The Senate

Community Affairs Legislation Committee

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## Abbreviations

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<tbody>
<tr>
<td>Act</td>
<td><em>Social Security (Administration) Act 1999</em></td>
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<td>Bill</td>
<td>The <em>Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019</em></td>
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<td>CDC</td>
<td>Cashless debit card</td>
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<td>Committee</td>
<td>Senate Community Affairs Legislation Committee</td>
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<td>DSS</td>
<td>Department of Social Services</td>
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<td>EFTPOS</td>
<td>Electronic funds transfer at point of sale</td>
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<td>Explanatory memorandum</td>
<td><em>Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019, Explanatory Memorandum</em></td>
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<td>Human rights committee</td>
<td>Parliamentary Joint Standing Committee on Human Rights</td>
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<td>IM</td>
<td>Income management</td>
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<td>NT</td>
<td>Northern Territory</td>
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<td>PJCHR</td>
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<td>Scrutiny of bills committee</td>
<td>Senate Standing Committee for the Scrutiny of Bills</td>
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<tr>
<td>Secretary</td>
<td>Secretary of the Department of Social Services</td>
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<tr>
<td>Statement of compatibility</td>
<td><em>Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019, Statement of compatibility with human rights</em></td>
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List of Recommendations

Recommendation 1

2.63 The committee recommends that prior to the passage of the bill the Department of Social Services clarify the changes to the minister's discretionary powers to determine the rates of quarantined income, and the process by which communities can request an increase in the rate of quarantined income.

Recommendation 2

2.65 The committee recommends that the bill be passed.
Chapter 1
Introduction

Purpose of the bill
1.1 The Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019 (bill) was introduced into the House of Representatives on 11 September 2019.¹

1.2 The bill seeks to amend the Social Security (Administration) Act 1999 (Act) to:

- establish the Northern Territory (NT) and Cape York as cashless debit card (CDC) trial areas, and transition Income Management (IM) participants onto the CDC trial in 2020;
- extend the end date for existing CDC trial areas to 30 June 2021;
- remove the cap on the number of CDC trial participants;
- remove the exclusion to allow people in the Bundaberg and Hervey Bay trial area to voluntarily participate in the trial;
- enable the Secretary of the Department of Social Services (DSS) to advise a community body when a person has exited the trial; and
- improve the workability of the evaluation process.²

Background

Cashless debit card trial
1.3 The CDC trial commenced in Ceduna on 15 March 2016, the East Kimberley on 26 April 2016, the Goldfields region on 26 March 2018 and the Bundaberg and Hervey Bay region on 29 January 2019.³

1.4 In the current CDC trial sites, the trial program applies to most people on working-age welfare payments. Under the trial, 80 per cent of a participant’s welfare payment is placed on a Visa debit card that can be used at any merchant that accepts EFTPOS and Visa and does not primarily sell restricted goods. The CDC cannot be used for the purchase of alcohol, gambling products, certain cash-like products such as gift cards, or to withdraw cash. The remaining 20 per cent of the welfare payment is deposited into the participant’s regular bank account which the participant can use at their discretion, including being withdrawn as cash.⁴

³ Department of Social Services and Department of Human Services, Submission 3, p. 3.
⁴ Department of Social Services and Department of Human Services, Submission 3, p. 3.
Objectives of the trial

1.5 The objectives of the CDC trial are to reduce immediate hardship and deprivation, reduce violence and harm, encourage socially responsible behaviour, and reduce the likelihood that welfare payment recipients will remain on welfare where they have the opportunity for paid employment.5

Transition from BasicsCard to CDC

1.6 IM has been operating in communities in the NT and Cape York for more than ten years. Under IM, a welfare recipient has the option to access their income managed funds via a BasicsCard which can be used at approved stores and businesses, through the EFTPOS system.6

1.7 BasicsCard merchants are stores or businesses that have applied and been approved to accept the BasicsCard through the EFTPOS system. As at 28 June 2019 there were approximately 16 400 BasicsCard approved merchants across Australia. Merchants are only approved for BasicsCard transactions if:

- their main business activity is the sale of priority goods or services as defined in the approval framework;
- they are able to prevent the sale of excluded goods and services including alcohol, tobacco, pornography and gambling goods and services; and
- they are able to comply with the obligations set out in the BasicsCard Merchant Terms.7

1.8 The CDC is automatically accepted at over 900 000 EFTPOS terminals nationally, giving participants a greater number of merchants from whom they can make purchases, including online businesses. It also relaxes some of the restrictions on purchases.8

1.9 Under the proposed transition in the bill, the rate of income quarantining in the Cape York and NT trial sites will not be set at 80 per cent of a participants’ income as in other trial sites. Instead participants in the Cape York and NT trial sites will retain their existing ratio of quarantined income when they transition from the IM system to the CDC trial. DSS are consulting with participants and stakeholders in communities to determine how the transition process should work.9

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5 Department of Social Services and Department of Human Services, Submission 3, pp. 3–4.
6 Department of Social Services and Department of Human Services, Submission 3, p. 4.
7 Department of Social Services and Department of Human Services, Submission 3, p. 4.
8 Department of Social Services and Department of Human Services, Submission 3, p. 3.
9 Ms Liz Hefren-Webb, Deputy Secretary, Families and Communities, Department of Social Services, Committee Hansard, 14 October 2019, p. 11.
**Evaluation and reports**

1.10 The Commonwealth Government commissioned ORIMA Research to undertake an independent evaluation of the CDC trial in Ceduna and the East Kimberley. The evaluation was reported in three stages: Initial Conditions Report, (Wave 1), Interim Evaluation Report and Final Evaluation Report (Wave 2). The Final Evaluation Report was released on 1 September 2017.\(^{10}\)

1.11 The Australian National Audit Office undertook an independent performance audit of the CDC trial, the objective of which was to assess DSS’s implementation and evaluation of the trial. The Auditor-General presented the report to Parliament on 17 July 2018.\(^{11}\)

1.12 The Future of Employment and Skills Research Centre at the University of Adelaide was commissioned by DSS to collect base-line data for the CDC trial in the Goldfields Region. Its report was released in February 2019.\(^{12}\)

1.13 The findings of these reports were referenced frequently in submissions made to this inquiry and are discussed, where relevant, in Chapter 2.

**Previous inquiries**

1.14 The Senate Community Affairs Legislation Committee (committee) has reported on legislation relating to the CDC trial and IM in Cape York and other trial sites on several occasions in recent years:

- The Social Security Legislation Amendment (Debit Card Trial) Bill 2015 (report tabled 12 October 2015) established the CDC trial in the East Kimberley and Ceduna.\(^{13}\)
- The Social Services Legislation Amendment (Queensland Commission Income Management Regime) Bill 2017 (report tabled on 20 June 2017) also extended the Cape York IM program.\(^{14}\)
- The Social Services Legislation Amendment (Cashless Debit Card) Bill 2017 (report tabled 6 December 2107) expanded the CDC trial to the Goldfields region.\(^{15}\)

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\(^{10}\) The Hon Alan Tudge MP, Minister for Human Services, ‘Evaluation finds “considerable positive impact” from cashless debit card trial’, *Media release*, 1 September 2017.


• The Social Services Legislation Amendment (Cashless Debit Card Trial Expansion) Bill 2018 (report tabled 14 August 2018) expanded the CDC trial to the Bundaberg and Hervey Bay region.\textsuperscript{16}

• The Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019 (report tabled 1 April 2019) extended the Cape York IM program and the end date for CDC trial sites in East Kimberley, Ceduna and the Goldfields.\textsuperscript{17}

**Key provisions of the bill**

**NT and Cape York transition**

1.15 Item 3 of the bill adds new subsection 123UF(4) which provides for the relationship between section 123UF and Part 3D of the Act as a person transitions from IM to the CDC trial. This new subsection provides that the Secretary of DSS (secretary) may transfer an amount equal to funds held in a person’s IM account to their CDC account when transitioning from IM to the CDC trial in order to ensure that person will be able to access all their funds through one source at any one time.\textsuperscript{18}

1.16 Item 10 amends the definition of ‘trial area’ under subsection 124PD(1) to establish the Cape York area and the whole of the NT as CDC trial areas for the purposes of Part 3D of the Act. The term ‘trial area’ is currently subject to exclusion of any part of an area as determined in a notifiable instrument made by the minister under subsection 124PD(2).\textsuperscript{19}

1.17 Item 15 will allow the minister to make a notifiable instrument under subsection 124PD(2) to exclude any part of the NT from the trial area. The minister’s power to make a notifiable instrument under subsection 124PD(2) is a pre-existing power being modified to support the extension of the CDC trial to the NT.\textsuperscript{20}

1.18 Item 34 amends subsection 124PJ(1) to ensure that trial participants moved onto the CDC trial under new sections 124PGD and 124PGE will not be subject to the same restricted portion and unrestricted portion as existing trial areas. This will maintain the current restricted and unrestricted portions for the NT and Cape York area under IM.\textsuperscript{21}


\textsuperscript{18} Explanatory memorandum, p. 9.

\textsuperscript{19} Explanatory memorandum, p. 8.

\textsuperscript{20} Explanatory memorandum, p. 8.

\textsuperscript{21} Explanatory memorandum, p. 12.
Extending the end date for the CDC trial
1.19 Item 17 repeals paragraph 124PF(1)(b) and substitutes it with a new paragraph which provides that the end date for the trial is 30 June 2021 for all trial areas other than the Cape York area, which will have a trial end date of 31 December 2021.22

Removing the cap on participants
1.20 Item 18 repeals subsection 124PF(3) to remove the cap on the number of CDC trial participants. This amendment will ensure that all IM participants in the Cape York area and the NT are able to transition to the CDC trial.23

Enabling voluntary participation
1.21 Item 28 omits ‘except the Bundaberg and Hervey Bay area’ from paragraph 124PH(1)(b). This amendment will allow a person in the Bundaberg and Hervey Bay area to enter the CDC trial as a voluntary trial participant.24

Sharing information with community bodies
1.22 Item 43 adds new sections 124POA, 124POB, 124POC and 124POD at the end of Division 4 of Part 3D, which authorises certain information disclosures to be made to the secretary by an officer or employee of a financial institution or by a member, officer or employee of a community body. New section 124POA will allow the secretary to disclose information to a member, officer or employee of a community body that a person has ceased to be a trial participant or a voluntary trial participant.25

Improving the evaluation process
1.23 Item 51 repeals subsections 124PS(2) and (3) to remove the statutory requirement that an evaluation be conducted by an independent expert within six months of the completion of the trial review. This addresses the potentially circular nature of current section 124PS. The repeal of subsection 124PS(3) removes the requirement on independent experts to consult trial participants which, in turn, will avoid the ethical implications of unnecessary repeat contact with vulnerable individuals.26

22 Explanatory memorandum, p. 9.
23 Explanatory memorandum, p. 9.
24 Explanatory memorandum, p. 11.
26 Explanatory memorandum, p. 5.
Financial implications
1.24 The explanatory memorandum to the bill notes that $17.8 million will be provided for support services to assist the transition from IM to CDC in the NT and Cape York area.\(^{27}\)

Legislative scrutiny

Parliamentary Joint Standing Committee on Human Rights
1.25 The Parliamentary Joint Committee on Human Rights (PJCHR) had not finalised its consideration of the bill before the committee’s reporting date.\(^{28}\) Consideration of previous related legislation by PJCHR is outlined in the committee’s previous reports on legislation relating to the CDC trial.\(^{29}\)

Senate Standing Committee for the Scrutiny of Bills
1.26 The Senate Standing Committee for the Scrutiny of Bills (scrutiny of bills committee) raised concerns about the increase in the minister’s discretionary powers, and the safeguarding of participants’ privacy.

