

**From:**  
**To:** [Community Affairs, Committee \(SEN\)](#);  
**Cc:**  
**Subject:** Hansard corrections - Social Security Legislation Amendment (Debit Card Trial) Bill 2015  
**Date:** Friday, 25 September 2015 3:48:43 PM  
**Attachments:** [Population statistics for proposed trial locations 22.09.15.docx](#)  
[IM and trial table of comparison.docx](#)  
[Merchant information.pdf](#)  
[East Kimberley fact sheet.pdf](#)  
[Ceduna fact sheet.pdf](#)

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Dear Ms Radcliffe

During the Inquiry into the Social Security Legislation Amendment (Debit Card Trial) Bill 2015, the Department of Social Services undertook to provide additional material in response questions taken on notice. We have addressed these questions which also appear as the first initial five questions in your recent correspondence to Dr Ros Baxter and they are attached. We will work with the Department of the Prime Minister and Cabinet to address the Senators' written questions on notice forwarded today as outlined in your correspondence.

In response to Senator Siewert's question (page 57) regarding the population and breakdown of working age payments, please find attached the population statistics for the proposed trial location, broken down by payment type, age and gender.

In response to Senator Moore's question (page 67) regarding what information that was provided to community members, please find attached the Ceduna, East-Kimberley and Merchant factsheets.

In response to Senator Moore's request for information that spells out the differences between income management and the Debit Card trial (page 68), please find attached a table describing these differences.

We do not wish to make any corrections to the Hansard.

Regards,  
Mathew

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**Mathew Johnston**  
**Executive Manager**  
Welfare Debit Card Taskforce  
Department of Social Services

DSS acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, sea and community. We pay our respects to them and their cultures, and to elders both past and present.

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## Population statistics for the confirmed trial location:

Geographical boundaries for other proposed locations are subject to ongoing consultations with communities, therefore the population statistics cannot be confirmed at this stage.

	Ceduna proposed trial location
Population	4,227
Indigenous population	1,266*
Percentage of population who identify as Indigenous	30%
Total population receiving trigger payments	807
Percentage of total population receiving trigger payments	22%
Number of people receiving trigger payments who identify as Indigenous	583
Percentage of total population receiving trigger payments who identify as Indigenous	72%
Number of females on trigger payments	426
Number of males on trigger payments	381
11-16	0
16-20	74
21-25	115
26-30	112
31-35	96
36-40	72
41-45	61
46-50	65
51-55	71
56-60	73
61-65	N/A**
Over 65	<20
ABSTUDY	<20
Austudy	<20
Carer Payment	49
Disability Support Pension	196
Newstart Allowance	347
Parenting Payment Partnered	38
Parenting Payment Single	95
Partner Allowance	<20
Sickness Allowance	0
Widow Allowance	<20
Special Benefit	0
Wife Pension (AGE)	0
Wife Pension (DSP)	<20
Youth Allowance (Other)	52
Youth Allowance (Student and Apprentice)	<20

**Notes:**

The Ceduna trial location is made up of the Ceduna LGA plus the following SA1s: 4113409, 4113410, 4113501, 4113502.

Recipients of Newstart Allowance/ Partner Allowance / Widow Allowance who are determined to be current (i.e. entitled to be paid) on the Centrelink payment system, and not in receipt of CDEP Participation Supplement or zero rate of payment.

Recipients of Parenting Payment Partnered/Parenting Payment Single/Youth Allowance (other)/ Youth Allowance (student)/Youth Allowance (apprentice)/ABSTUDY/Widow B Pension who are determined to be current (i.e. entitled to be paid) on the Centrelink payment system.

Recipients of Sickness Allowance who are determined to be current (i.e. entitled to be paid) on the Centrelink payment system and not in receipt of a zero rate of payment.

Recipients of Special Benefit who are determined to be current (i.e. entitled to be paid) on the Centrelink payment system and not in receipt of a zero rate of payment.

Recipients of Age Pension / Carer Payment / Disability Support Pension / Wife Pension (Age or DSP) who are determined to be current (i.e. entitled to be paid) or suspended on the Centrelink payment system.

Source: Department of Human Services administrative data (DSS Blue Book dataset).

\*Source: 2011 Census of Population and Housing

\*\*For privacy reasons, it is standard practise not to list numbers below 20. As there is only one age category with fewer than 20 people in it, we have removed the second lowest figure so that the number below 20 cannot be calculated by subtracting the rest of the numbers from the total.

