

\$14.00

# SOCIAL ALTERNATIVES

VOLUME 39 : 1 : 2020



## Cover 39/1, Design: Debra Livingston

Our world is rapidly changing, especially given the global challenges we face in 2020 due to the COVID 19 pandemic. Tap-and-go payments and transactions through digital online, mobile and watch devices have been increasing for some time appearing to make inevitable steps towards a fully cashless society. The Reserve Bank of Australia (RBA) predicts the disappearance of cash possibly in the next decade along with the expiry date of ATMs (Carey, 2018). Already being trialled for some Australian welfare recipients under 35 on Newstart, Youth Allowance or parenting payments is a cashless debit card (CDC) with restrictions, limiting what the card can be used for and the amount of cash that can be withdrawn. In this issue edited by Philip Mendes concerns about the Commonwealth Government's 'Compulsory Income Management' scheme are discussed. The scheme was 'originally trialled in 2007 as part of the Northern Territory Emergency Scheme targeting remote Indigenous communities, but has since been expanded to a wider range of groups and locations (Mendes, 2020). The compulsory cashless debit card has the potential to remove personal autonomy for its recipients and demonstrates the way the trend towards a cashless society has been harnessed to the detriment of the disadvantaged in our society.

The concept for this issue's cover design hypothesises that cash in the future will become obsolete therefore it would become a distant memory, an antiquity of the past. Just as the evolution of technology has overtaken the way we use the cash register to keep track of profit and loss including cash kept in locked drawers as a beneficial theft deterrent. Replaced by tap-and-go systems profit and loss is now recorded as digital information.

I was taken aback by the beauty of vintage cash registers that are now considered works of art. A craft that has also been lost to the electronic techno age. I searched for an image from the National Cash Register Co. and found a Facebook site where beautifully decorated vintage and antique cash registers are restored and sold. I printed an image from this site, re-photographed and digitally manipulated the image to represent the theme of this issue by adding the title and the prohibition symbols for alcohol and gambling on the register. I included a depiction of zero dollars to represent the government's Compulsory Income Management strategy for those on welfare.

## References

- Carey A. 2018 *Cash Payments predicted to disappear within a decade as tap and go takes over*. <https://www.news.com.au/finance/business/retail/cash-payments-predicted-to-disappear-within-a-decade-as-tap-and-go-takes-over/news-story/75026efec69b7e4bbdee90b1dd363429> [Accessed 5th May 2020].
- Antique National Cash Registers: <https://www.facebook.com/AntiqueNationalCashRegisters/> [Accessed 5th May 2020].
- Mendes P. 2020 Introduction, 'Compulsory Income Management', *Social Alternatives* V39\_1.

ISSN: 0155-0306

Why not discuss issues raised in the journal with other readers, or even order subscriptions and back issues. Visit us at:

 **SOCIAL ALTERNATIVES.COM**

 **USC AUSTRALIA**



For liveable futures, now!!

Established in February 2015, the Ngara Institute is **a not-for-profit, activist think tank that puts people, communities and the planet before increasingly predatory capitalism.**

Our intention is to counter neoliberal values (which are peddled so assiduously by conservative think tanks) by supporting and promoting viable, workable solutions and meaningful alternatives to the prevailing order.

We encourage critical dialogue on local, national, and international issues and support non-violent strategies that foster social justice, human rights and the common good.

Currently, we are:

- Coordinating monthly New Politics in the Pub events;
- Promoting activist dialogue on topical issues;
- Supporting forums organised by other progressive organisations;
- Publishing critical commentary in various media outlets and social media platforms;
- Building alliances with local and international peace, human rights, environmental and justice organisations.

Follow our events, videos and discussions at:

[www.ngarainstitute.org.au](http://www.ngarainstitute.org.au)



Join us in building a better world.

Another world is not only possible it is happening right now!

# SOCIAL ALTERNATIVES

## EDITORIAL COLLECTIVE

**Bronwyn Stevens**  
**Cassandra Star**  
**Christine Morley**  
**Clare Archer-Lean**  
**Debra Livingston**  
**Ella Jeffery**  
**Elizabeth Eddy**  
**George Morgan**  
**Ginna Brock**  
**Graham Maddox**  
**Helen McLaren**  
**Jennifer Mays**  
**Julie Matthews**  
**Lee-Anne Bye**  
**Loretta Bowshall**

Co-ordinating editor *Social Alternatives*  
Flinders University  
Queensland University of Technology  
University of the Sunshine Coast  
Art Director, *Social Alternatives*  
Queensland University of Technology  
Retired, (USC)  
University of Western Sydney  
University of the Sunshine Coast  
University of New England  
Flinders University  
Queensland University of Technology  
University of Adelaide  
University of the Sunshine Coast  
Mercedes Catholic College

## ADVISORY BOARD

**Roland Bleiker**  
**Verity Burgmann**  
**Parlo Singh**  
**Don Alexander**  
**Vicki Crowley**  
**Geoff Dow**  
**Brien Hallett**  
**Ian Lowe**  
**Brian Martin**  
**Philip Mendes**  
**Rebecca Spence**  
**Frank Stilwell**  
**Sue Thomas**  
**Baden Offord**  
**Jason Laker**  
**Elizabeth Webby**  
**Paul Williams**  
**John Scott**

University of Queensland  
Monash University  
Griffith University  
University of Queensland  
University of South Australia  
University of Queensland  
University of Hawai'i  
Griffith University  
University of Wollongong  
Monash University  
University of New England  
University of Sydney  
Griffith University  
Curtin University  
San José State University  
University of Sydney  
Griffith University  
Queensland University of Technology

## EDITORIAL CONTACTS

### SUBSCRIPTIONS

Lee-anne Bye  
Operations Manager  
Social Alternatives  
Faculty of Arts, Business and Law  
Maroochydore DC Qld 4558  
lee-anne@socialalternatives.com

### GENERAL ENQUIRIES

Julie Matthews  
University of Adelaide  
julie@socialalternatives.com

### CO-ORDINATING EDITOR

Bronwyn Stevens  
bestevens@biblio61.com

### SHORT STORY EDITOR

Clare Archer-Lean  
University of the Sunshine Coast  
carcher@usc.edu.au

### BOOK REVIEWS EDITOR

Loretta Bowshall  
lbowshall@bigpond.com

### POETRY EDITOR

Ella Jeffery  
e.jeffery@socialalternatives.com

### COVER DESIGN, DESKTOP PUBLISHING AND ART DIRECTION

Debra Livingston  
debra@socialalternatives.com

### WEBSITE

Julie Matthews and  
Debra Livingston  
julie@socialalternatives.com

### Social Alternatives

*Social Alternatives* is an independent, quarterly refereed journal which aims to promote public debate, commentary and dialogue about contemporary social, political, economic and environmental issues.

*Social Alternatives* analyses, critiques and reviews contemporary social issues and problems. The journal seeks to generate insight, knowledge and understanding of our contemporary circumstances in order to determine local, national and global implications. We are committed to the principles of social justice and to creating spaces of dialogue intended to stimulate social alternatives to current conditions. *Social Alternatives* values the capacity of intellectual and artistic endeavour to prompt imaginative solutions and alternatives and publishes refereed articles, review essays, commentaries and book reviews as well as short stories, poems, images and cartoons.

The journal has grappled with matters of contemporary concern for four decades, publishing articles and themed issues on topics such as peace and conflict, racism, Indigenous rights, social justice, human rights, inequality and the environment. Please show your support by subscribing to the journal. For other enquiries please contact a member of the Editorial Collective.

### The Editorial Collective

Editorial decisions are made democratically by the *Social Alternatives* editorial collective. Each edition involves the work and cooperation of a guest editor, liaison editor (to assist guest editors), general editor, poetry editor, short story editor, book review editor, cover designer and desktop publisher. A liaison editor is responsible for managing the editing and publication process. After contributions are blind refereed, the editorial collective has final control over publication. Where necessary the editorial collective calls on the advisory board to assist with refereeing articles.

### Contributions

*Social Alternatives* accepts work focused on the aims of the journal. The journal also accepts proposals for themed issues from guest editors. Proposals may emerge from workshops, networks or conferences. For specific enquiries about the submission of articles, short stories, poetry or book reviews please contact an editor with appropriate responsibilities.

Submissions of articles, commentaries, reviews and fictional works are subject to double blind peer review and should be emailed to the general article editor. Authors are encouraged to consider and reference papers previously published in *Social Alternatives* to promote ongoing discussion. Submissions should be double-spaced with page numbers on the bottom right. Academic articles should be approximately 3,000-5,000 words, commentaries and review essays between 800 to 1,500 words, book reviews 800 words, short stories 1,000 words and poetry up to 25 lines. Submissions must include:

- copyright release form
- title page listing contributing authors, contact details, affiliation and short bio of approximately 80 words
- abstract should be a maximum of 150 words
- three - five keywords.

Please use Australian/English spelling and follow Harvard referencing. Submit tables, graphs, pictures and diagrams on separate pages. Remove in-text references identifying authors and replace with [name removed for the review process].

For further information please consult our website:  
<http://www.socialalternatives.com/> and our Facebook page.

THEME FOR THIS ISSUE: *Compulsory Income Management***Introduction**

- 3 Compulsory Income Management.....Philip Mendes

**Themed Articles**

- 5 Subversive Control Via Punitive Means? The role of stigma and profit in Australia's cashless debit card policy....  
.....Kristen Stevens
- 14 The Fraught Relationship Between the Cashless Debit Card and Basic Transaction Accounts.....  
.....David Tennant and Gerard Brody
- 20 The Uses and Abuses of Evaluation: The cashless debit card story.....Janet Hunt
- 28 In the Name of 'Digital Inclusion': The true cost of the automation and privatisation of Australia's social security system  
.....Susan Tilley
- 39 Is Universal Basic Income a Desirable Alternative to Conditional Welfare?.....Greg Marston and Michelle Peterie
- 47 The Australian Labor Party and Compulsory Income Management: How and why did they reverse their position?...  
.....Philip Mendes

**Commentary**

- 54 Conditionality and Control: Its implications for groups on welfare and some particular issues for Indigenous  
people and women ..... Eva Maria Cox

**Book Review**

- 60 *Social Defence*.....Graham Maddox

**Gallery Showcase**

- 61 Isolation.....Debra Livingston

**Poetry**

- 4 Looking for water.....Jane Simpson
- 13 Hope.....Penelope Greentree
- 19 Porter.....Derek Wright
- 27 Solstice.....Derek Wright
- 27 Retreat.....Jane Simpson
- 38 Youth of Childhood Summers.....Katie Assarian
- 46 High-rise.....Katie Assarian
- 53 Gyne-speak after Christmas.....Jane Simpson
- 59 how to move into a caravan, age 29.....Sarah Temporal

# Compulsory Income Management

PHILIP MENDES

Welfare conditionality – the tying of eligibility for income support payments to particular forms of behavioural change – has intensified in recent decades (Carney 2015; Taylor et al. 2016). Prominent Australian manifestations have included the Work for the Dole program and the recent proposal for drug testing of new applicants for unemployment payments, but arguably the most extreme form of conditionality is compulsory income management (CIM). CIM involves the control or quarantining of half or more of a person's payment by the Commonwealth Government Department of Social Services. It was originally introduced in 2007 as part of the Northern Territory Emergency Scheme targeting remote Indigenous communities, but has since been expanded to a wider range of groups and locations.

To date, approximately 35,000 Australians participate in CIM programs including about 11,000 on the Cashless Debit Card (CDC) in four locations – the Ceduna region in South Australia, the East Kimberley and Goldsfield regions in WA, and the Bundaberg and Hervey Bay (Hinkler) region in Queensland – and nearly 25,000 on the BasicsCard of whom over 22,000 reside in the Northern Territory. A significant majority of BasicsCard participants are Indigenous, and Indigenous Australians also comprise at least one third of CDC recipients (Department of Social Services 2020a; 2020b).

The CIM programs aim to achieve a range of crisis prevention and beneficial outcomes. The prevention or social control objectives include reducing or ameliorating types of dysfunctional behaviour that may cause individual and social harm such as drug and alcohol abuse, addictive gambling, crime and family violence. The beneficial or social care objectives include enhancing financial management skills, parenting capacity and general physical and mental health; promoting participation in training and employment; and facilitating greater self-reliance (Mendes et al. 2016).

CIM has been subject to ongoing political and philosophical contention. Critics of CIM raise a number of concerns:

- that the coercive powers granted to the Department of Social Services involve unreasonable

paternalistic interference with the personal autonomy of participants given that most have not been assessed in terms of their individual capacity or functioning and are mostly placed on the program because of their place of residence;

- that the program is primarily targeted at Indigenous groups and communities who have already suffered for many years from coercive and arguably racist state interventions in areas such as child welfare (Pocock 2011);
- that alleged public consultations with affected communities have been highly selective and rarely engaged with potential CIM participants;
- that the program seems to cause major stigma and embarrassment to participants (Marston et al. 2020);
- that official government evaluations of CIM have serious methodological deficits and have failed to demonstrate the effectiveness of programs in preventing social harm let alone improving the lives of participants; and that the large cost of CIM could be better utilised to extend holistic social services that benefit disadvantaged communities, and/or increase the currently low rate of the Newstart Allowance for the unemployed in order to relieve financial-related poverty.

The contributors to this special issue of *Social Alternatives* address the above and other related issues. Kristen Stevens interrogates the objectives and impact of CIM programs. She argues that CIM increases rather than alleviates the social exclusion of participants in areas such as health, housing and employment. She also critiques the involvement of profit-making private companies in the provision of CIM services.

David Tennant and Gerard Brody argue that the CDC is undermining the financial autonomy of participants by denying them access to normal market transactions such as the purchase of cheaper or second-hand goods, and participation in share accommodation options. In their opinion, the CDC erodes consumer rights, and potentially

adds to the cost of living pressures on those who are already living on a low income.

Janet Hunt critically assesses the standard of the evaluation reports used by the government to justify expansion of the CIM programs. She argues that the evaluations do not demonstrate the programs have achieved their core objectives, and asserts that their contested findings have been disingenuously used by politicians to justify the continuation and expansion of income management.

Susan Tilley analyses the key role played by digital transformation in the introduction of new forms of welfare conditionality such as the Cashless Debit Card. She opines that whilst digital technology could in principle be used to facilitate greater social inclusion for all citizens, it has in practice been employed to erode the autonomy and exacerbate the inequality of those reliant on income support payments.

Greg Marston and Michelle Peterie argue there are positive and viable policy alternatives to welfare conditionality that need to be considered in the context of accelerated automation and climate change. Based on evidence from international trials, they present the case for an unconditional basic income that is paid to all Australian residents irrespective of whether or not they are in paid employment.

Philip Mendes examines the changing perspective of the Australian Labor Party on CIM from 2007-19. He notes that Labor used a number of philosophical and practical arguments to defend CIM from 2007-17, and then sharply reversed both their policy perspective and stated rationale. He suggests the policy shift reflects a range of political and philosophical concerns.

Eva Cox critically reviews the history of income management programs, and argues they have had a particularly adverse impact on specific groups such as Indigenous Australians and women.

I am grateful to Dr Ella Jeffery from the *Social Alternatives* Editorial Collective who has collegially partnered with me throughout this editing process. Additionally, we both wish to thank the multiple anonymous reviewers who diligently reviewed the articles submitted.

## References

Carney, T. 2015 'Conditional income transfers and choice in social services: Just more conditions and more markets?', in S. Goodwin and R. Philipps (eds) *Markets, rights and power in Australian social policy*, Sydney University Press, Sydney.  
Department of Social Services 2020a *Income*

*Management Program Data Summary January 2020*, Australian Government, Canberra.  
Department of Social Services 2020b *Cashless Debit Card Data Summary January 2020*, Australian Government, Canberra.  
Marston G., Mendes P., Peterie M., Staines, Z., Bielefeld, S. and Roche, S. 2020 *Hidden Costs: Preliminary findings from a mixed methods study into compulsory income management in Australia*, The University of Queensland, Brisbane.  
Mendes, P., Marston, G. and Katz, I. 2016 'Introduction for special issue on income management', *Australian Journal of Social Issues*, 51,4: 393-397.  
Pocock J. 2011 'Compulsory income management adding to the history of failed child welfare interventions', *Developing Practice*, 28: 8-11.  
Taylor, D., Gray, M. and Stanton, D. 2016 'New conditionality in Australian social security policy', *Australian Journal of Social Issues*, 51, 1: 3-26.

## Author

Associate Professor Philip Mendes teaches social policy and community development, and is the Director of the Social Inclusion and Social Policy Research Unit (SISPRU) in the Department of Social Work at Monash University. He is the author or co-author of 12 books including most recently *Young people transitioning from out-of-home care: International research, policy and practice* co-edited with Pamela Snow (Palgrave Macmillan, October 2016), the third edition of *Australia's Welfare Wars* (February 2017), and *Empowerment and control in the Australian welfare state: A critical analysis of Australian social policy since 1972* (Routledge, 2019). He is a CI on the study of Compulsory Income Management in Australia and New Zealand, funded by the Australian Research Council (ARC), and recently won the Monash University Faculty of Medicine, Nursing and Health Sciences Dean's Award for Excellence in Research Impact (Economic and Social Impact).

## Looking for water

A nuclear family, quark family, neutrino family have moved in down the street – each new neighbour more mysterious. Astrophysicists play in the sandpit of the heavens, point and name.

Their fine instruments reveal a hidden language; in wonder they discover a red giant, black hole, a star after the end of its life.

JANE SIMPSON,  
CHRISTCHURCH NZ

# Subversive Control Via Punitive Means? The role of stigma and profit in Australia's cashless debit card policy

KRISTEN STEVENS

*The cashless debit card is Australia's recent and most punitive form of income management; a social-security focused social policy approach to behaviour change. Evidence suggests the policy is a harmful social experiment which does not reduce the social harms or dysfunction it set out to perform. This paper questions the underlying motivations of cashless debit card policy implementation via contrasting policy theory and objectives with existing and emerging evidence of policy impact. Three key issues concern the creation and implementation of cashless debit card policy in terms of the vague aims and lack of evidence of the policy's success; issues of stigmatisation in relation to power, morality, and deviance; and the influence of economic ideology and profit making in social governance. An alternative approach to policy making is suggested based on addressing lived social contexts instead of problematising dysfunction resulting from individual deficits.*

KEY WORDS: Income management, stigma, policy, power, cashless debit card.

The cashless debit card (CDC) policy was introduced as a trial in the year 2016 and is an extension of Income Management (IM), a conditional welfare focused social policy approach to behavioural change. The IM policy approach aims to address social dysfunction through limiting the choices of people receiving income support payments. Evidence continues to grow that overall, compulsory IM does not deliver the social benefits claimed for it. Instead, unintended consequences are emerging that distances IM from being a version of social support but may place IM as a form of profitable social punishment.

IM policy is argued to individualise dysfunction, placing responsibility of hardship onto the individual alone. This is because IM disregards the realities of existing structural inequalities that come to influence all opportunities for individual actions. Underpinning much of what drives current Australian political decision making is the adherence to neoliberal-capitalist ideological conceptions of individualism, self-reliance and market freedom as the path to a good life. Such ideology is reflected in the IM approach to social policy: Individualising dysfunction stigmatises by framing IM recipients as deviant, in behavioural deficit, undeserving and subordinate to those who do not seek income support. Others profit from what can be commodified, in this case, profiting off those receiving income support

payments via IM; profit which may render poverty a consumable 'product' in need of protection.

The IM approach may unintentionally limit the ability for achievement of a good life for all. The good life is defined here as where one has what one needs to comfortably, peacefully and safely navigate one's life, without excess, without harm to the self or others. Unintended social harms may instead challenge egalitarian and democratic society where outcomes serve to entrench, not alleviate, inequality. The reality of how the CDC may change behaviours can include outcomes that cause more social harm than good, as people seek to overcome entrenched hardship.

Little political attention is directed toward the CDC's unintended social harms related to stigma (Humpage 2018; Klein and Razi 2017; Vincent 2019), nor to the profit-making resulting from CDC policy – consequences which have both largely gone unseen. Weis and Fine (2012: 177) have defined what may be designed to be unseen as the 'invisible hand of capital, racism and neoliberalism'. Without attention to what goes unseen, continued implementation of IM overall may be argued as a harmful social experiment.

Identifying possible unintended consequences prior to policy implementation then becomes an important tool

---

for critical policy analysis and the reduction of social harms. The identification of such harms, it is suggested, emerges from conducting a social contextual analysis of how people come to navigate their lives given the opportunities afforded to them.

In this paper, the CDC as the latest iteration of IM policy is first briefly introduced and outlined, followed by a review of evidence regarding the effects which have been found. Evidence includes existing research alongside narratives from an ongoing primary investigation aimed at providing insight into contextualising the lived experiences of CDC recipients. Three key issues around unintended consequences are discussed: the vague aims and lack of evidence of CDC success; issues of stigmatisation in relation to power, morality, and deviance; and the influence of economic ideology and profit making in social governance. Finally, the paper concludes by addressing what we can learn from such an approach, suggesting alternative ways forward for evidence-based social policy.

### **Background of IM-CDC Policy**

IM was first introduced via the 'basics card' in the year 2007 as part of the Northern Territory Emergency Response and initially targeted only Aboriginal Australians in the Northern Territory (Buckmaster et al. 2012; Dee 2013). Initial introduction of IM saw the repealing of the Racial Discrimination Act (RDA) in 2007 (Buckmaster et al. 2012). The IM policy approach has been expanded to specific sites nationwide since 2010 and made compatible with the RDA because IM legislation is now extended to include non-Aboriginal Australians.

IM is a form of conditional welfare policy approach to social support, and the CDC is the most recent iteration of IM. Conditional welfare arrangements are those in which the recipient is required to behave and act within controlled parameters in order to be eligible to receive support. Watts and Fitzpatrick (2018: 44) describe components of Australia's techniques of IM conditional welfare to include the 'deprivation of freedom or choice' via: certain conduct of behaviours required for initial or continued access to benefits; *sanctions* or *incentives* that are made contingent on specific behavioural conduct; and *monitoring/surveillance* is made of adherence to the specific behavioural requirements.

Currently, for those on the CDC, income-support payments are sanctioned, with 20% of the payment available as cash, and the remaining eighty per cent quarantined. The recipient is monitored by the government by placing the quarantined portion in a specified IM account, only accessible by the income-support recipient by using a 'cashless debit card'. The remaining twenty per cent of the payment is allocated to a non-restricted, personal bank

account that is available as cash. The recipient's conduct is hence sought to be controlled by having the eighty per cent quarantined portion of payments restricted via legislation to prohibit the purchase of alcohol, gambling and pornographic products (Australian Government 2019a). It is argued that the cash restriction is to limit access to illicit drugs.

The CDC is presently defined by the Australian Government as a 'trial' and is currently deployed in four trial regions with approximately 11,000 recipients: Ceduna (SA) and the East Kimberley region (WA) since 2016, Kalgoorlie (WA) in mid 2018 and Bundaberg/Hervey Bay (QLD) beginning implementation in 2019 (Australian Government 2019a). The CDC looks set to be expanded across Australia's Northern Territory, replacing IMs basics card and impacting on approximately a further 25,000 people. Mainly *compulsorily* (Australian Government 2018a), the CDC targets almost all persons receiving a working age income support payment in the trial sites, and mostly excludes those on the aged or veteran's pension. The Hinkler region trial site includes additional age and trigger payment conditions, targeting people under 35 years of age who are unemployed and/or single parents (Australian Government 2019a).

Aboriginal Australians are overwhelmingly the recipients of IM policy, including the CDC, representing approximately seventy-eight per cent of all IM recipients nationwide (Australian Government 2018b; ORIMA 2017). This over-representation of Aboriginal Australians has been argued by academics as an extension of colonial oppression and neo-paternalism focused on the control of income of Australia's Aboriginal Peoples via IM social policy (Bielefeld 2018; Dee 2013).

### **Effects, Intended and Unintended: Review of existing and emerging research**

There is no definitive evidence that CDC policy reduces excess alcohol consumption or access to illicit drugs, gambling products or pornography: the very items it aims to restrict consumption of. Nor does evidence show clear reduction of social harms or dysfunction as the approach is theorised to produce. This lack of evidence of positive outcomes has been outlined repeatedly by others (Cox 2011; Bray et al. 2015; Mendes et al. 2016; Hunt 2017; Mendes 2019), yet has often been ignored and reframed as successful by IM supporters. The notion that dysfunction is related to such things as excessive alcohol consumption as exclusively a problem of the poor is challenged by existing health data. Evidence from the Australian Bureau of Statistics (2018) clearly shows that those of least socio-economic disadvantage in society, consume more alcohol more frequently than those living in the greatest areas of disadvantage. Political rhetoric has

---

come to normalise IM as a needed social intervention to combat the individual's 'problem' of being poor as a kind of personal failure, with this view produced by adherence to neoliberal ideological reasoning (Lovell 2016).

The government's aims of the CDC relate to what is theorised as promoting beneficial, healthy and positive social behaviours, otherwise conceptualised here as what might enable access to live a good life. What remains unclear is how a good life is characterised in terms of what needs to be present, not just absent from the equation. A good life is unsurprisingly difficult to define as such a definition requires a narrow determination based on a particular worldview. Nonetheless, in an attempt to outline more than define, a good life is conceptualised here as where one has what one needs to comfortably, peacefully and safely navigate one's life, without excess, and without harm to the self or others. However, achievement of this is challenged through unintentional consequences identified through analysis of CDC policy.

### **The Evidence: CDC successfully makes conditions worse**

Where policy is conceptualised as having a powerful impact on a variety of life conditions, it becomes a contextual force dictating how people are able to navigate their lives.

#### *Stigma and social exclusion*

IM has been shown to increase social stigma and isolation for those in receipt of social support (Doel-Mackaway 2017) and to increase family stress (Cobb-Clark et al. 2017).

Poor mental health and stigmatisation are already experienced by people in receipt of conditional welfare arrangements more broadly (Samuel et al. 2018; Grover 2019). Indeed, it must be noted that stigmatisation from IM policy has been found by both independent researchers as well as research commissioned by the Australian Government (ORIMA 2017: 88; Mavromas et al. 2019: 74). Wright and Patrick (2019) maintain that conditional welfare policies negatively impact mental health and can exacerbate poverty to the point of crisis. Where crisis occurs, very poor outcomes for people and their families may result. For example, when investigating the thirteen deaths by suicide of young people in the Kimberly region, the Western Australian coroner argued for IM to be offered voluntarily, as opposed to its compulsory form (Coroners Court Western Australia 2019). The coroner cited the complexities relating to existing hardship such as poverty, trauma and racism that affect these poor outcomes. The adversity faced by people often already living in poverty may be exacerbated via policies that make conditions worse.

The evidence shows us that compulsory versions of IM have worked to aggravate already adverse structural conditions that limit people's ability to overcome hardship. For example, Peterie et al. (2019a) outline dominant structural causes of homelessness. They argue that economic disadvantages, housing market issues, stigma, relationship issues, health, and addiction all contribute to homelessness. Indeed, these causes of homelessness are echoed by others (Fowler et al. 2019). Peterie et al. (2019a) conclude by stating that compulsory IM policy works to inflame the structural foundations of homelessness via aggravating these inter-related stressors.

The work by Klein and Razi (2017) regarding the impact of the CDC in the East Kimberly region shows that the policy has embedded financial hardship and fragmented social connectedness through excluding and disempowering those in receipt of the payment. Financial hardship was combined with the participants reporting the CDC to be a colonial, racist and discriminatory policy. Social fragmentation was argued to increase social division between not only the unemployed and employed, but between Aboriginal and non-Aboriginal Australians (Klein and Razi 2017).

The deterioration of social inclusion and the promotion of social division is aided by stigmatisation which only entrenches poverty (Samuel et al. 2018). Vincent (2019) identified that stigmatisation was experienced by most recipients of the CDC; they were treated as lesser human beings and felt insulted and targeted by this policy. This was inter-related with expressions of the CDC being racially discriminatory and incorporating complex issues of shame, othering and blame *between* people in receipt of the CDC (Vincent 2019: 21). The effect of stigmatisation can be argued as weakening solidarity and connectivity between people. This is done via undermining agency and through creation of anxiety, fear and shame for those who are poor and receive income support (Samuel et al. 2018). Recent research by Peterie et al. (2019b) regarding people who are long-term unemployed identified that associated stigma negatively impacts relationship management. They suggest that to manage stigma, people withdraw from social networks and can become isolated, contributing to barriers in gaining employment.

Social division and exclusion are extended through a lack of adequate community consultation. This can be seen in the research by Vincent (2019) and Mendes (2019) who outline the absence of bottom-up consultation regarding the creation and roll out of the CDC. It has been suggested that the problems that social policy can unintentionally cause may be prevented through a more inclusive process of policy design (Lamb and Young 2011). Mendes (2019)

---

argues that the process of CDC consultations did not include necessary strategies for positive community development: this process was not diverse, inclusive, nor empowering, and did not allow for democratic participation regarding the co-design or implementation of the policy.

The outcomes of stigma and social exclusion resulting from compulsory IM policy are argued here to be present because the CDC changes the shape of surrounding life conditions. Consequently, changes to behaviours occur, however, not in ways that reduce social harms. Ongoing evidence being collected as a part of this critical analysis of the CDC indicates that the social exclusion and stigma already experienced by income-support recipients is exacerbated via the CDC's sanctions, conduct requirements and related monitoring. Circumvention behaviours are those where people may seek to get around the card's restrictions. These behaviours can result from the way the CDC reinforces stigma and exclusion. This can be seen through initial analysis of primary data currently being collected via interviews with CDC recipients.

The narratives below emerge from an ongoing qualitative investigation of lived experiences of the CDC in the lives of recipients and their broader communities. This research includes one CDC location as a case-study to conduct a social-contextual analysis focused on the CDC's influences on social networks and behaviours. The investigation which has an ethics clearance involves conducting in-depth, open-ended interviews, alongside researcher reflections and observations. Emerging themes are outlined below.

The CDC creates social division by removal of dignity through begging, relative to people who have greater access to wealth and cash:

*'People go to the shop, buy a big lot of groceries and they'll give it to someone saying oh you give me some dollars and I'll give you all these groceries, they're still finding ways to get alcohol, it's not gonna stop, it's not working, it takes away dignity'. (Stevens, field notes, 2019)*

People have expressed how the CDC creates the need for certain behaviours due to social exclusion and related substance dependence issues; these behaviours may result in *more* harm due to the CDC:

*'Addiction doesn't go away, they need the alcohol if they are addicted, this old lady she was shaking in the street, she was addicted, she would do anything cause she needed that grog, there's no other services that help, but if I try and help, I gotta find cash too'.*

*'A lot of people want to kill themselves over the indue card here ... it does cause mental stress you know'.*

*'The elderly have become targets cause they're exempt from the card, the ice epidemic that's getting through this town, the people saying oh give me your money, they become targets cause they have cash, that's what happened to my grandmother, another fella broke his mother's arm, over ice, couldn't get the cash'.*

*'Others took off with my indue card, bought cigarettes so they could get alcohol, swap them, for drugs, too... people still gamble, there's ways around it, do that, do this, clever...but what can I do about them, can't dob them in, then there's trouble'. (Stevens, field notes, 2019)*

CDC recipients are further excluded through in-built system limitations relevant to the operation of the card itself, putting pressure on recipients to try and maintain stable housing through other means:

*'People can't pay their rent, the card stops them, makes it hard, you can buy goods but can't pay the rent with goods can you? This is why people are going in and buying a fridge and putting it on buy and sell to exchange to get the cash ... selling for a loss though, phones, fridges, TVs'. (Stevens, field notes, 2019)*

### **Three Key Policy Issues To Learn From The Unintended Consequences**

#### **1. CDC aims and evidence-free policy making: A harmful social experiment**

Current aims of the CDC reflect that of a social experiment rather than evidence-based policy making. Whilst technically the CDC remains a trial, political will to expand the CDC nationwide is increasing. As outlined by relevant Social Policy Law (Australian Government 2019b), the current stated objectives of the CDC trial (inclusive of all four trial sites) are to:

- Reduce the amount of money in the community that is available to be spent on alcohol, gambling and illegal drugs,
- Determine whether such a reduction decreases violence or harm in trial areas,
- Determine whether such arrangements are more effective when community bodies are involved, and
- Encourage socially responsible behaviour.

---

These stated aims raise concern regarding unintentional consequences that may go unaccounted for as a result of the realities of policy implementation. Where the aims seek to determine if the CDC changes behaviour, risks remain regarding how the reality of policy in its implementation will create conditions that encourage other behaviours that may actually cause more harm. Three main issues are contained within the aims which may allow for more unintentional consequences to emerge from the CDC policy: the assumption that money is the only thing with social value; the vagueness and presumptions regarding socially responsible behaviour; and social dysfunction is individualised.