Broad discretionary power
1.27 The scrutiny of bills committee expressed concerns about the extension of the minister’s powers under the Act. It noted that proposed subsections 124PJ(2A) and (2B) would confer on the minister a broad power to determine the portion of a participants’ payments that are restricted. The scrutiny of bills committee requested the minister provide detailed advice in relation to the necessity and exercise of the proposed increase in the minister’s discretionary powers.\(^{30}\)

Privacy
1.28 The scrutiny of bills committee also noted that Item 46 of the bill seeks to amend paragraph 192(db) of the Act, to extend the secretary’s power in section 192 to Part 3D. This would permit the secretary to require a person to give information or produce a document to the DSS which the secretary considers may be relevant when determining whether a person should not participate in

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\(^{27}\) Explanatory memorandum, p. 1.


\(^{30}\) Senate Standing Committee for the Scrutiny of Bills, Scrutiny Digest 6 of 2019, 18 September 2019, pp. 19.
the CDC trial on the basis of their mental, physical or emotional wellbeing.\textsuperscript{31} The scrutiny of bills committee requested the minister's detailed advice in relation to the nature of participants' information which could be collected and the safeguards for participants' privacy.\textsuperscript{32}

**Conduct of inquiry**

1.29 On the 12 September 2019, the Senate referred the provisions of the bill to the committee for inquiry and report by 7 November 2019.\textsuperscript{33}

1.30 The committee advertised the inquiry on its website and invited submissions by 4 October 2019, which it later extended to 18 October 2019. The committee received 108 submissions, listed at Appendix 1 of this report.

1.31 The committee also conducted three public hearings in:
- Darwin on 23 September 2019;
- Canberra on 14 October 2019; and
- Alice Springs on 31 October 2019.

1.32 A list of witnesses for those hearings is included at Appendix 2 of this report.

**Acknowledgment**

1.33 The committee would like to thank those individuals and organisations that made submissions and gave evidence at the public hearings.

**Notes on references**

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


\textsuperscript{33} *Journals of the Senate*, No. 15, 12 September 2019, pp. 463–464.
Chapter 2
Key issues

Introduction

2.1 The primary purpose of the cashless debit card (CDC) trial is to address the social harms that result from the misuse of alcohol, drugs and gambling.\(^1\) Evidence from submitters and witnesses indicated broad recognition of the need to address antisocial behaviour and crime, while at the same time supporting improvements in social and financial wellbeing at an individual and community level.\(^2\)

2.2 The Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019 (bill) provides for the extension of the CDC trial, through the transition of Income Management (IM) participants in the Northern Territory (NT) and Cape York region to the CDC and the extension of the CDC trial in each of the existing trial sites until 30 June 2021.\(^3\)

2.3 This chapter discusses some of the key issues raised by inquiry participants during the committee’s inquiry into the bill. First, it considers the steps being taken to engage with communities throughout the expansion of the trial and the evidence regarding community support for the CDC. The chapter then considers key concerns raised by submitters and witnesses, including:

- the transition from IM to the CDC in the NT and Cape York;
- the evaluation of the impact of the CDC to date, including the impact of the CDC on:
  - wellbeing in the trial sites;
  - cash-based activity;
  - self-determination; and
  - individual health and wellbeing; and
- the application of ministerial discretion.

Community engagement

2.4 Submitters expressed the view that effective community engagement was a key contributor to the effectiveness of the CDC trial.\(^4\) The committee heard

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\(^{1}\) Department of Social Services and Department of Human Services, Submission 3, p. 3.

\(^{2}\) See, for example: Shire of Wyndham East Kimberley, Submission 26, p. 1; Generation One, Submission 27, pp. 1–2; Family Responsibilities Commission, Submission 31, pp. 10–11.


\(^{4}\) See, for example: Allan Suter, Former Mayor, District Council of Ceduna, Committee Hansard, 31 October 2019, p. 9; Cape York Institute, Submission 31, p. 10.
evidence that community level engagement was necessary to ensure the effective adaptation of the CDC to the different trial sites, particularly in the transition from IM to CDC in the NT and Cape York trial sites.\(^5\)

2.5 Allan Suter, Mayor of the District Council of Ceduna during the introduction of CDC in the Ceduna trial site, reported issues identified early in the trial were effectively addressed through ongoing engagement between the Department of Social Services (DSS) and the council.\(^6\)

**Consultation in the NT and Cape York trial sites**

2.6 DSS described the community consultation and engagement processes it has undertaken as part of the preparation to transition the NT from IM to the CDC trial. For example, during August and September 2018, DSS held initial meetings with key community leaders and organisations in the Barkly region in the NT. DSS advised that such meetings have provided an opportunity to share information about the CDC with communities and for DSS to seek feedback to guide the transition process and future engagement with the broader community.\(^7\)

2.7 Through this consultation process, DSS received feedback that the existing rate of 50 per cent quarantining of funds for most IM participants should be retained when those participants transition to CDC in the NT. This rate is different to all other CDC sites, where 80 per cent of a participant's payment is placed onto the card.\(^8\)

2.8 The Cape York Institute reported that along with the Family Responsibilities Commission, they had attended meetings with representatives from the Department of Prime Minister and Cabinet to discuss transitioning participants in the Cape York area from IM to CDC trial. They also noted that as a result of this consultation the Cape York trial area would still retain its unique features, including the Family Responsibilities Commission's IM model.\(^9\)

2.9 The committee received evidence that communities in both the NT and Cape York trial sites consider CDC to be a superior product to the BasicsCard, through which IM participants currently access their income managed funds.

\(^5\) See, for example: Dr Janet Hunt, *Submission 2*, p. 3; Arnhem Land Progress Aboriginal Corporation, *Submission 39*, p. 2; Mr Walter Shaw, Chief Executive Officer, Tangentyere Council Aboriginal Corporation, *Committee Hansard*, 31 October 2019, p. 13.


\(^7\) Department of Social Services and Department of Human Services, *Submission 3*, p. 4.

\(^8\) Ms Liz Hefren-Webb, Deputy Secretary, Families and Communities, Department of Social Services, *Committee Hansard*, 14 October 2019, p. 21.

\(^9\) Ms Zoe Ellerman, Director, Cape York Institute, *Committee Hansard*, 23 September 2019, pp. 44–45.
Communities reported that the CDC offered improved functionality and consumer choice for participants.\textsuperscript{10}

2.10 DSS noted that the bill contains measures which build the participation of community bodies into the operation of the CDC trial, including:

- ensuring existing arrangements with community bodies in specific trial areas are retained, and allowing communities to have a say in how the CDC trial is implemented in their community;\textsuperscript{11} and
- allowing the secretary to inform community organisations that a person has ceased to be a trial participant in order to support community bodies in monitoring the effectiveness of the CDC trial.\textsuperscript{12}

Concerns

2.11 Some inquiry participants raised concerns about the proposed introduction of the NT and Cape York as CDC trial sites. Submitters noted that the NT has a highly geographically-dispersed population covering communities in urban, regional and remote areas, expressing concerns that the CDC was not a sufficiently targeted means of addressing socially harmful behaviour in those diverse communities.\textsuperscript{13}

2.12 Some community leaders and organisations expressed concern about the extent of the consultation which had been conducted to date. Some witnesses were concerned that they were being informed about matters which had already been decided.\textsuperscript{14}

Support to facilitate transition

2.13 DSS advised the committee that it will continue to engage with community leaders and organisations as part of the transition process from IM to the CDC trial across the NT and Cape York. The transition process for communities in the NT will be staggered over nine months, providing DSS the opportunity for

\textsuperscript{10} See, for example: Department of Social Services and Department of Human Services, Submission 3, p. 2; Cape York Institute, Submission 31, p. 10.

\textsuperscript{11} Item 6, Explanatory memorandum, p. 7.

\textsuperscript{12} Section 124POA, Explanatory memorandum, p. 7.

\textsuperscript{13} See, for example: Aboriginal Peak Organisations Northern Territory, Submission 20, pp. 2–3; Queensland Council of Social Service, Submission 28, p. 3; Accountable Income Management Network, Submission 37, pp. 4–7.

\textsuperscript{14} See, for example: Mr John Paterson, Aboriginal Medical Services Alliance, Committee Hansard, 23 September 2019, p. 4; Mr John Hughes, Chief Executive Officer, Rirratjingu Aboriginal Corporation, Committee Hansard, 23 September 2019, p. 4; Ms Clara Mills, Managing Civil Solicitor, North Australian Aboriginal Justice Agency, Committee Hansard, 23 September 2019, p. 28; Ms Adrianne Walters, Senior Solicitor, Human Rights Law Centre, Committee Hansard, 23 September 2019, p. 31.
ongoing consultation on a community by community basis throughout the transition to the CDC.\textsuperscript{15}

2.14 DSS reported that it had not yet decided how the $17.8 million for transition support in the NT and Cape York had been allocated.\textsuperscript{16} It advised that the consultation process with community leaders and organisations in the NT and Cape York would inform DSS’s choices of services to which the funds should be directed, such as the provision of resources in language and access to interpreters.\textsuperscript{17}

**Community support**

2.15 Some inquiry participants from the existing CDC trial sites and in the proposed new trial sites indicated strong support for the CDC trial, as IM and the CDC trial improve social wellbeing outcomes and reduce social harm.\textsuperscript{18}

2.16 Evidence received from community representative groups in CDC trial areas indicated that the trial has been effective in reducing participants’ socially harmful behaviours within their communities.\textsuperscript{19}

2.17 These community groups also noted other benefits to their communities such as increased attendance at schools.\textsuperscript{20}

2.18 The Shire of Coolgardie’s submission contained the results of a survey which the Kalgoorlie-Boulder Chamber of Commerce and Industry undertook in early 2019. Of the 82 business members who completed the survey, 72 per cent observed a decrease in antisocial behaviour in the Kalgoorlie-Boulder Central Business District since the introduction of the CDC, with 87 per cent of respondents observing that that the CDC had made positive changes through the Goldfields area.\textsuperscript{21}

2.19 Cape York Institute cited the findings of the Queensland University of Technology’s 2018 review into IM in Cape York as evidence of the trial’s success in reducing social harm. Amongst other benefits for trial participants
and communities, Cape York Institute noted an increase in time between breach notices (for failure to meet social obligations) for participants.22

2.20 The Minderoo Foundation’s Generation One submission indicated that they had received accounts through their collection of data in CDC trial areas that socially harmful behaviour had decreased in the respondents’ communities. As well as receiving accounts of positive changes in trial sites, particularly for children, Generation One had spoken to participants who told them that the CDC helped them to reduce their alcohol consumption and manage their finances more effectively.23

