benefits.

3.1 Lack of genuine consultation with communities and people on the Card

In considering the co-design of the Trial and the involvement of communities, the Explanatory Memorandum to the Bill states that:

... the program can only be implemented in a location with the introduction of a disallowable instrument. These instruments can also specify other parameters, including sunset dates and participant criteria. This provides the opportunity for the Government to co-design these parameters with interested communities, and tailor the program to meet community needs. It also allows those communities to make decisions about these arrangements in their own time.¹

The undertaking by the Government that it will ‘co-design these parameters with interested communities, and tailor the program to meet community needs’ and allow ‘communities to make decisions about these arrangements in their own time’ is questionable. The Government’s own track record in relation to the existing trial locations belies any notion of ‘co-design’ or of communities being afforded an opportunity to shape the program to meet their needs and make decisions in their own time. The Government’s absence of any genuine engagement or inclusion of communities in decision-making processes in the existing trial locations, provides a very strong signal that the so-called ‘legislative safeguards’ as set out in Schedule 1 of the proposed Bill’s amendments have limited credibility and, in all likelihood, will not be honoured.

Government representatives have insisted that the design of the Cashless Debit Card included the involvement of community leaders in the existing Trial sites through a process of consultation. However, a number of community members and leaders dispute the extent of the consultation and the inclusion of community views, more particularly those views which raised questions or concerns about the approach. In so far as there was any consultation, dissenting views were not considered in the design of the Card, during its implementation or in the subsequent evaluation reports. Uniting Communities has received reports from community leaders and those on the Card that if they asked too many questions or did not support the Trial, they were not invited to or informed about future meetings.

¹ The Parliament of the Commonwealth of Australia, House of Representatives, *Social Services Legislation Amendment (Cashless Debit Card) Bill 2017 - Explanatory Memorandum* (Circulated by the authority of the Minister for Human Services, the Hon Alan Tudge MP) page 2.

The descriptions of the nature and scope of the Card, as presented by Government representatives during the limited forums that were held prior to the Card being implemented, were very different to those that eventuated. For example, communities were told that it would not be mandatory to be on the Card and there would not be a blanket approach but, rather, the adoption of a targeted strategy; that they could opt to go off the Card; and that it would be easy to apply for a reduction in the quarantined amount. Communities have since found that the Card is mandatory; they cannot get off the Card; and the application and assessment processes to review the quarantined amount are difficult to navigate, the community panels were not established from the outset, consistent criteria are not applied and the decisions of the panels appear to be arbitrary.

A number of community leaders and members who had initially offered their support for the Card have since withdrawn their support because it is mandatory and is causing significant challenges, an increase in the cost of living, is not giving people with substance misuse problems or addictions the help they need, and brings shame to participants.

On 4 August 2015, a Memorandum of Understanding (MOU) was entered into by the District Council of Ceduna, the Commonwealth Government and key representatives from Aboriginal communities across the Far West Region of South Australia (see Attachment One). The objective of the MOU was to obtain agreement 'to trial an approach to reduce levels of community harm related to drug and alcohol abuse and gambling through the implementation of a Cashless Debit Card Trial for a period of twelve months'.

The MOU was to 'expire on six months after the date that the proposed trial ends'. Even though the 12 month Trial timeframe expired on 15 March 2017 and the MOU was due to expire in mid-September 2017, the MOU was not revisited when the Department of Human Services announced that it was extending the Trial. The communities who were parties to the MOU were not consulted about the extension. On 14 March 2017 – one day before the twelve month Trial was due to expire but still during the timeframe of the MOU – the Government announced the extension of the use of the Cashless Debit Card in Ceduna. The Government thereby demonstrated no respect for the MOU or the community leaders who were parties to it; this does not reflect genuine consultation, as claimed by Government.

After entering into the MOU in good faith, albeit based on the provision of limited and, in retrospect, misleading information, a number of community leaders and people on the Card then registered their opposition to the MOU and the Trial when they found that the nature and scope of the Trial were different to what they'd been led to believe.

In February/March 2016, the Community Chairs of Yalata and Maralinga Oak Valley communities signed withdrawals of their support for the MOU and the Trial (see Attachment Two). Both these community leaders told Minister Tudge in a public meeting that they no longer wanted the Card but wanted targeted support services to be made available in their communities. Given the public and formal rejection of the Card by at least two significant community leaders, it begs the question as to how and why Minister Tudge and the proponents of the Card continue to assert that the Card has the support of all leaders.

In addition, in April/May 2016, over a two day period, a petition document was signed by 220 Card recipients in the Ceduna area which called for the MOU to be dissolved (see Attachment Three). These signatories constitute approximately 27 per cent of people on the Card in the West Coast trial site. This 27 per cent actively expressed their objection to the Card, however, it is probable that there were also others who had not been canvassed during the snap call for signatures. This is a clear expression from communities that many do not support the Trial. This action and the evidence it provides, flies in the face of government's insistence that there is overwhelming support for the Card on the part of communities and their leaders.

