



Australian Government

Department of Social Services

Department of Social Services
Incoming Government Briefing - May 2019

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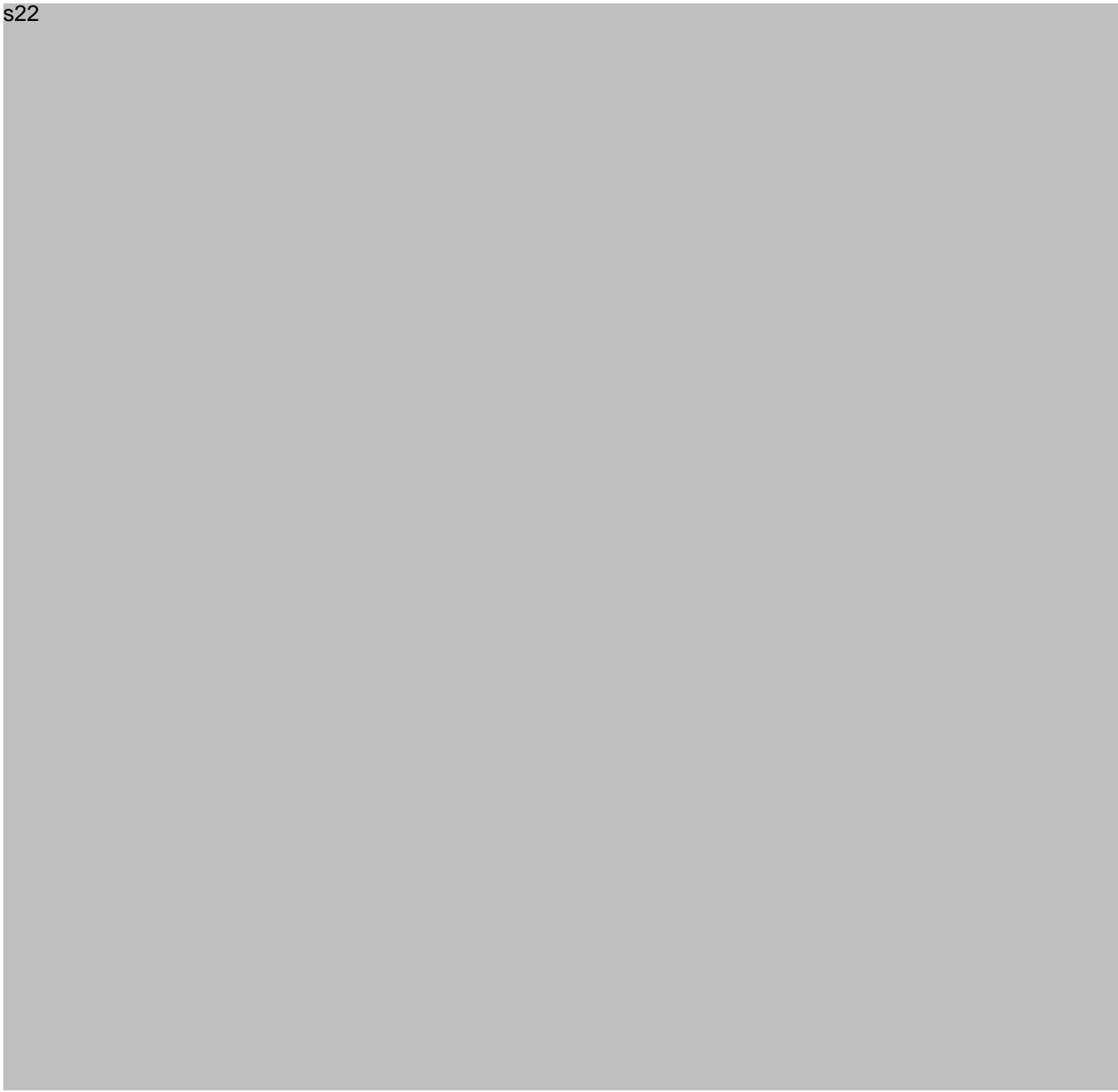


Australian Government
Department of Social Services

Kathryn Campbell AO CSC
Secretary

Senator the Hon Anne Ruston
Minister for Families and Social Services
Parliament House
CANBERRA ACT 2600

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expansion of the Cashless Debit Card, s22

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We will also progress the trial and

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May 2019

Environmental Scan

Overview

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A major priority will be to deliver the measures announced in the 2019-20 Budget. These include implementing the trial and expansion of the Cashless Debit Card, s22

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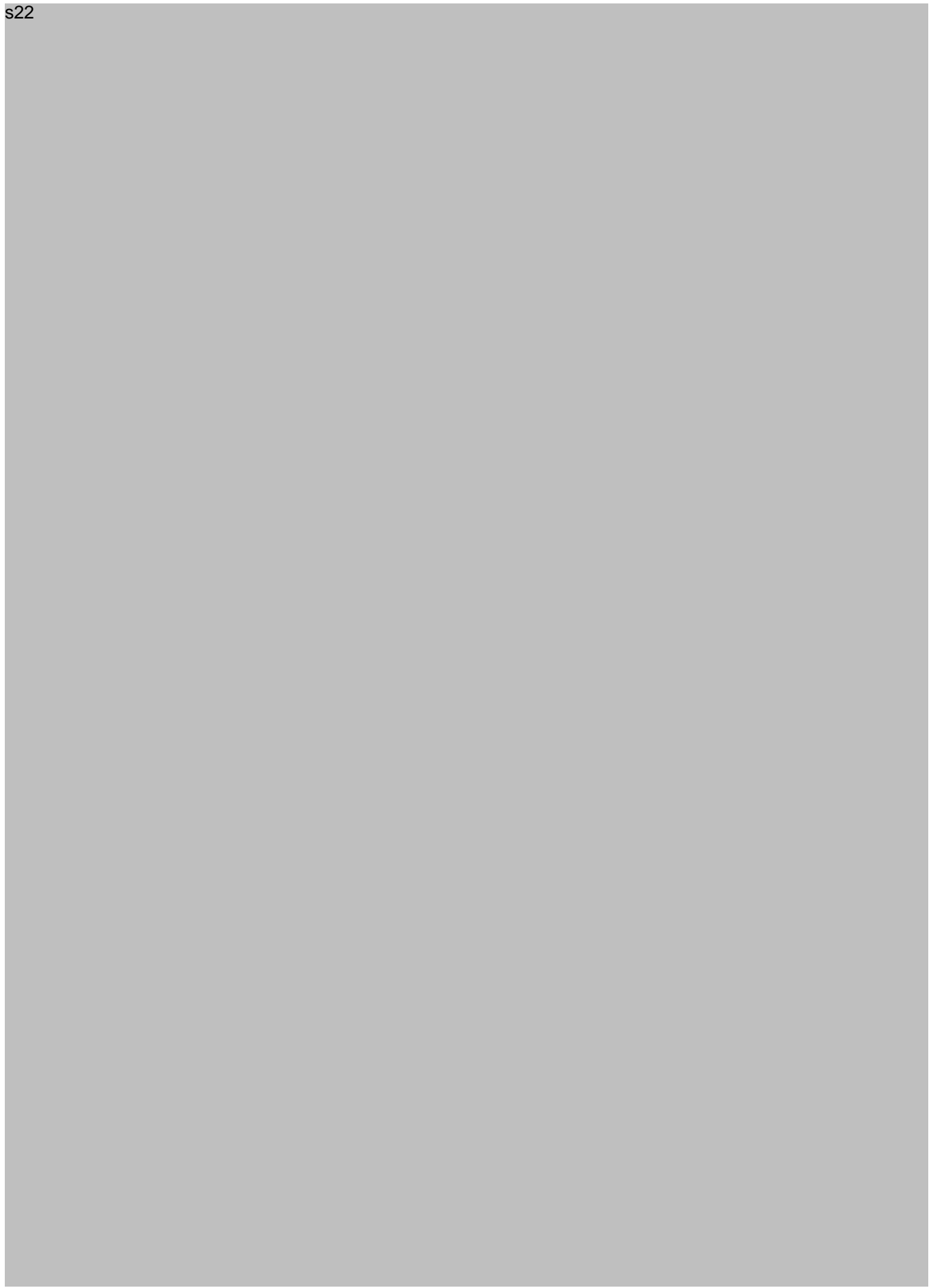


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Income Management and Cashless Debit Card

Both Income Management and the Cashless Debit Card support safe communities and aim to support people to transition to work, reduce social harm and increase social cohesion.

Income Management currently supports around 24,500 vulnerable Australians, with around 21,700 of these people living in the Northern Territory and 78 per cent being Indigenous Australians. Income Management, which is an older scheme, has high administrative costs and lower flexibility than the newer Cashless Debit Card, which applies to approximately 11,000 Australians. As announced in the 2019-20 Budget, the department will work to transition Income Management recipients to the Cashless Debit Card from 1 January 2020.

