

Submission to the Senate Community
Affairs Legislation Committee on the
Social Security (Administration)
Amendment (Income Management and
Cashless Welfare) Bill 2019

The Accountable Income Management
Network, March 2019

Email: contactaimnetwork@gmail.com

Website: accountableincomemanagementnetwork.wordpress.com

Table of Contents

Introduction	3
About the Accountable Income Management Network	4
Key Concerns about the Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019	5
Problematic Use of ‘Community’ and ‘Consultation’ to Justify Implementation	5
Human, Economic, Social and Cultural Rights Implications	6
Reliance on Flawed and Dated Evaluation	9
Misreported and Missing Information	9
Lack of Financial Accountability and Cost of Administration	9
Lack of Appropriate Investment in Wraparound Services	12
When Is a Trial No Longer a Trial?	12
Further Concerns	13
Conclusion and Recommendations	14
Appendix A: Network Member Endorsements	15

Introduction

The Accountable Income Management Network welcomes the invitation to respond to the *Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019* (the Bill).

This Bill seeks to make several key changes to the *Social Security (Administration) Act 1999* in order to extend the period under which persons can be referred to Income Management across Cape York Welfare Reform communities in Queensland (Aurukun, Coen, Hope Vale, Mossman Gorge and Doomadgee), and to extend the Cashless Debit Card trial in three sites (the Ceduna, East Kimberley and Goldfields areas).

We strongly recommend the rejection of both this Bill and of compulsory income management regimes in Australia on the grounds that:

- Compulsory income management in the form of both Income Management and the Cashless Debit Card **do not achieve the results claimed and have been proven to cause significant harm;**
- the **distress, shame and hardship that compulsory income management causes to people** (disproportionately Indigenous peoples in the first two CDC trial sites and in Cape York), **is based on a false assumption that stripping people of autonomy and dignity will solve serious health and social issues;**
- the application of **compulsory income management is in violation of both human and consumer rights;**
- the **Financial Impact Statement for the Bill does not provide any costing for the extension of the CDC and IM** until 30 June 2020. The absence of this financial information does not provide the members of Parliament with sufficient evidence on which to base their decision and their vote regarding the Bill, and does not demonstrate sound financial management. It is recommended that Senators and Parliamentarians should not be asked to vote on a Bill in the absence of an indication of the cost of implementing the Bill.

We also refer readers to the AIMN's July 2018 submission to the Senate Community Affairs Legislation Committee on the *Social Services Legislation Amendment (Cashless Debit Card Trial Expansion) Bill 2018*, which has been submitted as a supplementary document to the present submission.

The AIMN reiterates that it is fundamentally inappropriate, discriminatory and harmful to attempt to enforce behavioural change in income support recipients through the imposition of compulsory income management.

About the Accountable Income Management Network

The Accountable Income Management Network (AIMN) is a nation-wide group of community members; representatives of national, state and local non-government organisations and community bodies; academics; social researchers and public policy experts. Our members have a strong commitment to social justice and human rights and are concerned about the provision of equitable and appropriate social security support to economically marginalised Australians. The AIMN is concerned in particular with the issues raised by compulsory income management through such programs and trials as Income Management and the Cashless Debit Card.

Key Concerns about the Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019

This submission raises the following key concerns in relation to the current Bill, which proposes that Cape York Income Management (IM) be extended a further year till 1 July 2020, and that the Cashless Debit Card (CDC) trials be extended in the Ceduna, East Kimberley and Goldfields areas until 30 June 2020 (matching the current end date for the Bundaberg and Hervey Bay area trial site).

The AIMN recognises that both the Cape York IM program and the CDC trials fall under the broader category of income management, characterised by the imposition of welfare quarantining and punitive sanctions on income support recipients.

Problematic Use of ‘Community’ and ‘Consultation’ to Justify Implementation

The CDC trials have been expanded and extended into community after community despite a clear lack of appropriate community consultation as well as the concern and consistent critique voiced by community members, academic experts and non-government organisations working in direct service provision.

