

**Question on notice no. 75**

**Portfolio question number: SQ17-000558**

**2017-18 Supplementary budget estimates**

**Community Affairs Committee, Social Services Portfolio**

**Senator Derryn Hinch:** asked the Department of Social Services on 25 October 2017

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Why did the Department opt for the BasicsCard instead of the Cashless Debit Card for the drug test trials?

**Answer —**

See answer attached.

## **Senate Community Affairs Legislation Committee**

### **SUPPLEMENTARY BUDGET ESTIMATES – 25 OCTOBER 2017 ANSWER TO QUESTION ON NOTICE**

#### **Department of Social Services**

**Topic:** Drug Testing Trials

**Question reference number:** SQ17-000558

**Outcome Number:** 1.5 Supplementary Payments & Support for Income Support Recipients

**Senator:** Derryn Hinch

**Type of question:** Hansard page 96

**Date set by the committee for the return of answer:** 6 December 2017

**Number of pages:** 2

#### **Question:**

Why did the Department opt for the BasicsCard instead of the Cashless Debit Card for the drug test trials?

#### **Answer:**

The form of welfare quarantining selected to apply under the drug testing trials is Income Management and was a decision of Government.

The use of welfare quarantining as part of the drug testing trial is designed to assist individual job seekers with proven drug use to stabilise their financial arrangements and deter further drug use by restricting their capacity to spend their payments on illicit drugs.

Income Management is a well-established welfare quarantining mechanism that currently operates in a number of locations across Australia, including the proposed trial sites, under various measures to support welfare recipients to manage their payments. In the three trial sites there are 675 existing stores that are equipped to accept the BasicsCard, ensuring that people involved in the trial will have access to a large number of goods and services.

Income Management is being used as part of the drug testing trial because it provides a more individualised approach to welfare quarantining than the Cashless Debit Card (CDC). Referral to Income Management includes assessment of an individual's priority needs, such as rent and utilities, and the establishment of automatic payment deductions to meet these expenses. The remaining funds are put onto the BasicsCard that can be used to purchase goods and services other than restricted items. Participants will still be paid 20 per cent of their welfare payment into their standard bank account, from where it can be accessed as cash.

The specific measure of Income Management used for the drug testing trial will be based on the Supporting People at Risk measure of Income Management. This measure is designed to support at risk individuals on a case by case basis. For example, the needs of each individual placed on Income Management are assessed to ensure that income management deductions are based on their individual priority needs. This form of Income Management is particularly suitable in relation to the drug testing trial that is designed to support individuals with drug abuse issues to overcome their barriers to work.

Income Management is a separate program to the CDC program. The CDC program is aimed at reducing the social harm caused by alcohol and drug abuse and gambling at a wider community level.

The CDC does not operate on an individualised basis. Additionally, the CDC program currently only applies in the original trial locations of Ceduna, South Australia, and in Kununurra and Wyndham in the East Kimberley, Western Australia. Recently, the Government announced that, from early 2018, the CDC program would commence in the Goldfields region, WA and the Bundaberg and Hervey Bay Region, Queensland.