The Cashless Debit Card is currently operating in Ceduna in South Australia, East Kimberley and Goldfields regions in Western Australia, and the Bundaberg and Hervey Bay region in Queensland.

Parliament recently agreed to extend the Cashless Debit Card sites of Ceduna, East Kimberley and the Goldfields, and Income Management in Cape York, until 30 June 2020.

An amendment was also passed to allow Cashless Debit Card participants to apply to exit the program if they can demonstrate reasonable and responsible financial management.

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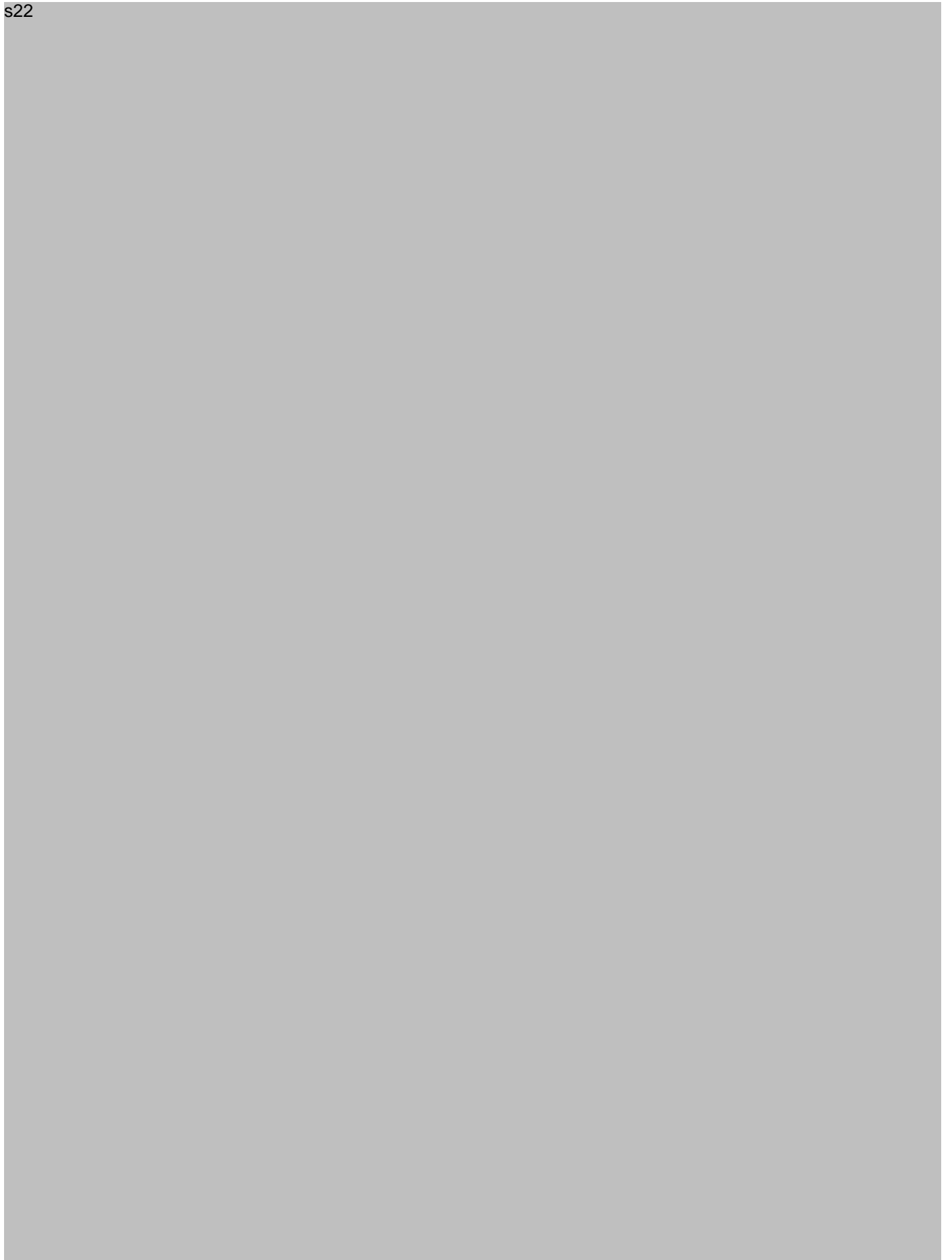
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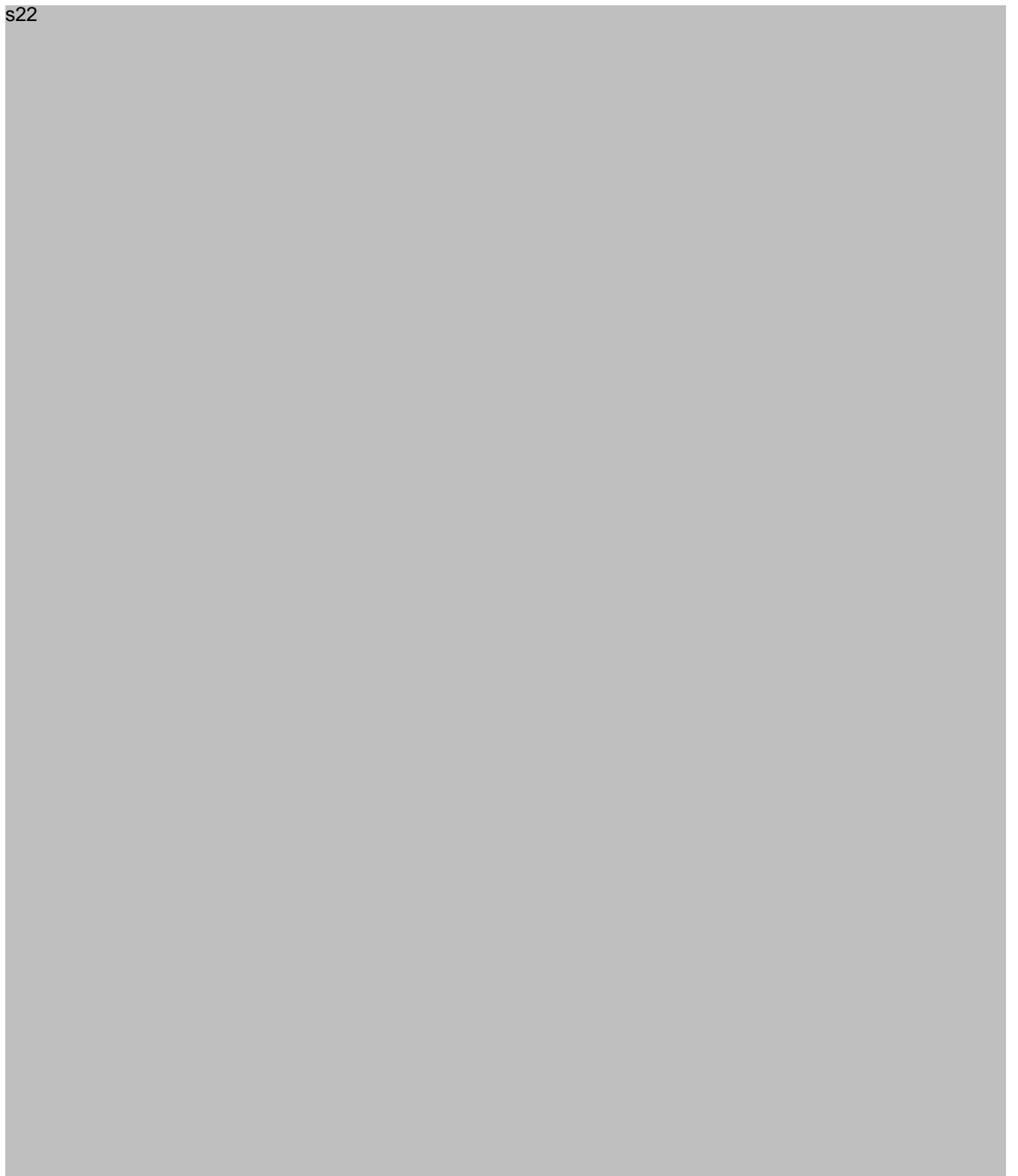
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Key Matters for Attention – the First 100 Days