Reducing the amount of *money* available may encourage unintentional harmful behaviours where the exchange of other *forms/things of value* through barter becomes favoured. Innovative circumvention behaviours occur where CDC recipients find ways to navigate around policy purchase restrictions. Aforementioned evidence of circumvention behaviours often involves the barter of goods, such as swapping allowable purchases with restricted items like tobacco, or whitegoods for alcohol. These forms of circumvention often involve the purchase of allowable goods being swapped for a substantially lower cash equivalent. These circumventions may provide insight regarding what else may be occurring that has yet gone uncaptured. For example, substance dependence cannot be rectified via a plastic card that does nothing to treat the reasons for dependence. Where dependence remains, attention needs to be given toward what products, other than money, can be determined to have value and to what there may be a market for. Without attention given to all forms of potential circumvention, this policy may be creating the potential to cause far more harm than good.

The determination of *socially responsible behaviour* remains vague. This lack of clear definition presumes that 'socially responsible behaviour' is a commonly understood phenomenon with clear and uncontested boundaries. However, such a presumption is questioned as it is based on flawed ideas of rationality and disregards the structural factors that may come to shape behaviour. Where the notion is removed that there is one version of shared rationality, we can begin to interpret 'socially responsible behaviour' in a variety of creative ways. For example, the ways that allow for irrational reactions to life events to be seen as *rational*, given the *structural conditions* afforded to that person at that time. The issue taken with this objective is that adherence to the presumption of universal rationality creates room for those with power to determine and individualise dysfunction. This risks problematising social dysfunction as individualistic via encouraging the sole focus of blame to rest with the individual. Structural

conditions that create behaviour may then go unnoticed and unaddressed.

While the CDC, and IM policy more broadly, do take a structural approach to behavioural change, the problematisation of social dysfunction is individualised. This occurs via its focus on personal consumption of certain products as the reason for dysfunction with no consideration given to the impacts of why people may do so to excess. For example, the Australian Institute of Health and Welfare (2019) states that alcohol consumption and illicit drug use are strongly associated with poor mental health. Additional evidence provides some insight suggesting excessive consumption of drugs and alcohol may relate to coping with past and current trauma related to poverty (Golin et al. 2017) and colonisation (Menzies 2019; Skewes and Blume 2019). Overall, the CDC policy disregards the contextual factors that come to create conditions that promote harmful behaviours, limit positive wellbeing, and limit access to a good life. Where contextual factors are overlooked, there may be little long-term positive effects of such policies rendering them a waste of time and nothing more than an unethical social experiment.

## 2. CDC, individual blame, new paternalism and intentional stigmatisation

The Australian Government parliamentary report by Buckmaster et al. (2012) outlines how successive Australian governments have approached social-security policy and IM. Buckmaster et al. (2012: 18) characterise IM policies as built on paternalism theory in addressing disadvantage, and that 'Underpinning new paternalism is the idea that disadvantage is primarily a result of a deficit of necessary social values'. New paternalism was forecast to solve what the government defines as the 'poverty problem', aiming to reduce reliance on income-support. Instead, evidence consistently shows that compulsory IM may increase recipients' reliance on income-support payments (Bray et al. 2014; Bray et al. 2015; Bray 2016; Bray et al. 2016). Moreover, rates of poverty have not declined since the implementation of IM in 2007 and CDC in 2016, with evidence suggesting poverty rates have increased since 2012 (Australian Council of Social Service 2018). Buckmaster et al. (2012: 18) reason that a 'culture of poverty' is to blame and argue that the poor lack a work-based mindset resulting from 'low self-efficacy, disempowerment, lack of knowledge, low coping skills and poor sense of mastery'. Parents are then blamed for their children's likelihood of seeking income support, termed the 'transmission of poverty'. Buckmaster's analysis disregards that parents' behaviours are themselves shaped by wider social conditions and structures. The normalisation of seeking income support is framed as undesirable, where people who experience inter-

---

generational poverty are further argued to not be as susceptible to stigma:

The direct means of transmission of values giving rise to welfare dependency is said to be that reliance on income support by parents, desensitises their children to the stigma and negative views usually associated with the receipt of income support (Buckmaster et al. 2012: 19).

The review of the report by Buckmaster et al. (2012) raised concern regarding the alignment of theory underpinning IM policy to the idea that desensitisation to stigma is undesirable. Such a suggestion infers that IM's theoretical approach seeks to reduce this reliance without reducing stigmatisation, and that stigmatisation may be considered a useful part in reducing the number of people seeking income support.

The CDC policy may position the CDC recipient as the 'underclass' subordinate or as the undeserving poor through labelling recipients as socially deviant and undesirable citizens. The public framing of welfare consumption by the powerful as a problem based on individual deficits of the poor may work to enforce social hegemony through perceived social consent of punitive social policies. This, Gramsci has described, is done by removing choice from one group for 'the greater good', thus encouraging acceptance of a person's own subordination (Madison 2005: 54). Where the CDC policy works to reinforce class structures, the combination of subordination with social stigmatisation may cement effects of 'othering' by way of socially isolating CDC policy recipients as undeserving and undesirable citizens. If stigmatisation is a welcomed unintentional consequence of IM policy, this represents a socially unjust approach to social 'support' where stigma may represent a version of social punishment for the consumption of income support.

### *3. CDC, poverty and profit: economic ideology and governance*

IM policy is profitable off the back of the financially poor. Introduction of the CDC has seen the privatisation of income-support payments via the appointment of Indue Ltd, a private company contracted by the Australian Government to distribute income-support payments for a prescribed fee. Evidence shows that the cost to the Australian Government associated with the 2016 initial roll out and the one-year trial of the CDC in Ceduna and East Kimberly alone, is approximately \$19m or \$10,000 per CDC recipient, with 44% (\$7.9m) of this cost going directly to Indue Ltd (Australian Government 2017a). The government's extension by limited tender to Indue Ltd to continue delivering the CDC along with other versions

of IM between 2016 to 2018 equated to \$38.6m, paid directly to Indue Ltd (AustTender 2017). In the 2016-17 financial year, Indue recorded a \$11.2m profit (Indue 2017). Indue's profit margins look set to increase as the Australian Government begins transitioning approximately 25,000 people from the basics card to the CDC where related legislation is passed in the senate (Parliament of Australia 2019).

When we see that the CDC policy does not work in the ways intended, the question arises of whom is really benefitting from such an approach to social 'support'. Globally, neoliberal capitalism has come to not only shape our economies but also every element of how we are able to conduct and experience our lived realities (Harvey 2007). This economic system has increasingly encouraged us to see others as generalised strangers we are in competition with. This is not to say some competition does not have its benefits, rather, where policy embodies such an approach there remains an assumption of initial equality between people, which is not the reality.

The CDC is an expected progression of social policy under neoliberal capitalism. Evidence suggests the CDC creates conditions that entrench poverty while others profit from it. Grover (2019) argued that welfare conditionality (defined as active proletarianisation) uses known social injustices and inequalities on the working class by forcing commodification of labour through the destitution of the unemployed. The CDC forces us to separate ourselves even further into categories designed to promote competition for the proliferation of profit. For example, as the deserving and undeserving poor, and the morally just and the deviant. This is because the card remains a physical symbol of lack of wealth, status and power (Klein and Razi 2017) allowing distinction and stigmatisation of recipients where discrimination and competition become potential foundations for active classism. When everyone becomes a stranger and the primary form of interaction with most others is generally based on some form of economic contract, it becomes easy to stigmatise, to not need to empathise with others; it becomes easier to forget the real problem.

The neo-liberals in power have devised a way of commodifying rising financial inequality, and so we cannot expect such policy to disappear under our current economic framework. We are rewarded for financial successes; that is the way our economic system is designed. Here we find an unintentional contradiction: that while increasing stigma may relate to deterring people from seeking income-support, the need for increasing profit encourages IM consumption. Further consideration regarding this contradiction is needed. Where the CDC in reality entrenches poverty, this approach is suggested

---

as economic recklessness. Increasing poverty leads to decreasing economic and social prosperity (Hail 2018) and represents not only an economic but a social argument that must be taken seriously.

### **Moving Forward: Context-based policy can better assist people to live a good life**

Socially responsible behaviour can be better conceptualised as what determines a 'good life', through shifting the weight of responsibility off the shoulders of the individual alone and refocusing action on non-individualised structural conditions: the contexts within which people live that come to influence every choice they are able to make. Wilkinson and Pickett (2010) have written extensively on the elements that may come to determine a good life, more often described as wellbeing. They discuss the conditions that impact wellbeing occur from social division including those linked to social dysfunction such as homelessness, crime and substance abuse. Others have come to describe the external factors that shape and influence people's lived realities as individually immovable contexts that people have little choice but to navigate within. These contexts are numerable and often dependent on situation specifics, although typically include economic, social, historical, cultural, policy and opportunity conditions that determine human behaviours, how we interact with each other and why (Guerin 2016).

It is not a new argument that human behaviour is largely influenced by external life conditions that limit individual and group agency and choices – a debate most commonly found within sociology and its related literature. A variety of influential organisations have framed much of their policy recommendations on such an argument. For example, there are the World Health Organisation (2019) reports regarding the social determinants of health, and the Australian Institute of Criminology's National Crime Prevention Framework (Morgan et al. 2012). Both such organisations overtly focus their recommendations toward positive social change, on how governments can and should direct policy attention to concentrate on broader structural social conditions such as social inclusion and cohesiveness, and social opportunities related to housing, poverty and employment.

### **What Can We Learn About Policy?**

From what has been discussed, we can see that the CDC acts as a significant symbol that has the power to re-shape social contexts and behaviours, associated meanings and determinations of deviance, and consequently, overall wellbeing. However, we can see that when policy focuses on individualising responsibility for social dysfunction, it does not positively address the conditions leading to an individual's struggles in the first place. We can see that

where policy creation is influenced through ignorance of evidence and the embracing of unintentional injustices such as stigma and exclusion, life conditions can become worse for many affected by that policy. This approach is made all the more questionable when profit is made off those who suffer.

What is needed is a dedicated willingness to address the issues that trouble society, through developing greater contextual understandings of how people actually live their lives given the opportunities they are afforded. This can be done through analysis of the contextual factors that people already navigate within, and requires attention to be given to the evidence that emerges from such pivotal investigations. Undertaking an evidenced-based contextual analysis to better inform social policy becomes an action of social justice through identifying possible unintended consequences before they can cause lasting harm.

### **References**

- Australian Bureau of Statistics 2018 *National Health Survey: First Results, 2017-18: Alcohol Consumption*, cat. no. 4364.0.55.001, ABS, Australian Government, Canberra, <https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4364.0.55.001-2017-18-Main%20Features-Alcohol%20consumption-100> <https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4364.0.55.001-2017-18-Main%20Features-Alcohol%20consumption-100> (accessed 20/01/2020).
- Australian Council of Social Service 2018 *Poverty in Australia*, University of NSW, ACOSS, [https://www.acoss.org.au/wp-content/uploads/2018/10/ACOSS\\_Poverty-in-Australia-Report\\_Web-Final.pdf](https://www.acoss.org.au/wp-content/uploads/2018/10/ACOSS_Poverty-in-Australia-Report_Web-Final.pdf) (accessed 20/10/2019).
- Australian Government 2017a FOI request no. 17\_8\_032, Australian Government, Canberra [https://www.dss.gov.au/sites/default/files/documents/11\\_2017/foi\\_request\\_no\\_17\\_18-032\\_-\\_attachment\\_a.pdf](https://www.dss.gov.au/sites/default/files/documents/11_2017/foi_request_no_17_18-032_-_attachment_a.pdf) (accessed 03/04/2019).
- Australian Government 2018a *Income Management and Cashless Debit Card Summary* (29 December 2017 - 5 January 2018), Australian Government, Canberra <https://data.gov.au/dataset/3b1f1fb7-adb5-48ea-8305-9205df0a298c/resource/3eb4d339-89fb-43ec-adf9-df2e43cf3cd2/download/income-management-and-cashless-debit-card-summary-29-december-2017-5-january-2018.docx> (accessed 15/10/2019).
- Australian Government 2018b *Income Management Summary Data*, Australian Government, Canberra <https://data.gov.au/dataset/ds-dga-3b1f1fb7-adb5-48ea-8305-9205df0a298c/details> (accessed 02/10/2019).
- Australian Government 2019a *Cashless Debit Card*, Department of Social Services, Australian Government, Canberra <https://www.dss.gov.au/families-and-children/programmes-services/welfare-conditionality/cashless-debit-card-overview> (accessed 20/09/2019).
- Australian Government 2019b *Social Security Guide: 8.7.1.20 Objectives of the Cashless Debit Card Trial*, Guides to Social Policy Law, Department of Social Services, Australian Government, Canberra <https://guides.dss.gov.au/guide-social-security-law/8/7/1/20> (accessed 20/10/2019).

- Australian Institute of Health and Welfare 2019 *Alcohol, tobacco & other drugs in Australia*, Australian Institute of Health and Welfare <https://www.aihw.gov.au/reports/alcohol/alcohol-tobacco-other-drugs-australia/contents/priority-populations/people-with-mental-health-conditions> (accessed 02/10/2019).
- AustTender 2017 Corporate Objectives Services, AusTender <https://www.tenders.gov.au/?event=public.advancedsearch.keyword&keyword=CN3321854> (accessed 21/04/2019).
- Bielefeld, S. 2018 'Government mythology on income management, alcohol, addiction and Indigenous communities', *Critical Social Policy*, 00, 0: 1-22.
- Bray, J. R. 2016 'Seven years of evaluating income management, what have we learnt? Placing the findings of the New Income Management in the Northern Territory evaluation in context', *Australian Journal of Social Issues*, 51, 4: 449-468.
- Bray, J. R., Gray, M., Hand, K. and Katz, I. 2014 *Evaluating new income management in the Northern Territory: final evaluation report*, Social Policy Research Centre, Sydney.
- Bray, J. R., Gray, M., Hand, K. and Katz, I. 2015 'Compulsory income management in the Northern Territory—evaluating its impact', *Australian Journal of Social Issues*, 50, 4: 373-396.
- Bray, J. R., Gray, M., Hand, K. and Katz, I. 2016 'Social Worker Assessed Vulnerable Income Management', *Australian Journal of Social Issues*, 51, 4: 469-485.
- Buckmaster, L., Ey, C. and Klapdor, M. 2012 *Income management: an overview*, Parliament of Australia, Canberra [https://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/pubs/BN/2011-2012/IncomeManagementOverview#\\_Toc328056518](https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/BN/2011-2012/IncomeManagementOverview#_Toc328056518) (accessed 05/06/2018).
- Cobb-Clark, D., Kettlewell, N., Schurer, S. and Silburn, S. 2017 *The Effect of Quarantining Welfare on School Attendance in Indigenous Communities*, ARC Centre of Excellence for Children and Families over the Life Course, The University of Queensland, Australia.
- Coroners Court Western Australia 2019 *Inquest into the 13 Deaths of Children and Young Persons in the Kimberley Region*, Coroners Court Western Australia, Western Australian Government, [https://www.coronerscourt.wa.gov.au/Inquest\\_into\\_the\\_13\\_deaths\\_of\\_children\\_and\\_young\\_persons\\_in\\_the\\_kimberley\\_region.aspx](https://www.coronerscourt.wa.gov.au/Inquest_into_the_13_deaths_of_children_and_young_persons_in_the_kimberley_region.aspx) (accessed 04/08/2019).
- Cox, E. 2011 'Evidence-free policy making? The case of income management', *Journal of Indigenous Policy*, 12, 1: 1-10.
- Dee, M. 2013 'Welfare surveillance, income management and new paternalism in Australia', *Surveillance & Society*, 11, 3: 272-286.
- Doel-Mackaway, H. 2017 'I Think It's Okay, but It's Racist, It's Bad Racism-Aboriginal Children and Young People's Views about the Intervention', *Monash UL Review*, 43, 76.
- Fowler, P. J., Hovmand, P. S., Marcal, K. E. and Das, S. 2019 'Solving homelessness from a complex systems perspective: insights for prevention responses', *Annual Review of Public Health*, 1, 40: 465-486.
- Golin, C. E., Amola, O., Dardick, A., Montgomery, B., Bishop, L., Parker, S. and Owens, L. E. 2017 'Poverty, personal experiences of violence, and mental health: Understanding their complex intersections among low-income women', in A. O'Leary and P. Frew (eds) *Poverty in the United States*, Springer, Cham, 63-91.
- Grover, C. 2019 'Violent proletarianisation: Social murder, the reserve army of labour and social security "austerity" in Britain', *Critical Social Policy* 39, 3: 335-355.
- Guerin, B. 2016 *How to Rethink Human Behavior*, Routledge, Oxon.
- Hail, S. 2018 *Economics for Sustainable Prosperity*, Springer, New York.
- Harvey, D. 2007 *Neoliberalism*, Oxford University Press, Oxford.
- Humpage, L. 2018 *Youth Service Management in New Zealand: Preliminary Research Findings*, University of Auckland, Auckland.
- Hunt, J. 2017 'The Cashless Debit Card evaluation: does it really prove success?', *Centre for Aboriginal Economic Policy Research ANU CAEPR Working Paper No. 2/2017*, The Australian National University, Canberra.
- Indue 2017 *Indue Annual Report 2016-2017*, Toowong, Indue, [https://indue.com.au/wp-content/uploads/IND-2335-Annual-Report-2017\\_WEB.pdf](https://indue.com.au/wp-content/uploads/IND-2335-Annual-Report-2017_WEB.pdf) (accessed 03/09/2018).
- Klein, E. and Razi, S. 2017 'The Cashless Debit Card Trial in The East Kimberly', *Centre for Aboriginal Economic Policy Research ANU College of Arts & Social Sciences CAEPR Working Paper No. 121/2017*, The Australian National University, Canberra.
- Lamb, D. and Young, M. 2011 'Pushing buttons: an evaluation of the effect of Aboriginal income management on commercial gambling expenditure', *Australian Journal of Social Issues*, 46, 2: 119-140.
- Lovell, M. E. 2016 'The normalisation of income management in Australia: analysis of the parliamentary debates of 2007 and 2009-10', *Australian Journal of Social Issues*, 51, 4: 433-448.
- Madison, D. 2005 *Critical Ethnography*, Sage Publications, California.
- Mavromas, K., Moskos, M., Isherwood, L. and Mahuteau, S. 2019 *Cashless Debit Card Baseline Data Collection in the Goldfields Region: Qualitative Findings*, University of Adelaide, Australia.
- Mendes, P. 2019 'Top-down Paternalism versus Bottom-up Community Development: A case study of compulsory income management programs in Australia', *The International Journal of Community and Social Development*, 1, 1: 1-16.
- Mendes, P., Marston, G., and Katz, I. 2016 'Introduction for Special Issue on Income Management', *Australian Journal of Social Issues*, 51, 4: 393-397.
- Menzies, K. 2019 'Understanding the Australian Aboriginal experience of collective, historical and intergenerational trauma', *International Social Work*, 62, 3: 1-13.
- Morgan, A., Homel, P. and McAtamney, A. 2012 *National Crime Prevention Framework*, Australian Institute of Criminology, [https://www.researchgate.net/publication/281117460\\_National\\_Crime\\_Prevention\\_Framework](https://www.researchgate.net/publication/281117460_National_Crime_Prevention_Framework) (accessed 11/08/2019).
- ORIMA 2017 *Cashless Debit Card Trial Evaluation*, Department of Social Services, Australian Government, Canberra.
- Parliament of Australia 2019 *Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019*, Parliament of Australia, Canberra [https://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Community\\_Affairs/CashlessCardTransition](https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/CashlessCardTransition) (accessed 20/10/2019).
- Peterie, M., Bielefeld, S., Marston, G., Mendes, P. and Humpage, L. 2019a 'Compulsory income management: Combatting or compounding the underlying causes of homelessness?', *Australian Journal of Social Issues* 55, 1: 1-18.
- Peterie, M., Ramia, G., Marston, G. and Patulny, R. 2019b 'Social Isolation as Stigma-Management:

- Explaining Long-Term Unemployed People's Failure to Network', *Sociology*, 53, 6: 1-17.
- Samuel, K., Alkire, S., Zavaleta, D., Mills, C. and Hammock, J. 2018 'Social isolation and its relationship to multidimensional poverty', *Oxford Development Studies*, 46, 1: 83-97.
- Skewes, M. C. and Blume, A. W. 2019 'Understanding the link between racial trauma and substance use among American Indians', *American Psychologist*, 74, 1: 88.
- Vincent, E. 2019 *Lived Experiences of the Cashless Debit Card Trial*, Ceduna, South Australia, Working Paper 129/2019, Centre for Aboriginal Economic Policy Research, Australian National University, Canberra.
- Watts, B. and Fitzpatrick, S. 2018 *Welfare Conditionality*, Routledge, Oxon.
- Weis, L. and Fine, M. 2012 'Critical bifocality and circuits of privilege: Expanding critical ethnographic theory and design', *Harvard Educational Review*, 82, 2: 173-201.
- Wilkinson, R. and Pickett, K. 2010 *The Spirit Level: Why Equality is Better for Everyone*, London, Penguin Books.
- World Health Organisation 2019 *Social Determinants of Health*, World Health Organisation, [https://www.who.int/social\\_determinants/en/](https://www.who.int/social_determinants/en/) (accessed 20/10/2019).
- Wright, S. and Patrick, R. 2019 'Welfare conditionality in lived experience: aggregating qualitative longitudinal research', *Social Policy and Society*, 18, 4: 1-17.

#### Author

Kristen Stevens is a PhD scholar at the University of South Australia, in the School of Psychology, Social Work and Social Policy. The doctoral research focusses on contextualising the lived experiences of people in receipt of the cashless debit card in Australia.

#### Acknowledgements:

The author acknowledges the support received from the Freilich Foundation Early Career Research Grant, and the Australian Research Training Program Scholarship from the Australian Government.

Thank you to all the community members who continue to share their stories. The researcher wishes to acknowledge the editing assistance provided from colleagues regarding early versions of this manuscript. Thank you also to the anonymous reviewers for their constructive and welcomed feedback.

#### Hope

The night falls without a sound, fearful am I,  
evil haunts my mind like an ungodly force.  
Planes, missiles, soldiers,  
rubble, screams, rockets firing.  
These are my dreams, erupting in the night.  
Tragic ending of my generation destroyed,  
swept away by madness, all hope is disappearing,  
like a never-ending black hole.

Around, the dark memories gather,  
mourning of my husband. My dread grows as the  
angry hand of Heaven falls against my heart.  
It mauls me, and darkly my life's blood drips  
to the wicked earth that is my prison.  
In my madness, I cry out, while Hell laughs cruelly.  
I hear the screaming of kids, buried  
underneath the rubble.

I see an electrolier, silently still, not moving.  
My phone is my connection, to the living and the lost.  
Freedom is an imagination, a place to hope,  
something to dream and explore.  
I am seeking Asylum.  
A place where my children can laugh, play and  
discover. A haven that they are not  
afraid of death.

I dream when the torture in my mind, escapes  
like an animal released from its cage.  
My child asks, "can I take any toys?"  
My son says, "we can learn English."  
I mourn within, leaving my mother.  
"I'm too sick to travel," she says.  
The night falls in a heavy, suffocating  
cloak, soulless are we.

The salvation for which I pine.  
"It's time to go," I say to my relatives.  
My passion for life throbs no more. How could  
you tear us asunder?  
I watch the crumbling buildings, the bombed  
shopping centre, the playground with the  
eerie spirits of time passed.  
The decision to leave this forsaken place.

Memory of my husband having breakfast,  
Then, with a click of a finger, disappears,  
with a black hood on his head,  
his helpless arms tied around his neck.  
I still hear the screaming of my children.  
He promises them a pony.  
I feel the angels surround us, crying,  
saving us from ourselves.

Hope is far yet, within reach.  
I am seeking Asylum.

PENELOPE GREENTREE,  
MELTON, VIC

THIS POEM WAS SHORTLISTED IN THE 2019 BR4R (BALLINA  
REGION FOR REFUGEES) 'SEEKING ASYLUM' POETRY PRIZE,  
PROUDLY SUPPORTED BY SOUTHERN CROSS UNIVERSITY.

# The Fraught Relationship Between the Cashless Debit Card and Basic Transaction Accounts

DAVID TENNANT AND GERARD BRODY

*Most Australian adults have a transaction account. For people on low and fixed incomes it is vital there are options offering safe, fair and affordable terms. The Cashless Debit Card (CDC) presents a different approach to basic transaction accounts. Defined benefit recipients in CDC sites must have an account on terms prescribed by government. Choosing not to use the CDC means participants cannot access eighty per cent of their benefits. The limited scale of the CDC's application to date has obscured flaws in design and operation. The potential transition of people from government-controlled Income Management to the CDC represents a significant shift. Government is also exploring national CDC roll-out. The CDC is not a normal transaction account but a hybrid with significant risks. For individuals, the CDC undermines choice and empowerment. Structurally, it ignores established regulatory principles and undermines market incentives to consider the needs of vulnerable consumers.*

KEY WORDS: Financial inclusion, bank accounts, regulation, conditional welfare, financial services.

## The Importance of Basic Transaction Accounts

Access to a basic transaction account is a key component of financial inclusion. Opening an account establishes a financial identity and facilitates formal transactions beyond personal bartering and exchange. It is essential to engage fully in society.

The significance of access to transaction accounts in tackling global poverty has been a key component of the World Bank's financial inclusion activities. In a press release to coincide with the announcement of the Bank's 2020 development goals, member groups noted:

The 2020 goal calls for adults worldwide to have access to a transaction account or an electronic instrument to store money, send and receive payments, recognising [sic] financial access as a basic building block to managing an individual's financial life. Access to a transaction account is a first step toward broader financial inclusion, which helps poor families escape poverty and afford essential social services such as water, electricity, housing, education and health care (World Bank: 2015).

Similarly, the United Nations Sustainable Development Goals, which list as Goal 1 to 'End poverty in all its forms everywhere', refer specifically to the importance of access to appropriate financial services (United Nations: 2015).

The Global Findex Database has released data every three years from 2011, tracking progress on expanding access to transaction accounts. The most recent report noted that an additional 515 million adults had opened a transaction account between 2014 and 2017, bringing the proportion of all adults with an account globally to sixty-nine per cent (World Bank: 2018).

Developing countries face a different scale of challenge but the importance of access to basic financial services is universal. Most developed countries have a policy commitment to financial inclusion, which recognises and measures access to transaction accounts as a key indicator.

Australia fares well in international comparisons of transaction account access. According to the Centre for Social Impact's latest Financial Resilience snap shot in 2018, 97.4% of the adult population reported having direct access to a bank account (Marjolin et al. 2018: 23). The figure had increased from 96.1% in the 2016 report (Marjolin et al. 2018: 23). Australia's social security system requires the payment of benefits into a bank account, which has no doubt played an important role in the level of access. Progress on matching low-income consumers to appropriate and affordable accounts has, however, been patchy and improvements relatively recent. Considerations of suitability and choice are also critical.

---

To fully understand how the Cashless Debt Card (CDC) differs from current best practice and might influence future direction, it is worth reflecting on where we are and how we got here.

### **Cost and Access to Transaction Accounts**

Fees and charges can quickly erode the account balances of low-income people. It is vital those people have choices that minimise fees and maximise utility, especially if they require an account to access social security payments. The accessibility of low or fee-free banking options was a central focus of a 1995 Prices Surveillance Authority (PSA) inquiry (PSA 1995). The PSA review also sparked an earnest debate about whether banks owed customers and the community broader social responsibilities.

The PSA stopped short of recommending legislative intervention, preferring self-regulation and competitive pressures to deliver improvements. That theme continued through the 1997 Wallis Financial System Inquiry and is reflected in legislation. The *Corporations Act 2001* (Cth), at Part 7.9, Division 2, generally prescribes product disclosure requirements. Exemptions apply for 'basic deposit products' including transaction accounts, in sections 1012D and 1012E of the *Corporations Regulations 2001* (Cth). The exemptions recognise the role of industry-based codes of conduct, where fees and charges are often included in rules about disclosing terms and conditions.

The providers of transaction accounts have taken some significant steps in response to community concerns about affordability. In 2002, the Australian Banking Association (ABA) applied to the Australian Competition and Consumer Commission (ACCC) for authorisation to initiate a basic bank account with a set of agreed minimum features (ABA 2002b). Authorisation is a process by which the ACCC can permit conduct that might otherwise be considered anti-competitive, if it delivers sufficient net public advantage. The ACCC sought enhancements before agreeing to authorise the proposal and the ABA instead withdrew the application (ABA 2002b).

The range of account options has continued to develop and so have efforts to connect low-income people to products suitable to their needs. For example, the 2013 version of the Code of Banking Practice included a commitment to provide information about low or fee-free accounts if banks became aware a customer was the holder of certain concession cards (ABA 2013: cl 16). Industry also published information about basic bank accounts that had certain features, including no account keeping fees, unlimited transactions and free statements (CFA 2013).

The 2018 Royal Commission into Misconduct in the Banking, Superannuation and Finance Industry (the Royal Commission) considered two case studies relating to basic bank accounts. The evidence confirmed significant gaps remain in ensuring affordable access to appropriate accounts. In his recommendations, Royal Commissioner Kenneth Hayne urged the ABA to amend its Banking Code of Practice with respect to basic bank accounts (Hayne 2019: rec 1.8).

In May 2019, the ABA proposed amendments to the Banking Code. It again sought authorisation from the ACCC to set the minimum features of a basic bank account and standard eligibility criteria (ABA 2019). The proposed minimum features included no account keeping fees, free periodic statements, no minimum deposits, free direct debit facilities, access to a debit card at no extra cost and free unlimited domestic transactions.

On 21 November 2019, the ACCC responded to the authorisation application by providing conditional approval (ABA 2019a). One of the extra conditions applied by the ACCC requires the ABA to provide the ACCC with a report, annually, listing the names of Member Banks that have started, continued and ceased to offer basic bank accounts. The objective of this condition is to provide transparency over the availability of basic bank accounts and to reduce the likelihood that banks will cease to offer them.

Another ACCC condition requires banks to take reasonable steps to identify and contact existing customers who are, or may be, eligible for a basic account and who do not already hold such an account. The ACCC also imposed a condition requiring banks to publicly report to the ACCC twice during the authorisation on actions taken by banks to identify and contact existing customers potentially eligible for basic bank accounts and how many accounts were opened. Neither the ABA application, nor the ACCC conditions require all banks with a retail account presence to offer a basic bank account.

These conditions will likely result in many more eligible customers accessing basic bank accounts and making significant savings on bank fees, including interest charges. It is interesting however that twenty-five years after the PSA review, the Royal Commission was still content to rely on self-regulation. Regulating basic accounts as an essential service and requiring their provision would arguably have ensured they were accessible to more people, much faster.

### **Suitability and Choice**

Alongside the Royal Commission reforms are new laws designed to promote suitability and safety in financial

---

services. These laws apply to transaction accounts and emanate from the Murray Financial System Inquiry (Murray et al. 2014). In a break from the earlier Wallis review, the Murray Inquiry recognised the limitations of disclosure in connecting consumers to appropriate financial services.

[B]ehavioural biases undermine the assumption that individuals are 'rational'. They limit the efficacy of disclosure as a regulatory tool and can lead to sub-optimal outcomes for consumers. Although disclosure remains a valuable tool to improve consumer outcomes, it should not be relied on in isolation (Murray 2014: 8).

Murray recommended the best way to reduce the incidence of consumers buying financial products and services unsuited to their needs was a regulatory regime that required only suitable products and services be developed and sold.

The changes were reflected in the *Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019* (Cth). The law includes design and distribution obligations, promoting the provision of suitable financial products to consumers. In particular, the new regime requires issuers and distributors to appropriately identify and distribute products to target markets and regularly review to minimise the risk that these products are sold to consumers outside the target market. The proposed *Corporations Amendment (Design and Distribution Obligations) Regulations 2019* would, if adopted in the format suggested in the Exposure Draft, specifically cover transaction accounts including basic bank accounts, a change also suggested by the Royal Commission Final Report (Hayne 2019: 294).

In combination, an enhanced regulatory regime and the authorisation of a basic bank account would dramatically increase the likelihood that low-income people will be connected to affordable transaction accounts. A simple summary might be as follows. Consumers have a right to choose; to support effective choice, their circumstances must be considered in the design and distribution of options; the providers of the services have a positive obligation to connect consumers with accounts that suit their needs and means.

That is a good point to consider the significantly different design features of the CDC.

