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21 September 2017

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

Dear Sir/Madam,

Thank you for the opportunity to make a submission to the Inquiry into the **Social Services Legislation Amendment (Cashless Debit Card) Bill 2017** (the Bill).

Catholic Social Services Australia (CSSA) is the Catholic Church's peak national body for social services. Our vision is for a fairer, more inclusive Australian society that reflects and supports the dignity, equality and participation of all people. Our 52 member agencies are frontline service providers caring for and directly assisting some 450,000 people across 650 sites nationally.

The Bill proposes to remove Section 124PF of the **Social Security (Administration) Act 1999 (the Act)**, which specifies that the Cashless Debit Card trial will occur in up to three discrete locations, include no more than 10,000 people, and will end on 30 June 2018. Removing this section will support the extension of arrangements in current sites, and enable the expansion of the Cashless Debit Card to further sites. Individual sites, once identified, will be determined by disallowable legislative instruments.¹

The 2017-18 Federal Budget proposed the expansion of the Cashless Debit Card to two new locations in September 2017 (Goldfields WA and Bundaberg/Hervey Bay Qld) and an extension of the Cashless Debit Card in the existing two trial sites of Ceduna (SA) and East Kimberley (WA) until 30 June 2018. The original trials commenced in Ceduna on 15 March 2016 and the East Kimberley on 26 April 2016. CSSA members, Centacare Kimberley and Centacare Catholic Family Services Country SA, have some experience of the operation of these trials.

CSSA's current position on income management² is that it is not a substitute for measures that promote self-reliance. Our position has been that income management could be justified if it is a community led initiative or a voluntary measure. Otherwise it should be contemplated only on a case by case basis. The overall aim of any form of income management should be to enable individuals and families to take control of their own lives including with assistance from trusted, local services that can provide "wrap around" support. Blanket application of income management to recipients who do not need it can be wasteful and counterproductive.

¹ The Parliament of the Commonwealth of Australia – House of Representatives 2016-2017 *Social Services Legislation Amendment (Cashless Debit Card) Bill 2017*, Explanatory Memorandum

² CSSA [Position on Income Management](#)

The Government's objectives of the Cashless Debit Card trial (Part 3D of the Act) are to:

- (a) reduce the amount of certain restrictable payments available to be spent on alcoholic beverages, gambling and illegal drugs; and
- (b) determine whether such a reduction decreases violence or harm in the Region; and
- (c) determine whether such arrangements are more effective when community bodies are involved; and
- (d) encourage socially responsible behavior.

CSSA notes that there have been mixed results³ reported about whether the objectives have been met in the trials in Ceduna and the East Kimberley. The Cashless Debit Card roll out has caused some division in these communities.⁴ The Government's commissioned evaluation found some success in meeting some of the objectives of the Cashless Debit Card.⁵ However, there have also been unintended negative consequences from the roll out of the Cashless Debit Card identified in the evaluation report including parents not being able to give their children pocket money and the stigmatisation of card holders.

In communities where alcohol and drug addiction are prevalent CSSA members advise that families and children are impacted greatly through family and community violence. In locations where there are high levels of violence, there is a philosophical tension between individual rights and the best interests of the community. There are no simple answers to addressing this issue. Responses need to be locally tailored, taking into account a diverse range of factors. The Cashless Debit Card is not a "silver bullet".

Given the range of views and concerns about the success or otherwise of the Cashless Debit Card, CSSA is conducting further research in conjunction with our members. We are keen to conduct our own independent and deeper assessment of the Cashless Debit Card so as to contribute meaningfully to this important public debate.

We would be pleased to share our findings and any recommendations at the Senate Committee hearing in Canberra on 2 November 2017. Please contact [REDACTED], Director Social Policy on [REDACTED] if you would like to discuss any of these issues further.

Sincerely,

Fr Frank Brennan sj AO
Chief Executive Officer

³ See for example concerns from [Accountable Income Management Network](#) and support from the [Munderoo Foundation](#).

⁴ See for example ABC Report: [Cashless welfare card divides East Kimberley as battle lines drawn over future](#) accessed 24th August 2017

⁵ Evaluation report by Orima accessed at: <https://www.dss.gov.au/families-and-children/programs-services/welfare-quarantining/cashless-debit-card-trial-evaluation-reports>