

Senate Standing Committee on Community Affairs Legislation Committee

Inquiry into the Social Security (Administration) Amendment (Repeal of Cashless Debit Card and Other Measures) Bill 2022.

Public Hearing – 22 August 2022

ANSWER TO QUESTION ON NOTICE

Department of Social Services

Topic: Cashless Debit Card Participant Numbers

Question reference number: IQ22-000021

Senator: Marielle Smith

Type of Question: Spoken. **Hansard Page/s:** 31

Date set by the Committee for the return of answer: 24 August 2022

Question:

CHAIR: Thank you, Senator Ruston. I have some question for both agencies. First of all, since the CDC program was introduced in 2016, how many participants have been placed on the card overall?

Ms Hefren-Webb: We have point-in-time data, but I'm trying to see if anyone has evidence about how many overall in the whole period.

Mr Boneham: No, we don't on the overall; we'll take that on notice.

Answer:

As at 12 August 2022, there have been 30,375 participants placed on the Cashless Debit Card since the program commenced in 2016.

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ANSWER TO QUESTION ON NOTICE

Department of Social Services

Topic: Cashless Debit Card - Notification Times

Question reference number: IQ22-000022

Senator: Marielle Smith

Type of Question: Spoken. **Hansard Page/s:** 31-32

Date set by the Committee for the return of answer: 24 August 2022

Question:

CHAIR: When people were placed onto the card, how much notice would they have?

Ms Hefren-Webb: Obviously, placing people on the card was supported by legislation, which was announced and then introduced in the parliament and passed and so on, so it would depend. If they were tracking that legislation, potentially they would have had some knowledge that it was happening. But in terms of actual notification to them, I believe it was a four-week notice period.

Mr Boneham: There is a period—and our colleagues in Services Australia may be able to assist on this—between when they're notified and when payments are made.

Mr Moon: Because this is to do with the specific policy around income management, the notification periods for each customer, depending on where they are and which program they're participate in, can vary. It generally ranges between 28 and 56 days, but there are a number of steps and processes in between. It may be best if we take on notice to get you, for the different areas where people are and in which programs they sit, how that notification process and transition process works.

Answer:

When commencing on the Cashless Debit Card (CDC), all participants have an initial waiting period prior to any payments being delivered to their CDC account. These waiting periods vary in length depending on CDC program area and may be reduced at the participant's request.

Participants in Hinkler, Goldfields, East Kimberley and Ceduna regions have a 14 day waiting period before commencing on the CDC.

Participants in the Northern Territory that have requested to transition to the CDC from Income Management have a choice to either transition the same day, or at any time within 56 days. The most common general waiting periods are same day, 14, 28 or 56 days.

Cape York CDC Notice participants have a 28 day waiting period from the date Services Australia activates the notice.

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ANSWER TO QUESTION ON NOTICE

Department of Social Services

Topic: Cashless Debit Card - Short period relocation

Question reference number: IQ22-000023

Senator: Marielle Smith

Type of Question: Spoken. **Hansard Page/s:** 33

Date set by the Committee for the return of answer: 24 August 2022

Question:

CHAIR: Is Services Australia aware of participants who were moved onto the CDC because they were relocating for a short period of time and then sought to get off it afterwards?

Mr Moon: Yes, we're aware of a small number of cases where that's happened, and we've undertaken service recovery in those cases.

CHAIR: Do you know how many times that's happened?

Mr Moon: No, I don't.

CHAIR: What would be the process for those individuals of getting off, just noting it's a very small percentage who generally can get off?

Mr Moon: We can take on notice—it's a somewhat technical process. But, effectively, we would engage with the person and determine whether or not the address update was correct or not. In the instance that the address update was incorrect, there is a process that we can follow to take someone off and have their payment put back in their normal payment destination, in a more payment account, bank account.

Answer:

Services Australia's (the Agency's) processes are designed to ensure eligible customers who are triggered onto the Cashless Debit Card (CDC) are living at a permanent address in a CDC location, not a temporary address.

The Agency's ICT systems have the capability to record several addresses for a customer, including a temporary address for customers who may reside outside their permanent address for a period. The Agency will only assess CDC eligibility based on a permanent address.

Where a customer believes they have been incorrectly identified to participate in the CDC due to temporarily relocating to a CDC area, they can contact the Agency.

The Agency assess whether the person's participation in the CDC can be ended, taking into account address history and ties to the area, including recent agency contacts. Supporting evidence from the participant may be required to determine the correct address details before ending of participation in the CDC can occur. Evidence may include rent or Centrepay deductions, letters, utility bills, invoices or statements from a reputable third party.

