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HOUSE OF REPRESENTATIVES

PROOF

BILLS

**Social Services Legislation Amendment
(Cashless Debit Card) Bill 2017**

Second Reading

SPEECH

Thursday, 26 October 2017

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

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Page 33	Proof Yes
Questioner	Responder
Speaker O'Brien, Ted, MP	Question No.

Mr TED O'BRIEN (Fairfax) (12:42): By all accounts, the government's trial rollout of the cashless debit card has been a terrific success, contrary to what we heard from the previous speaker, the member for Jagajaga. Recently, the published evaluation results said: 'It provided a considerable positive impact.' Published findings include a variety of significant improvements in key measures, such as that 41 per cent of drinkers were drinking less, 48 per cent of drug users were taking fewer drugs and 48 per cent of regular gamblers were gambling less. In addition, there were also significant increases in positive behaviour, such as 40 per cent of parents and carers reporting they were better able to look after the needs of their children, and 45 per cent of participating people confirming they were better able to save money. Given this success, the extension of the cashless debit card and its rollout for welfare recipients into additional vulnerable and disadvantaged communities, which is what the passage of the Social Services Legislation Amendment (Cashless Debit Card) Bill 2017 is all about, is a no-brainer.

In the two principal locations where the cashless debit card has been trialled, it has quite clearly worked, and any policy that actually works, especially in the challenging areas of welfare dependence and substance abuse, deserves to be applied to the fullest extent possible. Essentially, the cashless debit card works to reduce the amount of cash available to recipients in trial communities. This works to place downward pressure on the availability of drugs, alcohol and gambling, and, it was hoped—and is now proven—to improve social and family outcomes.

The operating mechanism of the cashless debit card is simple enough: having 80 per cent of welfare payments to recipients quarantined to be spent in the best interest of welfare recipients and their dependants, and not used for the purchase of alcohol, drugs or gambling products. The remaining 20 per cent of welfare payments continues to go into regular cash accounts and can be used for whatever purpose the recipients wish. The aim is to quarantine money for the essentials of life, for those people and families, heavily—and, perhaps, in some cases totally—dependent on welfare and to avoid the problems that too often flow for families and for individuals from spending on products that engender despair and dysfunction, very often with violence.

It is also a way of ensuring that the taxpayers' strong commitment to the provision of a social safety net is honoured. Welfare payments are provided to help people in need with essential living costs, especially food, clothing, shelter, transportation and the like. Welfare payments are not intended to fuel substance abuse, whether alcohol, drugs or other, or to provide an opportunity to gamble. The main game in this program is ultimately to enhance the lives of those people, especially the women and children, who live in communities where the problems of substance abuse, gambling and, too often, violence are prevalent.

Australians are fortunate to live in a country and at a time when dealing with, even recognising, these problems is so openly embraced by governments, to the extent that programs like this can provide some much-needed support and help turn the tide on disadvantage and despair. Not that long ago, domestic violence was a taboo topic, but today, thanks to the dedication of so many—including many victims, might I add, mostly women—both recognition of the problem and the level of support services for families affected by it have finally become a major focus for governments, for institutions and for communities right across the country. Increasing acceptance of the cashless debit card demonstrates that many communities are now ready to do whatever they can to ameliorate suffering, especially at locations where there are clusters of disadvantage and where the problems are greater than they are in more affluent communities elsewhere.

Now, this is not to say that problems of domestic violence and neglect are limited to severely disadvantaged communities. Clearly, they're not. As my colleague the member for Bradfield knows, there are problems on the North Shore of Sydney, which is one of the most affluent pockets of the country. No doubt, that's almost mirrored in Toorak, Brighton and the more affluent suburbs of other cities across the country. Indeed, the theme of the third annual conference of the STOP Domestic Violence organisation, to be held in Melbourne next month, is that domestic violence does not discriminate. And there is more proof of that in very recent statistics from the

New South Wales Bureau of Crime Statistics and Research data, which establishes that, in no fewer than 761 suburbs and towns across that state, more domestic violence suspects are picked up by police than for almost any other form of criminal behaviour.

