

ACTU Submission to Senate Community Affairs Legislation Committee Inquiry into the Social Services Legislation Amendment (Cashless Debit Card) Bill 2017

D No. 114/2017

The ACTU welcomes the opportunity to provide a submission to the Committee on this bill and the program to which it refers. The ACTU opposes this bill and asks that the Committee strongly recommend that it not be accepted by the parliament.

The cashless welfare card trial, the expansion of which this bill seeks to facilitate, is yet another example of this government's obsessive focus on the lives and behaviour of the Australians receiving unemployment support. This government seems to think it can recoup unlimited money from this group and when they are not being gouged for 'savings', the government is determined to patronise and infantilise the disadvantaged with programs such as this one. The fact that a significant proportion of job seekers affected by this program are Indigenous Australians makes it all the more unacceptable. Surely this group of Australians has experienced enough government dictation over their lives for 'their own good'. Not only is this program unreasonable and borderline discriminatory, but the evidence that it works, on which the proposed expansion is based, is questionable and may be inaccurate. In light of these factors, we encourage the government to halt this program immediately and to permanently suspend any plans to expand.

The ACTU opposes this program, and its expansion, for a number of reasons. The first of these reasons is that it represents a cynical and hypocritical attempt to curtail the free will of disadvantaged Australians while making no attempt to better their circumstances or to understand why some small percentage may make decisions with which broader society may not agree. This leaves aside the questionable assumption this program makes that because the government provides the income for these individuals, it has the right to control their spending of that income. Restricting disadvantaged Australian's ability to spend their own money without addressing the factors which may cause some small fraction of that population to use alcohol or drugs in a problematic manner, while actually cutting funding for alcohol and drugs services and without making any attempt to provide a non-punitive solution, is incredibly short-sighted and represents an unacceptable impost on their right to manage their own affairs. The Australian government, while doing almost nothing to address joblessness, economic stagnation and the destruction of regional and remote communities, has no right to judge the spending decisions made by disadvantaged Australians. Additionally, this card marks out income support recipients to the general public, making clear at any purchase point that the user is unemployed and receiving income support. This may be creating a situation where disadvantaged Australians, as well as having their autonomy further reduced, are being socially stigmatised and 'marked out' for all to see.

Initially, this program appears to have been disproportionately targeted towards Indigenous Australians. The areas selected for the initial trial of this program have a significantly higher than average population of Indigenous Australians - the Indigenous population in Ceduna is 24.9 per cent and 48 per cent in the East Kimberly (2011 ABS).¹ While later-selected sites have not involved a higher than average Indigenous population, the selection of Indigenous Australians as the test subjects for this invasive and, in the context, colonial-style program is unacceptable. The ACTU notes that one of the Indigenous leaders involved in supporting the trial, Lawford Benning, has already withdrawn his support for the program after experiencing its effects in his community² and that it has been condemned by the West Australian Aboriginal Health Council.³ Indigenous Australians should not have been used by this government as the guinea pigs for this punitive program. To ignore the concerns of that community about the efficacy of the trial while expanding and making it permanent in existing sites is indicative of the attitude this government has towards Indigenous Australians – that they are a group to which things are ‘done’ by government and not a genuine community to be engaged.

Finally, there have been a number of serious questions raised about the data that the government is using to measure the ‘success’ of this program and to justify its expansion. These have been raised by a number of prominent academics, including Eva Cox, fellow of the Centre for Policy Development and a professorial fellow at Jumbunna Indigenous House of Learning.⁴ The issues raised include, but are not limited to:

- Participants in the survey were offered a payment to take part. This may have created a tendency to give answers that are sensed by the participant as desired by the interviewer.
- Respondents were asked for ID to participate in the survey, likely creating anxiety and an additional tendency to give ‘desirable’ answers.
- It is not clear from the report what environment the surveys were undertaken within. If there was no opportunity for privacy, this may have further affected responses.
- The sample for the survey was self-selected and may have suffered from other issues, meaning it may not be representative.
- Numerous issues with the questionnaire design, resulting in skewed and inaccurate responses to key questions about the program’s efficacy.

If the ACTU did not strongly object to this program and its expansion on grounds of principle, we would certainly insist that its efficacy be accurately measured through an effective and balanced evaluation process prior to any decision to expand or continue the trial. As it is, the government has undertaken a rushed evaluation designed to get the answers it wants and is using those results to justify further intrusion into the lives of disadvantaged Australians.

¹ Indigenous Australians make up 2.8 per cent of the Australian population.

² <https://www.theguardian.com/australia-news/2017/aug/23/aboriginal-leader-withdraws-support-for-cashless-welfare-card-and-says-he-feels-used>

³ “Cashless Welfare will not help aboriginal kids” – op-ed, The West Australian. 10/08/2017.

⁴ <https://www.theguardian.com/commentisfree/2017/sep/07/much-of-the-data-used-to-justify-the-welfare-card-is-flawed>

The ACTU notes that other serious issues have also been raised with the program. There have been numerous reports⁵ of shadow economies being created by the card, in which disadvantaged Australians who are suffering from drug or alcohol addiction are forced to pay exchange significantly higher values of card-accepted goods to procure drugs or alcohol. This program, which may not be as effective as the government believes, may also be creating a small but desperate population of vulnerable addicts.

The ACTU believes that the issues raised above are sufficiently serious for the Committee to recommend to the parliament that this bill be rejected in its totality. We also recommend that the program which its concerns be scrapped or, at the very least, be properly and accurately evaluated to determine if it has had any positive effect at all. There are a multitude of positive steps the government could take if it genuinely wished to improve the lives of Australians living in the communities covered by the existing 'cashless welfare' trial. That this program represents the government's best idea to do so is a harsh indictment of either their policy development process or their opinion of the people of Australia.

⁵ <http://www.abc.net.au/news/2017-01-16/cashless-welfare-card-future-remains-uncertain-after-trial/8182662>,
<http://www.abc.net.au/news/2016-09-08/concern-over-welfare-card-black-market/7824944>,
<http://www.perthnow.com.au/news/western-australia/kununurra-man-daniel-taylor-on-hunger-strike-over-cashless-welfare-card/news-story/e4af75df3428217cd616bb17164ad850>,
<http://thenewdaily.com.au/news/national/2015/10/15/healthy-welfare-card/>