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ANSWER TO QUESTION ON NOTICE

Department of Social Services

Topic: Cashless Debit Card Trial Sites

Question reference number: IQ22-000024

Senator: Marielle Smith

Type of Question: Spoken. **Hansard Page/s:** 34-35

Date set by the Committee for the return of answer: 24 August 2022

Question:

CHAIR: [...] Do you know why Bundaberg and Hervey Bay were chosen as trial sites?

Ms Hefren-Webb: That decision was made before I was in this role. I'd prefer to offer to get you some information on notice about that, because I wasn't around and I don't think any of my staff were. Apart from saying, at a general level, that that's been the representations made, we would have to go back and do a bit of chronology about what discussions were had with who in Bundaberg-Hervey Bay.

CHAIR: But your understanding is that was on the basis of community leaders' representations rather than analysis undertaken by the Department of Social Services?

Ms Hefren-Webb: That's my understanding. Analysis would've been undertaken to support further discussions with those community leaders.

CHAIR: Right. But the decision was based on the representation of community leaders as opposed to independent assessment and analysis done by DSS to select the trial site?

Ms Hefren-Webb: That's my understanding, yes.

CHAIR: In South Australia, Ceduna was chosen as a trial site. Why Ceduna on its own and not, for instance, the neighbouring town of Port Augusta?

Ms Hefren-Webb: Again, as I understand it, it was representations from the community and from community leaders towards the government—in Ceduna. That wasn't the case in Port Augusta.

CHAIR: So that wasn't based on an assessment from DSS that the problems underlying the government's objective weren't evident in Port Augusta? I'm just trying to understand the evidence base for making these decisions on the trial site.

Ms Hefren-Webb: My understanding is that it was the community leaders that were the key factor.

CHAIR: And there was a decision of government as opposed to a recommendation of the department?

Ms Hefren-Webb: As I said, I wasn't in this role. We would have to go back and look at the specifics of briefing as to how decisions were made. I would imagine they were cabinet decisions, so they may not be able to be provided. So I really can't say whether or not the department recommended introduction in specific sites.

CHAIR: No, that's fair enough. I suppose perhaps what you can do is let me know if the evidence assessment was done prior to the nomination of those sites and the selection of those sites by the department, and whether that was recommended to government, or whether these decisions were made on the basis of discussions with community leaders without evidence or analysis undertaken which specified why these sites and not others. Is that something you could take on notice for me?

Ms Hefren-Webb: I can certainly have a look at the chronology of events. But, as I said, once community leaders may have approached, we as a department would probably have been tasked with doing some underpinning analysis as well. So it might be that both were happening. But I can see what we can track down in terms of how communities were selected or how communities came to be chosen.

CHAIR: I'm particularly interested in whether there was an evidence base prior to the government making a decision to choose particular sites and the boundaries of those sites before that decision was made, or whether that was a decision of government based on other factors. I appreciate you can't speak for the former government, but, if the department can provide advice in terms of their input into that process, that would be appreciated.

Ms Hefren-Webb: Yes. We will see what we can provide on that front.

Answer:

Cashless Debit Card sites were selected based on a range of factors, including community interest and support, levels of welfare dependence, and levels of community harm caused by gambling, alcohol and drug misuse.

The Bundaberg and Hervey Bay region was selected as the fourth site for the Cashless Debit Card program following calls for the card from key stakeholders in the region to address social issues such as high youth unemployment and intergenerational welfare dependence.

Site decisions were made by the then Government.

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ANSWER TO QUESTION ON NOTICE

Department of Social Services

Topic: Cashless Debit Card Merchants

Question reference number: IQ22-000025

Senator: Louise Pratt

Type of Question: Spoken. **Hansard Page/s:** 36

Date set by the Committee for the return of answer: 24 August 2022

Question:

Senator PRATT: Why don't you have a list of the merchants that don't sell alcohol or gambling? Why wasn't that information kept for you? Why is that subject to Indue's intellectual property and not owned by the department?

Mr Boneham: No, the intellectual property is actually the provision of the card. They own the technology that has the bank account and the technology—

Senator PRATT: So you can ask Indue for all of the merchants that made the cut as not selling alcohol or gambling products?

Mr Boneham: They don't retain a list of those. Basically, the only list which they retain are those merchants that have been blocked. There are about 880 merchants that have been blocked. That is freely available on their website.

Senator PRATT: So you've got that and, if you needed to expand the retailers that have access, you could.