### **The Construct of the CDC**

The legislative basis for the CDC can be found in Part 3D of the *Social Security (Administration) Act 1999* (Cth) the

(SSA). It was initially inserted into the SAA by the *Social Security Legislation Amendment (Debit Card Trial) Act 2015* (Cth), with section 124PJ providing that eighty per cent of welfare payments will be directed into a CDC, while the remainder are paid into the recipient's nominated bank account.

Currently, the CDC trial applies to defined social security recipients in Ceduna in South Australia, the East Kimberley and Goldfields in Western Australia and Bundaberg/Hervey Bay in Queensland. The *Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019* (Cth) is currently before the Federal Parliament. As the name suggests, if the Bill is passed, people who are subject to income management in the Northern Territory and Cape York will be transitioned to the CDC. Prescribed benefit recipients in designated communities must receive a CDC. They can choose not to use it to access the quarantined funds, however, exercising that choice means they lose access to eighty per cent of their income.

The *Social Security (Administration) (Welfare Restricted Bank Account) Determination 2016* provides that the CDC and any tied account is to be established with Indue Ltd. The determination also sets out the key terms and conditions applying to the account, including:

- It may only be opened in a single name and operated by the sole account holder.
- Cash cannot be withdrawn.
- There are systems to prevent money being used to purchase alcohol, gambling products, or gift cards, store cards or vouchers that might allow the purchase of alcohol or gambling products.
- There are systems to prevent the transfer of money to another bank account that might facilitate access to cash or the purchase of excluded goods or services.
- Fees may not be charged for depositing money into the account, or in relation to providing an initial CDC.
- Interest cannot be paid on account balances or charged on balances less than zero.
- It cannot be used to make automatic payments to a third party based on bank details and an account number.
- Limitations are applied to the amounts a participant can spend using a CDC, or transfer out of the account.

Section 12PN of the SSA authorises Indue Ltd to provide information about the operation of accounts and use of CDCs to the Secretary of the Department of Social Services.

---

Indue Ltd may, under section 124PQ of the SSA, decline any transaction that is inconsistent with the terms for operating the account, including but not limited to any attempt to use the CDC for alcohol or gambling. The *Social Security (Administration) (Trial - Declinable Transactions) Determination 2016* sets out the kinds of businesses to which payments may be declined. It lists businesses by description, merchant code (a code used by credit card companies to identify underlying services), BPay biller codes and terminal identification codes.

In addition to the legislative framework, Indue Ltd maintains its own terms and conditions for a CDC account (Indue Ltd 2019). These terms replicate the limitations referred to in the Determinations and regulate a range of other matters, including the use of BPay and the CDC Visa card. The terms and conditions confirm Indue Ltd can share personal information about account holders, including name, address, date of birth and transaction history, with the Commonwealth Government.

Clause 71 of Indue Ltd's terms and conditions notes that Indue Ltd does not subscribe to the ePayments Code, set by the Australian Securities & Investments Commission (ASIC) to provide protection in relation to consumer electronic payments (Indue Ltd 2019). The ePayments Code includes rules about who pays for unauthorised transactions (ASIC 2011). Indue Ltd separately warrants that it complies with the ePayments Code, but its status as a non-signatory means that ASIC has no regulatory oversight of its compliance with code obligations.

Similarly, Indue Ltd is not a signatory to relevant industry codes, such as the Banking Code of Practice (ABA 2019) or the Customer-Owned Banking Code of Practice (COBA 2018). Commitments made in these codes, including customer service, competency of staff, account management and dispute resolution, do not apply to Indue Ltd and it does not submit to the scrutiny of any self-regulatory body. The Australian Financial Complaints Authority can, however, receive complaints about Indue relating to the operation of the CDC.

### **Is The CDC and Tied Account a Normal Transaction Account At All?**

There are a number of operational limitations applying to the CDC and tied account that make it significantly different to normal transaction accounts, including the basic bank account proposed by the ABA. Not only do the restrictions limit the choice of financial services provider, but they also limit choices available to participants in their interactions with the broader economy. There are many ways the limitations might impact, for example:

- Share accommodation can be a cost-effective option for low-income people. It is unlikely a CDC cardholder could rent accommodation privately in a share house, where to do so involved paying another occupant.
- A CDC cardholder cannot access goods and services where cash is the only payment option. That would include many markets or roadside stalls, buy/swap/sell Facebook groups or other online marketplaces, or for the purchase of second-hand goods through private transactions. The limitation would also likely include school tuckshops, or lunch money for excursions.
- Limitations placed on CDC accounts can restrict large purchases, where approval is required. This can mean that CDC cardholders miss out on competitively-priced deals.

CDC cardholders, who are by definition low-income earners, are likely to have additional cost of living pressures, because of the restrictions imposed by the regime.

Another critical difference is the role of government. The features of the CDC are prescribed in legislation, which removes or reduces normal consumer rights. The Department of Social Services tells Indue Ltd who must be sent a card and then establishes the account, without reference to the benefit recipient. Forwarding the CDC without the consumer's request or consent would otherwise breach section 12DL of the *Australian Securities & Investments Commission Act 2001* (Cth) which prohibits the unsolicited issue of debit cards. To facilitate the process, ASIC provided Indue Ltd with a letter noting it would not take any action in relation to the unsolicited issue of the CDC for the purpose of the trial (ASIC 2016: 46).

The CDC redefines the normal contractual arrangements between a transaction account holder and the organisation that provides the account and issues an electronic access card. In a practical sense, Indue Ltd's customer is the Department of Social Services which established the scheme and sets its rules. The benefit recipient is more like a conscript.

The CDC is closer in nature to the role played by a State Trustees' compulsory management of the financial affairs of identified individuals, but without targeting the intervention to people who might require it, based on objective criteria (cf. Banks and Tennant 2016).

---

## Conclusion: Is the CDC solving a problem, or making new ones?

In March 2019, the Hon Paul Fletcher MP who was then Minister for Social Services, delivered a speech to the Sydney Institute, exploring the rationale for the CDC. He stated:

It helps to ensure that welfare payments are used for their intended purpose: so vulnerable Australians can put food on the table, can pay the rent, can buy clothes for their children. Every time a welfare dollar goes to a drug dealer or grog seller, it is not being used to provide this primary support (Fletcher 2019).

Minister Fletcher did not explore how the CDC fits with, or differs from, the current regulatory environment. Nor did the speech reference any potential consequences for other policy priorities like financial inclusion, financial literacy, the availability of affordable financial services, or ensuring financial services are matched to consumers' needs and means.

In key ways, the CDC pushes against best practice and modern policy development. For example:

- Whereas the latest financial system reforms require products and services consider consumers' needs and means, the CDC applies blanket rules regardless of those needs, or additional costs incurred by cardholders.
- Rather than encouraging prudent spending and shopping for the best deal, the CDC imposes restrictions discouraging budgeting and planning.
- At a time when the financial services industry is again being asked to develop and promote fee-free account options for low-income people, the CDC potentially diminishes market incentives by imposing standard government directed terms.
- When other human services reforms, for example the National Disability Insurance Scheme, are encouraging 'customer directed care', the CDC restricts choice and agency.

When the World Bank released its 2018 Findex update on increasing global access to transaction accounts, it included commentary from a key philanthropic benefactor, Melinda Gates, Co-Chair of the Bill and Melinda Gates Foundation:

When the government deposits social welfare payments or other subsidies directly into women's digital bank accounts, the impact is amazing.

Women gain decision making power in their homes, and with more financial tools at their disposal they invest in their families' prosperity and help drive broad economic growth (World Bank 2018).

In Australia, we have been directly depositing social welfare payments into bank accounts for a long time. Reaching into the home to define what those accounts are, how they can be operated and monitoring their use serves no obvious positive social policy purpose and undermines personal choice and agency.

## References

- Australian Banking Association (ABA) 2002a *Banking Code of Practice*, Sydney.
- ABA, 2002b *Application for authorisation for its basic bank account initiative*, Sydney <https://www.accc.gov.au/public-registers/authorisations-and-notifications-registers/authorisations-register/australian-bankers-association-authorisation-a30214> (accessed 4/11/2019).
- ABA 2013 *Banking Code of Practice*, Sydney.
- ABA 2019 *Banking Code of Practice*, Sydney.
- ABA 2019a *Application to implement certain amendments to the 2019 Banking Code of Practice*, Sydney <https://www.accc.gov.au/public-registers/authorisations-and-notifications-registers/authorisations-register/the-australian-banking-association> (accessed 4/11/2019).
- Australian Financial System Inquiry 1997 *Final Report* (Wallis Report), Canberra.
- Australian Securities & Investments Commission (ASIC) 2002 *Regulatory Guide 40: Good transaction fee disclosure for bank, building society and credit union deposit and payments products* (transaction accounts), Sydney.
- ASIC, 2011. *ePayments Code*, Sydney.
- ASIC 2016 *Report 483; Overview of decisions on relief applications* (October 2015 to March 2016), Sydney.
- Banks, M., and Tennant, D., 2016. 'Community worker perceptions of the Income Management regime in Shepperton', *Australian Journal of Social Issues*, 51, 4: 419-432.
- Consumers Federation of Australia (CFA) 2013 *Help on affordable banking*, Melbourne <http://consumersfederation.org.au/help-on-affordable-banking/> (accessed 4/11/2019).
- Customer Owned Banking Association (COBA) 2018. *Customer Owned Banking Code of Practice*, Sydney.
- Fletcher, P. 2019 *Welfare, Personal Responsibility and the Cashless Debit Card Speech to Sydney Institute*, Sydney <https://www.paulfletcher.com.au/portfolio-speeches/speech-to-sydney-institute-welfare-personal-responsibility-and-the-cashless> (accessed 4/11/2019).
- Hayne, K. 2019 *Final Report: Royal Commission into Misconduct in the Banking, Superannuation & Financial Services Industry*, Melbourne.
- Indue Ltd 2019 *Cashless Debit Card Account Conditions of Use*, Toowong <https://cdc.indue.com.au/cardholder/> (accessed 4/11/2019).
- Marjolin, A., Muir, K., and Weier, M. 2018 *Financial Resilience in Australia 2018*; Centre for Social Impact for the National Australia Bank, Sydney.
- Murray, D., Davis, K., Dunn, C., Hewson, C., McNamee, B., *Financial System Inquiry*, Canberra <https://treasury.gov.au/publication/c2014-fsi-final-report> (accessed 4/11/2019).
- Prices Surveillance Authority (PSA) 1995 *Inquiry into fees*

and changes imposed on retail accounts by banks and other financial institutions and by retailers on EFTPOS transactions, Melbourne.

The World Bank 2015 *Press Release: World Bank Group and a Coalition of Partners Make Commitments to Accelerate Universal Financial Access – Access can enable people to better manage risks and escape poverty*, Washington <https://www.worldbank.org/en/news/press-release/2015/04/17/world-bank-group-coalition-partners-make-commitments-accelerate-universal-financial-access> (accessed 4/11/2019).

The World Bank 2018 *Press Release: Financial Inclusion on the Rise, But Gaps Remain, Global Findex Database Shows*, Washington <https://www.worldbank.org/en/news/press-release/2018/04/19/financial-inclusion-on-the-rise-but-gaps-remain-global-findex-database-shows> (accessed 4/11/2019).

United Nations (UN) 2015 *Sustainable Development Goals*, New York, <https://sustainabledevelopment.un.org/sdg1> (accessed 4/11/2019)

### Legislation Cited

*Australian Securities & Investments Commission Act 2001 (Cth).*

*Corporations Act 2001 (Cth).*

*Social Security (Administration) Act 1999 (Cth).*

*Social Security (Administration) (Welfare Restricted Bank Account) Determination 2016 (Cth).*

*Social Security (Administration) (Trial - Declinable Transactions) Determination 2016 (Cth). Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019 (Cth).*

### Authors

David Tennant is the CEO of regional Victorian welfare service provider FamilyCare. FamilyCare's head office is located in Shepparton, a Commonwealth place-based welfare reform trial site and the only Income Management trial site in Victoria. David is a lawyer and a former Chair of both the Consumers' Federation of Australia and Financial Counselling Australia.

Gerard Brody is CEO of the Consumer Action Law Centre, an independent, not-for-profit consumer organisation based in Melbourne. Gerard is also the Chair of Consumers' Federation of Australia, the peak body for consumer organisations in Australia, representing a diverse range of consumer groups, including most national consumer organisations. Gerard has completed a Masters in Public Policy & Management, Bachelor of Law (Hons) & Bachelor of Arts (Hons), all from the University of Melbourne.

### Porter

It was a workplace where you'd likely clock out but even on graveyard shifts as he wheeled the last to go he'd listen to the hospital rocking all night on the wave-hills, steaming through dark its delivered freight, the new in its relay race with the old, late for its date with the end of the world.

He'd be first on deck, combing the quay for the morning's first homecoming ships where the old men and the children sailed from each other and a nurse from short ages past who thought he was old as the century said how it would be the end of the world if today's first-born were the last.

Then the century grew young again and, weary of his company and the old women with their grandchildren, went off without him, left him stuttering seaward through a braille of bedrail, a triangle of pain grimacing skin down the slant of nose to the curl of lips, tight on a lobstered-cold-blue skull.

He heaves at air now from shrunken shells of lungs, wave-sick, riddled with light. Helpless we come to earth, helpless we leave her, he thinks, the old fools babes again, and if these last-born lived for ever that too would be the end of the world.

He's wheeled through it daily now, this portal where the future's ships are crossing whose passengers are always getting young or babes that, bald and bare, become again as old ones, born for burial. They catch his breath, each gasp at landfall. Not sea or shore, they see-saw, poised, rocking.

DEREK WRIGHT,  
LAUNCESTON, TAS

# The Uses and Abuses of Evaluation: The cashless debit card story

JANET HUNT

*An evaluation of the Cashless Debit Card Trial (CDCT) was released in August 2017 with much fanfare. Successive Ministers have claimed the evaluation showed massive reductions in alcohol and drug abuse, gambling and domestic and other violence. Yet the evidence suggests these claims were not simply grossly exaggerated, they were not supported by the evaluation evidence available. Worse, this evaluation has been used repeatedly to justify new trials and extensions of existing trials, despite academic critique and an assessment by the Auditor-General that the evaluation could not be relied upon to prove that the Cashless Debit Card was reducing social harm; and that it may not have been a cost-effective approach. This paper examines the uses of the evaluations by government in their efforts to justify the continuation of these programs.*

KEY WORDS: Cashless debit card; evaluation; Indigenous; social policy; income management

## The Uses and Abuses of Evaluation: The Cashless Debit Card Story

When Treasurer Josh Frydenberg presented his Budget speech to the Parliament on 2 April 2019, he made the following statement:

Mr Speaker, the Government's cashless debit card is delivering life-changing outcomes in child welfare and the safety of communities.

And so, in this Budget, we extend its roll out.

It is already making a real difference, almost halving the frequency of alcohol consumption, gambling and drug abuse (Frydenberg 2019).

His claim was one of a long line of claims between 2017 and 2019 by various Ministers, and even Prime Ministers, that the Cashless Debit Card (CDC) was an extraordinary policy success. Indeed, in September 2019 Prime Minister Morrison signalled a national roll out for 2020 due to this success (Harris 2019). But these claims rested on selective evidence from one very inadequate evaluation of the CDC in the first two locations it was 'trialled'. This paper explores the way this evaluation was used, and at times abused, to justify ever increasing expansion of the CDC 'trials' over three years from 2017-19.

### Background

The concept of a 'Healthy Welfare Card', now renamed as the Cashless Debit Card, was a recommendation

of the Forrest Review into Employment and Training (Forrest 2014). It was seen as a development from income management (IM) which has been occurring in parts of Australia since the Northern Territory Emergency Response, when it was first introduced there for Aboriginal communities. CDC recipients receive 80% of their payments through a card which can be used for all purchases other than prohibited categories. The CDC is supposedly testing whether reducing the amount of cash available in a community will reduce the overall harm (particularly violence and child neglect) caused by 'welfare-fuelled' alcohol, gambling and drug misuse.

The first CDC trials began in Ceduna region (South Australia) on 15 March 2016, and in the East Kimberley region (Western Australia) on 26 April 2016. The trials applied to all working age income support recipients, while those on Age or Veteran pensions or who were already working could voluntarily join the program, though few have. The majority of people on the card in both locations are Indigenous.

The evaluation was not built into the design of the CDC trial and was commissioned only shortly before it began. ORIMA Research, a private company, won the tender and first met with the Department of Social Services only three weeks before the Ceduna trial started. Clearly, at that late stage ORIMA was unable to collect baseline survey data. However, ORIMA tried to assess the situation with a brief Initial Conditions Report which covered details about the locations, the numbers of participants in the trials and information

---

from initial stakeholder focus groups and interviews about the situation in those sites. It then undertook intercept surveys of participants in two waves (and of family members in Wave 1 only) intended to enable a longitudinal analysis; but attrition rates were high with only 28 per cent interviewed for both waves. This was supplemented with data from state jurisdictions on a range of relevant indicators (such as alcohol-related hospital admissions, crime apprehensions etc.) but not Commonwealth administrative data, except to compare demographic characteristics of its Wave 1 and 2 samples. Comparison sites were identified but these were of limited value as they were locations that trial participants may have visited in the trial period, confusing the results. The evaluation cost of \$1.6m, double the original contract price, was apparently in part due to the complexity of the survey fieldwork and the nature of the administrative data (Australian National Audit Office 2018).

### **The Challenges of Evaluation**

Evaluation should be built into program design, and is usually considered to have two purposes – for learning and program improvement, and for accountability. While both purposes are important, in the trial of a program one would assume that the learning and program improvement purpose should predominate. With a place-based program it might also be important to examine what might be driving the success or otherwise of the program in its context, and how transferable the findings might be elsewhere.

The task of evaluation may vary: an evaluation may be preemptive (i.e. to evaluate policy and program options in developing a proposal) or formative (i.e. assessing the implementation of a program) but the ORIMA evaluation appeared to be intended as an outcome evaluation (i.e. designed to assess the outcomes of a program). For such an evaluation it is normal to establish a baseline of the situation prior to a program intervention, assess change after a period of the program's operation, and assess the extent to which the program may have contributed to any measured changes. However, one of the challenges of evaluation in complex social settings is that it may not be possible to attribute change to a particular intervention, as that intervention occurs in a dynamic environment, where factors leading to change cannot easily be isolated and deemed to have caused that change. Furthermore, assessing change through interviews with program participants, which became the main source of data for ORIMA, is fraught with difficulties, as Cox (2017a) explains. Power relationships between identified income support recipients and a contractor of the government, social desirability bias, legal considerations, and a host of cross-cultural considerations, among them gratuitous concurrence, could all affect the results obtained (see also Cox 2017b, Gray 2012).

Finally the politics of evaluation come into play. Evaluation is an inherently political activity in many respects (Markiewicz 2008; Taylor and Balloch 2005) but in this case, the evaluation took place in a highly political context, as the introduction of this IM measure was controversial. Because of this, it needed to be carefully designed and implemented, and reported in a very transparent way. However, the presentation of the findings by the evaluators seemed deliberately confusing, while the way results were used selectively by politicians intent on promoting this policy whatever its impact, was at times seriously misleading.

### **Earlier Evaluations of Income Management**

The Northern Territory National Emergency Response Intervention (NTER), which led to IM in the NT, was itself the subject of numerous evaluations and as Altman and Russell explain, in that context evaluation was 'not a tool for objectively measuring success or failure but rather forms a part of the policy process' (Altman and Russell 2012: 3). Evaluation 'fetishism', as they say, occurs when a policy is contested and government has to demonstrate to a wider public that their costly program is achieving results. The same may be said about evaluation of the CDC. To put this in context, a number of evaluations of various approaches to income management have been undertaken since IM began in 2007. Bray undertook a comprehensive review of all of those undertaken up to 2015, and as he said:

These vary in rigour, methodology, and the set of programs considered. This has led to an apparent diversity of findings, which has been exaggerated by selective use in public debate (Bray 2016: 449).

He went on to document how Ministers and the Department had selectively reported the findings of the evaluations to present some positive aspects, without reporting the qualifications or distinguishing between the results for voluntary IM as against compulsory IM; and also argued that incomplete quotes were often taken out of context to highlight the positive without reporting the negative consequences or failings of the card. Bray also compared the methodologies of the various evaluations undertaken and found that those which focused on subjective perceptions of change were generally more positive in their results than those which used more objective measures of change such as changes in spending patterns (Bray 2016: 449). Furthermore, Bray found a marked difference in outcomes for those on voluntary IM compared to those compulsorily placed on it, unless individuals wanted to change and were given the necessary wrap-round support to do so (Bray 2016: 464). Despite Bray's finding about the limitations of compulsory IM applied indiscriminately, the CDC was an example of precisely that approach. Bray subsequently

---

updated his research, reporting a 'failure of income management policies to achieve their goals' (Bray 2019: i). However, evidence of policy failure does not always lead to policy change in this as well as other areas, when perhaps other factors or interests are in play.

### Shortcomings of the ORIMA Evaluation on Which Success Claims Rest.

A 'Wave 1' evaluation of the CDC was conducted in August 2016 in the Ceduna area and in September/October 2016 in the Kimberley (ORIMA 2017b:4–5). This followed an Initial Conditions (IC) Report which showed that 757 Ceduna and 1247 East Kimberley residents had received income support payments through a CDC (ORIMA 2017a:13). In August 2017, the final 'Wave 2' report was released (ORIMA 2017c), and the findings from this series of reports have been used to justify the CDC ever since.

The problems with these reports are difficult to summarise, but they reflect poor design, confusing reporting, and misleading interpretation. I have detailed these elsewhere (Hunt 2017a, b). Most importantly they do not help foster a real understanding of whether and how the CDC may be working or helpful, and where it is clearly failing or even causing harm.

The Initial Conditions Report provided a detailed program logic with expected outcomes including possible benefits and adverse consequences. It provided a set of key performance indicators for which data would be collected and stated that it would use both qualitative information and administrative data to triangulate findings. While this logic was clear, the two subsequent reports failed to fully reflect this plan. Interviews with selected key stakeholders in the communities were conducted but no objective data was obtained.

The Wave 1 Report (ORIMA 2017b) was huge and full of quantitative data based on interviews, but the value of its data is questionable (Cox 2017a, Hunt 2017a). The Wave 2 data was not exactly the same as in Wave 1 (e.g. there was no data from participants' families). It was also analysed and presented differently in some respects from that in Wave 1. Hence it is difficult, if not impossible, to compare and assess change from Wave 1 to Wave 2, as they were neither the same individuals as originally planned, nor were they two completely random samples, and rates of response or refusal varied across the two samples (see Hunt 2017b). Thus, direct comparison of these two intercept samples is not valid. In addition, the program logic and its various data sources proposed in the IC Report seem to have been abandoned as the Wave 2 report emerged.

### The Findings

The headline results of the Wave 1 Report highlighted in the Executive Summary were that:

- 25% of CDCT participants and 13% of their family members reported drinking alcohol less frequently
- around a quarter of CDCT participants who reported using illegal drugs before the Trial commenced indicated that they had been using illegal drugs less often
- 28% of non-participant community members, 27% of CDCT participants and 28% of CDCT participants' family members had noticed a reduction in gambling in their community since the Trial started (ORIMA 2017b: 4)
- there was some preliminary evidence of a reduction in crime, violence and harm.

These were the findings that political leaders repeated frequently. However, among other findings and qualifiers they neglected to share:

- more participants said the CDCT had made their lives *worse* than made it *better* (49% compared to 22%) and 27% reported no change (p. 35)
- 34% of people on the card never drank, gambled or used drugs prior to the trial, 43% reported no change, and 2% reported increases. Thus for 77% of the population there was no impact at all and over a third were unnecessarily on the card (p. 22)
- the number of people acknowledging use of illegal drugs was only 84 across the whole sample of 2004 people (and only around 21 had reported reduced use, or around one per cent of the total sample) (p. 26)
- in the East Kimberley 28% had observed increased violence in the community, 42% reported no change and only 20% reported a reduction. In Ceduna a total of 60% had seen increases or no change, and 20% couldn't say (p. 31).

Until the Wave 2 report, there was no mention of the possible impact of the simultaneous 12-month Takeaway Alcohol Management System (TAMS) trial in Kununurra and Wyndham which was introduced in December 2015 (Codeswitch 2016). This could have contributed to any reduced drinking identified.

The Wave 2 report also highlighted some positive findings which were taken up by political leaders:

- participants who reported drinking alcohol less frequently than they did before increased significantly

---

from 25% (n=345) at Wave 1 to 41% (n=231) at Wave 2

- the proportion reporting use of illegal drugs less frequently increased from 24% (n=84) at Wave 1 to 48% (n=62). An important footnote in the report stated 'It should be noted that self-reports of illegal drug use in a survey context are subject to a high risk of social desirability bias and should be interpreted with caution'
- 48% of those who gambled before the Trial reported doing this less often (n=109), up from 32% at Wave 1 (n=140). The report noted that the change between Wave 1 and 2 was not statistically significant at the 95% level of confidence (but it was at the 94% level)
- in the 12 months following the introduction of the CDCT (April 2016 to March 2017), electronic gaming (poker) machine revenue in the Ceduna and surrounding Local Government Areas was 12% lower than in the previous 12 months (April 2015 to March 2016).

Some of the findings they did not mention were:

- with the exception of drug driving offences and apprehensions under the Public Intoxication Act (PIA) in Ceduna, crime statistics showed no improvement
- there was no statistically significant change between Wave 1 and Wave 2 in participant and non-participant perceptions of safety (ORIMA 2017c).

If there was a significant decline in alcohol use, then there are further questions about the program logic behind the trial, as the data shows that the community harms thought to be attributable to alcohol appear to persist. No sales data from liquor outlets was checked against people's reporting and elsewhere the reports showed mixed perceptions at best relating to whether alcohol use was reducing.

The Wave 2 report suggested that there was reduced gambling, however, there were a number of qualifications in the Report. These included that this did not seem to be the case in the East Kimberley, where both participants and non-participants were more likely to say that they thought gambling had gone up. (However, the non-participant result was not statistically significant.) In Ceduna the issue was poker machine use but data presented could not confidently support claims that gambling had significantly reduced (ORIMA 2017c).

If the anti-social behaviours had changed, one would have expected that the impact might have been felt in terms of reduced violence and increased feelings of safety, but the report acknowledges that that there was

'no statistically significant change' (ORIMA 2017c: 68) between Wave 1 and Wave 2 in participant and non-participant feelings of safety. In the East Kimberley 'at both Wave 1 and Wave 2, a greater proportion of participants felt that violence had increased than had decreased' (ORIMA 2017c: 65), which is certainly borne out by data on assault offence/incidence reports from the WA Police that was not mentioned in the evaluation (Hunt 2017b). This data itself needs to be treated with caution as there may have been a major change in policing behaviour that contributed to such a sharp rise in such reports, but it is consistent with the CDC participant perception data.

There may be two explanations for these outcomes which were not investigated: either anti-social behaviours thought to cause violence and crime had not reduced and so violence and crime continued; or, those behaviours had reduced, but were not the causes of violence and crime. Furthermore, the evaluation failed to give any sense of who was finding that the CDC had improved their lives and who was finding it worsened them. For a trial this would be very important information.

Vincent (2019) explored why some participants in Ceduna 'emphasise the punitive dimensions of the CDC while others experience the card as supportive' and concluded that this related to whether they saw the card in the context of 'broader colonial, racial and social injustices' or of 'immediate familial concerns' (p. 18). As she said, 'many research participants advanced a critical analysis of the card in social and historical terms'. Being on the card, one man perceived, was like being 'taken back', 'to the days when old people were given a pinch of tea, some sugar and salted beef' (p. 18). Klein and Razi also found in Kununurra and Wyndham that the CDC, known locally as the 'White Card', 'was the symbol of settler colonialism' (Klein and Razi 2017: 13). So claims that the CDC was 'delivering life-changing outcomes in child welfare and the safety of communities' and 'almost halving the frequency of alcohol consumption, gambling and drug abuse' (Frydenberg 2019) were only partial truths at best, relied on dubious data, and were certainly incorrect in relation to community safety, while there were actually mixed findings in relation to child welfare. In addition, the frame within which people viewed the card evidently affected how they experienced it.

Finally, in 2018 the whole CDC trial program was the subject of an audit by the Australian National Audit Office which concluded that:

The approach to monitoring and evaluation was inadequate. As a consequence, it is difficult to conclude whether there had been a reduction in social harm and whether the card was a lower cost welfare quarantining approach (ANAO 2018: 8).

---

The audit made the point that the evaluation had not assessed the level of unrestricted cash in the communities, and that it had not made use of 'all available administrative data to monitor the impact of the trial' (ANAO 2018: 8).

### Political Use of the Evaluation

When the Wave 1 report was released in March 2017, Ministers Porter and Tudge issued a press release, stating that 'overall, the [trial] has been effective to date ... in particular, the trial has been effective in reducing alcohol consumption, illegal drug use and gambling – establishing a clear 'proof-of-concept' (Porter and Tudge 2017). The press release stated that 'the results support an extension of the card' and emphasised, 'The card is not a panacea, but it has led to stark improvements in these communities. There are very few other initiatives that have had such impact', completely ignoring all the qualifiers in the report.

In mid-2017, the Social Services Legislation Amendment Cashless Debit Card (CDC) Bill 2017 was introduced to the Parliament to extend the two trial sites indefinitely and allow for more sites to be trialled. It then became the subject of a Senate Community Affairs Legislation Committee inquiry. The Bill's explanatory Memorandum stated that 'the trial is having positive early impacts in relation to alcohol consumption, illegal drug use, and gambling in the trial regions.' (p. 3). On 29 August 2017, the Wave 2 Evaluation report was released with considerable fanfare. This time, Prime Minister Turnbull said with great conviction that it had seen 'a massive reduction in alcohol abuse, in drug abuse, in domestic violence, in violence generally; a really huge improvement in the quality of life, not just for the families who are using the Cashless Welfare Card, but for the whole community' (Turnbull 2017). Yet the evidence suggests these claims were not just simply grossly exaggerated, they were not supported by the evaluation evidence available at the time, particularly in relation to domestic violence. The *only* reference to domestic violence findings in the Wave 2 report said:

a few service provider case-workers reported that there was a noticeable decrease since the CDCT started in high risk domestic violence call-outs/ reports and the number of families that were put on the 'watch-list'(ORIMA 2017c: 65).

This cannot be interpreted to mean a 'massive reduction' in domestic violence overall, and subsequently, Klein (2017) found data on domestic violence that indicated a considerable rise in reports. Again, how these data should be interpreted is an important consideration, but the fact that the evaluation failed to incorporate such data and interrogate its meaning is problematic.

Almost immediately after the release of the Wave 2 Evaluation Report, on 1 September 2017, the Minister announced that the CDC would now be extended to include Goldfields in Western Australia and on 27 September, the Hinkler electorate (Bundaberg and Hervey Bay). The latter trial was confined to income support recipients under 36 years, and was to encompass a greater proportion of non-Indigenous participants than any of the other sites. Legislation had already been introduced into Parliament to give effect to the first of these extensions.

In August 2017, the Social Services Legislation Amendment (Cashless Debit Card) Bill 2017 was introduced to extend the trial in existing sites and allow the third site (Goldfields) to commence. It was referred to a Senate Committee for an Inquiry. This drew in 172 submissions, many from groups representing or working with people on income support in all four locations and hearings were held in Kalgoorlie (12 October) and Canberra (2 November). In the Kalgoorlie hearing, the chair of the Aboriginal Health Council of WA had the positive ORIMA data put to her by Senator Hanson, which she strongly challenged:

We also had a review that was undertaken by Monash University, which found the opposite statistics. That provided us with an evidence base to say that since the introduction of the cashless card in the East Kimberley we've had very much the opposite statistics provided to us (Senate Community Affairs Legislation Committee 2017: 33).

The Committee's Report acknowledged that the quality of the evaluation report had been an issue during the hearings, yet also stated that it was 'encouraged by the cashless debit card's positive impact in the trial sites and sees significant benefit in the continuation of the cashless debit card in the trial sites and expansion to new locations' (Senate Community Affairs Legislation Committee 2017: 29). While the Greens opposed the legislation, Labor argued that better evaluation was required, hence their support for the 12 month extension in just the two existing sites. Despite this, the Government passed the Bill unchanged.

On 30 May 2018 a new Bill, the Social Services Legislation Amendment (Cashless Debit Card Trial Expansion) Bill 2018 to increase the number of participants in the trials to 15,000 and expanding it to Hinkler, was tabled in the House of Representatives. The Explanatory Memorandum for this Bill claimed that the final evaluation report of the CDC trial had had 'a significant positive impact' and 'has been effective in reducing alcohol consumption and gambling in both

---

trial sites and [is] suggestive of a reduction in the illegal use of drugs.’ (Parliament of the Commonwealth of Australia 2018: 4). Introducing the Bill, Minister Tehan again claimed that, ‘The independent evaluation into the effectiveness of the card has shown considerable positive impact in communities’, referencing specific reductions in drugs, drinking and gambling (House of Representatives Hansard 30 May: 4871). As always, there was no mention of any other findings – the fact that many people on the card neither drank, gambled or used illegal drugs, or any acknowledgment of criticisms of the evaluation.

