



July 27, 2022

Cashless debit card to go

One of Australia's leading social services groups, Catholic Social Services Australia, has welcomed the Federal Government's decision to abolish the unjust and unfair cashless debit card.

Legislation to repeal the card will be one of the first pieces of business introduced by the new government on Wednesday (27 July), the first full sitting day of the new parliament.

Executive Director of Catholic Social Services Australia, Ms Monique Earsman, said the cashless debit card had stigmatised and divided Australia.

"Since the introduction of the card by the Morrison Government in 2016, thousands of First Nation and marginalised Australians have lost control of their freedom to manage their incomes without any discernible improvements in social or employment outcomes.

"Following several reviews and reports on the card, it is now clear the scheme has failed to deliver any widespread or sustained benefits – either to individuals or to their communities.

"The time has come to scrap the scheme, go back to the communities and work with them to establish effective and supported income management schemes," Ms Earsman said.

In June, a scathing report from the Australian National Audit Office (ANAO) found the Morrison government had not demonstrated whether the scheme was working despite operating trials across the country for more than five years.


According to Social Services Minister, Amanda Rishworth, scrapping the scheme will enable approximately 17,300 participants to move off the Cashless Debit Card with the option of voluntary Income Management.

In a statement, she said the Government would also ensure the Family Responsibilities Commission can continue to support community members in the Cape York region by re-establishing Income Management.

"Transition arrangements will include an extensive communication strategy and in-person engagement in each CDC site," she said.

"There will still be support available to those who need it, including opting in for voluntary Income Management, setting up Centrepay arrangements and referrals to local supports."

The card, established in 2016 under the former Coalition Government, quarantines 80% of a person's welfare payments on to a debit card that cannot be used to withdraw cash or buy alcohol or gambling products.



According to the Government, as of 27 May, there were 17,322 participants across the seven CDC trial sites. Just over 50% of the participants were Indigenous, including 77% of participants in the Northern Territory, 84% in the East Kimberley and 75% in Ceduna.

Subject to the passage of legislation, Cashless Debit Card participants can opt-out by contacting Services Australia.

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