Hidden Costs: An Independent Study into Income Management in Australia

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List of Abbreviations

CDC	Cashless Debit Card
CIM	Compulsory Income Management
IM	Income Management
NTER	Northern Territory Emergency Response
SEIFA	Socio-Economic Indexes for Areas
VIM	Voluntary Income Management

Executive Summary

Background

This report summarises preliminary findings from a national independent study into the ongoing expansion of income management (IM) in Australia. The study was funded by the Australian Research Council over a three-year period from 2018-2020.

IM was introduced in Australia in 2007 as part of the former Australian Government's Northern Territory Emergency Response (NTER). It has since been expanded to include young people and other groups considered 'welfare dependent' under trials in several states and territories. IM quarantines a proportion of social security payments, including income support payments such as Australia's Newstart Allowance and Family Tax Benefits. Money in a special account cannot be withdrawn as cash, and cannot be used to purchase prohibited goods and services such as alcohol, illicit drugs, gambling products and pornography. Policy specifics vary, but the proportion of income payments quarantined is generally 50%-80%.

In Australia, IM was officially introduced to help protect children from abuse and neglect, and women from financial and physical violence in the Northern Territory. The policy targeted Aboriginal communities. Since its introduction, decreasing so-called 'welfare dependence' and increasing employment participation have also often been cited as social and economic goals of IM (Deloitte Access Economics 2015; Mendes 2013; Mendes, Waugh and Flynn 2014). While successive Federal Governments have claimed success in meeting these varied goals, it is not possible to determine from existing evaluations whether reported social benefits have been due to IM or other programs and factors. Further, existing evaluations have raised significant concerns regarding the capacity of IM policies to meet their stated objectives and there have been a range of issues identified with implementation problems and the material and non-material effects of the policy. Despite these concerns, IM continues to be expanded to additional geographical areas across Australia (Cox 2015; Humpage 2016; Mendes 2018; Bielefeld 2014, 2015, 2018a).

The inconclusive evidence-base for compulsory IM schemes suggest that an independent study is well overdue. In particular, more research is needed into social security recipients' lived experiences of IM, as the voices of those directly impacted by these policies have frequently been lost or ignored in the debate about the costs and benefits of IM. It is important to distinguish between compulsory income management (CIM) and voluntary income management (VIM) for the purpose of this report, as participants in both the compulsory and the voluntary schemes participated in the study. The differences in their experience of IM is one of the issues we explore in the report.

Research Aims and Design

The findings from the research project presented here explore both the intended and unintended effects of IM, both voluntary and compulsory schemes, through a mixed methods study of the lived experiences of income managed welfare recipients and their communities. The research team has sought to understand more than just whether the policy of IM is achieving its stated objectives. We have explored the effects of the policy on social identity, agency and autonomy and sought to investigate legal, ethical and moral questions about the policy paradigm. The key guiding questions for the study have included:

- What are the experiences of income support management in different trial sites?

- How do experiences of IM 'spill-over' into other areas of people's identities and impact their social and economic engagement and wellbeing?

- Are there different perceptions between people on VIM and those on CIM?

- How have front-line community workers, business leaders and other stakeholders in the community responded to the CIM policy agenda?

To answer these questions the study involved two main components: first, a mixed methods survey, which was open to IM participants and community members at all IM sites around Australia; and, second, a series of in-depth, semi-structured, qualitative interviews with IM participants and local stakeholders at four different trial sites:

- Playford in South Australia;
- Shepparton in regional Victoria;
- Ceduna in South Australia; and
- The Federal electorate of Hinkler in Queensland (which includes the cities of Bundaberg and Hervey Bay and a range of regional towns).

The survey consisted of a total of 45 questions, though respondents were directed to different parts of the survey, based on their responses. We received a total of 199 eligible responses to the survey from across Australia. A total of 114 interviews were conducted across the four trial sites – 75 with IM participants, and 39 with local stakeholders. The survey and interview was gathered during 2019 and the research team has completed the first stage of analysis, identifying common themes and differences across the sites and between the research methods. A summary of the initial analysis is presented here. Specific themes and issues will be explored in more detail in future publications.

In presenting these findings, the research team would like to acknowledge the people who gave their time to share their experiences and perspectives on what remains a highly controversial policy in Australia. People provided their views and stories in the hope that their accounts would have an impact on the direction of policy now and into the future. The first-hand accounts presented in the report provide a firm foundation for policy makers to pause and reflect on where we have got to after more than 10 years of IM policies – an experiment that is yet to prove itself as an effective response to the issues it seeks to address.

Summary of Research Findings

As the detailed discussion in the body of the report highlights, the key findings across the four case study sites were very similar, and the results between the survey and the qualitative research also supported each other. Throughout the report the themes are grouped under the broad headings of Practical Experiences, Socio-Emotional Impacts, and Overall Attitudes towards IM.

Practical Experiences including Financial Management

The majority of survey participants reported that they had no trouble *managing* their own money before being placed on IM (67% reported no issue), and those on the card versus not on IM considered themselves equally strong in terms of their financial behaviour.

IM participants reported they did not have a problem with alcohol (87% reported no issue), drugs (95% reported no issue) or gambling (91% reported no issue) prior to being put on the cards.

These key finding supports an earlier study by Bray et al. (2012: 185-186) who reported that most IM participants in the Northern Territory indicated that expenditure of social security benefits on alcohol was *not* a challenge for their household. The findings also provide tentative support for other Australian and international research which demonstrates that welfare populations are generally not overrepresented in terms of use and reliance upon alcohol and recreational drugs (e.g. Grant and Dawson 1996; Schmidt and McCarty 2000; Jayakody, Danziger and Pollack 2000; Zabkiewicz and Schmidt 2007; ABS 2017; Australian Institute of Health and Welfare 2017, Bielefeld 2018b). Recent Australian surveys have shown that those receiving social security generally spend *less* on alcohol, as a proportion of total household expenditure, than those not receiving social security (ABS 2017, Bielefeld 2018b).

The qualitative interviews reveal mixed views on the cards and their costs and benefits. The minority view was that the introduction of the cards had been positive overall. For this group the main benefit was seen to be improved spending on essential goods and services, in line with the policy intent. This was the case for some people who would have spent a higher proportion of their income on cigarettes or alcohol: *"As much as I want to say it's shit and you know, it's bad, which it was, it was very inconvenient. It is inconvenient … for a good reason though"* (Playford_CIM5). Other participants started with positive views but over time they saw the practical difficulties had outweighed the benefits. Most cardholders felt that IM was forced upon them, with minimal assistance and support to help them to use it to their advantage. *"Yeah. I think it would have been a lot more helpful if someone had been there to be like well, this is how we should spend your money. This is where it should all go to, to help you set it all out a bit easier. Rather than just going this is what's happening, deal with it"* (Playford_CIM3)

Overall, 87% of survey respondents on IM did not see any benefits in the scheme, while only 13% thought there were some advantages. The survey revealed that being placed on IM had raised significant practical and personal challenges. In this respect, survey respondents indicated that IM had not only failed to alleviate (largely non-existent) challenges, but it had also caused financial and other problems that did not previously exist. Some of the main problems reported by participants in the survey responses were:

- **Not having enough cash for essential items.** The most frequently cited challenge was not having enough cash to pay for essential items (*n*=68, 86%). When we asked about this challenge directly (*'Is the amount of cash available to you while on income management enough to support your needs?'* to which 82 participants responded), most (*n*=62, 76%) said '*No',* while 15 (18%) said *'Sometimes'* and five (6%) said '*Yes'.*

- **Difficulty providing for children and other family members.** Not having access to sufficient cash made it harder for respondents to care and provide for their children. Some of the comments that supported this often-raised concern from survey respondents included: "*They impact what I can and can't do with my children like take them out in the community*." (R6-CDC); "*School excursions are cash only. The fair and Christmas parade activities are predominantly cash only. I have 4 children and 20% doesn't get us far*." (R68-FNI29CDC); "*My children now feel we are poor as we can no longer take them to local fun fairs etc. as a small treat*." (R84-FNI35CDC). This finding directly contradicts a core IM policy objective, which is to ensure that families can better provide

for their children (Macklin 2012). IM was also cited by others as making it more difficult to contribute to and participate in important family events: "*I was unable to attend my father's funeral in another state*." (R107).

- **Difficulties participating in the cash economy.** A lack of access to cash also means many individuals are unable to purchase second-hand goods, which are generally less expensive, as this example from the open-ended comments illustrates: *"It has negative[ly] impacted my ability to by [sic.] second hand, ESPECIALLY TEXT BOOKS FOR UNIVERSITY. As these are quite expensive brand new, if I want to buy second hand ones I need 'approval' and then a waiting period for the buyer before I can purchase, most people want the ready cash so I lose items to someone who has the availability to pay instantly."* (R75-MNI30CDC).

- **Difficulties paying rent and other bills.** Survey respondents identified challenges in paying their rent (including rent to private landlords) and other bills because of glitches with processing payments – particularly via the CDC. These circumstances are beyond the users' control, but have implications for management of their finances, their financial track records, and security of housing. Some respondents indicated that they have to dip into the cash proportion of their income to ensure bills were paid, thereby further limiting the availability of discretionary cash, as the following survey comment illustrates: *"I now struggle to make ends meet … half the time Indue don't pay bills and loans on time and have to use the 100 bucks cash a fortnight"* (R103-MNI35CDC).

These accounts relate to previous findings about the impacts that IM has on participants' abilities to meet their everyday needs. For instance, Coddington (2018: 534) stated that "[c]ashless technologies exacerbate issues with subsistence; simply obtaining food and necessary living supplies becomes more difficult without access to cash." The qualitative interviews across the case study sites are consistent with the survey findings on financial management and practical issues, and there was little difference in terms of experience between those on the BasicsCard and those on the CDC. The BasicsCard was introduced to support IM initiatives and the CDC was introduced in response to a recommendation from the Forrest Review of Indigenous jobs and training. The BasicsCard can only be used at merchants that the government has approved, whereas the CDC can, in theory, be used at any merchant that the government has not blocked. However, Hinkler interviews revealed that there were everyday merchants where CDC holders had not, in practice, been able to spend their quarantined funds (Bielefeld et al. 2019).

There was a minority of positive accounts about how IM had sharpened thinking around budgeting. Though, in many cases there was a sense that perhaps this same objective could have been achieved through other means that were more developmental and less punitive in nature: "*It just made me focus, well this money is that money, this money is that – it was more because the money was split up … It sort of just showed me to plan with the money. But it could have definitely been achieved other ways*" (Shepparton_CIM10). While many of the challenges posed by IM related to practical matters, such as payment of bills and ability to purchase essential items, there was also an overriding theme across participants' responses that IM had significant implications for mental health and wellbeing.

Socio-Emotional Impacts of IM

A strong theme in the survey data was that many IM participants had experienced a significant decline in their mental health and wellbeing as a result of the challenges they faced navigating their lives on the cards. As comments from the open-ended text boxes

illustrate: "*I'm embarrassed to leave the house. My mental health has taken a steep decline*." (R59-FNI21CDC); "*It is not helping my mental health I can't take my kids out much anymore*" (R138-FNI33CDC); "*Decline in mental health of myself AND my children*" (R134-FNI32CDC, emphasis in original); "*I feel exhausted all of the time just trying to manage my life on this card"* (R190-MNI46CDC). Some reported that the high levels of stress and anxiety had a "ripple effect", with implications not just for IM participants themselves but also for their families and friends: "*So much stress caused by this card that relationships with friends and family become strained just because I am always anxious. It is really bad and friends have told me I am way more stressed now*." (R185-FNI50CDC).

For many respondents, the general stress and anxiety they experienced was directly related to feelings of stigma and shame that was associated with being on IM. IM stigmatises places and people. Many previous studies have drawn attention to the potential stigma associated with IM (e.g. Deloitte Access Economics 2014; DSS 2014), yet as Vincent (2019) has observed, the government's ORIMA evaluation glossed over the complexity of this issue, portraying stigma and shame as only minor concerns. For our survey, we explored this aspect of IM in general terms by first asking respondents with direct experience of IM an open-ended question: *How do you think those in your local area feel about people who are on income management?* We intentionally avoided referring to stigma and/or shame in this question so as not to prime our respondents' answers. Nevertheless, of the 81 open-text responses received in relation to this question, the majority (*n*=67, 83%) indicated that those in their local area viewed those on IM negatively. (We discuss these responses far below.) A very small number (*n*=4, 5%) indicated that they thought those in their local area should feel positive ("*They should feel good"* (R143-FIBC); *"Very good"* (R147-FI42CDC); *"It is very good to save"* (RD150-MI37BC)).

We also followed up with a closed question specifically referring to experiences of stigma and shame: *Have you ever experienced stigma/shame when paying for goods using a BasicsCard or Cashless Debit Card.* We asked participants to respond on a four-item Likert response scale ('*never', 'rarely', 'sometimes', 'all the time'*). The large majority of respondents (*n*=68, 84%) confirmed that they had felt stigma/shame either *sometimes* or *all the time* when paying for goods using a BasicsCard or CDC. This sense of shame sometimes resulted in avoidance of settings where the devalued identity of being a 'welfare recipient' and 'on the cards' would be noticed. We can understand avoidance and withdrawal behaviour as an understandable coping mechanism for people on IM, but it is also important to recognise it as a form of 'covert resistance' in the interests of maintaining some control, which is less likely to result in a sanction or a negative consequence than 'overt resistance'. Typically, covert resistance is more often practiced than overt resistance or 'fighting the system' directly, as the stakes for individuals can be higher with direct challenges to bureaucratic power and authority (Luna 2009).

The qualitative interviews shed more detail on the socio-emotional impacts of the policy, particularly the strong theme of shame and stigma that was identified in the survey. Whether the interviews were conducted in Playford, Shepparton, Ceduna or Bundaberg/Hervey Bay, the sense of shame and stigma was a consistent point of discussion. Participants highlighted how the cards signalled to others in public and commercial encounters that they were a 'problem to be fixed', that they were individuals lacking responsibility, infantilised subjects unable to manage their lives. This created feelings of embarrassment and made simple everyday activities like shopping unpleasant. As one participant in Ceduna remarked, "*Oh, like a child and like I'm embarrassed every time I have to use it at the supermarket, which is about the only place I do use it. I sort of look around and see who's behind me in the queue. I don't want anybody to see me using it because my family have lived here forever… I can't pay*

my own bills and I have to be treated like, not a second class citizen, I don't know, like a fourth class citizen". (Ceduna_CDC23). And as another participant commented in their interview: *"[Y]ou feel like a suck. Because everybody's watching and they know you're on the Indue Card. There's no secrets. So straightaway you get branded. Ah, bludger, dole bludger, haven't got any money*." (Ceduna_CDC5,6)

Generally, and notwithstanding a small number of accounts whereby individuals said they benefited from IM, *findings from the survey and interviews indicate that most respondents felt IM had been harmful rather than helpful*. Our findings also provide evidence that contradicts the core assumptions underpinning IM policy. In particular, we found that:

- Restrictions on expenditure are perceived as unnecessary and ineffective in addressing social problems, and they are a distraction from a core concern for recipients, which is the adequacy of income support payments.

- There is no statistically significant difference in terms of self-reported financial management behaviour between those placed on IM and those in our survey sample who were not placed on IM, contradicting public statements about IM recipients being generally poorer money managers.

- In contrast to policy discourses about IM being used to strengthen benefit recipients' independence, build responsibility and help transition individuals away from 'welfare dependency' and into work, we found that *IM appears to weaken the financial position and capabilities of those subjected to it*, and furthermore, those on IM were more likely to report a weaker internal locus of control than those not placed on IM.[1] While it was not possible to establish causality, when we considered this result in combination with other data, we found tentative support for the conclusion that IM is associated with this weaker internal locus of control, which has been found in other research to have negative implications for work-search behaviours, job transitions and a range of other health and wellbeing outcomes.

Though these findings are tentative, their implications are important for IM policy. They contradict discourses that situate IM as a means of *increasing* individual responsibility versus so-called 'dependency' on the welfare state. Instead, IM may *undermine* rather than support the stated policy objectives of creating more autonomous, independent individuals who will be more likely to transition into employment. As has been argued elsewhere, and is again highlighted in our study, the core challenge for those placed on IM is not *managing* money, but instead a *lack of money* overall, which is a product of comparatively low social security allowance payments in Australia as well as the additional complexities and restrictions of IM itself. While it is possible that the experience of *being* on IM led participants to grade themselves as stronger money managers, we consider this highly unlikely given that IM recipients' other survey responses overwhelmingly indicate that IM had hindered rather than helped with management of their financial affairs, and that it had reduced their sense of autonomy, wellbeing and overall locus of control.

Some of our participants made similar points in response to earlier parts of our survey, questioning the link between IM and preparedness for employment. For example: *"How is*

[1] As we discuss later, locus of control is a concept that has been used across many fields to study self-efficacy, economic decision making and overall health and wellbeing. While those with a strong internal locus of control will perceive events and outcomes as being within their control, those with a strong external locus of control will perceive events and outcomes as being the result of chance or intervention by others.

belittling someone and degrading them help[ing] them get a job. I have absolutely no self-esteem" (R103-MNI35CDC). Other research on IM has also questioned the approach of targeting individuals rather than considering a range of structural factors that cause long-term unemployment (e.g. Dee 2013). As one of our respondents stated: "*You can't hassle people into employment when there is no job to be had*." (R190-MNI46CDC).

While many survey respondents indicated that IM had reduced their feelings of control over their lives, others explained that they were engaged in various direct and indirect challenges to the card, which enabled them to reject pejorative identities and labels and to reassert some semblance of control over their daily life and a greater sense of dignity. As mentioned above, acts of resistance are an exercise of agency; they are an attempt to refuse the material conditions of institutional suffering and the devalued social status attached to being arbitrarily categorised as 'irresponsible' and publicly demonised as 'dependent' on the state. Resistance can occur through formal and informal channels, and it can be overt or covert as the following set of responses highlight.

Resisting IM

The survey respondents tended to resist IM policies in two main ways: by seeking exemptions through formal channels, and/or by identifying strategies to circumvent the worst effects of the policy. A total of 26 (32%) IM respondents indicated that they had used the exemption, review and appeal procedures to try and exit IM, or reduce the amount of money that is quarantined, while the remaining 56 (68%) said they had not. Of those who had used the procedures, most (*n*=14, 54%) had made one application, nine (35%) had made two, and three (12%) had made three applications in total. Twenty-nine respondents (97%) had tried to get off IM and 3 (10%) had tried to have their IM amount reduced (these categories are not mutually exclusive; some respondents had tried to do both). Nevertheless, most applications were either undecided (*n*=11, 42%) or unsuccessful (*n*=9, 35%). Only two (8%) applications had a successful outcome, while a further four respondents (15%) were unsure of the outcome of their application.

Some respondents described delays in a response to their application to be taken off IM: "*four months and no response, despite threatening to kill myself*" (R206-M32CDC), "*Applied over the phone on July 1st then told months later that I had to fill out a form so I did that and sent it via email on Sept 13 but have still not heard from anyone*" (R84-FNI35CDC). The latter respondent provided this answer in early November – about four months after their initial inquiry, and two months after they reported submitting their application form.

While being left in limbo was difficult for these respondents, others avoided the formal exemption process and instead found other ways of challenging IM informally. The issue of circumventing IM has been raised in numerous previous evaluations of IM, which have found that those placed on IM can sometimes find informal ways to 'get around' the policy where needed (e.g. Bray et al. 2012, 88; Bray et al. 2014). Our survey supports these earlier studies, with 44% of survey respondents on IM indicating that they had tried to circumvent IM at some point. These respondents relied on a range of strategies, such as "buying approved goods and selling them for cash" (28%) or "taking someone else's cash/bank card with/without their permission" (24%). Survey responses also indicated the small proportion of people experiencing drug dependency appear to be the most likely participants to informally circumvent the policy: "*Those with REAL drinking problems and drink way too much and do violence and stuff probably aren't sticking on the card anyway. They are still getting grog by other means. If it's voluntary then people WANT help so they can sign up and ask to be put on it … People have to want the help because otherwise they will just find a*

work around. And we see that a lot." (R183-MNI58). *"If people want to get around it they will."* (R171-MI29BC).

Other survey respondents felt IM policy and practices invoked previous trauma in their lives and their desire to challenge the premise of the policy was based on not wanting to be in a similar position of feeling powerless and abused. One survey respondent, for example, likened being on IM to being in a former domestic violence relationship where they experienced financial abuse: *"Someone in an office who doesn't know me is in charge of my financial existence. Same abuse as my former marriage."* (R127-MNI46CDC). The qualitative interviews revealed some of the morality and ethical considerations involved in pushing back against the worst aspects of the policy, as well as the ways in which people were sharing information and demonstrating solidarity with each other.

Other studies have highlighted the ways in which local citizens have organised protests and Facebook support groups, many of which started when the BasicsCard was first introduced (Brooks, 2014). These collective methods of resisting have continued with the new trial sites for the CDC card, with a very active social media group in the Hinkler region. The following interview excerpt from a local stakeholder on the Hinkler region outlines the ethical rationale for the efforts of these groups: *"People are getting sick of being looked down on and treated differently. […] You're taking away people's autonomy, their freedom of choice, their dignity, and you expect them to be able to just be job-ready and be so enthusiastic to get out the door and hug the world. It's like, but you are kicking them emotionally, so they don't want to go out in the world."* (Hinkler_S3). These points of connection and protest not only offered forms of support and information sharing, they represent an attempt to turn what the late sociologist C.W. Mills (2000) called a private trouble into a public issue, which describes how collective voices can become a demand for reputational and redistributive justice.

Other ethical objections concerned the individualised approach towards money and money management enshrined in the policy, which can be incongruous with a more collective approach to resources among Indigenous communities and some other cultures, as the following Indigenous stakeholder from Shepparton explains: "*I think as far as finance goes you've got the whole collective identity going on … we were collective. The food was shared and clothes were shared. We'd be asking anyone are you right sis, we've got everything. So, I think this income management is a complete clash"* (Shepparton_S11). It is also important to acknowledge that IM has been justified by the government and the media as a way to prevent 'unreasonable financial demands' by family members on other family members in regional and remote Indigenous communities, the practice known as 'humbugging'[2] (The Australian, 2014; Bielefeld 2014). Value differences around the appropriate role of the state in regulating freedom and choice, competing world views on money and financial management are also reflected in the differing attitudes on the question as to whether CIM should be discontinued.

Overall Attitudes Towards IM

The survey asked two questions related to the continuation of CIM, the first related to supporting IM in its current form and the second asked respondents whether they would support it in a voluntary only form. In response to the first question 66% of respondents did not support the continuation of IM, with 12% undecided and 21% in support. While on the second question of a voluntary only scheme 39% were in support, 36% said no, and 25%

[2] While we use the term 'humbugging' in this report, we recognise that this language has been used disparagingly, to redefine in negative terms the traditionally productive practice of demand-sharing (Altman 2011).

were undecided. This result suggests that *continuation of a voluntary-only IM policy would be less polarising and problematic than current compulsory IM policies*. IM policy on a voluntary basis would, for instance, enable the minority of participants who experience the kinds of challenges that underpin the policy logic (e.g. spending a high proportion of income on alcohol and other drugs) to seek support and help. Participants were also more willing to support policies where they could see an improvement in the level and quality of social services. This could mean there is a place for effective financial capability programs that are appropriately targeted. It is also important to recognise that how the cards are experienced may vary from one place to another, as there are many factors that can impact people's experience on income support more generally, such as local labour market conditions, costs of living and a strong or weak sense of community.

The qualitative results on whether the policy should continue followed a similar pattern with the dominant position being a desire to see an end to CIM policy and practice. These views came through quite strongly in the CDC trial sites, particularly Hinkler in Queensland, which is the largest trial site in the country. A strong theme in the Hinkler interviews concerned the inappropriateness of CDC as a broad-based measure. That is, the majority view was that the card was poorly targeted and that it failed to take into account the life circumstances of those it impacted, particularly those juggling significant care responsibilities as people caring for family members with a disability or as parents, as the following quote from a single parent in the Hinkler trial explains: "*It's really hard when you're a mum and they say, oh well, you can work as well. But I'm doing a full-time study course and working and then doing all sport and school and homework. Yeah, it's too much for one person, for me to do. So, yeah, I could definitely just go out, get a job and work and study, but I don't have that energy and I've got so much to do already. That, yeah, I'm just focused on the study and then I can go work."* (Hinkler_CIM6)

Similar to the survey results, some interviewees did support a more targeted version of IM. "*There is a handful of people out there that do the wrong thing and use the money for their drugs, alcohol, gambling, the kids are suffering. But that's where it needed to be means tested [sic] if they were going to bring something like this in and not target everybody that does the right thing. Because now you feel that you're demeaned by this card, because now everyone's branded you as, oh, well, obviously you're a drug, alcoholic or a gambler or you don't feed your kids now*" (Hinkler_CIM24). For this interviewee and many others, the CDC was ultimately perceived as a blunt policy tool that failed to address the underlying factors that contributed to social problems and/or unemployment in their community. 'Taxpayer funds', these interviewees suggested, would be better spent on interventions to address underlying social issues, such as: inadequate social security payments, high living costs, employment shortages and a need for seamless vocational pathways for young people in the community, a lack of mental support for people with a range of psychological needs and better quality and more affordable child-care support for single parents and others juggling part-time work and income support demands.

In sum, a key finding from the survey and interviews is that adequate income support payments, decent employment and training opportunities and accessible and affordable social services would be a better starting point for creating healthy, economically secure and socially inclusive communities, compared with blunt, punitive and stigmatising policy that is pushing ordinary Australians further towards the margins of their communities.

Policy Implications

There are strong views on all sides of the CIM debate. There is little disagreement across the political spectrum about having a policy goal that is focused on building safe and healthy communities with high levels of individual and collective economic, social and cultural wellbeing. There is, however, much disagreement about the means to achieve this goal, particularly the extent to which the state should intervene to limit the freedoms of its citizenry – especially if those limitations are not universally applied, if their benefits are unclear or contested, or if there is clear evidence that they cause harm.

The research findings outlined in this report highlight the hidden costs of CIM for individuals and communities. The deep sense of shame and stigma, the daily anxiety of not knowing if the card will work, the administrative bungles that leave people with core needs unmet, the restrictions on basic financial freedoms and rights that most Australians take for granted all add up to a cumulative and heavy burden, with few recognisable benefits. These costs are not just economic and practical, they are also personal and social, getting to the very core of how people see themselves reflected in a policy that for the most part renders them as 'failed subjects' – mere spectators to defining their own needs (Sennett 2003).

These unintentional and symbolic costs must be counted in formal and informal evaluations of CIM, as policy design and testing is never a simple technical exercise about 'what works'. Policy evaluation requires nuance and a willingness to listen to what people convey about what works and for whom, under what circumstances – with due consideration given to the alternatives that people living in these communities have identified. Anything less means the mistakes of the past will be repeated and harms will go unchecked. Policy makers have an ethical obligation to engage in high quality listening and reflection if they want to act in ways that are genuinely in the interests of meeting individual and community needs (Miller 2012).

The evidence on informed research results presented here suggest that the core IM policy assumptions remain deeply flawed. The dominant frame of the policy problem lacks focus and is skewed towards addressing behavioural concerns that are not widely represented among the population caught up in the multitude of trial sites across Australia. If safer and healthier communities are the objective, then the significant sums of money directed towards CIM policies may be better spent on properly funded support services, education and training, and an adequate payment rate for Newstart, as outlined in the Raise the Rate campaign, which is supported by a growing number of business and peak welfare bodies. CIM would appear to be a distraction from these fundamental needs.

If some form of IM is to continue in Australia, the research findings suggest there is sufficient support among participants and community stakeholders for exploring ways to implement a voluntary-only scheme, dovetailed with wrap around social services and financial capability education and training. Such a scheme would need to be co-designed with people on income support and relevant experts. A voluntary-only IM policy would be far less polarising and problematic than CIM.

1. Introduction

1.1 Study Background and Rationale

This report summarises preliminary findings from an independent study into the ongoing expansion of income management (IM) in Australia. IM represents a radical step in poverty governance, conditional welfare and social policy administration (Mendes 2013; Bielefeld 2014). Welfare conditionality is a policy logic now used in many countries which involves using income support payments to impose behavioural compliance through sanctions, incentives and surveillance (Dwyer 2019; Dee 2013; Thomas and Buckmaster 2010). Over time conditionality in countries like Australia and New Zealand has extended beyond the initial obligation to seek employment to a range of other behaviours and welfare benefits (Billings 2010).

Compulsory income management (CIM) relies on a rationale of 'hard paternalism' in an effort to create behavioural change among socially disadvantaged populations in specific locations (Bielefeld 2014, 2015, 2018a; Mendes et al. 2014). 'Soft paternalism' assumes that individuals lack the knowledge and/or information to make appropriate choices, whereas 'hard paternalism' assumes the right to directly intervene in what is perceived to be 'poor' decision-making on the part of individuals (Thomas and Buckmaster, 2010: 5). Those most marginalised in the community are often the ones most subjected to 'hard paternalism' (Spies-Butcher 2014). Indigenous peoples[3] and young people have been specifically targeted and impacted by IM, as well as other groups deemed as 'vulnerable', such as those in domestic violence relationships or living with mental illness (Dee 2013; Mendes 2013; Bielefeld, 2014). Across all the various schemes Indigenous welfare recipients are still disproportionately impacted by the policy (Bielefeld 2014, 2015, 2018; Mendes 2013).

IM was first introduced in Australia in 2007 as part of the former Australian Government's Northern Territory Emergency Response (NTER), which involved suspending the *Racial Discrimination Act 1978* (Cth). In 2010, James Anaya the United Nations Special Rapporteur found the NTER to be racially discriminatory, infringing the human rights of Indigenous peoples in the Northern Territory (NT). Anaya said that measures like banning alcohol and pornography and quarantining a percentage of essential goods represented a significant limitation on 'individual autonomy'. Some Indigenous leaders outside the NT offered qualified support for the intervention, while also raising concerns about the blanket approach. For example, following the NTER, Cape York Indigenous Leader Noel Pearson told ABC Radio National on 22 June 2007:

> I'm in agreement with the emphasis on grog and policing. I'm in agreement with attaching conditions to welfare payments. But the difference between what we've put forward to the Government and the proposals announced by Minister Brough, there is a difference in that we would be concerned that those people who are acting responsibly in relation to the payments they receive, should continue to exercise their freedoms and their decisions, we should only target cases of responsibility failure.

Since 2007 IM has been expanded to include young people and other groups considered 'welfare dependent' under trials in most states and territories across Australia. IM quarantines a proportion of social security payments, including income support payments such as Australia's Newstart Allowance and Family Tax Benefits. Money in a special account cannot be withdrawn as cash, and cannot be used to purchase prohibited goods and services such as

[3] We use the term 'Indigenous' throughout this Report to refer collectively to Aboriginal and Torres Strait Islander Australians/Australia's First Peoples, acknowledging that different terminology, including specific First Nations language groups, are used in different regions of Australia.

alcohol, illicit drugs, gambling products and pornography. Policy specifics vary from site to site, but the proportion of income payments quarantined is generally 50%-80%, and even up to 90% (Bray et al. 2014).

The administrative cost of IM in Australia is significant, with an estimated $1 billion spent from 2005-06 to 2014-15, and 26,000 people placed under IM in 2016 (DSS 2016). The Australian Government has undertaken funded evaluations of IM, however, any evidence for the policy remains weak and contradictory (Bray et al. 2014). Indeed, the government commissioned 2014 IM evaluation report noted that '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' (Bray et al. 2014). In Australia, IM was officially introduced to help protect children from abuse and neglect, and women from financial and physical violence (hence the limitations of purchases to food and essential household and personal items, and the exclusion of alcohol, tobacco, gambling and pornography) (Mendes 2013). Decreasing so-called 'welfare dependence' and increasing employment participation are also often cited as social and economic goals of IM (Deloitte Access Economics 2015; Mendes 2013; Mendes, Waugh and Flynn 2014).

While the government has claimed success in meeting these goals, it is not possible to determine from existing evaluations whether any reported social benefits are due to IM or other programs in place to address these issues. Further, existing evaluations have raised significant concerns regarding the capacity of IM policies (particularly compulsory versions) to meet their stated objectives. Despite this, IM continues to be expanded to additional geographical areas and vulnerable communities in Australia (Cox 2015; Humpage 2016; Mendes 2018, Bielefeld 2018).

The inconclusive evidence-base for compulsory IM schemes suggest that an independent study is overdue and warranted. In particular, research is needed to understand social security recipients' lived experiences of IM, as the voices of those directly impacted by these policies and their supporters have frequently been lost or ignored in the debate about the merits of IM. This research project responds to this need – exploring both the intended and unintended effects of IM through a mixed methods study of the lived experiences of income managed welfare recipients and their communities. The study involved two main components: 1) a mixed methods survey, which was open to IM participants and community members at all IM sites around Australia; and, 2) a series of in-depth, semi-structured, qualitative interviews with IM participants and local stakeholders at four selected locations to explore the following research questions:

- What are the experiences of income support management in different trial sites?
- How do experiences of IM 'spill-over' into other areas of people's identities and impact their social and economic engagement and wellbeing?
- Are there different perceptions between people on VIM and those on CIM?
- How have front-line community workers, business leaders and other stakeholders in the community responded to the CIM policy agenda?

As outlined below a mixed methods study was used to answer these questions using a range of different concepts and theories of social and behavioural change.

1.2 Mixed Methods Survey

Overview

A mixed methods survey was built and administered online, and responses were collected between October and November 2019. The key purpose of the survey was to provide an overview of the experiences of individuals and communities that have been impacted by IM in Australia. We sought responses from individuals across Australia who were 18+ years of age and either:

- had experienced IM in Australia (either at the time of doing the survey, or in the past), or
- had not directly experienced IM, but currently lived in an area where IM had been implemented in Australia.

The rationale for accessing both groups was to explore whether those with direct experience of IM had different perceptions and experiences of the policy when compared with those without direct experience. The survey consisted of a total of 45 questions, though respondents were directed to different parts of the survey, based on their responses.

For respondents who had direct experience of IM, we asked about the nature of their experiences with IM (e.g. type of IM, challenges prior to IM, reason for being placed on IM, length of time on IM, impacts of IM, advantages/disadvantages of IM, being exempted from IM and/or circumventing IM).

For all respondents, we also included:

- a self-report indication of their financial behaviour and locus of control (using two pre-validated scales, which we describe later in this section), as well as general questions to gauge their level of endorsement of IM policy in their local area, and
- general demographic information for the purpose of understanding and analysing the survey responses (e.g. age, gender, identification as Aboriginal and/or Torres Strait Islander peoples, referred to collectively in this report as 'Indigenous', and average annual household income).

Respondents were not asked to provide identifying information and – in keeping with the project's approval by UQ's Human Research Ethics Committee (HREC) (Approval Number 2018001271) – were advised that they would remain anonymous at all times, including in any publications arising from the research.

Sampling Approach and Sample Characteristics

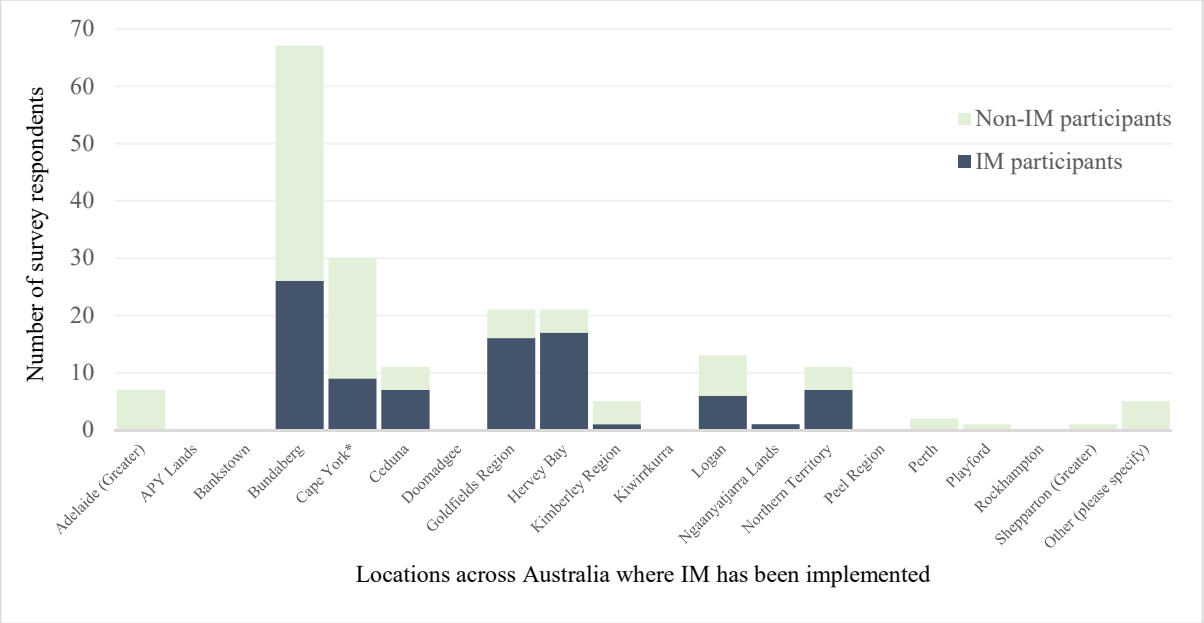
Our sampling approach for the survey consisted of a mixture of convenience and snowball sampling. To recruit participants from across Australia, we circulated a URL link to our online survey via multiple avenues, including:

- Project-related social media (for example, Twitter and Facebook);
- Community networks in areas where IM had been implemented; and
- Networks of researchers across Australia.

Take-up of the survey was reasonable, though stronger uptake may have been partially hindered by the remoteness of many IM participants (as described in our limitations below) as well as the timing of another survey of IM participants being undertaken around the same time by a peak social welfare body. Nevertheless, at the time of closing the survey, we had received a total of 217 responses. Of these, 18 were found to be ineligible to participate in the survey, leaving an overall sample of 199. Of the final sample of 199:

- 94 (47%) had directly experienced IM and 105 (53%) had not directly experienced IM but lived in an area where IM had been implemented,
  - of those who had directly experienced IM, 70 (74%) were currently on IM, 20 (21%) had been on IM in the past but were not currently on IM, and 4 (4%) did not provide a response,
  - of those who had directly experienced IM, 68 (72%) had experienced the CDC, 22 (23%) had experienced the BasicsCard, and 4 (4%) did not provide a response,
- 115 (58%) were female, 50 (25%) were male, 0 (0%) were non-binary, and 34 (17%) chose not to answer, and
- 49 (25%) identified as Aboriginal and/or Torres Strait Islander, 114 (57%) did not, and 36 (18%) chose not to answer.

The average age of the sample was 43 years (*min*=19, *max*=75, *SD*=14.139) and our respondents came from a spread of locations across Australia, though this did not cover all locations where IM had been implemented (see Figure 1).



