



## Submission to the Community Affairs Committee

### Social Services Legislation Amendment (Cashless Debit Card) Bill 2017

29 September 2017

### About CSMC

The Council of Single Mothers and their Children Victoria is a non-profit organisation founded in 1969 by single mothers to improve their lives and that of their children.

CSMC advocates for the rights and interests of single mother families, focusing on poverty, social security and child support, family law and housing, and provides specialist support services.

We envision a society where single mother families are valued and treated equally and fairly.

Women become single mothers for many reasons including family violence, marital breakdown, the death of a husband or partner or an unexpected or a planned pregnancy. Negative stereotypes have resulted in misrepresentation of single mothers which we work to correct. Evidence demonstrates that poverty and the low economic status of single mothers creates more disadvantage for them and their children than the fact they are parenting alone. Significant numbers of fathers are not paying reasonable child support; most employers do not offer flexible work options; and quality childcare is unaffordable often even for two parent families. Thus, single mothers face many unique challenges that often go unrecognized in policy and the community.

CSMC believes Australia's future is dependent on the success of our children's development regardless of their parent's circumstances. Across countries, research demonstrates that the conditions under which women are able to raise their children are critical to the life outcomes for each child and thus, to the social and economic outcomes for the country.

We therefore contend it is in Australia's best interests to support and empower single mothers socially and economically.

We outline our position on the proposed amendment below.

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## CSMC's position on this Bill

Whilst we agree that the overall goals of reducing harm, assessing the value of community involvement and encouraging socially responsible behaviour are laudable, we think the trial has not provided convincing evidence of success in relation to any of the objectives sufficient to warrant further expansion.

We therefore oppose both continuation and expansion of this program in its current form.

We see merit in utilising learning from this trial and combining:

- Voluntary sign-up for the card
- Expansion of relevant services, and
- Significant investments in community empowerment and development in all the areas identified as facing the levels of hardship required to qualify for the program.

*"Get the doctors involved and do smaller studies with an emphasis on helping people. I would do it that way, not have something like this that just punishes people and makes them feel even more like life is getting away from them."*  
Single mother, Ceduna

## The way we see the trial and proposed expansion

### Objectives

We agree with the overall objectives of the Cashless Debit Card, but are concerned this program has not and will not achieve them.

- While public health measures such as plain packaging in relation to tobacco and a combination of education and penalties in the case of seatbelts show effectiveness in reducing harmful behaviour, we see the Cashless Debit Card program as substantially different.
- Critically, the Cashless Debit Card deviates from all the best evidence available in fields such as behavioural economics, behavioural change, addiction studies and public health, by exerting strong external power over not only an affected individual's income, and thereby, their ability to manage their lives, but that of a majority segment of a community.
- By relying solely on the external power, with no significant improvement in relevant support mechanisms such as available employment, detox facilities, and mental health counselling, and not even the option to come off the program as behaviour improves, this program is particularly unlikely to ever 'encourage socially responsible behaviour'.

We question the nature of community consultation that has taken place in trial areas and proposed for future areas.

- What is the negotiation process if community leaders who first supported the program, then oppose it after implementation?
- People who are most vulnerable, in any community, are usually the least likely to be in the position of community leader or among the group who are consulted and avow support.

- Too often, community leaders are employed and thus, will not be subject to the process they approve. For these leaders, ‘cleaning up’ the area and a lack of available other options contribute to their feeling desperate to participate in something that might be a remedy.

Without significant investment in appropriate support services in highly disadvantaged areas, the implementation of the cashless debit card appears to be a solely punitive measure.

- The objectives need to state clearly the commitment to provide additional supports and the nature of these.
- While it is not a popular topic, there is considerable evidence of systemic racism in many areas and this contributes to poorer outcomes and greater health problems for Indigenous Australians in particular. Service supports of all kind (education, employment, health) must address this and make a difference.
- Another issue requiring particular service responses is the despair that affects many who feel themselves powerless, and unable to join society through employment, successful education, stable housing and social well-being. The impact of this on addiction must be addressed and part of any service support.
- Focusing on the care and control of how individuals spend their money regardless of whether or not they drink or gamble penalises a whole community of people.
- This program demonstrates a considerable lack of transparency including in relation to who is providing what support, and in what manner.
- We believe an investment approach combined with community development strategies, addiction and public health evidence, and the best of place-based thinking, would provide better long-term value for these areas.

