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Senate Standing Committee on Community Affairs  
Legislation Committee  
PO Box 6100, Parliament House  
Canberra ACT 2600

**AHURI submission to the Senate Standing Committee on Community Affairs  
Inquiry on Social Security Amendment Bill 2019**

On behalf of the Australian Housing and Urban Research Institute (AHURI) I am pleased to make a submission to the Committee's Inquiry on the Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019.

This submission provides a short summary of Australian Housing and Urban Research Institute (AHURI) research that relate to Indigenous communities, welfare reform and its impact on housing for people in those communities.

AHURI research is available free from [www.ahuri.edu.au](http://www.ahuri.edu.au).

AHURI has conducted extensive research on issues relating to social security issues, especially as it relates to housing and homelessness.

If there is any way we can be of further assistance, please contact me directly on 03 9660 2300.

Yours sincerely,

**Dr Michael Fotheringham**  
**Executive Director**



**Submission to the Senate Standing  
Committee on Community Affairs  
Inquiry on Social Security  
Amendment Bill 2019**

**Australian Housing and Urban Research Institute**

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**October 2019**

## About AHURI

As the only organisation in Australia dedicated exclusively to housing, homelessness, cities and related urban research, AHURI is a unique venture. Through our national network of university research partners, we undertake research leading to the advancement of knowledge on key policy and practice issues.

AHURI research informs the decision-making of all levels of government, non-government sectors (both private and not-for-profit), peak organisations and the community, and stimulates debate in the media and the broader Australian community.

Our mission is to inform and impact better housing, homelessness, cities and related urban outcomes through the delivery and dissemination of relevant and authoritative research. To achieve this mission we deliver four key programs.

### National Housing Research Program

AHURI's National Housing Research Program (NHRP) invests around \$4 million each year in high quality policy-oriented housing research and associated activities. We broker engagement between policy makers, key stakeholders and researchers. This allows us to undertake research that is immediately relevant and actively contributes to national housing policy development.

Our network of university research partners conducts research on key policy issues utilising a variety of research activities. This ensures the flexibility to undertake longer-term projects when fundamental research is needed, while also responding quickly to new strategic policy issues as they arise.

### Australian Cities Research Program

AHURI is actively broadening its scope to consider the role, functioning and policy questions facing Australian cities. We are enhancing our significant evidence base on housing and homelessness policy and solutions, and consolidating our role in delivering integrated and robust evidence to guide policy development. We are investing in and developing partnerships for an Australian Cities Research Program. AHURI is working with governments and relevant stakeholders to expand our role in delivering research that informs urban policy and the shaping of cities in Australia.

### Professional Services

AHURI Professional Services draws on our in-depth understanding of housing, homelessness, cities and urban policy and the expertise of AHURI's national network of Research Centres. We deliver evidence reviews and synthesis, policy engagement and transfer, and are experts in research management and brokerage.

### Conferences, events and engagement

Our conferences, events and communications stimulate professional and public dialogue. We disseminate research in innovative ways and engage with government, private, not-for-profit sectors and the community.

### National Network of AHURI Research Centres

There are currently eight AHURI Research Centres across Australia:

- AHURI Research Centre—Curtin University
- AHURI Research Centre—RMIT University
- AHURI Research Centre—Swinburne University of Technology
- AHURI Research Centre—The University of Adelaide
- AHURI Research Centre—The University of South Australia
- AHURI Research Centre—The University of New South Wales
- AHURI Research Centre—The University of Sydney
- AHURI Research Centre—University of Tasmania.

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## Can conditional welfare approaches work?

The Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019 will extend the dates for the Cashless Debit Card (CDC) in existing trial areas, remove the cap on the number of CDC trial participants and transition income management participants to the CDC trials in Cape York and Northern Territory.

The CDC trials continue and extend the processes of welfare conditionality in Australia. Trial sites have been selected with regard to the presence of significant issues of welfare dependence and social harm associated with substance misuse and crime. While the measures are not targeted by race, in practice many of the trial areas have large Indigenous communities.