2.21 DSS cited research from the ORIMA Research report which indicated the CDC trial was reducing socially harmful behaviours in the trial areas. It noted the decline in drinking alcohol and gambling, with 41 per cent of participants surveyed indicated they were drinking alcohol less frequently, and 37 per cent of participants reporting less frequent binge drinking. The report also noted a decline in gambling and illegal drug use, with 48 per cent of participants indicating that they gambled less, and 48 per cent reporting that they used illegal drugs less frequently under the CDC trial.24

Reducing hardship and deprivation

2.22 The committee received evidence which demonstrated ways in which IM and the CDC has reduced hardship and deprivation for participants in the trial sites, including experiencing an increase in funds available for healthy food and other essentials.25

2.23 The Maningrida Progress Association indicated that both IM and a community based income quarantining program had benefitted members of its community.26 The association’s manager, Mr Rob Totten, reported:

In my opinion, 50 per cent quarantine of people’s income from Centrelink with a BasicsCard has improved the wellbeing of families in allowing them the opportunity to purchase essential foods and goods.27

22 Cape York Institute, Submission 22, pp. 6–7.
23 Generation One, Submission 27, p. 3.
24 Department of Social Services and Department of Human Services, Submission 3, pp. 5–6.
25 See, for example: Generation One, Submission 27, pp. 2–3; Shire of Coolgardie, Submission 78, pp. 3, 5–6; Allan Suter, District Council of Ceduna, Committee Hansard, 31 October 2019, p. 9.
26 The Arnhem Land Progress Aboriginal Corporation’s FOODcard program; Mr Liam Flanagan, General Manager Community Services, Committee Hansard, 23 September 2019, p. 12.
27 Mr Rob Totten, Manager, Maningrida Progress Association, Committee Hansard, 23 September 2019, p. 11.
2.24 Mr Totten also noted that those income quarantining programs contributed to the success of the Maningrida Progress Association’s business enterprises, which include a supermarket, takeaway and bakery.28

2.25 Generation One noted that some CDC trial participants reported having more money to spend on food for themselves and for their families. Participants’ testimony also indicated that they were better able to afford clothes for their children, including school uniforms.29

2.26 DSS cited research from the ORIMA Research report indicating that the CDC trial was improving the wellbeing of both participants in the trial and the wider communities in the trial areas. Amongst the benefits that participants noted were an improvement in child welfare and wellbeing, and improvements in financial security.30

Concerns about impacts on wellbeing

2.27 Some individual submitters reported that their health and wellbeing was affected by the limitations that the card placed on their purchasing choices, and their obligations to comply with the terms of the card.31

2.28 The Danila Dilba Health Service noted that the CDC trial does not address key factors which affect participants’ health, including the accessibility and affordability of healthy food.32

2.29 Some organisations raised concerns that CDC trial participants could potentially experience shame and social stigma when using their card.33

2.30 Ms Marlene Hodder of the Intervention Rollback Action Group reported:

People express feelings of shame when using the BasicsCard, of astigmatism on being looked down on as not being able to manage their own affairs. Business owners often assume all Aboriginal people are on the BasicsCard, which is extremely offensive. Some people become disillusioned with the system and withdraw.34

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28 Mr Totten, Maningrida Progress Association, *Committee Hansard*, 23 September 2019, p. 11.
29 Generation One, *Submission 27*, p. 3.
30 Department of Social Services and Department of Human Services, *Submission 3*, p. 6.
31 See, for example: Ms Josie Evans, *Submission 56*, p. 2; Mr Rick Pratchett, *Submission 74*, p. 2; Name withheld, *Submission 84*, p. 4.
32 Danila Dilba Health Service, *Submission 42*, p. 3.
33 See, for example: Australian Association of Social Workers, *Submission 19*, p. 3; Uniting Communities, *Submission 24*, p. 7; Ms Marlene Hodder, Member, Intervention Rollback Action Group, *Committee Hansard*, 31 October 2019, p. 33; Mx Priya Kunjan, Accountable Income Management Network, *Committee Hansard*, 31 October 2019, p. 38.
34 Ms Hodder, Intervention Rollback Action Group, *Committee Hansard*, 31 October 2019, p. 33.
Key concerns raised by submitters

Evaluation

2.31 Submitters were supportive of ongoing evaluation of the CDC trial. The committee heard that decisions about the direction of the CDC trial should be based on reliable evidence, which DSS should acquire through ongoing evaluation processes.35

2.32 As was the case in previous inquiry reports related to CDC legislation, some submitters questioned the methodology and characterisation of the results of the final evaluation report prepared by ORIMA Research in 2017. They argued that there was insufficient evidence to support claims of the trial’s effectiveness.36

2.33 DSS had indicated to the committee in 2017 that ORIMA Research had recognised the limitations of some of the data sources used in its evaluations and had provided caveats where necessary.37

2.34 DSS also advised that further evaluation is being undertaken, with the University of Adelaide currently completing a second independent impact evaluation of the CDC in the first three sites of Ceduna, East Kimberley, and the Goldfields region, and a baseline data collection in Bundaberg and Hervey Bay region.38

2.35 The explanatory memorandum notes that the bill contains provisions which streamline the trial’s evaluation process, and extends the end date of the CDC trial, providing a longer period over which the trial can be evaluated.39

Cash-based economic activities

Limitation to access

2.36 Some submitters noted that the restriction to cash experienced by IM or CDC trial participants limited their opportunities for purchasing second-hand goods, or produce at community markets. This was of particular concern to

35 See, for example: Central Australian Aboriginal Congress Aboriginal Corporation, Submission 16, p. 2; Law Society Northern Territory, Submission 29, p. 2; Anglicare Australia, Submission 30, p. 3; Ms Deborah Di Natale, Chief Executive Officer, Northern Territory Council of Social Service, Committee Hansard, 31 October 2019, p. 39; Mr Chansey Paech MLA, Member for Namatjira, Northern Territory Legislative Assembly, Committee Hansard, 31 October 2019, p. 46.

36 See, for example: Dr Janet Hunt, Submission 1, pp. 2–8; Australian Human Rights Commission, Submission 9, pp. 3–4; National Social Security Rights Network, Submission 44, pp. 1–3.


38 Department of Social Services and Department of Human Services, Submission 3, p. 6.

participants experiencing financial hardship who indicated that second hand goods were often easily available and inexpensive, but had to be purchased using cash.40

2.37 However, the Minderoo Foundation indicated that communities and individuals were developing alternatives to cash transactions. They cited the Shire of Wyndham East Kimberley which ensured that EFTPOS facilities were available during events such as fairs, shows or rodeos. They also noted an increase in individuals using direct debits when purchasing goods at garage sales as an alternative to cash transactions.41

2.38 DSS acknowledged the need for participants in the CDC trial to access cash for minor expenses such as children’s lunch money or garage sales, noting that participants can still withdraw the quarantined portion of their payments as cash to pay for such expenses.42

2.39 Participants can also transfer money between their own and other participants’ CDC accounts, providing participants the ability to purchase second hand goods from other trial participants.43

Limited impacts on restricted goods

2.40 Some submitters also raised concerns that participants were able to access restricted goods in spite of the restriction the CDC places on participants’ capacity to access cash.44

2.41 The Department of the Chief Minister, NT, also indicated that participants could potentially find ways to gamble using the CDC.45

2.42 DSS acknowledged the potential for participants to find loopholes in the operation of CDC to pay for restricted goods. However, in order to prevent

40 See, for example: Ms Gailene Chulung, Dawang Council Member, MG Corporation, Committee Hansard, 31 October 2019, p. 15; Kathryn Wilkes, Admin, No Cashless Debit Card Australia, Committee Hansard, 31 October 2019, pp. 22–23.


42 Department of Social Services and Department of Human Services, Submission 3, p. 3.

43 Department of Social Services, answers to questions on notice, 14 October 2019 (received 1 November 2019).

44 See, for example: Ms Georgia Stewart, Senior Policy Officer, Central Land Council, Committee Hansard, 31 October 2019, p. 5; Ms Carolyn Cartwright, Managing Director, MoneyMob Talkabout Limited, Committee Hansard, 31 October 2019, p. 28; Queensland Council of Social Service, Submission 28, p. 6; Mr Paech MLA, Member for Namatjira, Northern Territory Legislative Assembly, Committee Hansard, 31 October 2019, p. 48.

45 Ms Bridgette Bellenger, Senior Executive Director, Department of the Chief Minister, Northern Territory, Committee Hansard, 31 October 2019, p. 46.
abuse of the CDC, DSS have processes for the investigation of unusual patterns of transactions, and that such investigations had been undertaken in the past.46

2.43 As part of the transition process from IM to CDC in the NT and Cape York, DSS is providing community engagement sessions with community groups and stakeholders. This provides an opportunity for communities to inform DSS of any concerns regarding the impact of the CDC on cash-based economic activities for DSS to consider in its development of the CDC transition process.47

Ministerial discretion

2.44 Some inquiry participants expressed concern about the lack of clarity around the increase in the minister’s discretionary powers, particularly in relation to the determination of rates of income quarantining for individuals and communities. Concerns were also raised about the extent to which communities were able to provide input into those determinations.48

2.45 As noted in Chapter 1, the scrutiny of bills committee also expressed concerns about the extension of the minister’s powers with regards to the rates of quarantined income for trial participants.49

2.46 DSS explained to the committee that the minister would only vary the quarantined portion of quarantined income in response to a request from the community:

The minister will only vary the portion of payment that is placed onto the card in response to a request from the community. It would be at the request of a community to increase from the 50 per cent that most people in the Northern Territory are on to a larger quarantining amount.50

2.47 DSS advised that the form that a request to change the rate of quarantined income would take is subject to ongoing consideration, and decisions around the nature of the request will be informed by the outcomes of its engagement

46 Ms Selena Patrrick, Branch Manager, Welfare Quarantining, Department of Social Services, Committee Hansard, 14 October 2019, p. 18.
47 Department of Social Services and Department of Human Services, Submission 3, pp. 4–5.
50 Ms Patrnick, Department of Social Services, Committee Hansard, 14 October 2019, p. 18.
with community leaders and organisations. DSS also reported that this power only applies in the NT trial site.

2.48 DSS noted to the committee that while the bill increases the minister’s discretionary powers regarding rates of quarantined income, the secretary already has similar powers under the existing legislation:

While I note this legislation provides that [power to increase the rate of quarantined income] for the minister, under the current legislation the secretary already has a similar power and that hasn't been exercised to date.

Self-determination

2.49 The committee heard concerns that income quarantining practices in IM and the CDC trial could adversely affect participants’ capacity for self-determination.

2.50 Witnesses and submitters reported that fostering self-determination in communities experiencing social harm was a key factor in the success of any initiative designed to address social harm and increase participants' wellbeing, such as IM and the CDC trial.

2.51 However, the committee heard evidence that the CDC trial supports communities who undertake initiatives which improve conditions and reduce social harms in their communities. For example, the Arnhem Land Progress Aboriginal Corporation noted that the FOODcard, its own community-based income quarantining program, operated in parallel to IM. The FOODcard program fostered self-determination both in individuals who could choose to participate in the program, and in the local communities who initiated and administered the FOODcard program.