*“Since I was put on the card, it has made my depression and anxiety worse. I feel persecuted and sometimes just don’t want to go out and have to deal with it. I feel so powerless.” Single mother, Ceduna*

## Evaluations

Dr Janet Hunt is a notable Australian researcher and CSMC read her review of the early evaluation with interest and concern. We commend it to the Committee.<sup>1</sup> We also note the response of academic and social researcher Eva Cox, to methodological concerns in the final evaluation.<sup>2</sup>

We believe it is unacceptable to have such obvious methodological flaws in the evaluation of a trial program such as this, as it is having and will have considerable impact on the well-being and future of both individuals and communities.

Evaluation of an important trial such as this must have as essential attributes:

- Solid baseline data
- Highly credible participatory research methodologies which will include:
  - Mechanisms to ensure diverse groups of participants feel safe in being honest. This is particularly important in Australia given that earlier this year, the Attorney General

<sup>1</sup> Hunt, J. The Cashless Debit Card Evaluation: Does it really prove success? CAEPR Topical Issue no. 2/2017 Available at: <http://caepr.anu.edu.au/Publications/topical/2017TI2.php>

<sup>2</sup> Cox, E. ‘Much of the data used to support the welfare card is flawed’ *the Guardian* 7 September 2017 Available at: <https://www.theguardian.com/commentisfree/2017/sep/07/much-of-the-data-used-to-justify-the-welfare-card-is-flawed>

defended the release of a woman's personal information to Fairfax Media, which used it to counter her public criticism of Centrelink. Additionally, Aboriginal Australians have historically had good cause to be suspicious of government and researchers and the practice in the evaluation of this trial of requiring people to present identification, is highly likely to have impacted what they said.

- Mechanisms to enable participants themselves to examine and comment on the processes involved and to make recommendations for change. Mechanisms such as this are particularly beneficial in empowering disadvantaged and vulnerable people and in encouraging greater social awareness.
- Practical demonstrations of the daily impact of the process of using the card on people's lives.
- Rectification of the methodological issues identified in the ORIMA final report.<sup>3</sup>

The final evaluation of the Cashless Debit Card trial is cautiously optimistic and we note this. We are concerned however that there are too many issues associated with it for us to feel sufficient confidence to support its continuance without change, or its expansion in this form.

## How CSMC views the Cashless Debit Card thus far

Based on our reading and interview with participants in Ceduna, we nominate the following concerns.

1. Regardless of the manner in which people conduct themselves, if they live in a designated area and receive relevant government payments, their participation is mandatory. We find this unacceptable.
2. There appears to be no way off the Cashless Debit Card program other than employment and an independent income and in rural and remote areas where the options for both are limited, this could mean a life sentence.
3. The governance of the program, locally and nationally, demonstrates poor practice. Nationally the government has countenanced an evaluation that is methodologically flawed and insufficient for the impact and outcomes sought. Locally, exposing individuals to panel processes that are set up to grant requests for variations and in the process breach the individual's privacy, and leave them feeling humiliated.
4. Implementation was poor. Neither participants nor local professionals understood what to do.
5. Significant early problems with repayment of loans and transfers.
6. The high visibility of the program enhancing the stigma many feel.
7. Insufficient cash for everything from second hand clothes shops to children's lunch orders.
8. The Indue DCT App uses up data allowances on phones, is not available to those without a smart phone, and often confuses those who do not understand the transfer process and the delay in

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<sup>3</sup> ORIMA Research *Cashless Debit Card Trial – Final Evaluation Report* August 2017, Department of Social Services. Available at:

[https://www.dss.gov.au/sites/default/files/documents/08\\_2017/cashless\\_debit\\_card\\_trial\\_evaluation\\_-\\_final\\_evaluation\\_report.pdf](https://www.dss.gov.au/sites/default/files/documents/08_2017/cashless_debit_card_trial_evaluation_-_final_evaluation_report.pdf)

achieving an accurate balance. Additionally, all the key information in the FAQ section on the App is in densely written in English so that even information about how to use the App, protections of your privacy, and to ensure you have the right App rather than a hacked version, will be inaccessible to many.