Welfare conditionality is not a new idea; it has been applied to funding programs and has been used to affect behavioural change. Principles of conditionality were apparent in the Community Development Employment Program (CDEP) and the more widely applied Mutual Obligation processes for job seekers. Income quarantining has previously been used in the Northern Territory Emergency Response in 2007 and the Income Management initiatives in the Cape York Welfare Reform. Even so, there is a perception that the use of these conditionalities has escalated over time, and so evidence about its effectiveness and its longer term benefits for communities is needed.

AHURI has conducted research on the role of welfare conditionality in relation to housing (Moran et al. 2016). The research was undertaken in a number of regional communities including some in the current and proposed CDC trial areas (including in Cape York, Northern Territory and Goldfields). Many of the findings of the research relate to the modus operandi of implementing conditionality in the provision of welfare services (in this case subsidised housing), and the outcomes of these approaches. Findings from the research are relevant to the current CDC trial even though the CDC trial is different in that it is using quarantining of income support to effect social change. The key findings are summarised below.

### **Conditional welfare approaches may work but should be implemented with the full support of Indigenous communities and individuals involved**

#### ***Processes need to be built on trust and mutual recognition of community stakeholders rather than one sided paternalist practice***

AHURI research finds (in the context of developing housing programs) that the dominant form of conditionality embedded in welfare conditionality and housing policy is coercive. This includes threats of eviction and rules around antisocial behaviour (e.g. three strikes policies), even though some of these rules are not readily implementable. The research found that front line workers often had to adapt their procedures to cope with the reality of different cultural rules and practices. They often found themselves using strategies of persuasion rather than coercion and rarely carried out evictions after threatening it. Successful outcomes involved negotiated approaches in which officers maintained a commitment to rules while being committed to relationships and being able to adapt to the circumstances.

Appropriate models for developing and implementing conditionalities depend on good relationships between key stakeholders, including government, individual citizens and Indigenous organisations. This is important because there are frequently large cultural differences between government funders, local communities and Indigenous

organisations. For good communication and trust to emerge, parties need to be committed to a balanced 'recognition space':

*A balanced recognition space occurs when there is the presence of effective intermediary organisations, especially functional Indigenous organisations, (but)... the most unbalanced situation is where one group or responsibility dominates, with little responsibility assumed by the other two. (Moran et al. 2016:3)*

The success of income management processes in places like Cape York has been dependent upon community involvement in developing approaches, and even then has at times been undermined by perceptions that it has been imposed from above. Where income management processes have been applied, communities have expressed a desire to move to greater empowerment and development, rather than remain locked into a paternalist model (Scott et al. 2018).

Successful implementation of CDC trials will require processes that foster trust and mutual recognition between stakeholders. Successful implementation of CDC trials will require the relationships between parties to be analysed so they are fully understood and processes that foster trust and mutual recognition can be developed.

### ***Need for targeted conditionalities and persuasive change***

Income management techniques have in the past involved some degree of targeting to precise circumstance. This is not the case with the current approach, which applies the system to all working age payment beneficiaries. Although the CDC income quarantining allows for different proportions of the benefit to be quarantined into a restricted bank account, all recipients are required to receive a cashless debit card, regardless of their circumstances.

AHURI research underlines the important principle of targeting, and has shown this was not effectively done in relation to housing policies for remote housing:

*An apparent shortcoming of conditionalities of current housing policies is that they assume that tenants in all places are relatively homogeneous, when in fact they are positioned very differently in terms of developmental pathways. (Moran et al. 2016:105)*

The AHURI research argued that there was benefit in a more nuanced understanding of welfare recipients along a development continuum. Broadly, welfare recipients were categorised as (1) welfare dependent (those with a history of trauma, intergenerational unemployment, household crowding and family vulnerability and fighting), (2) stable (those lacking financial security but long term tenants with well maintained housing) and (3) successfully established with a past history of employment and financial security.

The authors propose that welfare conditionalities have different 'embedded theories for achieving change'. The policies might promote change in a number of ways:

- 1 coercive, through sanctions and punishments
- 2 persuasive, through assertive engagement and influence
- 3 empowering, including deliberative discourse
- 4 incentivised, through rewards.