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51 Ms Pattrick, Department of Social Services, Committee Hansard, 14 October 2019, p. 18.
52 Department of Social Services, answers to questions on notice, 14 October 2019 (received 1 November 2019).
53 Ms Pattrick, Department of Social Services, Committee Hansard, 14 October 2019, p. 18.
54 See, for example: Mr Shaw, Tangentyere Council Aboriginal Corporation, Committee Hansard, 31 October 2019, pp. 13–14; Mr Michael Klerck, Social Policy Manager, Tangentyere Council Aboriginal Corporation, Committee Hansard, 31 October 2019, pp. 14, 17; Aboriginal Peak Organisations Northern Territory, Submission 20, p. 2–3.
55 See, for example: Mx Kunjan, Accountable Income Management Network, Committee Hansard, 31 October 2019, p. 34; Dr Janet Hunt, Submission 2, pp. 11–12.
56 The Hon Stuart Robert MP, Minister for Social Services, House of Representatives Hansard, 11 September 2019, p. 18.
57 Mr Flanagan, Arnhem Land Progress Aboriginal Corporation, Committee Hansard, 23 September 2019, p. 15.
DSS has also provided for communities in the NT and Cape York trial sites to participate in determinations about the CDC transition through its ongoing engagement processes in those trial sites. The transition will operate on a community-by-community basis, providing individual communities the opportunity to work in partnership with DSS throughout the transition process.

Human rights

Some submitters and witnesses also expressed concerns about the extent to which the bill engages and limits certain human rights, observing that the limitations placed on participants' human rights may not be reasonable and proportionate to the aims of the bill.

Some witnesses questioned the impact of the bill on the rights of Aboriginal and Torres Strait Islander peoples, whom submitters considered to be overrepresented in the trial cohorts.

Aboriginal Peak Organisations Northern Territory expressed concerns that the continued imposition of compulsory income management in the NT was inconsistent with the United Nations Declaration on the Rights of Indigenous Peoples.

The Statement of compatibility with human rights (statement of compatibility) to the bill recognised that the scheme engages and limits three human rights: the right to social security, the right to a private life and the right to equality and non-discrimination. It notes:

...those limitations are reasonable and proportionate to achieving the objectives of the welfare quarantining measures. The CDC will assist to reduce immediate hardship and deprivation, reduce violence and harm, encourage socially responsible behaviour, and reduce the likelihood that welfare payment recipients will remain on welfare and out of the workforce for extended periods of time.

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58 Department of Social Services and Department of Human Services, Submission 3, p. 5.
59 The Hon Stuart Robert MP, Minister for Social Services, House of Representatives Hansard, 11 September 2019, p. 18.
60 See, for example: Australian Human Rights Commission, Submission 9, pp. 1–3; Accountable Income Management Network, Submission 37, pp. 6–7; Human Rights Law Centre, Submission 46, pp. 15–17.
61 See, for example: Dr Shelley Bielefeld, Committee Hansard, 14 October 2019, p. 7; Northern Territory Anti-Discrimination Commission, Submission 15, p. 2; Jesuit Social Services, Submission 21, pp. 1–2.
62 Aboriginal Peak Organisations Northern Territory, Submission 20, p. 4.
2.57 The explanatory memorandum further noted that the extension of the CDC trial and the transition of participants on IM to the CDC will advance the protection of human rights by ensuring that welfare payments are spent in the best interests of welfare recipients and their dependents by restricting spending on alcohol, drugs and gambling.\textsuperscript{64}

2.58 In relation to concerns about the disproportionate impact of the trial on Aboriginal and Torres Strait Islander peoples, the statement of compatibility noted that the program is not applied on the basis of race or cultural factors.\textsuperscript{65}

2.59 Locations for the trial were chosen based on objective criteria, including high levels of welfare dependence and community harm. On that basis the statement of compatibility maintains that the rights to equality and non-discrimination are not directly limited by the bill.\textsuperscript{66}

\textbf{Committee view}

\textit{Community engagement}

2.60 The committee agrees with inquiry participants that engaging and consulting with communities and organisations are paramount to enable the effective transition to CDC in the NT and Cape York trial sites. The committee is of the view that DSS is actively engaging with stakeholders to ensure a successful transition from IM to CDC in the NT and Cape York trial sites. The provision of $17.8 million for transition support in the NT and Cape York will contribute to enable a smooth and successful transition to CDC in those locations.

\textit{Reducing social harm and hardship}

2.61 The committee notes that some inquiry participants expressed strong support for the CDC trial. The committee heard that IM and the CDC trial have been effective in reducing social harm and reducing hardship and deprivation. The committee acknowledges that some submitters expressed concerns about the limitations the card places on their purchasing choices. However, the committee is of the view that CDC will greatly contribute to the improvement of wellbeing outcomes.

\textit{Ministerial discretion}

2.62 The committee agrees with submitters that there is a lack of clarity about the proposed increase in the minister’s discretionary powers in relation to the determination of rates of income quarantining for individuals and communities. Furthermore, the committee is of the view that clarifying the

\textsuperscript{64} Explanatory memorandum, p. 26.

\textsuperscript{65} Statement of compatibility, p. 23.

\textsuperscript{66} Statement of compatibility, p. 23.
process by which communities can request an increase in the rate of quarantined income will alleviate the concerns raised by submitters.

Recommendation 1

2.63 The committee recommends that prior to the passage of the bill the Department of Social Services clarify the changes to the minister’s discretionary powers to determine the rates of quarantined income, and the process by which communities can request an increase in the rate of quarantined income.

2.64 The committee believes that the provisions of the bill and DSS’s high level of engagement with a wide range of stakeholders will ensure an effective and successful transition to CDC in the NT and Cape York trial sites.

Recommendation 2

2.65 The committee recommends that the bill be passed.

Senator Wendy Askew
Chair
Dissenting Report by Labor Senators

1.1 Labor Senators do not support the recommendation of the Committee majority report.

1.2 We oppose this legislation in its current form, in particular the establishment of the entirety of the Northern Territory as a trial site with all income management participants transitioned to the cashless debit card (CDC) on a compulsory basis.

1.3 Labor Senators call on the Senate to oppose this legislation extending the CDC to more than 23 000 Australians as there is no independent, verified evidence to support the efficacy of broad-based income management in reducing social harm.

Overview from Labor Senators

1.4 On 12 September 2019, the Senate referred the Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019 to the Senate Community Affairs Legislation Committee for inquiry and report.

1.5 The Bill amends the Social Security (Administration) Act 1999 to:

• extend the end date for existing CDC trial areas from 30 June 2020 to 30 June 2021 and establish an end date for the CDC trial in the Cape York area of 31 December 2021;
• remove the cap on the number of CDC trial participants;
• remove the exclusion to allow people in the Bundaberg and Hervey Bay trial area to be able to voluntarily participate in the CDC trial;
• establish the Northern Territory and Cape York areas as CDC trial areas and transition income management participants in these sites onto the CDC trial in 2020; and
• enable the secretary to advise a community body when a person has exited the CDC trial and remove the requirement that an evaluation be conducted by an independent expert within 6 months of the completion of a review of the CDC trial.

1.6 The overwhelming majority of the 108 submissions to this inquiry oppose the Bill, as did the majority of witnesses to this inquiry.

1.7 Opposition to this Bill included concerns that:

• there is no independent rigorous evaluation of the CDC in the trial sites that indicates it is effective in reducing social harms, particularly in reducing the harmful use of alcohol and other substances;
• this Bill gives the Minister extraordinary power to determine the level of restricted payments;
• flaws in the operation of the CDC, i.e. that the CDC can be used to purchase supposedly banned items; and
• there has been no real consultation with Northern Territory stakeholders and affected communities regarding the planned rollout of the CDC.

Flaws in the CDC

1.8 The Committee heard evidence around significant flaws in the legislation and the operations of the CDC, including extending the provision of compulsory income management.

1.9 Evidence from the North Australian Aboriginal Justice Agency (NAAJA):

Currently, in the Northern Territory, individuals on social security payments are not compelled into income management unless they have been specifically referred to the scheme or they have been on social security payments for a period of three months for young people or a year for adults. Under the CDC scheme, individuals on certain social security payments will have their payments compulsorily restricted straightaway after being provided with a notice telling them that they are going to enter the scheme.

This notice will not be reviewable. There are specific provisions in the bill that take away the right of an individual to seek review of the decision to be issued with a CDC notice, either by the secretary or by the AAT. Income management in the Northern Territory is a system that applies very broadly, and is not targeted to individuals who have specific vulnerabilities. CDC further expands this scheme and is more of a blanket approach. NAAJA opposes the compulsory application of a broad-based policy to income recipients that largely targets Aboriginal people, regardless of their situation. Once a person is put into a CDC scheme, it is likely that it will be very difficult for them to exit compulsory management. NAAJA has concerns about the ability of Aboriginal people, particularly in remote communities, to apply for exemptions or to be exited from the scheme.¹

1.10 Labor Senators agree with concerns raised around access to the card and supports to deal with any issues arising from its use.

1.11 Evidence from the Northern Territory Government:

Our understanding is that this process would be delivered outside the current Centrelink process, with cards delivered by mail, which is of extreme concern to us. People would be required to utilise websites, emails and call centres to receive the card, make balance inquiries, manage loss of cards and make other inquiries. This will be difficult for people living in remote locations with limited phone and web access and very poor postal services—and impossible for people living more remotely in one of the Territory's 500 homelands or outstations. It is our strong view that a significant body of work needs to be undertaken to examine how these

arrangements can work in remote areas. We do not see this working and remain highly concerned about the impact on existing social crisis services when a number of people will be unable to access their funds.2

1.12 The loopholes in the CDC provisions that allow participants to purchase supposedly banned items such as alcohol through the use of credit cards and barter-type arrangements with unscrupulous individuals is of great concern to Labor Senators. These loopholes bring into questions the effectiveness of the card.

1.13 This was summed up in comments by Senator Lambie:

So I can go and get eight bottles of wine on my Visa card and you guys have got no idea, and I can just pay it off with my other card. That's a new one. That's a beauty! Everyone will be getting Visa cards tomorrow, watch.3

**Lack of consultation with Northern Territory communities**

1.14 Labor Senators are concerned this Bill is being introduced with no real consultation with communities in the NT.

1.15 Despite the recommendation in the majority report, there was little evidence given of any widespread, comprehensive consultations having taken place in the Northern Territory regarding the introduction of the CDC. The evidence suggests completely the opposite, with major stakeholders either not being informed or having just been given information about how the CDC will take effect.

1.16 Evidence given by the Central Land Council in Alice Springs:

The Central Land Council's 90 delegates met this week under the shadow of Uluru. They expressed their frustration at hearing for the first time about the federal government's plan to roll out the cashless debit card without their knowledge or consent.

There is hurt—deep hurt—and frustration too at the lack of meaningful consultation that has happened about this major proposal that will impact on all of their lives.

As with the intervention, the cashless debit card is being rolled forward without consultation or consideration of what might work best for people on the ground. This is extraordinary given the fact that more than 35,000 Territorians have had direct experience of income management over the past 12 years, the majority of them being Aboriginal and living in remote communities where life is already very tough. Services are limited and food and other essential items are 60 per cent more costly than those available in major urban centres. Yet their views are not being sought. Information sessions or briefings being conducted by DSS staff do not

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2 Mr Chansey Paech MLA, Member for Namatjira, Northern Territory Legislative Assembly, *Committee Hansard*, 31 October 2019, pp. 46–47.