In current trial sites, consultation has been demonstrably tokenistic and partial. By selectively engaging with hand-picked community members and organisations, the government has been able to promote the fiction of ‘community support’ and ‘community consultation’. Despite this, the government’s Explanatory Memorandum continues to state that sites have been chosen ‘due to strong levels of community support in each of the trial sites. This support remains today...’¹. According to reports from the Australian Unemployed Workers’ Union (AUWU)² and the Queensland Council of Social Service (QCOSS)³, as well as extensive media coverage of the current CDC trial sites, this apparent support- as claimed by the proponents of the trials- clearly misrepresents the diversity of community perspectives on the CDC. According to QCOSS’ pre-trial survey in the Bundaberg and Hervey Bay area, 75% of respondents opposed the CDC trial in its current form⁴.

Both the CDC and Cape York IM have been rolled out on the basis of postcode rather than individual participant requirements. This leads to the further issue that ‘community’ in government parlance has tended to mean geographic area rather than target demographic. The government has attempted to use this geographic targeting to justify claims that the CDC

¹ Explanatory Memorandum, Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019, p. 5.

² <http://unemployedworkersunion.com/wp-content/uploads/2019/02/Ceduna-AUWU-Report-FINAL-VERSION-2019-1.pdf>

³

https://www.qcross.org.au/sites/default/files/QCOSS%20Cashless%20Debit%20Card%20Trial%20Hinkler%20Survey%20Results_1.pdf

⁴

https://www.qcross.org.au/sites/default/files/QCOSS%20Cashless%20Debit%20Card%20Trial%20Hinkler%20Survey%20Results_1.pdf p. 9.

in particular is not racially discriminatory⁵, but this misses the point of income management programs inappropriately targeting whole communities on the basis of partial consultation and imprecise selection.

The only consultations that should be considered relevant to the implementation and expansion of social security policies are those that prioritise engagement with individuals who will be *directly targeted* by such policies. Further, any consultation with this stakeholder group can only be valid if it is underpinned by the principles of Free, Prior and Informed Consent⁶.

Human, Economic, Social and Cultural Rights Implications

The Bill's Statement of Compatibility with Human Rights includes a discussion of the ways in which Cape York IM and the CDC engage with and limit a range of rights. We address each of the rights raised in turn below, highlighting key concerns regarding the infringement of compulsory income management on the rights of social security recipients, which are neither reasonable nor proportionate in light of the Bill's stated objectives.

The right to social security

The government has recognised that the Bill limits Article 9 of the International Convention of Economic, Social and Cultural Rights (ICESCR), which recognises the right to social security at a 'minimum essential level'⁷. However, through the partial quarantining of income support payments, the CDC and IM further engage and limit rights enshrined in Article 11 of the ICESCR, which recognises 'the right of everyone to an adequate standard living for himself and his family, including adequate food, clothing and housing, to the continuous improvement of living conditions'⁸. This has not been the case under the CDC, where the final government-commissioned evaluation report noted that 32% of participants reported that the trial had made their lives worse⁹.

The right to a private life

The AIMN is concerned with the government's statement that the 'limitation on the right to a private life is directly related to the objectives of reducing harms'¹⁰. Noting that the Bill engages participants' right to privacy, the government mentions in the Explanatory Memorandum that Section 124PN of the Bill 'allows the disclosure of information to the Secretary by a financial institution [Indue]... It [allows] the sharing of information necessary

⁵ Explanatory Memorandum, Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019, p. 9.

⁶ <https://www.ohchr.org/Documents/Issues/ipeoples/freepriorandinformedconsent.pdf>

⁷ Explanatory Memorandum, Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019, p. 6.

