

*PHAA submission on Social Security (Administration) Amendment
(Income Management and Cashless Welfare) Bill 2019*



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

7 March 2019

Dear Committee Secretary,

The Public Health Association of Australia (PHAA) is recognised as the principal non-government organisation for public health in Australia working to promote the health and well-being of all Australians. It is the pre-eminent voice for the public's health in Australia, and seeks to drive better health outcomes through increased knowledge, better access and equity, evidence informed policy and effective population-based practice in public health.

PHAA welcomes the opportunity to provide input to the Committee Inquiry into the *Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019*. This Bill seeks to extend the cashless debit card trial in three sites (Ceduna, East Kimberley and Goldfields), and the income management program in Cape York, to 30 June 2020.

PHAA has previously made submissions regarding the cashless debit card scheme, including [on the 2018 Bill](#), and [the 2017 Bill](#), outlining our concerns about the lack of evidence to support its efficacy.

We reiterate our concerns outlined in [our submission to the 2018 Bill](#), that the Government's own Australian National Audit Office review of the cashless debit card and income management trial found serious flaws in its implementation and monitoring. Among its conclusions are the following statements:¹

- "...its approach to monitoring and evaluation was inadequate. As a consequence, it is difficult to conclude whether there had been a reduction in social harm and whether the card was a lower cost welfare quarantining approach"
- "...it did not actively monitor risks identified in risk plans and there were deficiencies in elements of the procurement processes"
- "Arrangements to monitor and evaluate the trial were in place although key activities were not undertaken or fully effective, and the level of unrestricted cash available in the community was not effectively monitored. Social Services established relevant and mostly reliable key performance indicators, but they did not cover some operational aspects of the trial such as efficiency, including cost. There was a lack of robustness in data collection and the department's evaluation did not make use of all available administrative data to measure the impact of the trial including any change in social harm".
- "Social Services regularly reported on aspects of the performance of the CDCT to the Minister but the evidence base supporting some of its advice was lacking"

¹ Australian National Audit Office. The implementation and performance of the Cashless Debit Card Trial: Department of Social Services. Canberra: Commonwealth of Australia; 2018.

Given the criticisms of the original Orima Research evaluation report (see [PHAA's submission to the 2017 Bill](#)), PHAA is pleased to note that more recent evaluations have been conducted by independent Universities. However, it is disappointing that the current Bill still relies on the information from the flawed Orima Research report.

The recent baseline data report for the Goldfields region found that while some initial early positive changes had been noted, it was unclear if these were related to the program or accompanying increased levels of policing. Further, respondents noted that "in order to be fully effective, the CDC needed to be part of a suite of policies and programs such as enhanced health and community services, improved housing, greater policing and alcohol management" (p4-5). The report indicates that this has not occurred, with respondents expressing disappointment "that the promised funding for wrap-around services to support the implementation of the CDC in the Goldfields had not materialised" (p8).

The combination of these findings – that the Department of Social Services failed to adequately measure changes in social harm, that respondents recognise the need for any income management to be part of an holistic response, and the apparent failure of the Department to fulfil promises for increased funding for accompanying services – indicates that the Government either does not understand the broader context in which their program is operating, or is not acting upon that understanding.

The recent review of the Cape York income management program highlights the importance of any programs of this nature being developed with the community, not imposed upon them, and allowing for flexibility and community control.² The explanatory memorandum for the Bill notes positive findings from the qualitative data in the review, but does not mention either the lack of supporting quantitative evidence, or the continued negative feelings towards the program within the community.

The Cape York review also notes that there are "a number of unique characteristics that not only distinguish it from other Australian models, but may provide the key to any successes that are attributed to it. These factors may offer useful lessons when considering any future rollout of the model, or similar models, in Cape York and elsewhere" (p xii). This is an important finding, but it is not clear whether or not these lessons are being taken into consideration as the cashless debit card trials continue.

PHAA remains concerned that the cashless debit card trials do not have a strong evidence-base to support their continuation.

The PHAA appreciates the opportunity to make this submission and the opportunity to comment on the Bill. Please do not hesitate to contact us should you require additional information or have any queries in relation to this submission.

Yours Sincerely,

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² Scott J, Higginson A, Staines Z, Zhen L, Ryan V, Lauchs M. Strategic review of Cape York income management: Department of Social Services. Brisbane: Queensland University of Technology; 2018.