3 Senator Jacqui Lambie, *Committee Hansard*, 14 October 2019, p. 15.
constitute consultation, a lesson that should have been learned by governments long ago.4

Evidence given by NPY Women’s Council Vice Chair Mrs Ngungita (Margaret) Smith:

We don't need more cards on our back. I'm talking for my people. You should have consulted before going into governments talking about new systems coming up for our Aboriginal people. I know, myself, I've got your language and my language. I'm a cultural woman, very strong in our culture. We don't need more cards on our system. We're already poor. I'm not happy with this new system anyway. That's what we feel.5

Powers of the Minister

The Senate Standing Committee for the Scrutiny of Bills expressed concerns about the extension of the Minister’s powers under the Act. It noted that proposed subsections 124PJ(2A) and (2B) would confer on the minister a broad power to determine the portion of a participants' payments that are restricted.

Labor Senators share this concern that there are very few defined checks and balances on the Minister's power in this regard. We note the recommendation that DSS clarify the Minister’s powers but this does not provide sufficient safeguards if this Bill is passed.

Lack of evidence to support broad-based compulsory income management benefits

Broad-based compulsory income management was introduced to the Northern Territory 12 years ago under the NT Emergency Response.

There is no robust evaluation on the BasicsCard, the mechanism used by recipients to access their quarantined income payments, that it reduces social harm.

Evidence from Danila Dilba Health Service:

More than 23,000 Aboriginal people have been subjected to income management or income quarantining since 2007. The original objectives of income management were supposedly to improve the health, wellbeing and education outcomes of Aboriginal children and to protect women and older people from humbugging and violence. During the period 2007 to the present time, some 12 years, there is an absolutely astonishing lack of credible evidence that income management has made any significant improvement to any of the key indicators of wellbeing: child health, birth weights, failure to thrive, and child protection notifications and substantiations. There are no improvements in school attendance, and

4 Dr Josie Douglas, Policy Manager, Central Land Council, Committee Hansard, 31 October 2019, pp. 1–2.

5 Ms Ngungita (Margaret) Smith, Vice-Chairperson, NPY Women’s Council, Committee Hansard, 31 October 2019, p. 18.
certainly nothing we can see would suggest that there has been a reduction
in family or community violence.\textsuperscript{6}

1.23 Given the Government contends this Bill is a 'swap' for recipients from one
tool to another, i.e. from BasicsCard to CDC, the lack of evidence regarding the
efficacy of either card brings into question why this legislation is being
imposed.

1.24 In fact, many submitters and witnesses provided evidence of negative impacts
of both the BasicsCard and the CDC.

1.25 Two of the stated objectives of the cashless debit card are to ensure that
vulnerable people are protected from the abuse of substances and any
associated harm and violence, as well as giving people increased ability to
meet their basic needs. Some witnesses and submitters gave evidence that a
CDC could exacerbate the harms it was purportedly meant to reduce.

1.26 Evidence from MoneyMob Talkabout Limited:

What our data suggests is that potentially welfare quarantining can cause
the opposite to happen. While older people and people with disabilities
won't be directly put on the CDC, it's unlikely to stop them from being
targeted because they receive those higher payments, such as an aged
pension or a disability pension. We're seeing them currently having their
cards and income management allocations taken and used by other people
who've already expended their income. So it's actually increasing their
vulnerability and diminishing their ability to meet their basic needs.

The issue of increased elder abuse was touched on briefly by the
University of Adelaide in their CDC baseline data collection research in the
Goldfields region, but we're not aware of any systemic focus on measuring
the incidence of elder or disability abuse in relation to income management
or the CDC. This raises the possibility that one type of vulnerability could
be just supplanting another one.\textsuperscript{7}

1.27 An extensive study by the Menzies School of Health Research found evidence
that the birthweight of Indigenous babies declined under compulsory income
management. Birth weight is known to be a strong predictor and outcome of
disadvantage and is one of the main outcome indicators of the Closing the Gap
strategy.

1.28 Evidence from Professor Sven Silburn, Menzies School of Health:

What we can say is that NT Aboriginal birth weight outcomes have not
improved since 2009 and the gap between Aboriginal and non-Aboriginal
rates of low birth rate in the NT have widened.

\textsuperscript{6} Ms Olga Havnen, Chief Executive Officer, Danila Dilba Health Service, \textit{Committee Hansard},
23 September 2019, p. 3.

\textsuperscript{7} Ms Carolyn Cartwright, Managing Director, MoneyMob Talkabout Limited, \textit{Committee Hansard},
31 October 2019, p. 28.
In summary, we believe these findings suggest that income management as a component of the Northern Territory Emergency Response has not contributed to any improvement in Aboriginal birth outcomes. Also, because of the extremely high cost of set-up and maintenance of the system during that time, it amounted to around $20,000 per income-managed person. We believe this was a very expensive policy experiment with, from what we can see, very little definitive indication of positive benefit.8

1.29 This Bill does not appear to be consistent with current Federal Government policies such as Closing the Gap.

1.30 Evidence given by the Central Land Council in Alice Springs:

It is not consistent with the collaborative and consultative spirit of the next phase of Closing the Gap or the broad reform agenda of the NIAA seeking to return decision-making and control to Aboriginal people across a range of sectors, including health, housing and education.9

1.31 The Committee heard evidence regarding community driven initiatives to reduce social harm that had support and had recorded positive outcomes.

1.32 The Arnhem Land Progress Association’s (ALPA) FOODCard and Tangentyere Council’s previous voluntary income management system were cited as evidence of community driven solutions that should be supported by Governments.

1.33 Evidence given by Tangentyere Council:

Aboriginal people would utilise the Westpac banking system within Tangentyere Council itself and surrender part of their own income, and we would administer the hard cash through our Westpac bank and provide what is now the BasicsCard on a food order system through the council.

Senator SIEWERT: So that was a voluntary program?

Mr Shaw: It was voluntary. People would voluntarily surrender parts of their income. They had a social safety net of Tangentyere looking after their income and ensuring that they have money on their off weeks of payment as well.10

1.34 The ALPA FOODcard, which is an innovative model that was co-designed in consultation with its customers. First trialled in 2007 at the Galiwin’ku community, the ALPA FOODcard has successfully been used as a voluntary family budgeting tool and is a component of ALPA’s nutrition program.

1.35 Over 12 500 people living in the five Arnhem Land communities chose to apply for an ALPA FOODcard from 2008 to 2018. The underlying principle

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8 Professor Sven Silburn, Honorary Research Associate, Menzies School of Health Research, Committee Hansard, 23 September 2019, p. 38.

9 Dr Douglas, Central Land Council, Committee Hansard, 31 October 2019, p. 2.

10 Mr Walter Shaw, Chief Executive Officer, Tangentyere Council Aboriginal Corporation, Committee Hansard, 31 October 2019, p. 16.
applied by the ALPA board of directors is that each customer is able to make their own choice about how their money is spent and how they, the individual, wish to allocate those funds on the card. This empowers people to make decisions that affect their own family’s needs, which can change on the basis of cultural and kinship relationships.

1.36 Evidence given by ALPA:

Extensive community consultation determined what could be purchased. This included most grocery items and baby requirements in line with ALPA’s healthy choice policy. Excluded items include soft drinks, cigarettes, tobacco and toys. Categories are regularly refined and evaluated based on feedback from cardholders, store committees and the ALPA board of directors. Since its inception in 2007, ALPA members have used this tool to voluntarily allocate over $15 million to these healthy choices.

ALPA do not believe that FOODcard will be the solution for everywhere. It was designed by our members in East Arnhem Land for use in our communities at their request. We do believe that voluntary solutions are the answer and that communities and community organisations are best placed to support meaningful and sustainable change. One-size-fits-all interventions from the government have not delivered positive change, despite a decade of oppressing our members and our communities. It is time for a different approach.11

1.37 The Northern Territory Government’s alcohol management policies were also cited as evidence of policies that are working to reduce alcohol related harm.

1.38 Evidence from Danila Dilba Health Service:

What I think has made the biggest change here in the Territory is the banned drinker register, not the BasicsCard. That is, if you’re charged with an alcohol related offence, there is a complete prohibition on your ability to purchase alcohol. That has directly benefited people—particularly, say, in Alice Springs, where it’s had a significant positive impact.12

Concluding view

1.39 Labor Senators oppose the Government’s plan to expand the CDC across the Northern Territory, as it is not supported by evidence.

1.40 Twelve years after it was introduced, there is no evidence that broad-based compulsory income management has worked in the Northern Territory to improve outcomes.

1.41 Labor Senators are also concerned about the lack of local consultation and the absence of consent for this proposed policy in the Northern Territory.

11 Mr Liam Flanagan, General Manager Community Services, Arnhem Land Progress Aboriginal Corporation, Committee Hansard, 23 September 2019, p. 12.

12 Ms Havnen, Danila Dilba Health Service, Committee Hansard, 23 September 2019, p 7.
1.42 Labor Senators do not believe the CDC trials should be extended or expanded unless:

- the card is made voluntary;
- it is only applied in specific instances, with intensive case management and is time limited, e.g. child protection; or
- a community genuinely gives their informed consent to trial the card, consistent with self-determination.

Recommendation 1

1.43 Labor Senators recommend that the Senate does not pass the Bill in its current form.

Senator Malarndirri McCarthy

Senator Deborah O’Neill
Dissenting Report by the Australian Greens

1.1 The Australian Greens remain opposed to compulsory income management. The evidence we have heard during this limited inquiry confirms our concerns about the harm being caused by compulsory income management and the lack of evidence of positive outcomes clearly indicates that these so-called trials should not continue.

1.2 The Australian Greens therefore oppose the measures contained in the Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019 (the Bill).

1.3 This Bill will extend the end date for existing Cashless Debit Card trial sites in East Kimberley, Ceduna, Goldfields and Bundaberg regions from 30 June 2020 to 30 June 2021. The Bill establishes the Northern Territory and Cape York as Cashless Debit Card trial areas. As a result, approximately 23,000 income management participants in the Northern Territory will be transitioned to the Cashless Debit Card from 1 January 2020.

1.4 The Bill removes the cap on the number of Cashless Debit Card trial participants and allows participants in the Bundaberg and Hervey Bay trial areas to voluntarily participate in the Cashless Debit Card. The Bill also makes changes to the evaluation process, the right to appeal decisions and gives the Minister the power to vary the portion of income quarantined to 100 per cent.

1.5 The Australian Greens note that this is the fifth legislation inquiry into the Cashless Debit Card, none of which have provided quantitative evidence of the positive impacts of these measures.

1.6 We further note that the ANAO evaluation of the Cashless Debit Card found:

   The Department of Social Services largely established appropriate arrangements to implement the Cashless Debit Card Trial, however, its approach to monitoring and evaluation was inadequate. As a consequence, it is difficult to conclude whether there had been a reduction in social harm and whether the card was a lower cost welfare quarantining approach.¹

1.7 The Australian Greens continue to hold deep concerns about punitive compulsory income management and staunchly oppose the extension of these so-called 'trials'. Extending the Cashless Debit Card to the Northern Territory disproportionately impacts First Nations peoples and undermines human rights and fundamental freedoms.