⁸ <https://www.ohchr.org/en/professionalinterest/pages/cescr.aspx>

⁹ https://www.dss.gov.au/sites/default/files/documents/08_2017/cashless_debit_card_trial_evaluation_-_final_evaluation_report.pdf p. 82

¹⁰ Explanatory Memorandum, Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019, p. 8.

for the operation and evaluation of the program¹¹. However, it is highly concerning that there is no clarity provided on the type of information considered by the government to be necessary for the operation and evaluation of the CDC. The legislation only notes that there is a three-way information sharing process between the Department of Human Services, Indue (the card provider), and the Department of Social Services¹². With no transparency on this issue, the extent to which participants' information is shared without their direct knowledge and consent is unknown. This intrusion into people's digital rights and digital sovereignty is contrary to the right to privacy.

The right to equality and non-discrimination

Compulsory income management programs in Australia have been explicitly developed and trialled in Indigenous communities or communities with a high proportion of Indigenous residents. The AIMN reminds readers that the implementation of the first wave of compulsory income management in Australia - Income Management as part of the Northern Territory Emergency Response - was made possible by the suspension of the *Racial Discrimination Act 1975*. The present Bill's Explanatory Memorandum states that the CDC 'is not applied on the basis of race or cultural factors'¹³ and that the proportion of Indigenous participants across the four trial sites has dropped with expansion to around 33%¹⁴. However, it fails to note that when the program commenced in Ceduna and the East Kimberley, Indigenous participants made up 75% and 80% of all participants¹⁵, respectively. Further, even though Indigenous participants now make up around 33% of all trial participants, this is still 10 times the percentage of identified Aboriginal and Torres Strait Islander peoples in Australia¹⁶. Cape York IM is also targeted specifically at Indigenous income support recipients in the selected communities.

The right to self-determination

While the Statement of Compatibility with Human Rights states that the extension of the CDC and IM 'will not impact on or interfere with a person's right to pursue freely their economic, social or cultural development,' this has been demonstrably untrue. Socioeconomic hardship coupled with the stigma of living under compulsory income management undermines participants' agency and constrains their ability to freely pursue meaningful economic, social and cultural engagement. For example, in the Ceduna area, some CDC participants reported that financial constraints caused by the CDC have prevented them from engaging in

¹¹ Explanatory Memorandum, Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019, p. 8.

¹² Explanatory Memorandum, Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019, p. 8.

¹³ Explanatory Memorandum, Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019, p. 9.

¹⁴ Explanatory Memorandum, Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019, p. 9.

¹⁵ ORIMA Research 2017, *Cashless Debit Card Trial Evaluation: Final Evaluation Report August 2017*, Department of Social Services, p. 37.

¹⁶ <https://www.abs.gov.au/ausstats/abs@.nsf/mf/3238.0.55.001>

community events, resulting in social isolation and detrimental effects on their mental health¹⁷.

The right to an adequate standard of living

The government claims that compulsory income management does not negatively impact participants' ability to obtain an adequate standard of living. However, this is undermined by the government's own commissioned evaluation - the final ORIMA report explicitly acknowledged that people are restricted in their ability to engage in cash-based transactions, such as to obtain affordable second-hand goods or pool resources to collectively purchase more expensive items, such as a car¹⁸. A recent peer-reviewed research article also indicates that the CDC may negatively affect the amount of produce that consumers are able to obtain for their dollar in supermarket transactions¹⁹.

The rights of children

The government claims that welfare quarantining 'advance[s] the right of children to the highest attainable standard of health and the right of children to adequate standards of living'²⁰. However, as noted in the ORIMA evaluation of the CDC, 24% of participants reported that their child/children's lives were worse as a result of the CDC, with only 17% of participants indicating that there had been an improvement²¹. In the case of Cape York IM, the recent government-commissioned evaluation by QUT researchers failed to present significant quantitative evidence for an improvement in overall child safety and wellbeing across IM communities, relying largely on qualitative anecdotal evidence²². Cape York IM also failed to lead to a significant increase in school attendance over the 2013-2017 period²³.