# Cashless Debit Card Trial - Merchant information

Most merchants won't have to do anything to accept the new cashless debit card. It will look and operate like a regular bank card.

The Australian Government is looking at the best ways to support people, families and communities where a lot of people in a community are on welfare, and alcohol, gambling and drug use are causing harm.

Several communities were asked if they wanted to take part in the trial. The Government is meeting with community leaders over the coming weeks to discuss if the Cashless Debit Card Trial could help people in their community. If legislation for the trial passes in Parliament, then a 12-month trial will start in early 2016.

## Community level change

If people already spend their money responsibly, the trial won't really affect them. The new card will help the Government find out if limiting the amount of money which can be spent on alcohol or drugs will reduce harm in the community. The card aims to help people create a better and safer community.

The trial won't change the amount of money a person receives. It will only change the way a person can spend it—80 per cent of welfare payments will be paid onto the card, and 20 per cent will be paid into a person's ordinary bank account.

## How will this affect my business?

The new card will look and operate like an ordinary debit card. Most merchants won't need to do anything to accept the card. It will work in all businesses that accept card payments but do not sell alcohol or gambling products. Staff will not require any additional training and there will be no extra paperwork.

People who use the card will have most of their fortnightly welfare payments available to purchase anything other than alcohol or gambling products. That means there should be more money spent on goods and services not related to alcohol or gambling.

### Key Points

- People will be able to use the cashless debit card to buy anything, except for alcohol or gambling products.
- If you are a merchant you don't need to do anything differently to accept the card.
- If your business sells alcohol or gambling products as well as other goods, you may still be able to enter into a contract to accept the card.

## What if my business sells alcohol and/or gambling products?

If your business sells alcohol and/or gambling products as well as other goods, you may still be able to enter into a contract to accept the card. This will involve agreeing to ensure your customers can't use the card to buy alcohol or gambling products.

If your business only sells alcohol or gambling goods and services, such as poker machines, sports wagering, keno and casino games, you will not be able to take part in the trial.

## Where can I find out more?

Contact the Department of Social Services at [debitcardtrial@dss.gov.au](mailto:debitcardtrial@dss.gov.au)



# Cashless Debit Card Trial – East Kimberley

The cashless debit card will look and operate like a normal bank card, except it cannot be used to buy alcohol or to gamble.

The Australian Government is looking at the best ways to support people, families and communities in places where a lot of people are on welfare, and alcohol, gambling and drug use are causing harm.

The Government is meeting with community leaders across the East Kimberley over the coming weeks to discuss if the Cashless Debit Card Trial could help people in their community. Community leaders have expressed interest in a trial which could start in 2016. If legislation is approved by Parliament, a 12-month trial could start in early 2016.

## Community level change

If people already spend their money responsibly, the trial won't really affect them. The new card will help the Government find out if limiting the amount of money which can be spent on alcohol or drugs will reduce harm in the community.

## Who will take part in the trial?

Most people who receive income support payments and live in a trial community will take part. That is, people who receive payments from Centrelink like Newstart, Disability Support Pension, Parenting Payment and Carers Payment. People on the Age Pension can take part, if they want to—but they don't have to. People who earn a wage can also take part in the trial if they want to.

The trial won't change the amount of money a person receives from Centrelink. It will only change the way in which people can spend it:

- 80 per cent of fortnightly payments will be paid onto the card
- 20 per cent will be paid into a person's regular bank account.

## Key Points

- Community leaders in the East Kimberley are talking to Government about a Cashless Debit Card Trial.
- The trial won't change the amount of money a person receives.
- People will be able to use the card like a normal bank debit card: it can be used to buy what people choose, but it cannot be used to buy alcohol or to gamble.
- The card can be used in any shop where regular bank cards are accepted.
- The card will have support services like a normal bank card.

## Participants will be supported

People who use the card will be able to check their account balance or transaction history and replace lost or stolen cards at no cost. Also, at no cost, people will be able to receive help from:

- a customer contact centre
- interactive voice response for balance enquiries, a mobile phone app and text alerts to keep people informed
- community workshops to help people who speak languages other than English
- a local Leadership Panel, with the ability to increase the percentage of welfare paid as cash to people adhering to community standards.

## Services will stay the same

People will still be able to take part in Centrepay and the Rent Deduction Scheme available from Centrelink. People who are on income management will move on to the new card trial if it begins in your community.

## Where can I find out more?

Contact the Department of Social Services at [debitcardtrial@dss.gov.au](mailto:debitcardtrial@dss.gov.au)

# Cashless Debit Card Trial - Merchant information

Most merchants won't have to do anything to accept the new cashless debit card. It will look and operate like a regular bank card.

