

Groups call for rejection of Healthy Welfare Card

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JOINT STATEMENT

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Groups call for Government to reject Forrest Review Healthy Welfare Card; pursue decent welfare reform

Australia's community welfare sector and Aboriginal and Torres Strait Islander peak organisations are calling on the Federal Government not to proceed with the implementation of the Forrest Review proposal for a cashless welfare card which would apply to everyone - people who are unemployed, carers, single parents and people with disability - except veterans and people on the aged pension.

We recognise the urgent need to open up opportunities for Aboriginal and Torres Strait Islander peoples and support many of the employment and education measures in the Forrest Report which would go some way to help move people out of poverty. Specifically, we support the Review's call for increased investment in early childhood education, comprehensive case management for vulnerable families, increased engagement between schools and parents and demand-led employment approaches. These initiatives should be implemented in way which strengthens the capacity of community-controlled organisations.

However, we are united in our strong opposition to the proposal contained in the Andrew Forrest Review of Indigenous Training and Employment Programmes for a Healthy Welfare Card, which we believe would be demeaning, invasive, unworkable and bureaucratic, creating an entire sub-class of millions of people in the Australian community.

The welfare card is modelled on the Basics Card currently used to manage the income of people in disadvantaged communities and locations around Australia. This income management scheme has failed to effect long-term changes in behaviour or outcomes, despite the high cost of the policy. Beyond some limited success with people who have entered into income management arrangements voluntarily, the evidence points to the scheme being unsuccessful in achieving the stated aims of preventing people from spending the money alcohol, gambling and drugs, or getting people to buy healthy and fresh food. Progress in encouraging school attendance appears to have stalled.

The welfare card also has significant logistical and practical challenges for individuals forced to live without cash in communities in which the cash economy continues to be significant. These individuals may have difficulty making small purchases without cash (many retailers require a \$10 minimum spend), will be limited to shopping at retailers with EFTPOS facilities (which will exclude many smaller and second-hand retailers), will make payment of small expenses associated with children's education difficult (payment for excursions, purchases at the school canteen) and will preclude individuals from accessing services or products requiring cash (parking

metres, shopping trolleys, laundromats). In short, it will constrain choices and make life more difficult. It would send a message that income support recipients cannot be trusted with cash.

The objectives of welfare reform should be to ensure payments are adequate to meet basic living costs, support employment participation, target assistance according to need and to ensure that the administration of payments respects the dignity of people relying on income support.

The welfare review should be looking to reform which is grounded in evidence of what works. If people have chronic alcohol or drug addictions, or children are at risk, they need intensive case management and intervention based on the best professional advice.

We share the concerns expressed by the Australian Bankers' Association and many others in their submissions to the Forrest review about blocking access to cash or proscribing the purchase of goods and services to people on income support that are available to other members of the community.

We particularly note the concern of the Australian Bankers' Association about the costs and technological and infrastructure limitations associated with implementing the card, which would require 'changes to be made throughout the payments system at all levels, to retail banking systems and product offerings and to the Government's Centrelink and payment administration systems'. According to the ABA this simply would not be possible, and 'undermines the implementation of a workable, efficient and effective scheme'.

We believe that the starting principle for any changes should be to ensure that our income support and employment systems are non-discriminatory in design and implementation. Any changes should be based on evidence about the best way to assist people to participate economically, socially and culturally. This welfare card fails that test.

Signatories

- Australian Council of Social Service (ACOSS)
- ACT Council of Social Service
- Adult Learning Australia
- Anwernekenhe National HIV Alliance
- Australian Association of Social Workers
- Australian Catholic Social Justice Council
- Australian Community Children's Services
- Australian Federation of AIDS Organisations
- Baptist Care Australia
- Brotherhood of St Laurence
- Children with Disability Australia
- Consumer Health Forum of Australia
- Council of Social Service of New South Wales
- Family and Relationship Services Australia

- Financial Counselling Australia
- Homelessness Australia
- Jobs Australia
- Mission Australia
- National Aboriginal and Torres Strait Islander Legal Services
- National Aboriginal Community Controlled Health Organisation
- National Association of Community Legal Centres
- National Congress of Australia's First Peoples
- National Council of Single Mothers and Their Children
- National Welfare Rights Network
- Northern Territory Council of Social Service
- Public Health Association Australia
- Queensland Council of Social Service
- Relationships Australia
- Secretariat of National Aboriginal and Islander Child Care
- Social Determinants of Health Alliance
- South Australian Council of Social Service
- St Vincent de Paul Society National Council of Australia
- Tasmanian Council of Social Service
- The Benevolent Society
- Victorian Council of Social Service
- Vision Australia
- Western Australian Council of Social Service