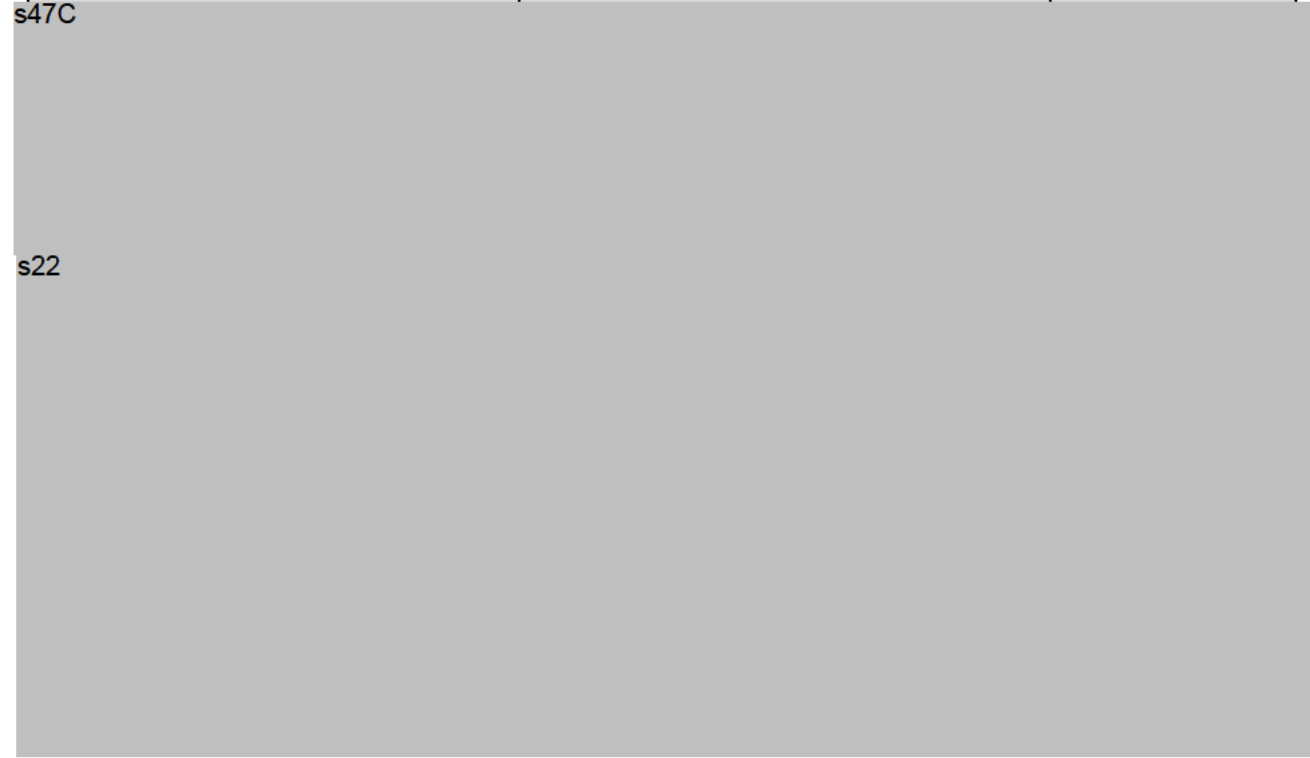
Election and Budget Commitments

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First 14 days		
Issue	Additional Information	Contact

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Changes to and expansion of CDC, and arrangements, anticipated to be finalised in June 2019 for three CDC sites from 1 July 2019 to 30 June 2020. Decisions on some issues will be requested by **mid-June 2019**.

Consultations regarding the new exit process (legislated in April 2019) are underway with community panels and stakeholders. We will seek your views on options for delivering this, as well as proposals announced in the 2019-20 Budget, including transitioning Income Management participants in Cape York and the Northern Territory onto the Cashless Debit Card.

Liz Hefren-Webb,
Deputy Secretary,
Families and
Communities

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First Year – Key Milestones

June 2019 – June 2020

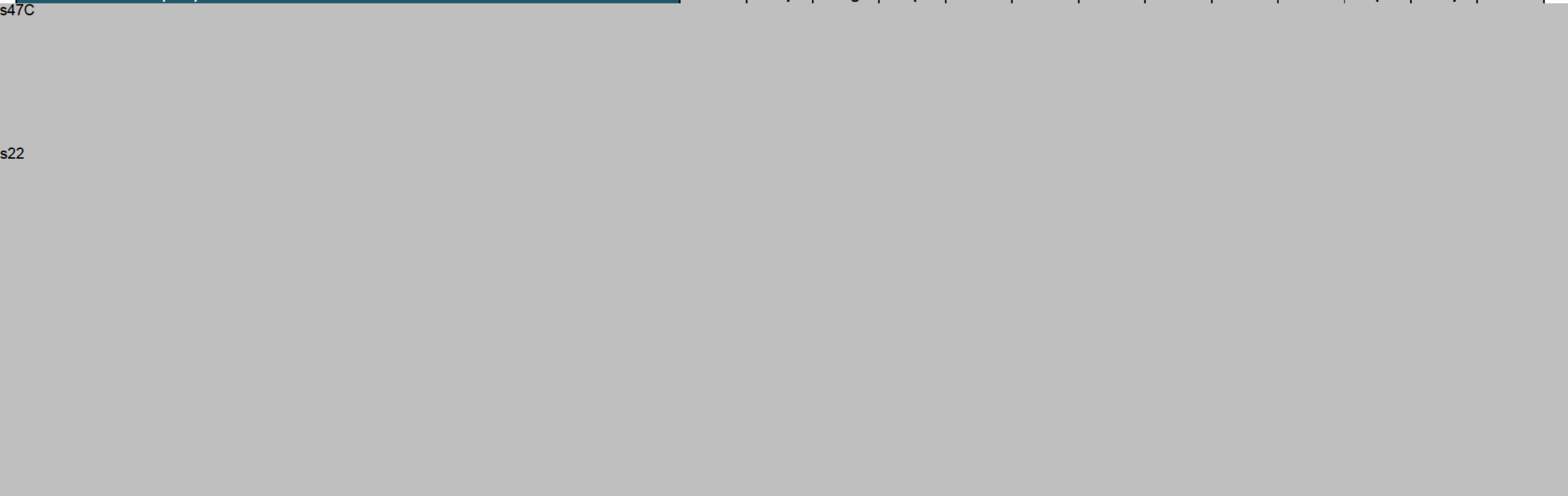
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Cashless Debit Card (CDC)

June | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | June |

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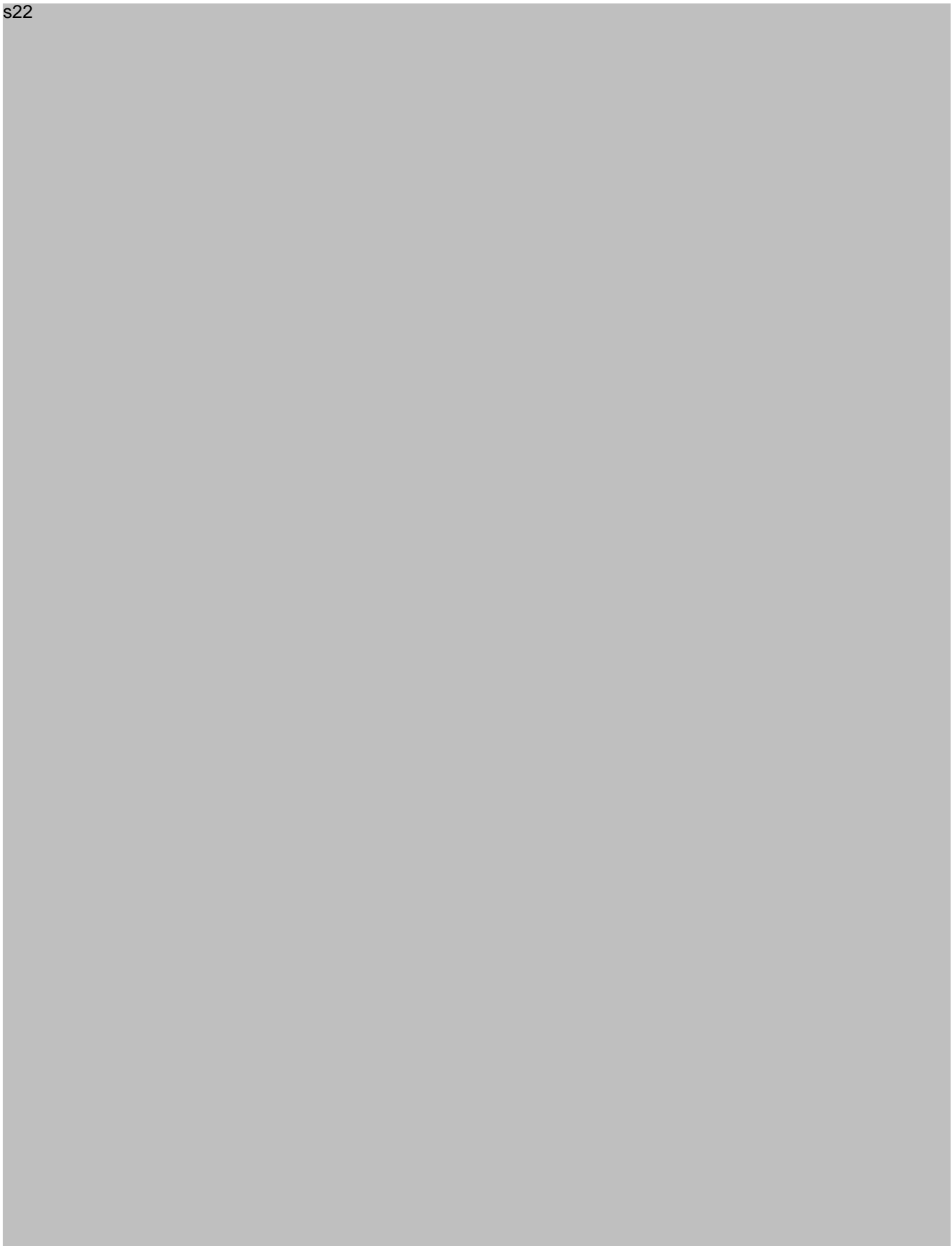
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Cashless Debit Card

