

RUN

ACTU

<https://www.actu.org.au/get-involved/retired_unionists_network>

Phone: 0438 302 061 6 Randall Avenue

Email: [rsm88535@bigpond.net.au](mailto:rsm88535@bigpond.net.au) Edithvale VIC 3196

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Senator Hon. Anne Ruston

Minister for Families & Social Services

PO Box 6022

Senate, Parliament House

Canberra ACT 2600

**CASHLESS DEBIT CARD – Continuing Trials**

The **ACTU Retired Unionists Network (RUN**) meets regularly to discuss industrial and social issues of interest to retired unionists, including such issues as the Cashless Debit Card. At its last meeting. RUN members asked me to write to you to express our concerns about this issue.

As you know, the **Cashless Debit Card** (CDC) currently operates in six sites throughout Australia and was designed to prevent income support recipients from spending income support payments on alcohol, illicit drugs or gambling, by quarantining 80% of such payments on to a debit card (issued by Indue Bank) and providing the other 20% in cash (or cash equivalent). As at 2 April 2021, there were 10,747 participants in the four initial sites and an unknown number in the remaining two sites (which commenced on 17 March 2021).

Briefly, our concerns may be summarised as follows:

* **It is largely ineffective -**  an evaluation of CDC was unable to find “any substantive evidence of the program having sigificant changes relative to its key policy objectives, including changing people’s behaviours”. There was no evidence of changes in spending patterns, no evidence of improved financial wellbeing and no improvement of community wellbeing, including for children. Moreover, the CDC is easily circumvented by participants.
* **It is punitive** – 78% of those on CDC identify as being ATSI, 75% of those on CDC did not change their behaviour in relation to drugs, alcohol or gambling, 34% of those on CDC did not drink at all and 43% of those on CDC said that their lives had become worse, since the introduction of the card. The CDC excludes people from ‘the cash economy’ - including second hand markets and garage sales - and thus works to prevent people from maximising the benefit of their meagre financial resources.

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* **It is anti-welfare** - research has found that being a CDC participant is stigmatising, it diminishes individual agency and criminalises any use of the card outside its strict guidelines. CDC participants have described the card as “demeaning, racist, dehumanising and giving you no independence to make your own decisions”.
* **It is expensive for the taxpayer** – on the CDC trial (in the four initial sites), the government spent nearly $18.9 M (over $10,000 per participant), of which $9.8 M was paid to Indue Bank. Expanding the CDC to more communities will simply increase the wealth of private entities like Indue as well as the overall cost of social security provision – yet without providing any tangible benefits to the individuals and communities impacted by the CDC.

We call on the Federal Government to re-appraise fundamentally this Cashless Debit Card and to provide in lieu a range of community support measures which really will improve outcomes for income support participants and for their communities.



Rodger Smith

National Chair

ACTU Retired Unionists’ Network