Similarly, in Western Australia, Mr Leonard Benning, a community leader from Kununurra made a public statement indicating that he ‘feels used by the Human Services Minister’² and no longer supports the Card because, ‘of the three commitments that Minister Tudge made to us, none have been delivered as promised’. The dishonoured commitments include the provision of ‘sufficient support for wrap-around support services for alcohol, drugs and employment issues prior to the introduction of the CDC; delegated authority being given to the community to assess and review local service providers of the wrap-around services and if necessary shift the funding and support services to a more effective provider; and delegated authority being given to the community to easily assess and remove CDC recipients from the trial without the process being intrusive’.³

Mr Benning indicates that the problems that the Card was supposed to address have actually worsened.⁴ He has canvassed community members about their support of the CDC and has found that ‘the overwhelming majority of CDC recipients do not support the trial ... some recipients have removed themselves off all Centrelink benefits’.⁵

Mr Benning’s public statement further highlights the Government’s lack of due process or respect for communities, citing the fact that Minister Tudge had stated that he wished to engage with Benning and other community leaders about the future of the trial and its expansion and yet had already introduced the Bill into the House of Representatives. Benning believes that he was being asked ‘to rubber stamp something that had already been decided, in an attempt to legitimise something the community doesn’t support’.⁶

Community concerns and objections to the Card are being expressed in a number of forums and media platforms. For example, an article published on a social media platform on 26 September 2017 – ‘*It dropped like a bomb on the town*’⁷ – highlights the experiences of a single parent in Ceduna who does not have drug, alcohol or gambling issues but has been placed on the Card. She explains that the lack of access to cash makes her life as a single mother difficult and it is not easy for her children. She gives examples such as having to save for months in order to afford school photographs as the school only accepted cash payments; treating her children to weekly lunch orders has become difficult and spontaneous treats at the local store are almost impossible unless, in order to do so, she spends more money in order to meet the minimum purchase amount to access Eftpos with her card.

She explains that checking the balance on the Card requires that people have an app on their mobile phone – not everyone has a mobile and the app uses a lot of data space or requires Wi-Fi. Once a purchase has been made using the Card, the money is not immediately removed from the balance displayed on the app and it can sometimes take more than a day for the app to reflect an accurate balance statement. This makes it difficult for people on the Card to manage their finances, and can result in humiliation when there are insufficient funds in the account when making a purchase.

Community voices

The following comments⁸ were provided to the Anangu Lands Paper Tracker Project of Uniting Communities by community leaders and residents who are on the Cashless Card in Ceduna and the surrounding west coast communities:

² <https://www.theguardian.com/australia-news/2017/aug/23/aboriginal-leader-withdraws-support-for-cashless-welfare-card-and-says-he-feels-used> and <http://www.abc.net.au/radio/programs/pm/aboriginal-leader-withdraws-support-for-cashless-welfare-card/8840068>

³ Public statement by Mr Lawford Benning, 22 August 2017 ‘My People Have Spoken’ <http://www.mgcorp.com.au/wp-content/uploads/2016/11/170822-MY-PEOPLE-HAVE-SPOKEN-Cashless-Debit-Card.pdf>

⁴ <http://www.abc.net.au/radio/programs/pm/aboriginal-leader-withdraws-support-for-cashless-welfare-card/8840068>

⁵ Public statement by Mr Lawford Benning, August 2017.

⁶ <https://www.theguardian.com/australia-news/2017/aug/23/aboriginal-leader-withdraws-support-for-cashless-welfare-card-and-says-he-feels-used>

⁷ <http://csmc.org.au/2017/09/dropped-like-bomb-town/>

⁸ Note that these comments are a sample of views. The Anangu Lands Paper Tracker Project does not claim that they are exhaustive or comprehensive but that they serve to illustrate the views of some community members.