1.8 The Australian Greens reject the committee view that the Bill be passed.

1.9 In addition to our dissenting reports from previous inquiries into the CDC, we outline further concerns below.

**Lack of evidence to support compulsory income management in the Northern Territory**

1.10 One of the recurring themes that emerged in the submissions and at the hearings into this Bill was the lack of evidence to support compulsory income management in the Northern Territory. People in the Northern Territory have been subject to compulsory income management for over 12 years.

1.11 In 2014, the Federal Government’s independent evaluation into compulsory income management in the Northern Territory concluded that:

> A wide range of measures related to consumption, financial capability, financial harassment, alcohol and related behaviours, child health, child neglect, developmental outcomes, and school attendance have been considered as part of this evaluation... Despite the magnitude of the program the evaluation does not find any consistent evidence of income management having a significant systematic positive impact.2

1.12 Key findings from the evaluation included:

- There was no evidence of income management having resulted in changes to spending or consumption, including on alcohol, tobacco, fresh fruit and vegetables.
- There was no aggregate improvement in financial wellbeing at the household level.
- There was no evidence in changes to school enrolments or learning outcomes that could be attributed to income management and no significant change across child wellbeing outcomes.3

1.13 One of the authors of the evaluation, Dr Rob Bray, recently undertook an updated analysis on the social impact of income management in the Northern Territory. Dr Bray discussed the paper in his submission:

> The paper clearly shows that there has been a total absence of any improvement in the outcomes for Indigenous people in the Northern Territory which can be attributed to income management, despite the fact that the most vulnerable third of this population has been subject to the measure for over a decade.4

1.14 The inquiry also heard evidence from a number of people around the harmful impact of compulsory income management.

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4 Professor Matthew Gray and Dr Rob Bray, *Submission 1*, p. 2.
1.15 Professor Sven Silburn, Mary-Alice Doyle and Associate Professor Stefanie Schurer recently undertook a study of the population-level effect of income management on the birth outcomes of First Nations children.

1.16 Professor Silburn noted in his submission:

The study’s key finding of relevance to this Senate Committee hearing regarding the draft Bill to extend the implementation of the Cashless Debit Card to NT communities, is that the Aboriginal birth cohort affected by the 13 month roll-out of Income Management resulted in an average reduction in birth weight of 100 grams and a 30% increase in the likelihood of being born with low birth weight (i.e. below 2,500 grams). The magnitude of this effect is comparable to what has been reported from other international studies of births to women exposed to famines or extreme weather events such as cyclones.5

1.17 Low birthweight can have lifelong consequences and is associated with childhood behaviour and learning difficulties, as well as chronic health conditions in adults.6 The link between a reduction in birthweight and the rollout of income management is deeply concerning and demonstrates the harmful effects of compulsory income management.

1.18 Ms Olga Havnen, Chief Executive Officer, Danila Dilba Health Service, said income management has not increased access to healthy food for people in remote communities:

The other comment I would make is that income management has done absolutely nothing to ensure that Aboriginal people in remote communities have increased access to healthy, affordable foods. The cost of healthy foods in remote areas is widening….There is no evidence from store turnover or sales data that there has been any significant change in people’s purchasing or consumption patterns. There has been no significant discernible difference between the volume of healthy foods purchased pre Intervention and post…7

1.19 The Human Rights Law Centre noted in its submission that poverty continues to grow in remote communities that are subject to income management:

Income Management has failed to alleviate poverty in remote communities. Data collected through the census in 2016 demonstrates an appalling increase in poverty rates in remote communities since 2011. Between 2011 and 2016, there was a real decline in disposable incomes of low income households in very remote areas at the same time as costs of living in remote parts of the Northern Territory rose.8

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5 Professor Sven Silburn, Submission 4, p. 2.
6 Professor Sven Silburn, Submission 4, p. 2.
7 Proof Committee Hansard, 23 September 2019, p. 4.
8 Human Rights Law Centre, Submission 46, p. 11.
1.20 The Government's proposed introduction of the Cashless Debit Card in the Northern Territory fails to acknowledge the harmful outcomes associated with compulsory income management.

**Hardship under the Cashless Debit Card**

1.21 The Committee heard extensive evidence that the Cashless Debit Card is making people's lives harder. The Australian Greens reject the committee view that 'the Cashless Debit Card will greatly contribute to the improvement of wellbeing outcomes' and highlight some of the concerns that were raised which clearly indicate that this approach does not improve peoples' wellbeing.

1.22 At the Canberra hearing, Dr Michelle Peterie, Research Fellow, University of Queensland, provided evidence about the results of in-depth interviews conducted with Cashless Debit Card participants in the Hinkler region. The study found that the card was making it harder for people to pay bills and provide for their families, payment issues were negatively impacting on individual's health and wellbeing and that significant stigma surrounds the card. As a result, people are withdrawing from participation in their communities. Dr Peterie concluded:

> The evidence from our study suggests that the cashless debit card is not only failing to achieve some of its core objectives but actually making things a lot harder for some people.9

1.23 Queensland Council of Social Service undertook two Cashless Debit Card Trial surveys in the Hinkler region. The most recent survey found a growing number of people oppose the card:

A significant majority, 81 per cent of respondents oppose the CDCT outright (up from 65 per cent). An overwhelming majority of 93 per cent of respondents oppose the CDCT in its current compulsory form (up from 75 per cent), this proportion increases to 98 per cent when filtering for those with direct experience of the CDCT. 12 per cent saying they would support it if it was voluntary. A significant majority (89 per cent) have concerns about the CDCT (up from 77 per cent), and a significant majority (82 per cent) say they experience no benefits from the CDCT (up from 65 per cent expecting no benefit).10

1.24 Many submitters also discussed the additional fees and costs associated with the Cashless Debit Card. Professor Matthew Gray and Dr Rob Bray noted in their submission:

Additionally a range of factors associated with the BasicCard/Indue card involved directly increased costs for those placed on the system. These costs include the imposition by some merchants of credit card surcharges on purchases which directly increase costs, or of minimum purchase

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9 Proof Committee Hansard, 14 October 2019, p. 3.

10 Queensland Council of Social Service, Submission 28, p. 5.
requirements which involve having to purchase additional items when small purchases are made.\textsuperscript{11}

1.25 The Australian Greens have serious concerns that the Cashless Debit Card will make people’s lives harder. We also have strong concerns that harsh and punitive compliance programs, such as compulsory income management, could be contributing to the growing number of people disengaging from the social security system.

1.26 At the Alice Springs hearing, several witnesses discussed how some people disengage with the social security system after being subject to compulsory income management.

1.27 Mr John Adams, General Manager NT, Jesuit Social Services said:

I think people really struggle engaging with the system generally. A couple of years ago I was working in a demand reduction program around alcohol. Consistently, people who had severe addiction issues with alcohol would have BasicsCards with substantial money on them. They’d lose the card or they wouldn’t access it. They didn’t deal with Centrelink. There’s definitely a problem.\textsuperscript{12}

1.28 Ms Deborah Di Natale, Chief Executive Officer, Northern Territory Council of Social Service, discussed their ongoing investigations into the numbers of people dropping off income support:

But that’s work that NTCOSS are trying to get some evidence around so that we can get some numbers to demonstrate how many people who are eligible for any type of social security payment but are not receiving any, or those that have been breached, and the measures have been very punitive and it’s very hard to get back on, and as a result of that, it’s all too hard, so they are in fact not receiving any income support at all from government.\textsuperscript{13}

1.29 Concerns of this nature have also been raised at the current Senate inquiry into the adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia.

1.30 The Australian Greens have serious concerns that extension of compulsory income management by the introduction of the Cashless Debit Card in the Northern Territory could see more First Nations peoples disengaging from the social security system due to its punitive and discriminatory nature.

\begin{itemize}
\item \textsuperscript{11} Professor Matthew Gray and Dr Rob Bray, \textit{Submission 1}, p. 4.
\item \textsuperscript{12} \textit{Proof Committee Hansard}, 31 October 2019, p. 38.
\item \textsuperscript{13} \textit{Proof Committee Hansard}, 31 October 2019, p. 43.
\end{itemize}
Perverse outcomes of compulsory income management

1.31 Many witnesses and submissions discussed the perverse outcomes of compulsory income management that are harming communities and individuals.

1.32 There are claims by proponents of compulsory income management that it will stop so-called humbugging, however the evidence that was received indicates that it doesn’t and can make it worse.

1.33 Ms Sandy Marty, Board Member, MoneyMob Talkabout Limited, spoke about the impact of humbugging on communities:

A lot of young people humbug family for money because they don’t work. Because they don’t work and have been cut off from Centrelink, they ask for money all the time. If they get cut off from CDP they don’t re-engage, so there’s no money around. Some of them want money for gunja or grog and get very angry if they don’t get it. The situation happens to a lot of people who are aged, have disabilities or mental health issues. The quarantining of welfare payments has not stopped this.14

1.34 Professor Sven Silburn noted in his submission that welfare restrictions can make humbugging worse:

In the Longitudinal Study of Indigenous Children dataset, family members who moved from no welfare restrictions to welfare restrictions were almost 100% more likely to report an incident of harassment for money and family arguments (in which children are involved).15

1.35 Mr David Tennant, Chief Executive Officer, FamilyCare and Accountable Income Management Network, discussed how the Cashless Debit Card could see people disengaging with the banking system:

I think there’s a real possibility that a much broader rollout might do really perverse things. It might, for example, reduce the number of people in Australia who are connected to basic transaction accounts. Almost 97½ per cent of our population are banked. We didn’t get that way by accident; we got that way by providing a range of services that people can engage with on just terms. This winds that back. If the only choice available to people is to disengage entirely, they might take that choice.16

1.36 The Cashless Debit Card could impact the viability of small businesses being trialled which are cash based. Mr Liam Flanagan, General Manager Community Services, Arnhem Land Progress Aboriginal Corporation, discussed the harmful impact on small business:

These incubators are supporting Yolngu entrepreneurs to transition from welfare to small-business ownership, at the same time as bringing new products and services to market within their communities. At this stage, all

14 Proof Committee Hansard, 31 October 2019, p. 29.
15 Professor Sven Silburn, Submission 4, p. 3.
16 Proof Committee Hansard, 31 October 2019, p. 38.
these businesses are cash based, with the majority currently lacking the sophistication or the economic viability to move to an ecommerce platform to accept the Indue card. This new barrier could impact severely on the viability of these businesses, particularly if the board of director's fear comes to fruition and the amount of money quarantined is increased at a later date.¹⁷

1.37 The Australian Greens share these concerns that the continuation of compulsory income management, especially through the introduction of Cashless Debit Card in the Northern Territory, could have unintended consequences that harm communities.

**Government's approach flawed and contradictory**

1.38 The Australian Greens have strong concerns about the Government's blanket approach towards the transition from compulsory income management to the Cashless Debit Card in the Northern Territory and Cape York.

1.39 Aboriginal Peak Organisations Northern Territory (APO NT) noted in its submission:

> Extending compulsory income management in the NT perpetuates the imposition of a one-size fits all policy on income recipients that largely targets Aboriginal people. It is, in every way, a top-down policy which, in the case of the NT, will be imposed on a significant number of Aboriginal people regardless of their circumstances.¹⁸

1.40 Many witnesses gave evidence about how the Government’s imposition of compulsory income management contradicts its commitment to Closing the Gap Refresh.

