



## **THE HON PAUL FLETCHER MP**

Minister for Families and Social Services

**OPINION PIECE – THE AUSTRALIAN**

### **Cashless debit card trumps violence, deals hungry families a better future**

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About 2.3 million Australians of working age depend on income support payments for their primary means of livelihood.

The hardworking Australians whose taxes fund these payments do not begrudge giving a hand to fellow Australian families in need.

But they would quite rightly expect the money to be spent on things such as putting food on the table, buying clothes for children and paying the rent so the family does not end up homeless.

What they would not expect is for the money to be diverted to buy alcohol or drugs.

Yet some communities have been very badly affected by welfare-funded drug and alcohol addiction. One response would be to simply shrug our collective shoulders and keep doing the same thing we've been doing for decades — handing out cash and hoping for the best.

But that would not be fair to the millions of Australians whose taxes pay for the \$176 billion we will spend this year on social security and welfare — more than a third of the entire commonwealth budget.

Nor would it be fair to the Australians who receive those payments and depend on them, particularly the children.

How can we just keep doing the same thing when children are going to school hungry? Or children are living in fear of drug or alcohol-fuelled violence in their home or community? That is why the Coalition government has worked so hard since coming to office in 2013 to try a different approach.

In communities that have supported us to do so, our government has trialled a new approach to welfare, using a cashless debit card.

Eighty per cent of the welfare benefit goes on to the card, which can be used to purchase food, clothing and all the other necessities of life.

But the card cannot be used to buy drugs or alcohol.

So far the cashless debit trial has operated in three locations: the Ceduna region in South Australia, and the Goldfields and East Kimberley regions in Western Australia. In each location, the card was introduced following extensive consultation with local community leaders, who gave it their support.

The results have been significant. According to an independent evaluation, 41 per cent of trial participants who say they were drinkers report consuming less alcohol and 48 per cent of those who say they were drug users have reduced their drug use.

Police at Kununurra, Western Australia, say they have seen a reduction in fighting and assaults since the card came in.

Local businesses throughout the Goldfields region say they are noticing more money being spent on food for children.

And community leaders in Ceduna have reported reductions in public drinking as well as public nuisance.

In the last parliamentary session, legislation was passed to extend the trial to Bundaberg and Hervey Bay in Queensland — a location chosen for several reasons. There has been strong local community support, including from the local federal Liberal National Party MP, Keith Pitt, and the electorate's former Labor MP.

Youth unemployment locally is 28.7 per cent — one of the highest rates anywhere in Queensland, despite significant local employment opportunities in agriculture and tourism.

Bundaberg and Hervey Bay also have high intergenerational welfare dependency.

Among those aged up to 25 who are on unemployment benefits in the region today, 90 per cent had a parent who was on welfare at some point in the past 15 years.

Another important factor: in contrast to the first three trial sites, where most participants were indigenous Australians, in this trial the majority of participants will be non-indigenous.

Some criticise the cashless debit card because they say it is targeted at indigenous Australians. As this fourth trial shows, that claim is clearly wrong.

The target for the cashless debit card is communities with significant social harm — communities where it can make a difference.

The trial in Bundaberg and Hervey Bay will begin early next year, with 6000 recipients of Newstart and Youth Allowance, aged 35 and younger, participating.

The outcomes from this next trial will be carefully measured — as has been done for the three trials already under way.

Rigorous design and testing of new approaches to welfare is all part of working to get the best outcome we can for the welfare dollars we spend.

This has been a major focus for the Coalition government — and with the Bundaberg and Hervey Bay trial now having obtained legislative approval, it is work we are continuing.

*Paul Fletcher is the federal Families and Social Services Minister.*