Level of community consultation

- ‘It’s really just like the NT Intervention. Government just rolled it out with no real consultation.’
- ‘The process of initial consultations was very badly run. Lots of frustration because people’s questions weren’t answered. They were promised answers at the next meeting but that didn’t happen.’
- ‘It was so terrible in the meeting early on. Tudge’s team looked uncomfortable and stayed at the back and laughed and giggled when community people were asking questions. They shamed us.’
- ‘It wasn’t a free and open consultation. It was a deal. Some communities knew that if they didn’t agree to having the Card then they wouldn’t get funding from government – maybe it was MUNS money or maybe IAS funding, I’m not sure, but the funding was held back by government until we agreed to do the trial.’
- ‘There were no language interpreters used by government at meetings and not everyone understood what government was talking about. Some people understood the basic issues but not the details. This caused confusion for community.’
- ‘If people asked too many questions in the initial meetings, then they weren’t invited back or told about the next meetings. They were left out.’
- ‘There was a meeting with the Mayor of Ceduna and some community people but the Minister said he would come back and visit Yalata community to talk more but he didn’t. He told lies to us.’
- ‘In Ceduna, the Government went to the language centre and the art centre to talk to the people who happened to be there; it wasn’t a proper consultation. Community concerns weren’t addressed in the meeting and people were told, “We’ll get back to you with answers to your questions” but they didn’t.’
- ‘I’m not a fan of the card. After the 12 months of trial were up, I waited for more community consultation to talk about it and what would happen next ... but nothing ... that didn’t happen. They’ve just gone ahead ... just decided.’
- ‘About the evaluation. I told ORIMA that they need to measure the impact of the process and the anxiety placed on community, and that it’s not just about handing out a pamphlet. People’s lives are complicated and this card has made it worse. The evaluation questions they asked were just “Yes” or “No” answers with no real input or interest in what people actually think. No real consultation, no real evaluation.’

What communities were told about the Card and how it actually works on the ground

- ‘They didn’t tell us it would be blanket approach. They said it was for people on grog and drugs. But then they turned around and it was for all of us. We don’t like that. They haven’t been true with us.’
- ‘Government came and said we would try it out for just one year. We agreed to try it out but there was no follow-up consultation about making it longer – they just went ahead and made it go for longer. We don’t even know if it’s permanent or when it’ll end.’
- ‘What government is saying is very different to what happened and is happening on the ground.’
- ‘They said it was 12 months trial and then suddenly we find out it’s permanent, with no consultation with community.’
- ‘Government came and said one year to try it out. We agreed to try it but then trying time was up but there was no follow-up consultation about making it go for longer.’

How is the Card affecting people?

- ‘We’re starting to feel like we’re back in the ration days when white people managed our lives and everything else and treated us like children. It’s the same now. We’re treated like children and so we can’t make decisions for ourselves. We’re moving backwards, not forwards.’

- ‘It’s created a wedge and a division in the community. It’s also made things worse between Blacks and Whites and it’s added more fuel to the tensions.’
- ‘The Card has made things harder. A lot of people in Ceduna have been through trauma, grief and loss – they’ve already been through a lot. Being on the Card just makes their lives that much harder.’
- ‘My relative has a disability and is on the DSP. He rents a room in someone’s house and before he was put on the Card, it was easy for him to pay cash rent for his accommodation. With the limit on his Card, he wasn’t able to pay his rent in cash. This made life more difficult for him.’
- ‘As soon as people sign up for the Job Network, they are automatically put onto the Card. They’re not asked first about going on the Card. No choice. No time to decide.’
- ‘No one knows how long they’ll be on the Card. People still think they can just get off the Card. It’s confusing for people.’
- ‘Things in community are even more hopeless now than they were before the Card. Young people are moving away to town to drink because they feel so hopeless in community. Drinking doesn’t fix anything but it shows how desperate people are.’
- ‘I know someone who borrowed money from a relative. She was paying it back then the card came in and then calculations were difficult and then she realised she couldn’t pay it back on the cash amount. It increased her anxiety and she couldn’t even leave the house. She was told to tell DSS but it wasn’t easy for her to do this because of her anxiety.’
- ‘Some people have moved to Adelaide. They thought they could get away from the Card by moving, but they can’t. So once they’ve moved away, they’re just drinking more in town and surviving by selling their art.’
- ‘It’s causing tensions in relationships. There’s a young girl on the card and because she didn’t give cash to her partner, he beat her up. The DV stats are up since the card.’
- ‘Once the card came in, the ICE arrived at the same time. Maybe because it’s cheaper than grog or other drugs and people have less cash, so they go for ICE. This card makes it dangerous.’

Reasons why people don’t like the Card

- ‘We want to make our own choices and not be treated like children.’
- ‘On the Card, we can’t see the cash in our hands and so we can’t work out how much money we’ve got and it’s confusing for people.’
- ‘If you’ve got cash you can make better choices and get second-hand things instead of brand-new expensive things. We used to be able to save more money when we had more cash and could buy more cheaply.’
- ‘This is another way of government controlling Aboriginal people; controlling their economic circumstances.’
- ‘The Card’s no good and it doesn’t help. It’s degrading us down and people have no hope. They feel hopeless. They’re not happy. They’re stressed because of the Card.’

