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

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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.
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> 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 'inter-operability' 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 prepondence 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 deputisation 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.

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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,
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