The Australian Government is looking at the best ways to support people, families and communities where a lot of people in a community are on welfare, and alcohol, gambling and drug use are causing harm.

Several communities were asked if they wanted to take part in the trial. The Government is meeting with community leaders over the coming weeks to discuss if the Cashless Debit Card Trial could help people in their community. If legislation for the trial passes in Parliament, then a 12-month trial will start in early 2016.

## Community level change

If people already spend their money responsibly, the trial won't really affect them. The new card will help the Government find out if limiting the amount of money which can be spent on alcohol or drugs will reduce harm in the community. The card aims to help people create a better and safer community.

The trial won't change the amount of money a person receives. It will only change the way a person can spend it—80 per cent of welfare payments will be paid onto the card, and 20 per cent will be paid into a person's ordinary bank account.

## How will this affect my business?

The new card will look and operate like an ordinary debit card. Most merchants won't need to do anything to accept the card. It will work in all businesses that accept card payments but do not sell alcohol or gambling products. Staff will not require any additional training and there will be no extra paperwork.

People who use the card will have most of their fortnightly welfare payments available to purchase anything other than alcohol or gambling products. That means there should be more money spent on goods and services not related to alcohol or gambling.

### Key Points

- People will be able to use the cashless debit card to buy anything, except for alcohol or gambling products.
- If you are a merchant you don't need to do anything differently to accept the card.
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## What if my business sells alcohol and/or gambling products?

If your business sells alcohol and/or gambling products as well as other goods, you may still be able to enter into a contract to accept the card. This will involve agreeing to ensure your customers can't use the card to buy alcohol or gambling products.

If your business only sells alcohol or gambling goods and services, such as poker machines, sports wagering, keno and casino games, you will not be able to take part in the trial.

## Where can I find out more?

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**Comparison of card arrangements**  
**Existing income management vs trial of new cashless debit card**

	<b>Current</b>	<b>Trial</b>
<b>Card</b>	BasicsCard Uses a magnetic stripe	A restricted debit card Uses a chip
<b>Location</b>	Northern Territory Perth metropolitan, WA Peel district, WA Kimberley region, WA Ngaanyatjarra (Ng) Lands, Kiwirrkurra and Laverton Shire, WA Anangu Pitjantjatjara Yankunytjatjara (APY) Lands, SA Greater Adelaide, SA (from 1 October 2015) Playford, SA Ceduna, SA Cape York, Qld Logan, Qld Rockhampton, including Livingstone, Qld Bankstown, NSW Greater Shepparton, VIC	Ceduna, SA. and surrounding communities Consultations with other communities are ongoing.
<b>Restriction of prohibited goods</b>	Rules based and manual merchant level blocking and terminal level blocking.	Rules based, automatic merchant level blocking, terminal level blocking. If the technology is available, product level blocking will be implemented.
<b>Support (balance checking and replacement cards, ongoing card support)</b>	Delivered by Commonwealth Government Available at Centrelink and at BasicsCard balance terminals in locations in the NT.	Delivered by financial institution
<b>Excluded items</b>	Alcohol, tobacco, pornography and gambling products, and cannot be withdrawn as cash.	Alcohol and gambling services or products, and cannot be withdrawn as cash.
<b>Participants</b>	Cohorts identified via indicators of vulnerability. Current measures include: Cape York to be included <ul style="list-style-type: none"> <li>• Child Protection</li> <li>• Vulnerable Welfare Payment Recipient Compulsory Income Management - Disengaged Youth/Long-term Welfare Payment Recipients</li> </ul>	All working age income support recipients in a particular location/s, excluding Age Pension and Veteran's payment. People receiving other payments may volunteer to participate. People who are not on income support will also

