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Cashless Debit Card far from the perfect solution

The Law Council of Australia is concerned by the restrictive nature of the Cashless Debit Card (CDC) and urges the Parliament to abandon any plan to make it an ongoing program.

With the House of Representatives debating the *Social Security (Administration) Amendment (Continuation of Cashless Welfare) Bill* today, the Law Council believes that the Bill is being pursued without the benefit of a full and independent evaluation of the CDC's merits, or adequate community consultation of the Bill's current proposals.

Law Council President, Pauline Wright, says that serious concerns regarding the methodology of early CDC trial evaluations, are enough of a 'red flag' to warrant the release of further investigation.

"The Australian National Audit Office as well as academics have expressed grave concerns as to the methodology of these early evaluations," Ms Wright said.

"While a further evaluation is underway, its findings have not yet been released, making it premature to establish the CDC as a permanent measure or to expand it.

"The Bill also proposes to remove the need for independent evaluation, which will further undermine the community's ability to know whether the CDC is effective in addressing harm to individuals or communities or has unintended consequences," Ms Wright said.

Under the CDC trial, 80 per cent of participants' welfare payments are quarantined, and placed on the Indue Card. This amount may not be spent on alcohol or gambling. If passed, the Bill will establish the CDC as an ongoing program, rather than a trial.

The Bill also provides for the transition of existing Income Management participants in the Northern Territory (around 25,000) and Cape York region (around 150) to the CDC, and will operate as an ongoing measure in those areas, including for new participants who meet the criteria.

"The CDC, especially as expanded, disproportionately applies to Indigenous peoples, and may be inconsistent with the *Racial Discrimination Act 1975* (Cth)," Ms Wright said.

"The Law Council is not averse to some form of income management, but participation in the CDC and/or income management needs to be voluntary, based on full, free and informed individual consent (opt-in), assessment of an individual's suitability to participate, and meaningful community consultation.

"The CDC itself should also not be seen as the solution to all problems. What is needed is a full suite of support programs, which are sadly lacking in many rural, regional and remote communities," Ms Wright said.

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