Ability to change quarantined amount, get off the Card, or address Card problems

- ‘No-one really knows who the panel members are and people don’t know how the panel works.’
- ‘There are some people on the panel that we don’t trust and so we don’t want to sit in front of them and tell them about our money problems or personal stories and have to ask them for a favour. We just stay away. The panel doesn’t work for what we need.’
- ‘For most people it’s not possible because it’s a shame job to have to go and ask for more money, for cash, and so people just avoid going to ask. Anyway, it’s not clear who we have to ask or what the process is.’
- ‘We’re locked into the Card and we can’t get out. No escape.’

- ‘Unless you know what to do and who to ask ... unless you can have your card reviewed by the anonymous panel, you’re stuck with the card and the amount.’
- ‘Yalata mob thought they could get off the card. Some moved to Adelaide to sign up for new welfare and then they can’t and so they’re drinking badly and being sent home in a box.’
- ‘When you live far out, like in Oak Valley or Yalata, it’s hard to fix any problems with the Card. You have to wait ‘til you can get to town, but then when you get there it’s also too hard.’
- ‘There’s a phone app, to use to find out the balance on your Card. It doesn’t work for people who don’t have a phone or enough gig available, or if they don’t have literacy and numeracy.’

Whether people have enough cash for their everyday needs

- ‘I never have enough cash for what I need.’
- ‘There’s no cash money for going on ceremony for cultural business. We need food and other things for that but we can’t pay for these things without cash.’
- ‘Because people are desperate, some people have been swopping the Cards for cash. Once they’ve used up their cash amount and are desperate for more cash, they sell their Card to someone for cash that’s less than the value on the Card. Maybe some people then go and ask for a new Card or maybe they just stay off the Card and struggle even more.’
- ‘When people have fines deducted from their welfare money in their accounts, the money is taken from the cash amount and not from the quarantined amount. So, people have even less cash available and it’s hard for them to know how much money they have in their account.’

Do you think the Card is making things better or worse for community?

- ‘Things in community are worse because this Card has made us a bit divided. A few says it’s okay but others say no. This is causing tensions between people.’
- ‘Crime rates have gone up and it’s just shifted the problem. They’re putting on a band-aid and not really addressing the issues in community. There’s now more fighting and humbugging of the tourists.’
- ‘Those who’ve got some money, go and buy grog and come back to community and sell it for double the price. People who’re desperate then spend even more money on grog than they did before.’
- ‘Being on the Card makes me so angry because it’s downgrading Aboriginal people and making us second-hand, making us second-class.’
- ‘We must get rid of the Card. It’s no good.’

What do you think about the blanket approach?

- ‘You can’t paint everyone with the same brush because everyone’s different. We each need different things ... and be treated in different ways.’
- ‘We don’t drink but we were made to feel we’re all drinkers and drug addicts and gamblers. It’s made us feel no good.’
- ‘This blanket approach ... It’s not fair that we’re all painted with the same brush.’
- ‘Personally, I don’t smoke or drink so why am I on the card? It doesn’t work for me.’

Do you think that the Card is helping people who have problems with gambling or drugs or alcohol?

- ‘No. People with problems need help but there are no services for them in community to help those people who do have drugs and grog and gambling problems.’

- ‘When the Card came in, all support services in our community stopped. As if the Card was supposed to fix things with no services. If people wanted help they had to go into Ceduna and even then there were no extra services.’
- ‘Government hasn’t addressed the real problems. There are no culturally sensitive counselling services in town. There’s no culturally sensitive rehab and there’s nothing for us back in community.’
- ‘Problem with the Sobering-up Unit is that you’re only allowed in if you’re drunk or affected by drugs. When people are homeless and hungry they just find a way to get drunk so that they can go into Sobering Up to get a bed and a feed. This isn’t helping. People are worse on this Card.’
- ‘There are no services in community to deal with people’s problems.’
- ‘Instead of this Card, we need more programs to develop the community and for the youth to have opportunities and for older people to be looked after properly. If there’s a community where everyone’s working and has a job then there’ll be fewer people who’ll want to drink. If there aren’t proper opportunities, people will just feel hopeless and wander off to find drugs and alcohol. People want to look after the community and each other and the environment.’

The above comments highlight a generalised dissatisfaction and/or opposition to the Card. These comments controvert the Government’s publicised view that communities and leaders support the Card and its use of this to justify an extension and expansion of the trial sites.