*Note: The *Cape York IM area includes the remote communities of Aurukun, Coen, Hope Vale and Mossman Gorge. Although the remote community of Doomadgee operates under a similar scheme as Cape York IM, it was listed separately here as it is situated in the Gulf of Carpentaria. Respondents in the 'Other' category specified that they had previously lived in IM locations, but had since moved elsewhere. For those with direct experience of IM, moving out of an IM location does not mean they are removed from the scheme.*

Figure 1. Locations where survey respondents were living at the time of completing the survey

Survey Analysis

Our survey collected both quantitative and qualitative data. We undertook basic thematic coding of qualitative responses and used SPSS version 25 to undertake analyses of quantitative data. These analyses were mostly descriptive. In some instances, we also undertook inferential analyses (independent t-tests, Mann-Whitney U tests, and one-way ANOVA) to compare responses from those who had been placed on IM (currently and in the past) to those who had not but who also lived in areas where IM had been implemented.

IM policies generally focus on the perceived poor financial behaviours of welfare recipients. Thus, we wanted to gauge general levels of financial behaviour for all survey respondents, including those with and without direct experience of IM. To measure this construct, we used the five-item 'Financial Management Behaviour' scale published by Perry and Morris (2005) in their study of the role of self-perception, knowledge and income in explaining consumer financial behaviours. The scale asks respondents to grade themselves from '*poor'* to *'excellent'* (using a five-item Likert response scale) according to specific areas of financial behaviour, which are highly relevant to (and often referred to in discourses about) IM. This includes, for example, "controlling spending, paying bills on time, planning for one's financial future, saving money, and providing for one's self and family" (Perry and Morris 2005: 304). The scale achieved good internal consistency reliability in Perry and Morris' (2005) study (Cronbach's α=.828), and used relatively straightforward language and a simple response scale, which was easily translated into an online survey.

Another particular focus of our study was the impact of IM policies on the autonomy, independence and ultimate wellbeing of the people that are the targets of this policy. As such, we undertook specific analysis to interrogate the relationship between IM and individuals' locus of control. The 'locus of control' concept has been widely drawn upon across many fields (e.g. Neal, Weeks and DeBattista 2014; Karaman and Watson 2017; Rizza et al. 2017; Douglass et al. 2019; Forrest, Wadkins and Larson 2006) and was originally defined by Rotter (1966, 1) as:

> "the degree to which the individual perceives that reward follows from, or is contingent upon, his [sic] own behaviour or attributes versus the degree to which he [sic] feels the reward is controlled by forces outside of himself and may occur independently of his own actions."

While those with a strong internal locus of control will perceive events and outcomes as being within their control, those with a strong external locus of control will perceive events and outcomes as being the result of chance or intervention by others.

Locus of control has also been a key construct of interest in economics research (Cobb-Clark and Schurer 2013). Prawitza and Cohartb (2016) found that a stronger internal locus of control was associated with greater financial wellbeing. Perry and Morris (2005) hypothesised that internal locus of control was related to more responsible financial management behaviour, alongside other variables (e.g. financial knowledge and income). Using results from a large national survey (N=11,862), they showed that those with an external locus of control were less likely to demonstrate responsible financial behaviour, though the effect size was small indicating that locus of control only explained a small amount of the variance in financial behaviour (Perry and Morris 2005: 307).

While financial *knowledge* had the greatest effect on responsible financial behaviour, locus of control also mediated the effects of income and financial knowledge on responsible financial behaviour (Perry and Morris 2005). Though, as Perry and Morris (2005: 310) pointed out, "It is difficult, however, to draw conclusions about the direction of causality". For instance,

difficult financial circumstances caused by factors other than financial behaviour or knowledge may also lead to a more external locus of control.

Using longitudinal data from the national Household Income and Labour Dynamics in Australia (HILDA) survey (2003–2004 and 2003–2007 respectively), Cobb-Clark and Schurer (2013) showed that locus of control is generally (though not always) invariable over the short- and medium-terms. They warned that locus of control is relatively resistant to change, arguing that it is more endogenous than exogenous, for example being a relatively anchored personality trait (Cobb-Clark and Schurer 2013: 393). In contrast, Nowicki et al. (2018) and others (e.g. Ryon and Gleason 2013) have showed that locus of control can change over time, with Nowicki et al. (2018) showing that this can be as a result of stressors associated with changed relationships, "financial stability and job security" as well as illness and smoking. Experiences of reduced income and "major financial problems" were both associated with a more external locus of control (Nowicki et al. 2018). Cobb-Clark and Schurer (2013) also indicated that some variance is possible in response to important life-event triggers, including significant worsening of finances, which they found was related to both men and women becoming significantly more external. It is possible that IM could also present as one of these life-event triggers, which may have an impact on locus of control. Thus, we wanted to explore locus of control for those on IM versus those not on IM.

While most studies tend to use Rotter's (1966) or Nowicki and Strickland's (1973) Internality-Externality scales,[4] a meta-analysis by Beretvas et al. (2008, 110) indicated that the overall estimate of internal consistency reliability (Cronbach's α) for both scales was 0.71 – slightly below the acceptable cut off of 0.8 (DeVellis 1991). Alternatively, a shortened seven-item version of Rotter's Internality-Externality scale demonstrated good internal consistency reliability (reported as Cronbach's α=0.87, where *N*=11,862) in a study by Perry and Morris (2005). Thus, we chose to use this shortened version, which was also considered suitable to our study because it employed relatively simple and straightforward language, as well as a simple response scale, which was easily translated into an online survey.

It is possible that locus of control is predominantly endogenous (Cobb-Clark and Schurer 2013) and some studies have also found that locus of control can be different for those on welfare versus those who have moved off welfare (e.g. see Li-Ping Tang and Smith-Brandon 2001). Thus, we interpret our scale findings in relation to other survey data to further tease out this relationship (see our findings section for further detail in this regard). It would be ideal to be able to compare locus of control for those on IM, those not on IM but still on welfare, and those not on IM *or* welfare. However, for this study, it was only possible to compare those on IM (currently or in the past) with those not on IM; we did not collect information on whether our non-IM participants were also receiving social security benefits that were beyond the purview of IM. Thus, there is a possibility that our findings relate to the social security benefit status of our respondents, rather than their participation in IM itself.

[4] Rotter (1966) and Nowicki and Strickland's (1973) Internality-Externality scales are the most widely used across the psychology literature (Beretvas et al. 2008). Rotter's (1966) 29-item Internality-Externality Scale is a forced-choice scale that provides a score indicated either internal or external locus of control (Beretvas et al. 2008). Nowicki and Strickland's (1973) Internality-Externality Scale is a 40-item dichotomous response questionnaire and, though it was originally developed for children aged 9-18 years, has since been adapted to (and validated with) adult populations (Beretvas et al. 2008).

1.3 Qualitative Case Studies

Overview

In addition to our national survey – which sought to provide a general overview of IM as experienced by affected individuals and communities around Australia – we also conducted in-depth qualitative interviews at four IM locations:

- Greater Shepparton, Victoria;
- Playford, South Australia;
- Ceduna, South Australia; and
- Federal Division of Hinkler, Queensland (which includes the cities of Hervey Bay and Bundaberg and a range of regional towns).

The aim of these interviews was to add depth and detail to our understanding of IM by inviting people who had been subject to the policy to speak at length about their experiences. Where possible, we also interviewed social workers and other local stakeholders about their dealings with and perspectives on the policy. Together, these interviews contributed to four case studies, which offer a window into both the lived realities of IM and the unique flavour that the policy has adopted in different Australia locations.

Two of the case study locations, Shepparton and Playford, are longstanding IM sites where the BasicsCard was introduced in 2012. The other two areas, Ceduna and Hinkler, are trial sites for the more recent CDC. The CDC was introduced to Ceduna in 2016 and Hinkler in 2019. These four sites were chosen for the study because they reflect both the evolution of IM in Australia and its recent broadening to target not only predominantly Indigenous communities (as was the case in the original NTER) but also sites that have comparatively few Indigenous residents (though it is noteworthy that even in these locations, Indigenous populations are still disproportionately subject to IM).

Fieldwork was conducted in person and over the phone throughout 2019. IM participants were assured that – while we would share their stories and amplify their voices – their identities would remain confidential. For the purposes of this report, interviewees at each site are identified by number only (for example, ‘S8’ for Stakeholder 8, ‘CIM2’0 for CIM participant 20, or ‘VIM3’ for VIM participant 3). Demographic information is not provided as such details – taken in conjunction with the personal stories recorded in the report – would risk identifying individual interviewees identifiable.

Participant Recruitment and Interviewee Characteristics

Recruitment for our research interviews took a three-pronged approach. First, recruitment information and fliers were distributed to local employment services providers, non-government organisations, online IM support groups and other key stakeholders, who were asked to share this information with their members and broader networks. Second, our team gave interviews to a number of local television stations, radio stations and newspapers to promote the study and invite participation. Finally, passive snowballing occurred as interviewees were encouraged to share recruitment information with other members of their personal circles.

A total of 114 interviews were conducted across four sites – 75 with IM participants, and 39 with local stakeholders. Interviews averaged around 45mins in length, although there was significant variation from interview to interview. Most interviews occurred one-on-one to

ensure maximum confidentiality and comfort, but several group interviews also took place to accommodate participants – usually with partnered couples or small groups of kith and kin – who requested to be interviewed together.

Playford

Participant Category	**Number**
Compulsory Income Management Participants	6
Voluntary Income Management Participants	2
Stakeholders (1 council member, 3 program managers, 3 financial counsellors/financial capability workers, 2 advocates, 2 social workers)	11
TOTAL	**19**

Shepparton

Participant Category	**Number**
Compulsory Income Management Participants	4
Voluntary Income Management Participants	6
Stakeholders (3 financial counsellors/financial capability workers, 2 social workers, 1 academic, 1 principal, 2 NGO CEOs, 3 program managers)	12
TOTAL	**22**

Ceduna

Participant Category	**Number**
Compulsory Income Management Participants	25
Voluntary Income Management Participants	0
Stakeholders (2 child protection workers, 2 drug and alcohol workers, 1 Aboriginal corporation representative, 1 Member of Parliament, 1 former council member, 1 government service manager, 1 homelessness program manager, 1 NGO manager)	11
TOTAL	**36**

Hinkler

Participant Category	**Number**

Compulsory Income Management Participants	32
Voluntary Income Management Participants	0
Stakeholders (1 advocate, 1 real estate agent, 1 council member, 1 program manager, 1 Indue shopfront staff member)	5
TOTAL	**37**

Interviewees with personal experience of IM were asked about their experiences of the policy. More specifically, they were invited to reflect on the circumstances that led them to apply for social security benefits; how they came to be subject to IM; their financial circumstances prior to and after being placed on IM; if and how IM had impacted their spending, parenting and other behaviours; what benefits or problems that they had experienced on the card; how these benefits or problems had impacted other areas of their lives; and if and how their experiences with IM had shaped their identities, beliefs and self-perceptions. While a loose schedule of predominantly open questions was used to guide and structure all interviews, individual interviewees were encouraged to 'drive' their interviews, focusing on the topics and experiences that they considered most important.

Stakeholders were also asked about their experiences of IM, but a modified interview schedule was employed. While there was great scope for interviewees to raise additional topics, they were broadly asked about their understanding of why IM had been introduced to their area; how and in what capacity they had been involved with IM – for example, through their professional work; and what, on the basis of this experience, they saw as the key issues surrounding IM in terms of any benefits or problems the policy had delivered.

Interview Analysis

With the participants' permission, interviews were audio recorded and transcribed. Interview transcripts (or detailed notes from those interviews where consent for recording was not provided) were coded using qualitative data analysis software NVivo 12. Coding was completed inductively, meaning the node structure emerged organically from the dataset and was not the product of a predetermined coding frame. As Thomas (2006: 239) explains, inductive approaches begin with the data and thus afford greater reliability:

> "Although the findings are influenced by the evaluation objectives or questions outlined by the researcher, the findings arise directly from the analysis of the raw data, not from a priori expectations or models. The evaluation objectives provide a focus or domain of relevance for conducting the analysis, not a set of expectations about specific findings".

This approach – together with the interviewee-led nature of the interviews themselves – allowed us to set aside pre-conceptions and capture the lived and felt realities of IM, as experienced by the participants in our study.

Once the coding process was complete, the resulting node structure was checked for accuracy and comprehensiveness by all members of the research team. Principles of node saturation were subsequently employed to identify central themes in the dataset. That is, we identified themes that had recurred in the interviews to the extent that the corresponding nodes contained large amounts of data from multiple sources. Such saturation would suggest that the stories contained in these nodes were not isolated incidents but reflected a common

experience among study participants – one corroborated by numerous interviewees and illustrated with a variety of examples (Saunders et al. 2017).

1.4 Limitations and Quality Assurance

Survey

While the survey enabled us to gain new insights into IM, the results should not be taken to be representative of all those on IM – either across Australia or at any particular site. If we consider that there were ~25,270 individuals on IM across Australia at March 2018 (DSS 2018b), our survey sample of 94 IM participants represents around 0.4% of these individuals.

Further, around 25% of our survey respondents identified as Aboriginal and/or Torres Strait Islander, while Aboriginal and/or Torres Strait Islander peoples account for approximately 78% of all people subject to IM across Australia (DSS 2018b). The lower representation of Aboriginal and/or Torres Strait Islander peoples in our survey sample is likely due, in part, to challenges in reaching out to individuals living in remote and very remote locations (for instance, remote parts of the Northern Territory) through online survey methods. In particular, this included:

- difficulty establishing contact with individuals in some remote areas (particularly as travel to remote areas was not built into the research plan and budget for this aspect of the project, and thus, contact was made by relying on civil service organisations to circulate the survey for us),

- poorer computer and internet access for those living in remote and very remote locations, and

- seeking responses to a survey that is constructed by non-Indigenous researchers and written in English.

We sought to partially overcome the second challenge by also constructing a paper version of the survey for circulation in remote areas, or other areas where internet availability could pose a barrier to participation. This option was taken up by some community networks in remote areas, who then returned survey respondents' anonymous results to the research team. Nevertheless, further research would be required with larger samples to gauge the representativeness of the survey findings.

In relation to this point, while we received responses from a reasonable spread of locations (see Figure 1), there were not enough observations across these different locations to make meaningful cross-geographical comparisons. In some cases we describe tentative findings in relation to the different locations within which IM has been implemented, but we were not able to complete more detailed comparisons in relation to this overall.

It is also the case that, as is the nature of most survey research, our findings are based on self-reported data and thus, we cannot objectively verify the responses provided. It was often difficult to garner the deeper context of our survey participants' responses – a limitation noted by others with regard to the use of surveys to examine IM in Australia (e.g. see Vincent (2019: 9) with regard to Orima's (2017) use of survey methods). We sought to counter this to some extent by including a mixture of both open and closed questions in the survey and offering – wherever possible – opportunities for respondents to elaborate on their closed-answer responses through the inclusion of open-text response options. This limitation was

also addressed by the inclusion of in-depth interviews in the overall study design, which elicited detailed accounts and enabled us to reach a deeper, fuller and more contextualised understanding of the varying experiences of IM.

Qualitative Interviews

Like our survey results, the findings from our qualitative interviews should not be taken as representative of the experiences and opinions of all individuals at the case study sites or, indeed, across Australia. Commentators have at times critiqued qualitative approaches to social research for this lack of generalisability (Mays and Pope 1995). Yet interview-based research is widely accepted and frequently used in the social sciences, and the contribution such research can and does make is significant.

Qualitative research techniques such as in-depth interviews are notable for their capacity to afford a rich "understanding of the social world from the perspective of the individuals being studied" (Elliott 2005: 122). Much of the existing research concerning IM has focused on ascertaining and evaluating the *quantifiabl*e impacts of IM, but in doing so it has erased the perspectives of those directly affected by the policy. Qualitative interviews were employed as a key research method in this study as a way to redress this imbalance – prioritising and amplifying the voices of those with personal experience of IM policies. This method also reflected our ethical commitment to recognising study participants as authorities on their own lives. As Marvasti (2004: 15) explains, qualitative research methods are premised on the belief that all members of society – and not only a privileged few – have valid opinions.

Through all stages of the research, established principles for conducting reliable qualitative research were also employed to maximise the study's reliability. Most notably:

- *Recruitment:* The research project was widely advertised at each interview site, and a broad range of organisations – including groups that supported, opposed and were neutral towards IM – were approached to assist in promoting the study. The research project was also featured in media stories on a variety of platforms, including local newspapers, television stations and (commercial and public) radio. These recruitment strategies sought to ensure a diverse interview sample.

- *Coding and Analysis:* Interviews were subject to inductive coding (see above) and resulting node structures were reviewed for accuracy by all members of the research team. In presenting the study findings, care was also taken to simultaneously highlight prominent *themes* in the interviews (as identified through an appraisal of node saturation), and to incorporate dissenting perspectives.

While the experiences described in our case studies will not be those of *all* people in the relevant communities, our observation of the above quality assurance principles allowed us to capture *a common experience* – or, more accurately, *several* common experiences – of IM in Australia. In concert with our survey findings, the resulting case studies offer a new perspective on IM as experienced by welfare recipients and their communities.

2. Survey Findings

The following sections report our key survey findings.

Wherever qualitative excerpts are included in the following sections, we have used an identifier that contains each respondent's unique ID, their disclosed gender, whether they identify as Indigenous or non-Indigenous, their age and, if they are on IM, which type of IM they are currently subject to (or have been subject to in the past). For example: R68-FNI42CDC is respondent #68, who is female (F), non-Indigenous (NI), 42 years of age, and on the Cashless Debit Card (CDC). Alternatively, R169-MI38BC is respondent #169, who is male (M), Indigenous (I), 38 years of age, and on the Basics Card (BC).

Where one or more of these details were not disclosed, they are excluded from the respondent ID (e.g. R8-CDC chose not to disclose their gender, age and Indigenous or non-Indigenous status). We have avoided identifying respondents in relation to the locations in which they experience IM because this may risk identifying them, particularly where they live in smaller communities.

2.1 Financial Expenditure and Management

Expenditure Patterns and Financial Challenges

A standard objective of IM in Australia has been to ensure "income support payments are spent in the best interests of children and families and help … ease immediate financial stress" (DSS 2018a). The implicit assumption is, therefore, that those on income support are experiencing financial stress, and/or make poor financial decisions, such as spending 'too much' on alcohol, recreational drugs, and gambling. We sought to test this assumption by asking: *Before you were placed on income management, were you having problems with …* We provided respondents with a series of closed-response options, which were developed to reflect the kinds of objectives typically described in IM policy discourses (e.g. paying household bills, avoiding spending too much on alcohol, etc.). Responses were collected via a four-item Likert scale, ranging from '*not at all'* to '*always'* and including an '*unsure/do not wish to answer'* option. Respondents were also given the option to provide a further comment, explaining their response (as discussed below).

The large majority of respondents (80% on average across all response options) who had been placed on IM were *not* experiencing the kinds of challenges described by many advocates of IM as being widespread amongst social security benefit recipients, with very little variance in responses and mean scores across the response options being generally low (see Figure 2 and Table 1). This aligns with findings reported elsewhere (e.g. Branley and Hermant 2014; Bray et al. 2012, 2014). Four respondents provided qualitative comments to accompany their responses, whereby two reaffirmed that they had not experienced these challenges and two identified alternative challenges experienced prior to being placed on IM (*"My child was not attending school* (R169-FI38BC), *"Difficulty paying rent and electricity because family always taken [money] (bullied) by family"* (R166-FI34BC)). The first of these responses refers to one of the social 'triggers' used in one jurisdiction to justify moving people onto IM.

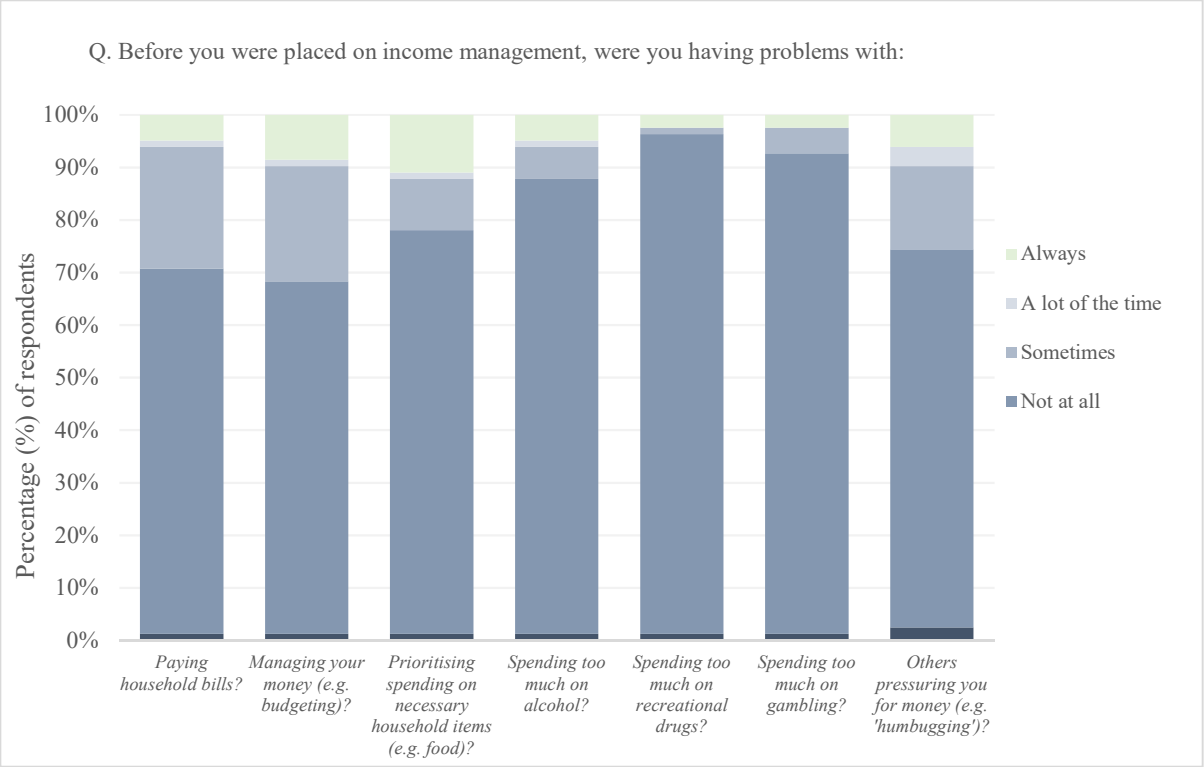


Figure 2. Challenges experienced *prior* to being placed on IM (respondents with direct experience of IM only) (*n*=82)

Table 1. Descriptive results for participant responses to question about challenges experienced prior to being placed on IM (respondents with direct experience of IM only)

Q. Before you were placed on income management, were you having problems with:	*n*	*M*	*SD*
Paying household bills?	82	1.39	.766
Managing your money (e.g. budgeting)?	82	1.49	.906
Prioritising spending on necessary household items (e.g. food)?	82	1.44	.983
Spending too much on alcohol?	82	1.22	.721
Spending too much on recreational drugs?	82	1.07	.491
Spending too much on gambling?	82	1.11	.521
Others pressuring you for money (e.g. 'humbugging')?	82	1.39	.857

Note. Based on Likert response scale where 'not at all' = 1, 'sometimes' = 2, 'a lot of the time' = 3, and 'always' = 4.

These findings support an earlier study by Bray et al. (2012: 185-186) who reported that most IM participants in the Northern Territory indicated that expenditure of social security benefits on alcohol was *not* a challenge for their household. The findings also provide tentative support for other Australian and international research, which demonstrates that welfare populations are generally not overrepresented in terms of use and reliance upon alcohol and

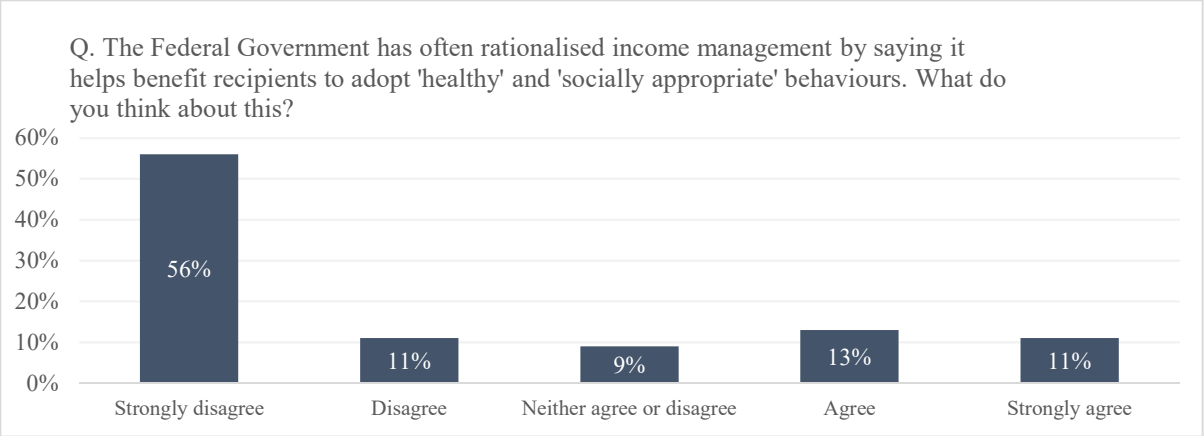
recreational drugs (e.g. Grant and Dawson 1996; Schmidt and McCarty 2000; Jayakody, Danziger and Pollack 2000; Zabkiewicz and Schmidt 2007; ABS 2017; Australian Institute of Health and Welfare 2017). Recent Australian surveys have shown, for example, that those receiving social security generally spend *less* on alcohol, as a proportion of total household expenditure, than those not receiving social security (ABS 2017). These findings also indicate that most respondents were not experiencing challenges with managing their money prior to being placed on IM – a point we discuss in greater detail later.

This is not to suggest that there are no individuals receiving social security support who experience these (or other) challenges. Of our survey respondents, there was a consistently smaller pool who indicated that they '*always'* experienced these sorts of challenges. This consisted of between two and nine respondents (between 2% and 11% of our sub-sample of IM participants), depending on the nature of the challenges experienced (see **Error! Reference source not found.**). For instance, one of these participants stated in response to a later question:

> "My personal experience being on basics card helped and supported me and my family through food, clothes which I had a really bad gambling problem and drinking" (R169-FI38BC)

These individuals tended to be located in jurisdictions where IM policy is more highly targeted so that only individuals found to be experiencing these sorts of challenges in the first place are moved onto IM (as the above excerpt indicates). However, since most other IM participants in our sample were not experiencing the sorts of challenges that IM policy is intended to alleviate, the large majority unsurprisingly also indicated that IM had not reduced any such challenges (*n*=75, 93%), while a handful suggested that IM *had* been helpful (*n*=6, 7%). This finding also supports previous studies (e.g. Bray et al. 2014; QCOSS 2019). For instance, a recent survey by QCOSS (2019) in the Hinkler Region (*N*=182) found that those experiencing benefits from IM generally represented between two and three per cent of all respondents. As Andrew Forrest, a principal architect of the CDC, is reported to have stated in 2014, these findings indicate that "You don't need to restrict drugs and alcohol to people who have no track record of having any issues with drugs and alcohol" (Forrest in Branley and Hermant 2014: n.p.).

Impact on drug and alcohol usage is proposed as one of the key means by which IM is supposed to improve overall wellbeing. Thus, given the above results, we were also interested in whether respondents agreed with the Federal Government's general rationale for the policy. We asked: *The Federal Government has often rationalised income management by saying it helps benefit recipients to adopt 'healthy' and 'socially appropriate' behaviours. What do you think about this?* We gave all respondents the option of responding to a five-item Likert response scale (*n*=170), as well as providing further explanatory comments (*n*=73). Respondents overwhelmingly disagreed with the assertion that IM could help benefit recipients adopt 'healthy' and 'socially appropriate' behaviours, with *n*=114 (67%) saying they '*strongly disagree'* or '*disagree'* (see Figure 3).



Note: This question was only directed at those who had direct experience of IM.

Figure 3. Respondents' feelings about whether IM helps benefit recipients adopt 'healthy' and 'socially appropriate' behaviours (*n*=170)

To explore whether responses to this question were significantly different between those on IM versus those not on IM, we used a Mann-Whitney U test (as our data were ordinal and abnormally distributed). The test revealed a statistically significant difference in level of endorsement of the Federal Government's rationalisation for IM policy for those with direct experience of IM ($Md = 1$, $n = 78$) versus those without direct experience of IM ($Md = 2$, $n = 92$), $U = 2287.5$, $z = -1.227$, $p = .000$, $r = .35$. This represents a medium effect size (Cohen 1988) and suggests that those without direct experience of IM are more likely to agree that IM policy can produce 'healthy' and 'socially appropriate' behaviours, while those on IM are less likely to endorse this assumption.

In subsequent open-text answers, non-IM respondents who strongly endorsed the Federal Government's assumptions also tended to repeat justifications for IM that are often found in political discourses. For example:

> "Often people that are on the dole slide into a world of relying on their 'income' … they seldom find a job that can 100% support themselves and their dependents. Their solution? Drink/smoke/drug their way through life" (R33-FNI28)

> "The benefits to the community are not only short term with healthy eating and decreased substance abuse but also impact long term health and wellbeing of the individual and their dependents reducing the burden on the community and health care system in the long term". (R47-FNI26)

In contrast, those who *disagreed* or *strongly disagreed* with this justification for IM tended to instead point to contextual factors that lead to people receiving welfare (and thus, being placed on IM). They also challenged discourses that demonised and singled out all welfare recipients as needing 'help' or 'fixing'. For instance:

> "Most of the people on welfare don't want to be on it. They've been pushed there by circumstances beyond their control. They don't need income management. The ones that do are a very small amount. The ones that do the wrong thing will continue to do so" (R62-FNI26)

Many respondents pointed out that IM had little chance of alleviating any issues that *did* exist, and that funding should instead be reinvested in support services. For example:

> "I believe education, preventative healthcare measures and harm minimization are way more cost effective and can be targeted to specific individuals who need help" (R81-FNI37)

> "Those people that require income management are not going to suddenly decide to spend their money on appropriate things for themself [sic.] and their family just because the government told them to. These people are often struggling with addiction and need support services and treatment" (R90-FNI26CDC)

This supports findings by Scott et al. (2018) that any improvements in terms of reducing alcohol or other dependencies are more likely to result from support structures and services, rather than IM alone. In this respect, respondents indicated that IM had not only failed to alleviate (largely non-existent) challenges, but it had also *caused* financial and other problems that did not previously exist. As we discuss later (in relation to stigma and shame), the experience of being placed on IM appeared to have disrupted many respondents' self-identities; where they previously saw themselves as "*strong money manager[s]"* (R190-FNI46CDC), they were now facing significant financial struggles. For instance:

> "I had no problems in the past, now I have received payment defaults, [late] … payment fees, etc. All because my banking and income was changed. I am struggling to come back from almost complete ruin." (R70-FNI29CDC)

> "I have had more financial issues being on the card then [sic.] I have when I wasn't on it." (R55-FNI30CDC)

> "It has added extra challenges and financial strain" (R67-FI26CDC)

Some found that their finances had become more difficult to manage because their direct debit payment schedules had lapsed upon being moved onto IM. This leads to fees and charges that participants were not receiving before moving onto IM, which can worsen their financial situations.

> "Also the bills I pay have always been direct debited from one account for almost ten years and I've had to redo every payment." (R67-FI26CDC)

> "Bank now overdrawn every fortnight [and] I am charged for that, everything is harder." (R102-FNI32CDC)

> "I've lost $24 to bank fees that I wasn't charged previously as I had enough money deposited into my bank account to have them waived. Due to not activating I have also lost $1105.79 to Indue" (R84-FNI35CDC)

Managing separate pools of money deposited into separate accounts, and having to negotiate non-cash payments, has also made budgeting more difficult for some respondents:

> "It in fact has made it worse, especially having my money divided into two accounts, if one doesn't have enough for a bill I have to transfer between" (R75-FNI30CDC)

> "Income management has actually made it harder to budget" (R84-MNI35CDC)

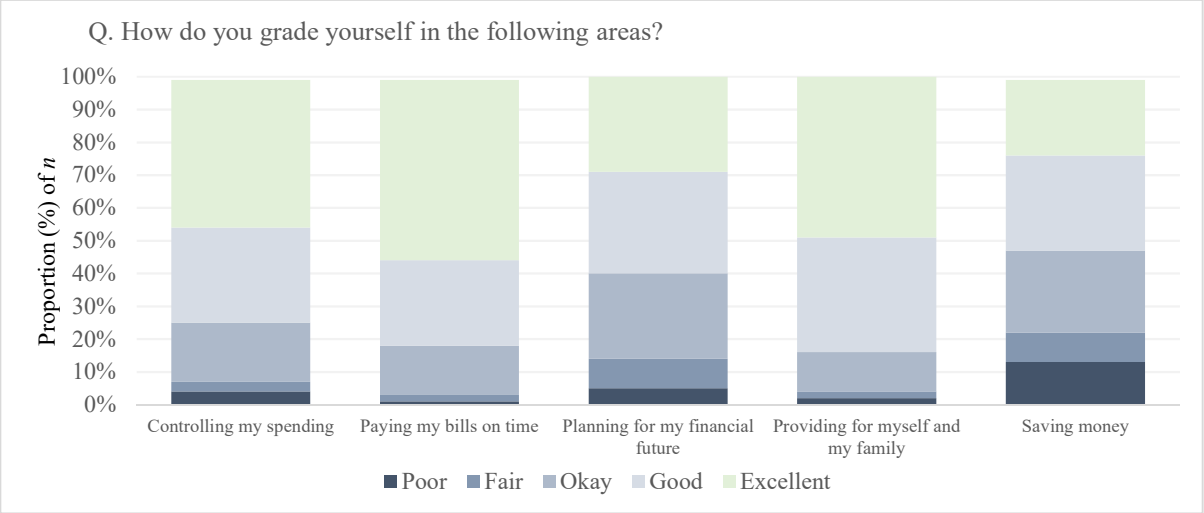
> "[I] have difficulty budgeting since being placed on it [CDC]." (R213-FNI32CDC)

As two respondents also pointed out, they now do not receive interest on their CDC balance, whereas they would have otherwise received interest if this balance was deposited into a regular bank account (R209, R100). R100 further stated that they are *"unable to use [their] Indue account for a rounding up investment app where money is invested every time you spend money*". This reduced the respondent's ability to save and invest/grow their money. Another respondent indicated that, as a result of late payments caused by Indue processing glitches, their "*credit rating is also now suffering"* (R210-FNI29CDC). Below, we turn

briefly to respondents' views about their own financial management behaviours, before discussing other general challenges caused by IM.

Financial Management Behaviour

We sought to gauge general levels of financial management behaviour for all participants (i.e. those with and without direct experience of IM) by asking them to respond to Perry and Morris' (2005) five-item Financial Management Behaviour scale (see section 1 of this report for further details about this scale and its relevance to this study). The scale achieved good internal consistency with Cronbach's α=.868 – exceeding the standard threshold of α=.800 (DeVellis 1991). This indicated that the items 'hung together' well in terms of measuring the underlying construct of interest (i.e. financial management behaviour). Most respondents indicated that they considered themselves to have '*good'* or '*excellent*' skills across most areas (70% of respondents on average across all response categories), though less so with regard to 'planning for my financial future' and 'saving money' (see Figure 4 and Table 2).



Note: The Financial Management Behaviour scale employed here is the same as that used (and published) by Perry and Morris (2005). Participants were asked to select one response on a five-item Likert response scale, ranging from 'poor' to 'excellent'.

Figure 4. Descriptive results for responses to Financial Management Behaviour scale (*n*=173)

Table 2. Descriptive results for participant responses to Financial Management Behaviour scale

Q. How do you grade yourself in the following areas?	*n*	*M*	*SD*
Controlling my spending	173	4.09	1.056
Paying my bills on time	173	4.32	.895
Planning for my financial future	173	3.69	1.139
Providing for myself and my family	173	4.27	.888
Saving money	173	3.39	1.296

Note. Based on Likert response scale where 'poor' = 1, 'fair' = 2, 'okay' = 3, 'good' = 4, and 'excellent' = 5.

To explore whether there were any statistically significant differences in the responses given by those with direct experience on IM versus those without, we undertook an independent t-test using an overall (summed) Financial Management Behaviour score as our continuous dependent variable and experience of IM as our categorical independent variable. Our data did not violate any of the standard assumptions for this test.

The results indicated that there was no statistically significant difference in Financial Management Behaviour scale scores between those on IM (n=80, M=20.05, SD=4.480) versus those not on IM (n=93, M=19.49, SD=4.167), t (171)=.884, p = .400. Thus, based on self-reported data, both those on IM and those not on IM considered themselves to be similarly strong at financial management and behaviour. This undermines a key assumption of IM policy: that those placed on IM are *poorer* money managers. As one IM respondent later explained:

> "I have been a single mum on Centrelink for almost ten years and have lived on my own with my children for most of that time. I have always budgeted well and done whatever I can to make our money stretch to meet our needs for food, etc. such as shop at Aldi, buy second hand, etc. and have never had issues budgeting and paying bills. It is one of if not my top priority when it comes to my finances." (R67-FI26CDC)

As has been argued elsewhere, and is also highlighted in qualitative responses for this study, the core challenge for those placed on IM is not *managing* money, but instead a *lack of money* overall, which is a product of generally low social security allowance payments in Australia as well as the additional complexities and restrictions of IM itself. While it is possible that the experience of *being* on IM led participants to grade themselves as stronger money managers, we consider this highly unlikely given that IM recipients' other survey responses overwhelmingly indicate that IM has hindered rather than helped with management of their financial affairs. This is further elaborated upon below.

2.2 Practical Experience of IM

In general, large proportions of respondents with direct experience of IM indicated that they had experienced a variety of challenges associated with the policy (see Figure 5). Most respondents (n=63, 80%) indicated that these challenges also spill over into other parts of their lives, having flow-on effects for their own health/wellbeing, their ability to socialise and participate in society, their ability to care for their children, and more.