	Current	Trial
	<ul style="list-style-type: none"> <li>• Voluntary, and</li> <li>• Supporting People at Risk</li> </ul> <p>Approximately 26,000 participants (as at March 2015)</p>	<p>be able to volunteer to participate.</p> <p>Approximately 3,500 people. Legislation will allow for up to 10,000 people as a maximum.</p>
<b>Trigger payments</b>	<p>Category E payments including:</p> <ul style="list-style-type: none"> <li>• youth allowance,</li> <li>• newstart allowance,</li> <li>• special benefit,</li> <li>• parenting payment (single), and</li> <li>• parenting payment (partnered).</li> </ul> <p>Category H payments including:</p> <ul style="list-style-type: none"> <li>• social security benefit: <ul style="list-style-type: none"> <li>○ widow allowance,</li> <li>○ youth allowance,</li> <li>○ austudy payment,</li> <li>○ newstart allowance,</li> <li>○ sickness allowance,</li> <li>○ special benefit,</li> <li>○ partner allowance,</li> <li>○ a mature age allowance under Part 2.12B,</li> <li>○ parenting payment (partnered),</li> </ul> </li> <li>• social security pension: <ul style="list-style-type: none"> <li>○ age pension,</li> <li>○ disability support pension,</li> <li>○ wife pension,</li> <li>○ carer payment,</li> <li>○ parenting payment (single),</li> <li>○ bereavement allowance,</li> <li>○ widow b pension,</li> <li>○ disability wage supplement,</li> </ul> </li> </ul>	<p>Trigger payments</p> <ul style="list-style-type: none"> <li>• a payment under the scheme known as ABSTUDY that includes an amount identified as living allowance</li> <li>• austudy payment</li> <li>• benefit PP (partnered)</li> <li>• bereavement allowance, so long as the recipient has not reached pension age</li> <li>• carer payment</li> <li>• disability support pension</li> <li>• newstart allowance</li> <li>• parenting allowance (other than non-benefit allowance)</li> <li>• partner allowance</li> <li>• pension PP (single)</li> <li>• sickness allowance</li> <li>• special benefit</li> <li>• widow allowance</li> <li>• widow B pension</li> <li>• wife pension</li> <li>• youth allowance</li> </ul> <p>Restricted Payments</p> <ul style="list-style-type: none"> <li>• a trigger payment</li> <li>• a payment under the scheme known as the ABSTUDY scheme that includes an amount</li> </ul>



	Current	Trial
	<ul style="list-style-type: none"> <li>○ mature age partner allowance,</li> <li>○ special needs pension,</li> <li>● a payment under the Abstudy scheme that includes an amount as identified as living allowance</li> <li>● service pension</li> <li>● income support supplement</li> <li>● defence force income support allowance.</li> </ul>	<ul style="list-style-type: none"> <li>identified as pensioner education supplement</li> <li>● a social security bereavement payment (other than social security bereavement payment in relation to an age pension under Division 9 of Part 2.2 of the 1991 Act, a mature age allowance under Part 2.12B of the 1991 Act or a special needs pension under Division 10 of Part 2.16 of the 1991 Act)</li> <li>● an advance payment under Part 2.22 of the 1991 Act</li> <li>● an advance pharmaceutical allowance under Part 2.23 of the 1991 Act</li> <li>● baby bonus under the Family Assistance Act</li> <li>● carer allowance</li> <li>● carer supplement</li> <li>● child disability assistance</li> <li>● clean energy advance under the 1991 Act</li> <li>● clean energy advance under the Family Assistance Act</li> <li>● double orphan pension</li> <li>● family tax benefit advance under the Family Assistance Administration Act</li> <li>● family tax benefit under the Family Assistance Act</li> <li>● income support bonus</li> <li>● mobility allowance</li> <li>● mobility allowance advance under section 1045 of the 1991 Act</li> <li>● pensioner education supplement</li> <li>● quarterly energy supplement under the</li> </ul>

	<b>Current</b>	<b>Trial</b>
		1991 Act <ul style="list-style-type: none"> <li>• schoolkids bonus under the Family Assistance Act</li> <li>• stillborn baby payment under the Family Assistance Act</li> <li>• telephone allowance under Part 2.25 of the 1991 Act</li> <li>• utilities allowance under Part 2.25 of the 1991 Act</li> </ul>
<b>Quarantined amount</b>	Usually 50 per cent. 100 per cent of lump sum payments.  70 per cent in some cases and up to 90 per cent in Cape York The Queensland Family Responsibilities Commission is able to increase the quarantined amount to 90 per cent in Cape York	80 per cent.  Local Community Boards will be able to increase or decrease funds in response to positive or negative behaviours, down to a minimum of 50 per cent, or back to the original amount if the behaviour is not maintained.
<b>Stigma</b>	BasicsCard can be visually identified.	The Cashless Debit Card will look and operate similarly to a regular bank card.
<b>Retailers</b>	Merchants must sell a percentage of approved goods as core business to get approval for a BasicsCard	Merchants who sell prohibited goods as core business will be blocked. Merchants who sell a mixture of approved and prohibited goods may enter into a contract with the Commonwealth (DSS) agreeing they will only sell approved goods to card users.