Community responses to the expansion of the Card

The Government has expanded the trial of the Card to those in the Goldfields region in Western Australia who receive a working age payment, as from early 2018. Voices of protest are coming from the Kalgoorlie area. In August 2017, Mr Trevor Donaldson, a Kalgoorlie Traditional Owner and elder publically indicated that he is reluctant for his community to be subjected to the Trial: ‘I don’t want to go and put my title or our name on something that will fail and drag our people through an experiment that is going to fail’.⁹

Albeit in the absence of the passing of the Bill, the Government has announced that it is expanding the Card to a fourth¹⁰ trial location. Those living in the Hinkler electorate in Queensland (Bundaberg and Hervey Bay region) will be on the Card when it rolls out from early 2018, if they are 35 years of age or under at the start date and receive one of the following payments: Youth Allowance as a job seeker, Newstart or a Parenting Payment. It appears that the communities in these locations have not been consulted about the design, scope or application of the Card. A recent protest gathering of eight women in Hervey Bay who are currently on the Disability Support Payment were met by armed police outside the meeting where Human Services Minister, Alan Tudge, and Hinkler MP, Keith Pitt, were meeting local businesses.¹¹ A number of other protests have also been held. It cannot be claimed that there is unanimous community support for the expansion of the Card into Queensland.¹²

3.2 Data collection, analysis and cherry-picking

In a bid to justify the efficacy, expansion and extension of the Card, to be enabled by the *Social Services Legislation Amendment (Cashless Debit Card) Bill 2017*, the Minister for Human Services insists that a sound evidence-base has been established and is set out in the Government-commissioned ORIMA evaluation reports.

⁹ <http://www.abc.net.au/news/2017-09-01/cashless-welfare-card-to-hit-goldfields-next-pm-to-announce/8861556>

¹⁰ The current allowance under section 124PF is for only three trial sites.

¹¹ <https://www.news-mail.com.au/news/armed-police-show-up-to-cashless-card-rally/3187131/>

¹² <https://www.whitsundaycoastguardian.com.au/news/cashless-welfare-not-in-bundy-please/3188062/#/0>

However, across the existing Trial sites, there have been widespread critiques, condemnation and concerns expressed by community members, as well as by non-government welfare agencies, and academics who have an understanding of what constitutes appropriate and ethical research methodology and data analysis. These perspectives have not been incorporated or acknowledged in the evaluation reports or by proponents of the Card.

An independent analysis of the ORIMA Evaluation Report and research methodology reveals a range of concerns regarding the ways in which data has been collected, analysed, reported and selectively used. In summary, these analyses reflect that the evidence-base that the Government is using to substantiate the expansion and extension of the Card is highly questionable. The key concerns are set out below.

Government's over-statement of the ORIMA evaluation findings

The ORIMA final report outlines significant limitations regarding its own data (pp. 25-28), including the following:

- *Administrative data limitations*
The ORIMA report states: *The data available generally serve as imperfect proxy measures for problematic alcohol consumption, illegal drug use, gambling and anti-social and disruptive behaviours* (pp. 25-6). Much of the administrative data relied upon by Government to validate its trials is based on data collected for purposes outside the parameters of the CDC trial evaluation. This is not acknowledged by Government and the proponents of the Card.
- *General methodological limitations*
The evaluation did not use a statistically representative random sampling of the population (p. 28), thereby leaving the findings open to considerable distortion. This serious limitation regarding sampling and data validity is not acknowledged by the proponents of the Card.

The evaluation does not include a longitudinal study of respondents from the interim Wave 1 evaluation through to the Wave 2 evaluation, hence no time series comparisons or behaviour changes can be tracked and trends cannot be discerned.

- *Response bias, self-reporting and observation bias*
The ORIMA report acknowledges the limitations caused by response bias whereby respondents seek to agree or report in ways that they consider would be socially acceptable to those asking the questions (p. 27). ORIMA acknowledges that it is not possible to accurately measure actual behaviours such as changes in alcohol consumption or drug use. For example, respondents were asked during face-to-face surveys whether they were alcoholic or had a drug problem. It would be very surprising to find respondents who were prepared to answer these questions honestly when asked by a government-contracted interviewee. The proponents of the Card fail to recognise this methodological flaw and its impact on the evaluation outcomes.

Despite these acknowledged limitations it appears, from media releases and reportage following the release of the ORIMA report, that Government contrives to use the report as a basis for both continuing and extending the application of the scheme.

Misrepresentation of crime statistics, decline in gambling and alcohol/drug consumption

- The ORIMA final evaluation report states that:

*'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 in Ceduna, **crime statistics showed no improvement since the commencement of the Trial**'.*¹³

The Government, including the Minister for Human Services and the Prime Minister, has insisted that levels of crime have reduced as a result of the Cashless Debit Card. The lack of consideration of the evaluation data and the selective use of the available evidence is misleading.