9. The requirement to achieve a minimum spend in order to access EFTPOS. Buying a child an ice-cream at a local store then becomes an impossibility without cash and often means spending more than intended.
10. CSMC is foremost, an association of mothers. The well-being of children is always at the forefront of our thinking and we are deeply concerned at the implications of so many children seeing their mothers disempowered through this process. We have heard some children are acting out with aggression and some are saying that 'maths doesn't matter as the government does it all for you.'
11. While the card disadvantages many, it does not stop people with addictions accessing alcohol, gambling and drugs on an 'underground' market. If there is not motivation to stop and adequate services to support that intention to deal with one's addictions, the behaviour will continue. WA Council of Social Services (WACOSS) chief Louise Giolitto warned that people who have addictions often sell their EFTPOS cards at a much lower value to access alcohol or drugs. This can result in further disadvantage. Save the Children have also cautioned that people have been selling their cards at lower values. We assume the veracity of these claims based on knowing the power of addictions.
12. The costs of the program not transparent. The amount known is unacceptably high given the flawed evaluation and lack of public confidence in its processes.
13. The entire premise of the program sets taxpayers against welfare recipients. This is unacceptable.

## Recommendations

1. That if the program is to go ahead in any form, it must become voluntary and clear pathways off it for those individuals and communities that participate.
2. That community development, public health and best practice participatory evaluations are integral to any continuance.
3. That a high quality participatory evaluation is commenced as a matter of urgency and before further expansion is considered and that this incorporate education on how to be involved in such evaluations, safeguards for privacy, and mechanisms to accommodate low English proficiency and literacy.
4. The Commonwealth Ombudsman is asked to review the elements of the program that concern human rights and privacy including:
  - a. The Community Panel processes
  - b. The impact on individuals wellbeing and in particular, abilities to budget, issues of stigma, discrimination, and mental health
  - c. The processes that act to force people onto the card in the first place and then offer them no pathway to leave it and still access social security
  - d. The cultural and linguistic accessibility and safety (or otherwise) in the program
  - e. The right to access social security and an adequate standard of living, and
  - f. Whether the Cashless Debit Card program is in the best interests of all the children involved.

5. That an act of Parliament is required to expand the Cashless Debit Card and that sunset clauses are included in relation to both the current trial and any expansion

## **Conclusion**

CSMC has over 2,500 single mother members, both Indigenous and non-Indigenous. We care deeply about the outcomes for these women and their children and ask the Committee to consider our views.

We have appended below a story written from an interview we conducted with single mothers living in Ceduna, published as a blog on the CSMC website.<sup>4</sup>

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<sup>4</sup> CSMC: 'It dropped like a bomb on the town' 26 September 2017 <http://csmc.org.au/blog/>

## Anna's story

***"I want people to know what the Indue card is really like"***

Anna is a single mother of three children, nine, seven and four. They live in Ceduna where she, along with most other people receiving some form of social security payment, had to switch to the Cashless Debit Card trial. *"I've been on it since pretty much the beginning,"* Anna told us when we interviewed her on the phone.

The Indue card, as Anna refers to it, *"makes life as a single mother more difficult than usual. You just lose any control in your life. You can't even properly manage your budget and go shopping with confidence."*

Anna told us she feels that her life has become more stressful and difficult since the linking of her Parenting Payment to this card.



The Cashless Debit Card is now in place in Ceduna, Kununurra, and Wyndham and will commence in Kalgoorlie in 2018. Given the governments' predilection for trials and expansions, it is likely it will spread to many more regional and urban locations in Australia.

The government has nominated high levels of gambling, alcohol and drug use combined with high levels of welfare dependence as the reason for selecting these areas. Not much discussed though is that limited employment

opportunities also exist in these areas.

People of working age receiving income support payments, such as parenting and carers' payments, disability pension or the Newstart allowance, have these payments linked to the Cashless Debit Card. Those on age or veterans payment can volunteer to have their payments on the card. While the amount of money a person receives from Centrelink does not change, 80% of the payment is placed on the Indue card (named after the company the government has contracted to produce and manage the card), and 20% is paid into the person's regular bank account. The government and Indue say the card works in most places with Eftpos facilities but will not allow the purchase of alcohol or gambling services and will not dispense cash.

Anna told us she feels *"she has no freedom and is heavily restricted on what she can pay for using her Indue card"*. She said lack of access to cash makes her life as a single mother difficult and is not easy for her children as they see her worry all the time. Anna told us she had to save for months to afford school photographs as they only accepted cash payments. Treating her children to weekly lunch orders has become difficult and spontaneous treats at the local store are almost impossible unless, in order to do it, she spends additional money to meet the minimum purchase amount to access Eftpos with her card.