During debate on the Bill, Minister Porter referred to an announcement the government had made to commission a second evaluation of the CDC. This one was to ‘use research methodologies developed independently by the University of Queensland and draw on the baseline measurements of social conditions in the Goldfields developed by the University of Adelaide’ (House of Representatives Hansard, 21 June 2018: 5984). He argued that expanding the card to Hinkler would ‘help to test the card and the technology that supports it in more diverse communities and settings.’ This would, he added, ‘build on the evidence available to further evaluate the impacts and outcomes of the cashless debit card on all participants.’ (House of Representatives Hansard 21 June 2018: 5985). The Senate Community Affairs Legislation Committee subsequently commenced an Inquiry into this Bill.

In my own submission (Hunt 2018), I argued that the *extension* of the ‘trial’ proposed in this legislation could not be justified on the basis of the experience in three remote Aboriginal communities, since it is in a large, urban and regional, predominantly non-Aboriginal community and the card is only to be applied to those under 36, and not to older people unemployed or those on a Disability Pension (categories of people included in other sites). On top of the inconclusive outcomes from these earlier sites, the design of the new roll out and the context in which it was occurring was so different that these outcomes could not justify the proposed expansion. Almost everything about it was different. Yet again, the Committee expressed the view that ‘the results of the independent evaluation have shown the CDC to have a positive impact on communities in existing trial sites’ (Senate Community Affairs Legislation Committee 2018: 25). The ALP and Greens Senators disagreed, opposing expansion of the trial to Hinkler based on the ANAO audit report’s assessment that the evaluation could not show that the CDC was effective.

In early 2019, the so-called ‘baseline study’ of the Goldfields Cashless Debit Card site was released. This report (Mavromaras et al. 2019), in contrast to the earlier

ORIMA evaluation, contained no quantitative data at all, but certainly revealed the complex social issues in the Goldfields that the card was meant to address. Surprisingly, for a baseline study, the fieldwork was undertaken at least three months *after* the introduction of the CDC (which began March 2018). According to the report, simultaneously with the roll out of the CDC, the police began an operation known as Operation Fortitude to increase police numbers and change the policing style to ensure more public presence. This made it difficult to disentangle any contribution of the CDC from the effects of this boost to policing.

The baseline study gives a good sense of the complexity of the situation, but no recommendations are made about collecting any objective data that might confirm the interview reports of some social improvements attributed to the CDC. Surprisingly, quite a number of findings are already reported. According to the study, some people seem willing to be helped to control their drinking or drug behaviours, but ongoing rehabilitation and related supports are not adequate. The Report appeared to support a more targeted use of the card for those whose behaviours are causing serious social harms or child neglect, as part of a more intensive suite of programs that address the underlying causes of this behaviour. It also suggested that people on disability pensions, their carers, and people with mental health issues should not generally be on the card. Nor should people whose behaviours demonstrate social responsibility. Yet blanket extensions continue.

On 13 February 2019, yet another Bill, the Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019, was introduced into the House of Representatives and became the subject of one more Inquiry. This bill was to extend the CDC trial (unchanged) in three sites (the original two plus the Goldfields, as the Hinkler trial runs until June 2020) and the Cape York income management program to 30 June 2020. (It should be noted that the Cape York IM is a quite different model and not the subject of this article) Once again, the ORIMA evaluation was used to justify the extension, which would allow time for the findings of a second evaluation of the program to be finalised. By then, the ‘trial’ will have been underway for five years in the original sites. (In fact this evaluation had not reported before a further extension was proposed in all sites to 30 June 2021.)

Finally, on 25 March 2019, the government announced it would fund the existing four trial sites for another twelve months to 30 June 2021 and that from January 2020 nearly 22,500 people in the Northern Territory and elsewhere will move from the Basics Card to the cashless debit card, lifting the proportion of their income quarantined from 50%

to 80%. The Explanatory Memorandum for this Bill once again used the ORIMA evaluation as the key justification (Parliament of the Commonwealth of Australia 2019). Despite considerable evidence against the card presented in public hearings, the Senate Committee to which this Bill was referred recommended it pass, albeit with dissenting reports from non-Government parties (Commonwealth of Australia 2019a).

## Final Remarks

The Government's momentum for extending the card is growing apace, with Prime Minister Morrison signalling a national (voluntary) roll out from January 2020 (Harris 2019). This has been all based on one poor evaluation that fails to show that the card is working well, let alone that it is cost effective. While there is some evidence that voluntary income management can work for some people, there may be pressure on social security recipients to use the card. Until we see the details it is impossible to know how voluntary it will be. Nor has anyone addressed the Parliamentary Joint Committee on Human Rights' concerns about whether it is proportionate or effective (Parliamentary Joint Committee on Human Rights 2019). The quality of program evaluation certainly needs to improve and parliamentarians should not cherry-pick from available evidence, but take complex findings seriously. They need to ensure that public expenditure has a positive impact on people's lives.

## References

- Altman, J. and Russell, S. 2012 'Too much Dreaming: Evaluations of the Northern Territory National Emergency Response Intervention 2007-2012', *Evidence Base*, 3, 1-24.
- Australian National Audit Office 2018 'The implementation and performance of the Cashless Debit Card Trial, Department of Social Services', *Auditor-General Report No 1 2018-19*, Performance Audit.
- Bray, J. R. 2016 'Seven years of evaluating income management – what have we learnt? Placing the findings of the New Income Management in the Northern Territory evaluation in context', *Australian Journal of Social Issues*, 51, 4: 449-468.
- Bray, J. R. 2019 'Measuring the social impact of Income Management in the Northern Territory – an updated analysis', Attachment A of Submission by Centre for Social Research and Methods to the Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019.
- Codeswitch 2016 'Takeaway Alcohol Management System (TAMS): A review into the effectiveness of the trial system', January-October 2016.
- Commonwealth of Australia 2019a House of Representatives, Social Services Legislation Amendment (Income Management to Cashless Welfare Card Transition) [Provisions] 2019.
- Cox, E. 2017a 'Much of the data used to justify the welfare card is flawed', *The Guardian*, 7 September.
- Cox, E. 2017b 'Social Services Legislation Amendment (Cashless Debit Card) Bill 2017', Submission 49 from Eva Cox, Adjunct Professor, Jumbunna UTS.
- Forrest, A. 2014 'The Forrest review: creating parity', Commonwealth of Australia, Canberra.
- Frydenberg, Hon J. MP 2019 Budget speech 2019-20, Delivered on 2 April 2019, on the second reading of the Appropriation Bill (No. 1) 2019-20, Treasurer of the Commonwealth of Australia.
- Gray, M. 2012 'A mile wide, inch deep: The future for Indigenous social surveys?', *In Survey Analysis for Indigenous Policy in Australia Social Sciences Perspectives*, Hunter, B. and Biddle., N. (eds), ANU E-Press, Canberra, pp. 307-320.
- Harris, P. 2019 'Scott Morrison eyes long terms cashless debit card roll out', *Sydney Morning Herald*, 8 September 9 <https://www.smh.com.au/politics/federal/scott-morrison-eyes-long-term-cashless-debit-card-roll-out-20190907-p520xb.html> (accessed 22-03-20).
- House of Representatives Hansard 30 May 2018, Speech by Minister Dan Tehan.
- House of Representatives Hansard 21 June 2018, Speech by Minister Christian Porter.
- Hunt, J. 2017a 'The Cashless Debit Card trial evaluation: A short review', Centre for Aboriginal Economic Policy Research, *Topical Issue*, no. 1., Australian National University, Canberra.
- Hunt, J. 2017b 'The Cashless Debit Card Evaluation: does it really prove success?', Centre for Aboriginal Economic Policy Research, *Topical Issue*, no. 2., Australian National University, Canberra.
- Klein, E. 2017 'As costs mount, the government should abandon the Cashless Debit Card', *The Conversation*, 12 December.
- Klein, E and Razi, S. 2017 'The Cashless Debit Card trial in the East Kimberley, Centre for Aboriginal Economic Policy Research', *CAEPR Working Paper No. 121/2017*, Australian National University, Canberra.
- Markiewicz, A. 2008 'The political context of evaluation: what does this mean for independence and objectivity?' *Evaluation Journal of Australasia*, 8, 2, 2008: 35–41.
- Mavromaras, K., Moskos, M., Isherwood, L., and Mahuteau, S. 2019 'Cashless Debit Card Baseline Data Collection in the Goldfields Region: Qualitative Findings, Future of Employment and Skills', Research Centre Adelaide University.
- ORIMA Research 2017a Australian Government Department of Social Services – Cashless Debit Card Trial Evaluation: Initial Conditions Report.
- ORIMA Research 2017b Australian Government Department of Social Services – Cashless Debit Card Trial Evaluation: Wave 1 Interim Evaluation Report.
- ORIMA Research 2017c Australian Government Department of Social Services – Cashless Debit Card Trial Evaluation: Final Evaluation Report.
- Parliament of the Commonwealth of Australia, House of Representatives, Social Services Legislation Amendment (Cashless Debit Card Trial Expansion) Bill 2018, Explanatory Memorandum.
- Parliament of the Commonwealth of Australia, House of Representatives, Social Security (Administration) Amendment (Income Management To Cashless Debit Card Transition) Bill 2019, Explanatory Memorandum..
- Parliamentary Joint Committee on Human Rights: Human rights scrutiny report, Report 2 of 2019, 2 April 2019.
- Porter, Hon C. and Tudge, Hon A. 2017 'Cashless Debit Card extended following positive independent evaluation', Joint Media Release, 14 March.
- The Senate Community Affairs Legislation Committee, Social Services Legislation Amendment (Cashless Debit Card) Bill 2017 [Provisions], Report, December, Canberra.
- The Senate Community Affairs Legislation Committee, Social Services Legislation Amendment (Cashless Debit Card Trial Expansion) Bill 2018 [Provisions],

Report.

Taylor, D. and Balloch, S. 2005 *The politics of evaluation: participation and policy implementation*, The Policy Press, Bristol, England.

Turnbull, M. 2017 'Address to the WA Liberal Party State Conference – 3 September 2017' <https://www.malcolmtturnbull.com.au/media/address-to-the-wa-liberal-party-state-conference-3-september-2017> (accessed 2/10/2019).

Vincent E. 2019. 'Lived experiences of the Cashless Debit Card Ceduna', South Australia, *CAEPR Working Paper 129*, Australian National University, Canberra.

### Author

Janet Hunt is Associate Professor at the Centre for Aboriginal Economic Policy Research (CAEPR) at the ANU. She joined CAEPR in 2004 to manage the Indigenous Community Governance Project. Her research focusses on governance, community development, successful Indigenous organisations and government engagement with Indigenous people. She is currently a Chief Investigator on two ARC Projects, researching Aboriginal organisations in the Kimberley and the creation of public value, and urban Aboriginal organisations in NSW and new public management.

### Solstice

It used to be round Samhain/All Saints/Hallowe'en  
each its opposite or in-between  
sky smelt of earth and drank dry waters  
men dreamed awake in darkest light  
beside bachelors' wives and virgins' daughters  
went home in lonely hermit crowds  
to world's end/start – short day's long night  
where twin halves met suns rose and set  
together with everything inside-out

It used to be world came back at dawn  
its stolen children home by noon  
their missing years not missed and soon  
the dream was gone where ice caps burn  
oceans on fire were a world away  
Only once did the changeling sea return –  
to drink of sky from carbon clouds  
wash deserts dry (and world away)  
that last long night's first day

DEREK WRIGHT,  
LAUNCESTON, TAS

### Retreat

(for Aamir)

Poems want to spike through  
leaf litter; leaves spread out over  
beds and couches, escaping  
the nomenclature of plastic pockets –  
papers taken from their usual categories:  
mind maps, searches to do,  
gleanings from other poets.

I have left the city for a village  
gated by black ice, my bike  
locked at the bottom of the hill  
to the old farm cottage.

The sun transits across the crest covered  
in regenerating forest, casts  
rectangles – golden A4 – on  
kitchen cupboards.

Last night I sliced onions  
and thought of my neighbour,  
Aamir; his gift  
of daffodil bulbs –  
unseen  
when he escaped the Linwood mosque  
with his life –

spikes of daffodils  
spikes of poems.

JANE SIMPSON,  
CHRISTCHURCH, NZ

# In the Name of ‘Digital Inclusion’: The true cost of the automation and privatisation of Australia’s social security system

SUSAN TILLEY

*In considering the Australian government’s stated commitment to digital inclusion and transformation, this article traces key moments in the genealogy of the automation and privatisation of social security payments and their role as integral accompaniments to the adoption of digitised welfare conditionality in Australia. Illustrative of the automation and privatisation of social security payments, particular attention is given to the imposition of the Cashless Debit Card across ‘trial’ sites in Australia and the effects on those subjected to the Card. The article concludes that in the name of ‘digital transformation’ and ‘digital inclusion’ – and due to the government’s neoliberal pre-occupation with efficiency, cost-cutting and the need for control over the private spheres of people’s lives – the automation and privatisation of social security services is transforming the nature of the welfare state. This has come at the expense of equity and freedom of choice and has resulted in a conditional, punitive, intrusive and discriminatory response to those requiring social security.*

KEY WORDS: Automation, Cashless Debit Card, digital inclusion, digital transformation, privatisation, social security

*The digital welfare state is either already a reality or is emerging in many countries across the globe. In these states, systems of social protection and assistance are increasingly driven by digital data and technologies that are used to automate, predict, identify, surveil, detect, target and punish – Philip Alston.*

## Introduction

Reflecting on Philip Alston’s words from his *Report of the Special Rapporteur on Extreme Poverty and Human Rights* (Alston 2019: 2), this article considers Australia’s metamorphosis into a digital welfare state, the ways in which digital data and technologies are being deployed and outsourced, and the effect of these changes on the relationship between government and citizens. It explores how, in the name of digital transformation and digital inclusion, new structures and *loci* of power are emerging as a result of new sources of data, automation and changes in the administration of social security systems. Particular attention is given to the imposition of the Cashless Debit Card across ‘trial’ sites in Australia and the effects on those subjected to the Card which is illustrative of the automation and privatisation of social security support.

This article in no way wishes to give the impression that, in a Luddite fashion, digital transformation and inclusion should be opposed; there is much about these processes that is progressive, welcomed and overdue. Rather, this article aims to problematise and highlight some of the underlying socio-economic and ideological imperatives that are informing Australia’s transfiguration into a digital welfare state and to explore whose interests are being served. In doing so, the article examines the powers ascribed to ‘digital transformation’; the role of the automation and outsourcing of social security systems and the associated costs; and the effects on social security recipients in terms of their freedom of choice and rights, the ways in which they are viewed as ‘data subjects’ and ‘market compliant actors’ (Schram 2017: 59), and their subjection to discrimination and ‘social sorting’ (Lyon 2003).

By way of background, in early 2016, the Australian Government introduced a trial of the Cashless Debit Card (CDC) for working-age adults receiving specific social security payments in designated ‘trial’ locations. According to the Government, the CDC was introduced to ‘reduce the social harm caused by welfare-fuelled alcohol and drug abuse and gambling’ (Australian Government 2016: 1) by reducing the amount of cash available to

---

people. Under the Cashless Debit Card, 80 per cent of a recipient's social security payment is quarantined in a restricted bank account, the administration of which has been outsourced by the Australian Government to a private company, Indue Limited. The quarantined amount cannot be used to buy alcohol, drugs or gambling products and no cash can be withdrawn from the Card. Transactions on the Card are also monitored and regulated at the merchant level and point of sale.

The Card has been mandatorily imposed on select categories of income support recipients, irrespective of whether they have substance use or gambling issues. The CDC has been introduced across four so-called 'trial' sites – Ceduna and surrounding communities in South Australia (since March 2016), Kununnura and Wyndham in the East Kimberley (April 2016), Kalgoorlie and the Goldfields in Western Australia (March 2018), and more recently Hervey Bay and Bundaberg in Queensland (January 2019). At the time of writing, the *Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019* was before the Australian Parliament; the provisions of which would potentially extend the timeframe of existing trials and place an additional 22,500 people in the Northern Territory and Cape York on the Cashless Debit Card.

### **The Transformative Powers of 'Digital Transformation'**

In 2017, the Australian Department of Human Services stated that it 'is continuing to transform its services by moving towards digital service delivery, so that all but the most vulnerable recipients can manage their interactions through easy-to-use, secure, integrated digital channels' (Australian Government 2017: 1). This intention was reiterated in 2018 by the Australian Government's Digital Transformation Agency (DTA) in its 2025 Digital Transformation Strategy:

We will use data and technology to redesign how government works. We will use data and technology to rethink how we deliver value, how we operate and how we strengthen our organisational culture. Through the digital transformation of our business model, the government can become: easy to deal with, informed by you, and digitally capable (DTA 2018: 7).

These words from the Digital Transformation Strategy signify that the use of data and technology is understood as holding significant powers and can even serve to 'redesign how government works' and 'rethink' how government 'delivers value', 'operates' and 'strengthens organisational culture'. The role of digital transformation appears to be ascribed disproportionate value and power within the panoply of Government's responsibilities and functions.

Drawing on Halpern's (2014: 223) work on cognitive epistemology, much of how digital transformation is understood and articulated in the Digital Transformation Strategy and applied in automated social security settings, reflects what Halpern terms 'cybernetic rationality'. This dispenses with the need to understand the causal relations, material conditions or the subjective or individualised needs, choices, beliefs or autonomy of the people who may be on the receiving end of a digital application. This 'cybernetic rationality' is evident in the design and conditionalities of the automated Cashless Debit Card (CDC) and enables the mandatory and unilateral application of this data-driven system across entire groups of people without their consent and without addressing their fundamental needs.

It can be argued that the powers ascribed to digital transformation allow government to deflect and distract from its primary responsibilities to its citizens and the realities and challenges of the socio-economic and political inequalities that confront it. Rather than creatively exploring ways in which to provide appropriate and responsive services to address the needs of citizens, government shies away from these demanding challenges and abdicates its responsibilities by adopting a technocratic solution to what are inherently political, systemic and structural issues.

Jayaram (2014: 1) warns against 'datafication' being envisioned as a panacea for the social issues requiring attention, and the increased risk of systemic issues being re-framed as technocratic and engineering problems – partially in response to the availability of new digital datasets – rather than addressing the substantive nature of the social conditions that lie beneath them. She also alerts us to the inherent dangers in altering the ways in which citizens interact with government as a result of the introduction of digitised or privately administered technology-based systems that mediate access to social security services.

Cherlet (2014) traces the way in which digital inclusion – or what he terms 'ICT for development' – has promoted and demonstrated 'an unconditional trust in the power of technology', representing what he calls 'epistemic and technological determinism' (2014: 774-775). This deterministic view fails to recognise the intricate linkages and relational interplay between technology, society and power. It also ignores that knowledge and information are embedded and situated within the particularities of social and political contexts, as highlighted by Foucault (1977) in his analysis of the enmeshed relationship between knowledge and power. Horkheimer and Adorno (1973: 121) similarly remind us of the ways in which technology can be used as an instrument of power: '... the basis

---

on which technology acquires power over society is the power of those whose economic hold over society is greatest. A technological rationale is the rationale of domination itself'.

Assuming that 'digital technologies' are not a neutral or uniform capacity with a consistent or shared set of politics and outcomes, there can be a range of differing interests and purposes associated with the introduction, access to and use of technologies. While digital technologies can be used to work in the interests of the public good and enable increased transparency, accountability, responsiveness and make citizens' lives easier – including those of social security recipients – this outcome is not axiomatic and begs the question as to how the espoused transformative powers of digital technologies are being deployed in Australia, and whose interests are being served.

In her treatment of 'digital inclusion' and overcoming the 'digital divide', Eubanks (2012) argues that the realities of digital technologies are complicated, particularly in terms of their impacts on poor and working-class people, for whom information technology can be both a tool of liberation and a means of oppression. She warns against the ways in which the use of digital technologies, analytics and automation have been introduced in order to control and regulate people's access to and use of social security payments, reminiscent of what she calls 'the digital poorhouse' (Eubanks 2017: 38). This represents a shift from people-based and 'analog systems of control to digital and integrated systems of control' (Misra 2018: 1). She details the ways in which automated systems can jeopardise the human rights and social security entitlements of those that data management tools are supposed to assist.

In considering the application of digital technologies to the administration of social security payments in the form of the Cashless Debit Card, it is evident that the socio-economic and political challenges of the 'social harms' which the Department of Social Services and proponents of the Card ostensibly wish to address – namely, substance abuse, gambling, unemployment and 'welfare dependence' – cannot be solved or reduced by means of a technicist response premised not only on cybernetic rationality and epistemic and technological determinism but coupled with behavioural economics and a particular attitude to those requiring social security. Such an approach ignores the circumstances which the Card is supposedly intended to address are a manifestation of deeply entrenched social, economic and political inequality. These have emerged and been perpetuated over time through centuries of settler colonialism, dispossession, discrimination, government policies, legislation and budget allocations – enacted

within the context of globalisation and international power asymmetries (Beckett 1998; Bielefeld and Altman 2015; McKenna 2018; Moreton-Robinson 2009; Stanner 2011; Sutton 2011; Watson 2016).

There is a complex relationship between the stated objectives of digital inclusion and the potential for social exclusion that might result from the digitisation and automation of social security systems. The promotion of digital technologies can serve to close the digital divide or, alternatively, create changes that lead to ever greater social inequalities and marginalisation. Differentiated locational and class-based access to technology can result in technological stratification which has the potential to lead to the further entrenchment of inequality and an ever-increasing gap in information access (Warschauer 2003).

In the case of the CDC, the use of a technological intervention – in the form of a conditional withholding of cash payments via an automated, plastic banking card linked to merchant category codes – is somehow expected to miraculously modify people's behaviour, desires and aspirations. The belief that the application of a technical prescription can remedy deep-seated and entrenched structural and material conditions reflects a profound logical disconnect.

While this seemingly inappropriate response to structural and systemic challenges may be viewed as a mismatched solution or as inherently illogical, the underlying rationale is far more perverse and endogenous. What might appear to be a wilful side-stepping and a neglect of government responsibility through the application of a technicist logic, in reality reflects a conscious political and policy choice aligned with neoliberal ideology. This aims to reduce the role and accountabilities of the state to its citizens and reflects blame-transference and a disdainful and discriminatory attitude to the working class, the unemployed and those who are resource-poor, viewing them as 'undeserving' and individually responsible for their own 'deficits'.

### **The Privatisation and Outsourcing of Social Security**

The re-framing of socio-economic and political challenges and the use of data and technical 'solutions' to facilitate behaviour modification serve to displace and re-locate power, autonomy, decision-making, funding and resources away from the *loci* and material conditions that require attention and towards 'new information architectures' or 'information infrastructures' (Bowker and Star 2000).

What are these 'new information architectures' and technologically-driven sources of data which are resulting

---

in 'new structures of power' (Taylor and Broeders 2015: 234), how have they emerged, and how are they shaping the social security landscape in Australia? The Digital Transformation Strategy (2018: 1) points us towards possible explanations and outcomes:

To make government fit for the digital age, we also need to learn from and partner with innovative companies from Australia and across the globe. The way we are transforming our sourcing is driving more productive partnerships with businesses and introducing more competition. This also drives down costs ... We are transforming our sourcing arrangements so that government is open for business ... It allows government to reduce risk in buying technology and services, and get better value for money.

In accordance with the Strategy and driven by an impetus to 'reduce risk' by 'buying technology and services' and to 'drive down costs' and 'get better value for money', the Australian Government has entered into Public-Private Partnerships (PPPs) and developed 'new information architectures'. A significant example being the Australian Government's use of Indue Limited, the sole, private company that has been contracted, using taxpayers' money, to administer the automated payment system for the Cashless Debit Card.

This contract – contrary to the Strategy's indication that the Government's sourcing arrangements and procurement practices will be 'introducing more competition' – was awarded in the absence of an open competitive tendering process, and was determined by an internal desktop review (ANAO 2018, Section 2). Sections 2.23 and 2.24 of the Australian National Audit Office's Report (ANAO 2018) focus on the extent to which the procurement processes to engage a card provider and evaluator were robust:

In early March 2015, Social Services undertook an internal desktop review of 18 financial institutions to rate potential card providers for the trial. Only four of these were Authorised Deposit-taking Institutions (ADIs) ... The institutions selected for review were rated against nine selection criteria. The criteria included whether the institution was an ADI and had previous experience with delivering welfare quarantining programs. Social Services did not contact the institutions to verify information, capabilities or interest in the trial.

Through this desktop review, Indue was identified as the preferred provider as it was the only institution to meet all the criteria. Subsequently, Ministerial approval to directly source Indue was

sought and granted on 16 March 2015; and Social Services and PM&C [Office of Prime Minister and Cabinet] began consultations with Indue on 19 March 2015.

In summary, the ANAO Report concluded that 'aspects of the procurement process to engage the card provider were not robust ... The department did not document a value for money assessment for the card provider's IT build tender or assess all tenders completely and consistently' (ANAO 2018: 15). In addition, the Report highlights a number of irregularities in the contract management of Indue Limited.

The identification, nature and speed of the contractual appointment of Indue Limited, as the sole provider for the administration of the CDC payment system, also highlights the importance of examining the patterns of government investment of taxpayer money in private entities that are set up to create and tap into income-generating streams, and which can become sources of enrichment for a range of associated vested interests. Examining the associated governance arrangements for public-private partnerships or outsourced functions can reveal interesting insights into the machinations of these transactions and the vested interests that are served – through both the primary contractor as well as its associated corporate trustees and subsidiary sub-contractors.

With the government relinquishing the primary control of the administration of social security data to an external private company, one of the repercussions of this outsourcing of automated social security systems is that the power to manage data, surveil and profile is now in new hands (Taylor and Broeders 2015). As private companies increasingly come to acquire new data and 'data subjects', they also acquire the power to monitor and surveil these 'subjects' (Hosein and Nyst 2013: 4).

The emergence of 'surveillance assemblages with the potential for ongoing monitoring of population dynamics and people's activities' (Taylor and Broeders 2015: 234) is evident in the potential for increased monitoring through the sharing of information about CDC cardholders and their transactions. As a result of embracing digital 'solutions', the potential exists for the 'inappropriate transfer of techniques from one field to another' (Lyon 2014: 6). While data is primarily collected and processed by outsourced private entities and only secondarily accessed by governmental authorities the scope for 'interoperability' is increased. That is where data collected about individuals for a specific purpose can be used for other purposes (which might include profiling, monitoring and surveillance or data-sharing with other agencies). This function-creep brings with it significant dangers in terms

---

of the power dynamic between private and government agencies, accompanied by an increased potential for the surveillance and monitoring of 'data subjects', as well as the potential for their data to be shared and/or monetised. Section 124PN of the *Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019* (Commonwealth of Australia 2019a: 8) provides for a three-way information sharing process involving the Department of Human Services, Indue Ltd., and the Department of Social Services, indicating an increased allowance for inter-operability. In the absence of transparency regarding the nature and scope of inter-operability, the extent to which participants' information is shared without their knowledge and consent is unknown:

As private companies, such as Indue Limited, become embedded in the production of data that can be used to track, monitor, map and analyse activities, they will in all likelihood also increasingly gain power over how the welfare state shapes and determines its interventions (Taylor and Broeders 2015). Susan George (2015: 5) highlights how, as a result of privatisation and outsourcing, 'the functions of legitimate government are progressively being taken over by illegitimate, unelected, opaque agents and organisations'. George (2015:2) argues that government functions that had previously been carried out by clearly identifiable, democratically elected officials, [are] gradually being eroded, sometimes even supplanted by shadow "governments" to which these officials have made huge concessions ... The bureaucrats and leadership ... have handed over substantial power to these behemoths that now make decisions in innumerable areas that affect our lives.

She draws attention to the ways in which the outsourcing of government functions to private entities, can embolden these entities to assume the position of an 'illegitimate authority', as a result of their ownership and control of data and the administration of systems that are located outside the purview of government, with very limited levels of accountability (George 2015: 2).

Bearing in mind the outsourcing of functions to 'new information architectures' such as Indue Limited, George's (2015) characterisation of emerging patterns is instructive, focusing on 'power unaccompanied by accountability; power not required to report to anyone excepting its paymasters concerning its activities and which, being difficult to observe and understand, is equally difficult to counteract' (2015: 5). This characterisation is borne out by a number of Cashless Debit Cardholders who have highlighted the challenges they experience when

attempting to resolve financial or technical problems with their Cards, the lack of accountability and responsiveness of Indue, and the lack of clarity regarding where responsibility lies – whether with Indue or the Department or the recipient's own bank – and the blame-shifting which they invariably encounter. The Say No Seven – an active on and offline community membership-based network which advocates in the interests of CDC recipients – has reported that it receives:

multiple emails per week from victims of implementation confusion. Many reporting their personal experiences of what is now colloquially called 'CDC Ping Pong', a situation whereby participants contacting the Department to make a complaint are referred to Indue Ltd, only to have Indue Ltd staff refer them back to the Department in a seemingly never-ending and extremely frustrating policy of active abdication of accountability from both parties (Say No Seven 2019: 2).

The marketising and outsourcing of aspects of the administration of the Cashless Debit Card not only have significant and direct implications for those placed on the Card, it also reflects a seismic change across the social security landscape in Australia and foreshadows the more wide-spread application of automated and privatised social security systems.

The implementation of the Cashless Debit Card and the involvement of a privatised intermediary between government and social security recipients, in the form of Indue Limited, is resulting in a changed relationship between the state and citizens. This dynamic is captured by Feigenbaum and Henig (1994) who contend that the process of relocating responsibilities from the government to private companies can change the nature of the institutional framework and the ways in which citizens interact with government and with each other. They argue that privatisation is integral to an ideological strategy to realign institutions in such a way as to preference the goals of certain groups over the competing needs of others. Whitfield (1983: 2020) takes this point further and argues that 'privatisation is more than asset stripping the public sector; it is a comprehensive strategy for permanently restructuring the welfare state and public services in the interests of capital' (1983: 1-2).

### **The Financial Cost of Automation and Privatisation**

The Digital Transformation Strategy outlines how the government is 'transforming our sourcing arrangements' and reducing risk by buying technology and services so as to 'drive down costs and get better value for money' (DTA 2018: 1). The Australian Government and the proponents of the CDC emphasise the role of technology in increasing

---

efficiencies and cutting costs, claiming that outsourcing the administration of the Card is more efficient and will save taxpayers' money.

Warning against an over-emphasis on cost-cutting, and commenting on outsourcing technology and services, the Senate Finance and Public Administration References Committee's report on the Digital Delivery of Government Services (Commonwealth of Australia 2018) outlines the failure of leadership and the need for a whole-of-government vision and strategic plan for digital transformation. The report warns that:

In the absence of any central vision, individual departments (and ministers) may end up pursuing projects that run counter to the aims of digital transformation. In particular, there may be a temptation to view ICT investment solely as a way to realise efficiencies and cut costs, rather than as a mechanism for transforming government service (Commonwealth 2018: Chapter 1, section 1.29).

This emphasis on the potential dangers of cost-cutting rather than the transformation of services, is instructive when considering the Government's motivation and implementation of the trials of the Cashless Debit Card. It would appear that the trials of the CDC have resulted in neither the realisation of efficiencies and cost-cutting nor in transforming the government service in the interests of service users.

Given that most of the costings in the Federal budget papers for the trials of the Cashless Debit Card are 'commercial in confidence', the expenditures on the trial of the CDC are not readily available or transparent. However, the expenditure to date and the budget forecasts for allocations to the Cashless Debit Card belie the notion that the government is 'driving down costs' or getting 'better value for money'. Instead, the outsourced payment system for the CDC appears to have increased the cost of administering social security payments, as evidenced by data gathered from a 2017 Freedom of Information request by the Shadow Minister for Families and Social Services, the Hon Jenny Macklin MP. During the first twelve months of trialling the Cashless Debit Card it cost \$18.9 million to administer the Card – this equated to approximately \$10,000 per person participating in the trial (Conifer 2017). According to Senator Carol Brown (Tasmania), the Australian Government has already spent \$34 million on the administration of the Cashless Debit Card, with the budget papers indicating a planned spend of \$128.8 million over the forward estimates, including the new sites and the proposed rollout of the CDC across the Northern Territory and Cape York (Australian Government, Hansard 2019b). This amounts to over \$160 million that

could instead have been allocated to employment and economic development, early intervention services, and gambling and/or substance abuse treatment.