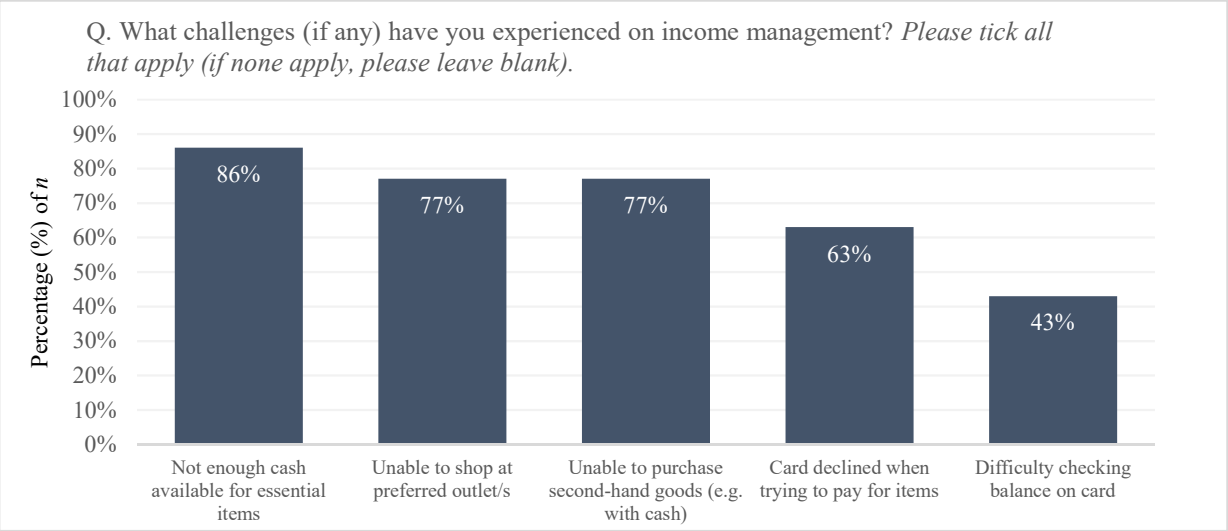


Figure 5. Proportion of those with direct experience of IM reporting challenges (*n*=79)

As illustrated in Figure 5, the most frequently cited challenge was not having enough cash to pay for essential items (*n*=68, 86%). When we asked about this challenge directly (*'Is the amount of cash available to you while on income management enough to support your needs?'* to which 82 participants responded), most (*n*=62, 76%) said '*No',* while 15 (18%) said *'Sometimes'* and five (6%) said '*Yes'.*

Difficulties Providing for Children and Families

Not having access to sufficient cash made it harder for respondents to care and provide for their children:

> "They impact what I can and can't do with my children like take them out in the community." (R6-CDC)

> "School excursions are cash only. The fair and Christmas parade activities are predominantly cash only. I have 4 children and 20% doesn't get us far." (R68-FNI29CDC)

> "My children now feel we are poor as we can no longer take them to local fun fairs etc. as a small treat." (R84-FNI35CDC)

> "Simple things like buying lunch for my children and myself, we attended a gem fair. Of which I had to borrow money for the entry because there was no EFTPOS and the canteen did not have EFTPOS either so my children had to go hungry until we got home." (R64-FNI29CDC)

This directly contradicts a core IM policy objective, which is to ensure that families can better provide for their children (Macklin 2012). As the above excerpts indicate, IM makes it *more* difficult for many families to provide for their children. IM was also cited by others as making it more difficult to contribute to and participate in important family events:

> "I was unable to attend my father's funeral in another state." (R107-FNI44CDC)

> "I haven't been able to help my Mum pay for my Dad's funeral" (R84-MNI35CDC)

> "Can't go to see my family in Perth" (R29-MNI61CDC)

Difficulties Participating in the Cash Economy

A lack of access to cash also means many individuals are unable to purchase second-hand goods, which are generally less expensive. For example:

> "It has also been negative[ly] impacting my ability to by [sic.] second hand, ESPECIALLY TEXT BOOKS FOR UNIVERSITY. As these are quite expensive brand new, if I want to buy second hand ones I need 'approval' and then a waiting period for the buyer before I can purchase, most people want the ready cash so I lose items to someone who has the availability to pay instantly." (R75-MNI30CDC, emphasis in original)

> "Not being able to buy second hand beds for my children. They slept in my bed and on the couch." (R107-FNI44CDC)

It also means some participants are unable to participate in important community activities and events:

> "My church does not accept the card, so I cannot tithe as I need 20% to pay bills." (R207-FNI22CDC)

> "I had to give up child sponsorship through World Vision Australia which I had been doing for over 20 yrs." (R84-FNI35CDC)

> "I was a lot more active in community events before this card came in … I feel like it disconnects you from the community." (R210-FNI29CDC)

> "I used to meet my friend at the markets and we would have coffee, but I don't do that anymore because I am never sure if the card will be accepted or if there is EFTPOS at all. So I miss out on being with my friends because of this stupid card. And all for what? What benefit do I get from it when I am already working as hard as I can at my studies?" (R182-FNI23CDC)

Rather than promoting social inclusion, the policy therefore hinders it.

Difficulties Paying Rent and Other Bills

Many experienced particular challenges in paying their rent (including rent to private landlords) and other bills because of glitches with processing payments – particularly via the CDC. These circumstances are beyond the users' control, but have implications for management of their finances, their financial track records, and security of housing. For example:

> "Made it harder to pay mortgage, rent and other expenses." (R72-FNI26CDC)

> "Can no longer pay rent myself have had to BEG friends for help." (R56-FNI34CDC, emphasis in original)

> "[I am] having issues being able to pay my rent and then having it paid late resulting in a breach." (R67-FI26CDC)

> "It has made it worse. My rent is a nightmare now." (R138-FNI33CDC)

> "It's made paying my bills harder if anything." (R91-FI31CDC)

Some respondents indicated that they have to dip into the cash proportion of their income to ensure bills were paid, thereby further limiting the availability of discretionary cash.

> "I now struggle to make ends meet … half the time Indue don't pay bills and loans on time and have to use the 100 bucks cash a fortnight" (R103-MNI35CDC)

These accounts relate to previous findings about the impacts that IM has on participants' abilities to meet their everyday needs. For instance, Coddington (2018: 534) stated that "Cashless technologies exacerbate issues with subsistence; simply obtaining food and necessary living supplies becomes more difficult without access to cash." While many of the challenges posed by IM related to practical matters, such as payment of bills and ability to purchase essential items, there was also an overriding theme across participants' responses that IM had significant implications for mental health and wellbeing, as the following section illustrates.

2.3 Socio-Emotional Impacts of IM

Mental Health and Wellbeing

A common theme that was woven throughout our survey data was that many IM participants had experienced significant decline in their mental health and wellbeing as a result of the challenges they faced navigating their lives on the cards. For instance:

> "I'm embarrassed to leave the house. My mental health has taken a steep decline." (R59-FNI21CDC)
>
> "It is not helping my mental health I can't take my kids out much anymore" (R138-FNI33CDC)
>
> "Decline in mental health of myself AND my children" (R134-FNI32CDC, emphasis in original)

For many, this included feelings of extreme mental exhaustion, depression and anxiety.

> "It is really stressful I fear being homeless, it has been a big part in putting me on depression medication … I no longer have control of my money" (R63-FNI60CDC)
>
> "Feelings of suicide and wanting to be counterproductive in society rather than supporting it." (R206-M32CDC)
>
> "I feel exhausted all of the time just trying to manage my life on this card" (R190-MNI46CDC)
>
> "I suffer with stress since been [sic.] on this card. I have been disabled for 25 years" (R94-FNI55CDC)

Some reported that this had a "ripple effect", with implications not just for themselves but also for their families and friends.

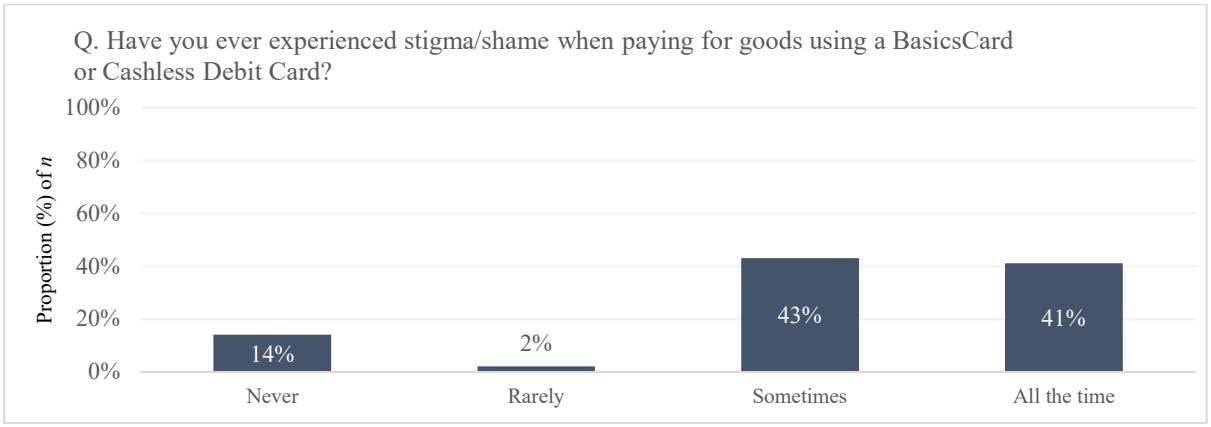
> "It's a ripple effect felt right through the family, of disadvantage and humiliation and control" (R133-MNI46CDC)
>
> "Lots of family stress" (R92-MNI28CDC)
>
> "So much stress caused by this card that relationships with friend and family become strained just because I am always anxious. It is really bad and friends have told me I am way more stressed now." (R185-FNI50CDC)

For many, the general stress and anxiety they experienced was directly related to feelings of stigma and shame that they associated with being on IM. We further explore this below.

Stigma and Shame

Many previous studies have drawn attention to the potential stigma associated with IM (e.g. Deloitte Access Economics 2014; Vincent 2019; DSS 2014), and experiences of stigmatisation and shame were also a strong theme in our interview findings. For our survey, we explored this aspect of IM in general terms by first asking respondents with direct experience of IM an open-ended question: *How do you think those in your local area feel about people who are on income management?* We intentionally avoided referring to stigma and/or shame in this question so as not to prime our respondents' answers. Nevertheless, of the 81 open-text responses received in relation to this question, the overwhelming majority (*n*=67, 83%) indicated that those in their local area viewed those on IM negatively. (We discuss these responses far below.) A very small number (*n*=4, 5%) indicated that they thought those in their local area should feel positive ("*They should feel good"* (R143-FIBC); *"Very good"* (R147-FI42CDC); *"It is very good to save"* (RD150-MI37BC)).

We also followed up with a closed question specifically referring to experiences of stigma and shame: *Have you ever experienced stigma/shame when paying for goods using a BasicsCard or Cashless Debit Card.* We asked participants to respond on a four-item Likert response scale ('*never', 'rarely', 'sometimes', 'all the time'*). The large majority of respondents (*n*=68, 84%) confirmed that they had felt stigma/shame either *sometimes* or *all the time* when paying for goods using a BasicsCard or CDC (see Figure 6).



Note: This question was only directed at those who had direct experience of IM.

Figure 6. Feelings of stigma/shame when using IM cards to pay for goods (*n*=81)

For many, these feelings of stigma and shame were acute and described in powerful terms:

> "Degraded and dehumanizing and have no control over my life or financial affairs [and] have had people stare and make sly comments … so humiliated" (R211-52BC)

> "Like we are bludgers and don't deserve anything better but to be treated like children." (R175-FNI34CDC)

Respondents often explained that these feelings were attached to tangible experiences of community members' visual reactions to the cards. For example:

> "Post office lady in [name of town] put me through such shame doing it [the transaction] in front of customers … and if that wasn't enough she then told the CEO so the whole community found out and the shire workers laughed." (R29-MNI61CDC)

> "Customers behind me rolled their eyes when I pulled the card out at Woolworths and started talking about tax dollars going to waste." (R111-FNI32CDC)

> "When paying my site fees I was asked if I was a gambler, [and] at my local IGA [grocery store] I was asked why I was on the card." (R104-FNI59CDC)

> "Dirty looks, snide remarks, and god forbid the card declines, verbal abuse at times." (R70-FNI29CDC)

> "[I was] called a hopeless person" (R91-FI31CDC)

One respondent recounted being told by their landlord, "*thought you were better than this*" (R58). Another respondent indicated a range of occasions where they, after fleeing a domestic violence relationship, had felt stigmatised and isolated by their community:

> "When my card declined despite there being more than sufficient funds. When my children had to sit and watch all the other kids going on cash only rides and activities at the community festival. When people on social media bully me for being on income management and having 4 kids, they accuse me of being a drug addict, bad parent, making poor choices in life, being lazy, wasting their 'tax payer money', telling me I should stop breeding and get a job, I am a poor example for my children, I should have stayed in a DV [domestic violence] relationship, the list goes on." (R134-FNI32CDC)

There were frequent references to respondents feeling like they were misrepresented as drug users, alcoholics and potential criminals, which aligns with policy discourses concerning IM. For example:

> "We are all junkies, alcoholics, gamblers and dole bludgers." (R201-FNI62CDC)

> "Had an elderly man comment to his wife 'this is the card they put you on if you spend your money on drugs and alcohol instead of feeding your children.' I felt sooooo HUMILIATED! HORRIBLE feeling! Suffer from depression and this makes it a lot worse." (R92-MNI28CDC, emphasis in original)

> "They think that 'anyone with the card are drug addicts and should be greatful [*sic*.] to be getting a hand out'" (R210-FNI29CDC)

In some cases, participants indicated their confusion in grappling with the contradictions between how they were portrayed (and perceived by local community members) in deficit terms, versus how they perceived themselves. For instance:

> "I feel like I am less of a person. Instantly people think I'm a dole bludger, alcoholic, druggy and the list goes on. Little do they know I never seen myself becoming a single mother to two young children, but I am trying my hardest through university to obtain a degree so I can get off welfare and support my family as a one income family, something only a degree will help me achieve." (R75-FNI30CDC)

> "I raised two beautiful girls as a widow but now I am told I cannot manage my money." (R201-FNI62CDC)

> "When they see the card they think I am useless and should get off my bum … but I am working hard at my studies" (R182-FNI23CDC)

> "I have worked and contributed to society and none of that matters now because I am just reduced to a card. I am just a card and that's all that matters. Just awful." (R185-FNI50CDC)

There is long-standing agreement in the sociological literature that other peoples' perceptions of us deeply influence our perceptions of ourselves (Cooley 1902; Goffman 1963; Link and Phelan 2001). In a similar vein, the above respondents display evidence of a disjuncture and shift between self and external perceptions. These (and other) respondents' understandings of how their local communities perceived them appear to have fractured their own perceptions of themselves, triggering deeply emotional responses (*"I feel like I am less of a person"* (R75-FNI30CDC); *"Just awful"* (R185-FNI50CDC); *"it causes me anxiety*" (R64-FNI29CDC)).

Experiences of stigma and associated shame resulted in participants adopting a range of coping mechanisms, including actively trying to hide or camouflage IM cards so as to avoid attracting negative attention from others. For example:

> "I painted my card the day I got it so I wouldn't be shamed" (R210-FNI29CDC)

> "I transfer most of the money out of the card for my rent and use most of what is left on bills, I refuse to use the card for groceries." (R207-FNI22CDC)

> "I refuse to go out during peak hours. Unless I have cash I avoid shopping as much as I can." (R59-FNI21CDC)

Some respondents pointed out that peoples' views "*Depends on their understanding"* (R69-FNI23CDC). Similarly R180-MI38BC responded, *"Depends, because some don't know what it is. Others who do know tend to treat you a bit differently".* As R63- FNI60CDC also indicated, living in an area where awareness of IM is low means that stigma is generally lessened, but this can change when people have a better understanding of the policy.

> "Because I no longer live in the town that was forced to have this card, mostly no one has even herd [sic.] of it here so when I try to explain they still think I must of done something wrong to be on a card like that as the government wouldn't restrict your money for nothing." (R63-FNI60CDC)

This aligns with previous studies, which have also found that context can govern responses to IM. For instance, Vincent (2019: 9) reported that in Yalata – a small Aboriginal community outside of Ceduna – IM participants generally reported that there was no shame involved in being on IM because "Because the CDC was issued to so many fellow relatives and community members". One research participant from Yalata (in Vincent 2019: 9) stated, "Just usual, I suppose. Like the Medicare card and everybody uses that". Alternatively, in Ceduna, "the issue was quite different" and many people felt ashamed, stigmatised and targeted as a result of being placed on the CDC (Vincent 2019). This also relates to Dalley's (In press) ethnographic study of IM in Wyndham (East Kimberley Region), whereby it was considered by Aboriginal residents as simply another "quotidian form of surveillance, weaponised as a small grey card" – something that had been enmeshed into everyday life ("Tucked into shirt pockets, under bra straps, carried around in purses and wallets") (Dalley In press: 4) and dealt with as part of a broader "labour of endurance" that involves negotiating and mediating a myriad of imposed government services and policies. In areas where fewer people were on IM, fractures, tensions and associated stigmas were felt more palpably. For instance:

> "[IM has] made the working class turn on vulnerable people like us and hate us for simply existing." (R84-FNI35CDC)

> "All it can do is shame us and just another thing thought up by white men to shame us." (R184-MI54BC)

Some also pointed to fissures created *amongst* IM participants, whereby some were seen as 'deserving' of being on IM and others were not:

> "Unfair on the ones who haven't done wrong but are looked upon as they have (minority stuffs it up for the majority). [We are] Segregated, put into a category." (R72-FNI26CDC)

> "it's not fair that I should be lumped in with other people who don't work hard and take the money for granted" (R182-FNI23CDC)

R96 similarly lamented being "*put into one category*", rather than being differentiated from other social security recipients who may be struggling with these (or other) challenges. This aligns with previous findings reported by Peterie and Marston (2019) that the CDC in particular had the effect of "*undermining* class solidarity and thus pre-emptively thwarting collective resistance" (emphasis in original). This is associated with a general sense of hopelessness, which some respondents in this study also expressed as a result of being placed on IM:

> "Feelings of unworthiness and feeling as though I am not in control of my life." (R127-MNI46CDC)

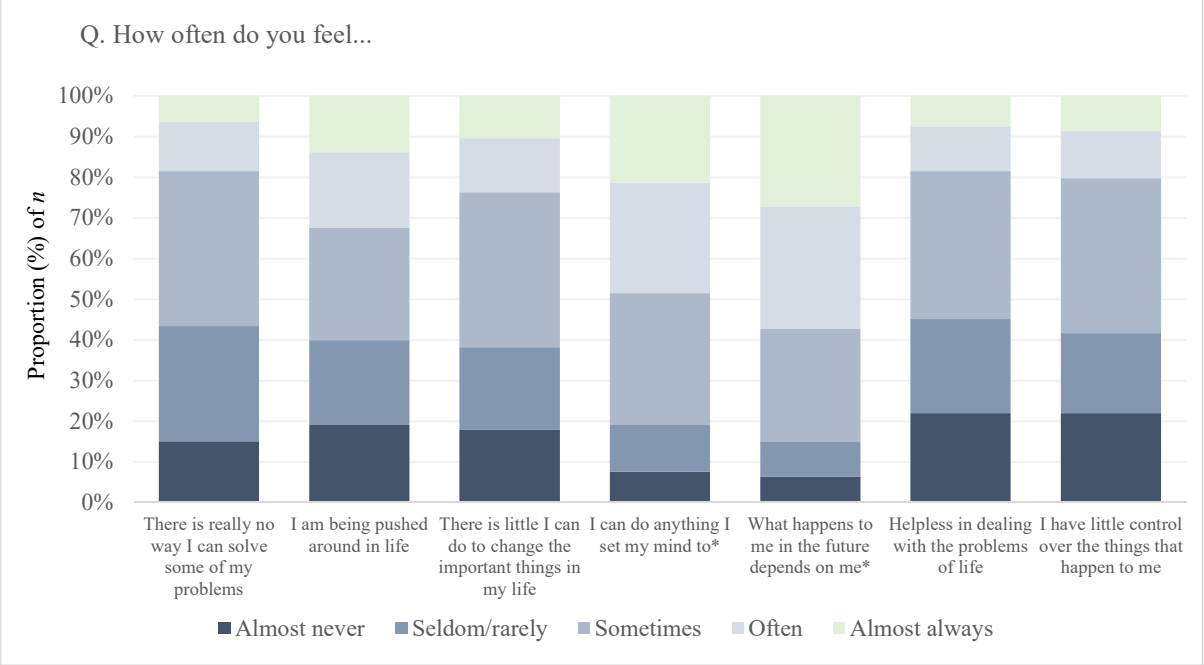
Another respondent also likened being on IM to being in a former domestic violence relationship: *"Someone in an office who doesn't know me is in charge of my financial existence. Same abuse as my former marriage."* (R127-MNI46CDC). This taps into broader welfare reform discourses about the perceived importance of promoting individual responsibility as a core means of ending so-called 'welfare dependency'. In order to further explore this concept, our survey examined the associated concept of 'locus of control'.

2.4 Locus of Control

Locus of control has been a key construct of interest in a number of areas of research, including economics research (Cobb-Clark and Schurer 2013). While those with a strong internal locus of control will perceive events and outcomes as being within their control,

those with a strong external locus of control will perceive events and outcomes as being the result of chance or intervention by others (Rotter 1966).

To measure locus of control for this study, we used a shortened seven-item version of Rotter's Internality-Externality scale, which demonstrated good internal consistency reliability (reported as Cronbach's α=0.87, where *N*=11,862) in a study by Perry and Morris (2005) (see section 1 of this report for further details about this scale and its relevance to this study). In this study, the locus of control scale also demonstrated strong internal reliability (Cronbach's α=.900) – exceeding the standard threshold of α=.800 (DeVellis 1991). This indicated that the scale items 'hung together' well in terms of measuring the underlying construct of interest (i.e. locus of control). The descriptive results for the scale responses are illustrated in Figure 7 and Table 3. They showed that most respondents generally graded themselves around the mid-point '*sometimes',* with generally little variance in responses overall.



*Note: This question is based on a shortened version of Rotter's Internality-Externality Scale, used by Perry and Morris (2005). *These scale items are negatively worded and thus, their scores reversed prior to analysis.*

Figure 7. Descriptive results for responses to locus of control scale (*n*=173)

Table 3. Descriptive results for responses to locus of control scale items

Q. How often do you feel …	*n*	*M*	*SD*
There is really no way I can solve some of my problems	173	2.66	1.074
I am being pushed around in life	173	2.87	1.306
There is little I can do to change the important things in my life	173	2.78	1.195
I can do anything I set my mind to*	173	2.57	1.168
What happens to me in the future depends on me*	173	2.37	1.157

Helpless in dealing with the problems of life	173	2.59	1.166
I have little control over the things that happen to me	173	2.65	1.194

*Note. Based on Likert response scale where 'almost never' = 1, 'seldom/rarely' = 2, 'sometimes' = 3, 'often' = 4, and 'almost always' = 5. *These scale items are negatively worded and thus, their scores reversed prior to analysis.*

We were interested in exploring whether there was any statistically significant difference in the responses given by those with direct experience on IM (including those on IM currently and those who had been on IM in the past) versus those without. Thus, a one-way between-groups analysis of variance (ANOVA) was conducted to explore these differences, using the locus of control total (summed) continuous scale score as our dependent variable and experience of IM as our categorical independent variable (with participants divided into three groups: those currently on IM, those on IM in the past, and those never on IM). Our data did not violate any of the standard assumptions for this test.

There was a statistically significant difference in locus of control scores for the three groups: F (2, 170) = 22.942, p = .000. The effect size, calculated using eta squared, was .21, indicating that the actual difference in mean scores between the groups was large (Cohen 1988). Post-hoc comparisons using the Tukey HSD test showed that the mean score for group 3 (those never on IM) (M=18.50, SD=6.540) was significantly different from group 1 (those currently on IM) (M=21.67, SD=6.201) and group 2 (those on IM in the past) (M=21.95, SD=5.431). Those who had never experienced IM had a statistically significantly stronger internal locus of control, when compared with the more external locus of control reported by those with experience of IM (either currently or in the past).

While this was an interesting result, it does not indicate causality. It is possible that locus of control is predominantly endogenous (Cobb-Clark and Schurer 2013), or related to simply being on social security (Li-Ping Tang and Smith-Brandon 2001). Thus, we wanted to be able to discern, to some extent, between locus of control as a pre-existing or endogenous trait versus something that might be attributed to a significant life event, such as being placed on IM. To do so, we also asked those participants who had direct experience of IM: *Has the experience of being on income management made you feel like you have more or less control over your life?* Though this approach still has limitations, it nevertheless helped us to tease out the extent to which IM (as opposed to some other factor) might be associated with respondents' self-reported locus of control.

Responses are illustrated in Figure 8 and indicated that the majority of participants believed that IM had resulted in their feeling like they had either *far less control* or *less control* over their lives (n=68, 84%). In combination with the above ANOVA results, we suggest that this provides tentative support for the conclusion that IM is associated with a decrease in participants' internal locus of control.

The limitations described earlier (see section 1 of this report) should be kept in mind when interpreting these results. Further research would be required, for example, to determine whether or not the significantly lower internal locus of control reported by IM participants here would have also been reported by other individuals receiving social security benefits, but not exposed to IM (Li-Ping Tang and Smith-Brandon 2001). For instance, those who had experienced IM in the past, but who were no longer on IM, also reported significantly lower locus of control than those never exposed to IM.

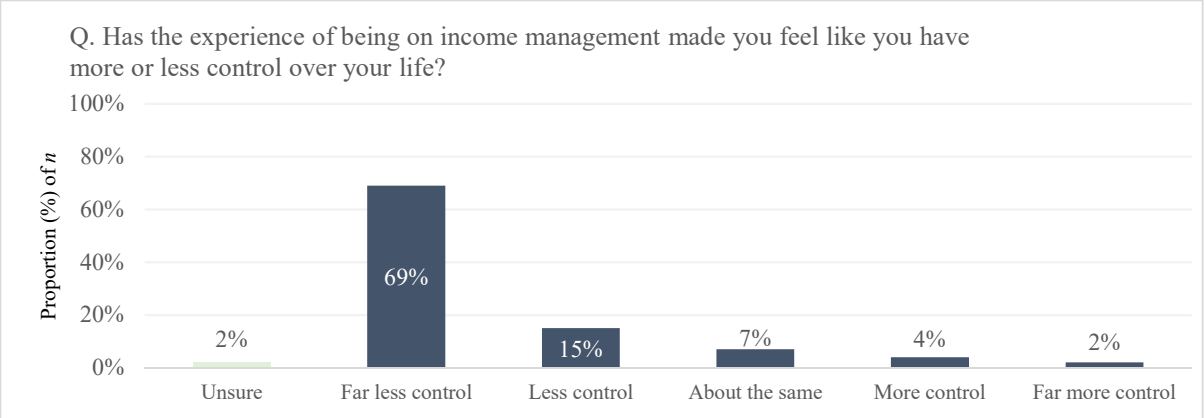


Figure 8. Respondents' feelings of control over their lives (those with direct experience of IM only) (*n*=81)

Though these findings are tentative, their implications are important for IM policy. They contradict discourses that situate IM as a means of *increasing* individual responsibility versus so-called 'dependency' on the welfare state. For instance, a lower internal locus of control has been found in other research to make transitions from welfare to work more difficult, and can also have other negative impacts.

Caliendo et al. (2015) found that, for unemployed persons, stronger internal locus of control is associated with high intensity job-search behaviour, more job offers overall, and a higher starting wage. Schnitzlein and Stephani (2016) also found that individuals with strong internal locus of control are more likely to avoid low-paid jobs, and are also more likely to move into higher-paid jobs over time. In relation to other outcomes, others have found that stronger internal locus of control is positively associated with financial wellbeing (Prawitza and Cohartb 2016), better educational outcomes (Barón and Cobb-Clark 2010), better health (Ryon and Gleason 2013) and less stress (Lefcourt, Martin and Saleh 1984; Sandler and Lakey 1982). It is likely that these other outcomes also have a cumulative influence on employment status.

The fact that IM is associated with lower internal locus of control, and that the majority of IM participants indicated that IM played a role in reducing their sense of control over their lives, indicates that it may *undermine* rather than support the stated policy objectives of creating more autonomous, independent individuals who will be more likely to transition into employment. Some of our respondents made similar points in response to earlier parts of our survey, questioning the link between IM and preparedness for employment. For example:

> "How is belittling someone and degrading them help[ing] them get a job. I have absolutely no self esteem" (R103-MNI35CDC)

Other research on IM has also questioned the approach of targeting individuals rather than considering structural factors that cause long-term unemployment (e.g. Dee 2013). As one of our respondents stated:

> "You can't hassle people into employment when there is no job to be had." (R190-MNI46CDC)

Others have also drawn attention to the role of institutional racism in excluding Aboriginal workers from the job market. For instance, a member of the Koonibba Aboriginal Community Council (in Wahlquist 2016: n.p.) noted that this issue was largely ignored in IM policy:

> "Everybody that I encounter that sees this card looks you up and down, and their eyes say, 'You can't get a job' … But if you walk into local hotels, for example, they're all backpackers who are working there. They're the people who get employed and then make their money and off they go. But where are the jobs for Aboriginal people?"

While many respondents indicated that IM had reduced their feelings of control over their lives, others explained that they were engaged in various forms of resistance, which in some cases helped them to reassert some semblance of control and a sense of dignity. We turn to these below.

2.5 Resisting IM

Our respondents tended to resist IM in two main ways: by seeking exemptions through formal channels, and/or by finding 'loopholes' and strategies to circumvent the policy.

Seeking Exemption from IM

There are different exemption/exit processes in place for people on the BasicsCard and people on the Cashless Debit Card.

In terms of the BasicsCard, those defined as 'disengaged youth' or 'long-term' welfare recipients' can apply to obtain an exemption under Subdivision BB of the *Social Security (Administration) Act 1999* (Cth) (SSA Act). Those who are on the vulnerable income management measure can only apply to have their circumstances reconsidered and the determination of vulnerable status varied or revoked under section 123UGA(8) of the SSA Act. There is no legal right to an exemption for people on the BasicsCard, just an opportunity to make these applications. As Bray and colleagues noted in their 2014 IM report (98-99), this exemption system presents particular challenges for Indigenous cardholders, including language barriers.

The CDC has exemption procedures in place for those who fit the legislative criteria set out under sections 124PHA and 124PHB of the SSA Act, and these give the government much discretion as to whether someone can exit the CDC. Under section 124PHA(1) the government may facilitate exit from the CDC where satisfied that there is 'a serious risk to the person's mental, physical or emotional wellbeing.' There is no definition of 'a serious risk' under the legislation. As of 31 January 2020, CDC exemption data indicates that there has been a total of 242 wellbeing exemptions sought, with 173 of these approved (DSS 2020b). Under section 124PHB(3) the government may facilitate exit from the CDC where satisfied that 'the person can demonstrate reasonable and responsible management of the person's affairs (including financial affairs)', considering the following factors: 'the interest of any children for whom the person is responsible'; 'whether the person was convicted of an offence against a law … or was serving a sentence of imprisonment for such an offence, at any time in the last 12 months'; 'risks of homelessness'; 'the health and safety of the person and the community'; 'the responsibilities and circumstances of the person'; and 'the person's engagement in the community, including the person's employment or efforts to obtain work'. As of 31 January 2020, CDC exemption data indicates that there has been a total of 718 responsibility/reasonable management based exemptions sought, with none of these approved (DSS 2020b).

Again there is no legal right to an exemption with the CDC, just the opportunity to apply to be exempt from the scheme (and the opportunity, discussed further down in the report, for people in some locations to apply to a Community Panel to reduce the restricted portion of their payment to the CDC). To be considered for exemption/exit from the CDC, participants

must apply directly to the DSS by completing and submitting an exit application form and supporting information sheet (DSS 2019e).[5] There are internal review processes in place within the Department of Social Services for applicants who are dissatisfied with the outcomes of their applications, and external review processes.

A total of 26 (32%) IM respondents indicated that they had used the exemption, review and appeal procedures to try and exit income management, or reduce the amount of money that is quarantined, while the remaining 56 (68%) said they had not. Of those who had used the procedures, most (*n*=14, 54%) had made one application, nine (35%) had made two, and three (12%) had made three applications in total. Twenty-five (96%) had tried to get off IM and 3 (12%) had tried to have their IM amount reduced (these categories are not mutually exclusive; some respondents had tried to do both). Nevertheless, most applications were either undecided (*n*=11, 42%) or unsuccessful (*n*=9, 35%). Only two (8%) applications had a successful outcome, while a further four respondents (15%) were unsure of the outcome of their application. Some respondents described significant delays in receiving a response to their application to get off IM:

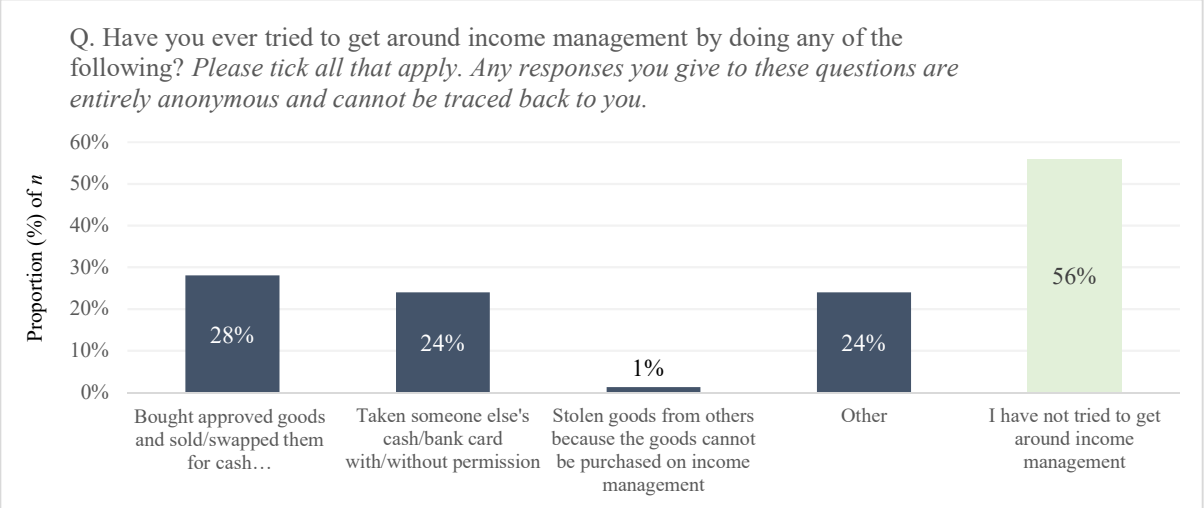
> "4 months and no response, despite threatening to kill myself" (R206-M32CDC).

> "Applied over the phone on July 1st then told months later that I had to fill out a form so I did that and sent it via email on Sept 13 but have still not heard from anyone." (R84-FNI35CDC)

The latter respondent provided this answer in early November – about four months after their initial inquiry, and two months after they report submitting their application form. While being left in limbo was difficult for these respondents, others avoided the formal exemption process and instead found other ways of circumventing IM.

Circumventing IM

The issue of circumventing IM has been raised in numerous previous studies, which have found that those placed on IM can find ways to circumvent the policy where needed (e.g. Bray et al. 2012, 88; Bray et al. 2014). Our survey supports this, with 44% of respondents on IM indicating that they had tried to circumvent IM at some point. This included a range of strategies (see Figure 9).



[5] Application form available at: https://www.dss.gov.au/sites/default/files/documents/09_2019/exit-application-form.pdf

Note: This question was only directed at those who had direct experience of IM.

Figure 9. Methods of circumventing IM (*n*=79)

Nineteen (24%) respondents also chose to provide a further comment, explaining the details of how they had used the strategies outlined in Figure 9 to get around IM. As one respondent noted, "*lots of times I am doing this and this is why the card do not help [sic.] lots of people. Because it is easy to get around if u [sic.] want too [sic.]"* (R187-MI33BC). Earlier, the same respondent noted that IM would not help most drinkers because *"they can also get drink from other places"* (R187-MI33BC). Another respondent stated, "*there are multiple work arounds"* (R206-M32CDC) while R209-MNI22CDC stated, "*There's a loophole that, through an effect I shan't describe lest it be patched, cash can be withdrawn from the card in an unauthorised manner."* Later survey responses also indicated that the various loopholes in IM also meant that those few people experiencing drug dependency would simply circumvent the policy:

> "Those with REAL drinking problems and drink way too much and do violence and stuff probably aren't sticking on the card anyway. They are still getting grog by other means. If it's voluntary then people WANT help so they can sign up and ask to be put on it … People have to want the help because otherwise they will just find a work around. And we see that a lot." (R183-MNI58)

> "They can also get drink from other places and get around the cards." (R187-MI33BC)

> "If people want to get around it they will." (R171-MI29BC)

While finding a way to circumvent IM had made R129- MI43CDC feel like they had gained back some control over their finances, this was lost when the loophole they had previously used was closed:

> "For a time I could use my travel visa and transfer the entire Indue account balance via bpay … but one day, Indue decides to place the travel cards on the banned list … that screwed that up for me … at the push of a button, and the semblance of self reliance was gone once more." (R129-MI43CDC)

2.6 Overall Attitude Towards IM

Overall, 87% (*n*=71) of survey respondents on IM did not see any benefits in the scheme, while only 13% (*n*=11) thought there were some advantages. To gauge all respondents' feelings about the future of IM in their local areas, we also asked:

- Overall, do you support the continuation of income management in your local area in its current form?

- Overall, would you support the continuation of income management in your local area in a voluntary-only form?

Respondents were provided with a three-item response scale: '*no', 'undecided', 'yes'*. Their responses indicated that support for a voluntary form of IM was far stronger than support for IM in its current compulsory form (see Figure 10 and Figure 11).

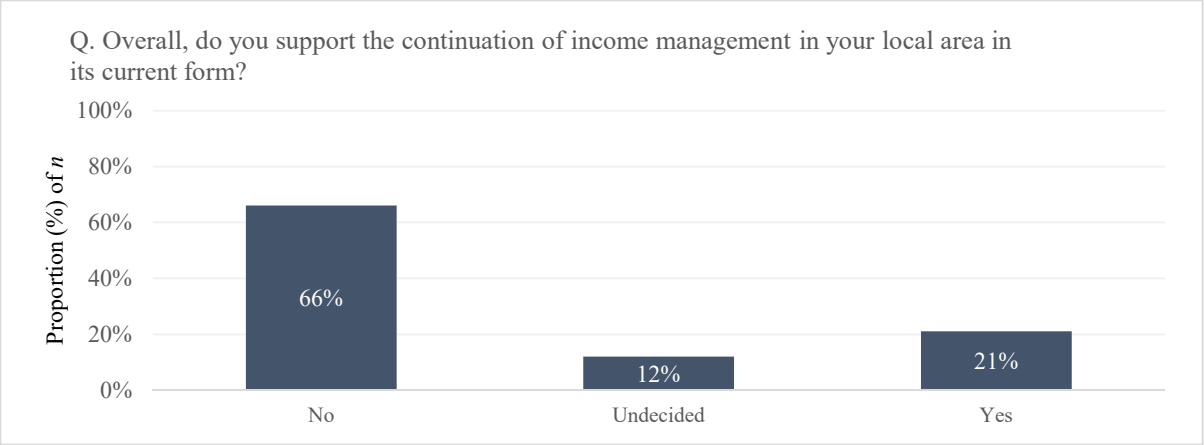


Figure 10. Level of support for the continuation of IM in its current form (*n*=170)

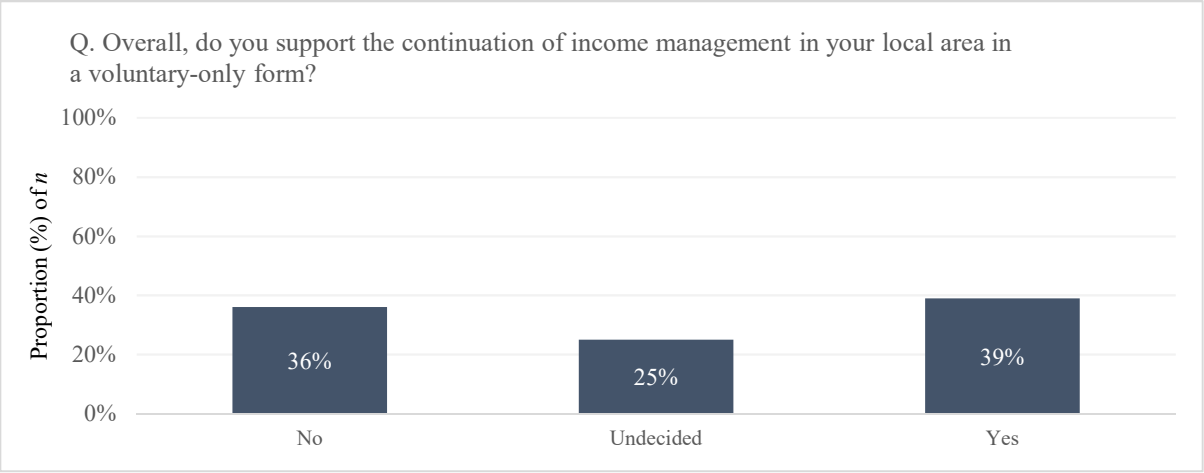


Figure 11. Level of support for the continuation of IM in a voluntary-only form (*n*=170)

To explore whether there were statistically significant differences in the responses given by those on IM versus those not on IM, we undertook two Mann-Whitney U tests (as our data were ordinal and abnormally distributed). The first test revealed a statistically significant difference in endorsement of IM in its current form between those with direct experience of IM ($Md = 1$, $n = 78$) versus those without direct experience of IM ($Md = 2$, $n = 92$), $U = 2206$, $z = -5.184$, $p = .000$, $r = .40$. This was a medium effect size (Cohen 1988) and indicated that those without direct experience of IM were more likely to endorse the continuation of IM in its current form.