1.41 Mr John Paterson, Chief Executive Officer, Aboriginal Medical Services Alliance Northern Territory, said at the Darwin hearing:

> The establishment of the joint council and commitment from all governments to a partnership approach to a renewed closing the gap strategy stands in stark contrast to the government’s approach in imposing the cashless debit card on us. This measure is likely to undermine progress on closing the gap.¹⁹

1.42 Dr Josie Douglas, Manager Policy and Research, Central Land Council, said at the Alice Springs hearing:

> Time and time again, the Aboriginal residents of the Northern Territory have been subjected to top-down imposed policies. Compulsory income management typifies this approach. It is not consistent with the collaborative and consultative spirit of the next phase of Closing the Gap or the broad reform agenda of the NIAA seeking to return decision-

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¹⁸ *Aboriginal Peak Organisations Northern Territory (APO NT), Submission 20*, p. 2.

making and control to Aboriginal people across a range of sectors, including health, housing and education.20

1.43 Ms Liza Balmer, Chief Executive Officer, NPY Women’s Council, articulated how the Cashless Debit Card is at odds with the Government’s commitment to the Empowered Communities initiative:

We are also one of the key partners in the Empowered Communities initiative in this region, which is very much around the empowerment of Aboriginal people, self-determination, local decision-making, governance, coming up with their own solutions to meet their own needs, which is also very well supported by the Commonwealth government. So I find it interesting that, on the flip side, this very disempowering initiative would also be running in parallel to that.21

1.44 The Australian Greens share these concerns that the continuation of compulsory income management will undermine the Closing the Gap Refresh process.

1.45 One of the Government’s supposed aims in the use of compulsory income management is addressing over consumption of alcohol however witnesses point out that this ignores the fact that many remote communities are dry communities.

1.46 Ms Havnen, Chief Executive Officer, Danila Dilba Health Service said at the Darwin hearing:

By the way, most remote communities don’t have alcohol sales, so it’s not like you can go down to the local supermarket and buy a carton of beer or whatever. Only the people who have alcohol permits are able to have access to alcohol. By and large, for people in Central Australia, for example, there are no alcohol outlets, there isn’t a licensed club and you don’t have takeaway sales. Why are we continuing to manage the money of people who aren’t out there doing that stuff?22

1.47 In addition many witnesses and submitters noted that a reduction in alcohol harm in the Northern Territory can not be linked to compulsory income management but is clearly as a result of other reforms such as the banned drinker register and implementation of the recommendations of the Alcohol Policies and Legislation Review (also known as the Riley Review).

1.48 Ms Georgia Stewart, Senior Policy Officer, Central Land Council highlighted the impact of these reforms at the Alice Springs hearing:

In summary, with the combination of the floor price of $1.30, the police auxiliary liquor inspectors—which are not in every site; they’re predominantly in Alice Springs, Tennant Creek and, I think, now Katherine, but not Darwin—and the reintroduction of the banned drinkers

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20 Proof Committee Hansard, 31 October 2019, p. 2.
21 Proof Committee Hansard, 31 October 2019, p. 18.
22 Proof Committee Hansard, 23 September 2019, p. 7.
register, there is a 26 per cent decrease in alcohol related assaults in the Northern Territory; a 21 per cent decrease overall in domestic violence incidence in the Northern Territory; a 43 per cent reduction in alcohol related assaults and a 38 per cent reduction in domestic violence in Alice Springs.23

1.49 This Government ignores this evidence.

Inadequate consultation with First Nations communities

1.50 Both in the submissions and at the hearings, an overwhelming number of witnesses from across the Northern Territory were critical of the lack of consultation over the rollout of the Cashless Debit Card and noted they were not consulted on the Bill. The Australian Greens have strong concerns about the lack of consultation and the absence of free, prior and informed consent of First Nations peoples, who will be disproportionately impacted by this Bill.

1.51 At the Darwin hearing, Ms Clara Mills, Managing Civil Solicitor, North Australian Aboriginal Justice Agency said:

    In brief, the bill is a major legislative decision that imposes significant restrictions on at least 22 and a half thousand individuals in the Northern Territory. Given this, it is deeply concerning that it has been rushed through parliament without a strong evidence base and without proper consultation.24

1.52 APO NT said in their submission:

    The proposal has not been widely discussed nor explained to income recipients across the NT. It is our understanding from briefings with staff from the Department of Social Services, that consultations undertaken focused on the logistics of when and how the changes will be implemented. Many people currently on income management are unlikely to be aware of the planned changes until they are delivered a notification letter or receive a card from Indue.25

1.53 Arnhem Land Progress Aboriginal Corporation said they were unable to fully consult with their members in the short timeframes given for the inquiry:

    Alongside the lack of evidence there has been little to no consultation undertaken in the Northern Territory to date. ALPA has been unable to fully consult across our membership footprint in the time allotted to prepare this submission. To consult properly in our region means sitting down with individual families and clans, translating words and concepts between languages and dialects.26

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23 Proof Committee Hansard, 31 October 2019, p. 3.
24 Proof Committee Hansard, 23 September 2019, p. 27.
25 APO NT, Submission 20, p. 3.
Dr Douglas, Manager Policy and Research, Central Land Council said at the Alice Springs hearing:

Information sessions or briefings being conducted by DSS staff do not constitute consultation, a lesson that should have been learned by governments long ago. Following this week's meeting of 90 CLC Aboriginal delegates, it is abundantly clear that very few people are aware that the change is coming or understand the details.27

The Australian Greens reject the committee view that the Department of Social Services is 'actively engaging with stakeholders'. We are concerned about the fundamental lack of genuine consultation with First Nations communities. The Government's paternalistic approach to income management is further evident through the short inquiry process and absence of hearings in remote communities in Northern Territory or Cape York. This demonstrates the Government is ignoring calls from First Nations peoples for meaningful co-design, self-determination and collaboration on measures that affect their lives.

Previous supporters are now calling for income management to be voluntary

When compulsory income management was initially rolled out in the Northern Territory, Ngaanyatjarra Pitjantjatjara Yankunytjatjara (NPY) Women's Council supported this approach to address particular issues in the community.28 However, the NPY Women's Council have now withdrawn their support for compulsory income management and reject the introduction of the Cashless Debit Card in their community.

Ms Liza Balmer, Chief Executive Officer, NPY Women's Council, said at the Alice Springs hearing:

I suppose our primary concern is the mandatory nature of this and the lack of empowerment that creates for people—that they are not able to make their own decisions. In the past, we have certainly supported any voluntary income management, where people can determine that that's what they want and need themselves. We definitely don't support any form of mandatory income management.29

Mrs Maimie Bulter, Chairperson, NPY Women's Council, discussed her opposition to the Cashless Debit Card and the lack of consultation:

If this card comes along, it'll just really put us down. We wouldn't know where we're heading. Already it's a shock to us, because we don't know nothing about government changes, you know. We just live along every day, every second day. It's the day—how we live. These changes have been

27 Proof Committee Hansard, 31 October 2019, p. 2.
29 Proof Committee Hansard, 31 October 2019, p. 18.
frustrating for us, you know. We just don't know happening to us. What's happening? If this card does come along, it'll take us right back to when our ancestors first walked into the mission and were fed by rations.30

1.59 The Australian Greens urge the Government to listen to the communities who have lived through compulsory income management and do not support it.

**Broader application than existing income management provisions in the Northern Territory**

1.60 One of the key concerns raised by witnesses and submitters was that this Bill expands income management to a broader number of people in the Northern Territory. Under existing income management provisions, there are different categories with specific eligibility criteria for the BasicsCard. For example, under the Long Term Welfare Recipient category you must have been receiving a Category E payment for at least 52 weeks in a 104 week period.

1.61 Under this Bill, there is no restriction based on the time a person has been receiving an income support payment. This means both short and long term income support recipients will be placed onto the Cashless Debit Card.

1.62 Accountable Income Management Network said in its submission:

    Rather than a person's length of time on social security being a key trigger, it will simply be a question of which category of social security payment they are receiving.31

1.63 The Australian Greens have concerns that this removes current safeguards in place that target income management in the Northern Territory. Instead, this Bill applies a blanket approach subjecting all people on income support payments to the Cashless Debit Card.

**Ministerial discretion to change the amount of income quarantined**

1.64 This Bill allows the Minister to make a notifiable instrument that increases the amount of income quarantined on the Cashless Debit Card from 50 per cent to 100 per cent. Several submitters expressed their strong opposition to the Minister having such a broad power.

1.65 There are concerns from a human rights perspective that this would further restrict access to cash availability through income support payments, which is particularly problematic in remote communities.

1.66 Dr Shelley Bielefeld said at the Canberra hearing:

    If there was the discretion to put the quarantine portion up to 100 per cent, I think that would be really problematic based on the types of consumer problems that I've mentioned that arise for people. Because then they don't

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30 Proof Committee Hansard, 31 October 2019, p. 18.

31 Accountable Income Management Network, Submission 37, p. 8.
even have a small component of cash to be paying for legitimate expenses in a not quite cashless society that we are living in.\textsuperscript{32}

1.67 Adrianne Walters, Senior Solicitor, Human Rights Law Centre, said at the Darwin hearing:

Increasing the percentage that is quarantined is a decision to impose an even greater denial of a fundamental freedom, and that’s something that should come before the parliament and be rigorously scrutinised by parliament.\textsuperscript{33}

1.68 The Department of Social Services clarified that increasing the proportion of income quarantined would be considered at the request of the community. However, at the Canberra hearing the Department of Social Services explained they had not done any work around what form this would take nor had they discussed this issue with communities.\textsuperscript{34}

1.69 This is deeply concerning as under the current system in the existing Cashless Debit Card trial sites, the process for decision making on the percentage quarantined is secretive, lacks transparency and accountability.

1.70 The Australian Greens hold significant concerns about the Minister’s power to vary the amount of income quarantined to 100 per cent. We note that this provision only applies to the Northern Territory. It further restricts the nature by which First Nations peoples in the Northern Territory can access income support payments and should be removed from the Bill.

1.71 The Australian Greens believe that further clarification about the Minister’s discretionary powers as recommended by the committee will not go far enough.

**Decisions are not reviewable by the Secretary or the Administrative Appeals Tribunal**

1.72 The Australian Greens have concerns that this Bill removes the ability of the Secretary and the Administrative Appeals Tribunal to review certain decisions relating to trial participation.

1.73 The Accountable Income Management Network noted in its submission:

In effect, this means that an individual cannot seek a review from the Secretary or the AAT at the time that they are placed on the scheme (for example, because they think that they have been placed on it in error) and will instead need to apply for an exemption or exit to the scheme.

This is highly concerning and appears to be in direct contradiction to procedural fairness afforded to other income support recipients not subject

\textsuperscript{32} Proof Committee Hansard, 14 October 2019, p. 10.

\textsuperscript{33} Proof Committee Hansard, 23 September 2019, p. 32.

\textsuperscript{34} Proof Committee Hansard, 14 October 2019, p. 18.
to welfare quarantining. We note that the application of this measure in the Northern Territory will disproportionately target Indigenous peoples, who are well documented to have more trouble accessing exemptions than non-Indigenous participants.35

1.74 The Human Rights Law Centre noted the removal of this right to review a decision will mean people who are referred to the Cashless Debit Card in error will need to rely on the exemption and exit provisions,36 which are fraught with difficulties.