But, having made that point, there is no doubt that where disadvantage is greatest, the problems of alcohol abuse and other forms of substance abuse—as well as sometimes ridiculously high spending on gambling—and the often closely related domestic violence statistics are also greater. That was certainly the rationale behind the first trial sites for this program last year. These trial sites were in communities with a strong Indigenous representation—over 78 per cent—and that straightforward fact has attracted some attention. But there's a reason so many leaders in those communities have come out in favour of the program, and that's simply that it has worked. And now they and other leaders in communities across the country, far more diverse communities, are engaged and also wanting to see this program rolled out.

One point must be made very clearly: this card, this program, is not directed at particular individuals, or races or religions, or anyone else; it is applied equally to all participants—and only in those communities that strongly support its introduction and only following extensive local consultation. More than 180 consultations were recently conducted in Bundaberg and Hervey Bay. Furthermore, the local MP, the member for Hinkler, seeking to consult directly with his community, sent a direct mail-out to over 32,000 of his constituents, phone polled another 500 and emailed around 5½ thousand more to get their thoughts and feedback on a possible rollout of the cashless debit card for his electorate. The result was that approximately 75 per cent of the feedback received was supportive of the cashless debit card. As a consequence of such a powerful community endorsement, a rollout for Hinkler has now been announced, subject to the passage of this bill. It must be said that the Indigenous population of Hinkler, at 33.5 per cent of the population, is less than that of other trial locations.

Safeguards are firmly in place to ensure that if the cashless debit card program is to be expanded, it will grow only in those communities that want to take part. If the parliament supports this bill, the government will co-design specially tailored programs for individual communities by working with those communities. And there are many communities that continue to express interest in being part of that extended rollout. A further safeguard is that any growth of the program can only go ahead with the agreement of the parliament via the disallowable instrument process, a process that was also in place for the first trials.

The objectives of this program are honourable not only to the Australian taxpayer but also in relation to those people the Australian taxpayer has long committed to support in their time of need. This bill, and the highly effective welfare mechanism it seeks to extend, is part of our strong and abiding commitment to the social safety net that is at the very heart of what it means to be Australian. The objectives are clearly set down in the existing legislative authority. They are: to reduce the amount of payments to be available that may be spent on alcohol, gambling or illicit drugs; to determine whether such a reduction decreases violence or harm; to determine whether such arrangements are more effective when community bodies are involved; and to encourage socially responsible behaviour. There is clear evidence that these objectives are now being met.

Let me address a concern raised by some, and that is that this program somehow impinges on human rights. However important these concerns may be, it is the government's considered view that the expansion of the cashless debit card actually advances the wellbeing and protection of the human beings it impacts. It does so by ensuring that income support payments are spent in the best interests of welfare recipients, their dependents—for whom, of course, they carry a responsibility—and the local communities of which they are part. The cashless debit card is assisting to reduce immediate hardship and deprivation, to reduce violence and harm and to encourage socially responsible behaviour. These are noble and compassionate goals. On that firm basis the government believes that there are limits on one's rights, limits that are reasonable and proportional in light of the objectives, which are to enhance the dignity and, indeed, the opportunities available to our most vulnerable citizens.

As I made clear at the beginning of my address, the problems that this program addresses are some of the most insidious and troublesome that our community suffers from, especially substance abuse and domestic violence. These problems are widespread, even approaching epidemic in some areas. Perhaps such problems offend our aspiration for a model, civil society and an Australia that we all want to see. So, when we find something that works, we should quite deliberately extend the confirmed benefits as broadly as possible, and that's precisely what we're doing in this case.

The cashless debit card is an important and now proven policy of this government, a policy that certainly has my enthusiastic support, and, for this reason, I'm delighted to commend it to the House.