The second test showed no statistically significant difference in endorsement of IM in a *voluntary* form between those with direct experience of IM ($Md = 2$, $n = 78$) versus those without direct experience of IM ($Md = 2$, $n = 92$), $U = 3584$, $z = -.013$, $p = .989$. This indicated that the level of endorsement for the continuation of IM in a voluntary form was relatively similar between those with and without direct experience of IM.

Overall, those on IM and those not on IM tended to have very different feelings about the continuation of IM policy in its current form, but their feelings about the continuation of IM policy in a voluntary form tended to be more similar. This suggests that continuation of a voluntary-only IM policy would be less polarising and problematic than current compulsory

IM policies. IM policy on a voluntary basis would, for instance, enable the minority of participants who experience the kinds of challenges that underpin the policy logic (e.g. spending a high proportion of income on alcohol) to seek support and help.

It is also important to recognise that how the card is experienced may vary from one place to another, as there are many factors that can impact people's experience on income support more generally, such as local labour market conditions, costs of living and sense of community. The next section of the report presents a summary of the case study sites to highlight the differences and similarities between the IM trial sites that were studied as part of this project.

3. Case Study A: The BasicsCard in Playford

3.1 Playford

The City of Playford is located in South Australia, northern metropolitan Adelaide (see Figure 12). The City derives its name from former South Australian Premier (1938–1965) Sir Thomas Playford, and covers a total area of 345km^2 (South Australian Government Data Directory 2019).

The Playford IM site encompasses the smaller suburbs of Virginia, Blakeview and Elizabeth, and in 2016 the Playford Local Government Area had an overall population of 89,372 (50% male and 50% female) (ABS 2016). About 3.5% of this population identifies as Aboriginal and/or Torres Strait Islander – slightly higher than for the State of South Australia (at 2%) and Australia (at 3.3%) (ABS 2018).

Source. Google Maps.

Figure 12. Map of Playford, South Australia

The median age of the Playford population is 32 years – below the median age for the State (at 40 years) and Australia (at 38 years) (ABS 2016).

Of those Playford residents 15+ years of age and in the labour force in 2016, 51.7% were employed full-time, 30.3% were employed part-time, 5.2% were away from work and 12.8% were unemployed (ABS 2016). Playford's unemployment rate is higher than South Australia (7.5%) and Australia (6.9%) (ABS 2016). Labour force participation was 54.4% in 2016 – lower than for the State (58.3%) and Australia (60.3%) at that time (ABS 2016).

In 2016, the most common occupations for employed people aged 15+ years were labourers (15.9%), technicians and trades workers (15.2%), community and personal service workers (13.8%), clerical and administrative workers (12.4%), machinery operators and drivers (11.3%), sales workers (10.9%), professionals (9.8%) and managers (8.9%) (ABS 2016). Top industries of employment were supermarket and grocery stores (4.4%), aged care residential services (3.7%), road freight transport (3.0%), hospitals (2.9%) and takeaway food services (2.6%) (ABS 2016). Median weekly personal income in Playford was $498 in 2016 – lower than for South Australia ($600) and Australia ($662) (ABS 2016).

In June 2018, Playford had a Socio-Economic Indexes for Areas (SEIFA) ranking of 38 for Relative Socio-Economic Disadvantage, which placed it among the most disadvantaged communities in Australia. Key social problems included limited affordable housing, low educational attainment, significant drug and alcohol abuse, and high receipt of income support (ABS 2018; ABS 2019; Docherty 2019; Penberthy 2019).

3.2 Playford Policy Justifications and Introduction

The BasicsCard was introduced to Playford in July 2012 after the City was chosen as one of five locations across Australia (also including Bankstown, Greater Shepparton, Rockhampton and Logan) to have IM extended under a Place Based Income Management measure (Macklin 2012). The Labor Government had announced the planned introduction of IM to these areas in 2011 without engaging in any 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 numbers of young people on income support. According to Labor, these areas were consequently "going to have the opportunity of income management" (Macklin 2011).

Further government statements referred to a number of statistical indicators of disadvantage, which purportedly warranted the policy's introduction (Australian Government 2012b; Macklin 2012). IM was described as a "tool to stabilise people's circumstances and ease immediate financial stress" (Macklin 2012: n.p.). When IM was introduced in 2012, 28.3% of the working-age population were reported to be on income support (Deloitte Access Economics 2014: 15).

The justification for introducing IM into these areas was to "help vulnerable families" and, in particular, to assist "families ensure their welfare payments are spent in the best interests of children … [and that] money is available for life essentials" (Macklin 2012: n.p.) Support services were also introduced as part of the Place Based Income Management trials, including budget planning and money management programmes and information (Macklin 2012). 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 2018).

The absence of consultation in Playford provoked considerable debate and resistance from opponents of IM represented in the SIMPla (Stop Income Management in Playford) group consisting of students and income security recipients including some IM participants (Brooks 2014). SIMPla employed a number of strategies to oppose IM including media releases and protest rallies (ABC 2014), an open letter to the Australian Government signed by 50 non-government organisations demanding the suspension of IM programs, and publicising the negative experiences of individual IM participants (Forgione, 2014; 2015). One of their media releases argued that "IM should be scrapped, with funds redirected towards community services that build individual capacity rather than punishing those needing extra support. Welfare services need extra income to deal with rising cost of living pressures, not control of their money taken off them" (SIMPla 2014).

Contrary to general claims about the potential for IM to alleviate alcohol or drug dependency challenges, Branley and Hermant (2014: n.p.) reported that:

> "Addiction experts in Playford … said they know of income management participants bartering BasicsCards goods for alcohol and cash. Andris Banders from the South Australian Network of Drug and Alcohol Services said addicts will always find a way. 'This doesn't deal with addiction in any way. If I've got $200 in my pocket and you take $100 out, that doesn't mean that my addiction is going to halve at all,' Mr Banders said. 'I'm still going to need that grog, or that drug, or whatever it is – I'm still going to have to get it in some way'."

Another resident, Pas Forgione (in Branley and Hermant 2014: n.p.) stated, "The vast majority of Centrelink clients manage their money responsibly … [and that] In Playford, what we've seen is that the people being put on income management are perfectly adept at managing their finances."

3.3 Playford Policy Specifics

At its introduction to Playford, IM applied to three groups of people: those referred by state child protection authorities due to concerns about child abuse or neglect (Compulsory Income Management Child Protection Measure); those assessed by a Centrelink Social Worker as being vulnerable to financial crisis (Compulsory Income Management Vulnerable Measure); and those who volunteered for IM (Voluntary Income Management). The first group had 70% of their income support payments quarantined, and the latter two groups had 50% of their payments quarantined (Arthur 2015). All three groups were allocated a BasicsCard, a personal identification number protected card that enabled participants to use their income managed funds to purchase food and other essential items at authorised stores (Australian Government 2012a). Quarantined funds could not be spent on alcohol, tobacco and gambling products, or withdrawn as cash.

Two changes were subsequently implemented. One was the addition of the vulnerable youth category for those not living at home aged 16-25 in July 2013 which led to a short-term increase in IM numbers. The other was the removal of the annual financial bonus for those volunteering for IM.

In terms of applying for exemptions from IM, requirements are different depending on different measures. Those on IM as a result of a Child Protection Measure cannot apply to be exempted, but can be removed from IM by a child protection worker "where they assess it is no longer needed by the family" (Deloitte Access Economics 2014: 3). Those on Vulnerable Welfare Payment Recipient Measures can be exited from IM when they are no longer determined to be 'vulnerable' by a Centrelink social worker (DSS 2019f). Those on VIM can choose to exit the programme at any time.

As of 27 December 2019, there were 299 reported participants on IM in Playford, of whom 25% were Indigenous. They included 68 on voluntary IM, 12 on the Disengaged Youth Measure, 27 on the long-term welfare recipient measure, 187 in the Vulnerable (Youth Triggers) category, and five on the Vulnerable Welfare Payment measure (DSS 2020a). The number of participants on VIM seems to have declined significantly in recent years (Gailberger 2019).

3.4 Playford Interview Findings: Welfare Recipients (CIM)

Practical Experiences Using the BasicsCard

Using the BasicsCard

Participants explained that funds quarantined on the BasicsCard could only be spent at authorised stores. In the early days of the scheme's introduction, very few businesses had this approval. This presented significant difficulties for many cardholders who were blocked from purchasing *permissible* items at the businesses they knew and liked. Several interviewees explained that their local supermarkets – the most convenient and accessible locations for them to purchase groceries – did not accept the card.

> "They [Centrelink] gave me a list of places that would take it, but they didn't give you a list of places which specifically took it. I think we found out that there was a Foodland that's a bit of a way out that took the BasicsCard, but the Foodland that was actually closest to us didn't take the BasicsCard" (CIM3)

Participants in this situation had to change their routines and budgets to reflect these new shopping patterns.

> "I've always budgeted, my wife and I always budgeted and found it that we couldn't get things for example on specials in certain shops." (CIM2)

In some cases, they also had to absorb additional travel costs.

> "[T]hat's when it [BasicsCard] started to get annoying. That's right. I moved to my house in Clearview and IGA's my closest shop and they don't take the BasicsCard. That's when I started to get annoyed. I couldn't even do shopping down the road so I'd have to catch the bus for shopping or meals" (CIM5)

Participants explained that – in addition to supermarkets – the BasicCard was not accepted by various petrol stations, sports stores, jewellery stores, hardware stores, restaurants that serviced alcohol and veterinary clinics. Some participants also struggled to find essential health services that accepted the card – for example, optometrists and pharmacists.

> "I had to go in and get my medication […] They turned around and they kept saying you can't use the BasicsCard to pay the prescriptions. You couldn't find anyone who would basically take this BasicsCard for anything" (CIM6)

The additional effort required to locate stores that accepted the BasicsCard was another major issue for many, who spent considerable time trying to find out where the card could and could not be used.

These restrictions on consumer choice – beyond limits on purchasing alcohol, tobacco and gambling services – meant that many cardholders felt that the BasicsCard was 'intrusive' (CIM3) and 'abusive' (CIM2). The card, these participants explained, reduced their autonomy over their finances and day-to-day lives. As one interviewee put it, *"I didn't have control over my income […] I just felt like my money wasn't money."* (CIM4)

Paying Bills

In addition to problems making EFTPOS payments, participants reported issues using the BasicsCard to pay bills and transfer money. Issues arose when utility companies did not accept the BasicsCard and when bills were issued in partner's names, but interviewees also described broader challenges with the card's online payment processes. Paying bills could be time consuming and often required Centrelink involvement.

> "I've got Foxtel and I've got Telstra and I have to pay most of my bills through that. I found that I had to call them [Centrelink] up every time, be on the phone for 40 minutes to an hour and then transfer to another person. It was just such a hassle just to do something I could have just done by one button" (CIM5)

This Centrelink process had implications for the timeliness of payments, particularly because many cardholders had not been warned that such intervention might be required.

> "It took […] two-and-a-half weeks for them to put the [rent] in his account. I reckon that's the only thing I'd have to say. If someone's on income management and they have to pay their rent, usually it's got to be on that day. I figure it was pretty pathetic" (CIM5)

Purchasing items from a retailer not associated with the BasicsCard was similarly time-consuming and dependent on Centrelink intervention.

> "The woman said, oh, we could write you a cheque, I said, how long would the cheque do? Could you do it straight away? They said, oh no, it could be up to two weeks. I said, are you kidding?" (CIM2)

Financial Management

The impact that the BasicsCard had on participants' financial management was a major theme in the interviews. Some participants believed that the card had helped them to make better financial decisions, spending more of essential items including hygiene products, medications and food. For some interviewees, such purchases had not previously been a priority.

> "I kind of liked it, you know, it was very handy. Like I had $250 on this card and I could have gone and bought clothes that I needed, like body wash, you know, like drinks from the shop – not alcohol but like Coke or water. And I found that quite handy, to be honest" (CIM1)

One participant explained that they had been put on the BasicsCard at a critical junction in their life. The card provided increased financial security and stability when they needed it most.

> "The BasicsCard was probably the best thing for that period as much as I hated it because I always knew I'd have money on there for some food or some clothes. That security was pretty good […] it was probably the best timing for it because then I wouldn't of had that temptation to buy smokes or alcohol, which I would have done. It was good that I had it so I was feeding myself basically and looking after myself […] Let's just say I was putting more of my money towards food and things I needed, which I probably wouldn't have done previously if I didn't have it" (CIM5)

For these participants, the BasicsCard therefore facilitated positive change.

One participant, however, added nuance to this representation, concurring that the card had had positive short-term effects for them personally, but questioning its long-term value. This interviewee explained that their spending behaviours had changed during their time in the scheme, but had once again deteriorated when their involvement in the program ended. The card, it seemed, had offered financial stability but had not built financial capability.

Other participants had a markedly different experience – particularly those who had been managing their finances successfully prior to being placed on the BasicsCard. CIM, these interviewees explained, was not only unnecessary for them; it had also made their lives and budgeting significantly harder.

> "The difficulty I found was that only certain places took [the card] – and I couldn't make budget choices, I couldn't make decisions about saving money […] See, because I used to – my wife and I would catch the train, go into the Adelaide markets and there were bulk places there, but they couldn't [take the BasicsCard]" (CIM2)

These financial challenges had ripple on effects, impacting other aspects of participants' lives. One interviewee, for instance, explained that the BasicsCard had introduced new tensions into their relationships.

> "Me and my partner fought constantly about it. […] Just the fact that there was only so much that the BasicsCard could cover and the little bit that was left had to cover all these bills and it wasn't stretching. So, that would cause arguments and fights over what we could […] spend and what we couldn't spend and where it would go […] We're always going to have tension about money. That's never going to stop. But it was a lot more condensed and a lot more angry when we had the BasicsCard." (CIM3)

Another reflected that payment problems made it significantly harder to provide for dependents, including pets.

> "I understand prevent alcohol, people buying alcohol and not feeding their kids and stuff, but if I had had children – I've no children – and at the time that I had the BasicsCard they would not have eaten. I had to go to [a] charity to feed my pets" (CIM6)

Communication and Perceptions of Targeting

All participants discussed a lack of consultation and communication from Centrelink prior to being placed on the BasicsCard. Most explained that they had either received written or electronic correspondence requesting attendance at Centrelink for an appointment, where the BasicsCard was then discussed, or had being informed that they were being placed on a BasicsCard while attending Centrelink for an unrelated matter. In some cases, interviewees were not notified they were being placed on the BasicsCard at all. This led to confusion and anger.

One participant was only informed that they had been subject to CIM when they attended a Centrelink office to complain about only receiving half their regular payment.

> "No, they just made me go on it. I didn't get a choice […] like I got paid like half of my pay, and I was like what the fuck? […] they didn't let me know, and I was like what the heck? So, I went into Centrelink and I abused them - I was like why did you only give me half of my pay? I'm meant to get this much money and I've only got this. And they were like oh we'll have a look for you. Made me wait nearly half an hour to hour, like that's Centrelink for you, and they were like oh you're on the BasicsCard. I was like well thank you dickhead - like you could have told me or something, rang me […] To be honest, the way they did it, I think it's a load of bullshit. At least they could have rang me and said like look, hey, we're doing this, we want to put you on the BasicsCard, is that all right? If they did that, I would have been like yeah, whatever. (CIM1)

This lack of communication meant many participants remained confused about why they had been selected for the BasicsCard. One interviewee believed it was due to their history of homelessness and their frequently requesting crisis payments.

> "As far as I'm concerned, I was asking for too many crisis payments or advance loans because I was couch surfing. I kept calling up on my off week saying, what can you do for me? I thought it was that

> personally, but then they say because you moved to Davoren Park you'll be on income management, which made no sense to me. It made even less sense because I said, I've just gotten a job. At the time it wasn't going to make much of a difference anyway. That's why they put me on it as far as I'm concerned." (CIM5)

Another believed they were being penalised for getting into an argument with a Centrelink social worker.

> "[The letter I received from Centrelink] said the social worker that I spoke to, with the information I had provided her, believed that I was unable to manage my own income. She said that it appeared that I was living a crisis ridden and chaotic existence, I was going from crisis to crisis. She believed, in her professional opinion, that clients who ring up and ask for crisis payments are in crisis through their own doing. She said it's very rare that there's ever a genuine need for a crisis payment and that in her opinion her work flow processes are when someone rings for a crisis payment, they go through a customer service officer and then get put through to a social worker, her best practice is generally to either advise the person to go onto a basics payment or do it for them" (CIM6)

Young people believed that they were specifically targeted for the scheme because of age-based stereotypes concerning financial irresponsibility.

> Facilitator: Why do you reckon they put you on the BasicsCard?
>
> Interviewee: Because I was young […] Yeah, that's honestly why I think that was it, and because I wasn't doing anything with my life […] And not just that, like I can understand because like a lot of us youth, we're either doing drugs, alcohol – like basically running amok and wasted our money on stupid things.
>
> Facilitator: Yeah, were you doing that?
>
> Interviewee: Agh, not really. (CIM1)

Many participants expressed incredulity that they had been placed on the card at all given their history of 'good' financial management and pro-social behaviour.

> "I felt like a giant slap in the face, like yeah, there's no other way to describe it … I've never been flagged on drugs, I've never had kids, I've never had gambling problems. I've never had gambling, drugs, alcohol, nothing and the people I did know who did do drugs and stuff like that, I'm like they're the ones that have been in debt. They're the ones that have put shit in hock. They're the ones that have been drowning themselves in financial stuff that I'm like why can't you bloody pick on them? Instead you pick on me, one that's done nothing." (CIM4)

This sense of unfairness was particularly strong for one participant who discussed the gendered targeting of the BasicsCard. This interviewee – a female – had been subject to CIM as a result of her partner's financial decisions and their child protection involvement. She described her experiences of financial conflict with her partner and how she was the only one 'punished' for his actions. *"I think it would have been good to have both me and my partner be subjected to that sort of punishment"* (CIM3), she emphasised.

Socio-Emotional Impacts of the BasicsCard

Stigma and Emotional Wellbeing

Almost all participants discussed the stigma associated with using the BasicsCard. The card, they explained, was seen by the community as a tool to address substance abuse and other social problems. Participants therefore felt vilified and embarrassed using their cards in public. Many perceived that they were viewed differently by retail staff and other members of the public when using the card.

> "It made me feel useless, I felt a bit down […] it felt like they were kicking us to kerb […] Because there's an assumption that I'm a druggo […] Or have problems with alcohol or gambling or pornography or whatever" (CIM2)

> "It made me shit. I did feel like I was sort of being looked at as a drop kick or something." (CIM5)

Concerningly, some participants seemed to have internalised these portrayals, which negatively impacted their sense of self and perceived self-worth.

> "I put the card out and they looked at me and said, we don't take that. I just felt like a piece of shit" (CIM2)

> "It kind of feels like you're a six-year-old who can't manage your own money and you've been given just some little bit of card that your mum's like oh, here, just have this. It's leftover money. You know? It feels like you're really irresponsible […] just like I was a child in trouble for spending too much money at one point and this was what I got." (CIM3)

Experiences of perceived judgement did not only occur in interactions with strangers. The BasicsCard also had a corrosive impact on some longstanding relationships. One interviewee, for example, described losing friends when members of their social network incorrectly assumed that they were battling addiction.

> "Some people I know […] the attitude was – it ended up really looking down on you. But I don't know whether it was because […] they most probably [thought] you've got gambling problems or whatever and we never found out […] It wasn't nice, but I don't want to spend time with them." (CIM2)

Several participants indicated that interactions with the Centrelink staff had further eroded their confidence and wellbeing. For one participant, the whole CIM scheme was fundamentally "*abusive*" (CIM 2).

Overall Attitude Towards the BasicsCard

Support for the BasicCard

There was support for the BasicsCard from several participants. The card had typically helped these people by ensuring they had funds available to purchase essentials or providing stability through a chaotic season of life. Several participants also reported that the card had helped them to address substance use issues. One participant credited the BasicsCard with removing the temptation to buy cigarettes or alcohol and encouraging them to buy food instead. Another participant explained that CIM had helped them in their decision to stop using marijuana, noting that they had not recommenced use since leaving the program.

Interviewee:	I was always getting credits on drugs, like tick, yeah, I was just wasting my money on pot. But it made me stretch the money out to make it last a fortnight until I get another $250 you know.
Facilitator:	Yeah. So, do you reckon the BasicsCard helped you reduce the amount of pot you smoked?
Interviewee:	No, I quit. I just dropped it - dropped it out, yeah.
Facilitator:	You dropped it. Was that because of the BasicsCard you think?
Interviewee:	Yeah. That's why – and plus I wanted to quit because I wanted to do something with life. (CIM1)

While these interviewees had not necessarily enjoyed their CIM experience, they recognised the policy's value.

> "As much as I want to say it's shit and you know, it's bad, which it was, it was very inconvenient. It is inconvenient […] for a good reason though" (CIM5)

Other cardholders took the view that while the BasicsCard had delivered no identifiable benefits for them personally, it could be a useful long-term tool to assist those who had addiction and other issues.

Opposition to the BasicsCard

The majority of participants were strongly opposed to the BasicsCard and its continuation. Some had initially thought that it could support their financial management but were disappointed that the practical difficulties had outweighed any potential benefits.

> "I think it would have been a lot more helpful if someone had been there to be, like, this is how we should spend your money. This is where it should all go to, to help you set it all out a bit easier. Rather than just going this is what's happening, deal with it" (CIM3)

While the BasicsCard's restrictions were, as described above, valuable for a small number of participants, it was significantly more common for interviewees to report that they had introduced new and undeserved financial and socio-emotional stress.

Further, while several participants had experienced the benefits of CIM vis-à-vis combatting addiction, many others were cynical about this policy justification. Participants frequently noted that there were a plethora of ways to circumvent the BasicsCard's restrictions.

> "He also got very creative with his card and stuff like that, where he ended up having to buy groceries, like he'd buy bottles of Coke and stuff like that and then start selling them off just to get cash in hand. Or he'd sit outside a Coles and go look, I've got the card, can you just go buy me you know, whatever, like can I swap you the card for whatever, I've got x amount on it" (CIM4)

In this context, many interviewees doubted that the scheme could have a meaningful impact on the consumption patterns of anyone who was not personally motivated to change.

3.5 Playford Interview Findings: Welfare Recipients (VIM)

Rationales for Using the BasicsCard

Participants who signed up to the BasicsCard voluntarily did so in the hope the card would improve their financial management. They were informed about the BasicsCard in discussion with either Centrelink workers or other community support services, sometimes at a time when they were experiencing financial difficulties.

> "I was at the Grenville Centre and I didn't have the money to pay for my meals and I didn't have meals. That's how they got me in [to Centrelink] and […] got me into the BasicsCard." (VIM2)

The bonus incentive payment was key to many participants' decision-making. They felt that this payment would have a major impact on their day-to-day budgets, and expressed disappointment that the payment has subsequently ceased.

> "Well, like I said, when I read the paperwork for the voluntary part of it [and…] As soon as I got to the bit that says, if you do the voluntary one you get $250 every six months, I didn't bother reading after that. Well, because simple, and it was going to be good money to have a couple of times a year". (VIM1)

Practical Experiences Using the BasicsCard

Some VIM participants demonstrated some financial management skills prior to utilising the BasicsCard. For example, one participant discussed having regularly contributing funds to a Christmas savings account through their bank. Another explained that they had routinely put aside part of their Centrelink payment for future bills.

> "I'd put $50 or $60 from that $130 or whatever it was back in those days, probably near enough the same, for electricity. Then, a couple of years ago, I got a letter from them saying, 'you are $1140 in advance. Stop'" (VIM1)

This was not the case for all VIM participants, however. One interviewee had concerns about their financial literacy, and was pleased that the BasicsCard reduced these anxieties.

> "When I lost my second husband, he didn't teach me or my first husband didn't even teach me how to pay bills or do that type of thing. So, what I was doing when he died, I was just spending the money." (VIM2)

VIM participants utilised the BasicsCard as an extension to their previous Centrepay arrangements – quarantining money for paying rent, utility bills or insurance, and consequently reducing their risk of accumulating debt. After funds were deducted from the BasicsCard to pay these bills, participants typically had a small amount of money left on their cards.

> "Centrepay was what I was doing at the start, but I actually asked them, how do I get my rent and my electricity so that I don't end up short because I've spent some of it? […] It's basically like going to a post office, but it gets done at this end and you don't see that money at all. You just know that it's gone to pay the rent and the electricity. I just said to them, good, do it. I said, the only one I won't do, because you can't do, and now we won't be able to, is the Radio Rentals" (VIM1)

VIM participants believed that the limited choice of retailers did not impact them, reporting that they had only used the card at known merchants that accepted the BasicsCard, and that they had limited funds left on the BasicsCard after deductions regardless.

Overall, the VIM participants were pleased with their BasicsCard arrangements, and were more confident with their financial situations. A participant indicated that they believed that they would return to former financial difficulties if the BasicsCard ceased.

> **"**I hope they don't stop it […] Because it - it's hard to say because I'm happier the way I am with it and if it stops, I'll be back to square one." (VIM2)

Socio-Emotional Impacts of the BasicsCard

VIM participants believed the BasicsCard generally improved their wellbeing. They felt good about having a small amount of extra funds left over each fortnight that may not have been there previously, particularly close to pay day, and also discussed feeling happier since utilising the BasicsCard, primarily because the stress of managing money and worrying about bills and payments was alleviated.

Facilitator:	How has it helped you?
Interviewee:	Because I can do what I want. I don't have to worry about the bills.
Facilitator:	So, all those bills are sorted out for you and you know you're not going to get in arrears and things like that?
Interviewee:	That's right because that's what I was doing.
Facilitator:	Does that make you feel a bit happier?
Interviewee:	Oh, it makes me a lot happier.
Facilitator:	So, it's all taken care of and you don't have to worry about it?
Interviewee:	Yeah, I've been really happy. Sometimes I might get down a bit that I didn't have enough in my BasicsCard. (VIM2).

3.6 Playford Interview Findings: Stakeholders

Stakeholder Perspectives

Financial Management

Stakeholders shared their perceptions of the BasicsCard and its impact on cardholders' financial management and day-to-day spending. Interviewees explained that the BasicsCard and its restrictions had helped to stabilise some welfare recipients' financial situations. According to two NGO welfare professionals (a financial capability worker and a social worker), it did not, however, improve or create financial management abilities in and of itself.

> "The clients said that they didn't [want] any more support, because Centrelink's done it for them, they've organised those bills, they're good to go … we had concerns about that, because it wasn't a financial counsellor doing that, working out what is a priority bill, how much should be paid to the electricity, how much should be paid to the gas, et cetera. What we found was basically if rent got paid, that was usually 50 per cent of their income, and so they still had to manage the rest of their priority bills based on the money that went into their account […] So clients still became distressed, they still had their electricity cut off, they may not have had enough food. But they were housed, which was great. Their rent – they didn't come into arrears with their rent" (S5)

> "I know for the mum I was working with; she wasn't involved in that process so her financial counsellor had set up those payments automatically. It was going to her rent and it was going to electricity. This was going to gas and she had this portion for food. Like I said in some ways it's great because you need to ensure that all those areas are being paid, particularly when they have a history of not paying for that. That's awesome. It takes away some of that stress [… But] It's not really helping someone address their ability to plan financially for the future." (S10)

While the card thus delivered some short-term benefits, underlying financial management problems remained unchanged.

Stakeholders discussed the limited range of retailers that accepted the BasicsCard and the impact on choices around consumption.

> "One of the issues that they said that comes up with them is the client may be working or living in a particular area, but they can't use their Basics Card in the area, so then they have to spend extra money being able to catch a bus or a train somewhere else, where their card is actually accepted. (S8)

> "I know that there was one time where she called me up because she had to go to an important meeting and she could only go to one petrol station and that was the most expensive petrol station. She was really frustrated because she could have gone to a cheaper one down the road and spent less money. Or having to go to a certain IGA in her community and the milk was $6. When she could go somewhere else and get something more discounted" (S10)

There was a strong view among NGO welfare service managers that the BasicsCard acted as a disempowering mechanism in cardholders' lives by removing autonomy from people who already had limited life choices.

> "It disempowers people. Why do we take the very limited choice that they already have? … I slowly question it and say you're telling people what to eat. It's choice, it's about choice. The little areas of choice that they have in their lives and we still take that away. For people to decide what they will eat […] it is another form of Government meddling like it's just another form of Government controlling how they live their lives and how they spend their money" (S11)

> "I think particularly for disempowered population – this particular group or people in the community who are very disempowered, to have choice. It just immediately improves dignity and so it improves self-image and enables people to be adult, to take on that adult role rather than being treated as infants who can't make decisions for themselves" (S1)

Behavioural Change

Many stakeholders disputed the underlying logic of the card, suggesting that welfare quarantining was an ineffective strategy to combat social problems, including addiction. Stakeholders were generally sceptical regarding whether the BasicsCard had impacted levels of alcohol, drug use and gambling among cardholders. Two NGO welfare professionals (a program manager and a financial counsellor) viewed these issues as far too complex and entrenched for IM to impact in a positive way.

> "Because those - social behaviours are particularly addictive and those that become addictive behaviours aren't usually - I wouldn't say universally, but aren't usually successfully treated just by withdrawal of financial resources […] So people will find other ways to gain access to [a] product if they have an addiction issue. The social behaviours around the illicit drug or alcohol, behaviour change is more complex than just financial management". (S1)

> "Yes. I think generally if people have an addiction of smoking or drinking or gambling – what's the other one – or pornography […] they're going to do that first because it is their addiction, regardless whether there is food on the table or not. I don't think it's going to stop people from smoking or drinking" (S8)

The BasicsCard, these interviewees explained, would not alter the behaviours of people with genuine addictions. The ease with which the BasicsCard restrictions could be evaded was another reason that stakeholders were sceptical about the impact of the BasicsCard on welfare recipients' behaviours. For example, a financial counsellor noted that the BasicsCard was a currency that could be used or traded for cash.

> "I had a client who did do drugs and alcohol. He would regularly sell, give, whatever his BasicsCard to his dealer which then left him in a bad position. I know of another client who, no you cannot buy drugs, alcohol, pornography, drugs, alcohol, but whatever – whatever it is, whatever your vice is, you can't buy it with your BasicsCard but you can get someone else to buy it and put petrol in their car or take them food shopping […] It's still a currency. Most of the time I did not see it ethically done. It was somebody really taking advantage of somebody else. So, if you're in the position where you really have to buy drugs or alcohol, it probably puts them in a more vulnerable state because they don't have the same amount of choices. If someone says I'm going to get you - like all the rest of their money is paid up, all they've got is what's on their BasicsCard, I'll get you a bottle of brandy that's worth 30 bucks but you're going to give me $60 of such and such, that hasn't helped them out financially" (S7)

The punitive and compulsory nature of the policy was another source of concern. Forced interventions, welfare professionals (including an emergency relief manager, a welfare program manager, and a social worker) explained, were limited in their capacity to bring about long-term change.

> "Once things become compulsory and you then have that kind of an association with basic monetary issues, then it – the compulsory aspect just takes away any ability to bring about reform in people's lives". (S2)

> "[I]t's not a good approach to be threatening people with – as a key measure and threatening them around their ability to provide for their family. I don't believe that we've exhausted other measures which are about strengthening and opportunity development, and giving people dignity and restoring safety. To go straight to the compliance punishment measures, I personally don't think that is a good way to treat humans. That would be my professional view as well". (S1)

> "That's one of the most important things is for people to feel respected and valued. You're not going to go – it's not respectful support if you're coming into someone going this is the choice. You don't have a say in it and this is it. It needs to be involved and you need to respect the person and their situation and work with them in addressing this concern rather than just giving them a list of going this is where you can shop and that's it" (S10)

Given the complexities of addictions, financial management and skills – as well as the impact of intergenerational poverty in Playford – stakeholders stressed the need for additional and complementary services and support for welfare recipients. They believed that the BasicsCard was a 'band-aid fix', that both obscured the complexity of the issues cardholders faced and misunderstood their causes. One social worker, for example, discussed the BasicsCard's impact in relation to a family with child protection concerns.

> "I feel like once again; compulsory income management is an idea where it seems like once again you're just putting a band aid fix on something. It's not going into anything deeper than that. [For] these families to really address those child protection concerns or to prevent something it needs to be a more holistic supported approach. We need maybe some more early intervention in financial education about utilities education around how to decipher a bill. They can be really confusing. How are you going to break down your bill to know if you're paying the right amount? How are you going to shop around for the best deal? How are you going to make budget friendly meals? A lot of families don't know how to do that either. Those are the best ways in preventing a child protection concern is if we do maybe some of that early intervention or it doesn't even have to be early intervention, it can just be intervention in itself, in working with them, making them feel valued, involving them in the grocery shopping. Helping them look at a bill. Helping them going to a financial counselling appointment and helping breaking down some of those costs". (S10)

A financial counsellor highlighted the importance of targeted wrap-around services in cardholders' lives, and the limited impact that a focus on finances alone could have given the array of issues cardholders faced.

> "So, the BasicsCard, if it's just blanketly introduced with none of the supports, then it doesn't do anything. But if it has like a financial counsellor, you know, we can go and make sure that it's set up better, we can be that port of call for when things go wrong but most importantly, we can refer to drugs and alcohol counselling, domestic violence because people … I've never seen anybody that money is just the problem. […] [M]ost of the time, it's mental health, domestic violence, children with disabilities, disabilities themselves. It's all the other stuff that makes it really difficult for them in their life not just in their financial life, in their life. The financial part is just a symptom of the rest of it. So, you've got to do the holistic – there you go there's a good word. (S7)

Additional services were needed, a member of the local council explained, to support cardholders.

> "Because I think for me, I'd like to see those that have been put on it for whatever reason the government have determined, to have those other wraparound services that then enable them to make some progress. Because if they're not going to make any progress, it doesn't actually affect the situation any differently except they don't buy certain things with it. So, for me I'd like to see that understanding rolled out and improved along the way" (S9)

BasicsCard System and Processes

Stakeholders identified some issues with the systems and processes surrounding the BasicsCard. Of particular concern was the way Centrelink organised cardholders' finances. A financial counsellor gave the example of a client whose financial arrangements were set up in consultation with Centrelink but had been poorly conceptualised, leaving the young person with serious financial issues including their rent going unpaid.

> "I had a [client and] he was somewhere around the 20-year-old mark on unreasonable to live at home. He was getting the Basics Card. So, most of the money went on his BasicsCard and the rest went in his bank. Now I'm guessing that he wasn't open and honest and giving Centrelink lots of information about his situation because it's Centrelink. But that was a really bad set up for him because his rent wasn't being paid. That was coming out of the money that went into the bank. His phone bill was coming out of the money that went into the bank." (S7)

The underlying issue, this interviewee explained, was the lack of time that Centrelink spent with each person setting up their card, combined with the lack of trust with which many welfare recipients viewed Centrelink.

> "I think it's a combination of – like Centrelink has something like an hour to set it [the BasicsCard] up. Centrelink are the people that can make or break – they can cut your payment off or not – so they're scary. So, particularly people in like the younger age groups aren't going to go in and question them or maybe they've got an $80, $90, $120 phone bill a month, they're not going to fess up to that because Centrelink might see that they're using their money inappropriately … I think because it's Centrelink, people get scared and they don't say all the things that they actually do with their life […] They didn't know how to set it [the BasicsCard] up because they were kids" (S7)

This issue of a lack of trust between cardholders and Centrelink was a recurring theme in the Stakeholder interviews. According to a financial capability worker, the insufficient information and consultation that had surrounded the card's introduction had fuelled cardholders' anxieties about government surveillance. Many cardholders thus feared that child protection authorities would become involved in their lives if they did not use the BasicsCard appropriately. Similarly, they feared that they would be reported if they accessed separate agencies and organisations for essential services and support.

> "If I don't do this, I'm going to lose my kids. I reckon I'm doing well with my money, but Centrelink says I'm not. There was for a period, I believe, [when] some people who didn't want to come and get food assistance because they were concerned that if they did, then all the agencies had a connection to Centrelink and we'd dob them in for not being able to feed their kids" (S5)

Targeting of the BasicsCard

The BasicsCard impacted some population groups in Playford more than others. An emergency relief manager and a financial capability worker explained that many cardholders felt targeted and singled out by the program, and believed that unfounded assumptions had been made about their capacities and behaviours. This was particularly the case for young people.

> "If you moved away and lived and then moved into the Playford area, you got put on it. Everyone who was on any kind of a youth payment, bearing in mind that that goes up to, I think 25, it is, so it's not just – we're not just talking teenagers, they were automatically put on income management. The assumption was, you don't know how to manage money, we'll manage it for you" (S2)

> "When it was applied as a holistic across all people in a particular payment, so the youth unable to live at home measure, there was a lot of peeved off young people, as you can imagine … They felt that […] the government has lumped all young people not living at home as being unable to manage, and that is just crap […] So there was a level of anger, certainly" (S5)

Women were also disproportionately impacted by the BasicsCard. A welfare program manager explained that mothers in Playford typically took on primary carer roles and received Centrelink benefits such as parenting payments. They were concerned that the BasicsCard and its restrictions therefore impacted women more than others and could reduce their safety in some instances.

> "Well, I would say that women mainly still have primary responsibility and accountability for children's welfare. Women continue to bear the burden of that and I would think that putting the BasicsCard in place for women, who are in a violent relationship or an abusive relationship, it probably initially and it may continuously increase their lack of safety. So, it might make them less safe because of the frustration from the other partner. While the policy intent is that it increases safety, what's the evidence?" (S1)

Socio-Emotional Impacts of the BasicsCard

Given the aforementioned assumptions regarding cardholders' irresponsible behaviours, an emergency relief manager reflected that many cardholders experienced the BasicsCard as stigmatising, shameful and embarrassing to use.

> "There is definitely the stigma and the shame and the embarrassment that comes with having a card and using it, as well as the impracticality of needing to shop at the big shops because the smaller shops where you can probably get better deals, they don't have the availability to do that" (S2)

The BasicsCard was easily identifiable and could be seen by others when cardholders checked their balance at the BasicsCard ATM or used the card to make a purchase. An emergency relief manager and a welfare program manager explained that this compromised cardholders' privacy and contributed to feelings of stigma and shame.