Articles 5 of both the ICESCR²⁴ and the International Covenant on Civil and Political Rights²⁵ make similar statements noting that states do not have the right to destroy the rights or freedoms of individuals, or to limit them beyond the extent defined in each Covenant. However, as highlighted in the above responses, compulsory income management clearly

¹⁷ <http://unemployedworkersunion.com/wp-content/uploads/2019/02/Ceduna-AUWU-Report-FINAL-VERSION-2019-1.pdf> p. 12-13

¹⁸ https://www.dss.gov.au/sites/default/files/documents/08_2017/cashless_debit_card_trial_evaluation_-_final_evaluation_report.pdf p. 89

¹⁹ Greenacre, L & Akbar S 2019, 'The impact of payment method on shopping behaviour among low income consumers', *Journal of Retailing and Consumer Services*, vol. 47, pp. 87-93.

²⁰ Explanatory Memorandum, Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019, p. 12.

²¹ https://www.dss.gov.au/sites/default/files/documents/08_2017/cashless_debit_card_trial_evaluation_-_final_evaluation_report.pdf p. 80

²² https://www.dss.gov.au/sites/default/files/documents/12_2018/final-report-strategic-review-cape-york-income-management.pdf p. 56-61

²³ https://www.dss.gov.au/sites/default/files/documents/12_2018/final-report-strategic-review-cape-york-income-management.pdf p. 56

²⁴ <https://www.ohchr.org/en/professionalinterest/pages/cescr.aspx>

²⁵ <https://www.ohchr.org/en/professionalinterest/pages/ccpr.aspx>

engages in the unreasonable and disproportionate limitation of a range of fundamental rights.

Reliance on Flawed and Dated Evaluation

The CDC also continues to be extended and expanded on the back of the flawed government-commissioned ORIMA evaluations, conducted in the two original trial sites of Ceduna and the East Kimberley region. It is concerning that the government continues to rely on a demonstrably inadequate report from 2017 to support the expansion of the CDC nearly two years on. We refer readers to the section 'Reliance on Flawed Evaluation' in our attached 2018 submission for a more in-depth discussion of the issues with the ORIMA evaluation reports.

The recently released *Cashless Debit Card Baseline Data Collection in the Goldfields Region: Qualitative Findings* continues this disappointing trend. The report does not capture baseline conditions in the Goldfields region, as data collection began months after the commencement of the CDC in this area. Further, only qualitative findings are presented, and there was no reference to supplementary administrative data. The report also notes that just over half of stakeholders interviewed were not CDC trial participants, but were instead government employees or employees of partner organisations, community organisations etc. Despite these issues, however, the Goldfields report highlights the same issues raised in both ORIMA evaluations, most significantly: lack of consultation with participants to determine their consent for the trial to proceed, insufficient information provided to participants about the CDC, stigma and discrimination associated with using the CDC and being placed on compulsory income management, and technical issues²⁶.

Misreported and Missing Information

The Bill's Explanatory Memorandum lists 'determin[ing] whether such a reduction decreases violence or harm in trial areas' as an objective of the CDC. As noted by the Australian National Audit Office, 'it is unclear whether the CDC has had any positive effect on reducing violence or rates of harm' due to both inadequate monitoring and evaluation and a lack of available public information²⁷. Please refer to the section 'Misreported and Missing Information' in our attached 2018 submission for further detail.

Lack of Financial Accountability and Cost of Administration

This submission wishes to draw the Committee's attention to the Financial Impact Statement included in the Explanatory Memorandum to the Bill²⁸ and the government's 2018-19 Mid-

²⁶

https://www.dss.gov.au/sites/default/files/documents/02_2019/cdc_baseline_qualitative_data_collection_-_goldfields_region.pdf p. 6-7.

²⁷ Australian National Audit Office 2018, *The Implementation and Performance of the Cashless Debit Card Trial*, Australian National Audit Office, Commonwealth of Australia.

²⁸ Explanatory Memorandum, Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019, p. 1.

Year Economic and Fiscal Outlook (MYEFO)²⁹. The Minister for Families and Social Services, Paul Fletcher, used the MYEFO process to announce a 12-month extension of the Cashless Debit Card in the Ceduna, East Kimberley and the Goldfields regions in December 2018. The MYEFO also included the expansion of the CDC to Bundaberg and Hervey Bay in Queensland.