The CDC is a costly program to administer and diverts funds away from evidence-based programs and under-resourced support services. This outsourcing, with the potential of an expansion of the CDC across more communities and categories of social security, could serve to markedly increase the wealth of private and political interests and adds to the overall cost of providing social security, while at the same time not providing benefits to those subjected to the Card, making their lives more difficult and exacerbating their hardship.

### **Freedom of Choice and the Protection of Rights**

In most areas of Australian social policy, and as reflected in the Digital Transformation Strategy, the possibility of increasing competition and choice for people who use government services has become a frequent justification for opening up service delivery to the market in the form of outsourcing or privatisation (Meagher and Goodwin 2015: 18-19). Contrary to this neoliberal rationale, the design and implementation of the Cashless Debit Card system demonstrates neither competition nor choice.

Given the lack of a competitive tendering process and the Government's selection of a sole provider in the form of Indue Limited, those subjected to the CDC have no choice of provider or financial institution; they are denied the right to forms of private contract usually afforded most banking customers. Contrary to government's contention that the Cashless Card operates like a normal bank account, cardholders are not customers, they are 'conscripts' (Tennant and Brody 2017: 2), and do not have access to the same rights and protections offered to customers of savings accounts.

This lack of choice is evident not only in terms of Indue being the sole provider, but also in terms of the CDC's associated policy directives. There is no choice for designated social security recipients about being placed on the Card as it is mandatory if they live in a designated 'trial site' and receive certain categories of social security payments. Cardholders have limited choice about where they can shop or the items they can purchase – in some instances, permission has to be sought from Indue to buy certain items. For many cardholders, the lack of choice has increased their financial hardship as they are essentially excluded from the cash economy and more cost-effective ways of buying items through, for example, second-hand markets and private or informal sales. In addition, cardholders are faced with increased costs due to surcharges for card payments and stores requiring a minimum spend for EFTPOS purchases. There is

---

effectively no choice about the amount of money which is quarantined or about exiting the scheme, which involves an onerous and opaque process that has not resulted in many successes for applicants (Allam 2019).

Lack of choice also has significant implications for a number of human rights, many of which are supposedly protected by Australia being a signatory to conventions such as the International Convention of Economic, Social and Cultural Rights (ICESCR), the International Covenant on Civil and Political Rights (ICCPR), and the United National Declaration on the Rights of Indigenous Peoples (UNDRIP).

Regarding the right to a private life (as included in the provisions of the ICCPR), the Explanatory Memorandum to the *Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019* indicates that the 'limitation on the right to a private life is directly related to the objectives of reducing harms (Commonwealth of Australia 2019a: 8).' Section 124PN of this Bill 'allows the disclosure of information to the Secretary by a financial institution' (Indue Limited) and 'allows the sharing of information necessary for the operation and evaluation of the program'. However, there is no clarity about the type of information or data considered by the government to be necessary for the 'operation and evaluation' of the CDC. This intrusion into people's rights and digital sovereignty is contrary to the right to privacy (AIMN 2019: 4-7). Noting that choice is a key factor in enabling self-determination or control over one's own life (Meagher and Goodwin 2015: 19), the lack of choice or protection of the rights of those subjected to the Cashless Card is significantly eroding people's self-determination and autonomy.

#### **'Digital Inclusion' and the Location of 'Data Subjects'**

A consideration of digital inclusion and the location of CDC recipients reflects a move towards the inclusion of an increased number of data subjects in more regional and remote locations. However, this is not necessarily accompanied by the requisite technological support, improved affordability or access.

Research conducted in remote communities for the fourth Australian Digital Inclusion Index (ADII) – which measures progress on improving digital access, abilities, attitudes to learning about new technologies, and affordability – indicates that digital inclusion diminishes with remoteness, particularly with regard to access and affordability (Thomas et al. 2019: 7).

According to the foreword to the Australian Digital Inclusion Index, 'Across the nation the so-called "digital divide" follows some clear economic, social and

geographic contours and broadly Australians with low levels of income, education, employment or in some regional areas are significantly less digitally included (Thomas et al. 2019: 3).' Levels of affordability and digital inclusion in the ADII indicate that First Nation peoples living in urban and regional/remote areas experience low digital inclusion, with affordability being the primary reason (Thomas et al. 2019). The Index shows that prevalence of mobile-only connectivity, which carries higher costs per gigabyte than fixed connections, contributes to the low affordability level for First Nations (Thomas et al. 2019: 7).

Numerous reports from CDC cardholders have highlighted that the introduction of mobile phone apps for checking a CDC account balance, hailed by the Department of Social Services as 'digital inclusion', has left many people on the Card feeling bewildered because they either do not own smart phones, are not familiar with such technology, do not have the literacy or numeracy skills, and/or do not have sufficient funds to pay for the cost of mobile data and downloads (Uniting Communities 2019: 7). In addition, mobile reception and access in many remote locations is non-existent or unreliable. The so-called technologies of 'digital inclusion' are in fact serving to exclude and alienate a number of people on the Card who have previously been comfortable with managing their own cash in hand (Uniting Communities 2019: 7).

The profile outlined in the ADII would suggest that, in accordance with the Digital Transformation Strategy, it would be necessary and appropriate to direct particular additional resources towards improving digital affordability, access and literacy for people living in the identified 'geographic contours' of digital exclusion. However, while the Digital Transformation Strategy can be interpreted as an attempt at closing the divide and promoting digital inclusion, there is little which indicates that more affordable access to digital technologies or improving digital literacy has been made available to the communities affected by the CDC, more particularly for First Nations cardholders in remote communities.

Rather than a focus on digital access, literacy and affordability, it appears that the Digital Transformation Strategy's promotion of 'digital inclusion' and the closing of the digital divide in terms of its applicability to the CDC locations, is translated to mean the inclusion of new 'customers' as 'data subjects' in a digital market and reduces them to commodities rather than viewing them as citizens who are accessing their entitlement to social security through a user-friendly, affordable and responsive digital system that makes their lives easier and respects their autonomy and right to self-determination and choice.

This distorted form of 'inclusion', be it characterised as either 'digital' or 'social', reflects Schram's description of

---

the creation of 'market compliant actors' as a result of the 'neoliberalisation and marketisation of the state and civil society, and the broader dissemination of market logic' (Schram 2017: 59). He argues that as the welfare state is increasingly pressurised to include social security recipients into the market economy, ostensibly in the name of social inclusion – and, it is suggested here, in the name of digital inclusion – it does so in a bid to address social exclusion and the digital divide but, primarily, in order to reduce the state's responsibility for providing adequate social security (Schram 2017).

Schram's (2015) characterisation of the *modus operandi* of neoliberalism aptly describes Australia's move to becoming a digital welfare state, driven by market incentives: 'If you can't get rid of the welfare state, the next best thing is to marketise it – thereby blurring the boundaries between the market and the state'; arguing that the state is no longer there to protect citizens from 'the ravages of runaway capitalism. Instead, a transformed state that disciplines them to be market compliant is emerging in its place' (Schram 2015: 59). This is echoed by Maki's description of neoliberalism's creation of 'good, docile market citizens' (2011: 56).

### The 'Digital Divide' and 'Social Sorting'

The selection of sites in which CDC 'data subjects' are located appears to reflect a particular attitude to social security recipients and to specified groupings of people within this broader demographic. While the Explanatory Memorandum for the *Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019* states that the CDC trial 'does not affect people according to race, religion, ethnicity or any other factor (Commonwealth of Australia 2019c: 20)' and that 'the rights to equality and non-discrimination are not directly limited by the Cashless Debit Card' (Commonwealth of Australia 2019c: 23), a consideration of the locations of the CDC trial sites and their demographics suggest an altogether different delineation (Australian Human Rights Commission, 2016: 89).

As at 30 November 2018, of the total number of people on income management (24,532) nationwide, 78% were First Nations people (Australian Government, Department of Social Services, 2019a: Attachment A, Table 2.1). As a sub-set of this national profile, the identification of the initial two CDC trial sites, reflects a correspondence of these sites with locations where a preponderance of First Nations people live – the total number of active CDC First Nations participants in the two initial trial sites of East Kimberley and Ceduna (as at 21 December 2018) indicate 81% and 74%, respectively (Australian Government, Department of Social Services, 2019a: Attachment A,

Table 2.1). These figures are more significant when considered in the context of First Nations constituting only three per cent of the total population of Australia (ABS 2016).

These demographics lead one to question the criteria and motivation for the identification of these trial locations. Henman and Marston (2008: 194) highlight the ways in which particular populations receiving specific forms of welfare are targeted, invariably with increasing levels of surveillance. This view is augmented by Gilliom (2001), Norris and Wilson (2006), and Haggerty and Ericson (2006), who emphasise that not all citizens are monitored in the same way or for the same reason.

Lyon (2003: 11) emphasises the ways in which the introduction of digital technologies, accompanied by surveillance capabilities, can contribute to 'social sorting', the potential for discrimination and the ways in which vested interests and power differentials are brought to bear in the sphere of the digitisation of social welfare. Lyon highlights that: '... everyday surveillance is a vital means of sorting populations for discriminatory treatment' (Lyon 2003: 19) and that '[f]or those still in dire need, because of unemployment, illness, single parenthood, or poverty otherwise generated, surveillance is tightened as a means of discipline' (Lyon 2003: 21). The treatment of data subjects and the selection of the CDC locations reflects an active process of 'social sorting', tightened levels of disciplining based on the conditionalities imposed by the Card, the suspension of a number of individual liberties, and an increased level of interference and surveillance over people's lives, most notably those of First Nations peoples.

### Conclusions

Philip Alston's words – as outlined at the beginning of this article, highlighting that the provision of social security within emerging digital welfare states is increasingly driven by digital data and technologies that are used to automate, identify, surveil, target and punish social security recipients (Alston 2019) – are well illustrated by the implementation of the Cashless Debit Card in Australia. However, as accentuated in this article, Australia's brand of 'the welfare state' reflects a state which is increasingly moving beyond the key tenets of a welfare state – be it digital or otherwise – and towards a state in which the boundaries of the market and the state are blurred; with this transformed state actively engaged in 'sorting' and disciplining social security recipients into becoming 'market compliant actors' who are no longer viewed as citizens with entitlements to social security and rights to be protected. In the name of 'digital inclusion' and 'digital transformation', the automation and privatisation of key aspects of Australia's social security system can

be viewed as catalysing instruments in the development of a metastasised welfare state that is incorporating key features of digital technologies while at the same time fortifying a market-driven social security system.

The Government's technocratic response to systemic and structural challenges and its partnerships with 'new information architectures', such as Indue Limited, enable the imposition of a suite of punitive conditionalities, the gathering of recipients' data and information without their consent, and the monitoring and surveillance of transactional activities and trends. In adopting this approach, the government enables itself to avoid its responsibilities for addressing the 'social harms' and material conditions that require its considered attention and requisite resourcing, thereby allowing it to side-step its unmediated responsibilities and accountabilities to its citizens.

This approach manifests the hubris of the technological determinism that has accompanied the implementation of the Cashless Debit Card, enabled by the espoused tenets of the Digital Transformation Strategy, resulting in the inclusion of more 'market compliant actors' and 'data subjects' under the banner of 'digital inclusion'. The increasing deputation by government to technology corporations, as in the case of the investiture of the payment transfer system for the Cashless Debit Card in Indue Limited, is a prime example of the Australian Government's strategy of utilising digital technologies and incrementally automating and privatising aspects of Australia's social security system.

A consideration of the effects of the Government's approach to digital inclusion and its accompanying automated and privatised mechanisms, as manifested by the Cashless Debit Card, reveals that under the guise of closing the digital divide, the 'social harms' and espoused objectives of the Card are not being addressed, and the closing of the gap of disadvantage and inequality has effectively been subverted. The very things which 'digital inclusion' was intended to counter, are in fact being reproduced – namely, social stratification, inequality, exclusion and a loss of agency and decision-making, further enabled through enhanced levels of control and surveillance. The example of the Cashless Debit Card illustrates how automation and privatisation, in the name of 'digital inclusion' and 'digital transformation', comes at an injurious cost to social security recipients and is serving to transform the nature of Australia's welfare state and the relationship between government and citizens, thereby perpetuating and exacerbating existing power and resource asymmetries.

## References

- Accountable Income Management Network (AIMN) 2019 *Submission to the United Nations Special Rapporteur On Extreme Poverty and Human Rights, For the Thematic Report to the UN General Assembly On Digital Technology, Social Protection and Human Rights* <https://accountableincomemanagementnetwork.files.wordpress.com/2019/05/aimn-submission-to-ohchr.pdf> (accessed 18/04/2020).
- Allam, L. 2019 'Exiting the cashless welfare card trial is almost impossible, critics say', *The Guardian* <https://www.theguardian.com/australia-news/2019/sep/17/exiting-the-cashless-welfare-card-trial-is-almost-impossible-critics-say> (accessed 18/04/2020).
- Alston, P. 2019 Report of the Special Rapporteur On Extreme Poverty and Human Rights to the United Nations General Assembly – 74th session, Agenda Item 70(b) A/74/493 <https://undocs.org/A/74/493> (accessed 18/04/2020).
- ABS [Australian Bureau of Statistics] 2016 *Aboriginal and Torres Strait Islander Population 2016 Census Article* <https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/2071.0~2016~Main%20Features~Aboriginal%20and%20Torres%20Strait%20islander%20Population%20Article~12> (accessed 24/12/2019).
- Australian Government, Department of Social Services, 2016 *Cashless Debit Card Trial – Overview*, Canberra <https://www.dss.gov.au/families-and-children/programmes-services/welfare-conditional/cashless-debit-card-overview> (accessed 18/04/2020).
- Australian Government, Department of Human Services, 2017 *Design, Scope, Cost-Benefit Analysis, Contracts Awarded and Implementation Associated with The Better Management of The Social Welfare System Initiative*, Submission to The Senate Community Affairs References Committee, Submission 66 [https://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Community\\_Affairs/SocialWelfareSystem/Submissions](https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/SocialWelfareSystem/Submissions) (accessed 18/04/2020).
- Australian Government, Department of Social Services, *Cashless Debit Card and Income Management data 2019a*, Attachment A, Table 2.1 [https://www.aph.gov.au/-/media/Estimates/ca/add1819/Tabled\\_Docs/Social\\_Services/Additional\\_information/AI1\\_-\\_Social\\_Services\\_Portfolio\\_-\\_21\\_February\\_2019.pdf?la=en&hash=A3EFA7D875F50272C27038ACE06190D8E71FE4F5](https://www.aph.gov.au/-/media/Estimates/ca/add1819/Tabled_Docs/Social_Services/Additional_information/AI1_-_Social_Services_Portfolio_-_21_February_2019.pdf?la=en&hash=A3EFA7D875F50272C27038ACE06190D8E71FE4F5) (accessed on 19/04/2020).
- Australian Government, Hansard – Parliament of Australia, 2019b *Senate Second Reading Debate: Senator Brown (Tasmania)* [https://www.aph.gov.au/Parliamentary\\_Business/Hansard/Hansard\\_Display?bid=chamber/hansards/91962b64-398e-400e-ae19-98cf415623ec/&sid=0024](https://www.aph.gov.au/Parliamentary_Business/Hansard/Hansard_Display?bid=chamber/hansards/91962b64-398e-400e-ae19-98cf415623ec/&sid=0024) (accessed 18/04/2020).
- Australian Human Rights Commission, Aboriginal and Torres Strait Islander Social Justice Commissioner 2016 *Social Justice and Native Title Report 2016*, Australian Human Rights Commission, Sydney [https://www.humanrights.gov.au/sites/default/files/document/publication/AHRC\\_SJNTR\\_2016.pdf](https://www.humanrights.gov.au/sites/default/files/document/publication/AHRC_SJNTR_2016.pdf) (accessed 26/10/2019).
- Australian National Audit Office, July 2018 *The Implementation and Performance of the Cashless Debit Card Trial - Were Procurement Processes To Engage A Card Provider And Evaluator Robust?* <https://www.anao.gov.au/work/performance-audit/implementation-and-performance-cashless-debit-card-trial> (accessed 18/04/2020).
- Beckett, J. 1988 'Aboriginality, citizenship and nation state', in *Aborigines and the State in Australia*, Special

- Issue Series, Social Analysis, Routledge, London, No. 24, December, 1988: 10.
- Bielefeld, B. and Altman, J. 2015 'Australia's First Peoples - still struggling for protection against racial discrimination', *40 years of the Racial Discrimination Act*, Australian Human Rights Commission, Sydney.
- Bowker, G. and Star, S. 2000 *Sorting Things Out. Classification and its Consequences*. MIT Press, Cambridge, Massachusetts.
- Cherlet, J. 2014 'Epistemic and technological determinism in development aid', *Science, Technology and Human Values*, 39, 6: 773-794. Sage Publications <https://journals.sagepub.com/doi/10.1177/0162243913516806> (accessed 18/04/2020).
- Commonwealth of Australia 2018 *The Senate Finance and Public Administration References Committee Digital Delivery of Government Services*, Canberra <https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=ld%3A%22publications%2Ftabledpapers%2F0a6f4db0-d3b9-47a4-b42d-47d4aa982a72%22> (accessed 18/04/2020).
- Commonwealth of Australia 2019a Explanatory Memorandum: *Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019*, Canberra [https://www.aph.gov.au/Parliamentary\\_Business/Bills\\_Legislation/Bills\\_Search\\_Results/Result?bld=r6289](https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bld=r6289) (accessed 18/04/2020).
- Commonwealth of Australia 2019b *Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019*, Canberra [https://www.aph.gov.au/Parliamentary\\_Business/Bills\\_Legislation/Bills\\_Search\\_Results/Result?bld=r6399](https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bld=r6399) (accessed 18/04/2020).
- Commonwealth of Australia, 2019c Explanatory Memorandum for the *Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019*, Canberra [https://www.aph.gov.au/Parliamentary\\_Business/Bills\\_Legislation/Bills\\_Search\\_Results/Result?bld=r6399](https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bld=r6399) (accessed 18/04/2020).
- Conifer, D. 2017 'Centrelink cashless welfare card trail costing taxpayers \$10,000 per participant', *ABC News* 2 May 2017 [https://www.abc.net.au/news/2017-05-02/cashless-welfare-trial-costing-taxpayers-\\$10k-per-participant/8488268](https://www.abc.net.au/news/2017-05-02/cashless-welfare-trial-costing-taxpayers-$10k-per-participant/8488268) (accessed 18/04/2020).
- DTA [Digital Transformation Agency], 2018 2025 *Digital Transformation Strategy* <https://dta-ww-drupal-2018013021541115340000001.s3.amazonaws.com/s3fs-public/files/digital-transformation-strategy/digital-transformation-strategy.pdf> (accessed 18/04/2020).
- Eubanks, V. 2012 *Digital Dead End - Fighting for Social Justice in the Information Age*, MIT Press.
- 2017 *Automating Inequality – How High-Tech Tools Profile, Police and Punish the Poor*, St Martin's Press, New York.
- Feigenbaum, H. and Henig, J. 1994 'The political underpinnings of privatization: a typology', *World Politics*, 46, 2: 185-208. Cambridge University Press doi:10.2307/2950672 and <https://www.jstor.org/stable/2950672?seq=1> (accessed 18/04/2020).
- Foucault, M. 1977 *Discipline and Punish: The Birth of the Prison*. Pantheon Books, New York.
- George, S. 2015 *Shadow Sovereigns – How Global Corporations Are Seizing Power*, Polity Press, United Kingdom.
- Gilliom, J. 2001 *Overseers of the Poor: Surveillance, Resistance, and the Limits of Privacy*, Chicago, University of Chicago Press.
- Haggerty, K. and Ericson, R. (eds) 2006 *The New Politics of Surveillance and Visibility*, University of Toronto Press, Toronto, Canada.
- Halpern, O. 2014 'Cybernetic rationality', *Distinktion: Scandinavian Journal of Social Theory*, 15, 2: 223-238 <https://doi.org/10.1080/1600910X.2014.923320> (accessed 18/04/2020).
- Henman, P. and Marston, G. 2008 'The social division of welfare surveillance', *Journal of Social Policy*, 37, 2: 187-206. <https://www.cambridge.org/core/journals/journal-of-social-policy/article/social-division-of-welfare-surveillance/EB847CAD5FF522CD8983BB5041D7CCC> DOI: <https://doi.org/10.1017/S0047279407001705> (accessed 18/04/2020).
- Horkheimer, M. and Adorno, T. 1973 *Dialectic of Enlightenment*, Translated by J. Cumming. Allen Lane, London.
- Hosein, G. and Nyst, C. 2013 *Aiding Surveillance: An Exploration of How Development and Humanitarian Aid Initiatives Are Enabling Surveillance in Developing Countries* [https://www.researchgate.net/publication/272246124\\_Aiding\\_Surveillance\\_An\\_Exploration\\_of\\_How\\_Development\\_and\\_Humanitarian\\_Aid\\_Initiatives\\_are\\_Enabling\\_Surveillance\\_in\\_Developing\\_Countries](https://www.researchgate.net/publication/272246124_Aiding_Surveillance_An_Exploration_of_How_Development_and_Humanitarian_Aid_Initiatives_are_Enabling_Surveillance_in_Developing_Countries) DOI: 10.2139/ssrn.2326229 (accessed 18/04/2020).
- Jayaram, M. 2014 'India's Big Brother Project - the world's largest biometrics identity program.' *Boston Review*, May 19th <http://bostonreview.net/world/malavika-jayaram-india-unique-identification-biometrics> (accessed 29/10/2019).
- Lyon, D. 2001 *Surveillance Society*, Philadelphia, Open University Press.
- 2003 (ed) *Surveillance As Social Sorting - Privacy, Risk and Automated Discrimination*, Psychology Press, Great Britain.
- 2014 Surveillance, Snowden, and Big Data: Capacities, consequences, critique *Big Data & Society*, July–December 2014: 1–13.
- Maki, K. 2011 'Neoliberal deviants and surveillance: welfare recipients under the watchful eye of Ontario Works' in *Surveillance and Society: A Global Surveillance Society?* 9, 1/2: 47-63 <https://doi.org/10.24908/ss.v9i1/2.4098> and <https://ojs.library.queensu.ca/index.php/surveillance-and-society/article/view/deviants> (accessed 7/10/2019).
- McKenna, M. 2018 'Moment of truth: history and Australia's future'. *Quarterly Essay*, 69: 1-86.
- Meagher, G. and Goodwin, S. (eds) 2015 *Markets, Rights and Power in Australian Social Policy*, Sydney University Press.
- Misra, T. 2018 *The Rise of 'Digital Poorhouses' - An interview with Virginia Eubanks*, CitiLab <https://www.citylab.com/equity/2018/02/the-rise-of-digital-poorhouses/552161/> (accessed 18/04/2020).
- Moreton-Robinson, A. 2009 'Imagining the good Indigenous citizen: race war and the pathology of patriarchal White sovereignty'. *Cultural Studies Review* 15(2): 61–79 <https://epress.lib.uts.edu.au/journals/index.php/csrj/article/view/2038> and doi:10.5130/csr.v15i2.2038 (accessed 19/04/2020).
- Norris, C. and Wilson, D. 2006 *Surveillance, Crime and Social Control*. Aldershot, Hanta. Ashgate Publishing <https://catalogue.nla.gov.au/Record/3642915> (accessed 19/04/2020).
- Say No Seven Community 2019 *Submission Number 4 to the Senate Community Affairs Legislation Committee Inquiry: Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019* [https://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Community\\_Affairs/](https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/)

- IncomeManagementCashless/Submissions (accessed 19/04/2020).
- Schram, S. 2015 *The Return Of Ordinary Capitalism – Neoliberalism, Precarity, Occupy*, Oxford University Press, United Kingdom.
- 2017 'Neoliberal relations of poverty: the welfare state under assault', *National Institute for Health and Welfare - Proceedings of International Symposium: Seeking and Seizing - The Nordic Way?* 2 - 3 November 2017 <https://www.youtube.com/watch?v=WLYV8j6kJsE> (accessed 19/04/2020).
- Stanner, W. (Introduction, Manne, R.) 2011 *Dreamings and Other Essays*. Black Inc. Australia.
- Sutton, P. 2011 *The Politics of Suffering: Indigenous Australia and the End of the Liberal Consensus*, Melbourne University Press, Melbourne.
- Taylor, L. and Broeders, D. 2015 'In the name of development: power, profit and the datafication of the global south', *Geoforum* 64: 229–237 DOI:10.1016/j.geoforum.2015.07.002.
- Tennant, D. and Brody, G. 2017 *Submission Number 26 to the Australian Government Senate's Community Affairs Committee Regarding the Social Services Legislation Amendment (Cashless Debit Card) Bill 2017* [https://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Community\\_Affairs/CashlessDebitCard/Submissions](https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/CashlessDebitCard/Submissions) (accessed 2/11/2019).
- Thomas, J., Barraket, J., Wilson, CK., Rennie, E., Ewing, S. and MacDonald, T. 2019 *Measuring Australia's Digital Divide: The Australian Digital Inclusion Index 2019*, RMIT University and Swinburne University of Technology, Melbourne <https://doi.org/10.25916/5d6478f373869> and [https://www.csi.edu.au/media/2019\\_ADII\\_Report.pdf](https://www.csi.edu.au/media/2019_ADII_Report.pdf) (accessed 2/12/2019).
- Uniting Communities, 2019 *Submission to the United Nations Special Rapporteur on extreme poverty and human rights, for the thematic report to the UN General Assembly on digital technology, social protection and human rights* <https://www.ohchr.org/Documents/Issues/Poverty/DigitalTechnology/UnitingCommunities.pdf> (accessed 19/04/2020).
- Warschauer, M. 2003 *Technology and Social Inclusion: Rethinking the Digital Divide*, MIT Press, Cambridge, Massachusetts, United States of America.
- Watson, I. 2016 *Aboriginal Peoples, Colonialism and International Law: Raw Law*, Taylor & Francis Ltd, Routledge.
- Whitfield, D. 1983 *Making It Public: Evidence and Action Against Privatisation*. Pluto Press, London.
- 2020 *Public Alternative to the Privatisation of Life - Strategies For Decommodification, Public Ownership and Provision, Democratic Control, Climate Action, Conserving Nature and Biodiversity and Radical Public Management*, Spokesman, England.

#### Author

Susan Tilley is a PhD candidate in the University of South Australia's Justice and Society Unit. She has a focus on the political economy of conditional welfare and the effects of neoliberalism on social security entitlements and the welfare state. This article includes research towards her PhD thesis.

#### Youth of Childhood Summers

Several of us children are still  
suspended there  
in freefall over the gravel pit

We are tumbling  
We are cannonballing  
We are tucked in  
over one another,

close enough to touch pointed toes

Having promised ourselves we'd leap—  
and done it

Off the edge of the quarry  
we'd sought,  
into the work of it

Having found ourselves still  
and lined up  
by size

Having been sorted

by gravity,  
by ability,  
by desire,  
to fall

into the places  
made for us.

KATIE ASSARIAN,  
HARBOR BEACH, MICHIGAN, USA

# Is Universal Basic Income a Desirable Alternative to Conditional Welfare?

GREG MARSTON AND MICHELLE PETERIE

*Australia's income support system has always been conditional. However, since the mid-1990s conditions have escalated considerably, with a raft of new administrative and activity conditions attached to the receipt of payments and tough financial sanctions imposed for non-compliance. Social security appeal rights have also been weakened and – with the introduction of income management policies – some benefit recipients have had conditions placed on where, and on what, their payments can be spent. Against this backdrop, some reformers argue for the eradication of punitive conditionalities and an increase in certain categories of payments; others, however, propose a more radical break with the past through the introduction of an unconditional and universal basic income that is paid to all permanent residents. This paper explores these developments in an attempt to discern whether universal basic income is a desirable alternative to a highly conditional social security system.*

KEY WORDS: Activation, Conditionality, Social Security, Welfare, Universal Basic Income

## Introduction

A conditional approach to the receipt of social security benefits has intensified over the past two decades in Australia. At the same time, labour market opportunities have arguably weakened for those who find themselves at the bottom of the income scale with skills and knowledge that are now less in demand (Carney and Stanford 2018; Rayner 2018). The result for those seeking to navigate the welfare-work nexus under less than ideal conditions can be said to represent what Lauren Berlant (2011) calls 'cruel optimism': that is, a society remaining attached to unachievable fantasies of the 'good life' (with its promise of upward mobility, job security, political and social equality and durable intimacy) despite mounting evidence that liberal-capitalist societies cannot be counted on to provide these rewards for all of their citizens. Erik Olin Wright (2015) refers to this paradox of capitalism as 'poverty in the midst of plenty'. Income inequality, anomalies between payment categories and material deprivation have been persistent features of the welfare-work nexus in Australia.

In seeking to address this problem, welfare rights advocates have been calling for more generous income support payments (ACOSS 2018), recognising that – despite moral platitudes to the contrary – poverty is a disabling, not an enabling, force in the lives of people struggling to make ends meet. At the same time, other

reformers and researchers have drawn attention to the counter-productive effects of paternalism and conditionality in relation to a scarcity of respect and devalued social identities for those that find themselves outside the labour market for significant periods of time (Sennett 2003). A chorus of concern about the situation for people reliant on a bewilderingly complex social security system (Carney 2019; Murphy et al. 2011) has led some policy reformers to call for a simplification of payment categories (Department of Social Services 2014). Where mandatory welfare quarantining or 'income management' policies are concerned, scholars have recommended voluntary alternatives that are less corrosive to individuals' agency and socio-emotional wellbeing (Cowan 2013; Bray 2016).

More recently, however, a diverse coalition of policy actors at the international level, ranging from Silicon Valley tech entrepreneurs (Ford 2015) to presidential candidates (Yang 2018), have been calling for a more radical break with policy incrementalism through the implementation of a universal basic income (UBI). A UBI is an unconditional and regular cash payment to individuals irrespective of their paid work status. A UBI is a proposal that is gaining traction at an ideational level and through policy experimentation around the globe; it purports to advance economic security and to address

---

emerging challenges and transitions associated with a new wave of automation and climate change (Frey and Osborne 2017). This paper explores these developments to answer the question of whether a UBI represents a desirable solution to a range of compounding social and economic problems. The first part of the paper outlines some of the key historical developments in the Australian social security system, including recent moves towards broad-based compulsory income management (CIM) policies. The second part of the paper examines the arguments for a UBI as a key plank in building a viable social and economic alternative to welfare conditionality, entrenched poverty, economic insecurity and populism.

### **The Socio-Historical Context of Welfare Conditionality**

Australia's social security system is highly regarded among OECD countries for the efficiency of the transfer payment system, with the bulk of the flat-rate income support payments going to those with the greatest level of material need (Whiteford 2016). The system has been incrementally built up over more than 100 years. The first social security payment category of the Aged Pension was established in 1901 in Victoria and New South Wales, and at the Commonwealth level in 1909. The most significant expansion of payment types occurred in the post-war period, where unemployment benefits were introduced (recently referred to as Newstart, now Jobseeker) and in the 1970s when sole parent payments and other family benefits were introduced. A key objective of the Australian social security system has been protection against poverty (Ziguras 2014). The extent to which the system continues to be successful at achieving this objective has been called into question in recent years, as the anomaly between the indexation of pensions and unemployment benefits means that the real value of unemployment benefits is diminishing (Whiteford 2016). Recent analysis by Peter Saunders (2017) shows that the Newstart Allowance would need to increase by \$96 per week to enable people to meet their basic social and economic needs. These findings have led peak bodies like the Australian Council of Social Service (2019) to call for an increase in the base rate of Newstart via the Raise the Rate campaign. Yet, legislative attempts to increase the payment, mainly led by the Australian Greens, have failed to pass the Australian Parliament. In opposing the increase, the former Minister for Social Services, Christian Porter, said that '... increasing Newstart [now Jobseeker] would not move a single person from welfare to work' (ABC News 2017). These sorts of political statements make it clear that the goal of poverty alleviation has been displaced by one of labour force participation (Ziguras 2014).

The policy levers that are now preferred by governments in Australia are ever increasing forms of welfare conditionality – using sticks, rather than carrots, to cajole

people into compulsory training, workfare programs and paid work of whatever quality or duration. When people do not comply with or inadvertently fall foul of the myriad of rules and requirements, they are financially sanctioned. Australia is not alone in implementing these policy settings. Since the late 1990s, countries such as the UK, Canada, the USA and New Zealand have pursued an 'activation agenda', which in practice combines conditional income support payments with marketised and contractual forms of employment service delivery (Considine et al. 2015). Much has been written about the effectiveness or otherwise of these policy settings in practice and our intention is not to review that literature here, other than to say that a consistent finding from these studies is that this combination of punitive policy and quasi-market service delivery is largely ineffective in addressing long-term unemployment and poverty (Brodin and Marston 2013). This conclusion has led some commentators to proclaim that 'welfare-to-work' has become 'welfare-as-work', as people are put through a range of intrusive character and work tests as they are deemed 'never-deserving citizens' (Sennett 2003).