> "Just the fact that it's quite obviously a BasicsCard so if the store accepts it then they know what it looks like. So, when you're paying with it, they can immediately see that you're on the BasicsCard. It's pretty obvious, there's no privacy there" (S2)

> "I'm sure it does negatively impact on all those things, particularly around stigma and a sense of further failure. Having government put in place another measure that further states to you that you've failed in one of your primary duties, which is often to yourself and to your family; and so that would erode further confidence in self" (S1)

4. Case Study B: The BasicsCard in Shepparton

4.1 Shepparton

The Greater Shepparton municipality is located in northern Victoria, about a two-hour drive from Melbourne, and consists of the smaller townships of Shepparton, Mooroopna, Dookie, Tatura and Murchison (see Figure 13) (Greater Shepparton City Council 2019). It is situated on the floodplains of the Goulburn and Broken Rivers, where colonisation commenced from approximately 1838 (Tout-Smith 2004). It was officially established as a shire in 1884 and declared a city in 1949 (Tout-Smith 2004).

The Shepparton IM site encompasses the whole of the Greater Shepparton Local Government Area, which had a population of 63,837 (50% male and 50% female) in 2016 (ABS 2016). About 3.4% of this population identified as Aboriginal and/or Torres Strait Islander – slightly higher than for the State of South Australia (at 2%) and Australia (at 3.3%) (ABS 2018).

Source. Google Maps.

Figure 13. Map of Shepparton, Victoria

The median age of the Shepparton population is 39 years – just above the median age for the State of Victoria (at 37 years) and Australia (at 38 years) (ABS 2016).

Of those Greater Shepparton residents 15+ years and in the labour force in 2016, 56.5% were employed full-time, 31.2% were employed part-time, 5.9% were away from work and 6.4% were unemployed (ABS 2016). Shepparton's unemployment rate is lower than Victoria (6.6%) and Australia (6.9%) (ABS 2016). Labour force participation was 56.4% – lower than for Victoria (60.5%) and Australia (60.3%) at that time (ABS 2016).

In recent years, more than 500 humanitarian migrants have settled in the Greater Shepparton area. Figures from 2006 indicate about 11.7% of the population were born overseas, 10.4% speak a language other than English at home, and 1.9% have poor proficiency in English (Deloitte Access Economics 2013: 32) The three groups in Greater Shepparton that appear to be most at risk of unemployment are Indigenous people, humanitarian migrants, and people without post-school qualification. There is some evidence of major social problems including family violence, crime, teenage pregnancy, homelessness and substance abuse, and Shepparton has a relatively low ranking on the SEIFA Index of Disadvantage at 181 (Mendes, Waugh and Flynn 2013; ABS 2018). There have been numerous media reports of large-scale illicit drug use in Greater Shepparton including particularly individual and community harm associated with the drug crystal methylamphetamine or ice (e.g. Tuffield 2018). Publicly available crime-report data show that the overall offence rate in the Greater Shepparton area has steadily increased from at least 2010 (approximately two years before IM was implemented) until 2019 (this is the time period for which data are publicly available).[6] However, it is important to note that crime-report data are subject to a number of limitations, such as changes in policing activities and the so-called 'dark figure' of unreported crime. This increase also appears to be part of a trend that extends beyond the Greater Shepparton area and is undoubtedly influenced by a myriad of policy settings that exist alongside IM — especially since those affected by IM only represent a very small proportion of the overall population.

In 2016, the most common occupations for employed people aged 15+ years were professionals (17.1%), managers (14.5%), labourers (13.9%), technicians and trades workers (13.7%), clerical and administrative workers (11.8%), community and personal service workers (10.5%), sales workers (10.3%) and machinery operators and drivers (6.7%) (ABS 2016). Top industries of employment were hospitals (5.5%), supermarket and grocery stores (2.7%), primary education (2.6%), aged care residential facilities (2.5%) and dairy cattle farming (2.3%) (ABS 2016). Median weekly personal income in Shepparton was $588 in 2016 – lower than for Victoria ($644) and Australia ($662) (ABS 2016).

4.2 Shepparton Policy Justifications and Introduction

The BasicsCard was introduced to Shepparton in July 2012 after the City was chosen as one of five locations across Australia (also including Playford, Bankstown, Rockhampton and Logan) to have IM extended under a Place Based Income Management measure (Macklin 2012). The Labor Government had announced the planned introduction of IM to these areas in 2011 without engaging in any 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

[6] These data were accessed via the Victorian Government's crime statistics portal, available at: https://www.crimestatistics.vic.gov.au/explore-crime-by-location

to Labor, these areas were consequently "going to have the opportunity of income management" (Macklin 2011).

In 2012, the Australian Government further stated, "Greater Shepparton and the other trial sites were chosen based on a number of factors, including unemployment levels, youth unemployment, skills gaps, the numbers of people receiving welfare payments, and the length of time people have been on income support payments". At the time, 18.3% of Shepparton's working age population was reported to be on income support, and 8.7% of the workforce was unemployed (Deloitte Access Economics 2014). Additionally, 66.5% of those receiving unemployment benefits had done so for more than a year compared to 60.1% nationally, and one in five of those aged 15-19 years were not engaged in work or further education or training (Deloitte Access Economics 2014: 15). Support services were also introduced to the area as part of the Place Based Income Management trials, including budget planning and money management programmes and information (Macklin 2012).

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 (Tennant 2012; Mendes 2018). This lack of consultation was a source of serious concern for welfare agencies in Shepparton. Indeed, the Shepparton Community Forum on Income Management (2012: 2) expressed incredulity that the government had "undervalued and overlooked local expertise and local knowledge" by failing to consult with *any* existing welfare agencies in Shepparton before or immediately after the area was announced as a trial site. A survey conducted with local welfare agencies at the time similarly found that 23/33 respondents believed government consultation had been inadequate (GVCLCP 2012; Mendes, Waugh and Flynn 2013)

4.3 Shepparton Policy Specifics

At its introduction to Shepparton (as in Playford), IM applied to three groups of people: those referred by state child protection authorities due to concerns about child abuse or neglect (Compulsory Income Management Child Protection Measure); those assessed by a Centrelink Social Worker as being vulnerable to financial crisis (Compulsory Income Management Vulnerable Measure); and those who volunteered for IM (Voluntary Income Management). The first group had 70% of their income support payments quarantined, and the latter two groups had 50% of their payments quarantined (Arthur 2015). All three groups were allocated a BasicsCard, a personal identification number protected card that enabled participants to use their income managed funds to purchase food and other essential items at authorised stores (Australian Government 2012a). Quarantined funds could not be spent on alcohol, tobacco and gambling products, or withdrawn as cash.

Two changes were subsequently implemented. One was the addition of the vulnerable youth category for those not living at home aged 16-25 in July 2013 which led to a short-term increase in IM numbers. The other was the removal of the annual financial bonus for those volunteering for IM.

In terms of applying for exemptions from IM, requirements are different depending on different measures. Those on IM as a result of a Child Protection Measure cannot apply to be exempted, but can be removed from IM by a child protection worker "where they assess it is no longer needed by the family" (Deloitte Access Economics 2014: 3). Those on Vulnerable Welfare Payment Recipient Measures can be exited from IM when they are no longer determined to be 'vulnerable' by a Centrelink social worker (DSS 2019f). Those on VIM can choose to exit the programme at any time.

As of 27 December 2019, there were 108 reported participants on IM in Greater Shepparton (DSS 2020a). They included 51 on Voluntary Income Management, and 57 on the Vulnerable Welfare Payment Recipient measure (DSS 2020a). They comprise 66% of the total number of IM participants (164) in Victoria (DSS 2020a). This is a major reduction from the peak number of 351 persons on IM in August 2014 which, however, included 191 on voluntary IM.

4.4 Shepparton Interview Findings: Welfare Recipients (CIM)

Practical Experiences Using the BasicsCard

Introduction to the BasicsCard

A strong theme in the interviews concerned the confusion that participants felt regarding their selection for the BasicsCard. Participants were unsure why they had been targeted when other community members, including friends and family, had not. They had generally received little information about the program and its parameters; all felt that the card entailed a punitive dimension and considered themselves undeserving of this punishment.

> "I didn't know why they were putting me on it, because as I said, I'd never gotten an early payment or anything like that, and I was fine with my money. So I don't really understand why I was put on it. I think I was just put on it because they wanted me to be on it" (CIM10)

Indeed, all interviewees emphasised that they had not had problems managing their finances before being placed on the card.

> "Yeah, I was careful with my money. I don't spend very much. I count my money, and I make sure that the shops don't rob me" (CIM8)

> "I've always been pretty good with money, saving money and keeping something away, which is another reason why I'm peeved to be on a BasicsCard" (CIM 2)

> "I have a child - well, I didn't have a child then, but I wasn't stupid […] Didn't go on the pokies all the time. I didn't blow all my pay on one day." (CIM1)

Their inclusion in the scheme thus felt incomprehensible.

This lack of understanding regarding the BasicsCard selection process led some participants to speculate that they had been *individually* chosen by Centrelink, who wrongly imagined that they could not manage their funds.

> "They reckon I don't know how to handle my money […] I can handle my money […] It doesn't seem very, very fair to me. I told them to stick it up their bottom." (CIM8)

> "Like I couldn't control my money, but I know I can, because I've always been like that…so it just made me feel like shit […] [Centrelink thought] that I was probably a junkie or something, but I know that I'm clean" (CIM1)

Reflecting on these early experiences, many participants described feelings of powerlessness and frustration. As several interviewees underlined, their inclusion in the scheme was unfounded, yet they were made to participate against their will.

> Interviewee: I got an email.
>
> Facilitator: You got an email? Do you remember what the email said?

Interviewee: That I had to go to Centrelink because of [the] BasicsCard. I got an email on the settling thing. Then I went in there and I was like what the hell's this?

Facilitator: Yeah.

Interviewee: Then they said you have to be on the BasicsCard.

Facilitator: Yeah. Did they say why? No?

Interviewee: I was like do I have to be? They said yes.

Facilitator: Yeah, right.

Interviewee: Why? It doesn't make any sense.

Facilitator: Yeah. Why do you think they put you on a BasicsCard?

Interviewee: I have no idea.

Facilitator: Did you have mates and stuff on BasicsCard? No?

Interviewee: Everyone that I asked said 'what the hell's that'?

Facilitator: Yeah, okay.

Interviewee: What the fuck's that? (CIM1)

All participants believed that their introduction to the BasicsCard scheme had been characterised by poor communication and consultation from Centrelink. In some cases, this process – and, indeed, the people who oversaw it – was also experienced as scary, intimidating and 'bullying'.

Reduced Choice and Autonomy

This experience of powerlessness continued in participants' ongoing experiences with the BasicsCard. Interviewees explained that the card impacted their financial autonomy as it dramatically constrained their consumer choices.

> "I want to have a choice about where my money's going. If I don't know where my money is going to, it upsets me." (CIM 8)

> "It decreases choice, both sides, it decreases the bad choices you can make but it dramatically decreases the good choices you can make as well." (CIM 2)

All interviewees highlighted the BasicsCard's impact on their regular shopping locations and routines. All reported that they could no longer shop at stores that they had previously frequented.

> "Having to do my shopping at a certain spot because nobody really takes the BasicsCard… Can't shop at Safeway. […] You could shop at Coles. […] No ALDI. […] Then I just used my money that I had to go to the other shops that I needed, like the chemist, they didn't do BasicsCard back then. […] That's where you get all the good shit at ALDI, Safeway and the chemist obviously" (CIM1)

Participants described numerous occasions when they intended to pay for goods and services with the BasicsCard, only to find that the merchant did not accept this form of payment.

> "One time it was pretty embarrassing. I pulled up at the servo and went to pay for fuel with the money remaining on my BasicsCard, [it was] $2 and I'd saved about $20 on it or something, I thought oh cool,

> I'll go buy fuel and that. The person said what's a BasicsCard? I thought you could buy fuel with a BasicsCard, I thought that was one of the things. I never tried again" (CIM2)

The uncertainty this created around where the BasicsCard was accepted was a cause of stress and made cardholders less inclined to visit untested businesses.

> "Yeah, well, you couldn't even shop at this one that's just around the corner here. You have to be very certain because you don't want to go around the whole shop, do your shopping and then go to pay for it and you can't pay for it because your BasicsCard won't work" (CIM10)

> "[T]he BasicsCard has certain places where it will and won't work. Like it'll work getting fuel at Coles Express but it won't work at a BP and stuff like that. So you sort of have to juggle and know where it will and won't work to get the best out of it." (CIM10)

Given use of the BasicsCard was confined to the trial site, participants also had major difficulty using their cards outside of the Shepparton area. This meant that cardholders were limited to spending half of their Centrelink income in Shepparton. The scheme did not take the mobility of some card users into account.

> "It happened to me in Queensland. I went and did a whole shop and I went to the registers to pay and it declined three or four times. The manager came out and had to speak to me. They'd never even seen the card, so they'd never even heard of what a BasicsCard was up in Queensland" (CIM10)

For a minority of interviewees, the challenges associated with using the BasicsCard had a silver lining. In forcing them to focus more intently on their finances, it helped them to be more purposeful and skilled in their budgeting.

> "It just made me focus, well this money is that money, this money is that – it was more because the money was split up, I sort of have to sort it out. BasicsCard, I'll get a drink with work and then I'll pay my Telstra bill, and then this was like, if you need anything like clothes, cigarettes, whatever you need, that's that money there. It sort of just showed me to plan with the money." (CIM10)

As this interviewee noted, however, this outcome "could have definitely been achieved [in] other ways" (CIM10).

Overall, the BasicsCard thus complicated many participants' financial arrangements and made day-to-day life more difficult. This was especially the case for participants who reported high levels of pre-existing financial literacy.

> "I like to have all my money on my bankcard so then I can see […] where it goes, what I've got left and what's working, I've got categories and stuff everywhere, but I can see where it goes. On the BasicsCard I only have to use it at a certain place, and that kind of fucks with my routine because I can't see where it's – what it's doing" (CIM1)

> Interviewee: You have to divvy your bills up between – these will come out of the BasicsCard because they can and these will come out of my money because the BasicsCard won't work there [Aldi]. So, we ended up trying to buy our meat and stuff like that from Woolies on the BasicsCard at one point and the cheap stuff like milk and soft drink and that from Aldi. But it got…
>
> Facilitator: So, you had to do two shops.
>
> Interviewee: Yes, two shops but it got confusing and if that shop cost […] a little cheaper on the BasicsCard side of things you couldn't use that $20 to go and get some more stuff from Aldi. A big part of it is it takes away your ability to make choices for yourself and learning to save it and I think that's the major – that's what [Centrelink] are trying to get out of it […] They want people to be able to manage their money better to the point where they'll manage their money for them but you learn nothing from that" (CIM2)

For these participants, the BasicsCard did not improve their financial situations, but introduced new budgeting difficulties. Indeed, several participants believed that the BasicsCard hindered cardholders from developing genuine financial skills, and thus had the potential to encourage long-term dependency on welfare.

> When people do finally get off Centrelink what have they learnt? You know what I mean? Like you go through a hard time and you end up on Centrelink and then you get out of that, and if you're used to this system of your money gets managed for you then you don't really learn how to dig your way out of that hole and work it out. (CIM2)

Further, participants emphasised that there were a number of ways to work around the BasicsCard's restrictions, negating its potential positive impacts on individuals who might abuse substances. These workarounds mainly involving exchanging purchased goods for cash.

> "Yeah, even random people like me, they would come up to me and go can you just do $20 worth of shopping off my BasicsCard and then can you give me the $20". (CIM1)

> "I know people with the BasicsCard that still manage to get whatever drug or poison they want in the same way that your drug dealer is still a person, you've still got to eat you know what I mean. So, if you spent half your BasicsCard money buying him shopping I'm sure you can arrange that with someone in the town or…" (CIM2)

In light of these circumvention strategies, participants believed that the card had no impact on alcohol and drug use or other addictive behaviours for income managed welfare recipients. Participants discussed personal stories of substance use whilst being income managed, or knowledge of how others had worked around card restrictions to obtain alcohol, drugs or cigarettes. As one interviewee summarised, "I know people with the BasicsCard that still manage to get whatever drug or poison they want" (CIM2). As such, the card not only introduced new difficulties into the lives of people who were previously functioning well, but failed to help those who did need assistance.

Socio-Emotional Impacts of the BasicsCard

Stigma and Shame

Using the BasicsCard provoked embarrassment in many participants, owing to the stereotypes it attracted in the Shepparton community. Participants explained that cardholders were widely seen as drug users with poor financial management capabilities and little motivation to work. As one participant put it, the card labelled them as "one of those people … who is just going to bludge"; "it is that card for people who can't manage their own money" (CIM2). For some interviewees this positioning contributed to internalised feelings of worthlessness and desperation that had potentially profound consequences.

> "I don't understand. That's what I say to them – I don't understand this. Is it because I'm a bit backward? I don't understand this. I go in, come out, and I'm all in tears. I just don't want to go home. I just want to stand in the middle of the road and get run over, mate. That's how I feel." (CIM8)

Numerous participants felt embarrassed using the BasicsCard in public.

> "It made me feel like everyone was looking down, like I was a junkie but I'm not. It just felt really embarrassing, so I wouldn't do my shopping until 10 o'clock at night, because no one's hardly out at that time" (CIM1)

The card's bright green colour was a particular concern for many as it identified them to shop workers and members of the general public. One interviewee described an incident where they were called 'a junkie' while shopping for groceries at the local supermarket.

Interviewee: I got called a junkie and I said I'm not a junkie. Do you see any marks or anything? They were like, no, but you have a BasicsCard. I said, what's that got to do with it. Centrelink gave it to me. I can't do nothing. They're like they're only giving it to junkies. I was like, no, they're not.

Facilitator: Was this outside of Coles or something?

Interviewee: Yeah, yeah … Nearly got in a punch-up, but I walked away because…

Facilitator: Yeah. Who was that person?

Interviewee: I honestly don't know.

Facilitator: Just a random…

Interviewee: A random.

Facilitator: … How many times did it happen?

Interviewee: Three times.

Facilitator: Three times.

Interviewee: Then I didn't go shopping without my partner, because he's my partner, so yeah.

Facilitator: Sure, yeah, okay.

Interviewee: I don't like to go anywhere really without him, because I'm just worried that it's going to happen again. (CIM1)

The card's failure to work at some business added to this embarrassment.

Interviewee: I was very embarrassed, to be honest. I didn't know what to do, I just sort of put my head down and was like, I can't really do much, I'm sorry.

Facilitator: Yeah. Was that at the IGA?

Interviewee: Yeah, that was at IGA. That was in a shop full of people also wanting to be served, so it was very embarrassing. I sort of just walked out of the shop and walked home. (CIM10)

As these examples illustrate, experiences of stigma and embarrassment had the potential to profoundly impact cardholders' emotions, activities and relationships with themselves and their communities in negative ways.

4.5 Shepparton Interview Findings: Welfare Recipients (VIM)

Rationales for Using the BasicsCard

BasicsCard holders who participated in the program on a voluntary basis explained their reasoning for utilising IM and the circumstances in which they agreed to participate. All had discussed the BasicsCard with Centrelink representatives and explored the potential benefits of the BasicsCard for managing their finances prior to engaging in IM. A key consideration in cardholders' decisions was the $500 annual bonus incentive that was offered to VIM participants in the early stages of the trial. This incentive no longer exists.

One participant recalled:

> "I think it was a woman we spoke to at Centrelink, [she] just gave us a basic rundown of what the card's about and part of our payments go to income management for rent and electricity and all that. Yeah, we thought it was quite a good idea and at the time, every six months you'd get a $250 bonus and that was a good bit of an incentive to go on it. That's $500 a year for nothing really. That went straight onto your BasicsCard and that would help with groceries and Christmas and all that sort of thing" (VIM6)

Another explained that, given their debt level, they believed the BasicsCard and the annual bonus would be a helpful way to manage their finances, and has utilised it at different times since.

> "I knew about it and I just thought, it would be a bonus to sort of [sign up], and they said with all my debts, it's probably better to have a try of this and offered it to me and I went on it voluntarily. Then I went back on it voluntarily again at another stage. (VIM4)

Another participant indicated that mounting financial issues were a key aspect of their reasoning to sign up to the BasicsCard. This decision was also eased by the realisation that their pre-existing Centrepay arrangements (through which they paid regular bills) would remain largely unchanged by the BasicsCard.

> "I actually went into Centrelink, and I was talking to them… because I was in some financial trouble. I'd [previously] been managing my bills quite well and everything else. Then the lady that I was speaking to said, look we've got a new program starting, would you be interested in putting your name down for it? Then at the end of the 12 months, there was an extra bonus as being an incentive for people volunteering to go on it, to trial it. I said, yep, I'll gladly volunteer. I said it's not going to change much from what I was actually originally doing. Because it already had all my bills coming out of Centrepay. I had all the necessary items being managed by them, so it wasn't going to make any major difference. Except the fact that I'd be given a card, and whatever was left over out of the half that they kept to pay my bills would be then on that card. So I said, yep, I'll volunteer" (VIM5)

Practical Experiences Using the BasicsCard

Financial Management

VIM participants spoke at length about the impact of the BasicsCard on their financial management. They were largely positive about how the BasicsCard had helped to stabilise expenditure in their day-today lives. The card was seen to be particularly helpful when it came to keeping on top of regular bills as expenses such as electricity and rent were paid prior to money appearing on the BasicsCard, meaning participants could not spend these funds elsewhere or get into debt over these bills. Having money quarantined on the BasicsCard also meant there was money set aside for other expenses.

> "Yeah, no, it was good because your bills all come out before you get the money. I thought it was really, really good. I didn't have a problem with the card at all. I thought it's a really good idea. Do you know what I mean? Then you can only spend what's left on your card on things that you need. You can't just go and buy drugs with it or you can't do this or you can't do that. So, your kids don't miss out on anything. All the school uniforms can be bought through that" (VIM3)

> Usually on the BasicsCard itself there's usually about $30 left on it … It's good … because the 15-year-old eats like a horse or eats like an Alaskan Malamute more than anything. He's [a] typically growing kid, he just eats and eats and eats. If we run low on something, especially bread and milk, we go down and use the card at Safeway. […] If we don't use it, it accumulates over the fortnights. […] It keeps us on track to not overspend on this or that or buy crap we don't really need. (VIM6)

Another important aspect of the BasicsCard that VIM participants appreciated was the assistance and advice they received from Centrelink staff around their financial management. VIM participants described positive interactions with Centrelink staff, explaining "They are so helpful it is unbelievable" (VIM9), and detailing the ease with which they could seek assistance.

> "If you want anything stopped on your payments […] basically you'll go in and five minutes and they put you in the BasicsCard line which is a quick queue. You don't wait around" (VIM4)

Centrelink staff could also assist cardholders to interpret bills and expenditures and offered advice regarding financial management strategies.

> "Yeah, especially like sort of things come at me in the way of the bill is wrong or something and having that extra help, not in just that but the extra help that I know that I can talk to them about it and sort out okay, this bill's quite high so I've got to sort of chomp at that. So yeah, it's really handy, really, really good for me" (VIM3)

Everyday Use of the BasicsCard

A key concern that recurred in the interviews surrounded problems using the BasicsCard at some businesses. The majority of voluntary cardholders were frustrated about the limited merchants that accepted the BasicsCard, particularly given the card was introduced to Shepparton around eight years ago. Participants reported that many stores did not accept the BascisCard, or even know what the BasicsCard was.

> Interviewee: When it was new here in Shep, the only time I sort of felt a bit out of place with it was trying to explain to them - asking them do you accept the Basics, and they go, what's that? There wasn't enough information out in regards to it, and some of the companies didn't even know what it was. There's still places that don't know what it is.
>
> Facilitator: Did that improve over time?
>
> Interviewee: It has improved over time, but there's still not enough information out there. There are still companies out there that don't know what the BasicsCard is. (VIM5)

Examples of merchants that did not accept the BasicsCard included some petrol stations, Aldi, the swimming pool, the cinema, and Vic Roads. The card was also unlikely to be accepted outside of the Shepparton area.

> Facilitator: So, if you're outside of Shepparton you can't use it as much?
>
> Interviewee: No, I have no idea where to use it unless it's at Woolworths or Coles.
>
> Facilitator: What do you think about that?

Interviewee: Be nice to know exactly where you could use it outside the area, because yeah, it's money. If you need to buy something and you're stuck, you're stuck. (VIM3)

Purchasing goods from stores that did not accept the BasicsCard could be time consuming and inconvenient. One participant explained that, to purchase a bed, they needed the merchant and Centrelink to arrange the purchase. This took three months.

> "Yeah, it was just that you couldn't use it at many stores and the ones that you couldn't, you had a problem because you had to contact Centrelink and then they wouldn't know what they were doing, because you'd have to go through the income management line. I think to get a bed or an order from Fantastic Furniture, it took me something ridiculous like three months for them to contact Centrelink and for Centrelink to get back to them" (VIM4)

Other participants found that the range of stores that accepted the BasicsCard suited them, and were able to ascertain which stores accepted the card using Centrelink information.

> "Because I've been over to Bendigo as well, because my sister lives over there. So I've used it both those places. I've used it at Coles, Kmart, Big W, Target. I've used it at Best Buys, which is for clothes. So I've used it pretty much at a large range of shops without a problem. When I go to a new area, it's just a case of contacting Centrelink and saying, okay what shops in that new area have access to it. […] I can call Centrelink up or walk into the office and get a print-out of the services." (VIM5)

Reduced Financial Stress

Given cardholders' limited income, VIM participants appreciated the stability that the BasicsCard offered, including its bill-paying mechanism and its potential to help them save money. Interviewees reported that this reduced their stress and broader financial concerns.

Interviewee: Yeah, I reckon it's a big help. A few people I know say, oh it's rubbish. I reckon it's one of the best ideas … Just having the extra cash there to buy – top up the groceries. We know that every fortnight the rent's paid and bills are paid. It's a big help.

Facilitator: Do you find that that makes life easier?

Interviewee: Yeah. A lot easier not having to worry about, oh shit we've spent $400 on groceries and we're $150 short on rent. It takes that worry out and the stress level.

Facilitator: Do you think it improves your ability to manage money?

Interviewee: Yep.

Facilitator: Why is that?

Interviewee: Just gets – when you know your payments are going into the bank and right I know I can use this much and if we do have to - if something comes up we've got that little bit extra there to pay for what we need like kids' medication or something like that.

Facilitator: Yeah sure. You've got that little bit to fall back on.

Interviewee: Yeah … I think it just gives you a bit more security and peace of mind. It's more of a training tool I think, than anything.

Facilitator: Oh yeah? Tell me what you mean by that? Interviewee:

Interviewee: Because you can't buy certain things with the BasicsCard. You get that into your mind, oh I can't buy that I'll have to put a couple of dollars aside each fortnight. (VIM6)

Many VIM participants had experienced financial or budgeting issues in the past, and were thus relieved that the risk of future issues was reduced. One participant remarked that having their bills paid automatically and in advance “is such a relief for me by knowing that they’ve dealt with it” (VIM3). Another participant expressed similar sentiment, praising the BasicsCard and its bill paying arrangements for reducing their financial stress.

> “I'm not worried about the money because I know my bills are all paid. I've always been on top of my bills as best as possible, financially. But having them paid I know that I don't have to worry about them” (VIM5)

4.6 Shepparton Interview Findings: Stakeholders

Stakeholder Perspectives

Financial Management

Stakeholders corroborated cardholder perspectives regarding the practical difficulties associated with using the BasicsCard. They described working with clients who had experienced their cards declining or not being accepted by retailers. Limits on consumer choice and the inability to shop at cheaper retailers such as Aldi were common concerns among welfare professionals who understood the financial pressure their clients were already under. According to a child and family services program manager,

> "I know that initially, when it first started, there weren't many services that you could go to that accepted the green card. Because they just didn't. So, then you'll have a restriction of choice. If you'll only have this much income – and you know in Shepparton, depending on the supermarket, the prices vary. So, if you're restricted, so if you go to, as everyone calls it, posh Coles down as you're coming into town, their prices are dearer than the one that's in the middle of town" (S3)

Reflecting on the impacts of CIM in their community, stakeholders explained that – in addition to creating additional expense and disrupting cardholders' pre-existing financial management strategies – consumer limitations caused feelings of humiliation among many welfare recipients. In this context, some welfare professionals viewed the BasicsCard as a violation of their clients' basics rights. As the director of a child and family services agency stated, "I think in terms of human rights, they have done harm. They've really denied people dignity. They've removed the choice and agency from individuals." (S4)

Stakeholders held mixed views on whether the BasicsCard improved financial literacy among welfare recipients. A government social worker believed that the BasicsCard taught participants important money management skills, empowered them by stabilising their situations and developing good financial habits.

> "The difference you make in income management is if you can get people to pay their rent or their board with it, if you can get them to put their utilities on it. If you can get them to save a bit and then they buy something out of it. They're income management funds that they never thought they would have achieved. We've had a lot of examples of that at the local level" (S12)

Others, however, qualified this praise. For example, a social work academic assisting Indigenous students, observed that while the card may have a positive impact in some cardholders' lives, it was only effective as a 'crutch'. "You might feel a little bit safe but you're still not getting those skills" (S11).

For many of the welfare professionals interviewed, the BasicsCard was ultimately a counterproductive measure. It failed to foster financial independence, infantilising adults and degrading any previously established skills.

> "We started off with the whole word paternalistic, but there's something else happening […] If people are not getting enabled and moving off Centrelink and they're staying on it longer because they're not getting their financial independence and feeling that they can actually make financial decisions, then they're not going to get off it" (S11)

> "One of the biggest negatives is it takes away someone's independence at a time in life when they need to be learning how to completely do things on their own. Now young people often are out of home by the time they're 16. They need to learn how to budget. If they have a few fall-downs, well, that's okay because that's how we all learn, by mistakes. So they have to learn that" (S7)

Impact on Behaviours

Stakeholders were in broad agreement that the BasicsCard did not change anti-social behaviours as intended by the policy. They agreed that the BasicsCard did not have a discernible impact on child welfare. The child and family services program manager argued that the card did not change parenting styles or domestic violence, and had not reduced the number of children becoming known to child protection authorities or entering out-of-home care.

> "I guess the only other thing I'd say is that despite what I just said around income management supposedly being there to support families, to be [safer I mean], what we know is since income management's come into play in Shepparton, we've not seen a reduction of children becoming known to the child protection system. We've not seen a reduction of children entering out-of-home care. In fact, quite the opposite, we're seeing larger and larger numbers of children entering out-of-home care. So, in terms of the impact on those vulnerable families, it's made not a wit of difference at all" (S4)

Where addictions were concerned, stakeholders again asserted that the BasicsCard had failed to achieve its objectives. As noted by a statutory social worker and a social worker at the Special Ed/Vocational training college, some clients continued to use their unquarantined funds to purchase illicit substances, circumvented the card's restrictions to buy drugs, or found other (sometimes illegal) ways to access drugs or drug money.

> "They still get half their money so if they really want to drink, gamble, smoke they do" (S12)

> "[I]t doesn't stop people from using ice. What people do is they steal. They will steal. Particularly – not just women, but women will give sexual favours to get access to ice and things like that. It hasn't stopped anything like that" (S8)

It was common for welfare professionals to critique the underlying logic of the CIM policy. For example, a financial counsellor noted that the BasicsCards alone could not be effective in combatting addiction.

> "[T]he two families that are on compulsory income management, their families are still messy families. They're still engaged with [welfare organisation]. They have been for a long time – they probably will be for a long time. Maybe whether they were on income management or not, they still would. I don't know. You can't go into a community and put income management out there and then solve it all, I don't think" (S6)

These interviewees explained that the CIM approach risked glossing over the complex factors that underpinned many problem behaviours (for example, childhood trauma and poverty), and failed to provide services to support sustainable positive change.

Introduction and Targeting of the BasicsCard

Welfare professionals confirmed that the BasicsCard system was poorly understood by cardholders in Shepparton. Many of their clients did not know why they had been placed on the BasicsCard. A financial counsellor further perceived that in some instances their clients had been pressured to sign up to both voluntary and compulsory IM arrangements.

> "Then they don't have the power to stand up for their own rights because they don't […] necessarily have a support person with them […] some of our client base are very much disenfranchised, disempowered. So, if they had a meeting, received a letter or whatever it was, come in and discuss about income management, they would respond. They'd go. But not necessarily stand up for their own rights and just would say yes, even though they don't agree with it" (S6)

Welfare professionals explained that the term ‘voluntold’ was used in the community to describe the pressure that some welfare recipients experienced surrounding their involvement in the scheme.

There were also perceptions – both among stakeholders and within the broader Shepparton population – that the BasicsCard targeted particular population groups without a strong rationale or appropriate transparency. Targeted groups were believed to be young people, Aboriginal people and women, particularly single mothers. Stakeholders observed community backlash against welfare recipients’ automatic and compulsory inclusion in the CIM scheme. Concern for and among young people who were placed on CIM because they received the ‘unreasonable to live at home’ allowance was particularly strong. According to a statutory social worker,

> “[There are] a number of young people in Shepparton who I think felt they had been put on the card without a good reason […] The youth workers weren't happy about that, youth certainly weren't happy about that. […] [Because it’s] treating all young people the same when they're not. Just because you're homeless – well, just because it's unreasonable for you to live at home with your family of origin – does not mean that you can't manage your money. It does not mean that you haven't got certain skills. It didn’t mean at the time – there was a lot of people who had already been on income management for some time – oh, had been on Youth Allowance for some time and managed quite well. Why were then put on income management? They were like, well, why? Why are you doing that to me now?” (S12)

Stakeholders believed that this targeting of young people was based on high levels of youth unemployment, school drop-out rates and teenage pregnancies in the area but – as the above quote illustrates – expressed concern regarding this blanket approach.

Stakeholders also provided insights into the various ways the BasicsCard had impacted Aboriginal people in the Shepparton community, noting the broad community perception that Shepparton was chosen as a BasicsCard trial site due its high Indigenous population. For example, the social worker at the Special Ed college believed that the BasicsCard was an attack on Aboriginal communities, disguised as a community-wide initiative.

> “You hear things in the community like, well, they're just Aboriginals, they need to have their money managed like that because they don't know to spend it, which goes back into the racist element of the community” (S8)

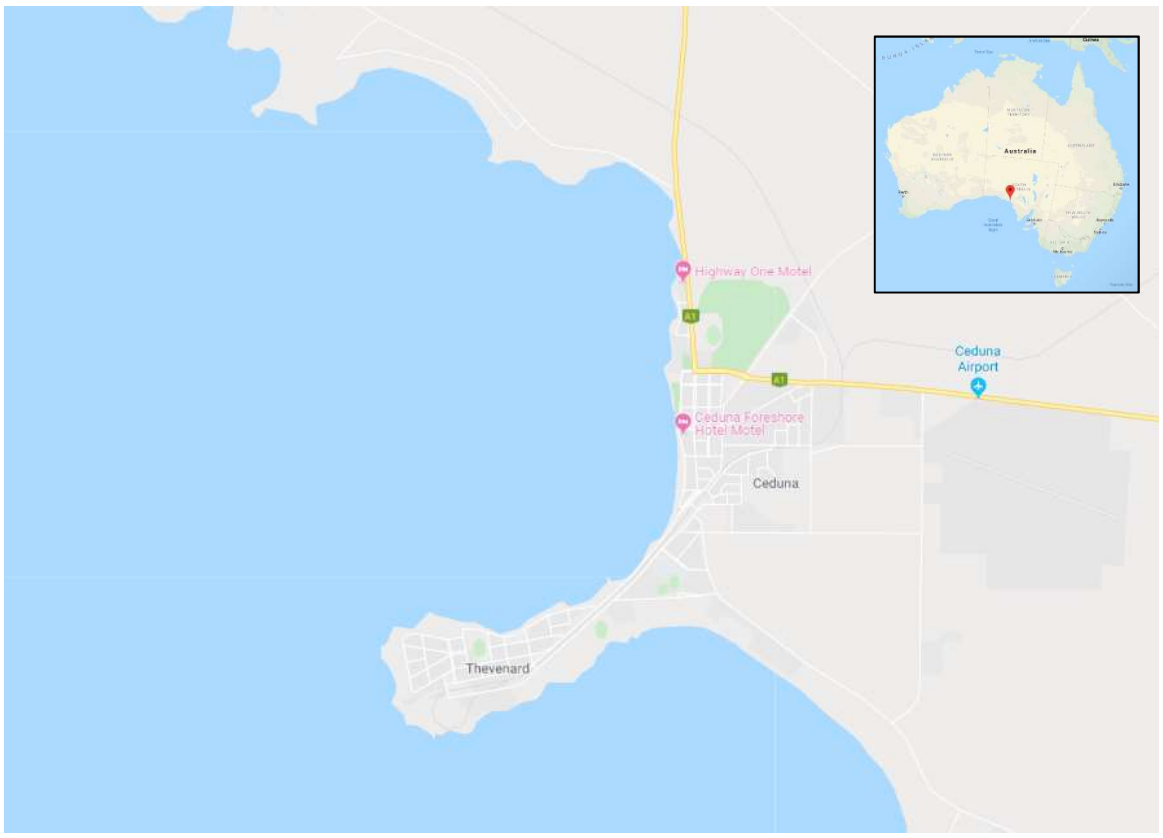
There was also discussion about an incongruence between the BasicsCard and attitudes to finances among Indigenous community members. As the social work academic explained, “as far as finance goes you've got the whole collective identity going on … we were collective. The food was shared and clothes were shared. We'd be asking anyone are you right sis, we've got everything. So, I think this income management is a complete clash” (S11).

5. Case Study C: The CDC in Ceduna

5.1 Ceduna

Ceduna is located on the mid-Southern coast of South Australia (see Figure 14), East of the Nullarbor Plain and around 778km North-West of Adelaide. It is nestled on the Eyre Highway, which winds along the coastline of the Great Australian Bight. The town's name derives from a local Aboriginal word for a "place to sit down and rest": *'Tjutjuna'* (Ceduna Aboriginal Corporation 2019).

The Ceduna CDC trial site stretches outwards from the township (Ceduna Waters) to also encompass the smaller Indigenous communities of Koonibba (a former Lutheran Aboriginal mission until 1963), Yalata (formerly a pastoral station), Oak Valley (north of Yalata) and Scotdesco, located on the west coast of the Eyre Peninsula in rural South Australia. Ceduna Local Government Area (which excludes Yalata) had an overall population of 3,408 (50% male and 50% female) in 2016, about 22% of which identified as Aboriginal and/or Torres Strait Islander – eleven times higher than for the State of South Australia (at 2%) and higher than Australia (at 3.3%) (ABS 2018). In 2016, Yalata (State Suburb) had a population of 248 of which 88% identified as Indigenous (ABS 2016).



Source. Google Maps.

Figure 14. Map of Ceduna, South Australia

The median age of the Ceduna population is 39 years – just below the median age for the State (at 40 years), and just above the median age for Australia (at 38 years) (ABS 2016). In nearby Yalata, the median age is lower, at 30 years (ABS 2016).