Ms Hefren-Webb: We're talking at the moment about the Cashless Debit Card merchants. BasicsCard merchant information is a matter for Services Australia, so I might ask them whether they have the list of the 18,000 or so merchants who can support BasicsCard.

Ms Toze: I don't have the list with me, but I can tell you the number is closer to 17,000 than 18,000. I'm happy to provide information on notice if you'd like.

Answer:

BasicsCard merchants are stores or businesses that have been approved by Services Australia (the Agency) to accept the BasicsCard through the EFTPOS system. Merchants are assessed against the Merchant Approval Framework (MAF), which is administered by the Department of Social Services. The key criteria for approval includes the merchant's:

- main business activity is the sale of priority goods or services as defined in the approval framework;
- ability to prevent the sale of excluded goods and services; and
- ability to comply with the obligations set out in the BasicsCard Merchant Terms.

Consumer electronics businesses whose main business activity is consumer leases are ineligible for BasicsCard approval.

At 1 July 2022, there were 18,666 stores and businesses that accept the BasicsCard throughout Australia. A publicly available list of stores and businesses can be found here: https://www.centrelink.gov.au/custsite_orgfinder/orgfinder/entryPage.jsf?wec-appid=Orgfinder&wec-locale=en_US#stay

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ANSWER TO QUESTION ON NOTICE

Department of Social Services

Topic: Cashless Debit Card - Costs for Last Financial Year

Question reference number: IQ22-000026

Senator: Janet Rice

Type of Question: Spoken. **Hansard Page/s:** 39-40

Date set by the Committee for the return of answer: 24 August 2022

Question:

Senator RICE: Thank you for all of the evidence so far; it's been very informative. I'm not sure whether you've given this statistic before, but I'm sure it's on the record somewhere. Just to recap, how much overall has the cashless debit card cost the Australian government over the years it's been in operation?

Ms Hefren-Webb: I believe it's \$180 million approximately.

Senator RICE: So that's since its introduction in—

Mr Thorpe: 2016.

Senator RICE: What have been the costs in the last financial year, say?

Mr Burford: I don't think I've got the numbers here, but we could find that out pretty quickly. I might have to take that on notice, if that's okay, and come back to you.

Answer:

The total cost of the CDC in the last financial year (2021-22) was approximately \$65.1 million for the Department of Social Services (DSS) and Services Australia.

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ANSWER TO QUESTION ON NOTICE

Department of Social Services

Topic: Determinations and Instruments

Question reference number: IQ22-000028

Senator: Janet Rice

Type of Question: Spoken. **Hansard Page/s:** 44

Date set by the Committee for the return of answer: 24 August 2022

Question:

Senator RICE: [...] Mr Boneham, when you began your evidence today you said that there were six termination instruments coming into play on 1 October. Can you give me some more details about what they are and what it would mean if they weren't extended?

Mr Boneham: Certainly. The six are, as I mentioned before: specified income management territory—Northern Territory; recognised state or territory—Northern Territory determination—

Senator RICE: Can you tell me what that is?

Mr Boneham: Both of those two cover the Northern Territory participants. So if they were to lapse on 1 October the Northern Territory would no longer be covered by income management.

Senator RICE: So that's the BasicsCard as well as the CDC.

Mr Boneham: That's the BasicsCard, yes. We have the declared voluntary income management areas of New South Wales, Queensland, South Australia and Victoria; declared income management area, which is the APY Lands, in South Australia; declared child protection states, New South Wales, Queensland, South Australia and Victoria; and vulnerable income management area specification 2012.

Senator RICE: The process of extending those, could they be modified or is it the case that they have to be extended as they are?

Mr Boneham: There is the ability for the minister to remake those determinations and instruments. They normally just set out the sites which are applicable to income management.

Senator RICE: So it could be possible to extend them from 1 October but to modify some of the measures that are in place—for example, the way the BasicsCard operates in the Northern Territory?

Mr Boneham: I would need to have a look at that. We did one back in March which was for volunteers in WA. Effectively that just set out postcodes where people could volunteer. A lot of the rules in relation to who is eligible—for example, child protection, vulnerable welfare recipients—are set out in the legislation, not the determinations, so we'd need to make sure that that determination was consistent with the legislation.

Senator RICE: If you could take on notice giving me what details you've got about those instruments that would be really useful.