A system of income support that nudges people into paid employment works well with a labour market that is able to supply good quality jobs and high wages and conditions (Bell and Quiggin 2014). To their credit, Australian governments managed to achieve this goal in the post-war period through pursuing a policy of full-employment and relatively high minimum wages supported by a national arbitration and conciliation system. Frank Castles's (1994) analysis of the relationship between social policy and industrial relations in Australia identifies this set of institutional arrangements as the 'wage earner's welfare state'. This has been more accurately described as the 'white, male wage earner's welfare state' (Bryson 1992) when looking at who has benefited the most from these policy settings. The introduction of unemployment benefits in Australia in the post-war period was therefore based on the assumption that unemployment was a temporary phenomenon in an era of Keynesian-inspired economic and social policies, which in effect meant the public sector underwrote a job guarantee through significant expansion and investment in major capital works and infrastructure projects, particularly in transport and water.

The 'golden age' of economic prosperity meant that official rates of unemployment remained at less than two per cent for almost two decades (ABS 2017). However, the social postwar full employment model started to come unstuck during the mid 1970s as a result of rising unemployment and inflation and the subsequent loss of faith in Keynesian prescriptions for economic and social security. The quality of jobs and the extent of insecurity in the Australian labour market remains contested, with some labour market economists indicating that the

---

provision of secure paid employment remains relatively robust (Borland 2017), while others argue the provision of secure jobs in the labour market is deteriorating (Carney and Stanford 2018). Discussion about the availability of jobs is now focused on the potential effects of a new wave of automation where Artificial Intelligence and advanced robotics will render many tasks presently performed by humans redundant as machines become smarter and more dexterous, augmenting and in some cases replacing mental and manual labour performed by humans (McAfee and Brynjolffson 2017). Offshoring of jobs and the weakening of union bargaining power are also putting downward pressure on wages and working conditions (Productivity Commission 2017).

Despite the labour market in Australia becoming a less reliable source of income and rights, successive governments have stuck to the line that the labour market is performing exactly as it should (Carney and Stanford 2018). This denial permits the policy logic of welfare conditionality to continue unchecked, divorced from the reality of life for those bouncing along the bottom of the income scale. Whilst the moralisation of paid work gains purchase through its ubiquity in the media, its real power derives from its centrality to workfare policies designed to move benefit claimants out of the welfare system and into paid employment (Frayne 2015: 101). Demonising the unemployed through income support policy and the media reminds us of just how fortified the work ethic is in Australia, shored up by moral binaries such as 'leaners/lifters', 'taxpayers/bludgers' and 'dependence/independence' (Marston et al. 2019; Peterie et al. 2019b). Labour force participation and training, new paternalism and conditionality and increasingly sophisticated forms of surveillance dominate political discourse about income support. At the same time, welfare as a category remains narrowly defined leaving out the tax benefits that flow to those through occupational and fiscal welfare and the majority of Australians that benefit from universal health and education (Brodkin and Marston 2013).

Despite numerous critiques of neoliberal economic policies (Peck 2010) and strong paternalism in social security policy in Australia (Carney 2019), the overall direction of income support and labour market policies remains largely unchanged. Indeed, in recent decades Australian governments have introduced new forms of conditionality, including CIM policies. Income management policies see a portion of affected benefit recipients' social security payments placed on an issued debit card which limits where, and on what, these funds can be spent. This approach represents both a continuation and escalation of the activation agenda, extending the imposition of conditions such that individuals are not only required to meet rigorous eligibility and compliance obligations in

order to receive funds, but are also denied autonomy over these funds (Mendes 2015; Peterie et al. 2019a). These policies were initially trialled on Indigenous Australians in the Northern Territory, but have since been rolled out across other sites over Australia. Australian legal scholars such as Shelley Bielefeld (2014, 2018) have consistently drawn attention to the racist and punitive aspects of these sets of policies. A key justification of recent iterations of these policies has been the perceived need to help benefit recipients to overcome (assumed) substance abuse and rejoin the workforce (Lovell 2016).

The relentless moralisation of work through income support policy settings is confining policy communities to predictable circuits of thought. As Frayne (2015: 15) states, 'In a context where those who resist work are so readily disparaged, reviled and feared it becomes increasingly difficult to foster an open-minded and intelligent debate on the future of work'. We live in a time when political slogans like 'the best form of welfare is a job' (Liberal Party of Australia 2019) are substituting for policy action, while concerns about adequacy of social security payments continue to fall on deaf ears. Governments have ramped up punitive policies towards those on social security benefits rather than address demand side problems in the labour market. Activity for activity's sake has become normal, along with a populist dose of what the Canadian writer Jean Swanson (2001) aptly refers to as 'poor bashing' in mass media representations of low-income Australians.

On the other side of the equation, the operational arm of conditional welfare to work programs, the marketised employment services model of non-profit and for-profit providers, is financially incentivised for short term placements, with few resources to address non-vocational barriers to employment. The front-line workers of these employment services have found their job satisfaction and working conditions deteriorating in the face of an unrealistic contractual and performance management regime (Considine et al. 2015; Murphy et al. 2011). The end result has been a human service enterprise that has lost its most experienced and skilled workers, precisely at the same time when the front-line of welfare to work has become more complex and demanding, as more groups are cajoled into meeting participation requirements that should lead somewhere, but frequently lead nowhere (Murphy et al. 2011). This is not good policy or good practice, and yet successive governments persist with the model. The lock-in effects of the program logic have become opaque and solidified and policy makers now find it hard to imagine other possibilities (Standing 2019). Certainly, there are cracks and fissures in the workfare policy edifice and some refusals by non-profits to refer people for sanctions in the early 2000s resulting in a

---

softening of some harsh measures (Wright et al. 2011). However, these temporary victories have not been enough to disrupt the policy logic in the long-term.

The challenge to alter path dependency in social security policy is both cultural and economic. We are confronted by a perverse situation in which the highest-ranking workers work long hours, whilst growing numbers of people find their labour power is no longer useful for the generation of profit, with the obvious consequences of increasing unemployment and underemployment. But the unemployed are not free from work in any meaningful sense. They exist in a 'dead-zone', degraded by social isolation, social security sanctions, and financial worries and controls. As Bertrand Russell (1932) proclaimed in his famous essay on the virtues of idleness and intelligent leisure, unavoidable leisure time has been turned into a universal source of unhappiness in late modernity. In cultural terms, we have become a society of people who are financially and psychologically dependent on an activity that is becoming more unevenly distributed with a less clear cost benefit analysis between sacrifice and rewards (Frayne 2015).

In this context, calls by welfare peak bodies (ACOSS 2018) to soften the punitive and coercive edges of our social security system – for example, through the removal of benefit sanctions or the introduction of voluntary, rather than compulsory, forms of income management – have clear merit. It might usefully be asked, however, whether they go far enough. The conditions of the present may require more than a mere 'tinkering at the edges' of the existing social security system; a fundamental re-evaluation of the relationship between an individuals' participation in paid employment and their perceived social value may be necessary.

These philosophical and cultural questions are leading towards a renewed interest in constructing alternative social futures (Urry 2016) and 'real utopias', which contain both the seeds of the destination and the means of getting there (Olin Wright 2010). The strategic dimension of utopias is that they allow us to problematise the present; they force a conversation about whether alternatives to the present order are desirable. There are a combination of factors leading to expressions of pre-figurative thinking in the public sphere, including the environmental crisis associated with continuous economic growth, the paradox of poverty amidst unprecedented wealth, and rapid technological change surrounding the digital revolution and its dystopian and utopian imaginaries. Much depends on how these transitions are negotiated and whether our democratic institutions are capable of responding positively to large scale societal challenges, while at the same time avoiding the fear and prejudice that can

too easily be invoked by populist governments when citizens feel economically disenfranchised and socially disconnected (Dyer 2018; Peterie and Neil 2019).

In this context the idea of a UBI is finding support as an idea worth serious consideration in a time of social change and economic uncertainty. It offers an alternative to the highly conditional forms of income support that have been thoroughly normalised in recent decades. Significantly, it also encourages us to consider bold policy solutions to social problems, rather than simply endeavouring to mitigate against the harshest consequences of the present system. In Australia, strong paternalism has become a case of a policy solution looking for a policy problem (Edelman 1988). Breaking down this policy path dependency is a major political challenge. In the face of this challenge and the uncertainty created by a new wave of automation, some scholars are keen to see a return to a Keynesian inspired job guarantee (Mitchell and Fazi 2017), either as a stand alone policy or matched with a guaranteed minimum income to make it possible to live decently with or without paid work (Quiggin 2019). The next section examines the merits of a UBI as one option that would decouple income from labour and in doing so potentially change the tone of the conversation about work and welfare in Australia.

### **Basic Income: Unconditional or universal?**

Since at least Thomas More's *Utopia*, penned more than 500 years ago in 1516, many thinkers have engaged with the idea of a basic income for citizens – that is, of everybody in society receiving a regular amount of income as a rightful share of the common wealth of a nation. At the ideational level, some have mocked the idea as fantasy or as a threat to civilization, and some have grown tiresome in their enthusiasm – the gamut of sentiments and reactions has been impressively wide (Standing 2011).

There have been tensions in the basic income social movement itself, between those who have taken a more libertarian approach, seeing UBI as a way to realise a minimalist welfare state (Friedman 1962; Murray 2006), and those who have been more egalitarian in their outlook, seeing UBI as one part of a more equal and just society through redistribution, rights and universal services (Standing 2011). There are those who see basic income as a stand-alone policy replacing a highly targeted and conditional cash transfers system, as we have in Australia, and those who see it as part of a progressive political strategy that will lead to a revaluing of care, a new politics of time and a less commodified welfare state (Standing 2011).

For some proponents, a UBI represents a break with a productivist paradigm of industrial citizenship that is

---

seen as having run its course as the basis of a 'good society' (Frayne 2015). For others, the idea of a post-productivist future goes against the cultural grain of Australian society and ignores the reality that so much of what enables people to have sufficient income for needs and wants comes from our labour and its exchange value. To decouple work and income is seen as politically dangerous and economically misguided (Coote and Yazici 2019). Undoubtedly, there is a pressing need for fairer pay, better quality jobs and more democratic relationships in the workplace. These issues delineate the terrain of the trade unions and the fight is far from won. However, in constructing an alternative future it is also necessary to go beyond workers' rights, and the rights of those without work, to confront some more fundamental questions. Why, at the pinnacle of society's productive development, do we still think everyone needs to work most of the time? What else could we be doing with discretionary time were we no longer spending most of our time labouring or being cajoled to labour?

Tim Dunlop (2016), in his book *Why The Future is Workless*, suggests that we should embrace a 'post-work' future and see a new wave of automation associated with robotics and AI as a transformative and liberating force, as long as there is a decent economic floor in place to ensure the transition does not exacerbate income and wealth inequalities. Another prominent force motivating calls for a UBI is the claim that there is a growing precariat, consisting of millions of people facing unstable insecure labour, a lack of occupational identity, declining and volatile real wages, loss of benefits and chronic indebtedness (Standing 2011). For countries like Australia that have developed a highly targeted and highly conditional social security system, the desirability of a UBI may be more geared towards the unconditional nature of the payments, as a basic income paid to all citizens at a similar level to the aged pension would help address welfare rights advocates' concerns about the harms of strong paternalism in Australian's income support policy settings.

Beyond universal ideals of freedom, social justice and democratic citizenship, proponents of UBI argue that it can be more cost-effective than 'the current wasteful array of often counter-productive, bureaucratic income security programs' (Pereira 2014: 1). Pilot projects in Canada, India and South Africa, for example, have demonstrated that the UBI supports economic growth and job creation, especially in the areas of improving the livelihoods of the poor and maintaining better risk management (Standing and Samson 2003). The evidence on basic income trials in developing and developed countries is generally positive, however, the trials have all been time-restricted and specific to particular cities, towns or regions so there are limits to what can be claimed about their success in

the long-term. What we have learnt is that much depends on the adequacy of the payment in terms of whether it maximises security and freedom, which consequently raises questions about the affordability of a fully scaled UBI (Foster 2016). The politics of basic income also raises a host of implementation challenges. Adopting a universal basic income would require a major transition in how social welfare and tax systems are designed; it is therefore likely there would need to be a staged transition that takes account of fiscal capacities, demography and political structures (Haagh and Rohregger 2019).

Given these challenges, any move towards implementing a UBI would need to be a long term goal. One step towards refining and recalibrating systems would be commencing basic income trials, similar to what other countries have pursued. However, there is a risk that implementing trials and pilots can also stall sustainable policy action. Australia, like other countries, has a history of introducing innovative pilot programs, only to see them discontinued when there is a change of government and the pilot funding is withdrawn. At the same time, as the previous discussion has highlighted, Australia continues to expand expensive trials for CIM schemes that target Indigenous Australians and other groups of social security recipients when the evaluation evidence results are mixed at best (Mendes 2015; Bray 2016).

Implementing a basic income as an alternative to conditional welfare is at one level a leap into the unknown. However, there is sufficient evidence from overseas experiments with basic income to suggest that people will generally still do what they do now (for example, engage in paid work), but will also have improved health and wellbeing and more discretionary time to pursue other activities (Haagh and Rohregger 2019) – life advantages that are unevenly distributed in the present social order (Marston 2019). As Andre Gorz (1999: 39) explains:

One of the functions of a politics of time is precisely to share out savings in working time following the principles not of economic rationality, but of justice. These savings are the work of society as a whole. The political task is to redistribute them on the scale of society as a whole so that each man and woman can benefit from them.

In Australia, as in many other countries, the work ethic and the family ethic remain joined together by a host of historical, economic, political and cultural threads (Weeks 2011). Kathi Weeks and other feminist scholars of work are keen to see policies in place that challenge the way that the state and capital define what counts as a valuable use of one's time, or what constitutes an acceptable family or other intimate relationship. It is this

---

form of 'time freedom' becoming more widely available and more equally distributed – what Goodin (2010) refers to as 'temporal justice' – that will enable people to make real choices as they seek to collectively 'get a life' and refuse the political and cultural call to simply 'get a job' (Marston 2019). For social justice theorists this focus on discretionary time helps to move beyond calibrating distributive justice in monetary terms, as we well know that money is not the only resource that matters to people – control over one's time, and the capacity to spend it as one wishes, is also an important resource (Goodin 2010). While the public discussion about 'work–life' balance speaks to this issue, the metaphor of balance ends up being an unsatisfactory one, as it tends to imply that balance is possible and that it is up to individuals to reconcile the tension, rather than government policies, organisational cultures and employer practices.

The struggle to build something new through policies such as UBI is deliberately utopian. However, UBI and similar policy measures are not proposing a fixed blueprint for the future, but rather a future that reinstates the wealth of possibilities that overemployment and underemployment, combined with a blind attachment to the paid work and family ethic, have diminished (Weber, cited by Weeks 2011: 233). A discussion about the merits of a UBI forces a conversation about the present and in particular about what is problematic about a highly conditional and punitive set of income support policies. A UBI may not be the best answer and it is certainly not a silver bullet, but it does help to frame the right sorts of questions about how to address economic insecurity, provide greater temporal autonomy and sustainably reduce poverty and inequality.

## Conclusion

Calls for universal services, a shorter working week and a UBI are frequently put forward as a package of reforms that can provide an economic floor for experimenting with other forms of economic and social activity (Bregman 2016). By itself a UBI would not be sufficient to transcend all that is problematic about our redistribution and recognition models that are tightly tied to paid work. However, as part of a vision for a more secure and fairer society it helps to clarify how we might move forward and away from counter-productive welfare conditionality. Questions about dignity, personhood and respect will need to be carefully considered and debated, as paid work has captured so much of the symbolic capital when it comes to constituting status and a meaningful life in countries like Australia. The challenge is to imagine and advance new categories of human worth and civic service that are relevant to twenty-first century concerns. Twentieth century preoccupations with 'warfare' and 'welfare', for example, must be set aside as we de-carbonise the economy (Klein 2017). These imperatives take on heightened salience in the

context of increasing automation, which, if managed well, will create space and time in people's lives for a public valuing of relational labour, rather than routine labour and its exchange value (Flanagan 2017). Whatever package of reforms are adopted, the justification for income support needs to be reframed in terms of poverty relief and economic security, rather than labour force participation, surveillance and heightened conditionality.

The welfare state established after the Second World War was the closest that countries like Australia and the UK came to achieving both security and freedom. We must now ask how we should achieve that combination today. A self-defeating belief that there is nothing left to believe in makes us blind to the shortsightedness and injustice that still surround us every day (Bregman 2016). A UBI is one idea that can possibly address a range of injustices and help achieve a post-productivist settlement within the ecological limits of a finite planet (Jackson 2009). The fact that there is very little mainstream political attention being given to examining the feasibility of implementing big policy ideas in Australia is a cause for concern amongst progressive reformers. The most serious threat to our collective ability to negotiate a way forward may be the failure of our democratic institutions and the demise of a form of political leadership capable of cultivating big ideas that can respond to big changes in our environment, economy and society, as opposed to business as usual politics and poll driven populism.

While there is much to be skeptical about in terms of the prospect for change, our own social history provides us with a reason to be somewhat optimistic. Social security pensions and universal healthcare were once considered dangerous ideas in Australia. Now these sets of policies are part of the social and cultural fabric of Australia, and political leaders that seek to dismantle these social policies are frequently forced to capitulate in the face of opposition from citizens, consumer groups and professional bodies (Marston 2019). One lesson from these historical innovations is the importance of building in a high degree of universalism, as cross-class interests facilitate policy resilience. Proposing a new social contract for the twenty-first century – one that is based on social citizenship, human rights and social justice within the ecological limits of a finite planet – is a bold but necessary step in cultivating the common good and building a common purpose (Jackson 2009; Reich 2018). The uncertain and increasingly unequal economic and social times we live in demands nothing less than big ideas and bold steps if we are to realise a preferable, rather than a predictable social future (Urry 2016).

## References

Australian Bureau of Statistics 2017 *Labour Force Australia, December 2017* <http://www.abs.gov.au>

- AUSSTATS/abs@.nsf/DetailsPage/6202.0Dec%202017?OpenDocument [accessed 15/10/19].
- ABC News 2017 *Unemployment Benefits Not Enough for Recipients to Afford Basic Needs: Study Finds* <http://www.abc.net.au/news/2017-08-23/newstart-not-enough-to-afford-basic-needs/8835678> [accessed 27/10/19].
- ACOSS, Australian Council of Social Service 2018 *ACOSS calls on cross bench to reject the welfare reform bill* [https://www.acoss.org.au/media\\_release/acoss-calls-on-crossbench-to-reject-the-welfare-reform-bill/](https://www.acoss.org.au/media_release/acoss-calls-on-crossbench-to-reject-the-welfare-reform-bill/) [accessed 30/01/20].
- ACOSS, Australian Council of Social Service, 2019 *Raise the Rate* <https://raisetherate.org.au/> [accessed 4/11/19].
- Bell, S. and Quiggin, J. 2014 'Unemployment Policy: Unemployment, Underemployment and Labour Market Insecurity', in P. Smyth and A. McClelland (eds), *Social Policy in Australia, Understanding for Action*, Oxford University Press, Melbourne.
- Berlant, L. 2011 *Cruel Optimism*, Duke University Press, Durham.
- Bielefeld, S. 2014 'Income management and Indigenous peoples: nudged into a Stronger Future', *Griffith Law Review*, 23, 2: 285-317.
- Bielefeld, S. 2018 Government mythology on income management, alcohol, addiction and Indigenous communities, *Critical Social Policy*, 38, 4: 749-770.
- Borland, J. 2017 *Job Insecurity in Australia: No Rising Story* [https://drive.google.com/file/d/0B\\_H1wGTm98W3UmF3S2IVSm8zUWc/view](https://drive.google.com/file/d/0B_H1wGTm98W3UmF3S2IVSm8zUWc/view) [accessed 27/10/19].
- Bray, R. 2016 'Seven years of evaluating income management – what have we learnt? Placing the findings of the New Income Management in the Northern Territory evaluation in context', *Australian Journal of Social Issues* 51, 4: 449-468.
- Bregman, R. 2016 *Utopia for Realists: And How We Can Get There*, Bloomsbury Publishing, London.
- Brodkin, E. and Marston, G. 2013 *Work and the Welfare State: Street-level Organisations and Workfare Politics*, Georgetown University Press, Washington.
- Bryson, L. 1992 *Welfare and the State: Who Benefits?* Macmillan International, Melbourne.
- Carney, T. 2019 'Old Wine, New Wine, or Just The Same Old Bottles', in P. Saunders (ed), *Revisiting Henderson, Poverty, Social Security and Basic Income*, Melbourne University Press, Melbourne.
- Carney, T and Stanford, J. 2018 *The Dimensions of Insecure Work: A Factbook* [https://d3n8a8pro7vnmx.cloudfront.net/theausinstitute/pages/2807/attachments/original/1528337971/Insecure\\_Work\\_Factbook.pdf?1528337971](https://d3n8a8pro7vnmx.cloudfront.net/theausinstitute/pages/2807/attachments/original/1528337971/Insecure_Work_Factbook.pdf?1528337971) [accessed 2/11/2019].
- Castles, F. 1994 'The Wage-Earners' Welfare State Revisited: Refurbishing the Established Model of Australian Social Protection 1983-1993', *Australian Journal of Social Issues* 29, 2: 118-132.
- Considine, M., Lewis, J., O'Sullivan, S. and Sol, E. 2015 *Getting Welfare to Work: Street Level Governance in Australia, the UK and the Netherlands*, Oxford University Press, Melbourne.
- Coote, A. and Yazici, E. 2019 *Universal Basic Income: A Union Perspective*. [http://www.world-psi.org/sites/default/files/documents/research/en\\_ubi\\_full\\_report\\_2019.pdf](http://www.world-psi.org/sites/default/files/documents/research/en_ubi_full_report_2019.pdf) [accessed 28/01/20].
- Cowan, A. 2013 'Undrip and the intervention: Indigenous self-determination, participation, and racial discrimination in the Northern Territory of Australia', *Pacific Rim Law Policy Journal* 22, 2: 247-310.
- Department of Social Services 2014 *A New System for Better Employment and Social Outcomes – Interim Report of the Reference Group on Welfare Reform to the Minister for Social Services* [https://www.dss.gov.au/sites/default/files/documents/06\\_2014/dss001\\_14\\_full\\_report\\_27\\_june\\_tagged.pdf](https://www.dss.gov.au/sites/default/files/documents/06_2014/dss001_14_full_report_27_june_tagged.pdf) [accessed 23/11/19].
- Dunlop, T. 2016 *Why The Future is Workless*, NewSouth Books, Sydney.
- Dyer, G. 2018 *Growing Pains: The Future of Democracy and Work*, Scribe Publications, Melbourne.
- Edelman, M. 1988 *Constructing the Political Spectacle*, University of Chicago Press, Chicago.
- Flanagan, K. 2017 'A consensus for care', *Inside Story* <https://insidestory.org.au/a-consensus-for-care/> [accessed 30/01/20].
- Ford, M. 2015 *Rise of the Robots: Technology and the Threat of a Jobless Future*, Basic Books, New York.
- Foster, G. 2016 'Universal Basic Income: The Dangerous Idea of 2016', *The Conversation*, <https://theconversation.com/universal-basic-income-the-dangerous-idea-of-2016-70395> [accessed 27/01/20].
- Frayne, D. 2015 *The Refusal of Work: The Theory and Practice of Resistance to Work*, Zed Books, London.
- Frey, C. and Osborne, M. 2017 'The Future of Employment: How Susceptible are Jobs to Computerisation', *Technological Forecasting and Social Change* 114: 254-280.
- Friedman, M. 1962 *Capitalism and Freedom*, University of Chicago Press, Chicago.
- Goodin, R. 2010 'Temporal Justice', *Journal of Social Policy*, 39, 1: 1-16.
- Gorz, A. 1999 *Reclaiming Work: Beyond the Wage Based Society*, Polity Press, Cambridge.
- Haagh, L and Rohregger, B. 2019 *Universal basic income policies and their potential for addressing health inequities: transformative approaches to a healthy prosperous life for all* [http://www.euro.who.int/\\_\\_data/assets/pdf\\_file/0008/404387/20190606-h1015-ubi-policies-en.pdf](http://www.euro.who.int/__data/assets/pdf_file/0008/404387/20190606-h1015-ubi-policies-en.pdf) [accessed 28/01/20].
- Jackson, T. 2009 *Prosperity Without Growth: Economics for a Finite Planet*, Earthscan, London.
- Klein, N. 2017 *This Changes Everything: Capitalism vs Climate*, Penguin Books, London.
- Liberal Party of Australia 2019 *Our Plan: Welfare to Work* <https://www.liberal.org.au/our-plan/welfare> [accessed 25/10/19].
- Lovell, M. 2016 'The normalisation of income management in Australia: analysis of the parliamentary debates of 2007 and 2009-10', *Australian Journal of Social Issues*, 51, 4: 433-448.
- Marston, G. 2019 'Basic Income in Australia: Implementation Challenges', In E. Klein, E. Mays, and T. Dunlop (eds), *Implementing a Basic Income in Australia*, Palgrave MacMillan, Basingstoke.
- Marston, G., Zhang, J., Peterie, M., Ramia, G., Patulny, R. and Cooke, E. 2019 'To Move or Not to Move: Mobility Decision-Making in the Context of Welfare Conditionality and Paid Employment', *Mobilities* DOI: 10.1080/17450101.2019.1611016
- McAfee, A. and Brynjolffson, E. 2017 *Harnessing our Digital Future: Machine, Platform, Crowd*, W.W. Norton Publishing, New York.
- Mendes, P. 2013 'Compulsory Income Management: A critical examination of the emergence of conditional welfare in Australia', *Australian Social Work*, 66, 4: 495-510.
- Mendes, P. 2015 *Compulsory Income Management: A Policy Solution Looking for a Problem* <http://www.abc.net.au/religion/articles/2015/05/18/4237599.htm> [accessed 25/10/2019].
- Mitchell, W and Fazi, T. 2017 *Reclaiming the State A Progressive Vision of Sovereignty for a Post-*

*Neoliberal World*, Pluto Press, London.

Murphy, J., Murray, S., Chalmers, J., Martin, S. and Marston, G. 2011 *Half a Citizen: Life on welfare in Australia*, Allen and Unwin, Sydney.

Murray, C. 2006 *In Our Hands: A Plan to Replace the Welfare State*, AEI Press, Washington.

Olin Wright, E. 2010 *Envisioning Real Utopias*, Verso Books, London.

Olin Wright, E. 2015, *Understanding Class*, Verso Books, London.

Peck, J. 2010 *Constructions of Neoliberal Reason*, Oxford University Press, Oxford.

Pereira, R. 2014 'Economic security in the twenty-first century: How guaranteed annual income (GAI) confronts multiple imperatives', *Homo economicus*, 31, 1/2: 159-79.

Peterie, M., Bielefeld, S., Marston, G., Mendes, P. and Humpage, L. 2019a 'Compulsory Income Management: Combatting or Compounding the Underlying Causes of Homelessness', *Australian Journal of Social Issues* DOI: 10.1002/ajs4.79.

Peterie, M and Neil, G. 2019 'Xenophobia Towards Asylum Seekers: A Survey of Social Theories', *Journal of Sociology* DOI: 10.1177/1440783319882526.

Peterie, M., Ramia, G., Marston, G. and Patulny, R. 2019b 'Social Isolation as Stigma-Management: Explaining Long-Term Unemployed People's 'Failure' to Network', *Sociology* DOI: 10.1177/0038038519856813.

Productivity Commission 2017 *Shifting the Dial 5 Year Productivity Review: Supporting Paper No. 8 Upskilling and Retraining*. <https://www.pc.gov.au/inquiries/completed/productivity-review/report/productivity-review-supporting8.pdf> [accessed 27/10/19].

Quiggin, J. 2019 *Economics in Two Lessons: Why Markets Work So Well and Why They Can Fail So Badly*, Princeton University Press, Princeton.

Rayner, J. 2018 *Blue Collar Frayed: Working Men in Tomorrow's Economy*, Black Inc, Melbourne.

Reich, R. 2018 *The Common Good*, Alfred Knopf, New York.

Russell, B. 1932 In Praise of Idleness, *Harper's Magazine* <https://harpers.org/archive/1932/10/in-praise-of-idleness/> [accessed 20/11/19].

Saunders P. 2017 *New budget standars show just how inadequate the Newstart allownace has become* <http://theconversation.com/new-budget-standards-show-just-how-inadequate-the-newstart-allowance-has-become-82903> [accessed 20/11/19].

Sennett, R 2003 *Respect in a world of inequality*, W Norton and Company, New York.

Standing, G. 2011 *The Precariat: The New Dangerous Class*, Bloomsbury, London.

Standing, G. 2019 *Plunder of the Commons: A Manifesto for Sharing Public Wealth*, Pelican Books, London.

Standing, G., and Samson, M. (eds) 2003 *A Basic Income Grant for South Africa*, University of Cape Town Press, Lansdowne.

Swanson, J. 2001 *Poor Bashing: The Politics of Exclusion, Between the Lines*, Union Labour, Toronto.

Urry, J. 2016 *What is the Future*, Polity Press, Cambridge.

Weeks, K. 2011 *The Problem with Work: Feminism, Marxism, Antiwork, Politics and Postwork Imaginaries*, Duke University Press, Durham.

Whitford, P. 2016 *Welfare Reform Needs to be About Improving Wellbeing Not Punishing the Poor* <https://theconversation.com/ideas-for-australia-welfare-reform-needs-to-be-about-improving-well-being-not-punishing-the-poor-56355> [accessed 27/10/19].

Wright, S., Marston, G. and McDonald, C. 2011 'The Role of Non-Profit Organisations in the Mixed Economy

of Welfare-to-Work in the UK and Australia', *Social Policy and Administration* 45, 3: 299-318.

Yang, A. 2018 *The War on Normal People: The Truth About America's Disappearing Jobs and Why Universal Basic Income is the Answer*, Hatchette Book Group, New York.

Ziguras, S. 2014 'Social security: Doing more with less', in P. Smyth and A. McClelland (eds) *Social Policy in Australia: Understanding for Action*, Oxford University Press, Melbourne.

#### Authors

Greg Marston is a Professor of Social Policy, School of Social Science at The University of Queensland. Prior to entering academia Greg worked in the non-profit sector at the local, state and national level. His research interests include poverty and unemployment, technology and work, evidence and policy and social service delivery models.

Michelle Peterie is a Research Fellow in the University of Queensland's School of Social Science. She completed her PhD at the University of Sydney, examining bureaucratic violence in Australian immigration detention facilities. Michelle's current research concerns the socio-emotional impacts of social policies and discourses, particularly those targeting refugees, Indigenous Australians and the unemployed.

#### High-rise

According to the Online Dictionary

The definition —

1. Having a comparatively large number of stories and equipped with elevators: a high-rise apartment house.
2. Of, pertaining to, or characteristic of high-rise buildings.

When you see one  
there is a larger hole  
where the material for it comes from.

3. Of or being a small-wheeled bicycle with high handlebars and a banana-shaped seat.

KATIE ASSARIAN,  
HARBOR BEACH, MICHIGAN, USA

# The Australian Labor Party and Compulsory Income Management: How and why did they reverse their position?

PHILIP MENDES

*From 2007-2017 the Labor Party was a consistent supporter of the various manifestations of compulsory income management (IM) both within government and opposition. Yet in late 2017, Labor began to signify its specific opposition to further extension of IM programs, and indeed its general scepticism concerning the merits of existing IM measures. This article, which is based on the analysis of secondary data such as speeches to Parliament and press releases, examines the key themes utilised by Labor to justify their long support for IM programs, and the contrasting themes used to explain the at least partial reversal of their support. A diverse range of factors are identified as possible explanations for Labor's significant change of position.*

KEY WORDS: Australian Labor Party, compulsory income management, Cashless Debit Card, Indigenous organisations and communities, policy reversal

From 2007 till late 2017, the Australian Labor Party (ALP) supported a range of compulsory income management (IM) programs with minimum if any qualification. Whilst in opposition, the ALP voted in favour of the inaugural income management measures introduced as part of the Northern Territory Emergency Response (NTER) in August 2007 (Macklin 2007). Subsequently as the government from December 2007-September 2013, Labor continued and expanded the existing IM program in the Northern Territory via the *Social Security and other Legislation Amendment (Welfare Reform and Reinstatement of Racial Discrimination Act) Bill 2009*, which applied to five targeted groups of income support recipients. Labor explicitly described these measures as 'a first step in a national rollout of income management in disadvantaged regions across Australia' (Carr 2010: 3840).