While coercive conditionalities may sometimes be necessary and do at times work, a range of other persuasive, empowering and incentive based approaches are also important. The research found that while housing officers often used coercive

approaches, for the system to work officers also used incentives—but this was done at an informal level and this occurred ‘below the radar’.

While CDC trial participants are not financially penalised, cashless debit cards are potentially stigmatising and limit choices. The current trials do not consider other, less paternalistic mechanisms (persuasion, empowerment or incentive) to achieve change, nor is there a clear development pathway to a better set of outcomes.

### ***Participants and community organisations can assist in changing behaviours***

AHURI research shows that families and communities can be a force for addressing adverse behaviours if they are brought on side and are empowered. For example, in relation to property damage occasioned by violent behaviours (either by visitors or tenants) social housing tenants (especially lead tenants who are often women) often deal with these issues responsibly. In many cases, tenants themselves take action to implement rules and exercise their authority as tenants – often calling in housing officers to enforce rules. The issues related not to the existence of rules, but how those rules were developed and followed (Moran et al. 2016).

Indigenous organisations also act to enforce better behaviours. In one case (in Tennant Creek) ‘the Indigenous organisation had developed a strict coercive conditionality in a collaborative way that was highly popular with tenants’ (Moran et al. 2016:3). While the research showed that Indigenous Community Housing Organisations have often been defunded because of capability gaps, they worked well to be effective brokers to represent the rights of tenants.

These findings highlight that community support is essential to achieving longer term success in addressing behaviour change.

### ***Approaches need to target individuals responsible for antisocial behaviour rather than stigmatising an entire group (i.e. welfare recipients)***

Income quarantining approaches like Income Management or CDC stigmatise welfare recipients and do not address those outside of the Centrelink system (including workers) who are engaged in anti-social behaviour. A key aspect of the Income Management scheme in Cape York was that it was selectively applied to only those most at risk, using criteria developed through community engagement. However, even this was perceived by some as unfair because those outside of Centrelink (e.g. those employed) could escape sanction from these community norms (Scott et al. 2018). AHURI research demonstrates the already existing stigma associated with social housing including in Indigenous settlements; broadly applied income quarantining will only compound stigmatisation of those on welfare (Moran et al. 2016; Jacobs et al. 2011).

## **Addressing disadvantage in Indigenous communities**

There is a need to address a range of issues in communities with large Indigenous populations relating to long term disadvantage and not just short term responses to antisocial behaviours. AHURI research documents many of these issues and provides potential policy responses.

### **Indigenous households experience a disproportionately high rate of severe overcrowding**

A high incidence of severe overcrowding has long been recognised as a key issue for Indigenous households. In 2016, Aboriginal and Torres Strait Islander peoples made

up 3% of the Australian population but accounted for 20 per cent (23,437 persons) (down from 26% in 2011) of all persons who were homeless on Census night in 2016. Of those who were classified as homeless, 70 per cent (down from 75% in 2011) were living in 'severely' crowded dwellings (16,399 persons), 12% were in supported accommodation for the homeless and 9% were in improvised dwellings, tents or sleeping out.

If overcrowding is measured using the Canadian National Occupancy Standard (CNOS)—where a household requiring at least one or more extra bedrooms (CNOS +1), Indigenous households are three times more likely to experience overcrowding compared to other households: 12.9 per cent of Indigenous households and 3.4 per cent of non-Indigenous households required one or more extra bedroom in 2011 (AIHW 2014). AHURI research (Memcott et al. 2012) finds that there is a need for a number changes to address overcrowding:

- new qualitative and quantitative investigations for crowding in Indigenous contexts that supplement density measures
- housing policies need to recognise the importance of kinship and social ties and deep cultural obligations to house kin, for example, 'three strikes' policies may unfairly penalise lead tenants who accommodate visitors leading to loss of tenure or stress
- children and women need support through mechanisms that provide financial stability – this is especially relevant to women escaping domestic and family violence.