The Bill's Financial Impact Statement indicates that the extension of the timeframe until 30 June 2020 for all current Income Management locations (excluding the Cashless Debit Card) will cost an extra \$70.8 million. Based on the latest available Income Management Summary Data provided by the Department of Social Services, as at 30 March 2018, there were a total of 24,314 customers across Australia with an active BasicsCard.³⁰ The additional cost of \$70.8 million for the extension of Income Management to 30 June 2020, equates to an estimated administration cost of approximately \$2,912 over 12 months per person on the BasicsCard. When broken down on a weekly basis, this administration cost would equate to approximately \$56 per week per recipient over 12 months.

Further, while the Explanatory Memorandum quotes a figure for investment across all income management sites while referring to extension of Cape York Income Management, it is unclear how much of this money will actually reach Cape York communities subject to IM.

Regarding the extension of the Cashless Debit Card in all areas to 30 June 2020, both the MYEFO and the Financial Impact Statement indicate that the financial impact over the forward estimates is 'not for publication as negotiations with commercial providers are yet to be finalised'³¹.

The lack of financial information regarding the extension of the Cashless Debit Card is of great concern. Not only does it not provide the members of Parliament with sufficient evidence on which to base their decision and their vote regarding the Bill, but it also lacks transparency and does not demonstrate sound financial management. Senators and Parliamentarians are being asked to vote on a Bill in the absence of an indication of the cost of implementing the Bill.

When considering the administrative cost of the CDC and in the absence of transparency or the availability of financial costings from the Department, one can only speculate on the future administration cost of extending the timeframe for the Cashless Debit Card to 30 June 2020. According to the Honourable Linda Burney in her response to the Second Reading of the *Social Services Legislation Amendment (Cashless Debit Card Trial Expansion) Bill 2018* in the House of Representatives (21 June 2018), the current accrued cost of the Cashless Debit Card trial was approximately \$24 million for the two existing sites to 15 March 2018 - equating

²⁹

<https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22publications%2Ftabledpape rs%2F72be9b9f-1eee-4bf0-81a4-31739407e7a0%22>

³⁰ Australian Government Department of Social Services Income Management Summary Data as accessed on 27 February 2019 at <https://data.gov.au/dataset/ds-dga-3b1f1fb7-adb5-48ea-8305-9205df0a298c/distribution/dist-dga-986ef7fe-1ba8-460e-b1c4-2cf00145a948/details?q=>

³¹ Explanatory Memorandum, Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019, p. 1.

to \$9,716 per cardholder to administer³². A consideration of previous costings may serve to provide some limited indicative information: In response to a freedom of information request, the Department of Social Services provided information on the cost of implementing and administering the Cashless Debit Card trial in Ceduna and the East Kimberley from 1 July 2015 to April 2017, indicating an amount of \$18.9 million (GST exclusive)³³. This was disaggregated as an administrative cost of approximately \$10,000 per cardholder over approximately 22 months.

More than half (\$9.8 million) of the total administrative cost of \$18.9 million was paid to Indue Pty Ltd, a private company contracted by the government to administer the Card. This submission argues that the outsourcing of the administration of the Card and the expansion/extension of the Card simply increases the wealth of private entities such as Indue and increases the overall cost of social security provision, without providing benefits for the individuals and communities affected.

Given the economies of scale and the increase in the number of people on the CDC (estimated at 2,470 in Ceduna, the East Kimberly and the Goldfields as at 30 March 2018³⁴), and noting that the timeframe for the Queensland trial was already determined to be 30 June 2020 and so will not be considered here, the cost of administration per cardholder is likely to have been reduced over time. In the absence of transparent information from the Department of Social Services, public commentary has suggested that the administration cost of the CDC may now be approximately \$7,000 per cardholder, equating to an approximated \$130 per week. Based on this latter estimation, the cost of extending the CDC across the three existing sites (2,470 participants) until July 2020 will amount to approximately \$17 million.