- Gambling behaviour has been on the decline, particularly in SA, with a steady downward trend in gambling revenue since 2006/7 with the highest decrease this year (2016/17) in South Australia.¹⁴ It is not accurate to claim that the CDC trial has been the cause of such behaviour change in Ceduna or that it could even be viewed as a contributing factor. The Government is attributing any positive changes to the Card itself and ignores other socio-economic variables or changes in policy settings that could impact on people's behaviours.
- The ORIMA evaluation provides no baseline for analysing changes in the patterns of gambling, alcohol or drug consumption. As noted by Dr Elise Klein, the evaluation report states that '... there has been a decrease ... amongst CDC participants', however, the final report does not draw on the data as presented in the interim report, namely that most people on the Card were not over consumers of alcohol, drugs or gambling in the first place.¹⁵

Lack of data or analysis on purported changes in levels of domestic/family violence

- Domestic violence was noted as an issue of concern in the First Evaluation Report (p.150) and as warranting further investigation. Addressing domestic violence was also expressly mentioned as part of the CDC 'Theory of Change' in the Final Evaluation Report (p. 129) and, on page 298 and 299, the report indicates that domestic violence incident reports were examined. However, there is no coherent reporting, analysis or commentary on family violence behaviours in the final ORIMA report, neither is there an evidence base to suggest that such behaviours have decreased as a result of the CDC. However, anecdotal reports indicate that domestic violence has increased because of the lack of available cash.

Negative impact on children, a serious cause for concern

- The Final ORIMA Evaluation report states that in the East Kimberley, 49% of respondents report that they cannot better look after their children on the CDC (n=198), while 44% report they can look after

¹³ Australian Government Department of Social Services, Cashless Debit Card Trial Evaluation, Final Evaluation Report, August 2017, page 4.

¹⁴ See research by SA Centre for Economic Studies at University of Adelaide <http://www.adelaide.edu.au/news/news94882.html>

¹⁵ In the ORIMA Interim Evaluation Report, 57% evaluation participants on the card reported that before the card, they did not have more than 6 drinks of alcohol at one time (p. 77); 90% reported that they did not use illegal drugs (4% reported doing so) (p. 78), 80% reported that they did not gamble (3% more than once a week) (p. 85). In the Final ORIMA Evaluation Report, it is claimed that 48% of people were doing one of the three behaviours (alcohol/drug consumption or gambling) less (p. 42). However, there is no accounting for the people who were not doing the behaviours in the first place, who may have said yes to 'consuming less', to reflect not doing the behaviours at all (summary based on research by Dr Elise Klein).

their children better on the Card. In Ceduna, 47% of respondents report they cannot better look after their children on the CDC, while 36% report they can better look after their children (p. 79).

- The Report details (p. 72) that in the past 2 months:
 - 52% of respondents have run out of money to buy food;
 - 45% have run out of money to pay for things children needed for school like books
 - 44% had run out of money to pay for essential non-food items for children such as nappies, clothes and medicine
 - 55% had borrowed money from family or friends.

While this data does not necessarily point to failings of the Card alone, and could be attributable to other factors or the generalised state of poverty that people are living in due to the paucity of benefit payments, it does highlight that the majority of people are not feeling better off on the Card and are not finding it any easier to make ends meet.

Lack of data or analysis on poverty and the labour market

While the Trials target people on income benefit payments, proponents of the Card fail to analyse reasons for unemployment, underemployment and the consequent number of people on benefit payments. In both Ceduna and the East Kimberley, the biggest cause of unemployment is the lack of a labour market and of formal, decent and secure jobs. This is compounded by the fact that Australia's unemployment benefit is one of the lowest in the developed world and there have been no legislated changes to real Newstart rates in over 20 years – the rates of Newstart have not increased substantially in real terms since 1996. The impact of the below-poverty-line Newstart allowance on the lives of people living in the Trial sites is compounded by the implementation of the Card.

Unethical and flawed methodology resulting in distorted outcomes

The ORIMA evaluation relies heavily on answers to a series of questions posed to respondents who were randomly selected in public places and enlisted with promises of \$30 or \$50 gift cards on completion. 'Paying respondents affects relationships' and can lead to contaminated results.¹⁶ As respondents are asked for their ID for what is an official Government supported survey, coercive effects and the perception by respondents that they need to give the answers sought by interviewers cannot be ruled out.

While problems with methodology, data and findings are acknowledged in the ORIMA report, Government reportage and publicity about the evaluation findings is highly selective and, in many instances, taken out of context. This distortion, as a result of cherry-picking, has resulted in Government providing a misleading, simplistic and an overly positive view of the CDC. It is evident that proponents of the Card have selected data and those evaluation findings that serve to justify and validate their ideological position and the implementation and expansion of the Card.

3.2 Social return on investment

Federal budget allocations

To date, there is little or no detail regarding the budget allocation for the expansion and extension of the Cashless Debit Card trials. The financial impact statement and the financial impact over the forward

¹⁶ See Eva Cox analysis: https://www.theguardian.com/commentisfree/2017/sep/07/much-of-the-data-used-to-justify-the-welfare-card-is-flawed?CMP=share_btn_link

estimates for the implementation of the Bill states that ‘funding associated with this Schedule is not for publication as negotiations with potential commercial providers are yet to be finalised’.¹⁷

The Budget Overview for the 2017-2018 Budget indicates that the Government will provide \$145.5 million over three years from 2016-17, to extend current Income Management arrangements across Australia. However, it is not clear how much of this budget allocation will be directed to the trials of the Cashless Debit Card.