Of those Ceduna residents 15+ years of age and in the labour force in 2016, 59% were employed full-time, 29% were employed part-time, 8.5% were away from work and 3.5% were unemployed (ABS 2016). Ceduna's unemployment rate is relatively low when compared with 7.5% for South Australia or 6.9% for Australia on the whole (ABS 2016). In Yalata, unemployment was higher, sitting at 12.1% in 2016 and with only 30.9% of individuals aged 15+ years participating in the labour force (ABS 2016). This labour-force participation rate is low when compared with Ceduna, where 58.6% of individuals aged 15+ years were participating in the labour force – slightly higher than for the State (58.3%), but lower than for Australia (60.3%) (ABS 2016).

In 2016, most employed people (aged 15+ years) in Ceduna worked as managers (18.9%), community and personal service workers (14.1%), labourers (14%), professionals (13%), technicians and trades workers (11.3%), clerical and administrative workers (10.5%), sales workers (8%) or machinery operators and drivers (7.6%) (ABS 2016). Top industries of employment were primary/secondary education (6.1%), grain-sheep or grain-beef cattle farming (4.9%), hospitals (4.6%), offshore longline and rack aquaculture (3.7%) and supermarket and grocery stores (3.6%) (ABS 2016). Median weekly personal income in Ceduna was $696 in 2016 – slightly higher than for South Australia ($600) and Australia ($662) (ABS 2016). It was lower in Yalata, with personal income sitting at just $285 per week (ABS 2016).

Ceduna has a relatively low SEIFA ranking of 198 for Relative Socio-Economic Disadvantage (ABS 2018) and an assault rate well above the state average, as well as high rates of trade in illicit drugs, drink and drug-influenced driving offences, alcohol-related deaths, and public nuisance offences. Publicly available crime-report data show that the overall number of offences in the Ceduna and Ceduna Waters areas has slightly decreased from at least 2012–13 until 2017–18 (this is the time period for which data are publicly available).[7] However, it is important to note that crime-report data are subject to a number of limitations, such as changes in policing activities and the so-called 'dark figure' of unreported crime. These data may be indicative of broader trends, and are also undoubtedly influenced by a myriad of policy settings that exist alongside IM — especially since those affected by IM only represent a very small proportion of the overall population.

In 2014 alone, there were reportedly 4500 admissions to the sobering up centre, and in September 2015 Ceduna introduced major alcohol sales restrictions (Henderson 2015; ORIMA Research 2017). Other prevalent social problems include poor physical and mental health, family violence, limited housing affordability, and general financial disadvantage and poverty (ABS 2018; ABS 2019; Henderson 2015; Jeanes 2011; Orima Research 2017).

According to recent research by Vincent (2019), residents of the outer communities of Yalata and Oak Valley pay regular visits to Ceduna for various reasons, including to access services, shop, and "to drink", given that Yalata and Oak Valley both have alcohol bans in place (District Council of Ceduna 2014). Dry zones have also been established in Ceduna and Thevenard since 1988 (District Council of Ceduna 2014). In 2014, the District Council of

[7] These data were accessed via the South Australia Police crime statistics portal, available at: https://www.police.sa.gov.au/about-us/crime-statistics-map

Ceduna argued that alcohol consumption and associated behaviours in Ceduna township had been long-standing:

> "[Ceduna has] … become a destination for indigenous [*sic.*] people from these and other communities further North including the Aṉangu Pitjantjaṯjara Lands, to obtain alcohol … Historically, Ceduna has offered a readily available supply of alcohol, particularly low cost bulk wine and fortified wines, typically consumed in volumes which are harmful to an individual's health and gives rise to sleeping rough, domestic and public violence and harmful public and antisocial behaviour. The Ceduna Community has been trying to address the problems of indigenous [*sic.*] people sleeping rough for the purpose of obtaining and consuming alcohol for many decades" (District Council of Ceduna 2014, 1)

The (then) Ceduna Mayor, Alan Suter (in Wahlquist 2016: n.p.), described the CDC as "the best thing we've ever had". In contrast, Davey (2017: n.p.) stated that "Although the trial has been described as a success by the government and the Ceduna mayor … a visit to broader areas of Ceduna, including the north-west towns of Maralinga Tjarutja and Koonibba, reveals mixed responses." In these areas, some reported shame in using the CDC, while a member of the Koonibba Aboriginal Community Council described the CDC as punishing a majority for the gambling and alcohol challenges faced by a smaller group (Wahlquist 2016: n.p.). Other studies have also found varying levels of shame in using the CDC in and around Ceduna (Vincent 2019) as well as difficulties for CDC recipients in accessing basic goods and services, which has hindered subsistence (Coddington 2018). Coddington (2018: 534) stated, "community members found themselves unable to pay for larger purchases, despite being prohibited from only purchasing gambling or alcohol products".

5.2 Ceduna Policy Justifications and Introduction

IM was first implemented via the BasicsCard in Ceduna in July 2014 as a one-year trial (Andrews 2014). The purpose was to "help people manage their welfare payments" (Andrews 2014: n.p.). Later, in October 2015, the Liberal-National Party Coalition Government passed legislation to introduce a new version of IM – based on recommendations from mining magnate Andrew Forrest's (2014) government-commissioned Indigenous Jobs and Training Review – to be called the Healthy Welfare Card (later Cashless Debit Card). The new Card was intended to specifically reduce harm to individuals and communities caused by what the government called "welfare fuelled alcohol, gambling and drug abuse, particularly against women and children" (Tudge 2015: 3). A group of community leaders in Ceduna representing the local Council and five Indigenous organisations signed a Memorandum of Understanding (MOU) with the government for the trial to commence in Ceduna in March 2016. On 15 March 2016, the CDC was introduced, making Ceduna the first location in Australia to experience IM via the CDC. The CDC continues to operate in the Ceduna District and surrounds, including the communities of Scotdesco, Yalata, Oak Valley and Koonibba (DSS 2019a).

According to the Australian Government (DSS 2019a), Ceduna was chosen for IM "based on a range of factors, including community interest and support, levels of welfare dependence, and levels of community harm caused by gambling, alcohol and drug abuse". Former Ministers for Social Services and Indigenous Affairs, Kevin Andrews MP and Nigel Scullion MP (2014), announced that results from a community survey indicated support for the introduction of IM in the Region. Andrews (in Andrews and Scullion 2014) stated:

> "The majority of [survey] participants said income management would help improve diet and health, ensure children are better looked after, increase family stability, and improve people's ability to work and get an education or training … This was coupled with a high level of concern about social problems such as the neglect of children, family instability and the perceived waste of money on alcohol consumption, drug use and gambling."

The introduction of the CDC was accompanied by an Australian Government investment of $2.1M to improve community support services, including for community safety, drug/alcohol, mental health, financial management, family violence and internet (DSS 2019a). Additionally, the Ceduna Aboriginal Corporation (2018, 18, 23) offers local administrative support for individuals placed on the CDC and also holds contracts to deliver other programmes to social security recipients, such as the Community Development Programme.

In 2014, Federal Member for Grey, Rowan Ramsey (in Andrews 2014: n.p.) stated that there was, at that time, broad community support for the trial: "As well as community members, non-government organisations, the local council and the police in Ceduna were very supportive of income management, saying it would have a stabilising influence on our community". In relation to the CDC, former Ceduna Mayor, Alan Suter (in Wahlquist 2016: n.p.) stated, "This has not been about government imposing its will on us … This has been about Indigenous leaders making the tough decisions, backed by government policy, in order to make change happen."

In contrast, Wahlquist (2016) reported that a member of the Koonibba Aboriginal Community Council was opposed to the introduction of IM, and the Chair of the Maralinga Tjarutja Council, Keith Peters, and Yalata Elder, Mima Smart, did not support IM being rolled out in a blanket manner (under the CDC). Mima Smart is recorded as having supported IM "for some, not for all" (in Wahlquist 2016: n.p.). Others in Ceduna also indicated that consultation and communication processes around the CDC were "poorly coordinated" and "insufficient in reaching the wide target audience in the community" (Orima 2017: 105-106). There is evidence of ongoing and significant community opposition to the trial (Mendes 2018; Patterson 2018; Vincent 2019).

5.3 Ceduna Policy Specifics

The CDC in Ceduna results in 80% of benefit income being quarantined and 20% of income being available as cash. The quarantined amount cannot be spent on alcohol, gambling products or gift cards, or withdrawn as cash. Those on eligible social security benefits are moved compulsorily onto the program, and as of 3 January 2020 there were 923 reported participants on IM, of whom 75% were Indigenous. This had increased from 737 in June 2016 (DSS 2019g, 2020b; Orima Research 2017). The trial applies to most residents on working-age income support payments such as Newstart Allowance and Youth Allowance. The stated aim of the trial is to reduce social and community harm, encourage responsible behaviour, and enable transitions from reliance on welfare to participation in paid employment (Community Affairs Legislation Committee 2019; DSS 2019a).

To be considered for a reduction in the amount of funds quarantined, Ceduna community members must apply to the Ceduna Community Panel,[8] which is comprised of individuals in local leadership positions including the CEO of the Koonibba Community Aboriginal Organisation, CEO of the Scotdesco Aboriginal Corporation, Mayor and CEO of the District Council of Ceduna (DSS 2016, 2019a). The Panel receives and considers each application and can make a subsequent direction to the Department of Human Services, requesting an applicant's quarantined portion to be reduced to anywhere between 50% and 80% of their total Centrelink payment (DSS 2016). The panel does not, however, have the power to

[8] Application form available at: https://www.dss.gov.au/sites/default/files/documents/10_2016/application_form_v4_-_14_october_most_current_version_accessible.pdf

remove anyone from the CDC (DSS 2016). To be considered for exemption/exit from the CDC, participants must instead apply directly to the Department of Social Services (DSS) by completing and submitting an exit application form and supporting information sheet (DSS 2019e).[9] According to the DSS (2019g):

> "To exit the Cashless Debit Card program, participants need to demonstrate reasonable and responsible management of their affairs generally, including financial affairs. Each application will be considered on a case-by-case basis and take into account legislated criteria such as the interest of children, if the participant has been convicted of an offence or served a sentence of imprisonment at any time in the last 12 months, risk of homelessness, and health and safety of the participant and the community."

Operation of the CDC in Ceduna has been extended until 30 June 2020 under the *Social Security (Administration) Amendment (Income Management and Cashless Welfare) Act 2019,* which received royal assent on 5 April 2019. At the time of writing, a further proposal to extend the CDC in existing trial areas, including Ceduna, from 30 June 2020 through to 30 June 2021, is before the Senate, under the Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019.[10]

5.4 Ceduna Interview Findings: Welfare Recipients (CIM)

Practical Experiences Using the CDC

Reduced Consumer Choice

Interviewees in the Ceduna region expressed concern that their consumer choices had been limited by businesses and informal economies not accepting the CDC. Participant's discussed their inability to use the CDC for purchases on eBay and other online marketplaces, and in the large cash economy of Ceduna and surrounds.

> "If I need someone to come in and do a bit of yard work or something like that, I've got to pay them cash" (CDC24)

Others described a reduced capacity to participate in cash-based consumption for second-hand goods, or to access and participate in community events such as the Ceduna Oyster Festival, local football matches, and the Adelaide Show. Two participants commented:

> "Yeah, Oyster Fest. Like in the show, the show, people go from here to Adelaide you know and want to take the kids over there and they can't buy anything with Indue card, they've got to get cash…" (CDC8,9,10)
>
> Male: We've got no money, we only got money in the bank, it's only $60, you know, $80, what are we going to spend it on, you know?
>
> Male: We got no money to go in the football.
>
> Male: Most of us. (CDC8,9,10)

Given 80% of Ceduna CDC participants' Centrelink payments are placed on the Indue card, with 20% of payments provided in cash, a number of interviewees described the CDC's impact on their usual spending practices. These included difficulties sharing or giving cash to

[9] Application form available at: https://www.dss.gov.au/sites/default/files/documents/09_2019/exit-application-form.pdf; supporting information sheet available at: https://www.dss.gov.au/sites/default/files/documents/09_2019/supporting-information_0.pdf

[10] Explanatory Memorandum, Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019, 1.

family or friends, or pooling money to purchase more expensive items such as second-hand cars.

> Male 1: Buy a car, yeah. We're finding it hard when we got money in the Indue card, we try and go and […] buy a car, you know? …
>
> Male 2: When we got money on the Indue card and we're just finding it hard to go and get a car, you know?
>
> Female 1: It be really hard with the Indue card. (CDC8,9,10)

The CDC could also impact spending on school-related expenses where cash was required. Examples included school photos, school excursions and canteen lunches. Similarly, parents who had previously given children cash to spend themselves found it harder to teach financial skills, as they were reluctant to give the CDC to their children.

Interviewees were unable to purchase goods from businesses that did not use EFTPOS, or from those that sold alcohol, such as restaurants. One participant, living in a town outside of Ceduna, explained that the CDC limited his ability to purchase fruit and vegetables from the regular fruit truck that serviced his community as it did not have an EFTPOS machine.

> "Yeah, so I mean straight off the bat I was much more limited to how much fruit and veg I could buy […] the fruit and veg truck that came through didn't have EFTPOS for a long time so that was really heavy there […] Another one I found was eBay, it was really concerning when I tried to buy something from eBay it was blocked." (CDC1)

Inflexible Finances

Another issue discussed by participants regarding their diminished choices as consumers concerned reduced access to financial products such as credit cards and bank loans. This was due to banks not accepting the CDC to pay credit card bills, or individuals being unable to demonstrate a capacity to pay bills given 80% of their Centrelink payments were placed on the card. One participant explained "It's difficult to save up for things such as a car … it's difficult to get a loan when you have an Indue card" (CDC11). Another explained that they could not pay their credit card bill with their Indue card.

> "Because I went into the bank, and I said, I've got a credit card to pay, can I use this card? They said, no, we don't want to see you with that card […] I'm like, okay. I'm not treated badly by my bank normally, and they're like, no, go talk to someone else. They pretty much fobbed me off with that." (CDC3)

Some participants discussed a limit to daily transactions on the CDC which also restricted their consumer choices. For example, one interviewee was not able to pay multiple bills in one day, so instead opted for a month-to-month car insurance payment, likely attracting higher fees than a one-off yearly payment.

> "There is also a limit on what you can spend on - how much you can spend in any given day. I think you're capped at like, don't quote me on this figure, but it might be $500 or it might be $1000 a day […] I ordered a couple of things online […] and I may have booked a motel or something and then I did the insurance for the contents insurance which is $500 or $600 for the year. So I did that so I don't have to worry about that. Right, we're going to do the car insurance now and I'll do that for a year. I couldn't because I was over my limit. So I'm back to doing monthly and that has to be direct debit so I've got no control over when that is paid. I want that control." (CDC23)

Technical, Administrative and User Issues

Participants experienced a range of difficulties and technical issues with the CDC, the online Indue platforms, and in help-seeking interactions with Indue representatives over the phone. Some had difficulties using the Indue card outside the Ceduna CDC trial site. In particular, some businesses did not know what the Indue card was, or appeared not to have been set up to accept the card.

> "It's hard about when they - when you go to one shop, you know, a shop and you want to get something with the Indue card and they say you've got to bring cash" (CDC8,9,10)

Technical issues could be frustrating as well as problematic, given the low-income levels of CDC participants. One participant described an incident where money disappeared from their Indue account and left them unable to purchase groceries. The money was placed back into their account on their next pay day.

> Interviewee: "Then there's been another time when I went to the shop and went to pay for something and there is no money.
>
> Facilitator: Yeah, what happened then?
>
> Interviewee: Well they don't know. They don't know what happened. We got in touch with them and everything and they just said, oh someone else has had the same problem and I said, well it's not good enough. It's my money. I need it. They just said, oh well, we'll try to locate it and if we do it won't be in until the next pay […] I actually showed the people at the shop that day the balance and everything and they said, they had another girl that came through and she had about $60 of groceries and she had two little kids and the same thing happened to her.
>
> Facilitator: So you could see that you had cash or money in the account and then it just didn't work?
>
> Interviewee: Yeah. All of a sudden it just disappeared. So, go figure. What the hell are they doing? (CDC24)

Participants came across administrative challenges purchasing second-hand goods using the card, despite such purchase often being necessary due to the low income levels of welfare recipients. The following account of an exchange with an Indue representative highlights issues around the laborious and unrealistic processes involved in buying second-hand goods through Indue's cash advance approval process.

> "I said [to the Indue representative], look, but I want some cash. I said I'm going to Adelaide, I'm going to stay with a friend and we're going to go around garage sales and things like that and this female person kept saying to me, but you can use the card at any EFTPOS. Everywhere has EFTPOS machines. I said people don't and she said what do you mean, people? I said I'm going to garage sales, you know, people. Oh, well if you find something that you like get a photo and send us the ad that you've seen, and I'm like you've got to be kidding me". (CDC23)

The majority of interviewees highlighted difficulties in tracking the funds through the use of the card, a strong preference for physically handling money, and the limited functionality of the CDC compared to bank cards. They also described being generally unsure about how to check card balances and what percentage of their payment was quarantined.

The online Indue platform could be difficult to use, particularly for those who had limited IT literacy or whose previous financial arrangements were largely based on cash withdrawn from a bank. A participant explained their challenges navigating the Indue phone application.

> "Because I have difficulty with my eyes, and I'm getting them seen to. I've got glasses now, but I've been getting the start of cataracts and I find it hard to even see things and you've got to check your balance all the time on my phone with this stupid Indue thing and half the time I can't see it. But I'm of the old school where I can manage my money better without going through this Indue crap." (CDC24)

> "I don't like just backing the card, I like taking the cash, and I like counting the money and holding it, so I know what I'm using […] I just can't keep track of my money on that Indue card. […] I don't have a computer." (CDC24)

Indue's online banking platform could also cause frustration for users. The following interviewee account reveals how the Indue platform, unlike regular online banking, did not save and store the details of their accounts, instead requiring the payer to enter full details for each one-off payment.

> "Not with this stupid card. It doesn't give you that option and it doesn't store your payees […] You have to find where you've got all that information written down […] If you want to do a one off payment to, you know, I've got my dad and my two daughters listed in my ANZ so if I need to send some money to somebody, easy-peasy, it's there. It says dad. No worries. If I had it on the Indue card I would have to say, oh, can you send me your bloody banking shit again and put it all in. Then once it's done it's gone and that information is no longer there. So next time I want to, you know." (CDC23)

Socio-Emotional Impacts of the CDC

Shame and Stigma

A major theme of the interviews with research participants were their feelings of shame and experiences of stigma relating to the CDC. Some participants felt undeservingly restricted by the card, particularly given they viewed themselves as a generally good citizen compared to others.

> "It's unfair because I can't go to the bottle shop and buy a drink. I can't buy a gift like a bottle of wine. "I feel shame – everyone else gets cash but I don't" "I don't see myself having a problem with alcohol that bad" (CDC7)

Participants highlighted how the CDC signalled to others that they were problematic, lacking responsibility, or unable to manage their lives. This could create feelings of embarrassment, and make simple activities like shopping unpleasant, differentiating them from others in Ceduna.

> Interviewee: Oh, like a child and like I'm embarrassed every time I have to use it at the supermarket, which is about the only place I do use it. I sort of look around and see who's behind me in the queue. I don't want anybody to see me using it because my family have lived here forever.
>
> Facilitator: Why do you think you feel embarrassed? What's behind that?
>
> Interviewee: Because I'm on a government bloody - and I can't look after my own money, I can't pay my own bills and I have to be treated like, not a second class citizen, I don't know, like a fourth class citizen". (CDC23)

The CDC worked as a public marker – identifying cardholders as possessing undesirable characteristics around laziness and bludging. Interviewees found these assumptions confronting and – at least in their own case – inaccurate.

> "[Y]ou feel like a suck. Because everybody's watching and they know you're on the Indue Card. There's no secrets. So straightaway you get branded. Ah, bludger, dole bludger, haven't got any money." (CDC5,6)

Undeserving Targets of the CDC

Cardholders strongly believed that they were undeserving targets of the CDC and its restrictions, and were being unfairly punished because of the poor behaviours of some others in and around Ceduna. Interviewees believed that the poor behaviours of a small segment of the community had been responsible for the introduction of the CDC.

> Facilitator: Do you reckon some people should get it and other people not?
>
> Male 2: Yeah, some people get it, yeah and the good people that don't spend money on grog, they the people are suffering, you know?
>
> Facilitator: Yeah.
>
> Male 3: You know what I mean?
>
> Facilitator: Yeah, I know what you mean. So some people do the wrong thing …
>
> Male 1: I reckon they the one which should be getting Indue card. They the one should be getting them, but we got the certain people getting them here, you know, the whole community and they suffering from the people who are getting from the government. They blame the whole community, which is wrong.
>
> Facilitator: They give it to everyone instead of just some people.
>
> Male 1: Yes, pretty hard, you know?
>
> Female 1: It is wrong …
>
> Male 2: We're all getting the blame, the good people that don't spend money on grog […] We've got to pay the consequences, yeah, for nothing, for no reason, we're getting blamed, we're getting blamed for it, you know what I mean, yeah. (CDC8,9,10)

Many interviewees viewed themselves as well-behaved citizens of Ceduna or nearby communities, and did not view their lives and behaviours as relevant to the CDC's objectives.

> Interviewee: Yeah, I don't gamble, I don't [drink], I'm trying to give up smoking now as it is. You can't buy – yeah.
>
> Facilitator: So you're doing the right thing anyway?
>
> Interviewee: Yeah. There is a lot of people here in Ceduna that do the right thing, I know." (CDC2)

Targeting of Aboriginal People

Many Aboriginal participants felt unfairly targeted by the CDC, and believed that the card specifically targeted Aboriginal people. The card, these interviewees explained, was designed to address and punish Aboriginal drunkenness in the streets.

> "Well, the main reason they brought it in here is because of the tribal mob that come from the lands. That's why they brought it in here, because they were pissing their money up against the wall and like buying dope or buying grog or whatever and, yeah, wasn't [thinking]" (CDC2)

Interviewees also highlighted historical and current racism and cultural divides within the Ceduna community, and frequently expressed surprise that the card impacted the broader community and not just Aboriginal people.

> "Oh it's been used perfectly, that's – because the Indue Card's in and all of the rednecks are saying oh, how wonderful the place is now because there's nobody in town. That stops people that have been here for thousands of years coming to where they normally come. (CDC1)

Participants believed that expanding the local economy and the tourism industry was one of the key motivations for the trial of the CDC in Ceduna, with the result of targeting Aboriginal people.

> Interviewee 2: Aboriginals scare people because they go, you got five bucks, have you got a smoke?
> Interviewee 1: Because they act normal.
> Interviewee 2: Humbug, humbug's right. But it's just because they're loud [unclear], aren't they? They talk loud, they come from the scrub, they talk loud, everybody can hear them and there's no secrets. People think fuck, look out.
> Facilitator: Yeah, so you think …
> Interviewee 2: Drunken Aboriginals … Yeah, it's to make the place look pretty for tourism." (CDC5,6)

Reduced Autonomy, Control and Mistrust

Interviewees frequently described feeling a lack of autonomy and control over their lives and finances, and broader feelings of powerlessness. They discussed feeling victimised and unheard, and stuck with the CDC and its restrictions.

> "We just kept saying, it's our human rights you're taking away, and they're like, oh, no, because you don't even deserve that money, you are lucky the government pays you, so you should be just happy with what you get" (CDC3/4)

Many participants felt uninvolved in the consultation processes in the lead up to the CDC trial, and that their voices had not been heard since its introduction. These interviewees felt powerless and unable to influence decisions around the CDC.

> Facilitator: Now, I think a bigger question is how did it make you feel when you were told you were subjected to these arrangements?
>
> Interviewee 1: Somewhere between powerless and very pissed off.
>
> Facilitator: Why did you feel powerless?
>
> Interviewee 1: Because there was nothing we could do about it. We weren't consulted.
>
> Interviewee 2: Control was taken away.
>
> Interviewee 1: We weren't spoken to. We were pushed right out of the loop. They weren't interested in talking to anybody who they were subjecting it to. (CDC3,4)

Many participants discussed the impact that the CDC had had on their wellbeing and self-worth, and indicated that the community more broadly was feeling a negative impact of the trial.

> Female: He don't want it, he don't want it to keep, because people know how to use their money, what they give them that there …
>
> Male 1: They put us all on the card and we come, you know, look like we're just lost walking around, you know? (CDC8,9,10)

A key theme in these accounts was the overarching feeling that the local community and broader society did not trust cardholders to behave in the right way, or live and manage their lives independently.

> "[S]uddenly they're put into this category where yeah, they're not able to have autonomy. They don't have the - the society doesn't trust them enough to have autonomy through perhaps no fault of their own. So I guess that sort of feeling of that society doesn't trust me to spend my money is yeah, [it] pervades." (CDC1)

Emotional Distress and Impact on Mental Health

Participants described the emotional distress and mental health impact of the CDC. In particular, interviewees recalled the stress and anxiety caused by concerns such as the lack of consent, exemptions difficulties, inability to track funds or manage finances, anxiety associated with calling up and speaking to Centrelink or Indue, and the impact this had on mental health.

> "They had to like, activate it with me, and I pretty much had a full-on breakdown while they were doing it. They – I couldn't stop, I was just like, and I would have hardly talked, crying the whole time. But I knew I had no choice; I need access to the money. So, I had to sign it up, but it was pretty much under duress." (CDC3,4)

> "My brain was in 10 different places at once, trying to work out, how am I going to manage this? I just pretty much shut down, because I couldn't work it out, how to manage it." (CDC24)

Overall Attitude Towards the CDC

Support for Trial

Some participants discussed deriving personal benefits from the CDC, including spending less cash and having more funds available to purchase food and clothing. These interviewees explained that the card was helpful to them in some circumstances, especially around having consistent funds available to purchase food, clothes and petrol, generally spending less, and having more money available. These interviewees reported that the card was working well for them.

> "It helps to save up money because you spend less … [and you're] able to buy more clothes, food and toys" (CDC13,14)

> "Sometimes it's good, [it helps] saving for feed […] There's more feed and less drinking, families are drinking less" (CDC17)

> "It is good for kids sometimes, families have enough money" (CDC15)

One participant stated that they were happy with the current CDC arrangements, and that they would like to see it stay in its current format.

> "It was fine […] It's good. […] 80/20 [split] is ok for me. I have to come to Ceduna for the bank, and I do shopping in Yalata … It's alright, keep it the way it is", "I keep it (the Indue card) to myself" (CDC19)

> "People, family members, […] their own families … they waste a lot of money … wasting … and that's why this happened … but [I] accept this. I want it" (CDC12)

Other participants believed that the Indue card could be beneficial for 'others' who had been using their funds inappropriately, particularly families with children with child protection involved, those involved in the legal system, and those who have demonstrated that they are unable to manage independently.

> "Certain fellas that make trouble and they've got to blame the whole community, you know? Certain fellas who make trouble, they should be getting [the] Indue card, not the whole community" (CDC8,9,10)

Some participants observed that the community was generally drinking less – both privately in family homes and in terms of public drunkenness – but also that this was likely helped by recent increases in restrictions on the ability to purchase alcohol in Ceduna. Another participant suggested the card could be beneficial for some people, but that they personally did not require it.

> "Yes, yeah. It's really - I mean I keep coming back to it, I do understand the need for it but there's got to be an easier way to get off it for people that can manage their money. A big part of it for me as well is that I pay everything fortnightly. I pay absolutely everything" (CDC23)

Opposition to Trial

There was clear opposition to the trial among many interviewees. The majority of participants cited limited or no benefits to the CDC and focused on the negative impact of the trial on themselves and their community. Some participants stated this clearly and succinctly.

> "It's destroying our people, man" (CDC8/9/10)
> "Yes, they should change it – we want money back" (CDC17)

The majority of participants believed that the CDC had a limited impact on alcohol and drug consumption or gambling in the community, particularly due to the ease of circumventing restrictions and accessing substances.

Participants frequently discussed methods to circumvent card restrictions. These included people moving away from the trial area, purchasing alcohol or tobacco outside of the trial site, visiting stores that allowed prohibited purchases on card, trading the CDC or groceries for cash, theft, securing money or illicit items from family members, and smuggling imported liquor into the trial site to sell for inflated prices.

> "[A]ny acute substance abuse or even behavioural abuse like gambling or something like that isn't going to be satisfied with the card. Well it's not going to be rectified with the card. It's definitely not and that anecdotal stuff of people buying TVs and swapping TVs or similar sort of things, yeah, I mean that's pretty obvious. A little hurdle is not going to stop anyone." (CDC1)

Some interviewees noted that the card left other family members vulnerable to exploitation, due to requests from those on the card to purchase alcohol for them. At the local level, ways to circumvent the card were well known.

> "I mean that's not going to stop a drug addict from getting drugs. It's not going to stop an alcoholic from getting alcohol. It's not going to stop whatever. They'll find loopholes no matter what. Whether you put him in fucking prison." (CDC2)

It was also suggested that people had been moving out of the trial area to avoid being placed on the CDC.

> "That's why a lot of people moved out of here. A lot of people moved from like Lincoln and Whyalla because they didn't want to be on the Indue card. Because you couldn't really do what you wanted to do" (CDC2)

Asked about their perceptions of crime in the trial site, participants discussed hearing about increased thefts and home break ins, and women engaging in sex work. Some believed that crime had risen since the card was introduced, as cardholders sought an alternative means to access funds. Some interviewees thought that the card had placed added pressure on families, resulting in family violence.

> "There is a little more domestic violence since introduction of the Indue Card" (CDC13,14)

5.5 Ceduna Interview Findings: Stakeholders

Stakeholder Perspectives

Financial Management and Day-to-Day use of the CDC

The stakeholders who participated in this research provided their perspectives on the impact of the CDC on the individuals they worked with. Stakeholders agreed that the CDC restricted some choices around consumption, examples included: an inability to shop at markets, attend town festivals, or send money to children at boarding school. According to stakeholders, the issues around businesses lacking EFTPOS facilities at the beginning of the trial, however, had largely been resolved. One welfare program manager noted that many of the community's practical difficulties experienced with the Indue card were a result of the rapid changes in financial arrangements precipitated by the CDC.

> "I think everyone has just realised that it's just a card, it's nothing special. Now it's just a piece of everyday life. We were talking to people who still carried around bank books, so we were actually imposing 21st, 22nd century technology on people who were still well and truly back in the mindset of the '50s and the '60s" (S2)

Interviewees held mixed views about the impact of the CDC on financial management. Some discussed the card as creating structure for families who are struggling, and said that it could be beneficial as a budgeting tool, enabling recipients to save money. One welfare program manager offered examples.

> "So, some people - and I talk to people here because I have some relationships with Aboriginal people because I've been here so long. People have said to me their son has been able to save money under the Indue card and actually buy a car. That's great. That's a fantastic thing. I think that's the strongest thing about the Indue card and not promoted enough, that it is a budgeting tool. People need help with budgeting. That's why half these Mob are in trouble because they don't have the literacy and numeracy skills to manage finances. I've had another woman who said to me - she lives in Adelaide, she's on the Indue card, she was born in Ceduna. So, she said it's been great because she's been able to save the money to help her daughter pay off her fines with SAPOL. I mean it's not great her daughter's got fines, but she was happy about that. So, it's that saving thing again." (S5)

A child and family social worker described how the CDC had created financial stability for some families.

> "I think there's been a number of families who were teetering on the edge, and the imposition of the card has created a structure for them to remain, keep getting their kids to school, keep going to work, or CDP whatever. I think it has provided some stability, the issues as I see them are more to do with culture" (S3)

However, other stakeholders were sceptical about the impact of the CDC trial, believing it failed to teach literacy skills and prevented saving. These interviewees indicated that the card had actually decreased financial stability in some cases, as evidenced by observations of increased reliance on charities, compensation trusts and general lack of available funds in the community.

> "Yeah, well people have never got any money these days. People are always looking for money […] the request for assistance for food or fuel to get people back to [community] has increased since the Cashless Debit Card started here in Ceduna" (S11)

An alcohol and drug caseworker welfare professional explained that financial stability was largely irrelevant for many cardholders, given the way money was used and shared.

> "Yeah, so roughly with their paydays and because they get paid – one might get paid one week and the other one might get paid the next week they share their money" (S9)

Asked how sharing behaviours work, the same participant explained:

> "Well people give them lifts and take their money off their Indue Card or they might swap it, give someone the rest of the money." (S9)

Child and family social workers argued that the impact of the CDC on many people's financial stability was negligible, particularly because financial stability was not a concept that was relevant to many cardholders in the trial site.

> "Lots of our clients have been highly transient people that don't really have bills. They don't have rent to pay or power or anything like that, so their money doesn't – they don't need to manage their money in terms of that" (S3,4)

All stakeholder participants discussed cardholders' circumventing CDC restrictions. Methods included selling cards and groceries (often at financial detriment), moving away from the trial area to avoid IM, accessing alcohol through family, shopping at alcohol merchants accepting the card or trading it for cash out of the till, and accessing smuggling operations that brought alcohol and drugs into the Ceduna community. Stakeholders discussed people transporting alcohol from other towns and selling it for inflated prices. As one community administrator explained,

> "There are many merchants out there – I shouldn't say many, but there are people out there that are running a paper [sales] business that you can walk there, you'll pay $100 on your card and they'll give you $50 out of the till" (S8)

One Indigenous community representative gave details of cardholders on-selling goods purchased with the CDC to access cash.

> "We have a whole range of, oh I guess scams, to convert their restricted money to cash and that's - that has been done by, at some point, there's community members buying TVs or lots of shopping from the [community] store and down here in the Ceduna Foodland. They'll buy lots of goods and then they'll sell those goods for half the amount of what it's worth. So people at the end of the day may have extra funds for alcohol but they've got less funds for food and that" (S11)

Community Panel Process

Participants discussed a process coordinated by the Aboriginal Community Leaders Panel, whereby recipients submitted an application, attended a panel to be asked various questions relating to their circumstances and financial situation, and received an outcome relating to the percentage of their income to be restricted to the CDC – sometimes this resulted in a reduction in the percentage of funds quarantined. The DSS website indicates that these panels have powers to reduce the restricted portion to somewhere between 50 and 80%, as per the legislation, but that these community panels have no power to exempt or exclude CDC holders from the scheme – so the panels are more properly seen as providing possibilities for a reduction in the restricted portion – not exemption nor exclusion. The CDC exemption process is a different regime managed by the DSS. Stakeholders cited major issues with the process of review in terms of transparency, privacy and effectiveness. Stakeholders explained that the process was very difficult, and discussed the challenges and shame associated with going before a panel of Aboriginal leaders. One welfare program manager described how this process could be delayed, and involved various levels of government not working together. They were also concerned that cardholders were not referred to community agencies to address areas of difficulty following the reviews.

> "They submit an application and then a panel of people meet, and that's the representatives from community. They ask a series of questions. "One of the questions was, does your child go to school? It has to be a percentage rate for them to - the school, it's a state government organisation, do we really need to give you that information? We'll get back to you next week. We'll get back to you next week, sorry forget. We'll get back to you next week. Again this is that three levels of government not working together […] Then another question was are you paying your rent? Generally when people are striking financial hardship, the first thing they do is stop paying their rent. If there's going to be exemptions, and I've never been part of the panel discussions, and I wouldn't know how many people were successful in claiming the differences. But I do know from the discussions outside of the room, how does that panel sit and judge you on limited information that's not coordinated. How do you not make it personal in such a small community as we have." (S2)

Another community administrator explained the review process, believing it to be an effective mechanism for cardholders to make changes to their CDC restriction percentage arrangements.

> Interviewee: The community panel - it's open knowledge of who the community panel … That exemption process is done purely on, do they meet particular criteria which are all around are these people doing the right thing? Do they have any outstanding debts? Do they have any convictions? Are their kids going to school? Are - do they - I think if there was an admission for alcohol - I can't remember what the wording is, but it's around an alcohol related admission. They're simple yes or no questions. People say, no, I haven't done any of it. That application comes to the panel. The panel look at it and go, I know this person. Yep, they're upstanding. They've recently been out of work, they've changed their circumstances. Chat, chat, chat around why it's actually - why the person is doing it, and then look at reducing it. So, from 80-20 I say reducing.
> Facilitator: Has that been effective?
> Interviewee: I feel it has, yes. (S8)

The following welfare program manager's account described some of the privacy and trust issues that prevented cardholders from applying to alter their CDC restriction percentage:

> "My concern with that is if I was a white fella living at Penong that wanted to go to that panel to say I would like a 40/60 split, I'm not sure that I'd want to do that. Because then they all know my business. This is how people think around here. I don't really have anything to do with those Aboriginal CEOs and yet I'm going to put a case to them about my life […] I spoke to a really well-educated Aboriginal woman who happens to be on income management at the moment, so she's swept up in the Indue card. I said why don't you put a case up? She said, I don't want to tell my story to anybody. Terribly proud. She knows all those CEOs and she doesn't want to talk to them, so she'll just remain on it angrily. So that's not great" (S5)

Cardholder Wellbeing

All participants noted that drug and alcohol use was still prominent in the community; however, many noted that there had been overall reductions in access and use. Participants highlighted that it was difficult to ascertain how much of this impact was due to the card and how much was a result of increased funding, services and resources, as well as harsher alcohol restrictions which were introduced around the same time as the CDC. Alcohol restrictions included the removal of cask and fortified spirits from sale in the area, dry areas, limited sales per person and ID technology systems which used driver's licenses to prohibit sales to people from particular areas or who were 'banned' from community establishments.

> "We brought in an ID Tech system to control the service of alcohol to people who had been banned. If you go to the local hotel, and the hotels I've got to tell you were initially resistant but ultimately very supportive, if you want to go and buy alcohol here to takeaway, you have to produce your driver's licence. Your driver's licence is passed through the ID Tech system and if you're the subject of a banning order of any sort, you won't be served. If you go and buy certain types of alcohol and you want to go and get some more and you go to a different place, they swipe the card and say, sorry, you've already had your allocation. So that's another big part of the success." (S7)

However, this had created other issues. Stakeholders noted that cardholders were instead purchasing alcohol with higher alcohol content, such as spirits, which had poorer outcomes around levels of intoxication and family violence. Additionally, most stakeholders concurred that it is difficult to isolate the impact of the CDC on alcohol consumption, given the other measures intended to reduce access to alcohol.

> "No one would be fool enough to say that these people - these individuals - are not getting alcohol, but it's obviously not as readily available and there's more money getting spent on much better things within the community, including food." (S2)

Stakeholders frequently commented on the need for a rehabilitation facility and clinical alcohol and drug services in Ceduna, in addition to current existing services, particularly given the limitations of the CDC in limiting alcohol consumption.

> "I mean the biggest thing for me is that the card hasn't worked how the community thought it would work and people with those addictions need to get those addictions dealt with. There's people out there that can manage their own money in other regions and some in [community] as well but that - some of the main guys are - that have the addiction, need that to be addressed directly, not through other ways. Not through a two-day program - workshop or something like that, it's actually dealing with the rehabilitation" (S11)

The majority of welfare professionals held a general view that IM was very limited in changing the behaviours of cardholders. They argued that there were too many ways to circumvent card restrictions or move away from the trial area, and expressed disbelief about reported statistics. The following child and family social workers also noted that the CDC trial failed to address core reasons for behaviours, particularly intergenerational trauma, grief and loss, and poor mental health.

> "If you look at the pure stats […] it does look at things like crime and disobedience, and does look like they're going down. But does that mean it's really resolving the problems? I don't know, like I think there are people who move away from here, just to get away from the Indue card. I don't know if it's necessarily representing that we're really resolving all the problems here." (S3,4)

Several child and family social workers believed that the relationship between the CDC and child protection issues in the community was largely uncertain, also stating that income management was not a noticeable child protection issue.

