



# Australian Council of Social Service

15 February 2019

The Hon Bill Shorten, MP  
Leader of the Opposition  
PO Box 6022  
House of Representatives  
Parliament House  
Canberra ACT 2600

Dear Mr Shorten,

I write to you to urge you to oppose the extension of the cashless debit card and income management beyond June 2019 under the Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019.

ACOSS and all the State and Territory Councils of Social Service strongly oppose any extension of the current trials of cashless debit as well as income management. There is no credible evidence from the existing cashless debit trials or evaluations of income management that it is improving people's lives.

As you know, the cashless debit card was the brainchild of mining magnate Andrew Forrest, not social policy experts. Its implementation was strongly opposed by social policy experts at the time. The cashless debit card controls 80 percent of a person's income, both by reference to what it can be spent on and where it can be spent.

We welcome your opposition to the recent extension of the card to Hinkler as well as a national rollout, and that you have confirmed that "Labor does not believe in a blanket approach to income management". It is therefore important to highlight that the cashless debit card operates in a blanket fashion in Ceduna, Kununurra and the Goldfields. It applies to anyone in the target regions on working-age income support payments, even if they don't, for example, drink alcohol, or have any issues beyond being unable to get paid work. It is deeply humiliating and operates to shame people who cannot get jobs in areas where there are limited job opportunities.

The communities subjected to the card have high rates of unemployment because of the lack of paid work, so there is very little scope for people to escape this policy. As you know, there is only one paid position available for every eight people who are unemployed or under-employed Australia-wide, and restricting access to cash is not going to change this.

The cashless debit card and income management have been found to discriminate against Aboriginal and Torres Strait Islander people and women, place unreasonable and disproportionate restrictions on people's freedoms, and breach people's right to privacy (Parliamentary Joint Committee on Human Rights, 2016, 2018). These policies are punitive and paternalistic. Their sheer cost represents a huge opportunity cost for communities, which would be better served by investing the money spent on quarantining incomes on proven interventions that improve employment outcomes and tackle other challenges.



There has been much debate about the character of Australian Parliament in recent days. The current Bill provides you with an opportunity to stand up for the dignity for people who are trying to get paid work, people with disability and people caring for children or relatives. As the potential future Prime Minister, we urge you to oppose the cashless debit card and income management interventions in place across Australia, which humiliate the people who are most affected by inequality.

If you form the future Australian Government, we encourage you to reallocate the wasteful expenditure associated with income quarantining (estimated to be in excess of \$80m per annum) towards proven employment and community services that will support people into paid work.

ACOSS is concerned at the prospect that income management and other policies, such as Work for the Dole, that demean people relying on social security payments may become entrenched, whichever party wins government after the forthcoming elections.

I am keen to discuss this matter with you on an urgent basis, and would be grateful for that opportunity.

Yours sincerely,

Dr Cassandra Goldie  
Chief Executive Officer, ACOSS

CC. Linda Burney

Notes.

1. The Australian National Audit Office (ANAO)'s recent review of the government's evaluation of the current cashless debit trials in Ceduna SA and Kununurra WA found that the evaluation of the trials was 'inadequate', and said this made it 'difficult to conclude whether there had been a reduction in social harm and whether the card was a lower cost welfare quarantining approach'.
2. The ANAO also found that school attendance for Indigenous children dropped following the introduction of the cashless debit card trials, which also occurred under income management when it was introduced in the Northern Territory.
3. [QCOSS Review of the Cashless Debit Card Trial and Evaluation](#)