

City of Kalgoorlie-Boulder

Last Updated: Month Year

Submission: Senate Community Affairs Committee - Social Security (Administration) Amendment (Repeal of Cashless Debit Card and Other Measures) Bill 2022

9 August 2022



Introduction

The City of Kalgoorlie-Boulder welcomes this opportunity to make a submission to the Senate Community Affairs Committee in relation to the Repeal of the Cashless Debit Card Bill 2022.

The Cashless Debit Card (CDC) has made a significant difference in the Kalgoorlie-Boulder community with evidence to reflect the sentiment of several of the evaluation reports on the CDC completed by the Federal Government. This includes – a reduction on levels of alcohol use and associated behaviours; early improvements to child welfare and well-being; reported changes in spending on household items; improvements to financial management and a reduction of over 57% in crime over the life of the program.

There was significant consultation undertaken in the region prior to the introduction to the program; however, the decision to abolish the CDC has been made with little consultation with the community and the City remains unconsulted on the support mechanisms that will be in place for people now transitioning off the CDC.

The City of Kalgoorlie-Boulder was responsible for operating two shopfronts that directly serviced CDC participants during the introduction of the program and, is currently responsible for the delivery of a Job Readiness Program which was introduced in January as a wrap-around program to the CDC. The program has demonstrated significant value in the community; not only by linking participants to employment but by also providing opportunities for them to engage in training and skills development.

Overview of Kalgoorlie-Boulder

The City of Kalgoorlie-Boulder is located in the Goldfields-Esperance region of Western Australia approximately six hours inland from metropolitan Perth and hosts 30,060 residents. Together with the Shires of Coolgardie, Laverton, Leonora, and Menzies this area was the third Cashless Debit Card (CDC) trial site in Australia.

Home of the 'Golden Mile' - one of the richest goldfields in the world – Kalgoorlie-Boulder is a thriving mining town, which is currently experiencing a tremendous economic boom brought about by the value of gold.

The current challenge for all business enterprises operating in the Goldfields is attracting and retaining staff. As of the date of this submission, there are 1,158 vacancies advertised on Seek in the Kalgoorlie/Goldfields Region. This does not represent the actual vacancies in the region, as many organisations have simply given up advertising.

The issue is further exacerbated by the lack of available accommodation and the skyrocketing price of housing/rentals. Averaging \$600-\$650 per week, renting a reasonable home is not a cost-effective option for those considering relocating to Kalgoorlie.

There are skilled labour shortages ranging from trades, mining industry professions, and hospitality-related industries. The City of Kalgoorlie-Boulder has been working on developing solutions to local labour shortages which is evidenced by its introduction of the DAMA (2019) and, more recently, the Job Readiness Program (2022) introduced through the CDC as a wrap-around service.



Since February, the Job Readiness Program has directly linked 70 CDC participants to employment in Kalgoorlie-Boulder in a variety of industries including local government. In addition to the benefits of exiting welfare for these participants, this program has the potential to work towards addressing labour shortages in this region.

Consultation Undertaken

The Cashless Debit Card (CDC) was first introduced in July 2017 when the Minderoo Foundation hosted community information sessions on the outcomes of the CDC trials in Ceduna, South Australia, and East Kimberly, Western Australia.

The City of Kalgoorlie-Boulder Mayor and CEO attended numerous meetings with the Department of Social Services and community stakeholders to ensure appropriate consultation was undertaken prior to the introduction of the CDC in the region.

At the time, local community leaders and Aboriginal Elders were seeking a solution to an urgent need to address serious social issues relating to anti-social behaviour, crime, substance abuse and domestic violence; with concerns especially raised in relation to child neglect.

Prior to the rollout of the Cashless Debit Card, the Department of Social Services (DSS) met with community members, businesses, non-profit organisations, Aboriginal elders, City staff and Elected Members.

DSS also formed and facilitated a regional working group comprising Aboriginal Elders, Elected Members, community members, and non-profit service providers which provided the terms of reference and information on the program as it became available.

A progressive rollout of the cashless debit card commenced in the Goldfields region in March 2018 with the City establishing two shopfronts in Kalgoorlie-Boulder by April 2018.

Review and Evaluation

When the Bill was tabled in Parliament recently, there was an indication that limited consultation and research was conducted to support the benefits of the Cashless Debit Card (CDC) and that First Nations people were calling for the program to be abolished.

Since the introduction of the CDC, the City of Kalgoorlie-Boulder has continuously monitored its impact on the community to ensure that crime statistics, feedback from participants, businesses, community members, and queries are recorded.

