

Appendix 3

Correspondence



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Mr Ian Goodenough MP
Chair
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24 JUL 2018

Dear Mr Goodenough *kan,*

Thank you for your email of 27 June 2018 regarding the assessment by the Parliamentary Joint Committee on Human Rights (the Committee) on the following legislation:

- Social Services Legislation Amendment (Cashless Debit Card Trial Expansion) Bill 2018 (the 2018 Bill);
- Social Security (Administration) (Trial of Cashless Welfare Arrangements) Determination 2018; and
- Social Security (Administration) (Trial – Declinable Transactions and Welfare Restricted Bank Account) Determination 2018.

The Committee has requested further information around the human rights compatibility of the 2018 Bill and the two Determinations as assessed in the Committee's Report 6 of 2018.

The Cashless Debit Card's primary purpose is to reduce harm from the use of products such as alcohol, drugs and gambling, and to help participants to stabilise their lives, increasing their ability to participate in the workforce.

The consumption of alcohol and drugs and gambling at harmful levels can negatively impact on a person's ability to work, and can lead to long-term welfare dependency.

The Goldfields area was selected as a third trial area because of the high level of community support, for its introduction and demonstrated need for additional support to address social issues within the area. Western Australia Police data indicated the domestic and non-domestic assault rate in the Goldfields is more than twice the state average. Alcohol is a factor in two thirds of all domestic assaults (2009-13) and half of all non-domestic assaults. Alcohol-related hospitalisations and deaths are 25 per cent higher than the WA state average in 2007-11.

As previously stated in the Statement of Compatibility with Human Rights for the 2018 Bill, the Evaluation Report of the Cashless Debit Card Trial detailed findings that provide evidence as to the ability of the Cashless Debit Card to address the expected objectives of the trial. Findings from the Evaluation Report relating to the stabilisation of participants' lives in communities were also particularly encouraging, and provide evidence of secondary impacts of the card in relation to seeing impacts such as caring for children, ability to save money and purchase of necessary items for children. In addition, there was an increase in survey respondents who indicated that they spent 11 hours or more per week trying to get a job or paid work, between the two waves of reporting.

In order to build on the findings of the first Evaluation Report, the Government is funding a second evaluation of the Cashless Debit Card trial, to further assess the ongoing effectiveness of the program. This second evaluation will be conducted across the three current trial sites (East Kimberley, Ceduna and the Goldfields) and will be undertaken by the University of Adelaide and the University of Queensland.

The expansion of the Cashless Debit Card in the Bundaberg and Hervey Bay area will apply the program to a specific cohort of income support recipients in that region. All persons aged under 36 years, who are in receipt of Newstart Allowance, Youth Allowance (Other) or Parenting Payment (Partnered or Single) will be triggered onto the Cashless Debit Card. This applies to all persons meeting these criteria in the same way that it applies in current sites.

Across all Cashless Debit Card sites, the right to social security is limited only in the participant's ability to use a proportion of their payment to purchase harmful goods, in an area where there are demonstrated high levels of community harm. The amendment does not detract from the eligibility of a person to receive welfare, nor reduce the amount of a person's social security entitlement.

The limitations put in place restrict transactions at businesses selling goods that contribute to social harms in the communities, with this directly related to the objective of the cashless debit card. The restrictions are proportionate given the high levels of harm in potential communities, and the demonstrated positive results of the program to date.

Cashless Debit Card Trial Sites are chosen using objective criteria. However, to date there has been a significant proportion of Aboriginal and Torres Strait Islander people, women and Disability Support Pensioners in scope as participants. The 2018 Bill allows the Government the opportunity to expand the program to a larger urban location, providing an opportunity to test the program in more diverse settings and with a larger population which should help address the overrepresentation of certain cohorts on the Cashless Debit Card.

All decisions around the extension of the Cashless Debit Card have been made and will continue to be made in close partnership with community leaders. Engagement with community members and leaders has been ongoing, informally and formally, in all locations to help Government better understand local needs and gauge interest in the continuation of the program.

The 2018 Bill enables the option for a community body in the Bundaberg and Hervey Bay area. This mechanism would allow the community to take ownership of variations to the amount of a person's welfare payment that is placed on the Cashless Debit Card and encourage positive social behaviour.

The Cashless Debit Card is designed so that it can be used outside of trial locations if a participant moves during the trial period. Participants that do not spend a large proportion of their income support payment on alcohol, gambling or drugs, will see little impact.

The Committee has also enquired as to the rationale for excluding persons who will reach pension age during the 12 month period from March 2018 in the Goldfields, but not in the Ceduna and East Kimberley sites.

The Cashless Debit Card Trial is designed to provide assistance to people receiving welfare and who are of working age. Payments such as Mature Age Allowance, Age Pension or Bereavement Allowance for a person of pension age are not captured.

However, as some people may transition to the Age Pension during the trial period, these measures are necessary. A transitional provision has been inserted for the Goldfields site to ensure people reaching age pension age in the first twelve months of operation will not be captured when they would only be on the card for a short period of time and may not see the full benefits of the program. As the Cashless Debit Card has been in operation since 2016 in Ceduna and East Kimberley, a transitional provision for this class of person in these sites is no longer required.

I hope this information is of assistance to the Committee.

Yours sincerely

 DAN TEHAN