> "If it was something that was constantly happening or we were constantly coming across it, I would imagine that we would be talking about it more and doing more about it. But in terms of our everyday practice, it's not seeming like to have a huge impact." (S3,4)

Welfare professional described the child protection issues in the trial site as much more complex and diverse than money mismanagement issues. The main child protection concerns pertained to children's safety relating to family violence, substance use and sexual or physical abuse.

> "We're focusing on the domestic violence, the substance issues, all of the things that filter out to those things, not looking at them as a core thing. Because I think we're focusing on trying to work with the parents to resolve those issues and then it filters down, and the children having clothes and the food and things like that. Because they're able to manage their lives better, and so just coming in and being like we're just going to manage your money for you, and not fix the core problem." (S3,4)

Interviewees had mixed views on the impact of the card on family violence, some observing a reduction in incidents but unable to associate that with the introduction of the CDC, given additionally new programs targeting the issue. Others observed an initial increase in family violence at the introduction of the CDC, as people with addiction faced difficulties accessing

funds. They also noted changes to spending habits, with serious family violence perpetrators starting to purchase spirits with higher alcohol content or circumventing restrictions to access alcohol.

> "Basically because the money wasn't there, so it was somebody else's fault. There was a lot of pressure within families, because the lifestyles that they had lived, some of them were addictive, there wasn't that kind of stuff. As we've gone on through the trial, they figured our work arounds, so some of the stuff that was put in place to cover people living in Yalata and Oak Valley, who live very, still quite traditionally, and still heavily involved with culture, some of those work arounds have been figured out to be used here to access cash" (S2)

It was argued strongly by one welfare program manager that reductions in family violence were not apparent, and that incidents continued to occur as they had prior to the CDC trial.

> "The other one that I don't agree with that's being bandied around is that the family violence numbers have gone down. That's absolutely – I have to argue that that's not true … But my knowledge would be that the same clients are coming up again and again, and new ones are always coming on. That's Aboriginal and non-Aboriginal. So, I'm not sure it's a true stat." (S5)

In assessing the impact of the CDC trial on general crime, stakeholders noted some differences, but also issues with the accuracy of crime statistics. Several stakeholders noted that crime had increased since implementation of the card, with people assaulting others, turning to other criminal activities, or engaging in sex work to secure cash to fund addictions. Another participant argued that statistics say crime had gone down, but that these were not necessarily accurate as people had moved away from the town to avoid the card. A community administrator speculated that incidents of crime had increased, but attributed this to higher levels of police engagement and investigation.

> "Again, people have […] said this card hasn't worked because crime has increased. The fact of the matter is, policing has changed. Policing policies have changed, and police have been told to record all the things that they do. I say all, like warnings, break ins, speeding. So, all statistics have gone up." (S8)

Aboriginal Communities

Most stakeholders considered the card to be culturally inappropriate for Aboriginal people, particularly due to collective cultural values, distinct lifestyles, and financial behaviours. Western concepts of financial stability had limited relevance for many in the CDC trial site.

> "I guess the other thing when you think about it culturally, is that a lot of these things that happen are not, for want of a better word, normal in Aboriginal culture. We're asking a group of semi traditional people, to behave in a way that is a very white way of behaving and like with computers and online. […] You have to go live in this whole world that's not actually how your culture is and what you believe in as a culture, what your values like. We're expecting people from a certain cultural background, to buy what we expect them to do, even though the concepts of it don't have meaning in their culture. It's not something that culturally they understand." (S3,4)

The conditions of the CDC misunderstood the reality of economic practices for many cardholders.

> "An Aboriginal person, there's clear hierarchy within their community, and if you're a person that can't say no to anybody, doesn't matter whether you've got 50 cents or $500, others will just impose. There is no right to say no." (S2)

Stakeholder participants had mixed views on whether the card targeted Aboriginal people. Some discussed Aboriginal people as feeling discriminated against due to past histories of

trauma in Ceduna, however, others denied IM was discriminatory or racist. For example, one stakeholder stated:

> "The people that have been placed on this, it's not a black issue, it's not a white issue. It's a welfare issue." (S8)

Community Backlash and Conflict

The extent and impact of the community backlash to the CDC trial was a major topic in interviews with stakeholders in Ceduna. Most discussed the intense backlash from the community in response to the card, noting this was particularly strong from the Aboriginal community, and recalling extensive media coverage when the program was first introduced. Stakeholders described various forms of verbal abuse and criminal retaliation, including death threats and damage to property in reaction to the CDC trial. One welfare program manager explained that they believed the contention stemmed from past trauma of the Aboriginal community in Ceduna.

> "I don't know. I think because people feel discriminated enough in Ceduna. They're disadvantaged enough in Ceduna just by the remoteness of it. The past/present of stuff that's happened with people of Aboriginal communities. I guess there was a target, they feel like there was a target, and then they're further disadvantaged and discriminated against. So, yes, I wouldn't like someone to come in and tell me how to spend my pay. Yes." (S6)

Other stakeholders noted the intense pressure and backlash experienced by the Aboriginal community leaders, and the impact of CDC trial on their personal lives.

> "[t]he leadership of the Aboriginal community here took a tremendous decision, they were tired of good people dying young without fulfilling their potential. The biggest issue was alcohol and the abuse of alcohol. They engaged with the then Minister, Minister Tudge, and from those discussions they chose to bring the welfare card here. I know that all of them suffered personally, there was quite a lot of backlash, so much so that they wouldn't go shopping on a Saturday with their partners, because they would receive a mouthful." (S2)

Relationships had broken down because of the CDC trial, and professionals had left the area.

> "[W]e're a small town. So, it's pulled people apart that used to be together. That's not a good outcome. They're professional people. People had to leave their jobs because they couldn't handle it anymore." (S5)

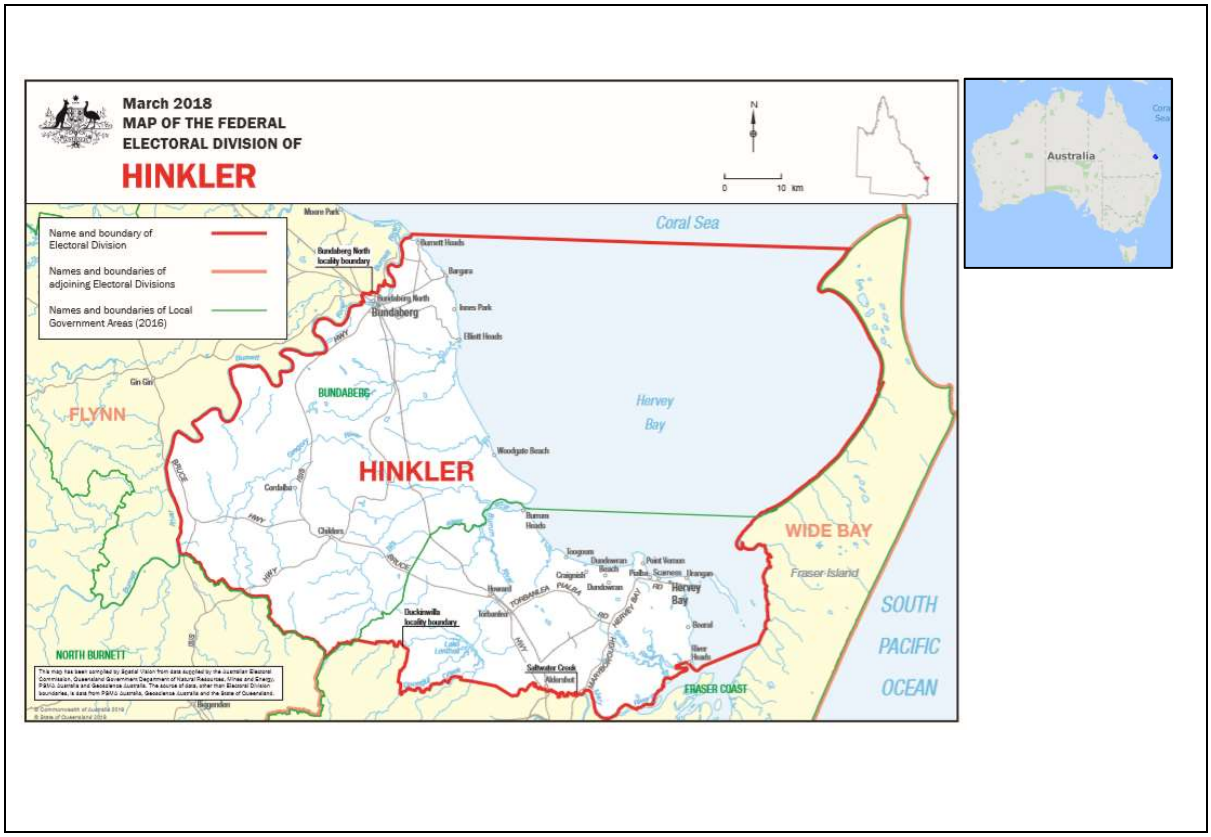
This capacity for the CDC to generate socially divisive outcomes warrants careful consideration by policy-makers intent on expanding the card.

6. Case Study D: The CDC in Hinkler

6.1 Hinkler

The Hinkler Region is located on the south-east coast of Queensland (see Figure 15) and is named after Herbert ('Bert') Hinkler, a Bundaberg local who went on to become a well-known aviator (Wixted 1983). The Region is situated about 286km north of Queensland's capital city, Brisbane.

The Hinkler IM site encompasses the cities of Bundaberg to the north and Hervey Bay to the south. It also includes the townships of Aldershot, Bargara, Elliott Heads, Woodgate, Booyal, Burrum Heads, Torbanlea, Toogoom, Howard, Childers, Burnett Heads and River Heads (DSS 2019c). The Hinkler Commonwealth Electoral Division had an overall population of 141,716 (49% male and 51% female) in 2016 (ABS 2016). About 4.1% of this population identify as Aboriginal and/or Torres Strait Islander – slightly higher than for the State of Queensland (4%) and Australia (3.3%) (ABS 2018).



Source. Australian Electoral Commission (AEC) 2018.

Figure 15. Map of Hinkler (Commonwealth Electoral Division), Queensland

The median age of the Hinkler population is 46 years – well above the median age for the State of Queensland (at 37 years) and Australia (at 38 years) (ABS 2016).

Of those Hinkler residents 15+ years of age and in the labour force in 2016, 50.7% were employed full-time, 33.1% were employed part-time, 5.1% were away from work and 11.1% were unemployed (ABS 2016). Hinkler's unemployment rate is higher than for Queensland (7.6%) and Australia (6.9%) (ABS 2016). Labour force participation was 46.9% in 2016 – lower than for the State (61.0%) and Australia (60.3%) at that time (ABS 2016).

In 2016, the most common occupations for employed people aged 15+ years were professionals (16.5%), technicians and trades workers (14.3%), labourers (13.7%), community and personal service workers (13.4%), clerical and administrative workers (11.7%), sales workers (11.3%), managers (10.3%) and machinery operators and drivers (7.2%). Top industries of employment were hospitals (5.6%), primary education (3.5%), aged care residential services (3.3%), supermarket and grocery stores (3.2%) and secondary education (2.7%) (ABS 2016). Median weekly personal income in Hinkler was $484 in 2016 – lower than for Queensland ($660) and Australia ($662) (ABS 2016).

Bundaberg has a SEIFA ranking of 100 for Relative Socio-Economic Disadvantage, where the Fraser Coast has a ranking of 72. This places both areas in the 2nd decile and indicates that Hinkler – which covers parts of Bundaberg and the Fraser Coast – is highly disadvantaged (ABS 2018). There is also relatively low jobs growth in the broader Fraser Coast Region, with an increase of 0.09% between 2016 and 2017, compared with Queensland's overall growth of 0.14% over the same period (Jobs Queensland 2018). Youth unemployment is also a key challenge in the larger Wide Bay Region (in which the Fraser Coast is situated); for instance, youth unemployment was 28.7% in March 2018 — more than double the Queensland rate of 13.3% (or the national rate of 12.2%) (Jobs Queensland 2018). More recently, the Brotherhood of St Laurence (2019: 3) reported that, in March 2019, the Wide Bay Region had the third highest youth unemployment rate in the nation.

6.2 Hinkler Policy Justifications and Introduction

The CDC was introduced to the Hinkler Region from 29 January 2019 (DSS 2019d). According to the DSS (2019c: n.p.) the Hinkler Region was chosen "following calls for the card from key stakeholders in the region to address social issues such as high youth unemployment and intergenerational welfare dependence." In a joint press release, then Minister for Human Services, Alan Tudge, and Federal Member for Hinkler, Keith Pitt, stated:

> "The region has the second highest youth unemployment rate in Queensland at 23.6% with many now experiencing intergenerational welfare dependence. Of those who are under 30 on welfare today, 90% had a parent who was also on welfare during the past 15 years – the majority of whom were on welfare for at least 9 of the last 15 years. Despite this high welfare dependence, there are often entry level jobs available that are not taken up by locals. Just this week, 387 positions were advertised on the local Jobactive website. Thousands of backpackers work in the region doing entry level positions" (Tudge and Pitt 2017)

Tudge and Pitt (2017) also stated that the CDC was intended to address "the high use of alcohol, drugs and gambling including among young parents" and that "The card will ensure that money meant for children will not be spent on alcohol, gambling or drugs." Tudge (2019: 14926) later added that, during consultations, "A number of these [community] organisations reported that some parents were spending most of their time and money drinking alcohol, which is having a detrimental impact on their ability to provide food, schooling and other activities for their children".

A total of $1M in funding was also promised for "local support services" to accompany the rollout of the CDC in the Hinkler Region (Tudge and Pitt 2017). Tudge and Pitt (2017) stated that the $1M would "assist in providing for any unmet need as a result of the card." There are also two community reference groups located in the Region (in Hervey Bay and Bundaberg), whose purpose is to "perform a key advisory role, supporting engagement between the Department [of Social Services] and community, and facilitating wider community involvement" (DSS 2019c: n.p.).

According to the DSS (2019c) more than 180 meetings were conducted with "a broad range of stakeholders, including the community sector, service providers, community members, church groups, the business sector and all levels of government, which demonstrated strong levels of support." Tudge and Pitt (2017) described consultations prior to the rollout as "extensive", involving "Over 110 consultations … including the holding of public meetings". Nevertheless, a petition with 330 signatories was presented to the House of Representatives on 14 August 2017, requesting that the Federal Government cease its planned rollout of the CDC in the Region (Tudge 2019). A formal response to the petition from Tudge (2019) re-stated that there was support for the CDC rollout during community consultation, and that there was also evidence of social need. A recent survey of Hinkler residents, undertaken by the Queensland Council of Social Services (QCOSS 2019: 8) found that only about 10% of survey respondents (*N*=182) indicated that they had attended one of the DSS consultations before the CDC was implemented, and that "multiple people … [said] they had not received any information about any government meetings".

6.3 Hinkler Policy Specifics

Those in the Hinkler Region who are 35 years of age or younger, and who receive either Newstart Allowance, Youth Allowance (Job Seeker), Parenting Payment (Single) and Parenting Payment (Partnered), are compulsorily moved onto the CDC (DSS 2019d). Hinkler residents are unable to volunteer to be on the CDC and Veterans' and Age Pensions are not in scope for the CDC in this Region (DSS 2019c). At 10 May 2019, there were a total of 5,435 CDC participants in the Hinkler Region, including 15.7% of whom identified as Indigenous (DSS 2019b).

To be considered for exemption/exit from the CDC, Hinkler participants must apply directly to the DSS by completing and submitting an exit application form and supporting information sheet (DSS 2019e).[11] According to the DSS (2019g):

> "To exit the Cashless Debit Card program, participants need to demonstrate reasonable and responsible management of their affairs generally, including financial affairs. Each application will be considered on a case-by-case basis and take into account legislated criteria such as the interest of children, if the participant has been convicted of an offence or served a sentence of imprisonment at any time in the last 12 months, risk of homelessness, and health and safety of the participant and the community."

Under the *Social Services Legislation Amendment (Cashless Debit Card Trial Expansion) Act 2018,* enacted on 21 September 2018, the CDC will continue to operate in the Hinkler Region until 30 June 2020. At the time of writing, a further proposal to extend the CDC in existing trial areas, including the Hinkler region, from 30 June 2020 through to 30 June 2021, is before the Senate, under the Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019.[12]

[11] Application form available at: https://www.dss.gov.au/sites/default/files/documents/09_2019/exit-application-form.pdf

[12] Explanatory Memorandum, Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019, 1.

6.4 Hinkler Interview Findings: Welfare Recipients (CIM)

Practical Experiences Using the CDC

Participants experienced a range of issues using the CDC and associated systems. Four problems recurred in the interviews:

Cards Declining or Not Being Accepted

Interviewees explained that numerous businesses in the Hinkler area did not accept the CDC. This reduced cardholders' consumer choices, at times limiting access to cheaper goods and services.

> "Because I live all the way out in the Bargara, when I do come into town, I fill up my car. I usually go to the cheapest fuel station in town which is over east. So I don't have to drive all the way into town. I went there twice and both times the card didn't work. So I had to go to a different fuel station […] So everywhere I go, I have to go in and check if it works before I use it. That's what makes it feel really embarrassing. […] Once, when I didn't have any cash on me, I went to a fuel station, put fuel in and then my card didn't work. Then I wasn't allowed to leave so I *had* to wait there until someone could show up to pay for it." (CIM10)

Interviewees observed that it was often difficult to know whether a business would accept the card until the point of purchase. Numerous interviewees thus shared stories of having payments decline and thus being required to either spend their limited cash or call a family member for assistance.

> "Last week or maybe the week before I had to go to the chemist and get medicine. I went to use my cashless card and it didn't work. It wouldn't register. It wouldn't work. It wouldn't accept it at the EFTPOS machine. […] I had to use my other card. Thankfully I carry both on me and thankfully I had money on it." (CIM25)

Other interviewees described contacting businesses in advance to ascertain whether the card would be accepted.

> "I've had to call up and ask my mechanics whether they knew if it would work and even she didn't know. So it was having to go in there and sort of just trial it and see whether it did work, and just stressing what was I going to do if it didn't work." (CIM22)

As this quote illustrates, however, not all retailers and service providers knew if they could accept CDC payments, which made it difficult for cardholders to plan their purchases.

Even when businesses purportedly accepted the card, CDC payments at times declined. This occurred despite the presence of adequate funds in the cardholders' accounts and their attempts to purchase permissible items.

> "You need to go to the shops to get your monthly things and if [the EFTPOS is] down you can't get it and it's a problem." (CIM27)

> "It's scary using a card because you don't know when it's going to decline. You haven't got that back up there where you can go and withdraw cash if the EFTPOS goes down or the card declines but there's money available for you. The card's unreliable basically." (CIM2)

As these interviewees emphasised, EFTPOS systems in general, and the Indue system in particular, at times experience problems. On these occasions, individuals on the CDC are left with scarce accessible funds. This can create financial stress and disempowering predicaments for people.

Restrictions on the purchase of alcohol presented further issues for people who wished to buy meals or other permitted items at premises where alcohol was sold. The Indue system did not differentiate between individual products, meaning cardholders were blocked from making any purchases at these businesses. Several interviewees described feelings of humiliation when they purchased cheap (alcohol-free) meals at such venues, only to have their cards rejected.

> "I had to ring a family member to bring money [to pay for my $12 Chinese meal] […] My family only live around the corner. But imagine if [they didn't …] Imagine, I'd be calling my mum in Brisbane, being 27 years old. 'Mum, I need $12'. (CIM16)

Several interviewees observed that this restriction all but prevented cardholders from dining out. As one interviewee put it *"[almost] every single food area that you can eat at other than the places […] creating obesity, all serve alcohol, so you can't use the card there at all"* (CIM21)

This restriction against using the card where alcohol was sold did not only impact restaurant patronage. One interviewee explained that they were unable to use their card to register their son in the local football club because they also sold alcohol. They therefore had to choose between using their limited cash payment for the fee or enrolling him in a more expensive club (CIM3). Other interviewees noted that the alcohol ban caused particular difficulties for people who lived out of town, as many small general stores also sold alcohol. Remote living individuals therefore had to spend additional funds travelling into town in order to buy basics:

> "If you live in Buxton, there's only one shop out there and that's the general store. It has alcohol, everything, it's banned. […] It's 20km from Buxton to the highway and then another 20km to Childers. That's 40km already you've got to travel." (CIM20)

Far from helping cardholders to engage in more responsible spending behaviours, the CDC thus limited some families' access to cheaper goods and services and introduced additional costs for others.

Another common concern surrounded the place-based nature of the CDC trial, which made travelling outside of the Hinkler trial area risky. Interviewees noted that the cards often did not work in other jurisdictions. One person had previously bought their family's groceries out-of-town, where they could access cheaper items in bulk. The CDC meant this was no longer possible.

> "I can't shop at Costco any more, which was a big thing for me. […] Like I could buy a bulk of milk or something for my sons' lunchbox for way cheaper than buying just the six-packs up here at Woolworths." (CIM25)

Another interviewee who regularly visited their child in out-of-home care explained that they saved all their cash for use on petrol, as the CDC rarely worked at the petrol stations in their child's area.

Other interviewees highlighted the profound stress associated with travelling to Brisbane for medical care, unsure if the CDC would be accepted.

> "I know a lot of other families are in the same sort of situation, they're on carer's payments, and even their carer's payments go on a Cashless Debit Card now. That's not a triggered payment. But because of our parenting payment, all our money goes on the card, and that's not what that other payments for, it's there for you to care for your child. […] The NDIS doesn't cover me for travel to take my son to Brisbane, I have to cover all the costs with that, and if we have to stay overnight. […] So, some people have asked does the card work out of Bundaberg, they've had to travel to Brisbane and things like that.

> A lot of people are saying yes it works, but other people are saying, well we've been told it's like any other debit card, but it's not working like any other debit card." (CIM17)

> "Some people we know that are on it have to go to Brisbane for their doctor's appointment. If you go down there but therefore it's not going to be accepted. If you go down by train you can buy your ticket but you can't buy nothing on the train [because it sells alcohol]". (CIM20)

As these interviewees explained, the CDC was already unreliable within the Hinkler trial site; they did not trust it to work in other areas.

Payment Transfer Problems

In addition to difficulties using their physical CDCs, many interviewees had experienced problems making bill payments using the Indue system. The majority of interviewees had experienced problems transferring funds for bills such as rent, with some payments inexplicably delayed or failing to go through.

> "There was a couple of payments that took two weeks to clear from the account. Like it was - I'm just sitting there and I'm just like this money still hasn't cleared. These bills aren't getting paid." (CIM1)

> "I've also tried to pay my rent because I pay it to a private landlord and so you're waiting for it to go through and waiting for it to go through. Then I think it was two days later, next minute, that amount had been bounced back in my account and I'm looking at it and I'm like why has that bounced back? Then you ring them up and they say, oh it's just a minor teething issue, just keep trying. It's like but that's two more days my rent's due, you're telling me it's a minor teething issue to breach a contract. That's breaching your contract, especially when you're paying late. I've never paid my rent late; I've never paid any of my bills late and the time that it's taking to finally get there and then you've got the worry of it bouncing back because of whatever reason that they reckon they don't know." (CIM3)

Such problems had the potential to cause profound material harm. Several interviewees explained that their rent was now in arrears and expressed fear that they might be evicted as a consequence.

> "Since being placed on a CDC card my rent is now in arrears constantly as it goes from the Cashless Debit Card on a Thursday afternoon around about 4:30 and doesn't turn up until sometimes a Monday, a Tuesday or a Wednesday in my personal account. I pay private rent so then I have to go - I have to find out from the bank if the money's there and then I have to go pay it. […] The length of time it takes for my rent money to turn up, that whole time my anxiety is through the roof because you don't know where it is and when it's going to turn up, and then how long before my owner gets sick of it. Because she's a person too, she has bills to pay, a mortgage, rates, you know?" (CIM2)

> "The rent thing is the most concerning for me because that's where people's – having a roof over their heads [is under threat] – and if the system is that flawed that it's affecting people being able to pay their rent. I know my real estate is being understanding at the moment, but from what I have seen, other people are getting fed up with it - their real estates. It won't be that hard for them to just kick a tenant out and find someone that's not on the cashless card so they don't have to deal with it. At the end of the day, it's people's investments, like their mortgage." (CIM25)

Other interviewees worried that their credit rating would be adversely impacted, or that local landlords might avoid renting to cardholders in the future. Far from improving their housing security, the CDC thus placed significant stress on these interviewees' housing arrangements and introducing the potential for eviction and/or future exclusion from the rental market or suitable rental properties.

At times interviewees acknowledged that the CDC Office or Indue Helpline had been able to assist them in resolving these issues. In doing so, however, many emphasised the time and

effort that this had taken. One reflected that more disadvantaged individuals may thus be blocked from accessing support.

> "It's good if you're set up in a nice house and you've already got all your things and you've got internet, you've got a phone with unlimited data. But some people don't even have mobile phones and stuff, not everyone has the same sort of advantages, I guess. Then some people live far out of town, they rely on getting buses around, they don't have a car. I'm lucky enough to have car, so when I had issues with getting my housing payments set up, I luckily enough was just able to drive around from place to place. Because there were a lot of loopholes to jump through to even pay my rent normally how I used to do it, which was just via bank transfer. But then because there was a housing limit and they didn't want to approve it, I had to go through a few different places. But I mean, if you lived out of town and your rent was due the next day, it would be a logistic sort of nightmare." (CIM23)

Other interviewees shared stories of confronting or otherwise unsatisfactory experiences when they accessed these support services. One interviewee was encouraged to allow their landlord to use their CDC in lieu of rental payment – a practice that was common among those in private rental arrangements (for example, when cardholders boarded with their parents), but that introduced the potential for exploitation and violation of privacy:

> "A couple of weeks ago when my rent didn't go through and I went to the shop front, this is why I don't go to the shop front [anymore]. The lady that I saw was – she was the only one on at the time […] – she told me oh that's fine if it doesn't work. Just give your Indue card to the people you rent off and tell them that they can spend that much in groceries at the shops and that will work out for you paying the rent" (CIM26)

Interviewees also reflected that some bills simply could not be paid from their Indue accounts.

> "We actually have to use all of the working money [from paid employment] on [our car loan and insurance] simply because the insurance place doesn't allow you to use the Indue Card and the car place where we're getting the actual repaying of the loan […] The bank itself couldn't set up Indue for that type of loan payment. […] The only way the bank can use the Indue Card for something like a bigger bill is on a mortgage. They can't do it on a personal loan" (CIM21)

> "Not all loans are accepted either. […] [I have] one of those loans I could get without having to do a credit check and whatnot. […] I can only pay that with my 20% cash." (CIM5)

These interviewees therefore had to pay urgent bills such as insurance and loan repayments using the cash component of their payment and/or funds from paid employment. The CDC system thus introduced significant budgetary stress into these cardholders' lives as they were left with no remaining cash to pay for incidental expenses.

Fees and Charges

These payment problems not only made it difficult for cardholders to purchase goods and services and pay their bills on time; they also resulted in new fees and charges. While the CDC is officially 'fee free', numerous interviewees explained that they had incurred fees from other businesses because of Indue system failures.

> "The other day, I went to the Caltex and it got declined, then I tried again and each time I declined, I log on later that night and we got 39 cents off each fee, for each time. I'm like that's unfair on us." (CIM20)

> "I have an account with Certegy, so I think it was up to $1800 limit. I got some new equipment for [my husband's] business and I just paid that off fortnightly. So, I set it all up, double checked that it was going to go through. Yep. Not a problem, they're on the allowed list. I called them, they said yep, shouldn't be a problem. Payment declines. So I get a dishonour fee and then I have to pay double the following fortnight. […] According to Indue it's in their policies and procedures that they take no

> responsibility for any failed payments. So, they're like, here you have to use this but if for some reason the payment doesn't go through, we're not responsible for any fees incurred." (CIM1)

Other interviewees observed that some retailors charged a surcharge for EFTPOS payments, and perceived these payments to be unfair because – unlike other consumers – they had no choice but to pay via card. The result of the CDC and Indue system meant these people incurred extra cost burdens without any extra income to cover these additional expenses.

Insufficient Access to Cash

Beyond the problem of the CDC not being accepted by some traders, interviewees explained that many small businesses and private sellers did not accept EFTPOS payment more broadly. In this context, the mandatory quarantining of 80 percent of individuals' social security payments left them with reduced access to cheaper goods and services. Access to second-hand items and sole-trader services was particularly effected.

> "We have a three-legged kitchen table at the moment because I don't have enough cash left over to buy a second hand one. It's just ridiculous […] For my older three daughters, I pretty much got all of their baby clothes - except for the stuff that other people bought us – from eBay. Full bag of clothes $40, you know. Done. Can't do that now. It's just [sighs] - it's like we can't hunt for a bargain because all of the best ways to do that have been blocked from us." (CIM1)

> "We have school photos coming up for my son and it's cash at my son's preschool because they hire their own local guy in and he doesn't have the online facilities, so I'm trying to save as much as I can so he's not outed or anything like that. I try not to let it affect him like I try to wait until he's asleep before I try and stress about bills and things like that so he doesn't really know." (CIM3)

The card also reduced many individuals' ability to participate in community life and leisure activities that required cash.

> "Well I can't do any community events really. […] It's either too much cash that I don't have or they just don't accept the card." (CIM27)

> "I want to encourage them to grow up is to buy things locally. Like we like going to markets and supporting local businesses, like farmers and stuff like that. It's pretty much like the cashless card people are saying you can use your card at Woolworths, but that's not how we want to raise - well, that's not how I want to raise my kids. I want to raise them to support local things." (CIM25)

Interviewees noted that while they could, in theory, use the cash portion of their payment to cover these expenses, the reality was more complicated. As described above, interviewees often already used these funds to cover household bills and travel. Many – aware that their cards or transfers could fail unexpectedly – also tried to save their unquarantined funds for use in an emergency.

> "I like to go to the markets for fresh fruit and veg and we have a lot of roadside stalls here. […] You buy a lot of things at the markets and you take your boy along and sometimes they'll give you like an extra apple or something so he can eat while we're walking around. It's nice like that, so it's a bit now more constricted. You are like oh, I've got school coming up and second-hand uniforms, what if my fridge breaks down, what if I need a new microwave and I can only afford second-hand? Yeah, okay, you can go in to buy a new one, but when you're on these payments, you can't really afford a new one." (CIM3)

> "I do buy a lot of stuff off Facebook. My car I bought off Facebook, $500. It was a bargain. Four years on and I'm still driving it. But if I was on the card […] I would have to say to Indue, I want to buy this car. They say, get the bank account details and a statement from the person selling it. Give it to us, then we'll decide whether you can have it or not. This person who wants to sell this car wants to sell this car, not wait however many days for Indue to get their act together and say yes or no […] It costs a lot to go

> through car yards or stuff like that. They just want cash in hand right then, right there, no worry about it." (CIM4)

In this context, individuals who had previously managed tight budgets with great skill and efficacy were left with insufficient cash to allow themselves and their families even small luxuries.

> "I used to look forward to pay day, even though I never really had money to spend. It just - like yay I can pay all my bills this week. Awesome, I've got like $30 left. What can I do with this? We'll take the kid to the park and we'll have fish and chips or – you know like I only got my hair cut the other day because [my partner] had some spare money otherwise I think the last time I got my hair cut was when I was still pregnant with [my daughter]. I mean it was absolutely horrid. You know, I wouldn't want to leave the house because I couldn't afford to get a haircut and I looked like crap every morning." (CIM1)

As will be discussed below, living in this state of financial stress had a corrosive impact on the socio-emotional wellbeing of many individuals and their families.

Socio-Emotional Impacts of the CDC

Stigma

Several interviewees had received disparaging comments from members of the public when their cards declined. Others lived in fear of this occurring.

> "I was at the shops and one of the machines, it was a bit of an older machine and I was trying to get the chip to read and it wouldn't read. I'm putting it in and out and in and out and it just would not read. Usually, after the third attempt, it asks you to swipe. With this card, it doesn't. So after the third attempt, the self-serve light on the top started flashing and I had to wait for the lady to come over and then I had two tradies just behind me and they were like oh, that's one of them junkie cards. I was already a bit panicky because the card wasn't working and I just burst into tears and I was like oh my goodness like I've never touched drugs in my life. I just burst into tears trying to get it to work and luckily, the lady at Woollies, I always see her, so she was very helpful and told me yeah, that it's an older machine so you have to hold it very still in there so it can read. But yeah, it just made me in tears […] I was so upset about it that I ended up covering my card with contact because there is a big Indue logo up the top and that - I mean it's all over the media. They show you photos of the actual card with the big Indue logo, so I went home and I put [on] book contact." (CIM3)

Even when interviewees had not been subject to such slurs, many were aware of and felt alienated by broader community sentiment regarding the card.

> "I went into Just Jeans and my card declined and I'm just like, what the hell is going on? I was mortified. I had […] all four [… of my daughters with me]. So, I've left the shop crying. I've sat down and I'm just like, what the hell is going on with this? I never buy anything for myself so for me to go to Just Jeans to buy myself some clothes, I felt bad enough about that as it was. Then for the payment to not accept, I just - I felt like scum of the earth [cries]. I felt like it didn't matter that I was doing the right thing but, you know. I don't go out, I don't drink, I don't gamble. I don't even buy fucking scratchies [laughs]. I'm like for Christ sake. I'm just being lumped together with everyone else in this town - well not everyone else - but all the people that do do the wrong thing and it's just like, no. You're on Centrelink. You're just the scum of the earth. Off you go. We're going to control what you do and how you spend your money and what you can and can't buy. It's ridiculous. [The shop assistant] had a look at the card, and it declined. I don't know if it was a look of pity or of disgust." (CIM1)

For these interviewees, the problem of social stigma was not limited to direct derogatory comments. Rather, such comments were symptomatic of the broader stigmatisation of cardholders within their electorate.

> *"*Usually people think that you've done something wrong to warrant it. I don't think people look at you positively for being on welfare. There's so much propaganda and stereotypes around. Generally, people don't think - I don't think people would see my card and think, oh she's done a university degree, she worked, she's tried hard. I don't think so. They would look at the Indue card and see that – they just assume, yeah, I don't want to work or I'm on drugs or - yeah, they would just assume bad things that aren't really true." (CIM23)

> "They just see what the media and the stupid goddam politicians have put out there to win votes. […] Keith Pitt's carrying on about - he keeps changing his mind of why he pushed for the card. Originally it was for the drug problem in town. […] Now it's all about the children. It's all for the children and I'm just like, once in a blue moon I will see a baby walking around with a nappy on that looks like it could use a feed." (CIM1)

As this interviewee observed, political and media discourse surrounding the CDC in Hinkler had appealed to toxic stereotypes that portrayed welfare recipients as drug addicts or alcoholics who failed to provide for their children. The distinctive CDC with its prominent Indue logo thus became a public marker of (supposed) moral deviancy.

It was not only individuals who were personally distressed by these stereotypes who testified to the stigmatising realities of the card. Several interviewees indicated that they were not personally concerned about other people's opinions of them, yet nonetheless acknowledged the pervasiveness of this stigma.

> "It's a great way to show everyone I'm on Centrelink and there are some people out there who do look down on people that are on Centrelink, but they don't understand us. We are all on it for different reasons. There are those that our partners have left us, we've got kids we need to support, we can't work. Otherwise, all we would be doing is working to pay the childcare. There are those that have been kicked out of home for different reasons that need it. There are people out there they don't understand it, but then there are others that look down on us because we take their tax apparently. It's their tax that pay us so they don't like us. […] I think they are bigots. To me, it doesn't matter; I let what other people think of me just kind of go the other way. I've never really cared what people think of me." (CIM13)

In this context, many interviewees experienced stress shopping at unknown or untested stores where their cards might decline or where their anonymity might be compromised.

> "My partner and I, we used to go out for dinner once a fortnight, give ourselves a little treat because it was something nice that we could do as a date. We'd go out to the pub and have a pub meal. But now we don't get to do any of that […] It's just the little things; being able to go out on a date if we wanted to and if we had that little bit spare left over. […] It's that a lot of the pubs, even the RSL and places like that, they don't [accept the card], and it sort of gets to a point where you feel like everything is just too hard. It's like why do we even bother, if we go there and get knocked back, well what are we going to do? It's not like we can go and grab cash and pay for it. It's not like we've got a whole lot of money to spare to be able to do anything. […] Worrying about being knocked back when we go to pay for something - it's quite daunting. And worrying about if we were knocked back, you know my partner's social anxiety, having to worry about how he may handle that, and it just becomes all too much." (CIM22)

> *"*I tend not to want to use the card at small businesses because I'm embarrassed that – it's a small town, I don't necessarily want my friends or people with small businesses that I regularly go into, I don't necessarily want their workers knowing that I'm on welfare." (CIM23)

As such, the effects of this stigma extended beyond individual cardholders, impacting local businesses as individuals managed their stigmatisation by limiting their spending and withdrawing from full participation in their communities.

Reduced Emotional Wellbeing

In light of these experiences of financial stress and stigmatisation, it is perhaps unsurprising that many interviewees indicated that the CDC had impacted their emotional wellbeing. Interviewees reported investing large amounts of time and emotional energy simply trying to stay afloat.

> "It's just constantly a matter of what's going to happen next. Constantly being on the edge, not knowing what we're going to get thrown. […] We're always having to try and make back-up plans in case something doesn't work. We're having to try and do things before they're absolutely necessary in case it doesn't work, and we're having to constantly double guess what may happen. It's not just boom, [pay], done. Or oh we get the money out, go do that. It's is it going to be there in time? Is it going to transfer? Are we going to have to make phone calls? You can't just get your bank card out and go walk down the street." (CIM22)

Many interviewees reported reduced emotional wellbeing, and in some cases clinical mental health problems, associated with being on the CDC.

> "My anxiety when I first got on the card got to a point where I was throwing up randomly. As soon as my anxiety started picking up, I'd get the vomits and then I'd feel like I'd get sick and I'd just feel horrible and I'd just want to throw up. Then within that first week of being on the card, I lost three and a half kilos just because I could not stop throwing up; just the anxiety of using the card and trying to switch payments over, worrying about which payments were going to get paid, is my landlord going to kick me out, what's going to happen? Am I going to get a blacklist on my name? It's like this will affect my credit rating and everything in the future." (CIM3)

> "When I was in Coles because I forgot my pin, a literal panic attack - I was starting to struggle to breathe, I was about to start crying, I was - you know I could feel the pressure on my chest, because I couldn't remember it. And I know with my partner, he has literal panic attacks when he has to call up and find out why his [pay isn't in], why he can't transfer his money, and it's become at least a fortnightly thing - one of us at least are having a physical panic attack. And his get bad enough where he will spend the whole day in a panic attack, and then come night-time, he's throwing up because he's been in such a state of stress. It's not good" (CIM22)

Interviewees reported mental health problems including anxiety, depression, Obsessive Compulsive Disorder and panic attacks. Feelings of humiliation and reduced social worth were also common.

Reduced Independence

Feelings of violation and powerlessness were also a common theme in the research interviews. Concerns regarding the involuntary nature of the program and the privacy concerns it entailed were flagged by numerous interviewees, who experienced the card as a form of violation and control.

