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AHURI Submission to Social Security (Administration) Amendment (Continuation of Cashless Welfare) Bill 2020

AHURI PROFESSIONAL SERVICES

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About AHURI

As the only organisation in Australia dedicated exclusively to housing, homelessness, cities and related urban research, AHURI is a unique venture. Through our national network of university research partners, we undertake research leading to the advancement of knowledge on key policy and practice issues.

AHURI research informs the decision-making of all levels of government, non-government sectors (both private and not-for-profit), peak organisations and the community, and stimulates debate in the media and the broader Australian community.

Our mission is to inform and impact better housing, homelessness, cities and related urban outcomes through the delivery and dissemination of relevant and authoritative research. To achieve this mission we deliver four key programs.

National Housing Research Program

AHURI's National Housing Research Program (NHRP) invests around \$4 million each year in high quality policy-oriented housing research and associated activities. We broker engagement between policy makers, key stakeholders and researchers. This allows us to undertake research that is immediately relevant and actively contributes to national housing policy development.

Our network of university research partners conducts research on key policy issues utilising a variety of research activities. This ensures the flexibility to undertake longer-term projects when fundamental research is needed, while also responding quickly to new strategic policy issues as they arise.

Australian Cities Research Program

AHURI is actively broadening its scope to consider the role, functioning and policy questions facing Australian cities. We are enhancing our significant evidence base on housing and homelessness policy and solutions, and consolidating our role in delivering integrated and robust evidence to guide policy development. We are investing in and developing partnerships for an Australian Cities Research Program. AHURI is working with governments and relevant stakeholders to expand our role in delivering research that informs urban policy and the shaping of cities in Australia.

Professional Services

AHURI Professional Services draws on our in-depth understanding of housing, homelessness, cities and urban policy and the expertise of AHURI's national network of Research Centres. We deliver evidence reviews and synthesis, policy engagement and transfer, and are experts in research management and brokerage.

Conferences, events and engagement

Our conferences, events and communications stimulate professional and public dialogue. We disseminate research in innovative ways and engage with government, private, not-for-profit sectors and the community.

National Network of AHURI Research Centres

There are currently eight AHURI Research Centres across Australia:

- AHURI Research Centre—Curtin University
- AHURI Research Centre—RMIT University
- AHURI Research Centre—Swinburne University of Technology
- AHURI Research Centre—The University of Adelaide
- AHURI Research Centre—The University of South Australia
- AHURI Research Centre—The University of New South Wales
- AHURI Research Centre—The University of Sydney
- AHURI Research Centre—University of Tasmania.

AHURI submission

The Social Security (Administration) Amendment (Continuation of Cashless Welfare) Bill 2020 seeks to remove trial parameters to establish the Cashless Debit Card (CDC) as an ongoing program, and transitions Income Management (IM) in the Northern Territory (the NT) and the Cape York region to the CDC. According to the Explanatory Memorandum, the Bill will permit:

- people to voluntarily participate in the program in Bundaberg and Hervey Bay;
- voluntary participants to continue to participate even if they no longer reside in a program area;
- the Secretary to advise a community body when a person has exited the CDC program;
- the Minister to determine decision-making principles for the purposes of determining whether a person can demonstrate reasonable and responsible management of the person's affairs (including financial affairs);
- the Secretary to review a wellbeing exemption or exit determination in certain circumstances and revoke the determination as a result of such review;
- the Secretary to issue a notice informing the person that they are a CDC program participant. The Secretary may also issue a notice revoking that notice.

The Bill also:

- improves the workability of the evaluation process; and
- extends the sunset date for IM in Cape York, Queensland from 30 June 2020 to 31 December 2021.

This Bill continues and further extends welfare conditionality in Australia by moving what was a series of trials of the Cashless Debit Card, that commenced in 2015, into an ongoing program. The trial sites were selected with regard to the presence of significant issues of reliance on welfare and of social harm relating substance use, gambling and crime. While the measures are not targeted explicitly by race, in practice many of the trial areas have large Aboriginal communities.

We note that recent legislative changes have moderated some of the issues with the original arrangements around income management and cashless welfare, such as excluding Aged Pension recipients for compulsory income management in the Northern Territory. However the proposed changes otherwise extend and entrench the program before it has been properly assessed.

Rationale

The rationale for the cashless welfare card rests on its perceived value in changing behaviours and reducing short and medium term harm for individuals, families and communities, such as family violence and child neglect.

However, by utilising compulsory measures, the program potentially undermines other important and valid principles such as:

- individual autonomy
- trust and engagement in government or government funded services.

There is some evidence that the schemes have had negative impacts on mental health of those affected, and that many of those under income management have not had substance or gambling issues prior to being put on income management (Marston et al. 2020).

AHURI research has explored the issues of welfare conditionality and how to balance the goals of welfare improvement, mutual respect and trust (Moran et al. 2016). Other AHURI research on Indigenous mobility in remote areas is also relevant for understanding the important role for services in engaging those shamed or disconnected from Aboriginal communities like itinerant homeless persons (Habibis et al. 2011).

Communication and community support for schemes

A vital aspect for success of a program such as CDC is the degree to which the scheme is supported by the local community across an array of stakeholders and participants. This is especially the case for those whom it affects the most, including people in Aboriginal communities. The program logic for change should be evidence based, and take into account local community norms. For example, norms around reciprocity, mutual obligation and respectful relationships were important for the initial model in Cape York (Moran et al. 2016).

Successful approaches of conditionality have been tailored to local concerns, have regard to local social capital and consider both positive and negative incentives (Moran et al. 2016). Since the CDC program has been largely imposed from outside the communities, the processes of information provision, community consultation and engagement and support are vital. These processes should be transparent, culturally relevant and respectful.