Anna said clothing prices in Ceduna are expensive but with her Indue card, she is unable to access buy/swap/sell sites and second hand stores as most of these only accept cash. On some occasions, Anna

told us, she would pay for a friend's fuel with her card in order to have them pay her back in cash. She said she finds this way of living makes it harder to budget and to save than it was before.

Anna says that since she was put on the card, *"it has made my depression and anxiety worse. I feel persecuted and sometimes just don't want to go out and have to deal with it. I feel so powerless."*

Anna described going to another town *"... but the card declines because the businesses don't accept the card. Every time this happens, I feel embarrassed and judged because the card marks me out"*. Anna told us *"It's worse when you go to another town like Port Augusta for shopping and medical appointments and big school events. You stick out so much."* She said, *"The only good thing about using it in Ceduna is that so many people are using it and there is a kind of 'safety in numbers'. It's so easy to see what the card is because there are signs all over town that mark us. so everything points to us as lazy dole bludgers"*.

We asked Anna if she could name the good things about the card. She said she doesn't think there is anything good about the Cashless Debit Card and does not believe it should continue. Whilst she acknowledged problems of alcohol, drugs and gambling, she believes this is not an effective way to address the issues. *"Get the doctors involved and do smaller studies with an emphasis on helping people. I would do it that way, not have something like this that just punishes people and makes them feel even more like life is getting away from them."* Anna told us that most people in Ceduna felt this way, and that the Cashless Debit Card was *"dropped like a bomb on the town. People receiving the card did not have enough knowledge about how the system worked and local professionals didn't have the answers either."*

Anna said that she thinks the *"statistics and interviewing are not accurately representing the people on the card."* She mentioned an evaluation exercise where interviewers stood outside the supermarket and spoke to people shopping. Anna told us she noted that most who were willing to talk were not Aboriginal people. *"There was an Aboriginal lady doing research but locals would prefer to speak with a local"*. When the results were publicised Anna said a lot of locals said *"They didn't speak to me! Where was that meeting? I didn't hear about it."*

To Anna, the Cashless Debit Card is a 'useless piece of plastic'. Technical problems with the card have caused a great deal of stress for her and for others.

Checking the balance on the card requires her to have an app on her phone. She tried this but it used up too much data space on her phone and required either Wi-Fi or a bigger data allocation. Some people she knows do not have access to a smart phone or internet, making it a serious and costly challenge to check their account balance.

Anna pointed out that once a purchase has been made, the money is not immediately removed from the balance displayed on the app and can sometimes take more than a day to be withdrawn. Anna said she rang Indue and they told her it is because the stores haven't yet done their banking. She told us this makes it difficult at times to track her finances and ensure her card will not decline. Anna also said that people who don't readily understand the cards limitations and the built in delay in internet transactions, are constantly subject to the humiliating and confusing experience of having less money than they thought they had.

Anna told us she does not believe the incidence of alcohol and drugs will reduce much by controlling how people will spend their money. She said, *“If they really want it, they will get it. Forcing people onto this form of welfare is ineffective and harmful.”*

Anna told us she is *“worried about the expansion of the Cashless Debit Card particularly because there is no real transparency about the program. The government only hears what it wants to hear and it just wants to control us all.”* Anna said, *“Single mothers are doing their best but there is no work around and for those in the outlying areas, there is even less chance.”*

Anna said she is passionate about sharing her experience, as the wider community seem to be unaware of the effects it is having. At times, Anna said she has encountered people shocked to learn she is on Cashless Debit Card as they hold the misconception that it is Indigenous people only. Anna says the jobs are just not there and that she established her own background of solid employment in another place. She says many on the card, Indigenous and not, have no criminal or drug related history and are just parenting to the best of their ability in rural Australia.

Single mothers, whether Indigenous or non-Indigenous, deserve the best support we, as a society can provide, as they raise their children.

Anna has asked us to share her story to highlight the lack of consultation with people negatively affected by the card and to stress the importance of ensuring their voices are heard as it is expanded across different regions of Australia.

*CSMC is grateful to Anna for her time and frankness. We have changed her name to protect her privacy.*