Issue	The Government has committed \$128.8 million to progress the extension and expansion of the Cashless Debit Card, including the transition of Income Management participants onto the Cashless Debit Card, and s34
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Background:

- On 5 April 2019, the *Social Security (Administration) Amendment (Income Management and Cashless Welfare) Act 2019* (the Act) was given Royal Assent. The Act extended the trial in the first three sites of Ceduna, East Kimberley and the Goldfields to 30 June 2020, in line with the cessation date for Bundaberg and Hervey Bay. The Act also included an amendment that will allow participants to apply to exit the program from 1 July 2019.
- The amendment applies to the four current trial sites of Ceduna, East Kimberley, Goldfields, Bundaberg and Hervey Bay.
- Cashless Debit Card sites with a community panel will be responsible for accepting and assessing applications to exit the program. In communities where no panel exists, the department will assess applications.

- The department is currently consulting with community panels and stakeholders to develop processes and protocols for this process.

Sensitivities:

- Support for the Cashless Debit Card is mixed, both across trial communities and more broadly. In Ceduna and Kalgoorlie (Goldfields), there are high levels of support to continue the trial from community leaders and groups.
- Consultation and community support has been fundamental to the success of the trials to date.

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- The Cashless Debit Card receives ongoing media interest, with strong social media activity from such groups as *'The Say No Seven'* and the various regional *'No Cashless Debit Card'* groups.

Group Manager	Bruce Taloni, Redress and Reform	Phone:	s22
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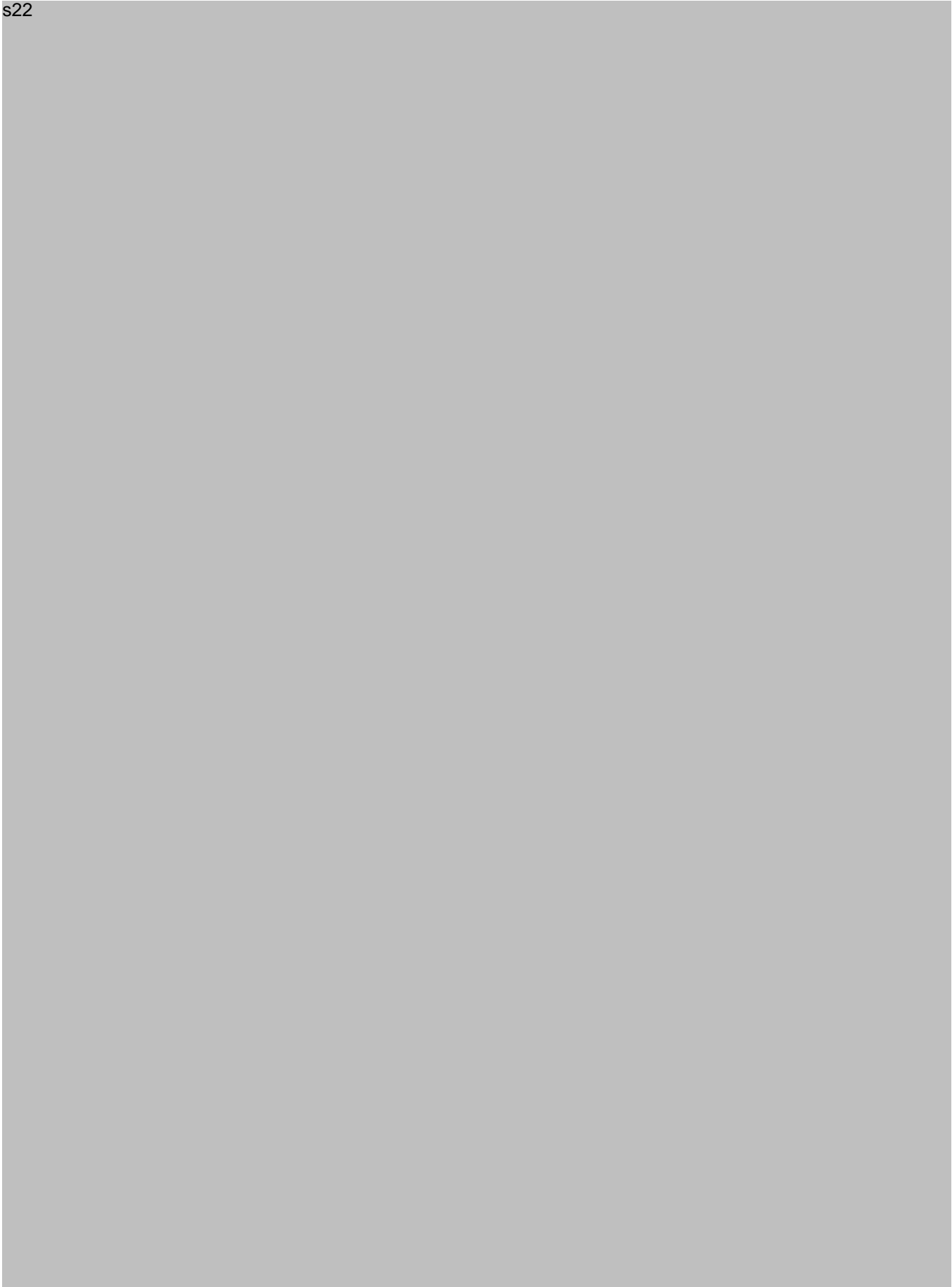


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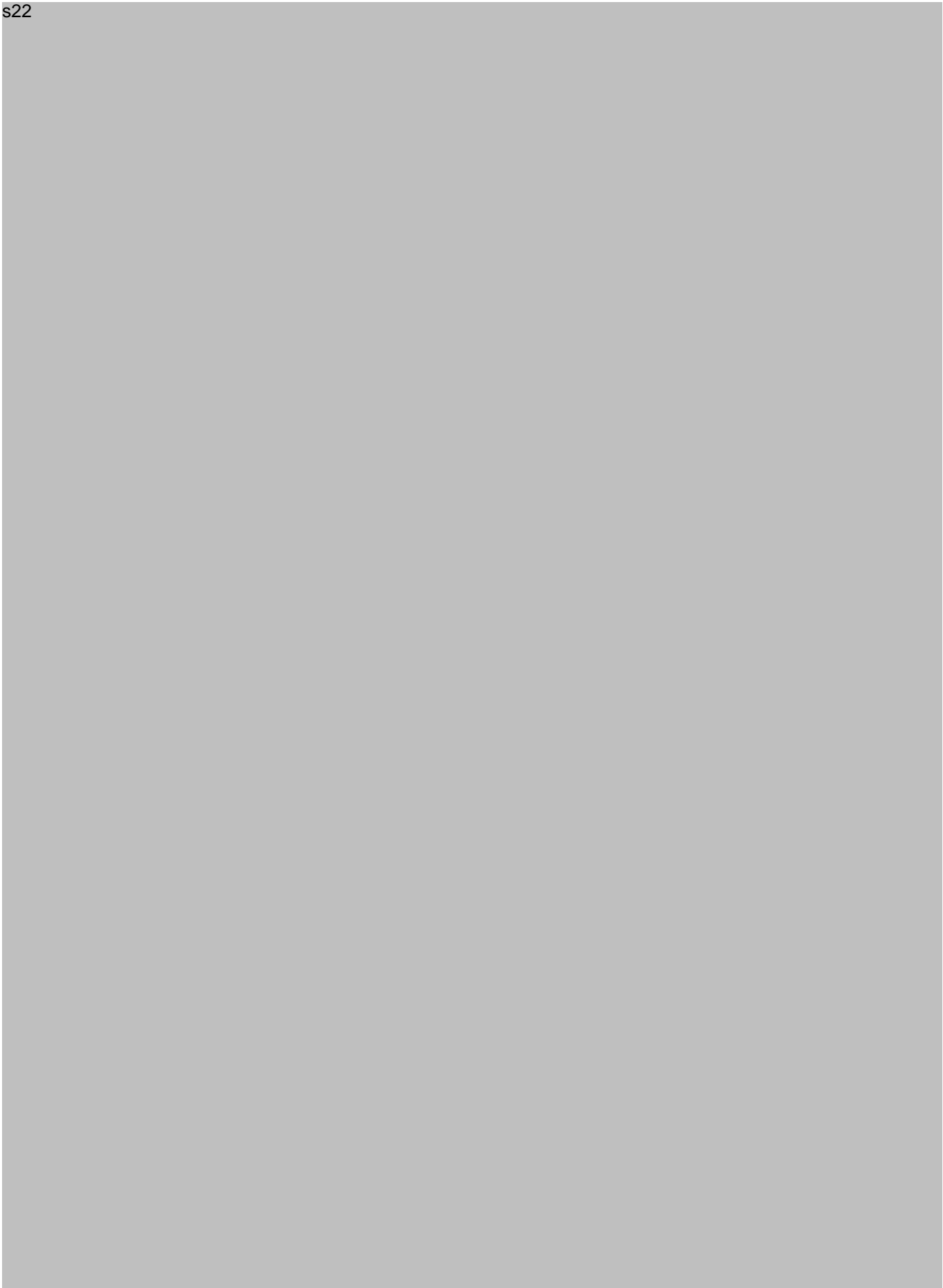
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Factsheets