AHURI note that the baseline data from the second evaluation indicate that views are divided around the value of the program, and there is a perception there has been inadequate consultation. This is despite attempts by DSS to have store fronts and other consultation mechanisms. Further consultation may be needed to understand why this is the case. We would draw attention to AHURI research on good engagement processes including around a 'recognition space'.

Transparency in processes for exit or exemption from program

The legislation requires that to exit the program, the person must be able to 'demonstrate reasonable and responsible management of the person's affairs (including financial affairs)'. An individual's capacity to prove their ability to manage their own affairs is impeded by the constraint the program imposes on the individual to actually freely manage their affairs.

The solution offered by this legislation is for the Minister to determine principles to guide decision-making by the Department, apparently based on data available from the Department. While the intent appears to be to avoid a cumbersome approach which requires too much of participants, the approach may lack transparency. It is not clear what role is given to local communities or individuals concerned in decision making.

Stigmatising language in the RIS

The Regulation Impact Statement (RIS) contains stigmatising language, such as the use of terms 'problem gambling', 'alcohol misuse', and 'drug abuse'. These are all terms that experts in the fields of gambling, drug and alcohol research now suggest should be avoided since they attribute blame to those who may have difficulties with gambling or consumption of alcohol or substances (ICRG 2020; ADF 2020; Wilson 2020). Even the term 'welfare dependency' has been challenged, as it can reinforce stereotypes that people receiving welfare are poorly motivated (Hanna 2019).

The RIS problematically links the issues of substance use, gambling, alcohol and welfare receipt without adequate justification. This ignores other contributing factors like lack of employment opportunity, poverty and inter-generational disadvantage, that recent baseline evaluation reports make clear are issues in these communities.

Inconclusive evaluation evidence to support the CDC

The explanatory memorandum for the Bill largely relies on the evaluation evidence from the first evaluation study by ORIMA (for Ceduna and East Kimberley), notwithstanding the fact that the Australian National Audit Office (ANAO 2018) found significant issues with the contracting and conduct of the research which undermined the credibility of its findings.

The only other review evidence around the trials is from *baseline* data for Goldfields from the University of Adelaide from February 2019 (Mavromaras et al 2019) and for Hervey Bay and Bundaberg from December 2019 and May 2020 (Moskos et al. 2019; Mavromaras et al. 2020). All this data was collected at the start of the trials. As a consequence it is as yet too early to measure the impact of the scheme in those locations.

The qualitative data from these baseline reports find that some things 'appear to be working well' including 'anticipated outcomes of the policy' (e.g. apparent reduced alcohol usage), but there were issues relating to the perceived effectiveness of the policy itself' (Moskos et al. 2019:6-7). Other independent research raises questions about the impact of these programs, and suggests there is not sufficient evidence of benefit from the program, and some evidence of harm (Marston et al. 2020).

The explanatory memorandum for the Bill has cited evidence from the second impact evaluation selectively, in relation to alcohol consumption, illicit drugs and problem gambling, while not considering wider issues the evaluation raised.

Changes to review evaluation

The Bill introduces a change to the way reviews of the CDC are evaluated. The Bill seeks 'to remove the statutory requirement that an evaluation be conducted by an independent expert within 6 months of the completion of a review of the cashless welfare arrangements' (p.26), and advocates for 'a desktop evaluation of any review... to lessen the ethical implications of avoidable repeat contact with vulnerable individuals' (p.6).

While AHURI supports the importance of efficient and ethical research engagement in Indigenous communities. However, this should not prevent public scrutiny or independent review — particularly given the experience with the ORIMA evaluation.

Removal of trial parameters not justified until full evaluation is completed

The rationale for removing the trial parameters is focused on issues of secondary relevance such as increasing certainty for banks around the provision of cashless card facilities rather than reaching a threshold level of certainty about the weight of evidence for the individuals and communities themselves.

The removal of trial parameters should only be considered once the second independent impact evaluation is concluded and made publicly available for consideration. There is no clear justification for undertaking a trial and then not utilising the evidence from that trial.

Impact of the CDC and conditional welfare on housing

It is too early to assess the present CDC trials on housing outcomes. Some issues with using the CDC to process payments for rent have been reported in other studies, leading to stress in housing arrangements (Marston et al. 2020). Many of the regions (such as Goldfields) already have programs to assist people deal with substance issues including drug and alcohol rehabilitation services and emergency accommodation. Some respondents argue that CDC needed to be a part of a wider suite of improvements, including improved housing (Mavromaras et al. 2019).

Evaluations of Income Management activities have highlighted improvements that have occurred in terms of being able to manage money and that households are less likely to run out of money for rent or mortgage payments. Not fulfilling housing obligations has been one trigger for referral to the Family Responsibilities Commission in Cape York, which can recommend being put onto the Cape York Income Management (Scott et al. 2018)

AHURI has conducted research on mobility and housing outcomes in remote Aboriginal communities subject to Northern Territory Emergency Response (NTER), in Tennant Creek and Nhulunbuy, which included income management initiatives as well as alcohol restrictions. This research found that there was an increase in community anxiety, stigmatisation and increased population mobility (both short term and long term) (Habibis et al. 2011).

While the problems of overcrowding in settlements is primarily an issue of a lack of available affordable accommodation, the process of Income Management exacerbated these issues. The government under the NTER did anticipate some of these issues by providing some more hostel accommodation in town. The research suggested that in addition to hostel accommodation, town camps needed to provide safe dry camp sites to accommodate overflow, while also making provision for separate sites for those for whom this was an unrealistic option (Habibis et al. 2011).

Overall, the findings suggest that income management, together with other policies directed at conditional welfare such as CDEP have entrenched existing social exclusion (Habibis et al. 2011).

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