1.75 The Australian Greens believe the removal of a right to review decisions to place people on the Cashless Debit Card is unjustified and will disproportionately impact First Nations peoples.

Changes to evaluation provisions

1.76 This Bill maintains the requirement for any review of the Cashless Debit Card trials to be evaluated. However, it removes the requirement for such an evaluation to be completed within 6 months of the Minister receiving the review and removes the requirement for the evaluation to be conducted by independent experts. It also removes the requirement for the independent experts to consult trial participants.

1.77 The Government claims this will 'improve the workability of the evaluation process'. However, it was clear from the inquiry that this will weaken the evaluation process and its independence. The proposed use of desktop evaluations is not appropriate for a trial that has no credible evidence to support its continuation.

1.78 Central Australian Aboriginal Congress noted in its submission:

Given the lack of objective evidence about the effects of the CDC trial in Ceduna and the East Kimberly [sic] and its expense, it is worrying that the Bill proposes to reduce the requirements for evaluation to a desktop exercise.37

1.79 The Australian Greens have serious concerns with the watering down of the evaluation process, especially given the Cashless Debit Card is now being trialled on an additional 23 000 people. The Government has a responsibility to ensure this transition is evaluation independently and rigorously.

Broadening of information sharing powers

1.80 This Bill provides the Secretary with additional powers to obtain information and documentation to determine whether a person should or should not be a

35 Accountable Income Management Network, Submission 37, p. 12.
36 Human Rights Law Centre, Submission 46, p. 20.
37 Central Australian Aboriginal Congress, Submission 16, p. 7.
trial participant. The Australian Greens echo the concerns of submitters$^{38}$ about the breadth of information sharing powers under these new provisions. The fact that personal information can be shared between federal governments, state and territory governments and community panels has serious implications on a person’s right to privacy.

**No support from the Northern Territory Government**

1.81 The Northern Territory Government does not support the introduction of the Cashless Debit Card in the Northern Territory:

The Northern Territory Government does not support the roll out of Cashless Debit Card in the Northern Territory unless it is a voluntary scheme or unless it is consistent with existing Northern Territory Government policies and legislation whereby an individual is referred to the program by a court or an authorised practitioner.$^{39}$

**Conclusion**

1.82 Compulsory income management has been trialled in the Northern Territory for 12 long years, it has not reduced social harm, it has not reduced disadvantage, the evaluation of the approach showed it met none of its objectives. It has in fact caused harm and distress to many. The continuation of compulsory income management through the introduction of the Cashless Debit Card is not supported by the evidence, is not supported by the community and will cause further distress and potential harm. It is time that compulsory income management was abandoned.

**Recommendation 1**

1.83 The Australian Greens recommend that the Bill not be passed.

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Appendix 1
Submissions and additional information

Submissions
1  ANU Centre for Social Research and Methods
2  Dr Janet Hunt
   • 5 Attachments
3  Department of Social Services and Services Australia
4  Professor Sven Silburn
   • 1 Attachment
5  Dr Eve Vincent
   • 1 Attachment
6  Commonwealth Ombudsman
7  Darwin Community Legal Service
8  Consumer Action Law Centre
9  Australian Human Rights Commission
   • 2 Attachments
10 Belyuen Community Government Council
11 Australian Housing and Urban Research Institute
12 Dr Elise Klein OAM
13 1 Territory Party
14 Centre for Excellence in Child and Family Welfare
15 Northern Territory Anti-Discrimination Commission
16 Central Australian Aboriginal Congress
   • 2 Attachments
17 Confidential
18 Confidential
19 Australian Association of Social Workers
20 Aboriginal Peak Organisations NT
21 Jesuit Social Services
22 Cape York Institute
23 Northern Territory Government
24 Uniting Communities
25 St Vincent de Paul Society National Council of Australia
26 Shire of Wyndham East Kimberley
27 Generation One, Minderoo Foundation
28 QCOSS (Queensland Council of Social Service)
   • 1 Attachment
29 Law Society Northern Territory
30 Anglicare Australia
31 Family Responsibilities Commission
   • 1 Attachment
32 Equality Rights Alliance
33 Salvation Army
34 UniSA and CatholicCare NT
   • 2 Attachments
35 Jobs Australia
36 Baabayn Aboriginal Corporation; Kinchela Boys Home Aboriginal Corporation; National Aboriginal and Torres Strait Islander Catholic Council; Red Dust Healing; and Caritas Australia
37 Accountable Income Management Network
38 Financial Counselling Australia
39 Arnhem Land Progress Aboriginal Corporation
40 Dr Shelley Bielefeld, Dr Michelle Peterie, Dr Zoe Staines and Professor Greg Marston
   • 3 Attachments
41 Australian Council of Social Service
42 Danila Dilba Health Service
43 Sydney Coalition Against the Card
44 National Social Security Rights Network
45 Northern Territory Council of Social Service
46 Human Rights Law Centre
47 Australian Women Against Violence Alliance
48 Queensland Law Society
49 UnitingCare Australia
50 Name Withheld
51 Indigenous Peoples Organisation
   • 2 Attachments
52 Name Withheld
53 Mr Dale McCabe
54 Name Withheld
55 Name Withheld
56 Ms Josie Evans
57 Miss Tracey Hoolachan
58 Name Withheld
59 Ms Trish Lane
60 Name Withheld
61 Miss Kerryn Griffis
62 Mr Stephen Jay
63 Mr Rafe Falkiner
64 Confidential
48

Ms Jacinta Nampijinpa Price

Additional Information
1 Summary of crime statistical data in the Ceduna Trial Area, from 2012/2013 to 30 June 2019, from District Council of Ceduna, received 4 November 2019
2 District Council of Ceduna submission to Senate Community Affairs Committee inquiry into the Social Security Legislation Amendment (Debit Card Trial) Bill 2015, from District Council of Ceduna, received 4 November 2019
3 Link to media article: NT on track keeping Territorians safe and well, and Council resolution, from Central Land Council, received 5 November 2019

Answer to Question on Notice
1 Answers to Questions taken on Notice during 23 September public hearing, received from Human Rights Law Centre, 26 September 2019
2 Answers to Questions taken on Notice during 23 September public hearing, received from Maningrida Progress Association, 2 October 2019
3 Answers to Questions taken on Notice during 23 September public hearing, received from Minderoo Foundation, 11 October 2019
4 Answers to Questions taken on Notice during 23 September public hearing, received from CatholicCare NT, 16 October 2019
5 Answers to Questions taken on Notice during 14 October public hearing, received from Department of Social Services, 1 November 2019
6 Answers to Questions taken on Notice during 14 October public hearing, received from Department of Social Services, 5 November 2019

Correspondence
1 Correspondence clarifying evidence given at Darwin public hearing on 23 September 2019, received from North Australian Aboriginal Justice Agency, 23 September 2019
2 Correspondence clarifying evidence given at Alice Springs public hearing on 31 October 2019, received from Northern Territory Council of Social Service, 6 November 2019

Tabled Documents
1 Opening statement, tabled by CatholicCare NT, at Darwin public hearing, 23 September 2019
2 Opening statement, tabled by MoneyMob Talkabout, at Alice Springs public hearing, 31 October 2019
Appendix 2
Public hearings

Monday, 23 September 2019
Parliament House
Darwin

Aboriginal Peak Organisations Northern Territory
• David Cooper, Policy and Research Manager, Aboriginal Medical Services Alliance Northern Territory

Danila Dilba Health Service
• Ms Olga Havnen, Chief Executive Officer

Aboriginal Medical Services Alliance of the NT
• Mr John Paterson, Chief Executive Officer

Arnhem Land Progress Aboriginal Corporation
• Mr Liam Flanagan, General Manager Community Services
• Mr Micky Wunungmurra, Vice-chairperson

Maningrida Progress Association
• Mr Robert Totten, Manager

Rirratjingu Aboriginal Corporation
• Mr John Hughes, Chief Executive Officer

CatholicCare NT
• Ms Judith Davis, Acting Director

North Australian Aboriginal Justice Agency
• Ms Clara Mills, Managing Civil Solicitor

Human Rights Law Centre
• Adrianne Walters, Senior Solicitor

Professor Sven Silburn, Private capacity

Cape York Institute
• Ms Zoe Ellerman, Director of Policy

Family Responsibilities Commission
• Commissioner Tammy Williams, Commissioner
• Mr David Glasgow, Former Commissioner
- Ms Tracey Paterson, Acting Registrar

**Ms Faye Whiffin, Private capacity**

**Minderoo Foundation**
- Mr Bruce Mansfield, Senior Advisor
- Ms Shelley Cable, Chief Executive Officer, Generation One
- Ms Ann Mills, Policy Analyst, Generation One

**Wunan**
- Mr Ian Trust, Executive Chair

**Monday, 14 October 2019**
Parliament House
Canberra

**ANU Centre for Social Research and Methods**
- Professor Matthew Gray, Director
- Dr Rob Bray, Research Fellow

**Dr Michelle Peterie, Private capacity**

**Dr Janet Hunt, Private capacity**

**Dr Shelley Bielefeld, Private capacity**

**Department of Social Services**
- Ms Liz Hefren-Webb, Deputy Secretary, Families and Communities
- Ms Teena Blewitt, Group Manager, Communities
- Ms Selena Pattrick, Branch Manager, Welfare Quarantining

**Services Australia (Department of Human Services)**
- Ms Rachel Goddard, Acting General Manager, Older Australians Division
- Ms Sherree Thorne, Acting National Manager, Deduction and Confirmation Branch
- Mr Ben Gallie, Director, Welfare Quarantining and Programme Management Team

**Thursday, 31 October 2019**
DoubleTree By Hilton Hotel
Alice Springs

**Central Land Council**
- Ms Georgia Stewart, Senior Policy Officer
- Dr Josie Douglas, Policy Manager
District Council of Ceduna
- Allan Suter, Former Mayor

MG Corporation
- Ms Gailene Chulung, Dawang Council Member

Tangentyere Council Aboriginal Corporation
- Mr Walter Shaw, Chief Executive Officer
- Mr Michael Klerck, Social Policy Manager

NPY Women’s Council
- Ms Liza Balmer, Chief Executive Officer
- Mrs Maimie Butler, Chairperson
- Ms Ngungita Smith, Vice Chairperson

No Cashless Welfare Debit Card Australia
- Kathryn Wilkes, Admin

MoneyMob Talkabout
- Ms Carolyn Cartwright, Managing Director
- Ms Sandy Marty, Board Member

First Nations Foundation
- Amanda Young, Chief Executive Officer

Intervention Rollback Action Group
- Ms Marlene Hodder, Member
- Ms Elaine Peckham, Member

Accountable Income Management Network
- Mr David Tennant, Chief Executive Officer, FamilyCare
- Ms Susan Tilley, Manager, Aboriginal Policy and Advocacy, Uniting Communities
- Mx Priya Kunjan, Secretariat

Jesuit Social Services
- Mr John Adams, General Manager NT

Northern Territory Council of Social Service
- Ms Deborah Di Natale, Chief Executive Officer
- Ms Tessa Snowdon, Policy and Advocacy Officer

Northern Territory Government
- Mr Chansey Paech, Member for Namatjira
- Ms Bridgette Bellenger, Senior Executive Director, Department of the Chief Minister