

Australian government trials new “welfare card”

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With the opposition Labor Party’s support, Prime Minister Malcolm Turnbull’s government has recently pushed legislation through the Senate to launch trials of what has been cynically labelled a “Healthy Welfare Card.”

The new card system will be imposed on up to 10,000 welfare participants over the next two years, targeting indigenous and other communities allegedly suffering high levels of gambling, alcohol, drug abuse and domestic violence.

The cashless debit card will be compulsory for all welfare recipients in the selected areas, exempting only aged pensioners and veterans. The cards will prevent cash access to 80 percent of an individual’s welfare payments, requiring purchases to be made at participating stores, and purportedly with technology to block spending on alcohol or gambling. The remaining 20 percent can be accessed as cash, leaving a single person on unemployment benefits with slightly more than \$50 per week.

Once more, as with the “welfare quarantining” programs introduced by the previous Liberal-National and Labor governments, Aboriginal people are being used as guinea pigs for measures designed to dismantle welfare entitlements throughout the working class as a whole.

The legislation is the result of a review of indigenous employment and training conducted by mining magnate Andrew Forrest, initiated in 2013 by the Abbott government.

Released earlier this year, Forrest’s review went well beyond employment and training. Entitled “Creating Parity,” it issued recommendations for regressive and punitive measures covering health, education and welfare, with the clear aim of driving participants off welfare into low-wage jobs for the benefit of

employers.

Other recommendations included penalising parents if their children do not have an 80 percent school attendance rate, and tying school funding to attendance data. Unemployment allowances would be reduced to a student allowance for all under-21 year-olds.

Forrest proposed a 100 percent cashless card, but this was deemed impractical for smaller expenses such as local bus fares, children’s lunches and buying second-hand clothes. Many bank debit cards have minimum purchase limits of \$10 and often incur fees.

Under the legislation, the government can force communities into the trial. So far, the only community to sign up for the trial is Ceduna in rural South Australia. It has a substantial indigenous population, with high unemployment and alcohol and substance abuse problems.

The first trial will compulsorily involve up to 1,000 people, two-thirds of them indigenous. Half the participants are on Newstart (unemployment) or youth allowance. Others are on disability, carers or single parent pensions.

After government meetings with the Ceduna District Council and representatives of some Aboriginal organisations, a memorandum of understanding was signed to begin the trial next February. Despite claims of government “consultation,” many people targeted for the scheme have not been consulted and are strongly opposed.

To encourage Ceduna’s involvement, the government offered a one-off payment of \$1 million, to be used for increased 24-hour police patrols, alcohol rehabilitation programs and domestic violence support.

A local authority will oversee the process, but no detail has been provided as to how its personnel will be selected. Welfare participants can apply to the authority

to adjust the amounts placed on their debit cards, provided they meet “obligations,” such as sending their children to school and seeking employment. There is no appeal process.

Other communities targeted for the trials, such as Halls Creek in the Kimberley region of Western Australia and Moree in New South Wales, rejected the offer outright, expressing distrust of the government.

Hall’s Creek Shire president Malcolm Edwards told the *Australian*: “It will increase the crime rate because it leaves people with less money in hand. You take away money and you’ve still got problems of people addicted to alcohol and drugs, but not enough community health workers.”

In 2009, Hall’s Creek participated in a government trial restricting the sale of full-strength alcohol, but the increased support services promised by the government did not eventuate.

Tom French from Moree region’s Aboriginal Land Council commented: “It is another way for the government to keep us down. It will only escalate the problem—people are going to be short of money and they are going to do whatever it takes.”

The scheme lifts to a new level the welfare quarantining or “income management” regimes first imposed in the Howard government’s 2007 Northern Territory (NT) intervention, which involved a police-military takeover of Aboriginal communities.

Like “income management,” the latest welfare card, it is claimed, will provide health, stability and security to families, and protect children from neglect and abuse. Such claims are a total fraud. Alcoholism, drug addiction, gambling and child neglect are not the result of individual problems, confined to welfare recipients. They are largely driven by endemic poverty, disadvantage, oppression and financial insecurity.

Following the NT intervention, the Labor government that took office in 2007 extended income management into working class areas nationally. Currently, 12 income management schemes are operating, covering more than 25,000 people. Some are in predominantly indigenous areas in the NT, Cape York, Kimberley, the Anangu Pitjantjatjara Yankunytjatjara Lands, the Ngaanyatjarra Lands and Ceduna. Others are in Perth, Playford, Shepparton, Rockhampton and the working class suburbs of Bankstown in Sydney and Logan in Brisbane.

To broaden the schemes, in 2010 the Labor government introduced New Income Management (NIM), cynically described as “non-discriminatory”—that is, applying to selected working class areas more generally, not just indigenous ones.

Nonetheless, the vast majority of people currently on income management are indigenous, and more than 60 percent of the participants in the NT have been on the scheme for more than six years. Some schemes are voluntary but most are compulsory, targeting people who have been on welfare for longer periods, particularly youth.

In September 2014, a government review, conducted by the University of NSW and the Australian National University, was released, evaluating income management schemes, such as the Basics Card in the NT, where 50 to 70 percent of welfare payments could be only spent on essential goods, such as food and clothing, at selected stores.

The report concluded that income management did not “change behaviours and did not improve outcomes ... rather than creating independence, it created greater dependence on welfare.”

Nevertheless, the government has budgeted for the Basics Card to continue for at least another two years. Over the past decade, more than \$1 billion has been spent on researching and delivering such schemes.

Alongside these measures, ever-deeper budget cuts have reduced social services, making life unbearable for the unemployed and poor. Under Labor, single parent support pensions were scrapped once children turned 8. This year the Liberal-National Coalition government announced cuts of over \$500 million to Aboriginal programs.

While the Greens voted against the welfare card in the Senate, they have proven their willingness to work with both Labor and Coalition governments to implement austerity measures against the working class. In June, Greens leader Richard Di Natale struck a deal with the Coalition government to slash \$2.4 billion from pension payments over the next four years.



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