



## CATHOLIC SECTOR WORRIED ABOUT CASHLESS DEBIT CARD EXTENSION

**10 November 2020**

Catholic Social Services Australia has told a Senate Committee that plans to continue and extend the cashless debit card system are “stigmatising” and would disproportionately affect Indigenous Australians.

The national peak body for dozens of Catholic social service agencies recently made a submission to the Senate Standing Committee on Community Affairs on the Social Security (Administration) Amendment (Continuation of Cashless Welfare) Bill 2020.

CSSA noted that it had previously expressed its opposition to the compulsory cashless debit card approach in 2017 and 2018 submissions, and said the latest submission again outlines the negative consequences of such policies.

The submission challenged the bill’s assertion that the legislation doesn’t adversely affect people according to race, religion or ethnicity, saying one-third of people in the current trial are Indigenous – 10 times the proportion of Indigenous Australians in the population.

The submission provided feedback from Catholic social service agencies that have seen the impact of the current system.

While acknowledging that income management strategies can protect against practices such as “humberging”, the submission argues that the compulsory nature of the government’s legislation is unfair and discriminatory.

Among the challenges those using the card face are the inability to purchase goods from the “informal economy”, such as farmers’ markets, community stalls and other second-hand items, as well as delays in getting approval to make larger purchases like white goods and furniture.

Some people are turning instead to “pay day lenders” for such transactions, incurring high interest rates and penalties that exacerbate existing financial challenges.

CSSA noted that previous reports to the Commonwealth on the cashless debit card have outlined the mental health impacts of the system, including from stigmatisation.

CSSA said rather than a policy response that “seeks to restrict and control the behaviour of individuals”, the Government should consider the evaluation undertaken so far and “develop a policy framework that is both enabling and addresses the systemic and structural causes of social issues and challenges in our communities”.

“CSSA recommends that the Committee strongly oppose both the current bill and the application of compulsory income management in Australia,” the submission says in its conclusion.

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**The national network of Catholic social services**