

Joint Committee on Human Rights

Public Hearing – 5 July 2024

ANSWER TO QUESTION ON NOTICE

Department of Social Services

Topic: Contracts Around Income Management

Question reference number: IQ24-000091

Question asked by: Lidia Thorpe

Type of Question: Written. **Hansard Page/s:** N/A

Date set by the Committee for the return of answer: 26 July 2024

Question:

34. Can you respond in full and explain the department's response to the submission of Accountable Income Management around how the government collaborates with licensed financial service providers like Indue Ltd or Traditional Credit Union, with Services Australia acting both as a third-party service provider and contract principal, despite the fact that this dual arrangement could breach ASIC's Conflict-of-Interest rules?
- a. Has the department sought any advice around these conflicts of interest?
 - b. Does the department intend to continue these types of arrangements?

Answer:

34. Services Australia's contractual and service delivery arrangements with Indue Ltd and Traditional Credit Union comply with the requirements of the Australian Government's accountability framework, including applicable Australian Securities and Investments Commission (ASIC) rules and regulations.
- a. Services Australia has received detailed regulatory and banking advice from an external legal expert in relation to the design and operation of the enhanced Income Management program. The program has a number of exemptions and declarations from various regulators, which includes ASIC.
 - b. The department is consulting with communities and other stakeholders on the future of Income Management. Please refer to DSS SQ24-000584 for more information on consultation activity.