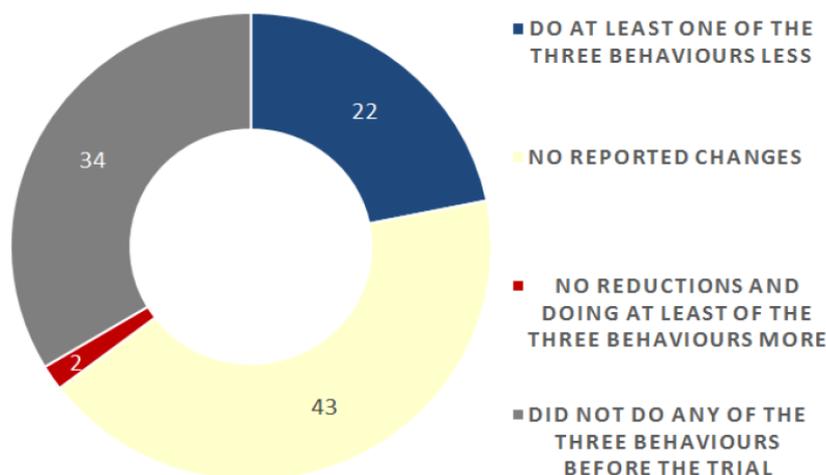
Money expended on those outside the scope of the Cashless Debit Card

Referring to the ORIMA evaluation data for the Ceduna and East Kimberley trials, as found in Figure 1 below¹⁸, 34 per cent of CDC participants ‘did not drink alcohol, gamble or take illegal drugs before or after the Trial’ (2017, p. 22) i.e. one-third of the participants who were mandatorily included in the scope of the CDC Trial had no issues or addictions that the Card was ostensibly set up to address. This 34 per cent equates to 617 of the 1,850¹⁹ people in the Wave 1 Trial being outside the scope of the objectives of the Trial.²⁰

Given that, as at May 2017, the estimated cost of administering the Trial was \$18.9 million²¹ with an averaged cost per person of \$10,000, the imposition of the Card on 34% or 617 participants (in Wave 1) who fell outside the scope of the Trial’s objectives and for whom the Trial has had no benefit, the Government has unnecessarily expended \$6.2 million. This expenditure equates to approximately one third of the total cost of administering the Trial, and could have been better spent on providing support services to those who need them. Besides the administrative cost incurred and the Card being of no benefit to one-third of the participants, the mandatory imposition of the Card on this cohort has caused them a great deal of inconvenience and shame.

Figure 1: Self-reported changes in alcohol consumption, gambling or illegal drug use

Base: Participants currently on the Trial – average across the two Trial sites.
Excludes those who say ‘Refused’ or ‘Can’t Say’ across all three measures (n=2).



¹⁷ Explanatory Memorandum to the Social Services Legislation Amendment Bill p. 2.

¹⁸ As found on page 20 of the ‘Cashless Debit Card Trial Evaluation: Wave 1 Interim Evaluation Report’ by ORIMA Research

¹⁹ Note that data sourced from Aboriginal and Torres Strait Islander Social Justice Commissioner, ‘Social Justice and Native Title Report 2016’ (Australian Human Rights Commission, 2016) p. 91-92, indicates that the number of participants in the Trial is 1,951. However, the ORIMA data is used here.

²⁰ It is noted that ORIMA’s Wave 2 report does not include data on the number of participants who did not have any concerns regarding these three issues, even though the total number of participants had increased from 1,850 (Wave 1) to 2,141 (Wave 2). It is not clear whether any of the 291 additional participants in Wave 2 fell within or outside the scope of the Trial’s objectives.

²¹ Details released under Freedom of Information and sourced from Conifer D (2017). *Centrelink cashless welfare card trial costing taxpayers \$10,000 per participant*. ABC News, 2 May, [www.abc.net.au/news/2017-05-02/cashless-welfare-trial-costing-taxpayers-\\$10kper-participant/8488268](http://www.abc.net.au/news/2017-05-02/cashless-welfare-trial-costing-taxpayers-$10kper-participant/8488268)

Extent of benefit to those within the scope of the Trial's objectives

An analysis of the remaining cohort of participants who fell within the scope of the objectives of the Trial (i.e. those who had reported drinking alcohol, gambling or taking drugs) indicates that 43 per cent reported no changes in their behaviour and 2 per cent reported no reduction or doing at least one of the three habits more.