Hypothetically, if part of the additional cost of \$56 per week for people on the BasicsCard and part of an approximated \$130 per week for people on the CDC were to be re-directed to increasing the weekly income support payment of recipients on the BasicsCard and the CDC, rather than to Indue and Centrelink, this expenditure would make a considerable difference to those receiving low payments such as Newstart, which is currently \$160 per week *below* the poverty line.

The estimated cost of administering the BasicsCard as well as the CDC through outsourcing the latter to a private company points to the Coalition government's availability of budget funds, enabling it to afford the administration of both Cards. While acknowledging that the administration of any system incurs costs and that this expenditure needs to be allocated, the AIMN proposes that, rather than directing these funds to the maintenance of these punitive programs, the Department of Social Services should redirect part of these funds to increasing

³²

<https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22chamber%2Fhansard%2F5d1aabc6-2984-42d1-bf5e-3f493db56d60%2F0042%22>

³³ https://www.dss.gov.au/sites/default/files/documents/11_2017/foi_request_no._17_18-032_-_attachment_a.pdf

³⁴ Australian Government Department of Social Services Income Management Summary Data as accessed on 27 February 2019 at <https://data.gov.au/dataset/ds-dga-3b1f1fb7-adb5-48ea-8305-9205df0a298c/distribution/dist-dga-986ef7fe-1ba8-460e-b1c4-2cf00145a948/details?q=>

the amount of social security payments and/or to providing adequate social support services to address the needs of income support recipients.

Lack of Appropriate Investment in Wraparound Services

The AIMN reiterates points made in our previous submission regarding the expansion of the CDC addressing the importance of wraparound services to address social issues. After nearly three years of the CDC, the government still appears not to have grasped the fact that social issues such as alcohol and other drug dependence, family violence, financial mismanagement and other challenges are best addressed by comprehensive and sustained investment in targeted and non-discriminatory community services, rather than punitive income quarantining.

The QCOSS report on community perspectives on the CDC in the Bundaberg and Hervey Bay area, covering the period just prior to roll-out, highlights several key issues. 62% of organisations in the area reported that they did not know whether their service would have sufficient resources to address issues targeted by the CDC, i.e. alcohol, drugs, gambling and youth unemployment³⁵.

It is highly concerning that a majority of community sector organisations in the Bundaberg and Hervey Bay area felt unprepared to manage issues associated with the CDC within the two months prior to roll-out in that area. This indicates that the government's statement that the CDC is 'not a panacea'³⁶ is disingenuous, as there is no serious investment in building organisational capacity and providing resources to community sector organisations involved in direct service provision to CDC participants.

This is further corroborated by data gathered by the AUWU in their report on the August 2018 road trip to Ceduna and surrounding communities affected by the CDC. The AUWU noted that 'individuals raised the need for collaborative decision-making processes, peer-based consultation and engagement'³⁷ regarding the delivery of social support in Ceduna. The fact that these concerns have not been addressed nearly three years after the commencement of the CDC trial in this area is unacceptable.

Please refer to the section 'Disinvestment in Wraparound Services' in our attached 2018 submission for further detail.

When Is a Trial No Longer a Trial?

The government continues to discuss the Cashless Debit Card as a 'trial' even though it operates as a fully-fledged income management program.

³⁵

https://www.qcross.org.au/sites/default/files/QCOSS%20Cashless%20Debit%20Card%20Trial%20Hinkler%20Survey%20Results_1.pdf p. 11.

³⁶ <https://www.dss.gov.au/families-and-children/programmes-services/welfare-conditionality/cashless-debit-card-overview>

³⁷ <http://unemployedworkersunion.com/wp-content/uploads/2019/02/Ceduna-AUWU-Report-FINAL-VERSION-2019-1.pdf> p. 16.

