QCOSS Queensland Council of Social Service

4 March 2019

Committee Secretary
Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Committee,

Inquiry into Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019.

The Queensland Council of Social Service (QCOSS) thanks the committee for their invitation to lodge a submission on the proposed Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019. This submission refers only to the aspects of the Bill that relate to the Cashless Debit Card Trials (CDCT).

QCOSS is the state-wide peak body representing the interests of individuals experiencing or at risk of experiencing poverty and disadvantage, and organisations working in the social and community service sector. For 60 years QCOSS has been a leading force for social change to build social and economic wellbeing for all. With members across the state, QCOSS supports a strong community service sector.

Please find attached to this letter the following documents which form part of the submission:

- *QCOSS Review of the Cashless Debit Card Trial and Evaluation (2017)*
- *QCOSS Position Statement - Cashless Debit Card (2018)*
- *QCOSS Cashless Debit Card Trial Hinkler Survey Results (2019).*

We welcome the opportunity to lodge a submission to the committee on the CDCT, and draw the committee's attention to the following:

1. expert evidence against the CDCT has been presented to multiple previous CDCT inquiries
2. this 2019 Bill does not change any of the conditions of the CDCT
3. the government continues to rely heavily on the Orima Evaluation that has been strongly criticised by the Auditor-General (see below).

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QCOSS does not support the extension of mandatory income management, including the extension of the first three CDCT sites to 30 June 2020. QCOSS believes addressing complex health and social issues, (such as alcohol, drug and gambling problems), through the welfare system is fundamentally flawed. There is a lack of evidence of a causal link between people receiving income support and people with alcohol, drug and gambling problems. Government funding of over $34 million so far (Senate Estimates, 2019) would be much better directed to alcohol, drug and gambling supports and services in these communities.

Any participation in income management should be on a voluntary basis and supported by a suite of relevant support services. In summary the CDCT has been found to be:

1. **Ineffective** - no evidence that it reduces social harm (Auditor-General, 2018)
2. **Expensive** - $10,000+ per participant (Auditor-General, 2018)
3. **Harmful** - 32 per cent said it made their lives worse (Orima Evaluation, 2017)
4. **Unsupported** - recorded community opposition (Orima Evaluation, 2017 and Adelaide University Evaluation, 2019)
5. **Discriminatory** - breaches human rights of privacy and social security (Human Rights Committee, 2018)
6. **Paternalistic** - removes people's agency to manage their affairs (Human Rights Committee, 2018).

If a program is expensive and not meeting its objectives, you do not extend it. If it is found to be causing harm, you end it immediately. **You cannot evaluate a failed program into success.** A key reason provided for extension in the Explanatory Memorandum of this Bill is to "*provide sufficient time for the findings of a second evaluation of the program to be finalised*". However, the Department of Social Services reported to Senate Estimates that the Impact Evaluation for the first three trial sites will be completed by June 2019. This makes this reason for the extension invalid.

We note that the recently released, (poorly named) '*Cashless Debit Card Baseline Data Collection in the Goldfields Region: Qualitative Findings'* is neither a baseline (starting many months after the Trial began) nor is it data collection, collecting solely qualitative statements with no statistical analysis and no administrative data for triangulation. This report repeats many of the previous criticism of the CDCT captured in both the Orima Evaluation and the Auditor-General's report, including:

- lack of adequate communication and community consultation
- lack of community support or consent
- strong opposition to the CDCT being a blanket approach
- lack of evidence to support the benefits of the CDCT
- strong views that the government funds would be better spent on improved services
- promised wraparound services not materialising

- reasons given by stakeholders to support the trial include '*something must be done*'.

These views accord with our recent community survey results about the CDCT in Hinkler (attached) that indicated 65 per cent of respondents believed there would be no benefit of the CDCT, and 75 per cent were opposed to the CDCT in its current, compulsory form. Our '*QCOSS Position Statement - Cashless Debit Card'* outlines our rationale for our opposition, including our concerns around social, economic, consultation, human rights and evaluation issues.

These are underpinned by our comprehensive '*Review of the Cashless Debit Card Trial and Evaluation'* which found that:

- there is insufficient evidence of success to warrant any further extension of the trial
- there is a lack of clarity on the key goals and outcomes of the trial which are not consistent with the narrative from government including outcomes relating to unemployment and so-called 'welfare dependency'.
- the evaluation methodology is questionable and the outcomes inconclusive.
- operating in complexity requires testing of multiple options supported by evidence and expert opinion.
- community support has not been clearly evidenced, and there are clear divisions in the community. It is critical that solutions for communities should be based on community need.
- accountability for public funds would recommend that there is clear articulation of costs and benefits of the trials prior to any further extension.

These findings closely match those of the Auditor General's report from the Australian National Audit Office, which found:

1. The approach to monitoring and evaluation was inadequate, so **it is difficult to conclude whether there had been a reduction in social harm**.
2. Department of Social Services did not actively monitor risks and there were deficiencies in the procurement processes (for example; Indue was awarded the card contract from a desktop review with no competitive tender and Orima's evaluation ended up costing $1.6 million, more than double the initial amount agreed).
3. The trial was not designed to test the scalability of the CDC and there was no plan to do further evaluation.
4. Department of Social Services did not complete all the activities identified in the strategy to monitor and analyse the CDCT (including cost-benefit analysis) and did not do a post-implementation review of the CDCT.

5. There was no review of KPIs during the trial and KPIs have not been established for its extension. There was no measure of the available drug and alcohol, or financial and family support services in the community or their effectiveness.
6. Department of Social Services did not build evaluation into the CDCT design, nor did they coordinate data collection to ensure an adequate baseline or specific targets to measure the impact of the trial, including any change in social harm, such as frequency of problematic drug, alcohol or gambling usage or violent crime.
7. Department of Social Services regularly reported on aspects of the performance of the CDCT to the Minister but the evidence base supporting some of its advice was lacking. This included alcohol-related hospital admissions, St John Ambulance call-outs and school attendance, each of which had been inaccurately reported and did not support CDCT outcomes.
8. The trial did not test the scalability of the CDCT. Many of the findings from the trial were specific to the cohort (predominantly indigenous) and remote location, and there was no plan in place to continue to evaluate the CDCT to test its roll-out in other settings.

These conclusions confirm a lack of evidence of the Trials effectiveness in the trial sites.

We recommend instead, that the Australian Government:

- Explore a full range of alternative options to address the stated objectives of the CDCT, to be developed, tested and evaluated to identify the most effective response to these social issues. This includes seeking expert clinical advice regarding the scientific understanding of substance use and addictive disorders, in the context of wider community socio-economic problems.
- Work with all levels of government and the community to develop an evidence-based strategy for addressing alcohol, drug and gambling problems in target communities.
- Adopt a place-based, citizen-led, strengths-based approach to address the effects of alcohol, drug and gambling problems, that ensures people impacted are involved in decision-making.
- Make any participation in income management voluntary, and supported by a suite of relevant, adequately funded, holistic services.
- In all locations, ensure that the final strategy incorporates an economic development focus to ensure participants have a pathway to employment.

Yours sincerely

Mark Henley

Chief Executive Officer

Encl.

References

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