Answer:

The six legislative instruments which are due to sunset on 1 October 2022 are:

- *Social Security (Administration) (Declared child protection State—New South Wales, Queensland, South Australia and Victoria) Determination 2012;*
- *Social Security (Administration) (Declared income management area—Anangu Pitjantjatjara Yankunytjatjara lands) Determination 2012;*
- *Social Security (Administration) (Declared voluntary income management areas—New South Wales, Queensland, South Australia and Victoria) Determination 2012;*
- *Social Security (Administration) (Recognised State or Territory—Northern Territory) Determination 2012;*
- *Social Security (Administration) (Specified income management Territory—Northern Territory) Specification 2012;* and
- *Social Security (Administration) (Vulnerable income management areas) Specification 2012.*

These instruments declare or specify geographic areas for the purposes of one or more Income Management measures, or determine a state or territory is a recognised state or territory for the purposes of Part 3B of the Social Security (Administration) Act. A detailed description of the purpose and scope of these instruments is at **Attachment A**.

Background

Part 3B of the Social Security (Administration) Act establishes an Income Management regime for recipients of certain welfare payments. Part 3B provides the objectives of the Income Management regime are aimed at, among other things, ensuring welfare payments are directed to meet the priority needs of the recipient as well as their children, partner or other dependants, providing support in budgeting to meet priority needs, and reducing the likelihood of harassment or abuse in relation to welfare payments. Under the regime, the Secretary of the Department of Social Services (or his delegate) has the power to set aside a proportion of a person's welfare payments to pay for those priority needs such as food, clothing, housing and utilities.

Income Management operates in specified locations around Australia. Currently, welfare recipients are placed on Income Management where they meet certain criteria or volunteer to participate in the regime. The Social Security (Administration) Act specifies various situations in which welfare recipients may be subject to Income Management. These situations (or measures) target particular groups of welfare recipients, and are activated by legislative instruments declaring or specifying the applicable geographic location. Multiple measures may apply in any given location.

**ATTACHMENT A: Details of Income Management instruments due to sunset 1
October 2022**

Instrument name	Details
<i>Social Security (Administration) (Declared child protection State — New South Wales, Queensland, South Australia and Victoria) Determination 2012</i>	<p>This determination specifies New South Wales, Queensland, South Australia and Victoria as a ‘declared child protection State’.</p> <p>Under this determination, a child protection officer in any of these states may give the Secretary written notice that an income support recipient be subject to Income Management.</p>
<i>Social Security (Administration) (Declared income management area — Anangu Pitjantjatjara Yankunytjatjara lands) Determination 2012</i>	<p>This determination specifies the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands as a declared voluntary Income Management area, and specifies the APY Lands as an area in which the vulnerable welfare payment recipient measure applies.</p> <p>Under this determination, Income Management applies to people assessed by Centrelink social workers as being vulnerable by reference to factors such as financial crisis and risk of homelessness, and people who volunteer for Income Management.</p>
<i>Social Security (Administration) (Declared voluntary income management areas — New South Wales, Queensland, South Australia and Victoria) Determination 2012</i>	<p>This determination declares a number of areas in New South Wales, Queensland, South Australia and Victoria to be voluntary Income Management areas. Income support recipients living in these areas may volunteer to be subject to Income Management.</p>
<i>Social Security (Administration) (Recognised State or Territory — Northern Territory) Determination 2012</i>	<p>This determination provides that the Northern Territory is a ‘recognised State or Territory’ for the purposes of Part 3B of the Administration Act.</p> <p>Under this determination, an officer or employee of a ‘recognised State/Territory authority’ may give the Secretary written notice that an income support recipient be subject to Income Management.</p>
<i>Social Security (Administration) (Specified income management Territory — Northern Territory) Specification 2012</i>	<p>This instrument specifies the Northern Territory in order to continue the currently applying disengaged youth and long-term welfare payment recipient Income Management measures in the Northern Territory</p> <p>Under this specification, Income Management applies to:</p> <ul style="list-style-type: none"> • people aged 15 to 24 years old who have been receiving certain income support payments for more than 13 weeks out of the last 26 weeks (disengaged youth), and • people aged 25 years old or above (and younger than age pension age), who have been receiving certain income support payments for more than 52 weeks out of the last 104 weeks (long-term welfare payment recipients).
<i>Social Security (Administration) (Vulnerable income management areas) Specification 2012</i>	<p>This instrument specifies a number of areas in New South Wales, Queensland, South Australia, Victoria and the Northern Territory as vulnerable Income Management areas for the purposes of paragraph 123UCA(1)(b) of the Administration Act.</p> <p>Under this specification, Income Management applies to people in these areas who are assessed by Centrelink social workers as being vulnerable by reference to factors such as financial crisis and risk of homelessness.</p>