When the CDC was first introduced in Ceduna and the East Kimberly in 2016, recipients of the CDC were told that it would be a 12-month trial. In Ceduna, a memorandum of understanding was signed on the basis that the trial would last for 12 months. Community members had understood that at the end of the stipulated trial period they could review the CDC, and that if they did not wish to continue with the scheme, it would be ended. The memorandum was not adhered to by government and the so-called 'trial' is now in its fourth year, with the proposed Bill extending it into a fifth year. The government has not consulted the cardholders or broader community about whether they wish the trial to continue or not.

It is unreasonable and disingenuous of the government to conveniently frame the CDC as a trial, with the attendant room for error that this status affords. The government states that an extension of the CDC in all areas until 30 June 2020 'will provide sufficient time for the findings of a second evaluation of the program to be finalised'. However, this is inconsistent with the Department of Social Services' report to Senate Estimates that data collection for the evaluation report will be completed by June 2019, with the report to be released shortly thereafter³⁸. Based on this inconsistency alone, there is no clear justification for the extension of the CDC past mid-2019.

Further Concerns

The AIMN also reiterates the following concerns raised in our prior submission to the Senate Community Affairs Legislation Committee regarding the expansion and extension of the CDC trials (please refer to our attached 2018 submission for further detail):

- The proposition that the CDC should be expanded past the existing trial sites has emerged despite the fact that **both the continuation of the trial in original sites and its further expansion were only supposed to occur on the basis that the initial evaluation demonstrated success**³⁹.
- The **lack of requirement for the Secretary to consider the detrimental effects of the CDC on a participant's wellbeing prior to their enrolment in the trial** is of great concern, as it forces the burden of proof of hardship on to income support recipients.
- The Bill's proposition for the **Secretary to make determinations on varying the restricted payment amount by notifiable rather than legislative instrument** for the Bundaberg and Hervey Bay region only, is concerning as the former is not subject to Parliamentary scrutiny.

³⁸ https://parlinfo.aph.gov.au/parlInfo/download/committees/estimate/64b01c89-753c-47a4-96a1-f44ec77b6742/toc_pdf/Community%20Affairs%20Legislation%20Committee_2019_02_21_6954.pdf;fileType=application%2Fpdf#search=%22committees/estimate/64b01c89-753c-47a4-96a1-f44ec77b6742/0000%22 p. 43

³⁹ http://parlinfo.aph.gov.au/parlInfo/download/media/pressrel/3996105/upload_binary/3996105.pdf;fileType=application%2Fpdf#search=%22media/pressrel/3996105%22.

Conclusion and Recommendations

All forms of compulsory income management in Australia - including the Cashless Debit Card and Income Management in Cape York - should be immediately abandoned in favour of a properly resourced social safety net that supports agency, wellbeing and development, with readily available services and programs that are responsive to local communities; providing timely and proactive support when, where and how it is needed.

The AIMN strongly recommends the rejection of both this Bill and of compulsory income management regimes in Australia on the grounds that:

- Compulsory income management in the form of both Income Management and the Cashless Debit Card **do not achieve the results claimed and have been proven to cause significant harm;**
- the **distress, shame and hardship that compulsory income management causes to people** (disproportionately Indigenous peoples in the first two CDC trial sites and in Cape York), **is based on a false assumption that stripping people of autonomy and dignity will solve serious health and social issues;**
- the application of **compulsory income management is in violation of both human and consumer rights;**
- the **Financial Impact Statement for the Bill does not provide any costing for the extension of the CDC and IM** until 30 June 2020. The absence of this financial information does not provide the members of Parliament with sufficient evidence on which to base their decision and their vote regarding the Bill, and does not demonstrate sound financial management. It is recommended that Senators and Parliamentarians should not be asked to vote on a Bill in the absence of an indication of the cost of implementing the Bill.

Appendix A: Network Member Endorsements

The Accountable Income Management Network has received formal endorsement of this submission from the following organisations.

Australian Council of Social Service (ACOSS)

Australian Unemployed Workers' Union

Centre for Excellence in Child and Family Welfare

Consumer Action Law Centre

Queensland Council of Social Service (QCOSS)

Uniting Communities