### **Poverty and economic opportunity**

AHURI research shows that many remote Indigenous communities have high rates of poverty. This is exacerbated by the high costs of living (including food costs and rent costs associated with mainstreaming of social housing) and the lack of economic opportunities (Habibis et al. 2016). While the new mainstreaming reforms for housing are resulting in better asset and tenancy management of housing, and improvements in the lives of tenants, more work is needed in asset management, and more partnering with jobs programs to employ locals in maintenance roles.

### **Domestic and family violence**

Indigenous women are 35 times more likely to experience domestic and family violence than non-Indigenous Australian women (COAG 2010). This affects the rates of homelessness among Indigenous women in particular. There is a clear need for culturally appropriate initiatives to reduce the incidence of violent relationships and the incidence of homelessness. There is also evidence that many Indigenous women are reticent to report or identify perpetrators in a small community. Initiatives that have had some success include:

- Indigenous family violence prevention legal services
- Indigenous night patrols
- Indigenous women's refuges and safe houses
- Indigenous men's groups
- Bsafe alarm system.



These approaches can help reduce the need to involve the judicial system, and they are oriented towards enabling clients to access support services, persuading them towards a course of action, more than re-ordering their behaviour (Spinney 2012).

### **Homelessness support**

Indigenous people are more likely to experience crowding and homelessness. AHURI research (Spinney et al. 2016) found that improvements to present homelessness services would involve:

- reducing uncertainty of funding (to at least three year funding cycles)
- increasing the capacity of Indigenous organisations to provide culturally appropriate support and better understanding whether Indigenous persons are getting appropriate services.
- better integration and coordination of services, including in regional or remote areas.

### **Potential benefits for housing from reducing alcohol consumption and violent behaviours**

AHURI research has found that housing organisations continue to struggle to get tenants to comply with rules around their tenancy. This includes damage due to violence (often associated with alcohol, sometimes when accommodating visitors), anger and trauma, and break-ins to properties.

Successful interventions—including CDC arrangements—have the potential to reduce the impact of property damage associated with alcohol and criminality. However, they are unlikely to address the damage associated with the longer term and systemic issues relating to poverty and overcrowding.

## **Sharing Information**

Evaluations of the CDC have indicated that despite established processes for consultation with stakeholders and provision of information ahead of implementation, some participants and community bodies have not received information and this has led to mis-information about the trials (Mavromaras et al. 2019).

As noted above, AHURI research shows that effective processes for producing better social and housing outcomes in remote Indigenous settlements relies on good relationships between citizens, government actors and Indigenous community partners, in which the partners develop mutual regard and reciprocity as part of developing longer term sustainable and trusting relationships (Moran et al. 2016).

## **Improving the evaluation process**

### **Future evaluation procedures need to respond to ANAO criticisms**

The CDC trials in Ceduna and East Kimberley have already had a first wave interim evaluation conducted by ORIMA. The evaluation suggested encouraging results in terms of reduction in alcohol usage, reduction in crime and increased usage of funds for food and other consumption goods (Orima 2017). Some encouraging results in relation to reduced substance misuse and crime, and improvements in child welfare and financial management have also been reported in the baseline data collection relating to the Goldfields trial site (Mavromaras et al. 2019).

However, the Australian National Audit Office (ANAO 2018) indicated concerns about both the procurement process for the ORIMA evaluation, and that the approach to monitoring and evaluation of the trial was inadequate. Specifically, concerns related to lack of a cost benefit analysis or post-implementation review of the trial; KPIs did not look at operational and efficiency aspects nor did they make use of all potential administrative source data. The net result of these criticisms is that the ANAO was not confident 'whether there had been a reduction in social harm and whether the card was a lower cost quarantining approach'.

### **Evaluation and policy making should embrace participatory processes**

Evaluation or review of the CDC should optimally involve better processes to involve key stakeholders in evaluation and development of future operational rules and policies. In the context of developing good practice and principles to guide housing policy and programs in remote Indigenous communities, AHURI research (Moran et al, 2016:4) has recognised the importance of participatory evaluation processes:

*These plans could be developed using the principle of participatory planning and evaluation. This is where tenants, leaders and housing officers could come together to develop local policies for operationalising and implementing the conditionalities of housing policy, including local measures for assessing their effectiveness.*

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