

29th April 2019

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Dear Special Rapporteur,

Re: Call for submissions: Thematic report to the UN General Assembly on digital technology, social protection and human rights

Introduction

- 1) In this submission, I focus on research examining the introduction of the Cashless Debit Card (the CDC) in Australia. The trial began early 2016 in both Ceduna (South Australia) and the East Kimberley (Western Australia) quarantining 80% of state benefits received by all working age people (15-64 years) in the trial sites. The Australian government has since expanded the CDC to two further trial sites, and intends to introduce this digital technology further.
- 2) The Federal legislation (the *Social Security Legislation Amendment (Debit Card Trial) Bill 2015*), passed by the Federal Coalition government with Labor support, aims to restrict cash and purchases to curb alcohol consumption, illegal drug use and gambling. The card regulates state benefits at the merchant level on restricted items. It also limits the amount of cash that can be withdrawn to 20% of the total money recipients receive. Put into figures, on a single Newstart fortnightly payment of \$538.80, it allows a recipient to withdraw \$107.76, while the remaining \$431.04 is quarantined.
- 3) The Cashless Debit Card trial targets all working age people (15-64 years) living in the trial region who receive state benefits. This compulsorily includes people receiving disability, parenting, carers, unemployed and youth allowance payments. People on the aged pension, a veteran's payment or those who earn a wage are excluded from the trial but can volunteer to take part.
- 4) The Cashless Debit Card targets Indigenous peoples. Whilst official Government communications state the card is for both Indigenous and non-Indigenous welfare recipients, both the trial sites target Indigenous people disproportionately because 75.1% in the Ceduna trial and 82.0% in the East Kimberley trial are Indigenous¹.

Concerns with the CDC

- 5) I will outline briefly my concerns with the Cashless Debit Card and Income Management more broadly below.
 - a. Despite over AU\$30 million spent, the current Cashless Card trials have not produced credible evidence to support claims of effectiveness, efficiency nor suitability, yet the Australian government continues to pursue income management.
 - b. The ORIMA evaluation (commissioned by the Australian government) is deeply flawed as outlined by the academic community and does not prove 'proof' of concept.² The Australian National Audit Office evaluation clearly finds that the ORIMA evaluation was methodologically flawed and does not provide any credible conclusions regarding the real impact of the trial. Yet, the Australian government

¹ 565 of the 752 people are Indigenous in the Ceduna trial and 984 of the 1199 people in the East Kimberley trial are indigenous (Australian Human Rights Commission 2016: 91-91). Nationally, 2.7% of the Australian population identified as being of Aboriginal and/ or Torres Strait Islander origin in the 2011 Census.

² Hunt J (2017). The Cashless Debit Card trial evaluation: a short review, Topical Issue 1, Centre for Aboriginal Economic Policy Research, Australian National University, Canberra.

continues to use this flawed evaluation as evidence to continue income management, whilst overlooking peer reviewed research.

- c. There has been over AU\$1 billion already put into income management programs, and none of these programs have proven that they meet their policy objectives.³
- d. Conversely, there is consistent evidence showing that income management and the Cashless Debit card makes life more difficult for subjected people⁴. Domestic violence increased significantly in the East Kimberley trial and government has quite intentionally overlooked this, amongst other negative social impacts.⁵
- e. Consultation for the CDC has not included people subjected to the card and their experiences are largely ignored and go unaddressed. This is extremely disempowering for some of the most vulnerable (but resilient) people in the country.
- f. For those that are struggling with addiction, a Cashless Debit Card is hardly a replacement for treatment - concerns medical specialists have already raised in their submission to the Cashless Debit Card Senate Inquiry in September 2017. The funding for so-called 'wrap-around services' to help people impacted by such problems and on the card, have not been provided in a timely fashion or separately evaluated to assess either adequacy or effectiveness. There government has also never proven why a Cashless Debit Card is preferable over properly funding community services in the first place.
- g. There is also overwhelming peer reviewed research showing that income management is harmful to people. For example:
 - i. Researchers from the Australian Research Council Centre of Excellence for Children and Families over the Life Course in late 2017 provides statistical proof of negative impacts on children, in birth weight and school attendance caused by income management in the NT. The researchers suggest several explanations for the reduction of birth weight, including that income management increased stress on mothers, disrupted existing financial arrangements within the household, and created confusion as to how to access funds. Researchers suggested implementation issues as a possible explanation for the reduction in school attendance. We also see similar stress put on households subjected to the Cashless Debit Card (see attached research).
 - ii. The Federal Government's evaluation of its compulsory income management program in the Northern Territory showed that despite the \$AU410.5 million dollars spent, the results were poor. Specifically, Bray et al. (2014) concluded: "*A wide range of measures related to consumption, financial capability, financial harassment, alcohol and related behaviours, child health, child neglect, developmental outcomes, and school attendance have been considered as part of this evaluation.... Despite the magnitude of the program the evaluation does not find any consistent evidence of income management having a significant systematic positive impact*" (Bray et al. 2014: 316).

³ See Bray JR (2016). Seven years of evaluating income management: what have we learnt? Placing the findings of the New Income Management in the Northern Territory evaluation in context. Australian Journal of Social Issues 51(4):449–468.

⁴ See also Klein and Razi (2018) 'Contemporary Tools of Dispossession: The Cashless Debit Card Trial in the East Kimberley' *Journal of Australian Political Economy*, 82: 84-106.

⁵ See: Knaus, K (2018) 'Family violence rates rise in Kimberley towns with cashless welfare', the Guardian, 12th January 2018, <https://www.theguardian.com/australia-news/2018/jan/12/family-violence-rates-rise-in-kimberley-towns-with-cashless-welfare>

- iii. Evaluators in the 2012 *Cape York Welfare Reform Evaluation* states, “the evidence suggests that the impact of the local FRC Commissioners is in their listening, guiding and supporting role, rather than in the exercising of their punitive powers to order income management” (FaHCSIA 2012: 50). Also, an evaluation of the place-based income management by Deloitte (2014) found limited positive outcomes for people put on voluntary income management and no positive outcomes for people compulsorily put on income management. The report concluded that compulsory income management should be removed (Deloitte 2015; Bray 2017).
- h. Whilst the government proposes ‘trials’ of the Cashless Debit Card in specific regions, it continues to overlook failures of the project and rather than abolishing the Cashless Debit Card, seeks to expand it to other regions subjecting more populations to its egregious and high risk impacts. We now see that the roll out of ‘trials’ is a permanent institutional arrangement, with no commitment to respond genuinely to the failed income management experiment.

Human Rights Issues:

- i. Australian domestic law is weak on human rights as there is no charter. Breaches to international conventions on human rights regarding the CDC are concerning especially relating to the Declaration on the Rights of Indigenous Peoples, the United Nations Convention on the Rights of People with Disabilities, and the United Nations Convention on the Rights of the Child, are all concerning.
 - j. Attempts to extend the Cashless Debit Card regime continued to be pursued by the Australian government even though the Parliamentary Joint Committee on Human Rights (PJCHR) has regularly pointed to proportionality problems with income management. The PJCHR found that threshold requirements for permissible limitations on human rights were not satisfied by the government’s assertions in the Human Rights Compatibility Statement accompanying the 2017 Amendment Bill. They pointed to problems with the criteria of rational connection and proportionality, noting the lack of ‘definitively positive’ evidence in relation to the CDC trials (PJCHR, Report Number 9 of 2017, 37).
- 6) I am attaching peer reviewed research into the CDC published in the Journal of Australian Political Economy which specifically outlines the settler colonial implications of the CDC and breaches to indigenous rights.

Sincerely,



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