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Cashless Debit Card

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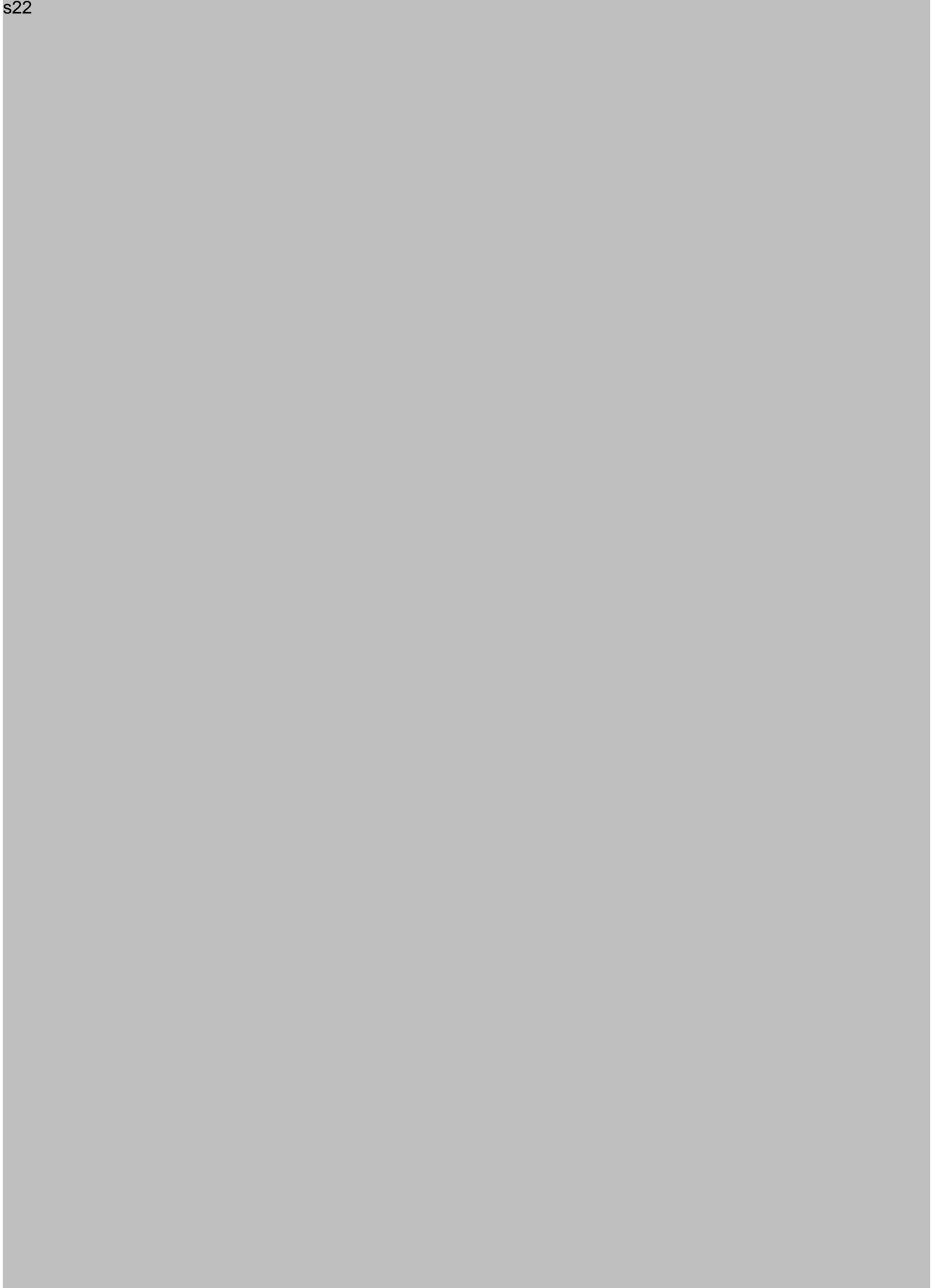








