

## **Senate Standing Committee on Community Affairs**

### **BUDGET ESTIMATES - 2 JUNE 2011 ANSWER TO QUESTION ON NOTICE**

#### **Human Services Portfolio**

**Topic:** BasicsCard Accounts

**Question reference number:** HSW 23

**Senator:** Siewert

**Type of question:** Written

**Date set by the committee for the return of answer:** 22 July 2011

**Number of pages:** 1

**Question:**

- a) Does the supply of the Basics Card by Indue mean that every card holder has an account at Indue Bank?
- b) How much is paid into these Basics Card accounts at Indue Ltd on a weekly basis by the government?
- c) What is the total float, or amount of money, held in these Basics Card accounts at Indue Ltd on the day on which payment is made?
- d) What rate of interest does Indue pay to people who are forced to bank with Indue Ltd?
- e) What is the average float left in these accounts?
- f) Why aren't Basics Card holders given a regular statement of their account as required under Australian Banking regulations?
- g) Has Indue Ltd provided its Basics Card customers with standard terms and conditions as required under Australian Banking regulations?

**Answer:**

- a) No.
- b) Centrelink settles with Indue on a daily basis. The money transferred to Indue is equal to the total amount that Centrelink has allocated to all the BasicsCards on that day.
- c) Refer to response b) above.
- d) Not applicable.
- e) The average card balance for May 2011 was \$38.27.
- f) Centrelink issues income managed customers with a regular 13 week transaction statement which includes their BasicsCard transactions. Customers can also request additional statements at any time from Centrelink.
- g) Customers are provided with BasicsCard terms and conditions as required under Australian Banking regulations when they are issued with a BasicsCard.