

To: [Community Affairs Committee \(SEN\)](#)
Subject: Public submission: Social Services Legislation Amendment (Cashless Debit Card) Bill 2017
Date: Monday, 11 September 2017 8:27:38 PM

Please accept this submission - Social Services Legislation Amendment (Cashless Debit Card) Bill 2017.

I object to this bill, for the reasons below:

Huge cost to taxpayers:

- Data obtained under Freedom to Information reveals the cost of the pilot program is approaching \$20 million!
- The huge cost of the cashless debit card is reason, alone, to cease it.
- Data released under Freedom to information also reveals a cost of \$10,000 per participant per year. This is absurd in our so-called budget emergency where taxpayers are all required to tighten our belts.
- Australia is facing multiple important issues placing budgetary pressures on government. Wasting masses of tax dollars on the cashless card is merely taking valuable money from other areas including health, education, public transport etc.
- The fact that the **total** cost is not public information due to commercial-in-confidence, is even more alarming. Taxpayers have a right to know exactly how much of our tax dollars is being spent on the cashless card.

Taxpayer funds going to an external 3rd party:

- The company Indue is the debit card provider, and the government is paying Indue approximately \$8 million for this scheme.
- Why are taxpayer's providing such a huge amount to an external company? This is not acceptable.

Interest earnings being retained by Indue:

- There would be a large amount of interest earned on funds deposited on Indue cards, prior to being spent by the person who is allocated each Indue cashless debit card.
- Unbelievably, this interest on all the cards issued, is being kept by Indue - that is as good as robbery!
- The funds placed on Indue-issued cashless debit cards is for the expenditure of individual citizens. It is immoral that a third party (Indue) is making profits from these funds provided by the taxpayer.
- Indue has not placed the dollars onto these cards, so they should not keep the interest earnings.

Failure to address the real issues:

- The government claims the cashless card is being introduced to reduce abuse of issues such as alcohol, drugs, gambling etc. While this is commendable, the approach of using the cashless card, is totally bypassing the government's responsibility to deal with these social issues. Instead of punishing vulnerable people, the government should be putting greater effort into dealing with the actual causes of drug, alcohol and gambling abuse etc.
- Punishing people does not work.
- This is a band-aid approach to dealing with major issues, and this is bound to fail.
- There is no credible evidence that punitive actions targeted in a blanket-manner on marginalised people, will assist to tackle drug/alcohol abuse etc.
- The massive taxpayer dollars being poured into the cashless card

No reliable data:

- The data rolled out by the government to justify the card is not convincing, as it is qualitative data, and not the far superior Quantitative research.
- Self-reported opinion (qualitative data) is far inferior to credible actual statistics based on real numbers, as used in quantitative research.
- Qualitative research is not reliable, as when people receiving welfare payments that they are dependent on, are very likely to give the government the answers they are seeking, in order to continue receiving their payments - e.g. if a welfare recipient is asked by the govt if the cashless welfare card results in them spending less on gambling, then of course they will reply "yes" in order to continue their payments.

Inability to pay cash payments:

- I am aware of an incident where a welfare recipient on the cashless card trial was unable to pay their rent - because they were required to pay their rent by cash.
- Everyday Australians would find it unacceptable if they knew in some instances the cashless card would prevent people paying their rent on time, putting them at risk of being evicted.

Confidentiality concerns:

- There is a set figure of 80% of the recipient's funds being placed on the cashless card. At times, there will be valid grounds for requesting that a lesser amount of funds to go onto the cashless card.
- However, when a person applies for an adjustment to the percentage of funds going onto the cashless card, this decision will be made by community members who's identity is not able to be disclosed. This raises alarm bells. What if the person's immediate neighbour were to be the person making this decision, and having full knowledge of their neighbour's financial situation. This is unacceptable.

The cashless debit card is an incredible disturbing concept.
Use of the card under the trial should be stopped permanently.