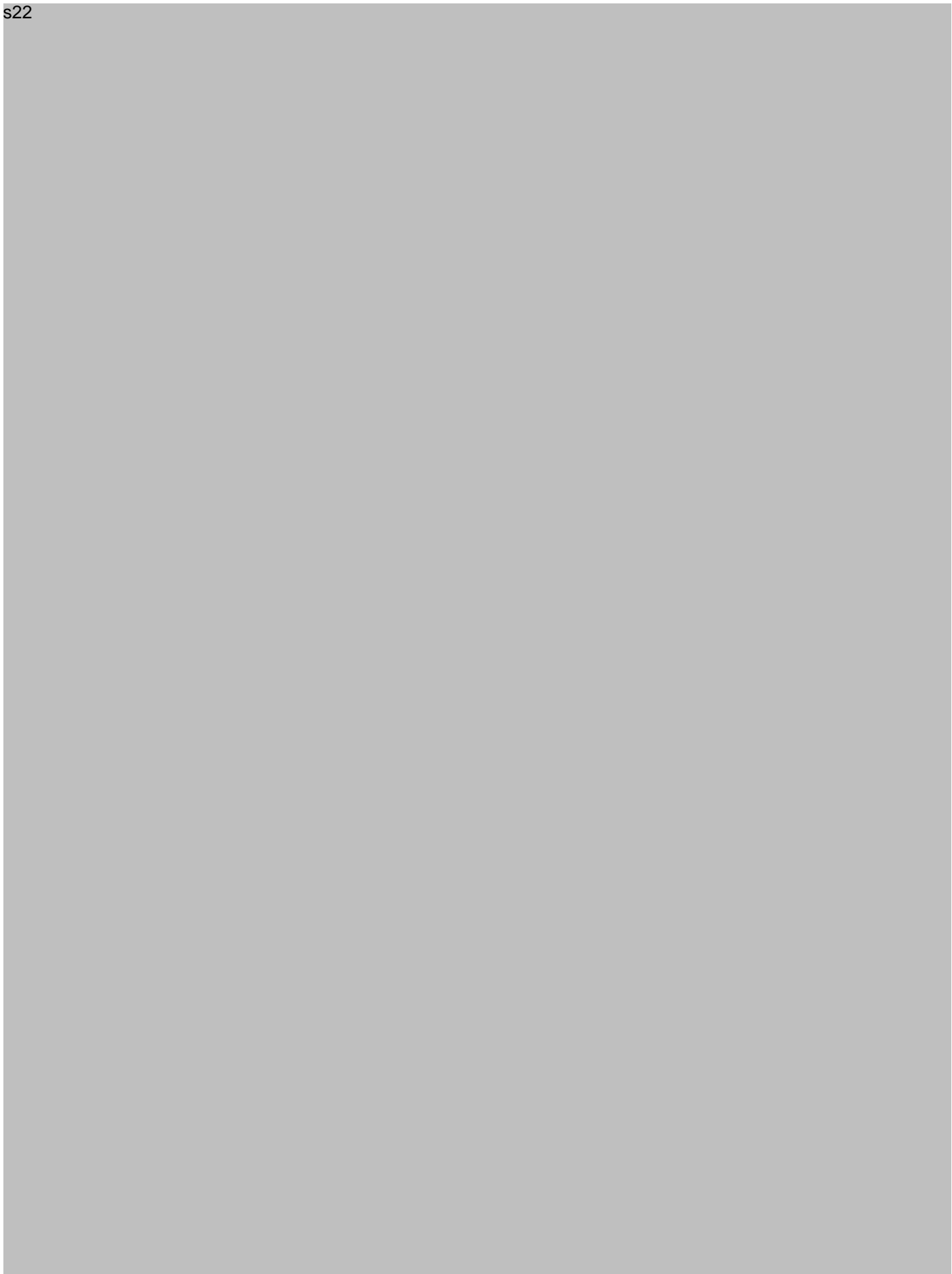
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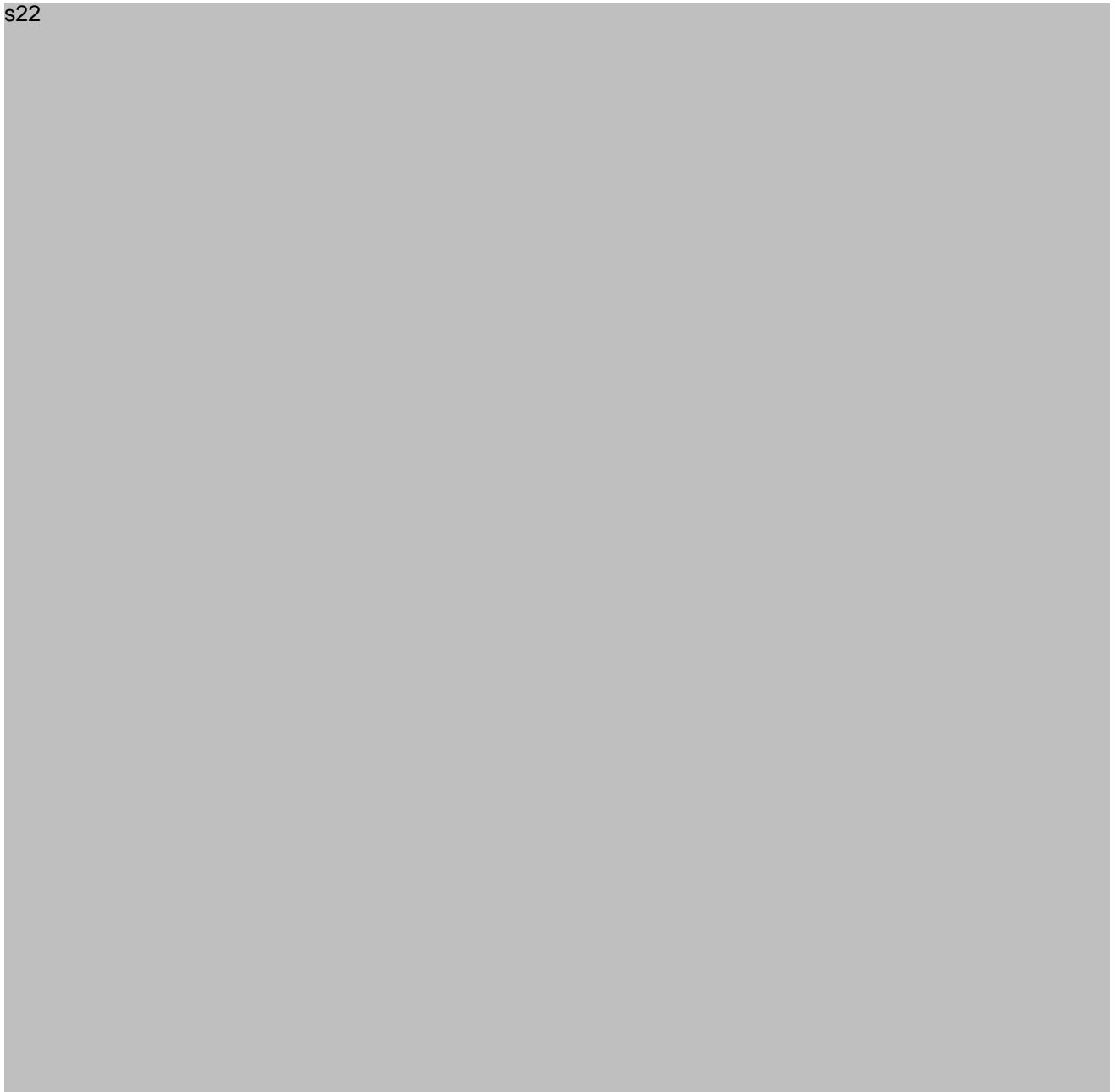
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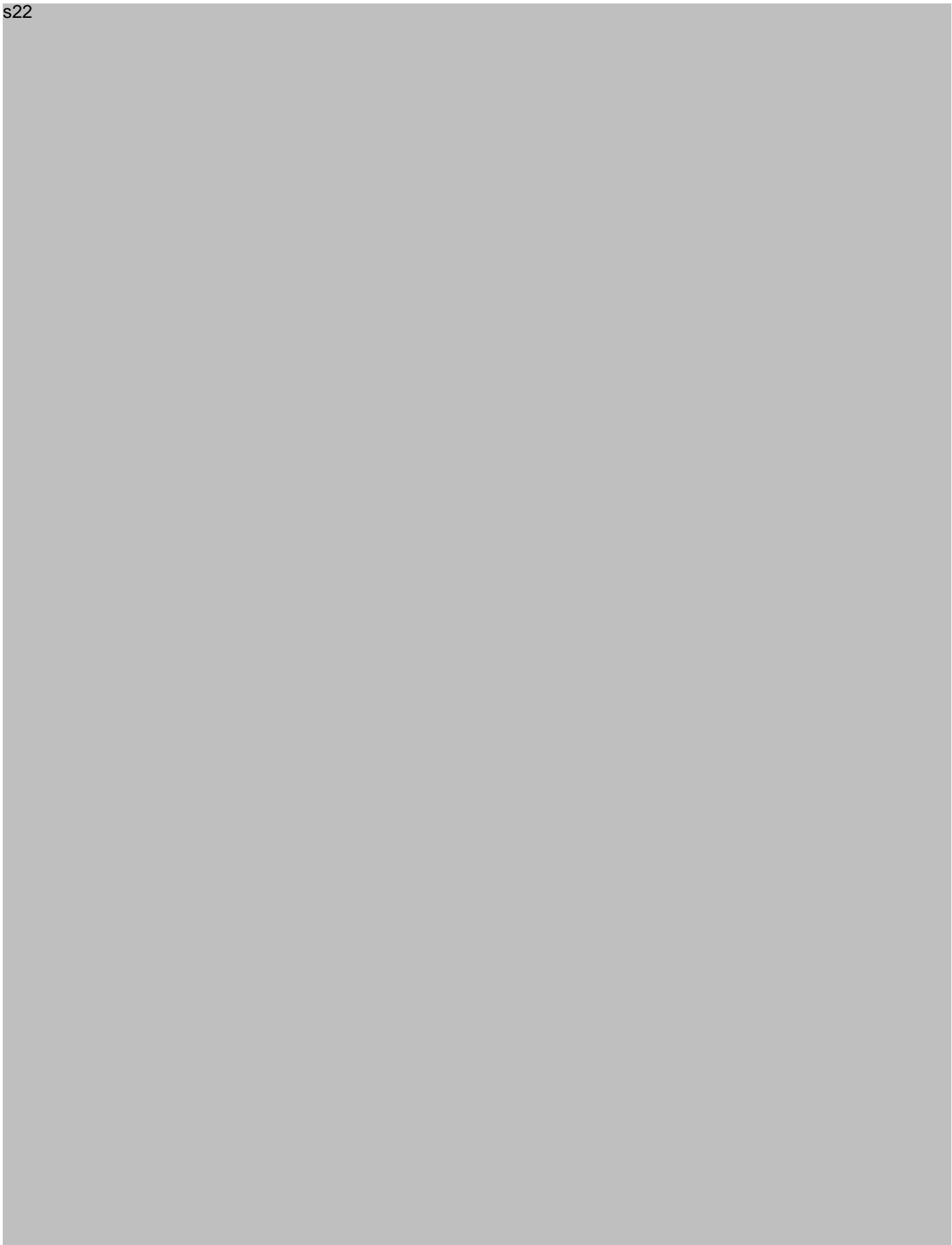


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Cashless Debit Card

Description	The Cashless Debit Card quarantines 80 per cent of participants' welfare payment, which is placed on a Visa debit card that cannot be used to purchase alcohol, gambling products, 'open loop' gift cards or to withdraw cash. The remaining 20 per cent is deposited into participants' regular account.
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Overview:

- In the first three sites of Ceduna region, South Australia, and East Kimberley and Goldfields regions, Western Australia, the program applies to all people who receive a working age welfare payment.
- In the fourth site of Bundaberg and Hervey Bay, Queensland, the program applies to welfare recipients aged 35 years and under who receive Newstart Allowance, Youth Allowance (Job Seeker), and Parenting Payment (Single or Partnered).
- A recent amendment passed by Parliament will allow participants to apply to exit the program where they can demonstrate reasonable and responsible financial management, according to certain criteria.