The University of Adelaide's <u>Cashless Debit Card Baseline Data Collection: Qualitative</u> <u>Findings Report</u> released in February 2019 supports several of the City's findings from the introduction of the CDC. Aligning with the Report, the City has received feedback on—

- positive impacts on levels of alcohol use and associated behaviours
- early improvements to child welfare and well-being
- changes in spending on household items
- improvements to financial literacy and management



 positive impacts on the prevalence and severity of crime, family violence and antisocial behaviour

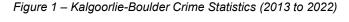
The Kalgoorlie-Boulder Chamber of Commerce and Industry released a *Cashless Debit Card Survey* in February 2019 with 82 business members completing the survey between 27 February and 1 March 2019. The survey results indicated that -

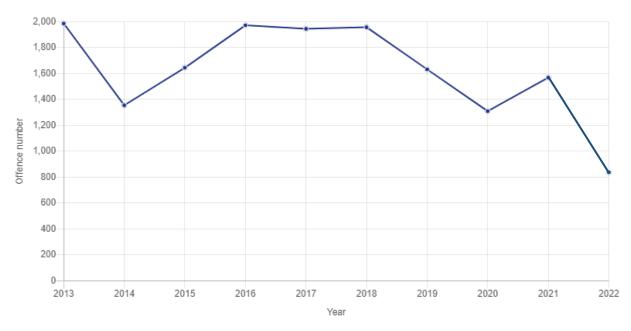
- 71.95% of respondents advised they had seen a decrease in antisocial behaviour in the Kalgoorlie-Boulder CBD since the Cashless Debit Card has been introduced
- 86.59% of respondents advised, in their opinion, the Cashless Debit Card has made positive changes throughout the Goldfields
- 86.59% of respondents advised they would like to see the Cashless Debit Card trial continue

The decision to abolish the CDC has been made without any consultation with the regional community and the City of Kalgoorlie-Boulder remains unconsulted on how the transition will impact CDC participants, social services providers, government agencies, and the community.

Crime Statistics

Since the rollout of the CDC, from 2018 to 2022, there has been a decrease in crime in Kalgoorlie-Boulder by 57% percent overall. The top five offences which have recorded the most significant decreases are (in order): non-dwelling burglary, property damage, drug offences, dwelling burglary and stealing of motor vehicles.





Notably, from 2020 to 2021, crime rose in the City by 20% which can be attributed to the introduction of pandemic cash payments, voluntary CDP participation, and suspension of new activations onto the Cashless Debit card. When these cash payments ceased and activations resumed, the crime rate decreased from 2021 to 2022 by 46%.



With the abolishment of the Cashless Debit Card, there is no doubt that the region will need to rely more heavily on the State Government to provide additional law and order services to ensure the level of crime does not reach the unprecedented levels experienced three years prior to the introduction to the card.

Job Readiness Program

In 2018, the Goldfields Voluntary Organisation of Councils (GVROC) put forward a submission to the *Discussion Paper— Remote Employment and Participation* to the Department of Prime Minister and Cabinet.

It was proposed that under the reformed Community Development Program (CDP) model, local governments could be considered to provide CDP services. The proposal aligned with the Department's "aim to build skills, employability and opportunity; strengthen communities to achieve their goals and aspirations; enable greater community control and decision-making; and ensure good protections for job seekers."

The CDP has remained unchanged since the submission with voluntary participation now embedded into the model and anecdotal evidence demonstrating a lack of outcomes for participants in the region.

With over 3,967 people on the Cashless Debit Card in the Goldfields region and significant labour shortages by all industries, the Job Readiness Program has demonstrated improved linkages for participants to employment and training/skills development.

The introduction of the Job Readiness Program was introduced in the Goldfields region as a wrap-around service to the CDC. The Job Hubs opened in Coolgardie, Leonora, Laverton and Kalgoorlie-Boulder between February and March 2022.

The Hub opened in Kalgoorlie-Boulder in early February and to date, has assisted 279 CDC participants in accessing identification, training, PPE, licences, police or working with children clearances, drug and alcohol testing/pre-work medicals, employment or other jobready assistance.

Of the number of participants serviced, the following has been achieved:

- 80 have completed training programs;
- 10 have entered into long-term study;
- 20 have obtained their learner's permits; and
- 70 participants have entered into direct employment.

The City of Kalgoorlie-Boulder has obtained four new staff from the program ranging from Community Ranger services to lifeguards to depot workers.

Through its established programs, the Hub has become a central location for service providers to regularly gather and share their initiatives with participants; this is a first for Kalgoorlie-Boulder. The Job Support Hub is contracted to continue providing these essential links to training and jobs (currently for CDC participants) until 30 June 2023.



Recommendations

The City of Kalgoorlie-Boulder requests that the following be considered by the Senate Community Affairs Committee prior to the Repeal of the Cashless Debit Card.

- 1. In-person consultation is undertaken with the community to ensure they are directly involved in the development of alternatives to the management of welfare in the Goldfields region.
- An increase in support services is made available to fill the loss of the positive CDC outcomes experienced. This includes additional resources from the State Government to maintain law and order, uphold child and adolescent health and mental well-being, and provide social housing.
- 3. Support mechanisms are provided to assist participants in transitioning off the CDC program to a similar level that was provided during the introduction of the CDC whereby shopfronts were available to provide local support for participants.
- 4. Ensuring the continuation of the Job Readiness Program which has demonstrated a need in the community to guide and connect welfare recipients to the myriad of service providers, employment opportunities, and training programs available in the Goldfields.
- 5. No decision is made to remove the CDC program until alternative arrangements are developed and funded.

The City of Kalgoorlie-Boulder would welcome the opportunity to meet with the Committee in the Goldfields region prior to a local decision being made.



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