This leaves 22 per cent of the Wave 1 respondents²² who indicated that they 'do at least one of the three behaviours less'. This equates to just under one quarter of all participants indicating a change in their behaviour and thereby demonstrating a positive Trial indicator. In numerical terms, 407 participants (or 22%) of the total 1,850 participants have reported a positive indicator in terms of the Trial's objectives. In terms of any positive demonstrable indicators, the cost of administering the Card for these 407 participants equates to just over \$4 million (407 participants x \$10,000 per participant to administer the Card). Effectively, the \$18.9 million that has been spent to administer the Trial has only had a positive indicator from 407 participants.

The limited benefits of the implementation of the Card and the small percentage (22%) of people who have reportedly demonstrated a positive outcome from participating in the Trial, points to a negligible social return on investment and does not reflect sound financial management or accountability. Given the extremely limited social and economic benefits of trialling the Card, aside from the negative impacts on participants, the Government's intention to roll-out the Card to additional trial sites appears reckless and points to the ideological imperative that is driving this punitive welfare 'experiment' at any cost.

Alternative consideration of social and economic benefits

The calls for an extra \$100 per week increase to the Newstart allowance by many advocates, could have been paid to 3,634 people on Newstart for one year, instead of it being used to administer the Trial at the cost of \$18.9 million. While recognising that a more generalised allocation of increased Newstart benefits would cost more and would have to be sustained over time, the wasteful expenditure of \$18.9 million begs the question as to why there is such vehement objection on the part of the Government to increasing the fortnightly Newstart amount, usually explained as due to a lack of available budget.

With the Newstart allowance being \$532 per fortnight (single rate) and the poverty line at \$520 per week (according to the Melbourne Institute), the Newstart Allowance is \$508 per fortnight below the poverty line. Australia's unemployment benefit is one of the lowest unemployment benefits in the developed world and there have been no legislated changes to real Newstart rates in over 20 years – the rates of Newstart have not increased substantially in real terms since 1996.

The impact of the below-poverty-line Newstart allowance on the lives of people living in the Trial sites is compounded by the implementation of the Cashless Debit Card – their lives have been made more difficult and many of the items they need to buy are more expensive due to the curtailment of their purchasing power as a result of the imposition of the Card; for example, they are unable to buy cash goods at markets or second-hand sales where cheaper items are available.

In summary, the budget allocations and funding spent on administering the extension and expansion of the Cashless Debit Card trials reflect a misuse of taxpayers' money and a lack of accountability, and would be better spent on providing much-needed support services or improving the amounts of existing income benefits such as Newstart.

²² In the Wave 2 evaluation, this had increased marginally to 25%.

4. Conclusion

Uniting Communities is opposed to the amendments proposed in the *Social Services Legislation Amendments (Cashless Debit Card) Bill 2017* because we are very concerned about the impact of the existing trials and the further unilateral imposition of the Card on communities. The accumulated evidence indicates that the Trials have not achieved the results that have been claimed by Government, which are based on a false assumption that a system of incentives and disincentives, reminiscent of outdated behaviour-modification models, will somehow 'reform' people's behaviours and their understanding of their 'mutual obligations'. This approach does nothing to improve the lives of those with alcohol, gambling or drug problems and only serves to exacerbate their situation.

The money spent on this Trial would be better spent on providing comprehensive and appropriate services to those who need them. The evidence and reports from communities clearly indicate that the implementation of the Card does not achieve the results that are being claimed by Government and, that instead, it causes distress, shame and hardship to people.

The current Cashless Debit Card program is entrenching poverty. Not only is it entrenching welfare dependency, it is entrenching decision-making dependency and a loss of people's autonomy – the imposition of the Card removes people's sense of agency and could result, over time, in people becoming enculturated into a pattern of relying on government to make decisions that affect their private lives and choices.

It is alarming that the Government sees fit to implement a punitive program that is costing a great deal of money to administer, and that has proven to be deeply unpopular with those who have been subjected to the experiment to date.

In the absence of any rigorous analysis of the impacts of the Card itself, it defies logic that the Government is now considering the imposition of this compulsory financial management system on more Australians across more locations and for an unlimited period of time. The rationale for these proposed amendments, as set out in the Bill, should not be accepted. We call upon those who are being asked to consider and vote on the Bill to scrutinise the so-called evidence base and to be receptive to the voices of communities about their experiences of being on the Card.

We call for the termination of the imposition of the Cashless Debit Card and oppose both the extension of the timeframe and the expansion of the trial sites, more so in the absence of adequate scrutiny as enabled by the amending Bill.

What is required is a complete rethink and overhaul of the social security system and its payment modalities and allocations. This process should involve direct engagement with those who require income benefits, and would need to incorporate a focus on the reality of high unemployment, the lack of job opportunities, and appropriate and comprehensive responses to the social determinants and psycho-social challenges of substance misuse and other addictions.