Rates:

- The Cashless Debit Card does not reduce the welfare payment amount people receive, it only changes the way in which participants spend and receive their fortnightly payments.

Population:

- As at 10 May 2019, there are 11,120 active participants, including:
 - 928 participants in the Ceduna region, of which 74 per cent identify as Indigenous
 - 1,489 participants in the East Kimberley region, of which 82.4 per cent identify as Indigenous
 - 3,267 participants in the Goldfields region, of which 46 per cent identify as Indigenous, and
 - 5,436 participants in the Bundaberg and Hervey Bay region, of which 15.7 per cent identify as Indigenous.

Key facts:

- The Cashless Debit Card commenced on 15 March 2016 in the Ceduna region, and shortly after on 26 April 2016 in the East Kimberley region.
- On 26 March 2018 the Cashless Debit Card was implemented in the Goldfields region, and the fourth and most recent trial commenced on 29 January 2019 in the Bundaberg and Hervey Bay region.

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Key issues:

- The first impact evaluation was undertaken in 2017.
- The Australian National Audit Office assessed implementation and evaluation of the program, and made six recommendations all of which are being implemented by the department

- A second independent impact evaluation is currently underway, including the collection of baseline data in the fourth trial location of Bundaberg and Hervey Bay. The baseline data report for Goldfields was released on 21 February 2019. The final evaluation report is expected in late 2019.
- Processes and protocols to allow Cashless Debit Card participants to apply to exit the program from 1 July 2019 according to the criteria outlined in legislation (amendment passed by Parliament in April 2019) are being developed. The department is consulting with community panels that will be responsible for accepting and considering applications as well as other relevant stakeholders.

Expenditure:

- In 2018-19, s47E million has been allocated for the Cashless Debit Card program.

Financial year	2015-16 (\$m)	2016-17 (\$m)	2017-18 (\$m)	2018-19 (\$m)
Costs	\$10.982	\$8.076	s47E	