Additionally, two discrete child protection IM trials were introduced by Labor in Perth and the Kimberley in Western Australia, and an alternative form of IM was developed in Cape York in Queensland. In 2012, a targeted model of IM called Place-Based Income Management (PBIM) was established by Labor in five new disadvantaged locations across Australia – one in Victoria (Shepparton), two in Queensland (Logan and Rockhampton), and one each in New South Wales (Bankstown) and South Australia (Playford). Subsequently PBIM was introduced to the Anangu Pitjantjatjara Yankunytjatjara Lands in South Australia (Mendes 2019a; Department of Social Services 2012). On returning to opposition, Labor supported the

introduction of the Cashless Debit Card (CDC) in the trial sites of Ceduna and East Kimberley in 2016. However, from late 2017 onwards, Labor amended their position, and opposed the expansion of the CDC to the new sites of Goldfields and Hinkler although they supported an extension of the existing trials. Additionally, Labor began to question the key rationales for IM programs *per se* (Mendes 2019b; Benson 2019).

Using mostly official sources such as speeches to Parliament and press releases by Labor Party representatives, this article seeks to compare and contrast the key themes that underpinned the ALP's endorsement of IM from 2007-17, and equally its later critique of IM. Additionally, it attempts to identify the key factors that influenced the ALP's change of position.

## Why Labor Supported Income Management

Labor's backing of IM programs seems to have reflected a number of agendas. One was a concern to promote personal responsibility and employment, not long-term reliance on income support. This included an assumption, based at least in part on neoliberal ideology, that social disadvantage was the result of bad individual choices and behaviour as much as unfair social structures (Mendes 2019a; Lovell 2016).

Consequently, Labor in opposition backed IM measures as a 'positive' means to encourage responsible behaviour such as a reduction in alcohol use, and to discourage

---

passive reliance on welfare (Macklin 2007: 71). Labor particularly endorsed the partial quarantining by child protection authorities of payments to parents involved in child abuse or neglect in order to promote 'positive parenting and the best interests of children', and discourage bad behaviour such as drug or alcohol abuse or family violence or gambling that placed 'children at risk' (Rudd and Macklin 2007).

In government, the Minister for Families, Housing, Community Services and Indigenous Affairs, Jenny Macklin, cited Aboriginal women in remote NT communities as supporting the policy on the basis that it enabled them to purchase food, clothes and other essential items for their children. Macklin framed IM as an effective tool for promoting more responsible behaviour by parents, and reducing 'high levels of welfare dependency' (Macklin 2008a: 85).

Other statements by Labor presented IM as a specific measure for reducing child abuse and neglect. The government described the IM child protection measure as 'designed to prevent neglect and improve the lives of Australian children'. This outcome would occur by assisting parents to improve their financial management, and hence spend more money on food and other necessities for their children (Macklin and McSweeney 2008). A further statement emphasized that IM would encourage responsible parenting that ensured children attended school, and welfare payments were spent on life necessities (Macklin 2010c).

An independent evaluation of the IM child protection measure in WA by ORIMA Research was commended as indicating significant improvements in family functioning. Reference was made to increased spending on rent, food, clothing and other essentials for children (Macklin 2010b). Consequently, Labor elected to extend the IM CP trial in WA, asserting that it was effective in improving the financial management of participating parents, and so leading to more money being allocated to the purchase of food, housing, clothing, energy bills, medical care and other life necessities (Macklin 2011a; 2011d; 2012a). Similar arguments linking IM to enhanced outcomes for children were utilised to justify the introduction of IM in Bankstown and other sites (Macklin 2011b).

A separate statement by the Labor government justified the extension of IM across the Northern Territory on the grounds that it would advance personal responsibility, and reduce passive welfare and welfare dependence (Macklin 2009). IM programs would allegedly result in more money being spent on food, clothes and rent and the particular 'interests of children', and less expenditure on alcohol and gambling (Macklin and Snowdon 2009).

Similar views were advanced by Labor Party representatives during the debate over the Social Security and Other Legislation Amendment Bill in 2010. A number of Labor backbenchers endorsed IM as a method of reducing long-term reliance on welfare which was allegedly associated with negative social outcomes such as poor health, financial problems and alcohol abuse. Instead, IM would help redirect the spending of income support payments to meet the core needs of vulnerable women and children (Bidgood 2010; Perrett 2010).

Senator Kim Carr, the Minister for Innovation, Industry, Science and Research, presented IM as a means 'to tackle the destructive intergenerational cycle of passive welfare'. Carr portrayed the groups targeted by the Bill as socially isolated individuals with poor budgeting skills who were engaged in anti-social behaviors and risky activities such as family violence and substance abuse. Hence, conditional welfare was recommended in order to control and limit the impact of their dysfunctional behaviours on children and other vulnerable groups (Carr 2010: 3840).

Minister Jenny Macklin framed IM in more positive language, asserting that the Bill would assist recipients to attain paid employment, care for their children by ensuring regular school attendance and/or involvement in play groups and early childhood health checks, participate in community activities, and engage in responsible behaviour. She argued that IM would specifically protect the welfare of many women and children who would otherwise be exposed to poor nutrition, financial harassment, and harm from alcohol abuse (Macklin 2010d). Similarly, the introduction of PBIM in 2012 was constructed as an opportunity to assist vulnerable families and improve outcomes for their children (Macklin 2012d). Labor asserted that IM would enable participants to attain 'essentials like food on the table, stable housing and decent clothing' (Macklin 2012c).

Labor continued to support IM measures in opposition. A 2015 speech by Jenny Macklin, the Shadow Minister for Families and Payments, defended the various IM measures introduced by the Labor Government in 2008, 2010, 2012 and 2013. According to Macklin, IM advanced the 'best interests of children and families' by ensuring money was spent on life essentials such as food and rent rather than alcohol and gambling (Macklin 2015: 6054). Macklin framed IM as a means of helping disadvantaged families to cope financially, rather than as a punitive or controlling measure (2015).

In government, Labor presented various forms of evidence to support their claims. For example, an analysis of Centrelink data found that about 90 per cent of income support payments quarantined to the Basics Card in the

---

NT had been spent in shops that mostly sold food and clothing (Macklin and Snowdon 2010). Similarly, a survey of Government Business Managers in NT Indigenous communities reported that IM and associated NTER measures had influenced positive changes in nutrition, child abuse, and substance abuse-related violence. The survey highlighted that women with children were the group most likely to endorse IM (Macklin 2010a).

An interim evaluation report on IM in the Northern Territory completed by three academic institutions was reported by Macklin to confirm improvements in the capacity to afford food, and also some indication of enhanced financial wellbeing (Macklin 2012b). And an independent evaluation of the IM trial in Cape York was reported to have identified improvements in school attendance, parenting skills and general community safety (Macklin 2013). In opposition, Labor cited the interim evaluation report of the CDC trials in Ceduna and East Kimberley as evidence that IM was effective in reducing addiction (Cameron 2017).

Labor's views regarding the importance of active consultation with affected communities varied over time. An initial argument was that IM enjoyed significant support from Indigenous leaders and communities who had been actively consulted on whether or not the program was beneficial. In government in 2008, Labor defended the continuation of IM measures in the NT on the grounds that 'many Indigenous people want them to continue'. The government promised further consultation with Indigenous communities to develop a viable IM framework (Macklin 2008b). Later, Labor reported widespread consultation with affected communities in the Northern Territory in July and August 2009, claiming that 500 meetings were held with Aboriginal people as part of the Future Directions process. According to Labor, many participants in these meetings, particularly women, stated that IM had resulted in more money being spent on necessities such as food, clothing, school-related expenses and white goods, and reduced outlays on alcohol, drugs and gambling (Australian Government 2009b; Macklin 2009). But Labor only provided participants with a choice of two limited options: to continue the existing IM model, or to allow individuals to request exemptions on the basis of demonstrated responsible behaviour. Participants were not given the option of abolishing IM, or amending it into a voluntary scheme (Australian Government 2009a; Bielefeld 2014).

On introducing PBIM in 2011, Labor did not even pretend to have engaged in community consultation to select the sites. Rather, the Minister informed Parliament that the sites had been chosen on the basis of high unemployment rates, and high levels of young people reliant on income support. According to Labor, those five

areas were consequently 'going to have the opportunity of income management' (Macklin 2011c: 6425). The Labor government did not consult with any community groups in these locations to clarify whether the introduction of IM programs was warranted, or how they might complement existing social service programs (Mendes et al., 2013; Tennant 2012).

However, when considering the Coalition government's 2015 *Social Security Legislation Amendment (Debit Card Trial) Bill* to introduce the CDC in Ceduna and East Kimberley, Labor questioned whether adequate consultation had been conducted with the affected communities. They also proposed that further consultations be held to ascertain whether people falling into targeted groups, who were responsibly managing their finances to meet the needs of their family and children, should be able to exit the CDC (Brown et al. 2015).

Nevertheless, Labor supported the Bill on the grounds that significant sections of the community in Ceduna including Aboriginal and Islander organisations and the local government and Mayor endorsed the trial. To be sure, Labor acknowledged that there was not unanimous community support in Ceduna, and that the CDC had been opposed by respected national leaders such as the Aboriginal and Torres Strait Islander Social Justice Commissioner, Mick Gooda. But Labor argued that because the Ceduna community had 'openly cried out for support and for help' to address the 'suffering' caused by drug and alcohol abuse, the CDC should be piloted to assess its effectiveness as a policy solution (Moore 2016: 66, 67). Labor also emphasized that the trial in Ceduna had been accompanied by a formal Memorandum of Understanding signed by the Ceduna council and five local Aboriginal community organisations (Macklin 2017).

Similarly, Labor cited strong support from local Indigenous community leaders in favour of the CDC trial in East Kimberley. Labor argued that community leaders in both the trial sites were 'desperate for action' to address harm resulting from substance abuse and gambling. Labor promised further consultations with Indigenous leaders and other community leaders to identify the most effective means of combatting social disadvantage (Cameron 2017: 109).

In summary, Labor from 2007-17 constructed IM as a compliance tool to assist dysfunctional families to reform their undesirable behaviour. Compared to the Coalition, they tended to emphasise compassion rather than punishment focusing on the protection of children and women particularly within Indigenous communities. They did not question the cost effectiveness of IM, the methodological competence of the government-

---

commissioned evaluations, or the legitimacy of consultations conducted with local communities.

Labor seemed to regard local Indigenous support for IM, particularly from women, as a key factor in their deliberations, but ignored the fact that most regional and national Indigenous groups opposed IM. For example, groups such as the National Congress of Australia's First Peoples, SNAICC: National Voice for our Children, the National Aboriginal and Torres Strait Islander Legal Service, the National Aboriginal Community Controlled Health Organisation, the Aboriginal Medical Services Alliance NT (AMSANT), and the Aboriginal Peak Organisations of the Northern Territory (APO NT) urged that IM be voluntary or targeted (Neufeld 2019; Stayner 2019; Terzon 2019).

### **Why Labor Reversed Its Position on Income Management**

Labor used a number of key arguments to justify its opposition to further expansion of CDC trials. Noticeably, a number of these assertions directly contradicted their earlier claims in support of IM, and mirrored long-standing criticisms of IM by the Australian Greens and advocacy groups such as the Australian Council of Social Service (ACOSS). In general, Labor seemed to shift away from its emphasis on using welfare conditionality to reform the problematic behaviour of individuals towards a focus on social investment in areas such as housing, education and health care (ALP 2016) to advance social inclusion and protect the rights of disadvantaged groups.

One argument was that Labor had never supported a national program of IM measures (in fact the Labor Government had adopted this position as noted above), but only approved IM on a case-by-case basis when local community support was present (Macklin 2017; Burney 2018b; Cameron 2018; Burney 2019a). Labor claimed there had not been adequate consultation with local communities in the proposed new sites of the Goldfields and Hinkler (Cameron 2018; Chisholm 2018; Singh et al. 2018). Critical reference was made to an alleged top-down approach, which had failed in Hinkler, to even engage with the leading Indigenous organisation, the Gidarjil Development Corporation (Singh and Watt 2017; Burney 2018b; Lines and McGinn 2018). It was also asserted that the earlier CDC consultation in Kalgoorlie had only involved engagement with the local government, but no contact with the Indigenous community or residents directly affected by the Card (Lines 2018; Pratt 2018).

Instead, Labor recommended that any IM initiatives must be implemented by a bottom-up approach that resulted in formal community consent (such as the formal Memorandum of Understanding signed in Ceduna)

following substantial consultation with local residents including potential IM participants (Macklin and Burney 2017; Burney 2018a; 2018b; Husar 2018; Brown 2019; Burney cited in Delalande 2019; McCarthy and O'Neill 2019). Labor emphasized that a community development approach required governments to 'listen directly to affected communities. We have to empower them and resource their own solutions, particularly through Indigenous-controlled organisations. We should not be engaging in approaches that take the power away from local communities' (Pratt 2018: 14).

Labor added that Indigenous communities and leaders held mixed views on the CDC. Some remained supportive such as the Koonibba Aboriginal Corporation and the Wunan Foundation. But others including prominent Indigenous academic Professor Marcia Langton and East Kimberley elder Desmond Hill (both formerly supporters of the CDC trials), the Aboriginal Health Council of Western Australia and the Aboriginal Health Service in Ceduna did not endorse the Card. Nor did a number of Indigenous women escaping family violence via the women's refuge (Macklin 2017; Burney 2018b; 2019a; 2019b; Cameron 2018; Pratt 2018; Zappia 2018; Brown 2019).

Labor argued that participation in the CDC should become voluntary unless there was significant verified support from the local community (Brown 2019; Burney 2019c; McCarthy and O'Neill 2019). Labor defined local support as the following: 'That is not because a mayor wants it and it's not because a local member wants it, it's because the local community wants it' (Burney 2019b: 60).

A further argument was that the evaluation conducted by ORIMA Research in the sites of Ceduna and East Kimberley was methodologically problematic, and did not provide viable evidence of positive outcomes that would justify additional trials (Macklin 2017; Burney 2018a; Burney 2019a; Singh and Watt 2019). Dr Janet Hunt from the Australian National University was cited as denying the trials had produced reductions in alcohol and drug use or family violence (Burney 2018b; Cameron 2018), and the WA Council of Social Services were quoted as claiming the CDC had in fact caused increased hardship for many participants including increased crime, family violence and elder abuse (Pratt 2018). Instead, Labor demanded 'a robust and credible evaluation' to ascertain evidence of effectiveness (Macklin and Burney 2017). Labor repeatedly asserted that there was no credible evidence regarding the effectiveness of the existing CDC trials (Singh and Watt 2017; Brown 2019).

A third argument was that the cost of the trials was enormous including large sums of money being paid to the Indue credit card provider (reportedly \$7.9 million) and

---

the authors of the much-maligned evaluation by ORIMA Research (reportedly \$1.6 million). Labor estimated the cost at approximately \$25.5 million per trial or \$12,000 per participant building to an overall budget of \$160 million for all CDC sites. Labor argued instead that this money could have been spent on social investment programs such as employment opportunities, early intervention services, and drug and alcohol support services (Macklin 2017; Macklin and Burney 2017; Burney 2018b; Cameron 2018; Brown 2019; Burney 2019b).

Labor no longer maintained that IM was helping children and other vulnerable groups. To the contrary, they argued that IM was actively harming many participants already experiencing poverty and poor health by directly causing 'anxiety and stress ... on people who are living responsibly' (Lines and McGinn 2018). According to Senator Sue Lines, Deputy President of the Senate, the CDC 'creates indignity, it creates embarrassment and it creates financial hardship'. She cited as an example a grandmother in Kalgoorlie who used to give school lunch money to her five grandchildren, but was no longer able to do so, and a report from a Save the Children worker that there seemed to be more hungry children in the area (Lines 2018). Similarly, the Shadow Minister for Human Services Linda Burney, noted that the CDC was unable to be used in local markets or second hand shops or to purchase goods online, and that there had been a power outage in one site that sidelined the card for a whole week (Burney 2018a; 2019a). Labor alleged IM was provoking discrimination and racism towards Indigenous members of the community who were placed in disproportionate numbers on the CDC (Claydon 2018; Lines and McGinn 2018; Zappia 2018).

A number of Labor backbenchers argued that the CDC was an attack on individual rights and choice. One MP labelled the CDC a punitive approach to some of the vulnerable members of the community, and an erosion of their basic human rights to a decent income and personal privacy (O'Toole 2018), whilst another MP asserted the CDC was 'taking away the rights and dignity people have' (Perrett 2018: 126). An additional MP contended that the CDC would undermine the 'agency, dignity and respect' of participants (Giles 2018: 44).

Labor instead recommended that more holistic services and higher Newstart payments be introduced to support vulnerable families and address complex issues such as long-standing poverty and unemployment, rather than just placing disadvantaged individuals on the CDC which was arguably both punitive and ineffective (Burney 2018a; Freeland 2018, 2019; Lines 2018; Pratt 2018; Payne 2019). In regards to the new site of Hinkler, Labor specifically proposed to replace the Card

with an alternative support program based on case management and additional services (Brown 2019). To be sure, Labor continued its endorsement of the existing CDC trials on the basis that they retained local community support for addressing drug and alcohol abuse and social disadvantage (Cameron 2018; Pratt 2018; Burney 2019a).

In summary, Labor now advocated a discrete community development approach utilising local knowledge and expertise as to how and why IM measures might complement existing community services in order to benefit IM participants and the local community more generally, rather than the blanket national imposition they had earlier favoured. Their policy agenda involved a major shift from their earlier preoccupation with individual and family dysfunction framed by an endorsement of welfare conditionality, to instead a systemic analysis of social disadvantage that emphasized the effectiveness of social investment in addressing chronic social problems (Pratt 2018; Brown 2019; Burney 2019a; Dodson 2019).

Labor now rejected approaches that stigmatised disadvantaged groups. Instead, they defended the social rights of income support recipients, arguing that they had a 'right to adequate social security' which 'should be considered by all sides a basic characteristic of a fair and civil society' (Brown 2019: 8). They also espoused respect for individual rights and autonomy, arguing that it is unfair to impose a blanket behavioural control on all recipients of income support payments in a particular location given that many in this cohort did not have addiction problems and were able to competently manage their finances (Pratt 2018; Burney 2019a).

### **Possible Explanations for Labor's Change**

The shift in Labor's approach to IM seems to have been driven by changes in policy and personnel. The new social policy agenda adopted by Labor in 2016 emphasized social investment in health, education and social services to improve opportunities for disadvantaged Australians (ALP 2016). This agenda drove some specific changes in policy. One was a commitment to reviewing the rate of the Newstart Allowance for the unemployed which the previous Labor Government had refused to increase despite evidence it was too low to prevent poverty. More recently, Labor has endorsed an increase in the Newstart Allowance rate (ALP 2020). The changed policy on IM seemed another example of a renewed focus by Labor on addressing systemic poverty and inequality, and rejecting a simplistic faith in neoliberal economics (ALP 2016, 2018). Indeed, Labor statements have increasingly bracketed their concerns about the negative impact of IM with a corresponding demand for the low rate of Newstart to be addressed.

An associated factor seems to have been an increasing desire to differentiate Labor policies on contentious social issues from those of the Coalition. The Coalition were keen to retain bipartisan support for IM if only to ensure a parliamentary majority in favour of legislation, and sharply attacked (and attempted to wedge) Labor for changing their position (Fletcher 2019a; 2019b). However, Labor seems to have decided by late 2017 that asserting their principles on IM outweighed any potential political costs.

Another factor may have been the retirement from Parliament in 2018 of long-time frontbencher Jenny Macklin who had been a strong supporter of IM programs. In contrast, the new spokespersons for Labor in the community services area, Linda Burney and Senator Sue Lines, seemed far less convinced of the merits of IM measures. A further factor may have been the increasing divisions amongst Indigenous leaders and communities as to whether to support IM.

Additionally, the fact that the vast majority of IM recipients in the new site of Hinkler were not Indigenous meant that the question of whether or not Indigenous organisations supported IM was no longer such a significant factor. It is also possible that Labor may have seen some potential electoral advantage in adopting a position that could strengthen their primary vote against left-wing challenges from the Greens and other critics of IM. Further, Labor may perceive a direct economic trade-off between saving money on expensive IM programs, and instead allocating funds to increase the Newstart Allowance.

## References

- Australian Government 2009a *Future Directions for the Northern Territory Emergency Response*, Commonwealth of Australia, Canberra.
- 2009b *Report on the Northern Territory Emergency Response Redesign Consultations*, Commonwealth of Australia, Canberra.
- Australian Labor Party 2016 *Growing together: Labor's agenda for tackling inequality*, Australian Labor Party, Canberra.
- 2018 *Fair go for Australia: National Platform*, Australian Labor Party, Canberra.
- 2020 *It's time to increase Newstart*, Australian Labor Party, Canberra.
- Benson, S. 2019 'Lives transformed, no thanks to Labor', *The Australian*, 12 September.
- Bidgood, J. 2010 'Speech to House of Representatives', 24 February: 1665-1667.
- Bielefeld, S. 2014 'Income management and Indigenous peoples: nudged into a Stronger Future', *Griffith Law Review*, 23, 2: 285-317.
- Brown, C. 2019 'Speech to The Senate', 31 July: 7-8.
- Brown, C., Peris, N. and Moore, C. 2015 'Additional comments from Labor Senators', in Community Affairs Legislation Committee, *Social Security Legislation Amendment (Debit Card Trial) Bill 2015 (Provisions)*, Commonwealth of Australia, Canberra.
- Burney, L. 2018a 'Speech to House of Representatives', 5 February: 117-119.
- 2018b 'Speech to House of Representatives', 21 June: 21-23.
- 2019a 'Speech to House of Representatives', 2 April: 72-74.
- 2019b 'Speech to House of Representatives', 30 July: 59-61.
- 2019c 'Speech to House of Representatives', 26 November: 6-9.
- Cameron, D. 2017 'Speech to The Senate', 29 March: 109-111.
- 2018 'Speech to The Senate', 7 February: 19-22.
- Carr, K. 2010 'Speech to The Senate', 21 June: 3840.
- Chisholm, A. 2018 'Speech to The Senate', 11 September: 13.
- Claydon, S. 2018 'Speech to House of Representatives', 6 February: 50-51.
- Delalande, J. 2019 'Labor puts end of cashless welfare card on the table', *Kalgoorlie Miner*, 23 January.
- Department of Social Services 2012 *Place-based Income Management*, Australian Government, Canberra.
- Dodson, P. 2019 'How long can we continue to turn a blind eye to squalor?', *The Australian*, 14 December.
- Fletcher, P. 2019a 'Morrison Government extends successful Cashless Debit Card', *Media Release*, 4 April.
- 2019b 'Welfare, Personal Responsibility and the Cashless Debit Card', *Speech to Sydney Institute*, 25 March.
- Freeland, M. 2018 'Speech to House of Representatives', 21 June: 25-27.
- 2019 'Speech to House of Representatives', 26 November: 66-68.
- Giles, A. 2018 'Speech to House of Representatives', 6 February: 43-46.
- Husar, E. 2018 'Speech to House of Representatives', 21 June: 31-33.
- Lines, S. 2018 'Interview with Noongar Radio', 13 July.
- Lines, S. and McGinn, K. 2018 'Auditor's report questions evidence base for Cashless Debit Card whilst West Australians suffer', *Media Release*, 18 July.
- Lovell, M. 2016 'The normalisation of income management in Australia: analysis of the parliamentary debates of 2007 and 2009-10', *Australian Journal of Social Issues*, 51, 4: 433-448.
- McCarthy, M. and O'Neill, D. 2019 'Dissenting Report by Labor Senators', in Community Affairs Legislation Committee, *Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019 (Provisions)*, Commonwealth of Australia, Canberra.
- Macklin, J. 2007 'Speech to House of Representatives', 7 August: 68-73.
- 2008a 'Australian social policy – Back in business', *The Sydney Papers*, Spring: 78-86.
- 2008b 'Compulsory income management to continue as key NTER measure', *Media Release*, 23 October.
- 2009 'Speech to House of Representatives', 25 November: 12783-12788.
- 2010a 'NTER Government Business Managers report positive community responses to income management', *Media Release*, 22 June.
- 2010b 'Income management is improving lives in Western Australia', *Media Release*, 8 October.
- 2010c 'Interview on ABC News Radio', 10 June.
- 2010d 'Speech to House of Representatives', 24 February: 1753-1754.
- 2011a 'Extension of income management trial in Western Australia', *Media Release*, 20 April.
- 2011b 'Helping vulnerable families in Bankstown', *Media Release*, 9 September.
- 2011c 'Speech to House of Representatives', 16 June: 6425.

- 2011d 'Income management trial extended to include Peel region', *Media Release*, 30 November.
- 2012a 'Support for families making a difference in Belmont', *Media Release*, 5 September.
- 2012b 'Income Management in the Northern Territory', *Media Release*, 29 November.
- 2012c 'Helping vulnerable families in disadvantaged communities across Australia', *Media Release*, 1 July.
- 2012d 'Extra support for vulnerable families in Shepparton', *Media Release*, 4 July.
- 2013 'Progress for Cape York Welfare Reforms', *Media Release*, 28 March.
- 2015 'Speech to House of Representatives', 15 June: 6054-6056.
- 2017 'Speech to House of Representatives', 26 October: 29-33.
- Macklin, J. and Burney, L. 2017 'Cashless Debit Card', *Media Release*, 5 December.
- Macklin, J. and McSweeney, R. 2008 'Income management in Cannington and Kimberley', *Media Release*, 18 November.
- Macklin, J. and Snowdon, W. 2009 'Major welfare reforms to protect children and strengthen families', *Media Release*, 25 November.
- Macklin, J. and Snowdon, W. 2010 'Ninety per cent of income managed funds on the BasicsCard used for food and clothing in the NT', *Media Release*, 3 March.
- Mendes, P. 2019a *Empowerment and Control in the Australian Welfare State: A critical analysis of Australian social policy since 1972*, Routledge, London.
- 2019b 'Top-down paternalism versus bottom-up community development: A case study of compulsory income management programmes in Australia', *The International Journal of Community and Social Development*, 1, 1: 42-57.
- Mendes, P., Waugh, J. and Flynn, C. 2013 'A community development critique of compulsory income management in Australia', *Alternativas*, 20: 23-40.
- Moore, C. 2016 'Speech to The Senate', 23 February: 66-68.
- Neufeld, R. 2019 'Compulsory income management: A review of the perspectives of National Aboriginal and Torres Strait Islander Organisations', Unpublished paper, Monash University Department of Social Work, Melbourne.
- O'Toole, C. 2018 'Speech to House of Representatives', 5 February: 122-123.
- Payne, A. 2019 'Speech to House of Representatives', 26 November: 63-66.
- Perrett, G. 2010 'Speech to House of Representatives', 24 February: 1677-1680.
- . 2018 'Speech to House of Representatives', 5 February: 125-127.
- Pratt, L. 2018 'Speech to The Senate', 8 February: 14-16.
- Rudd, K. and Macklin, J. 2007 'Rudd Labor to develop national framework to quarantine family and welfare payments', *Media Release*, 14 July.
- Singh, L. and Watt, M. 2017 'Australian Labor Party Senators Dissenting Report', in Community Affairs Legislation Committee, *Social Services Legislation Amendment (Cashless Debit Card) Bill 2017 (Provisions)*, Commonwealth of Australia, Canberra.
- . 2019 'Additional Comments by Labor Senators' in Community Affairs Legislation Committee, *Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019*, Commonwealth of Australia, Canberra.
- Singh, L., Watt, M., Lines, S. and Pratt, L. 2018 'Dissenting Report by Labor Senators', in Community Affairs Legislation Committee, *Social Services*

*Legislation Amendment (Cashless Debit Card Trial Expansion) Bill 2018 (Provisions)*, Commonwealth of Australia, Canberra.

- Stayner, T. 2019 'Indigenous groups condemn cashless cards as Labor pushes for voluntary scheme', *SBS News*, 25 September.
- Tennant, D. 2012 'How 'place' fares in place-based solutions', *Victorian Council of Social Service Insight*, 7: 34-35.
- Terzon, E. 2019 'Australians on Basics Card anxious for welfare support change ahead of federal election', *ABC News*, 8 May.
- Zappia, T. 2018 'Speech to House of Representatives', 6 February: 53-55.

#### **Acknowledgement:**

Thanks to Rebecca Neufeld for completing a review of grey literature (literature not produced by commercial publishers) presenting the views of national Aboriginal and Torres Strait Islander Organisations on IM.)

#### **Author**

Associate Professor Philip Mendes teaches social policy and community development, and is the Director of the Social Inclusion and Social Policy Research Unit (SISPRU) in the Department of Social Work at Monash University. He is the author or co-author of 12 books including most recently *Young people transitioning from out-of-home care: International research, policy and practice* co-edited with Pamela Snow (Palgrave Macmillan, October 2016), the third edition of *Australia's Welfare Wars* (February 2017), and *Empowerment and control in the Australian welfare state: A critical analysis of Australian social policy since 1972* (Routledge, 2019). He is a CI on the study of Compulsory Income Management in Australia and New Zealand, funded by the Australian Research Council (ARC), and recently won the Monash University Faculty of Medicine, Nursing and Health Sciences Dean's Award for Excellence in Research Impact (Economic and Social Impact).

#### **Gyne-speak after Christmas**

*In the eighties it was  
north-south  
from the navel,  
she gestures  
then blesses  
her belly the bikini  
-line arm of the cross  
east-west over broken  
waters her son  
scooped  
from her tears  
a mother rescued  
and taken  
to another theatre.*

JANE SIMPSON,  
CHRISTCHURCH, NZ

# Conditionality and Control: Its implications for groups on welfare and some particular issues for Indigenous people and women

EVA MARIA COX

*The long-term likely changes to our welfare system are problematic. While many new conditions are now imposed on welfare recipients, the most radical changes have been the income management trials limiting participants' access to cash. The original trial of Income Management in some Aboriginal Northern Territory communities, during then Prime Minister John Howard's re-election campaign, halved their cash access. The incoming Australian Labor Party (ALP) Government retained and then expanded the scheme by removing its race focus and included the whole NT. Recently a different model, the Cashless Debit Card has been introduced, reducing cash access from 50% to 20%. The government is signalling major expansion, by putting its current Queensland trial in a location with a low Indigenous population. As evaluations of the models fail to show achievement of any government aims or other improvements in wellbeing, this expansion is very alarming, as the model may be damaging to many, particularly Indigenous and female, recipients.*

KEY WORDS: Conditionality and welfare; Evaluations; Trials; Indigenous welfare problems

## Introduction

Over the last decade, as new welfare payment designs have been trialled, there has been unnoticed an almost turn-back in the welfare policy area. These trials all shared the radical change of limiting access to cash by welfare recipients, from 50 to 80 per cent – a conditionality that was a major restriction on citizens' rights to decide how they spent their money.

The introduction of conditionality for recipients of welfare payments has been concurrent in most Western democracies with the paradigm shift to neoliberal modes of governance. It is based on assumptions that individualised personal flaws are the cause of dependence on government payments. The assumption that those receiving welfare payments do so because they lack the necessary impetus to look for paid jobs removes the need to fix structural causes of their dependency. The fact that the first trials were in Indigenous communities in the NT worked on the racist assumption that this major shift in welfare policy was created to solve specific problems in Indigenous communities, while current moves to roll it out more widely barely register in the public domain.

There is a plethora of critical studies, many from the UK and Australia, showing that extreme conditionality is

ineffective, with a Brotherhood of St Laurence seminar summary stating:

It is timely to reflect on the nature and impact of conditionality. Australia has the most targeted social security system in the OECD. Payments (especially Newstart Allowance and Youth Allowance) are inadequate and increasingly conditional. Yet international research suggests that imposing additional conditions on payments does little to motivate behaviour change or assist people to gain economic security (Brotherhood of St Laurence 2018).

This assessment is similar to the conclusions of many other studies that inform this paper, which examines Australia's experience of Income Management. It will look at its initial introduction in the Northern Territory (NT) in 2007, and its current iteration as the Cashless Debit Card, both of which control access to cash types of 'bad' prohibited spending, such as drugs and cigarettes. It will also examine the available data sets, show how they are limited in what they measure, and question the validity of some of the data collected (Data.gov.au). The paper will also examine the data on the effectiveness of the program as measured against government objectives,

---

and the way conditionality affects local wellbeing and the recipients' sense of agency and control.

