

Australia: Turnbull government expands “cashless welfare card”

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Australian Prime Minister Malcolm Turnbull announced late last month that his Liberal-National coalition government will expand its “cashless welfare card” trial to more than 3,400 working-age social welfare recipients in Western Australia’s Goldfields region in early 2018.

This punitive system, which big business wants applied across the country to all welfare recipients, quarantines 80 percent of an individual’s welfare into a debit card that can only be used at designated retail outlets. The remaining 20 percent is deposited into the recipient’s savings account.

The current Newstart allowance for a single job seeker without children is just \$535.60 a fortnight. Those on the cashless welfare trial would receive only \$107.12 in cash and \$428.48 on the card every two weeks.

Cashless welfare cards have been “trialled” for more than 12 months at Kununurra and Wyndham in Western Australia’s East Kimberley and at Ceduna in South Australia. The Goldfields Region includes the towns of Laverton, Leonora, Coolgardie and Kalgoorlie. All these areas have high unemployment and no real future for young people.

Announcing the trial, Turnbull, one of the wealthiest men in the Australian parliament, cynically claimed that cashless welfare was “an exercise in compassion.”

Human Services Minister Alan Tudge declared that the government was determined to stop “welfare-fuelled” alcohol and drug abuse and gambling and insisted that the measures had produced positive social improvements. Tudge previously worked for America’s Boston Consulting Group which advises government agencies on cost-cutting.

Cashless welfare has nothing to do with overcoming the endemic unemployment and associated social ills

afflicting poor communities. It does not increase the current poverty-level welfare payments that are the root cause of the financial difficulties facing recipients and scapegoats the most vulnerable layers of society as alcoholics, drug addicts and criminals.

Cashless welfare was initiated in 2007 by the Howard government, with Labor Party support, as part of its so-called Northern Territory (NT) Intervention. The measure which quarantined 70 percent of welfare income via a “Basics Card,” only applied to Northern Territory Aborigines.

The Rudd Labor government, which came to power in late 2007, rebadged the card and spread it to urban working-class areas suffering high unemployment and poverty (see: “Labor government extends welfare quarantine powers across Australia”).

In every case, the Australian government has feigned concern about the horrendous social conditions for which they are responsible, while blaming the victims for the social crisis.

Like the hysterical media campaign that accompanied the NT Intervention, Turnbull’s cashless welfare announcement last week was preceded by a malicious social media video campaign funded by billionaire mining magnate Andrew Forrest and his Minderoo Foundation.

The video alleged that hundreds of indigenous children are being sexually assaulted and featured purported CCTV footage showing a drunken Aboriginal man physically abusing a child. Forrest, who insists that cashless welfare cards are the only way to prevent child abuse, has denounced anyone opposing welfare restrictions as “paedophile supporters.”

The Turnbull government claims that a recent report by ORIMA Research proves the life and social conditions of those forced onto the cashless cards in

Ceduna and the East Kimberly have dramatically improved. Tudge told the media that the cashless welfare system had produced a substantial decline in alcohol and drug abuse and gambling and had widespread support from participants.

The ORIMA Research of those involved in the welfare trials is highly questionable and provides no statistical proof that cashless welfare cards assist poor communities. Those asked to participate in the ORIMA Research survey, mostly Aborigines, were promised \$30 or \$50 gift cards on completion of the survey, which obviously coloured their answers.

The questions were highly intrusive and included detailed information from individuals about what they spent on alcohol, drugs or gambling and their children's education. Yet, all those surveyed said they did not have drinking or drug problems and did not gamble.

The results simply do not prove the government's claim that cashless welfare improved living conditions. While 45 percent said they were better able to save only 23 percent said the system had made their life better. Over 40 percent said their lives had worsened and 48 percent said they found it harder to look after their children. Significantly 20 percent of those asked refused to participate in the survey.

While the Australian Council of Social Services and other welfare organisations have denounced extension of the government's cashless welfare measures, the Labor opposition leader Bill Shorten, said the party "remains open to the idea" provided there was "adequate support in the community."

Shorten was a minister in the previous Labor government, which extended welfare quarantining beyond the Northern Territory.

One of those speaking out against the cashless welfare trials was Lawford Benning, chairman of the indigenous Miriuwung Gajerrong Corporation. Having originally supported the East Kimberly trial in early 2016, Benning told media that the federal government had failed to provide the increased support services that was used to persuade local leaders to back the system.

Cashless welfare, he said, "didn't do what I thought it was going to do ... I'm seeing there is more drinking, there's a lot of sly-grogging, and I'm seeing a lot of kids late at night when you go to the shopping centre." Benning's opposition was briefly reported by one

media outlet and then buried by articles and comments slavishly repeating government claims about the "success" of the welfare measures.

Cashless welfare cards are just one of a number of government measures that demonise the poor and eviscerate their right to social welfare.

Last month the Turnbull government announced that 5,000 new recipients of the Newstart Allowance and Youth Allowance—about 1,750 in Bankstown in western Sydney, 2,500 in Logan, Queensland, and 750 in Mandurah, Western Australia—will be drug tested, starting early next year.

If found to be using illicit drugs, welfare recipients will be forced onto cashless cards. If they test positive on a second drug test they will be referred to a doctor for substance abuse treatment, as a condition for retaining payments. Failing that they will be subjected to payment suspensions and ultimately cancellations.

The drug-testing regime, which was part of this year's federal budget, is yet to be endorsed by the Senate, has been opposed by the Australian Medical Association, Royal Australasian College of Physicians, the National Drug and Alcohol Research Centre and other peak medical bodies.

The federal government has also deepened its attacks on those forced into its so-called Community Development Program (CDP), a work-for-the-dole program in remote areas of Australia, where there are few, if any fulltime jobs.

The scheme which involves 35,000, mainly indigenous participants, pays the below-poverty rate of about \$11 an hour and requires that they work or are involved in "related activities" for 25 hours a week, 46 weeks of the year. If CDP participants fail to comply with the program's strict requirements, they are fined, causing great personal financial problems. In the final quarter of 2016, the federal government imposed over 35,120 separate financial penalties on CDP participants.



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