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AN IMMEDIATE END TO THE CASHLESS DEBIT CARD AND TIERED WELFARE PAYMENTS

During the COVID-19 pandemic, pressing issues with the Cashless Debit Card (CDC) trials have persisted, but Government has chosen to avoid addressing these concerns while continuing to punish the poor. The Accountable Income Management Network (AIMN) is particularly concerned about recent announcements regarding the proposed extension and expansion of the CDC.

Yesterday, Government put forward the *Social Security (Administration) Amendment (Continuation of Cashless Welfare) Bill 2020* in the House of Representatives. This Bill supersedes the *Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019*, retaining the 2019 Bill's objectives while pushing for expansive and concerning additional changes.

Changes retained from the 2019 Bill include the ***push to extend the CDC across the Northern Territory and Cape York, which stands to impact a further 22,000 people – the majority of whom are Indigenous – making the Bill racially discriminatory in effect.***¹ Not only has Government failed to engage in appropriate consultation with affected communities in relation to the 2019 Bill, it has also not made any effort to engage in more recent consultation with either affected communities or the Northern Territory community sector regarding this new Bill. Aboriginal Peak Organisations Northern Territory put out a media release today condemning the push to expand the CDC across the Northern Territory, with spokesperson John Paterson saying 'it denies our basic freedom to control our lives'.²

One of the most significant concerns raised by the new Bill is the ***push to turn the CDC trials into a permanent program.*** The new Bill will remove the sunset clause in the 2019 Bill, meaning that the CDC will become a permanent program rather than requiring legislative approval for any further extension in specified sites. The new Bill expressly deletes the language of CDC 'trial' contained within current legislation and replaces it with CDC 'program'. This was foreshadowed in Tuesday's Federal Budget, with the Cashless Debit Card being granted ongoing funding, and by Minister for Social Services the Hon. Anne Ruston dropping the language of a 'trial' in her most recent media statement on the Federal Budget. It is troubling that the program

¹ Though the AIMN notes that the CDC is already racially discriminatory in effect, due to its disproportionate targeting of Indigenous peoples, who as of 4 September 2020 made up approximately 39% of participants across all sites. See <https://data.gov.au/data/dataset/e5a6ca38-b17c-4e65-af70-84e7759a0ffa/resource/bfd433d0-f41f-4d2b-8848-287d16e0cdd8/download/cashless-debit-card-data-summary-september-2020.pdf>

² <http://www.amsant.org.au/apont/apo-nt-call-on-mps-to-oppose-the-cashless-debit-card-expansion-bill/>

appears to have officially achieved 'ongoing' status prior to public release of the Government-commissioned evaluation of the trial across the Ceduna, East Kimberley and Goldfields sites.

The AIMN is also concerned that ***the Minister for Social Services will be given expanded powers to make a legislative instrument which will allow the Minister to determine decision-making principles for exit criteria.*** While the Explanatory Memorandum for the Bill suggests that this will 'provide participants with greater clarity' about application determinations,³ this introduces further Ministerial discretion regarding the consolidation of decision-making principles under which applications are assessed.

The AIMN also has serious concerns about the ***Government's decision to maintain a tiered system of welfare quarantining in current trial sites.*** The temporary pause on putting new JobSeeker recipients in CDC areas onto the card, announced by Minister Ruston in March,⁴ persists. While we believe that the CDC should be abandoned wholesale, the choice to entrench a false divide between the so-called 'deserving' and 'undeserving' poor is strikingly unjust. Considering that the CDC has been rolled out on a geographic basis rather than through any direct targeting (for quarantining or support) of persons experiencing particular hardship, the selective application of the CDC is a clear indication of the ideological basis of the trials.

Finally, we are concerned about the ***absence of parliamentary scrutiny of Government's extension of the CDC trials until 31 December 2020.*** This decision was announced by Minister Ruston in May,⁵ authorised under sunset provisions in the Coronavirus Economic Response Package. Extending the trials via delegated legislation has meant that current trial participants have been denied procedural fairness in the absence of rigorous parliamentary debate over Government's justification for this choice.

Minister Ruston previously indicated that Government will attempt to authorise this further extension via the passage of the *Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019*, but it appears that this will now proceed via attempts to pass the *Social Security (Administration) Amendment (Continuation of Cashless Welfare) Bill 2020*.

Minister Ruston's claims that the CDC 'supports vulnerable welfare recipients to improve their financial literacy'⁶ is not supported by the evidence and fails to

³ https://parlinfo.aph.gov.au/parlInfo/download/legislation/ems/r6608_ems_291e3448-b2fb-4116-b3df-d5759b59cb05/upload_pdf/JC000186.pdf;fileType=application%2Fpdf

⁴ <https://ministers.dss.gov.au/media-releases/5671>

⁵ <https://ministers.dss.gov.au/media-releases/5801>

⁶ <https://ministers.dss.gov.au/media-releases/6406>

acknowledge the experiences of many people subjected to the trial who have suffered significant stigmatisation, restrictions of consumer choice and the collection of their private data without their consent.⁷ There are no generalisable benefits attributable to the CDC, and a further roll-out will subject thousands more Australians to these negative and humiliating effects.

Despite a clear lack of evidence for the success of the CDC, Government has continued to throw money at the scheme. ***The total cost for the implementation of the CDC to the end of the 2019-20 financial year was over \$79.8 million*** (inclusive of all costs across all sites, including departmental and evaluation costs).⁸ The total evaluation cost to the end of the 2019-20 financial year was over \$4.8 million. This money is much better spent on targeted community support provision, as well as on increased social security payments across the board.

The AIMN urges all senators, including Senators Jacqui Lambie, Rex Patrick and Sterling Griff to vote against the Bill in the Senate.

We call on the Government to end compulsory income management and the implementation of the Cashless Debit Card across all current sites, to abandon any further expansion, and to re-invest in local community services and initiatives.

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⁷ <https://www.incomemanagementstudy.com/blog/hiddencosts>

⁸ Figure obtained via Freedom of Information request from the Department of Social Services.