The history of welfare changes in Australia has been one of reformist desires to make Australia the (white) working man's welfare state, particularly in the early days of the nation. This was followed by more generosity from governments as part of post-war reconstruction and during the Whitlam era of the early 1970s. However, the Howard government era of the 1990s ushered in a series of cuts and changes to eligibility and, from 2006 onwards, harks both back to a past age of moralistic controls and forward to neoliberal cuts in spending.

The results of the moves towards income management by the current Liberal-National Party Coalition government are undermining the sense of agency and autonomy of recipients, and reduce already limited respect given to those on so-called 'taxpayer funded' welfare for their 'failure' to get a paid job. Some of the arguments for these changes can be seen as a reversion to nineteenth century views of 'the poor', which assumed that the main causes of poverty were the individual sins of the poor. At the time, help was only bestowed upon the diligent, deserving poor, who could be easily recognised by their appropriate piety and gratitude.

### **Changes to the Wider Economy and Society**

Over the last four decades, there have been enormous changes to politics, technology and jobs as well as increasing concern about the effects of unfettered economic growth. At the same time, the policy shift to more individuated and controlled welfare payments continues.

It almost goes without saying that rapid development of computers and related technologies have made many changes to workplaces and living spaces. It is now obvious that many jobs will be replaced by automation. Over the same period, GDP growth by expanding markets and production is creating serious damage to the environment, here and overseas. Both of these developments will affect current economic goals of growing wealth, so that increased workforce participation may not be a realistic goal for governments.

The current expansion of income management programs is moving welfare reform in the wrong direction. The evidence outlined below is that these expensive changes are both ineffective and are creating division. There is an urgent need to review both intended changes as well as the existing flaws in the current system of payments. Future changes to the labour market and related social change means we need a new system, one in which socially effective welfare payments can fairly support people and reduce inequities. Such a system

should include recognition of the value of unpaid work – including different cultural and social versions of this. Recognition of the value of unpaid work in Indigenous communities offers a good starting point. Unfortunately, such changes are not on the agenda of either major party.

### **The Origins of the IM Trials**

The widespread lack of awareness of income management partly derives from its history. It started with the Income Management/Basic Card, which was targeted at more than 20 Aboriginal communities in the NT – the public spin was that these changes were 'good' for Indigenous communities. The original payment needed a suspension from the Racial Discrimination Act (RDA) to be introduced and was said to be necessary to target specific issues, in particular child sexual assault. This narrative reduced wider scrutiny of the flaws in the system, and created a form of racism that has continued through the further policy development of these payments and the roll out to non-Aboriginal recipients.

This first trial controlled 50 per cent of payments received, restricting where it could be spent and what it could be spent on. The policy targeted residents in particular communities, initially Aboriginal people, removing their agency and mobility by limiting the outlets that accepted the card. The legitimacy of the practice increased when the incoming ALP government decided to continue the model, and included non-Aboriginal residents as well. They repealed provisions limiting the operation of the RDA.

Jenny Macklin, then Minister for Families, Housing, Community Services and Indigenous Affairs, claimed that income management was needed by women to stop male bad behaviour. The areas to be covered were expanded to the NT in toto by 2010 (Cox 2011).

A major evaluation of income management in 2014 by a consortium of academics headed by the University of NSW (UNSW) failed to find any evidence of expected improvements in behaviour and raised questions of the possible damage that loss of agency and control could have on recipients (UNSW 2014).

However, this evaluation was ignored by the new Coalition government, which continued to expand the model despite the lack of evidence of its efficacy. The relevant section of the report's conclusion is below as it clearly shows the program to be ineffective.

### **Summarising the Impact**

Taking the results as a whole, the conclusion is that there is no evidence of any consistent positive impacts on problematic behaviours related to alcohol, drugs,

---

gambling, and financial harassment, in the extent to which financial hardships and stresses are experienced – for example, running out of food, not being able to pay bills, or on community level outcomes such as children not being looked after properly, school attendance, drinking, and financial harassment (p. 307).

Despite the magnitude of the program the evaluation does not find any consistent evidence of income management having a significant systematic positive impact (p. 317).

Data on spending point to continued major problems of diet and poor levels of fruit and vegetable consumption, in particular for Indigenous people living in remote communities. There is no evidence of income management having resulted in changes in spending or consumption, including on alcohol, tobacco, fresh fruit and vegetables (p. 317).

The lack of any wider benefits was also shown by the following findings in the summary:

The evaluation could not find any substantive evidence of the program having significant changes relative to its key policy objectives, including changing people's behaviours (p. xxi).

More general measures of wellbeing at the community level show no evidence of improvement, including for children (p. xxi).

The evaluation found that, rather than building capacity and independence, for many the program has acted to make people more dependent on welfare (p. xxii).

### Evaluation's Conclusion

The evaluation data does not provide evidence of income management having improved the outcomes that it was intending to have an impact upon. Indeed, rather than promoting independence and the building of skills and capabilities, New Income Management in the Northern Territory appears to have encouraged increasing dependence upon the welfare system, and the tools which were envisaged as providing them with the skills to manage have rather become instruments which relieve them of the burden of management. While at one level, and for some groups, this may still be seen as a positive outcome and one which they report as having improved their quality of life – and it is possible that some may be able to lift themselves out of their situation – more broadly it also comes at a cost of greater dependence (p. xxii).

However, despite the above findings, in 2016 the Coalition government introduced another version of

income management with even tighter control over spending, the Cashless Debit Card (CDC) in a 'trial' in Ceduna SA. This has since been expanded to WA and Queensland. While Ceduna and the WA trial sites were still primarily focused on majority Indigenous communities, the latest site in Bundaberg Queensland is mainly non-indigenous. One major change of note is that the CDC is not administered by the Department of Social Security but by a private financial business, Indue Ltd. Using a private company adds to the costs and raises other questions as the so-called 'customers' have no choice and are often personally vulnerable and needing support.

A recent article in the *Saturday Paper* (Morton 2019) sums up the changes and the money so far paid to Indue:

The seemingly never-ending cashless debit card trials, which started in the South Australian town of Ceduna and the remote Kununurra in Western Australia in 2016 as the government continues to 'trial' will be extended to about 22,500 people in the Northern Territory and Queensland's Cape York if the legislation is passed by both houses. This would bring the trials to six sites, including Western Australia's Goldfields, as well as the Bundaberg and Hervey Bay region in Queensland, where the trial targets people under 35.

This anticipated roll-out ignores the lack of evidence that the CDC card is in any substantial or valid way effective. There are local people, mainly white and from local government, or from Aboriginal and non-Aboriginal organisations that are funded to provide related support services, who claim there are positive results in their communities. But at the same time there are many voices expressing concern at the effects. While some evaluations are still underway, and there are published critiques as referenced above, there is one formal evaluation by the research consultancy firm Orima, that was funded by the Government. The design and validity of this evaluation was criticised by the Australian National Audit Office (ANAO), but it has been used and quoted by the government nonetheless to support the program.

Analysis of the data-collection methods outlined in the Orima report cast serious doubts on the validity of the results. There are always concerns about the validity of unchecked responses of behaviour changes but, in this case, the interview processes were particularly flawed, I have written on this previously in the *Guardian* (Cox 2017).

My criticism ... includes the legitimacy of responses to the questionnaire design, its length, the order of questions, the language and shape

---

of some questions, and, importantly, the probable contamination of responses by approaches of interviewers. Preliminary information, read from the tablet used to record answers, included promises of a gift card, \$30 or \$50, on completion. Paying respondents affects relationships with interviewer and answers.

The next step is asking for respondents' ID. This was claimed to be necessary to avoid duplication of responses but, as this is an official government survey, the reassurance of confidentiality may not be believed and could affect responses. Given Indigenous anxieties about authority and welfare, they are likely to give acceptable answers. It is also not clear if the interviews were private or in the presence of others, which may also affect answers. The above effects on the data collected are likely to be serious and undermine the legitimacy of positive responses.

Having taught research methods and been a member of academic research ethics committees, I can state that this data-collection design would never have been approved. When the Government quotes the claims of recipients that they had reduced drug intakes, drinking and spent more time with children, we need to be mindful of how that data was captured, and therefore be suspicious of how reliable this self-reported improvement might be.

The ongoing use of this evaluation as evidence by the Government indicates its determination to continue the expansion of the CDC. As the tendering out of administration is very expensive the intention appears to be primarily ideological and political; scapegoating welfare recipients appeals to conservative voters and much of the media.

There are other welfare changes that are devised using the same framework, that is blaming the victim for their situation. The assumption is that people on welfare are the problem, not the lack of jobs, or societal prejudices, or age or disability discrimination (see Samantha Maiden 2019).

The programs that claim to make people more 'job ready' include the proposed drug testing of Newstart recipients, *Parents Next* compulsory activities, and other welfare-to-work activities that are assumed to make people more employable. What makes things worse is that these changes are seriously problematic in their own terms. Simply put, they do not succeed in meeting the government's goals of behavioural changes.

We have now had a decade of the NT Basics card version of income management, for which there is no

evidence of positive effects on safety, crime, violence, school attendance or improved health in the current NT official statistics.

To understand how this situation developed requires an awareness of our welfare history. Australia has one of the most targeted welfare systems in the OECD, partly because it is essentially a pay-as-you-go system, funded from general revenue rather than from contributions by employers and employees. The result is that it is seen as taxpayers funding the 'deserving poor', with no income entitlements as costs are contained to reduce the need for more taxes.

This set the scene for more recent changes, starting with John Howard's welfare-to-work program – the beginning of extra controls and conditions, assumed to get people into jobs and off welfare. The current government claims this is working as fewer people now claim benefits, but it cannot be assumed that this is because they have jobs. It's more likely that people drop off, not because they get paid work but that they stop claiming entitlements as it is too demanding (see Ribar 2019). This makes them vulnerable to stress, illness and crime, as they become dependent on the generosity of others.

### **The Effects on Particular Groups of Recipients**

It needs to be noted that the recipients of Income Management programs have difficulties with the conditionality of these income payments. On top of that, any programs targeting long-term disadvantaged recipients with controls that limit their ability to make decisions and choices are unlikely to be effective.

Then there is the issue of prejudice, which is obvious when we look at those who appeal against having to use CDCs. White recipients are more likely to win these appeals, while fewer Indigenous people have their status changed. Interestingly, the UNSW evaluation showed that it was voluntary recipients who were most likely to express their satisfaction with the card, particularly the management of regular bill paying. This raises another issue about whether such assistance develops skills or reduces them.

Compulsory management raises particular issues for some groups. The high proportion of Indigenous people on the Basics Card raises new problems as it reduces their ability to share resources and act collectively. While the possibility of reducing men humbugging women (demanding cash) is sometimes raised as a positive effect, it also can create further problems and conflicts. Sharing and community care for others are often positives and inability to do so can cause distress.

---

Evidence shows that income management can create some of the very problems that policymakers claim it remedies. A qualitative and quantitative survey (Davidson 2011) is one of the few that specifically targeted women on income management, as part of the Equal Rights Alliance. As women are the shoppers and managers of many household budgets, they were the most affected. For example, while household expenditures remained unchanged, sourcing items became difficult and expensive, managing the budget became highly complex, accessing account balances was not always easy, and cards were at times faulty. Many women also reported increases in feeling stress, shame and powerlessness as a result. They also reported feeling less safe, as crime increased due to scarcity of cash.

### Public Attitudes to the Changes

Despite a decade of these and other similar trials, these programs continue to be adopted by successive governments. There has been little public outcry or support around the issues raised here. Perhaps the original narratives about 'helping' women and children in Indigenous communities have somehow continued to be believed, but this paternalistic racism will no longer be relevant as the Morrison Government is intending to introduce income management more widely, perhaps even universalising the model to all welfare recipients.

This more widespread roll out of income management is a clear sign of increased behavioural control based on welfare payments. Although its introduction should have raised questions about the rights and dignity of welfare recipients, and although Indigenous communities pointed out the echoes of historical rationing and shaming, these concerns were not heard. Most protests were drowned out by the government's use of child abuse, violence, drink, drugs, gambling and other dysfunctions to justify the controls. Now, they are again targeting drug use and addiction to obscure the flawed belief that income control fixes problems. All these propaganda forays add to the public view that the fault lies with the recipients, and that such paternalism is for their own good. There has been little real public debate on the direction of changes over the last decades.

Does it matter? What difference does it make if access to welfare payments is via a debit card with little cash available? The Cards are easily identified, so this causes concern. There are questions of rights, dignity and respect that need to be raised if those, who are already often stigmatised and misjudged, have to use a card that identifies them as welfare recipients and puts limitations and judgement on their spending. Some studies have reported shame and distress, as well as reducing capacity to manage decision-making. The warning is clear in Michael Marmot's work on the social

determinants of health for the World Health Organisation, which shows that a sense of agency is vital to good health and wellbeing:

Underpinning action to promote health and wellbeing is the idea of creating a social environment that enables individuals from all groups in society to have control over their lives and participate in society. Included in this approach is the role of individuals and community groups in helping to shape the services they use.

The principles of a social environment that enables people to have control over their lives and participate in society apply equally to people who are not in employment and those who are no longer of working age. These principles embody universal values of fairness, respect and non-discrimination—a vital infusion for tackling health inequalities across society (Marmot and Bell, 2010).

The question of whether these programs, which the government claim to be evidence-based, are effective is crucial to the future of other programs. Do they work to improve behaviour? The range of reports and official evaluations of the Northern Territory and other income-management programs, as well as data on the cashless debit card trials clearly show they are not effective.

The UNSW report, quoted earlier, clearly stated:

When the data are taken as a whole, not only does it suggest that there has been very little progress in addressing many of the substantial disadvantages faced by many people in the Northern Territory, but it also suggests that there is no evidence of changes in aggregate outcomes that can plausibly be linked to income management. The undermining of agency and self-respect amongst recipients can only be dealt with if we can find ways of convincing those in power to address the combination of costs and lack of proof of effectiveness (UNSW 2014).

These factors raise serious questions as to whether such programs remedy or damage recipients. What this messy collection of bad policies indicates is a serious need to reform our welfare system (including robo-debt problems) from scratch. Instead of conservative paternalistic models, let's look at effective, flexible, supportive, non-judgmental social security policies that can build social resilience and cohesion, together with some real income security. We need a twenty-first century model, not a nineteenth century version. Perhaps

we need to reach back further to set up policies that work in a post-industrial era and address the environmental damage of constant GDP growth.

## References

- Australian National Audit Office, 2017 *The Implementation and Performance of the Cashless Debit Card Trial* <https://www.anao.gov.au/work/performance-audit/implementation-and-performance-cashless-debit-card-trial> (accessed 10-04-20).
- Brotherhood of St Laurence, 2018 *Welfare to Work in UK and Australia: Sanctions Supports and Conditionality* <https://www.bsl.org.au/events/welfare-to-work-in-uk-and-australia-sanctions-supports-and-conditionality/> (accessed 10-04-20).
- Cox, E. 2011 'Government ignores evidence of policy failure' *The Conversation*, September 6. <https://theconversation.com/government-ignores-evidence-of-policy-failure-on-aboriginal-issues-3118> (accessed 10-04-20).
- Cox, E. 2017 'Much of the data used to justify the welfare card is flawed' *The Guardian*, September 7 [https://www.theguardian.com/commentisfree/2017/sep/07/much-of-the-data-used-to-justify-the-welfare-card-is-flawed?CMP=share\\_btn\\_link](https://www.theguardian.com/commentisfree/2017/sep/07/much-of-the-data-used-to-justify-the-welfare-card-is-flawed?CMP=share_btn_link) (accessed 10-04-20).
- Data.gov.au: Income Management and Cashless Debit Card data 2018 [https://data.gov.au/data/dataset/income-management-summary-data/resource/986ef7fe-1ba8-460e-b1c4-2cf00145a948?inner\\_span=True](https://data.gov.au/data/dataset/income-management-summary-data/resource/986ef7fe-1ba8-460e-b1c4-2cf00145a948?inner_span=True) (accessed 10-04-20).
- Davidson, E. 2011 'Why we should listen to women on income management' *ABC News*, 16 September. <https://www.abc.net.au/news/2011-09-16/davidson-why-we-should-listen-to-women-on-income-management/2901044> (accessed 10-04-20).
- Maiden, S. 2019 'The surprising age group that is most reliant on Newstart' *The New Daily*, July 17. <https://thenewdaily.com.au/news/2019/07/17/surprising-age-newstart/> (accessed 10-04-20).
- Marmot, M. and Bell, R. 2010 'Challenging health inequalities—implications for the workplace', *Occupational Medicine*, 60:3, 162-164, <https://doi.org/10.1093/occmed/kqq008> (accessed 10-04-20).
- Morton, R. 2019 'Newstart: the human cost of Morrison's plan' *The Saturday Paper*, September 14 <https://www.thesaturdaypaper.com.au/news/politics/2019/09/14/newstart-the-human-cost-morrison-plan/15683832008763> (accessed 10-04-20).
- Ribar, D. C. 2019 'Lesson for Australia. Make it hard for people to get benefits, and they'll stop, but they mightn't get jobs' *The Conversation*, October 14. <https://theconversation.com/lesson-for-australia-make-it-hard-for-people-to-get-benefits-and-theyll-stop-but-they-mightnt-get-jobs-124170> (accessed 10-04-20).
- UNSW 2014 *Evaluating New Income Management in the Northern Territory: First Report* <https://www.dss.gov.au/our-responsibilities/families-and-children/programs-services/income-management/evaluating-new-income-management-in-the-northern-territory-first-evaluation-report>. (accessed 10-04-20).

## Author

Eva Cox AO is a long-term feminist who studied sociology to find out how to create feminist social changes. She has a long history of advocacy and policy development, with a particular interest in social policy. She has contributed to many policy changes as an academic, public servant and

political staffer. She is attached as an Adjunct Professor to the Jumbunna Institute for Indigenous Education and Research at UTS. She delivered the ABC Boyer Lectures on a Truly Civil Society in 1995 and has a prominent media presence as a commentator.

### how to move into a caravan, age 29

place your caravan in a field  
in the country  
far away  
from where your adult life is still unfolding

furnish it  
with things you left behind when  
you moved out the first time

your bookshelf should hold  
no more than two books  
otherwise there will be thinking

once you're settled  
write a letter to those who could have been  
your parents-in-law. Don't  
wait for a reply

now that you don't own anything to speak of  
never carry keys  
keys are for real people  
not for you

SARAH TEMPORAL,  
NORTHERN RIVERS, NSW

## BOOK REVIEW

**Jørgen Johansen and Brian Martin 2019 *Social Defence***, Nössemark, Norway: Irene Publishing, 2019, ISBN 978-91-88061-37-9

At least some of the ambiguity surrounding the term 'social capital' must spill over into 'social defence'. The term defence can scarcely avoid the connotation of militaristic preparation, and does not here. Yet the whole purpose of this book is to denounce militarism in all its forms, and there are other terms that the authors can invoke for the measures they advocate.

*Social defence* is intended to replace entirely the whole idea of armed defence. The book is at its strongest, and worthiest, in repeating the unnecessary horrors of war, and for the authors there is no such thing as a 'just' war. Too seldom do we unpack such glib obscenities as 'collateral damage' and reflect on their actual import. Such terms are, of course, designed to divert attention from the reality. Militarisation includes a multitude of sins: 'the adoption of military methods of thinking, and includes the glorification of soldiers and war, the creation and dehumanisation of the "enemy," the fostering of systems of command and obedience, and the use of the army to defend inequality and to repress dissent' (p. 23).

Johansen and Martin emphasize the massive wastefulness of defence spending, the sweeping and often irreversible devastation of the environment where fighting occurs, the multitudes of innocent civilians – children, women and the aged – who suffer maiming and death. The target assassination against non-tried enemies through criminal drone attacks launched by the sainted Obama are a case in point. Over three years drone attacks eliminated fourteen alleged terrorist leaders, at the 'collateral' cost of some 700 civilians – a two per cent strike rate. The authors advert to legendary tales of military incompetence hiding behind a veil of exhibitionist efficiency, but save the worst effects for the repression that subdues the nation engaged in war: 'Military means are in essence anti-democratic. As well as killing people, weapons destroy social networks, reduce respect for human rights, and lessen democratic institutions' (p. 33). So much for the claim of the neo-cons in George II's court to bring democracy to a shattered Iraq. In some countries, militaries have been compared to 'protection rackets': pay us, or we may attack you (p. 38).

Johansen and Martin adopt the term 'social defence' to show that defence is for society and not the state. How the state is dispensed with in this case is not explained. The silent implication is that states, because of sovereign power, are inevitably associated with defence structures. This sovereignty here is associated with the state's capacity for violence, yet this surely misstates the role of the state in drawing the ability to coerce away from private bodies within the territory as well as those beyond the borders. In any case this assumption clashes with the encouraging list of states, from Costa Rica and Iceland to Saint Kitts and Nevis, that do not have military defences,

supplied by the authors; yet even here it is conceded that such countries rely for defence on powerful allies.

*Social Defence* argues for the displacement of military forces with organised social action built up by long preparation and education of the civilian body. Johansen and Martin adopt the methods of social movements to add their version of the defence movement. Their organisation is foreshadowed by campaigns for nuclear disarmament, Greenpeace and other peace movements, the non-violent parts of the suffragist movement, while the labour movement is 'crucial'. They say that training for social defence should include the organisation of rallies, boycotts, and strikes, while fraternization with opponents is of the essence. Yet 'peacetime' training in such activities, when there is no concrete objective, seems to be an obstacle. Johansen and Martin say that the rise of social media has given the civilian population endless opportunities for counteracting the propaganda of authoritarian governments and tamed mainstream media. Yet herein lies a big problem. The methods advocated would seem very appropriate for a population oppressed at home, but the threat of mighty foreign powers is a more recalcitrant dilemma.

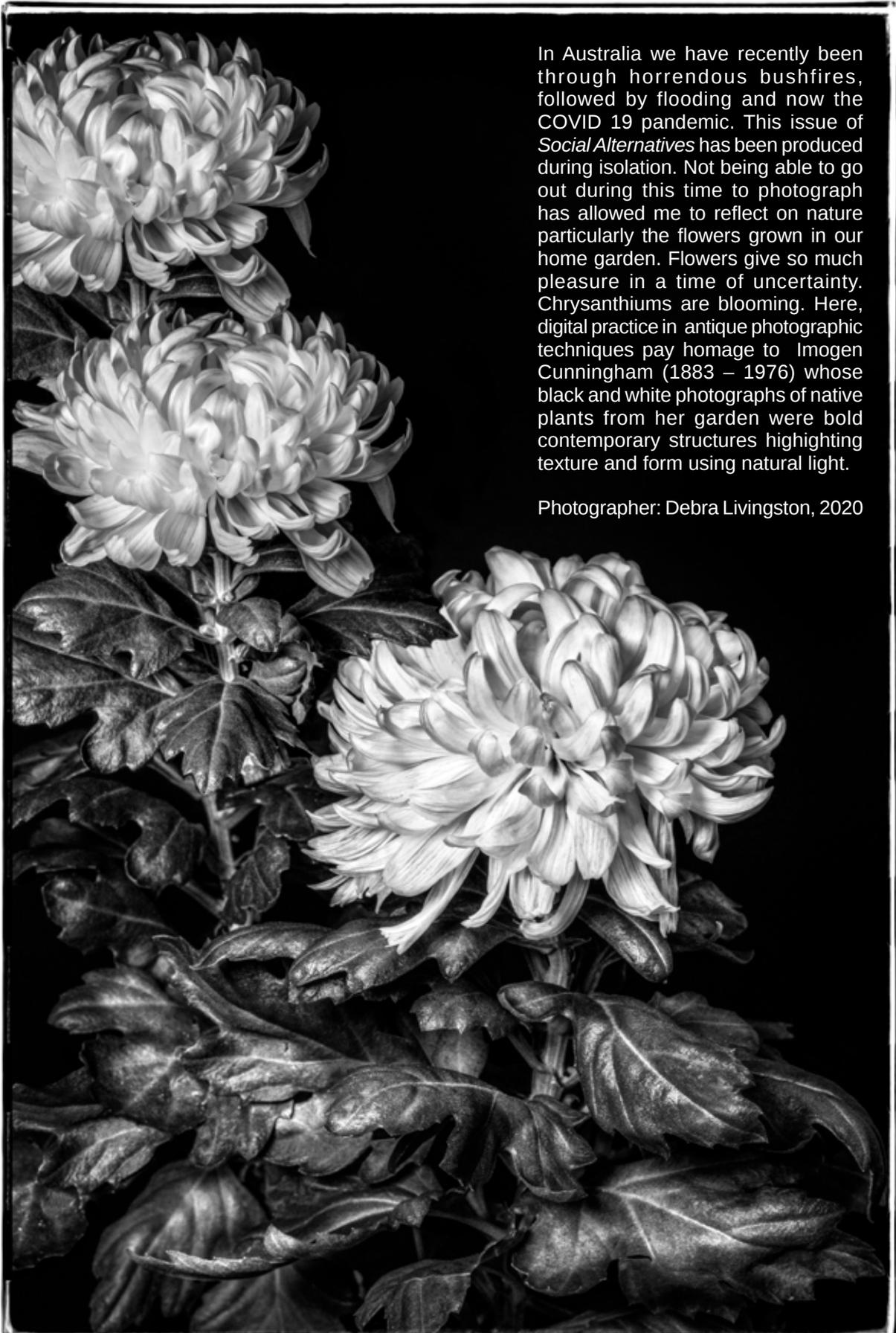
Fraternization is a key term for the authors. It is exemplified by the friendliness of Czech civilians to the invading Russians of 1968, who were socially 'disarmed' by the courtesies they received. Johansen and Martin do indeed recognise the problem. They mention how friendliness to the Hutus lessened the brutality of murdering the Tutsi in 1994, and how pacifist-leaning workers in Nazi Germany sabotaged some of the equipment and disabled some weapons, but these recollections really underline the tragedies of mass murder and mass destruction. How do you fraternize with drones, intercontinental missiles and aerial bombing and long-range artillery?

The intent of this book is entirely worthy. Were the whole world at the one time to adopt 'social defence', which I believe would be more accurately called 'direct action' or 'passive resistance', the world would be a much better place. Yet there is a long way to go. In a country such as Australia action as proposed by the authors would be better facilitated if the nation as a whole became much more committed to a democratic community, an idea that is under retreat at the present moment. Even so, while Johansen and Martin rightly denounce the glorification of war, the quasi spiritual sanctification of the ANZAC legend in Australia, somewhat diverted nowadays from its genuinely spiritual beginnings, is successfully inculcated as a basic constituent of our society in generation after generation. It is never quite the glorification of war, but the presence of war is the mystic counterfoil of the civic spirituality.

Johansen and Martin have given us a thought-provoking book that deserves to receive deep examination, evaluation, and further development.

### Author

Professor Graham Maddox is an eminent Australian political scientist and Professor Emeritus at the University of New England.



In Australia we have recently been through horrendous bushfires, followed by flooding and now the COVID 19 pandemic. This issue of *Social Alternatives* has been produced during isolation. Not being able to go out during this time to photograph has allowed me to reflect on nature particularly the flowers grown in our home garden. Flowers give so much pleasure in a time of uncertainty. Chrysanthiums are blooming. Here, digital practice in antique photographic techniques pay homage to Imogen Cunningham (1883 – 1976) whose black and white photographs of native plants from her garden were bold contemporary structures highlighting texture and form using natural light.

Photographer: Debra Livingston, 2020



StrelitziaReginae - Bird of Paradise, photographer: Debra Livingston, 2020

## SUBSCRIPTION FORM

I would like to subscribe to  
*Social Alternatives Journal*

I would like to purchase a gift subscription

### INDIVIDUALS

1 year - 4 issues                      \$50

2 years - 8 issues                      \$80

### INSTITUTIONS AND LIBRARIES

1 year - 4 issues                      \$80

2 years - 8 issues                      \$150

### CONCESSIONS

1 year - 4 issues                      \$35

2 years - 8 issues                      \$60

*Plus overseas postage of \$50 per annum if applicable*

### PAYMENT VIA THE WEBSITE

You can subscribe or purchase a gift subscription electronically via the Social Alternatives website – [www.socialalternatives.com](http://www.socialalternatives.com).

### PAYMENT BY EFT

Email [Lee-anne@socialalternatives.com](mailto:Lee-anne@socialalternatives.com) for details on how to make payments in Australian dollars to our bank account. Please include your subscription request and address details.

### PAYMENT BY CHEQUE OR POSTAL ORDER

Send a cheque or Postal Order in Australian dollars to:

Social Alternatives  
University of Sunshine Coast  
Maroochydore DC Queensland 4556  
Australia

NAME .....

ADDRESS .....

COUNTRY ..... POSTCODE .....

PAYMENT AMOUNT \$.....

### BACK ORDERS

I would like to order the following back issues:

Vol.....No.....      Vol.....No.....

Vol.....No.....      Vol.....No.....

Vol.....No.....      Vol.....No.....

Vol.....No.....      Vol.....No.....

Or tick which issue(s) you would like from the list over page.

### PER SINGLE COPY:

Including Australian postage ..... \$14

Including Overseas postage .....\$17

Subscription amount                      \$.....

Backorder amount                          \$.....

Postage amount (for overseas subscriptions)  
\$.....

Total amount                                \$.....

*Please note that Social Alternatives is not obliged to charge or pay GST.*

# SOCIAL ALTERNATIVES

An extensive catalogue of back issues is available spanning over 30 years of publishing. BELOW is the list of issues.

- V21.1 Peace Education for a New Century
- V21.2 Nonviolence in Principle and Action
- V21.3 Unthemed edition
- V21.4 Control or Compassion? The Future of Asylum Seekers and Refugees
- V22.1 Bioethics: Cloning and Stem Cell Research
- V22.2 War, Gender & Sexuality
- V22.3 Indigenous Knowledge
- V22.4 Ideas at the Powerhouse
- V23.1 Is There a Left Left?
- V23.2 Terrorism
- V23.3 Big Lies
- V23.4 Globalisation, The Environment & Social Justice
- V24.1 Media, Mania & Government
- V24.2 Australian & International Feminisms
- V24.3 Humanitarian Intervention
- V24.4 Education for what?
- V25.1 Humiliation & History in Global Perspectives
- V25.2 Governance
- V25.3 Democracy in Danger
- V25.4 World Education
- V26.1 Counter Alternatives
- V26.2 The Nuclear Debate Revisited
- V26.3 Global Ethics
- V26.4 30th Anniversary Edition
- V27.1 Civil Society
- V27.2 Election '07
- V27.3 Justice & Governance in Water
- V27.4 Mental Health
- V28.1 The New Right Were Wrong
- V28.2 Global Governance
- V28.3 Australia and The Pacific
- V28.4 Utopias, Dystopias
- V29.1 Peacebuilding from below in Asia Pacific
- V29.2 Population Health in the 21st Century
- V29.3 Biodiversity in the 21st Century
- V29.4 The Visual Narrative: Alternative photographic exposures
- V30.1 The Value of Techniques
- V30.2 Shifting Cultures
- V30.3 Challenging Contemporary 'Democracy' and Identifying Problems
- V30.4 Pass Fail: Assessing contemporary educational reform
- V31.1 Community climate Action
- V31.2 Politics and Ethics in New Media
- V31.3 Disaster Dialogues: Representations of catastrophe in word and image
- V31.4 The Sustainability Prism: Explorations in Sustainability and Language
- V32.1 The Politics of Poverty
- V32.2 Beyond Y: The experience of youth in the 21st century
- V32.3 Refugee Policy: A highly charged issue
- V32.4 Animals, Fiction, Alternative
- V33.1 Music Politics and Environment
- V33.2 Social Alternatives Open Theme
- V33.3 The Wicked Problem of Violences in Mad Places/Spaces and People
- V33.4 A Year of Peace
- V34.1 Cosmopolitanism
- V34.2 Random Callings: Discerning the University Mission
- V34.3 Election and Aftermath
- V34.4 Youth and Precarious Work
- V35.1 Silence as a Power
- V35.2 Abbott's War on Everything and its Casualties
- V35.3 Genders and Sexualities: Demilitarising the binary beachhead
- V35.4 The Renewal of Critical Social Work
- V36.1 Cross-Fertilising Roots and Routes
- V36.2 Performance, Community and Intervention
- V36.3 In Search of Leadership
- V36.4 Visibility: Making disability visible through artistic discourses
- V37.1 Considering the Potential of the Sustainable Development Goals
- V37.2 Social Alternatives: 40th Anniversary Edition
- V37.3 The War That Didn't End All Wars
- V37.4 The Old Order Is Dying, but a New One Cannot Be Born
- V38.1 Dirty Hands: Community engagement through practice as research
- V38.2 Basic Income and a New Universalism
- V38.3 The Activist Scholar In, and Against, the Neoliberal University
- V38.4 The Critical Philosophy of Race and Decoloniality
- V39.1 Compulsory Income Management