> "The fact that this is all done without my consent. My name, my address, my CRN number has all been handed over to a private company without my consent. It's fraud. If I was to do that to somebody, I'd be in jail. That makes me angry. It makes me sad; it makes me feel helpless. So at home, yeah, it's hard for the kids. Yeah, and me worrying all the time too, they can see that, they can feel that." (CIM2)

> "To me, having all my personal information handed over to a company, that shouldn't have access to my information, is a huge thing for me too. […] I find it embarrassing, like no one should have access to all my private information. Every time you spend on that card, it's labelled where you spend it. So, if I want to rent a movie twice a week from the vending machine, well that's $8 and that's recorded. You have so many different people on social media, saying that just because you're a single parent, or you're on a Centrelink payment, you're not entitled to those luxuries." (CIM17)

For some interviewees, the sharing of their personal information with a private company was not only a gross violation of their privacy; it was also infantilising.

> "Having to call them to get their approval. It feels horrible. It's sort of like humiliating. Why should I have to tell some random stranger I need new glasses or that sort of thing? I don't know, it's sort of embarrassing and it feels like you're being - you're suddenly reporting to a parent again or - it takes away from your independence and your autonomy. I don't think that's necessarily - it feels vindictive. It doesn't feel like they're doing that to help you. It just feels a bit vindictive, like we're paying you out of our tax money, so you've got to tell us exactly what you're spending with it." (CIM23)

As this interviewee and others expressed, the CDC had a punitive dimension – positioning them as 'naughty children' despite their social status as responsible adults.

This perception was compounded by the reality that the aforementioned issues regarding bill payments made many cardholders increasing dependent on family members for financial support.

> "When it first came in, it took a while to get used to and work out how to pay it because most of my stuff was being paid, but there are certain places that won't accept money from the Indue card. […] I'd had to get mum to pay my phone bill and […] instead of being able to transfer all the money that I needed for my car payments I had to get my parents to pay it because that would have not worked out very well apparently if I can't pay – my car [would] get taken off me and I need that." (CIM13)

While some interviewees were comfortable finding new ways to manage their finances as a family unit – for example, by buying their parents' petrol in exchange for cash, or allowing them to use the card for groceries in lieu of board – others were not.

> "[I] had to ask my father to just cover my rent, which felt a bit like embarrassing and humiliating. It really makes me look bad, if you know what I mean? Not being able to pay my rent, but it's sort of - I didn't like having to do that because I was proud that my rent is always paid on time. I'm not someone who pays things late, so it felt – I didn't want it making me look bad." (CIM23)

Having to ask others for financial favours felt demeaning to some and was a source of discomfort for others who understood that doing so could made the vulnerable to exploitation. Still others explained that they did not have family or close friends to turn to, and thus resented a system that was only manageable for those with sufficient social capital to survive when state supports failed.

Those individuals who disclosed a history of domestic violence were particularly critical of the card's logic of violation and control.

> "[The Indue office] had this hanging up on the wall behind the lady. It was all about domestic abuse, like freedom is everything and say no. I was like, that's kind of hypocritical isn't it? Because if my partner was doing this to me you'd be telling me to leave him. But because it's the government doing it they're completely fine. […] Because according to the government's own website on domestic abuse financial control is domestic abuse." (CIM4)

Speaking to the above theme of dependency, several of these interviewees emphasised that – far from making things better – the CDC had the potential to trap people in domestic violence situations.

> "I have been a DV situation years ago and I had to rely – to move to – I moved to another house and to get furniture and fridges and freezers and that, I had to give my – I transferred money to my brother to buy the stuff down at Sunny Coast on Gumtree. So, he's bought it all on Gumtree in cash. So, I think it's definitely a problem for people that are escaping that situation. They're going to have to buy brand new stuff with their card. You can't just do - unless everyone on Gumtree is going to suddenly have an EFTPOS machine. So, it makes it more hard. It's bad enough. It's hard enough to leave a situation with

> that, with all those emotions and the fear. Then you've got the fear of just being put on a card where you have no cash and you have to try and afford all these brand-new things to move in - to have stuff for your kids or just you. […] If the partner is a drug abuser, like my ex was, they can still take the card whenever they want and go and buy that and maybe swap the smokes with somebody else that they know for drugs or alcohol and anything. […] There's no logic to that." (CIM3)

Where official justifications of the CDC suggest that it has the capacity both to help combat so-called welfare dependency and to help women regain control in financially abusive relationships, these interview findings suggest that the CDC can in fact have a corrosive impact on individuals' financial autonomy and independence.

Overall Attitude Towards the CDC

Support for Trial

Only a very small number of Hinkler interviewees indicated that they had derived personal benefits from the CDC. These interviewees had not typically been financially autonomous prior to being placed on the card.

> "I have my rent and everything that I've got to pay, I have it coming out automatically through Centrepay. Because that's how I prefer to have it, otherwise I just won't pay it. I'll rather spend the money or put the money towards something else than paying rent or something else. […] Before I was on the card I was reminded every week or every fortnight to go pay it by my mum. I've got a short-term memory I don't remember some things so if rent [wasn't automatically] come out, I probably wouldn't remember it." (CIM9)

For interviewees such as this one, the CDC was a valuable tool in a broader system of social and financial supports. The CDC – or Centrepay in particular – helped this person to pay their rent in a context where they were not currently capable of doing so independently.

Several other interviewees indicated that they had not derived significant benefits from the card but were nonetheless broadly supportive of the trial.

> "We do a lot of shopping at the markets and with Facebook and stuff like that, it's a bit hard to get cash because that doesn't last very long because there are some places that don't accept the cashless card still so I've got to use my other card. But honestly, there's not really that much. If I need cash, mum uses my cashless card and I – she's not on the cash card because she's 47 – so I just get cash off mum and she uses my card. But it's not that bad honestly, I'm very neutral." (CIM18)

At times these interviewees echoed government statements, suggesting that only people who were doing 'the wrong thing' would object to the card. Significantly, however, all of these interviewees had access to additional unquarantined funds through a partner or parent, and were thus less impacted by the practical difficulties described above. Individuals who did not have such financial support systems were significantly more likely to experience difficulties and distress.

Opposition to Trial

A strong theme in the Hinkler interviews concerned the inappropriateness of CDC as a broad-based measure. That is, numerous interviewees believed that the card was poorly targeted and failed to take into account the life circumstances of those it impacted.

Many interviewees explained that paid employment was not currently possible for them, despite their in-principle willingness to transition off social security payments and into the

mainstream workforce. This refrain was particularly strong among single parents, whose care responsibilities equated to a full-time job in terms of time and energy commitments.

> "It's really hard when you're a mum and they say, oh well, you can work as well. But I'm doing a full-time study course and working and then doing all sport and school and homework. Yeah, it's too much for one person, for me to do. So, yeah, I could definitely just go out, get a job and work and study, but I don't have that energy and I've got so much to do already. That, yeah, I'm just focused on the study and then I can go work." (CIM6)

Parents of children with disabilities were particularly constrained in this respect.

> "If they've got a mother and father and they both work and can support their kids, that's great. But if you have a child with special needs and that child can't communicate with you and you spend a lot of time and effort trying to figure out what they need, whether it's a drink, whether it's food, whether they want a cuddle or go outside and play. That is a fulltime job on its own." (CIM17)

Some individuals also had disabilities themselves which made finding appropriate employment difficult.

> "Out of four people in my household, only one of them is physically more able to work than the rest of us; the four of us are still quite disabled as such. Both my partner and I have back issues - he also has quite severe social anxiety and things like that. The other male in the house, he has severe stomach issues, where pretty much every day 24/7 he's in massive amounts of pain and vomiting, and he's not a well person. His partner, she's - she does the best out of all of us. She has casual work, but she's also got issues with her shoulders and she's got mild scoliosis and things like that. So in our house we all have some form of disability and do require sometimes that bit of top-up assistance." (CIM22)

As these examples evidence, not all individuals effected by the card had the capacity to work full-time, which raised questions in their minds about why they would be subject to the CDC – particularly when they were not engaging in anti-social activities or otherwise misusing their social security payments.

As supported by the survey findings, the vast majority of interviewees emphasised that they were already spending their benefit payments responsibly. These interviewees explained that prior to being placed on the card they were *already* abstaining from drug and alcohol use, refraining from gambling, actively looking for employment, raising children, and/or participating in education and training.

> "I got the letter saying that I was going to be put on the card. I just sobbed for six hours straight because it felt like my whole life had been taken away from me when I've done absolutely nothing wrong at all. I mean I've never drunk alcohol. I've never smoked […] I don't have kids. I can't have kids. I was managing my money perfectly fine. So what's the card going to do for me except make my life more difficult?" (CIM4)

> "Before this I didn't drink alcohol. I'd drink alcohol maybe once a year on my birthday. I never gambled because I mean, why would you throw away what little money you have, just down the drain. I didn't gamble, I didn't drink, I didn't choose drugs. I lead a very clean lifestyle. I didn't do any of those things anyway. I think for the most part people don't. If you're busy running around with a kid, you're not exactly leading a party lifestyle for the most part. I mean, yeah, it's tiring, parenting is tiring [laughs]." (CIM23)

Indeed, many interviewees noted that they were not alone in this respect – the majority of social security recipients were already doing 'the right thing'.

In this context, some interviewees did support a more targeted version of CDC.

> "There are those out there that spent most of their money on drugs and alcohol, so I understand putting them on a card like this to restrict them. But the rest of us [shouldn't be on it], like I think the last time

> I drank alcohol was a few weeks ago and that's because my uncle bought it. […] So you've got them who you can restrict because they should be spending their money on rent, food, stuff like that, not alcohol and drugs. Whereas there are single parents who I understand there are some single parents that will spend their money on themselves and not the kids and that's a very small and very tiny percentage of us. Whereas the rest of us aren't like that. You're pretty much restricting some people that shouldn't need it; they don't need it because we've been doing well." (CIM13)

> "There is a handful of people out there that do the wrong thing and use the money for their drugs, alcohol, gambling, the kids are suffering. But that's where it needed to be means tested [sic] if they were going to bring something like this in and not target everybody that does the right thing. Because now you feel that you're demeaned by this card, because now everyone's branded you as, oh, well, obviously you're a drug, alcoholic or a gambler or you don't feed your kids now." (CIM24)

The problem, from their perspective, was not the CDC itself but its blanket rollout across a diverse population of individuals – many of whom were 'innocent' of misusing their funds and did not require this heavy-handed intervention.

Other interviewees, however, observed that there were ways around the card's restriction that could be easily utilised by people with addictions.

> "One of my partner's very good friends, they've got four kids and another one on the way and he is a chronic pothead. Like cannot live without it. He's tried to quit, and he turns mental. So, yeah, he's on the CDC and all he does is buy fuel for his dad or his neighbour for cash. He uses his card to pay for whatever they need, they give him cash, he goes and gets his drugs. What else was there? There's been people that - I don't know if it's worked - but they've tried to - how would you explain it. Basically, they're like saying that they've mowed someone's lawn so that they can pay them through the card, but they haven't mowed the lawn, it's for drugs. I don't know if it's actually worked but yeah some - that's some of the stories I've heard. What else is there? People buy groceries to get cash. Some dealers just accept like - I'll take the card, I'll go get whatever I want with it, here's your drugs." (CIM1)

> "I had to go to Coles - I went past - I had to drive up a different way to where I normally go and there's a person literally giving out alcohol in exchange for Indue cards. You know the Indue cards because of the colour and everything. […] It's better for them to get the help to help them with the addiction and then they might start looking after their kids." (CIM26)

As such, it was unclear to them how the card could help those it was purportedly designed to assist. For some interviewee, the CDC actually had the capacity to make things worse – pushing people into crime.

> "I do know people who started growing weed, so they started selling. So, if people want to do things, well they're going to find a way to do it. […] I mean, yeah, if anything it will just make the problems even worse. Because now, not only are they using, they're growing stuff and if anything, it will just make them resort to more illegal measures. I can't really see it improving outcomes for many people." (CIM23)

While this was the only interviewee to suggest that small-time drug users were turning to grow their own product, many interviewees believed that robbery was on the increase in their community as addicts sought other sources of cash to fund drug and alcohol use.

Alternatives to IM

For these interviewees and others, the CDC was ultimately a blunt policy tool that failed to address the underlying factors that contributed to social problems and/or unemployment in their community. 'Taxpayer funds', these interviewees suggested, would be better spent on interventions to address underlying social issues. In particular, they called for policies to:

1. *Address employment shortages in the area.*

> "I can't see how it's going to help me to get a job, I really can't. I don't see it boosting the economy, or creating anymore jobs like Mr Pitt keeps saying it's doing. […] The $12,000 per person could have been spent somewhere else, create more jobs here. You ring up for a job, oh no, we only take backpackers. Like say you want to go pick on the farm, oh no we only prefer to hire backpackers not locals. […] How the hell are you meant to get a job? When you go to the interview, and there's 20 other people sitting there for the one job. Or you go for an interview and nobody sends you an email or a text or anything, to say sorry you've been unsuccessful, you're just left sitting here waiting. Are these people going to contact me? I've been here since 2007 and I find the amount of jobs I went for, that other than disability work, I didn't get replies. I didn't get emails to say sorry you're unsuccessful. I couldn't even get a job at McDonald's. Do you know what I mean? Mr Pitt keeps saying that he's creating jobs, it's going to create jobs, but where are they?" (CIM17)

It was often a lack of suitable jobs – and not an unwillingness to work – that pushed people onto unemployment benefits, these interviewees explained.

2. Provide local mental health support to people with psychological and/or behavioural problems, including (but not limited to) addictions.

> "If they really wanted to help, they would put more mental health services here and they would put a rehabilitation centre here. We don't have one. We don't. We have a private one in Hervey Bay, but it's a lot of money to get to and if you've got a drug problem, you're going to hold onto your money instead of going into a private - so there's other ways. They can do it through support services, but they've cut so many support services. I mean it was last year for R U OK Day. They announced on the radio that Bundaberg has the highest suicide rate Australia wide and now they are bringing in a cashless card because that's magically going to help apparently. It's like why wouldn't you put that money into mental health services to help people? When I was going through real bad postnatal depression, I asked for help and I was still with my partner at the time. He was going through depression as well and this was almost the start of the end because we were both battling depression. It was too much. We both went to the same doctor, we both went to the same counsellor, separate times, but the same ones to refer onto a mental health plan. He got referred straight into a psychologist that was fully 100% bulk billed. I got referred to one where I had to pay $180 and I'd get $78 back from Medicare. I said why and they said oh, because we don't have enough for postnatal depression so you have to go to a certain person that deals with your specific needs. I was like I just want someone to talk to, why can't you just put me somewhere that's bulk billed because I can't afford that." (CIM3)

Addiction and associated problem behaviours, these interviewees argued, would be better addressed with health interventions and the provision of adequate services, rather than punitive measures that risked pushing desperate people further towards the margins.

3. *Equip young people with financial management skills and smoother vocational pathways through education and training.*

For some interviewees, educational interventions could address any mismatch between available jobs and unemployed peoples' skill sets. For others, a reconsideration of the high school curriculum would equip young people with the financial skills necessary to manage their funds responsibly.

> "My biggest issue is the Australian curriculum - like they don't teach you how to do your tax. They don't teach you how to do a budget. They don't teach you interest rates, saving for loans and all of that sort of stuff. You don't get taught that. You have to learn trigonometry and all that irrelevant shit, come out into the real world, make mistakes and fall on your arse and then try and pick yourself back up - because that's exactly what's happened with me. I've come out into the real world after high school, made money, made money, made money - spent, spent, spent, spent, spent - because I've never been taught how to manage my money. Fallen flat on my face and slowly had to work my way back up. Now I'm 30 - like the last 10 years I've earnt about $800,000 and I have nothing to show for it because I've been too busy trying to sort my shit out. So - and this is the thing. If they went back to - even just year 9, 10, 11 and 12 - went back to basics - money, budgeting, tax - all of those things - everybody would be better off." (CIM12)

In all instances, the logic of this argument was the same: better education and training could serve a preventative function, removing the need for punitive and paternalistic interventions such as the CDC.

4. *Provide better support to single parents and other individuals who are currently unable to work full-time.*

> "The Government rebate for kindergarten is pretty good, but very young mothers, I think there's a lot more they could do. They could offer more services to help you and they could offer more before- and after-school programs, that sort of thing. I think there's more counselling, the mental health section especially is kind of terrible. I think there's a lot more things they could do to help people, rather than judge them and just assuming they're terrible spenders, which I don't think is true. I think most people on these payments are quite good a budgeting, if anything. I don't think we're bad budgeters." (CIM23)

For interviewees who offered this suggestion, educational and training interventions – while no doubt valuable – would not be enough. The reality (described above) that some individuals on the CDC were simply unable to work full-time because of family and health considerations necessitated a different policy response. If the government was serious that young single mothers should return to work, for instance, better access to subsidised childcare was required. If it recognised that care work was, indeed, 'work', however, perhaps a more generous and less punitive approach to social security might be warranted.

6.5 Hinkler Interview Findings: Stakeholders

Stakeholder Perspectives

Claims of Misinformation and Some Cardholder Reticence in Seeking Support

Stakeholder interviewees acknowledged the stress that many welfare recipients had experienced surrounding the CDC's introduction, but were divided on the source and legitimacy of these concerns. One interviewee, who worked at a CDC shopfront, was particularly adamant that the practical difficulties documented earlier in this chapter could be resolved if those affected simply sought their office's help. Additional cash transfers were available, for instance, for those with legitimate need for further cash.

Interviewee: "I find they, I guess, [people's concerns] go around a lot of things that specifically need to be paid for in cash, like children's school lunches, fairs, markets, saying people won't be able to spend their money here and that this is an issue."

Facilitator: "In your experience that's not the case?"

Interviewee: "No, I've found when people come in and say, but I like to go to the markets every weekend and buy $50 worth of fruit and vegetables for my family, then you can absolutely still do that. So they're still receiving their 20 per cent of cash in their bank, but then they're also given an allowed amount every 28 days to transfer over for extra expenses, should they need them, in cash, like going to the markets, for school lunches, for things like that. We really encourage people when they come in as well to utilise that for, if that's a concern of theirs, that the children need things through school and that's the only option that they can do, is to pay with cash, to really utilise things that are going onto the card, make sure all of your direct debits and BPAY payments are coming from the card and not from your cash amount, because then it's there for you to use." (S4)

This interviewee indicated that rental payment issues could similarly be resolved with CDC shopfront support; procedures existed for alerting Indue to businesses where the card should be, but was not, working; and concerns about cards declining could generally be traced to other issues anyway. Generally, they explained, "there's been insufficient funds on the card, or there have been some instances that the EFTPOS terminal has completely broken. So whether I had a Commonwealth Bank Card or a Cashless Debit Card, nothing would have worked." (S4)

For this interviewee, the problem was not the CDC but the reticence of some community members to access available support.

> "There's been a lot of information being thrown around [by people] that things haven't been able to be paid or they haven't been able to access their money. But 99 per cent of the time we haven't seen these people coming into the office and actually [getting] help. Most of the time it's something that we could definitely help them with. Even though it may be tricky, I find if somebody genuinely needs to access money to pay for something, we can absolutely help them do that. They would never be stopped from paying their bills or being able to access money if it was for something that they needed. So it can be frustrating when we see all these things being thrown around, but they haven't been able to access their money when it's not really - they're listening to what's being said in the community, instead of coming in here and finding out for themselves." (S4)

In this context, social media was perceived as a particular concern by the CDC shopfront worker, who claimed that misinformation spread quickly through these online communities, feeding anxiety:

> "There's been quite a lot of misconceptions and again, there's a couple of [social media] groups […] and a lot of the information that they are disseminating is inaccurate. I think it's great that anyone has a voice and voices their opinion if what they're saying is factual. But when it's not it's dangerous and I think it's led to a lot of anxiety in the community because people are hearing this misinformation, getting all wound up and angry and then once they actually find out the facts, they go 'oh, well that's quite different to what I was led to believe' and once they find out the facts, they're okay with that. Well the majority are." (S4)

From this perspective, feelings of anxiety and confusion on the part of cardholders are perceived as a consequence of misinformed beliefs about how the card does and does not operate. It is important to note that CDC shopfront workers are employed by the government to resolve issues that participants are having with the card. A number of CIM participants interviewed in the Hinkler region problematised the efficacy of the support offered by shopfronts, given the constraints on the authority of CDC shopfront workers to exercise their discretion to resolve card implementation issues.

Financial Management

Other interviewees confirmed that significant stress had surrounded the CDC's rollout in Hinkler but pointed to other factors as the cause of this anxiety. One interviewee – a program manager who regularly referred clients to the CDC shopfront – agreed that the shopfront offered valuable support. Nonetheless, their experience of the CDC was that it had introduced new difficulties into some clients' lives.

> "Just anxiety around getting it activated and having to set up their direct debits. You know all their direct debits have been coming out of the bank, so now they have to swap them all over. It's causing some stress and rightly so. It is a big thing for them to have to do. People that work part-time are having a few issues, because they get some money paid onto the Indue card and then some money in wages and particularly if they're casual, where their wage goes up and down, so the amount into the bank and into the Indue card varies. So they set up their direct debits to come out of either their bank or Indue and then they're getting fees because there's not enough money in one account or the other. I don't see any easy fix to that. So that is quite stressful and it's an ongoing issue for them. That's probably the main ongoing issue. The others are more just around the card not working where they think it will, or working in places where they didn't think it would and getting them used to managing their money differently". (S5)

As this interviewee explained, cardholder concerns could not always be quickly resolved through (for example) assistance setting up direct debit payments. Rather, the dynamic nature of some clients' wages – as well as the unpredictability that many experienced making purchases – was a cause of ongoing stress.

As described earlier, a key concern for welfare recipients interviewed in the Hinkler area surrounded problems making rental payments on time. Several stakeholders confirmed that this was a problem, including a local real estate agent who reported that numerous tenants had been issued breach notices as a result of problems with the CDC.

> "We did issue the appropriate Notice to Remedy Breach and then if they could prove to us that it was due to a hiccup with the card, then we withdrew that notice afterwards." (S1)

Describing the problems that cardholders commonly brought to their office's attention, the staff member we interviewed at the CDC shopfront confirmed that rental payment issues had been a recurring complaint. The cause of these problems, they explained, generally surrounded the 28-day payment cycle that Indue assumed.

> "They get, I guess, an allowed amount over 28 days and unless somebody is paying their rent every 14 days when the Centrelink payment comes in, that can get thrown out. So if somebody pays three days'

> late one day and then they try and pay late again, it's kind of stuffing up that 28 day cycle. They're coming in here kind of going, 'I haven't paid my rent and I don't know what to do'. So it's working out those 28-day kind of things." (S4)

Again, this interviewee explained that such problems could be resolved if cardholders sought the office's help to organise their payment schedules. As the real estate agent explained, however, the lack of education surrounding the card's rollout had caused serious "headaches" for many (S1); while the card might deliver benefits and they personally supported it, communication and education had clearly been lacking.

Another stakeholder – the administrator of an online CDC support group – shared numerous stories from people they had met through this community. Hundreds of local social security recipients used the online group to share their experiences of the CDC; to offer and receive empathy and information; and to organise local protests and other forms of grassroots resistance. Some also contacted them directly for help and advice. Through this work, this interviewee had seen the practical difficulties that many group members faced. They had also come to recognise that – irrespective of whether cardholders were able to make necessary purchases – the card's identification of one segment of the community as requiring special management and control had significant socio-emotional affects:

> "People are getting sick of being looked down on and treated differently. […] You're taking away people's autonomy, their freedom of choice, their dignity, and you expect them to be able to just be job-ready and be so enthusiastic to get out the door and hug the world. It's like, but you are kicking them emotionally, so they don't want to go out in the world." (S3)

The CDC, they asserted, treated welfare recipients as "second-class citizens" (S3).

Where the support group administrator – like many of the welfare recipients we interviewed in the Hinkler electorate – was firm in their stance that the CDC inflicted harm, several stakeholders held alternative views. Where the administrator shared stories of the card's negative impacts, the CDC shopfront worker recalled several clients who had benefited from the card.

> "The feeling that I get after speaking with these people is that probably it was kind of forced upon them, but it's really what they believe they needed, because they didn't see it as a problem before. I had one person come in and say his entire Centrelink payment would go onto gambling the evening he was paid and he had come in to tell me that he was able to pay all of his bills and he said, 'I've never done that before'. So yeah, he was really impressed that he could do that and he had to do that." (S4)

The real estate agent similarly noted that the CDC had helped some of their tenants to stabilise their rental arrangements.

> "What we just find good was that we've had a couple of tenants that have been in arrears and they've been able to make a change to their payments to pay a little bit extra each fortnight off their card so we know that it's coming in." (S1)

While the CDC had resulted in late payments for numerous tenants, this interviewee therefore believed in the card's potential.

Stigma

The idea that the CDC compounded the stigma of so-called 'welfare dependency' was a key theme in interviews with welfare recipients in the Hinkler area. Discussions of stigma also recurred in stakeholder interviews. Two interconnected debates were dominant here. First, whether the CDC had seen welfare recipients unfairly portrayed and uniformly perceived as

people with substance abuse and other social issues; and, second, whether the card itself was a source of stigma.

On the question of community understandings of the CDC and those it targeted, one interviewee – the support group administrator – explained that the CDC had seen welfare recipients maligned as addicts. This portrayalwas described as ubiquitous in political and media discourses surrounding the card, and as accepted by much of the Hinkler community:

> "[Most of the community] think [cardholders are] all druggies and alcoholics and they're all losers. […] The fact that their next-door neighbour could be a single parent who is doing everything perfectly and could be on that card, it would never occur to them that that person could be on that card, because they would be viewing that person as normal. Do you know what I mean? But then, the minute the person says, I'm on that card, oh, you must be a drug addict. What addiction have you got? Because the assumption is already there. The media has already done the damage." (S3)

A local council member told us that the Hinkler electorate was divided on the merits of the CDC. Indeed, the issue had divided the public like none they had previously seen. This split, they explained, was not a straightforward divide between those who were affected by the policy and those who were not. Rather, it was also apparent in the business community where the question of whether the card would help to address Hinkler's significant social issues or publicly tarnish the region was a source of debate (S2).

Despite these diverging opinions regarding the merits of the program, interviewees testified that stigma was a daily reality for many cardholders. Multiple members of Stakeholder 3's online group had shared stories of being publicly humiliated when members of the public saw them using what had become known as 'the druggie card'.

> "[One man] went into an Autobarn store with his five-year-old son. He asked, could he use the card there. The staff member was like, oh, I don't know. Hang on. I'll just ask somebody else. So, he holds up the card to the other person and says, can we take this? The other person says, oh yeah, that's the druggie card. Well, the five-year-old turns around and says, Daddy, what's a druggie?" (S3)

As this example illustrates, such aspersions did not only affect cardholders but also had the potential to impact their children and families.

Indue, the CDC shopfront worker told us, had "gone to a lot of effort to make the card look very similar to a normal Visa debit card, to stop that kind of stigma" (S4), and in their view this effort had been largely successful. For the support group administrator, however, changing the card's appearance was not enough.

> "Indue tried changing the card a little bit too, by taking their name off it. But that doesn't work, because it's still that grey card. […] If the public find out what colour it is, the person's still going to be stigmatised." (S3)

From this perspective, the problem was not the design of the card itself, but rather the stereotypes that had come to surround it. If political and media discourses portrayed the CDC as an intervention to address drug and alcohol abuse, then whatever the card looked like it would be a source of shame and stigma.

The program manager who worked with welfare recipients at a local NGO offered a different interpretation of these experiences of stigmatisation. Their perception was that welfare recipients were not uniformly looked down on in the community, and that other factors might be at play.

> "I don't think it's people looking down on them because they're on welfare. […] There's a lot of people out there that are going really well, they hold down jobs and they participate in the community and people know they're on welfare but don't judge them because they aren't setting themselves up to be judged. Whereas, I feel the people that are judged –'oh and you're on welfare' – are the ones that look grubby. They don't shower. They don't do their hair. They're the type of clients that are coming into [our NGO]. There's no self-esteem. No self-respect. Because if they dressed well and they participated like everyone else, I don't think that they would be judged that they are on welfare. They're the ones outside Centrelink abusing staff, drunk, on drugs. Sure they're going to be judged! But not because they're on welfare, but because they're being knobs. People associate some of them to the fact that they are on welfare, but I don't think it's a welfare stigma. I think it's more a just behavioural." (S5)

The local council member expressed a comparable view. They had sympathy for young people in their electorate who came from "decent families" (S2) but were struggling to find work. Their patience for those they considered to have no desire to contribute, however, was wearing thin:

> "Most people who I deal with, hang out with et cetera, et cetera, think that people should get out and have a go. I think the age of entitlement is really pissing a lot of us normal people off; the real people, I guess. If that makes sense. I think the silent majority and the – the silent majority will think that it should go further. I think the silent majority think that there should be protesting, and I think the silent majority wants more accountability with those who are on welfare too, if that makes sense. I went to a job site the other day and I had to be swabbed to walk onto that job site to talk to a constituent. If there's a job site that required everyone who walked in to be drug tested, a guy turned up looking for work and was asked to [submit to a drug test], he goes 'I'm not doing that I'll fail it!', and just turned around and walked away. Like, he didn't want work, in the opinion of the people who are working on that site" (S2)

Leaving aside sociological questions regarding the consequences of distinguishing between the 'deserving' and 'undeserving' poor (Peterie et al. 2019; Shildrick and MacDonald 2013), these portrayals raise important questions about how and why some Hinkler residents have come to rely on income support, and whether such 'welfare dependency' can reasonably be blamed on the affected individuals.

Social Issues

As discussed above, some stakeholders interviewed in Hinkler considered the CDC to be a valuable tool to lessen the social impacts of welfare recipients' moral and behavioural shortcomings. The real estate agent we interviewed, for example, explained that some tenants did "a runner" on their leases, abandoning properties and rental contracts without paying. Any interventions that might ensure welfare recipients spent their benefit money where it was "supposed to go" – on expenses like rent – were therefore seen as welcome. (S1)

The program manager and local council member similarly cautioned that some welfare recipients did not want to help themselves.

> "We have financial forums, nobody comes because they don't want to address their financial issues. Because if they pay their bills, they've got no money to party. We have cooking classes and they come and sit. None of them will cook, but they all want to eat it at the end. We got […] a local professional organiser in to talk to them about cleaning their house, setting routines. We have all the charts they can take home to do meal plans. No-one does it." (S5)

> "I don't think you're ever going to improve the budgeting skills of some people. Like, in another world I've tried to educate people around budgeting and all that sort of stuff, and the importance of budgeting and you can't put brains in statues. Some people are just not going to get it. Some people live for today, they don't worry about tomorrow and I think that's probably a very polite way of putting it." (S2)

Empowerment-based approaches, these stakeholders implied, had not been successful. More coercive interventions were seen as warranted.

Despite this frustration, however, both stakeholders also acknowledged the structural factors that contributed to Hinkler's social issues. In particular, they and others described a lack of suitable employment and inadequate health and social services as two key issues within the area. Where jobs were concerned, the council member explained that some jobseekers *were* doing the right thing in trying to find work, but that there were few opportunities available where people could receive good training in a non-exploitative environment.

> "There needs to be an incentive to get more voluntarily people to take up extra training. You know, if I'm a 19 year old and I can't get a job, well you know, help me get more training opportunities; I want the skills, I want a job, I'm desperate to get a job; I'll put out a hundred resumes but I can't get a job because I haven't got any experience. That's the vicious cycle what we deal with. […] I think with the internships, I think there needs to be a framework put around it – these fellows are getting used and abused and spat out. There needs to be an incentive for those kids and for those employees to do it properly; to give them the proper training." (S2)

They similarly explained that changes in the economy and retail behaviour had had a significant impact on Hinkler.

> "We need to have a look at the employment. Retail is dying because of online shopping. Well, how do we replace those basic retail jobs? We don't. […] There's massive big shopping centres all over the place and you look at the shops that are in there, they're getting smaller and smaller and smaller because it's cheaper to have an online presence. You take the need for a shop out, seven day a week trading; well, if you go to a computer you can buy something 24 hours a day. I'm not an online shopper, because I'd much rather go and try something on, that's just me. But I'm a dying minority […]. The young ones buy everything online. You and I, sadly, we can't address this situation because we can't change people's shopping habits. (S2)

The local economy was reported to be struggling. In this context, comments made by the online support group administrator regarding the socio-emotional impacts of the CDC took on added significance.

> "[Group members are] socially isolating themselves from the stigma out there. They're anxious about going shopping with the card. They'll chose times when it's not busy for fear – just in case it doesn't work, in case [the EFTPOS] goes down. […] People are generally more anxious; they're not going out as much. Where possible – because Coles is the only one you can use online – people are [buying groceries online] to avoid going shopping with the card." (S3)

Further, they emphasised, welfare benefits in Australia were so low that many cardholders had few funds to spend to begin with (see Morris and Wilson 2014 for OECD comparisons).

> "The systemic problem is, the [social security] payments are too low to live on. This is not 1994. The prices of everything are not set at 1994 rates. You can't get a three-bedroom house for $100 a week now. Therefore, you can't expect people living on 1994 money to be able to exist and support themselves adequately in the year 2019, with the cost of our living. It is all intertwined. Blaming people for their lack of budgeting skills, when they're already put in the position where they don't have enough money to pay the basics, is low. Beyond low. Then crucifying them and putting them on the card to make them budget better – how can you budget better when you haven't got the budget to budget with?" (S3)

From this perspective, the CDC not only *compounded* the issue of Hinkler residents not shopping locally with a physical presence in stores, but also failed to address the underlying reality that most welfare recipients in the area had minimal cash to contribute to the economy to begin with.

Hinkler stakeholders also acknowledged that local need for health and social services exceeded capacity. While the desperation that providers felt led some to posit that a radical intervention like the CDC might be necessary, it also fuelled calls for greater investment in education and support services.

> "I've been in this industry for 25 years, but the number of people at disadvantage is escalating so rapidly and the amount of disadvantage. We would see through our programs normally a family that might have a domestic violence situation or they might be struggling financially and they might have one or two issues, but now we are just getting so many really intensive referrals from families that have everything. You know, they've got up to five and six children, there's mental health issues throughout the family. There's ADHD, autism, numeracy and literacy issues through the whole family. Mum and dad can't read and write, the children can't. Generational unemployment. Poor property care. Poor nutrition and all the services are at breaking point. Some of the cases that DOCS are knocking back and saying they don't meet their criteria, are just heartbreaking. Mental health are knocking people back that are suicidal and wanting to hand their kids into DOCS and they're saying, sorry but you're not chronic enough for the Mental Health Unit. Counsellors, physiologists, the waiting list is month and months long. If you've got someone that suicidal today telling me that I can't get an appointment for my client until July or August, isn't going to cut it. Particularly when Mental Health Unit won't take them either. You know I've got 15 year old girls that are now mothers. They're cutting. They've attempted suicide three or four times and the Mental Health Unit won't take them and so we're left holding the bag. […] I think we need to be starting to put the funding into preventative measures and we need to start it earlier. So start it at school. We need to get back to basics." (S5)

Staff at the CDC shopfront similarly recognised the need for wrap-around services.

> "When we find people that come in that are really in a pickle, we get to offer them extra free services, like financial counselling and sometimes it's more than that, sometimes they actually need to speak with a social worker or sometimes they need extra support work. Working with [a local NGO], we get to offer that little bit more than just, 'okay we've helped with that, but bye now'. (S4)

Even at its best, these stakeholders suggested, the CDC was not a panacea.

To locate the discussion at the level of how Hinkler's social problems might best to addressed, however, is to gloss other another reality. Namely, that Hinkler's CDC trial targeted *all* welfare recipients on trigger payments aged 35-years-old and under, regardless of their behaviours, financial abilities or histories (or otherwise) of drug or alcohol abuse.

> "Most people are behaving in a responsible manner. Well, they were. They had their finances under control. Their kids were being socialised properly, being able to go to normal events and partake in social inclusive activities and not being judged. Now, this is causing social exclusion and removing that from the kids." (S3)

For the support group administrator – as for many of the cardholders interviewed for this study – the CDC was a crude reaction to a set of complex social problems that deserved a more nuanced and targeted response.

7. Conclusion

The findings from our study – which involved both a national survey and qualitative case studies at four sites – paint a remarkably consistent picture of IM in Australia, regardless of demographic and geographical differences. We have found that there is some support for the IM trials among stakeholders and a minority of participants, particularly those on VIM who have experienced improved financial security and a greater ability to pay for essential items. We have also uncovered an overwhelming number of negative experiences. Many of these relate to program design and implementation issues, or concern the feelings of stigma, shame and frustration that result from being caught up in a set of policies that are perceived as unnecessary, unhelpful and/or harmful.

Our research illustrates that the empirical case for continuing with the current policy settings on CIM is weak. Our research is certainly not the first to suggest these set of policy measures require a fundamental rethink (see Vincent 2019; Mendes 2013). What we have tried to do in this study, more purposefully than the government funded evaluations, is to ensure the voices of those that are the targets of IM are prominent in what is reported about the material effects and personal impacts of the policy. We also recognise that the relationship between research evidence and policy development can be tenuous at best. There are many factors that determine the direction of travel in public and social policy, and changing course is never easy or straightforward, particularly when populism and politics trump a balanced assessment of the costs and benefits of IM schemes. At the same time, we have a responsibility as researchers to bring the evidence to bear on policy deliberation, particularly in an environment where further expansions of CIM are being considered.

We readily acknowledge that the findings reported here are not generalisable to the whole population of IM trial participants, but the strong similarity across the sites suggests the concerns raised are valid and widespread. Addressing these issues means going back to first principles about the goals of a social security system, which are about alleviating poverty, doing so efficiently and effectively, and treating people with respect and dignity in the process. We also need to recognise the links between economic security and mental well-being. The latest public health research has highlighted that economic insecurity is an emerging determinant of mental health among the population, and at the individual level, mental health is often the single biggest contributor to life satisfaction, more so than physical health and unemployment (Kopaska et al. 2018).

There are many factors that make up financial wellbeing, such as having an ability to save and low levels of personal debt. Psychological and emotional factors also have an impact, with research indicating that those who have responsibility for day-to-day management of their money have higher levels of mental health and wellbeing (Kempson et al. 2017). This finding is not surprising, but it is disappointing that these recognised connections between mental health and social identity, self-determination and financial well-being, are missing from the policy debate about the merits of CIM. Similar to the 'knowledge controversy' surrounding the demand for scientifically informed climate change and energy policy, what we need in addressing poverty and disadvantage is more research-led policy development and active, respectful and responsive listening to those who are being impacted by policies.

If policy makers took science and feedback loops seriously, they would arguably arrive at a conclusion that the social, emotional and economic costs of continuing with *compulsory* IM outweigh the benefits. It is hard to draw any other conclusion from the findings presented here and elsewhere. This does not mean that a genuine *voluntary* scheme could not be

maintained, but it would need to sit alongside other measures to tackle poverty that have been recommended by participants in this study and other advocates and experts over many years, such as addressing the adequacy of income support payments, ensuring decent employment and training opportunities, and providing accessible social services and affordable housing. This package of reforms would be a better starting point for creating healthy, economically secure and socially inclusive communities, compared with blunt, punitive and counterproductive policies that are pushing ordinary Australians further towards the margins of their communities.

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