

The cashless debit card

Summary of the UnitingCare Australia submission on the *Social Security (Administration) Amendment (Continuation of Cashless Welfare) Bill 2020*

What does this Bill set out to do?

The cashless debit card (CDC) compulsorily quarantines a portion of a person's social security benefits, placing up to 80 per cent of their income support onto a card that cannot be used to withdraw cash or purchase alcohol or gambling products. This Bill seeks to:

- transition approximately 25,000 income management participants across the Northern Territory and Cape York to the CDC;
- entrench the CDC as an ongoing scheme in all existing trial sites;
- remove the requirement for an independent evaluation of the program;
- give the Minister discretionary powers to increase the proportion of funds quarantined on the card; and,
- grant the Departmental Secretary the power to revoke a wellbeing exemption or a decision that a person be exited from the program.

What are we calling for?

We are calling on the Senate to reject the Bill and recommend that a voluntary opt-in approach be adopted in relation to income quarantining, developed in consultation with communities and backed up by wrap-around supports.

We also recommend that the considerable funds expended on compulsory income management be redirected toward measures that are grounded in evidence of what works, and that tackle the underlying causes of poverty and inequality. This includes improving the adequacy of income support payments, investing in education and job creation, and funding programs and services that are community-led and reflect local needs and priorities. Measures that disproportionately affect First Peoples must support self-determination and align with the Government's stated commitment to collaboration and partnership.

Why do we oppose the expansion and continuation of the cashless debit card?

The proposal to expand and entrench the cashless debit card:

- ***is not supported by evidence***: there is no conclusive evidence that compulsory income management has any widespread or sustained benefits – either at the individual, family or community level;
- ***is poorly targeted***, with evaluations and studies showing most of those subject to compulsory income management do not have substance abuse or gambling issues, and providing no evidence that the groups singled out under the scheme are the groups presenting the highest risk of engaging in target behaviours;
- ***is not cost-effective***, diverting considerable funds away from evidence-based programs and under-resourced services;
- ***has not been developed through genuine consultation***;
- ***undermines self-determination*** by First Peoples;
- does not address ***logistical and technical problems***, which may be compounded in areas lacking consistent and reliable communications infrastructure;
- may lead to ***unintended consequences*** and ***create or exacerbate social problems***, including the very problems the CDC is meant to remedy.