*Based on allocations

Group Manager	Bruce Taloni, Redress and Reform Group	Phone:	s22
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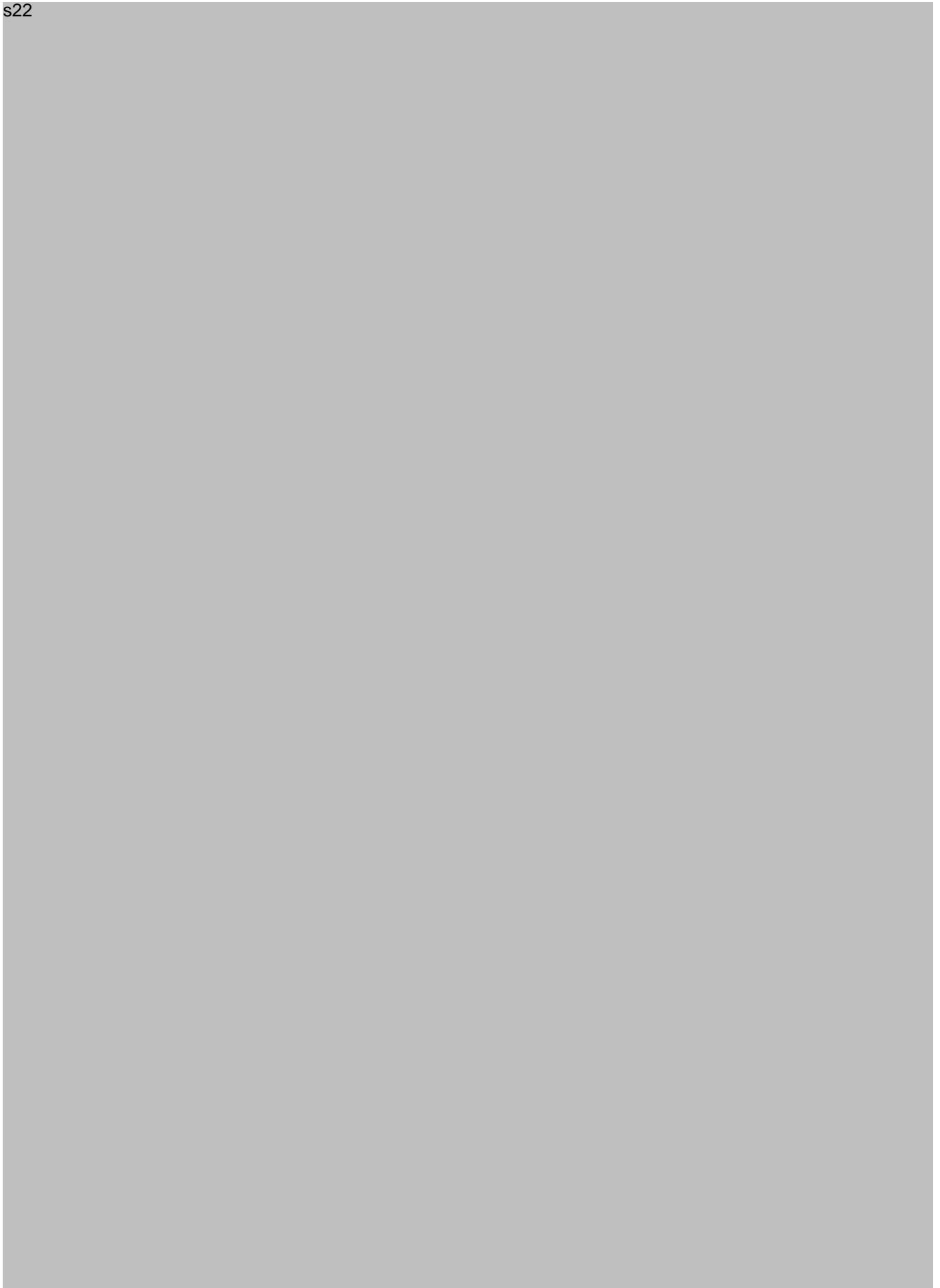
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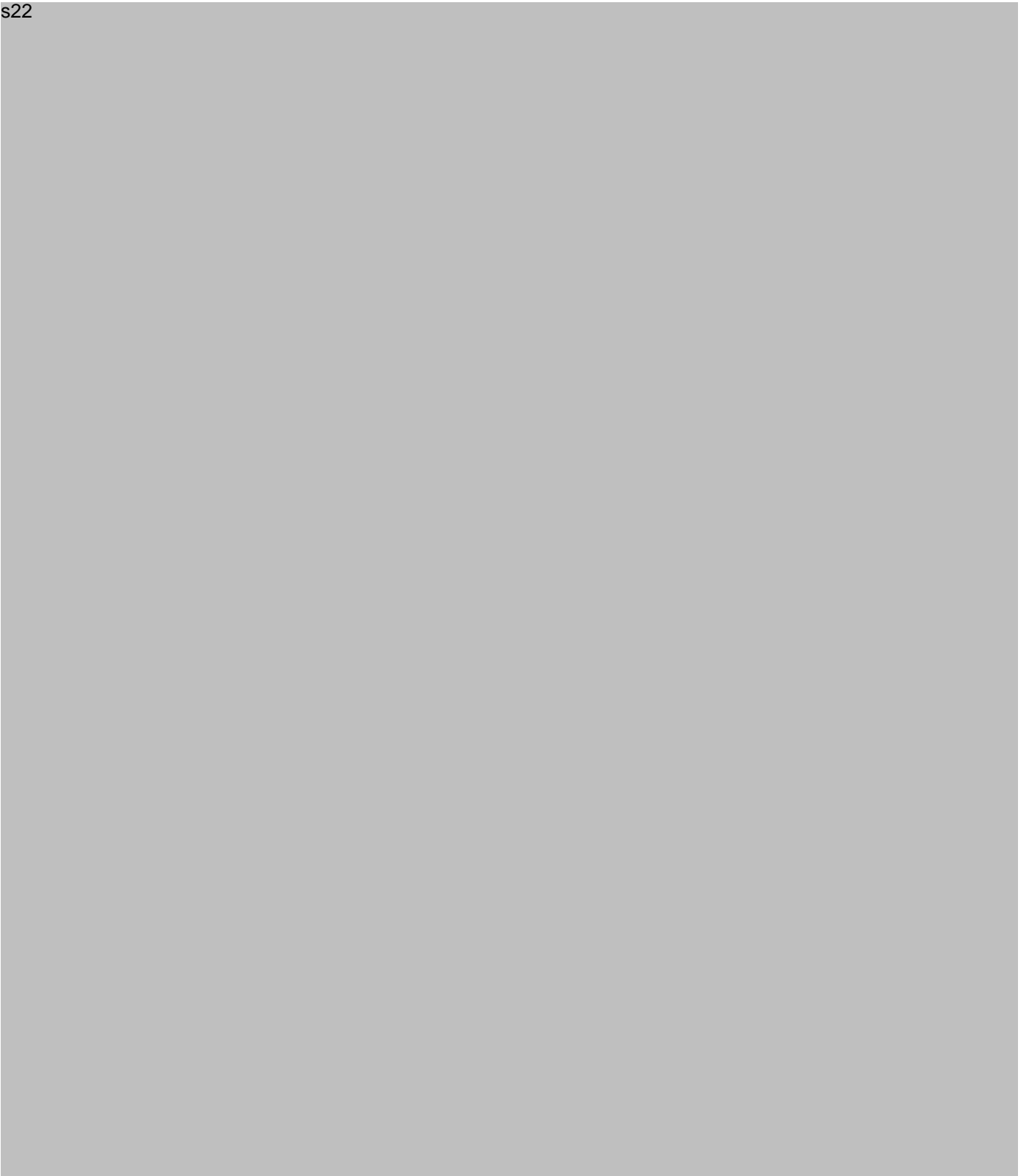
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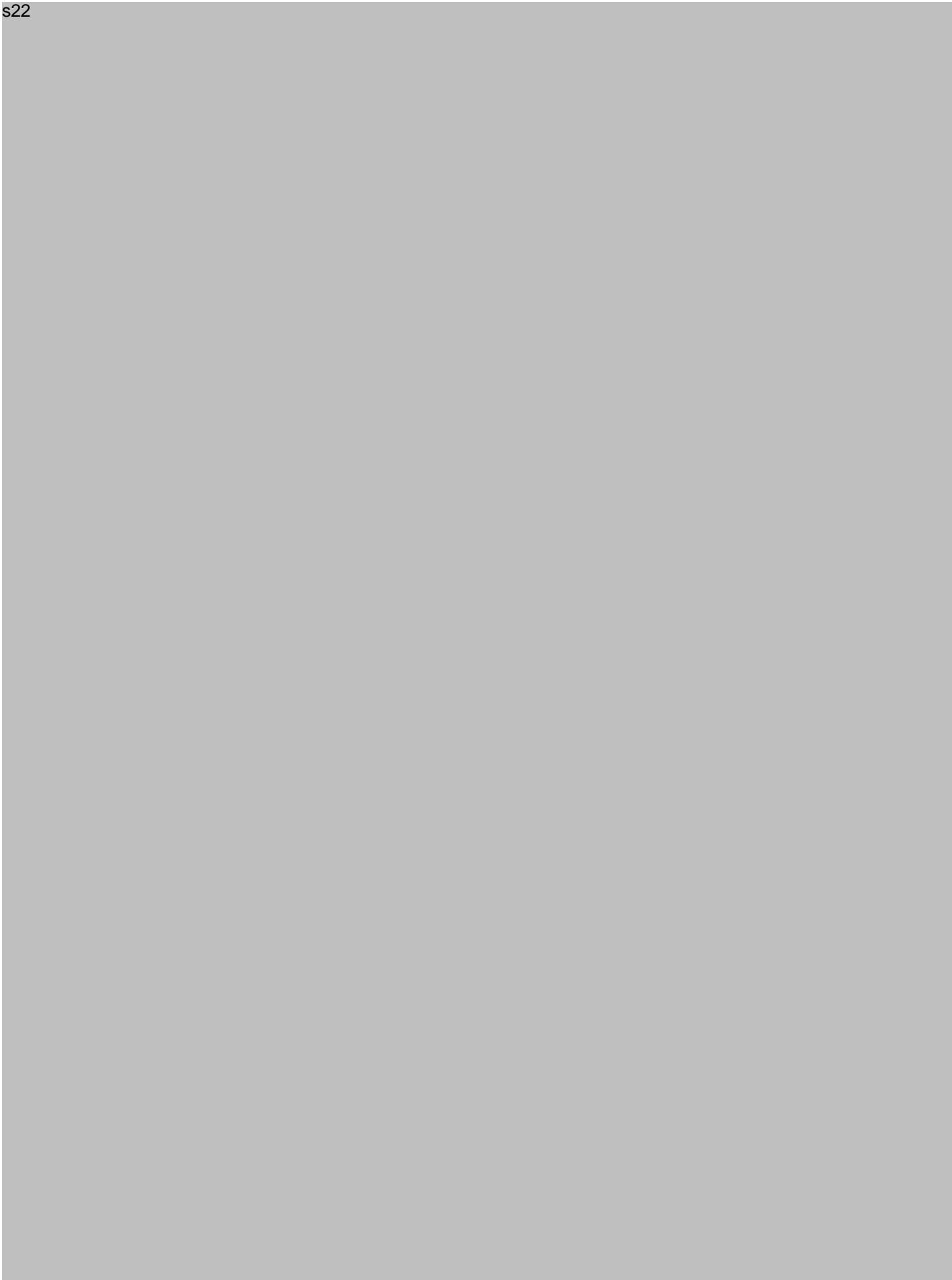
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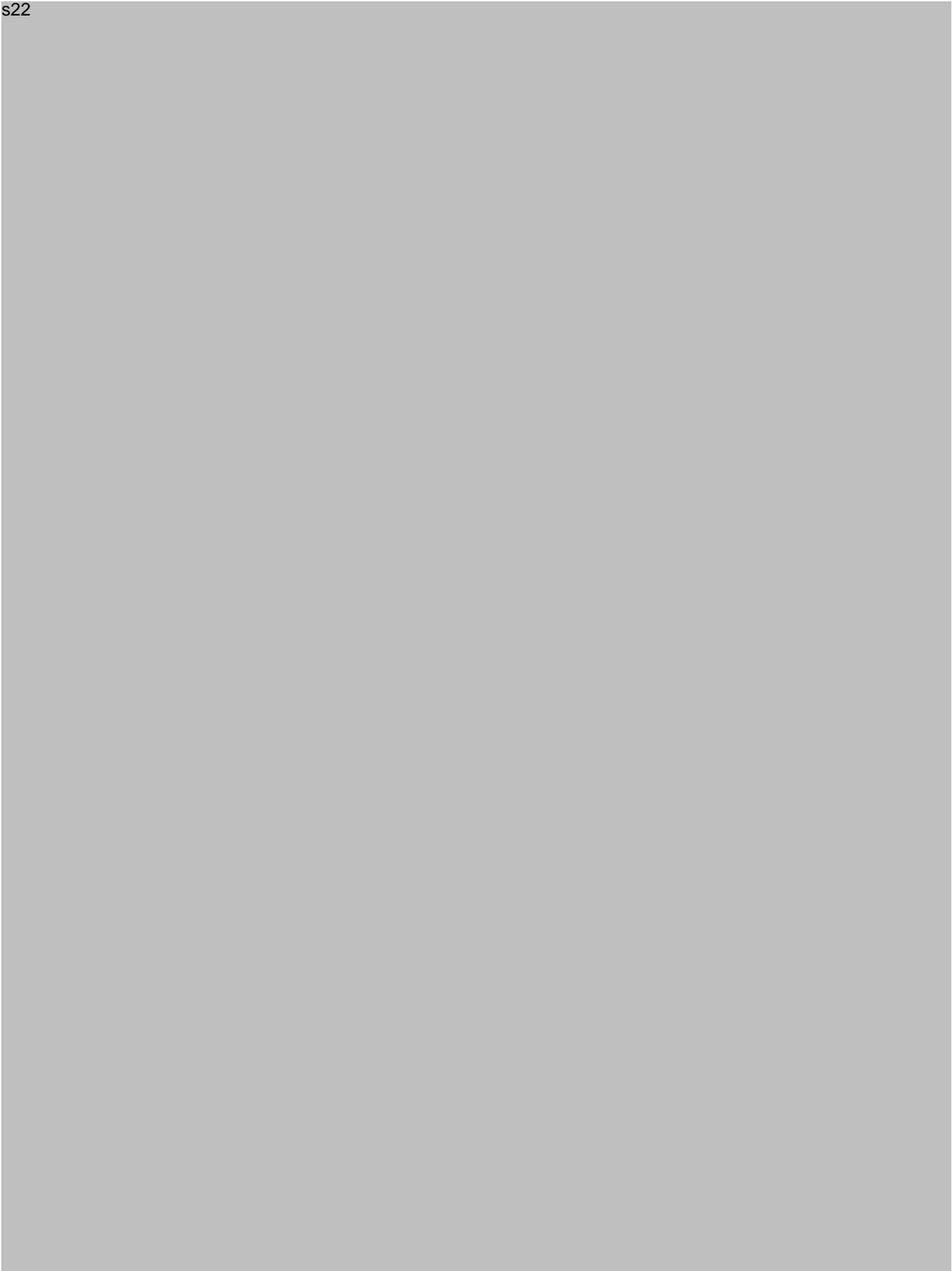
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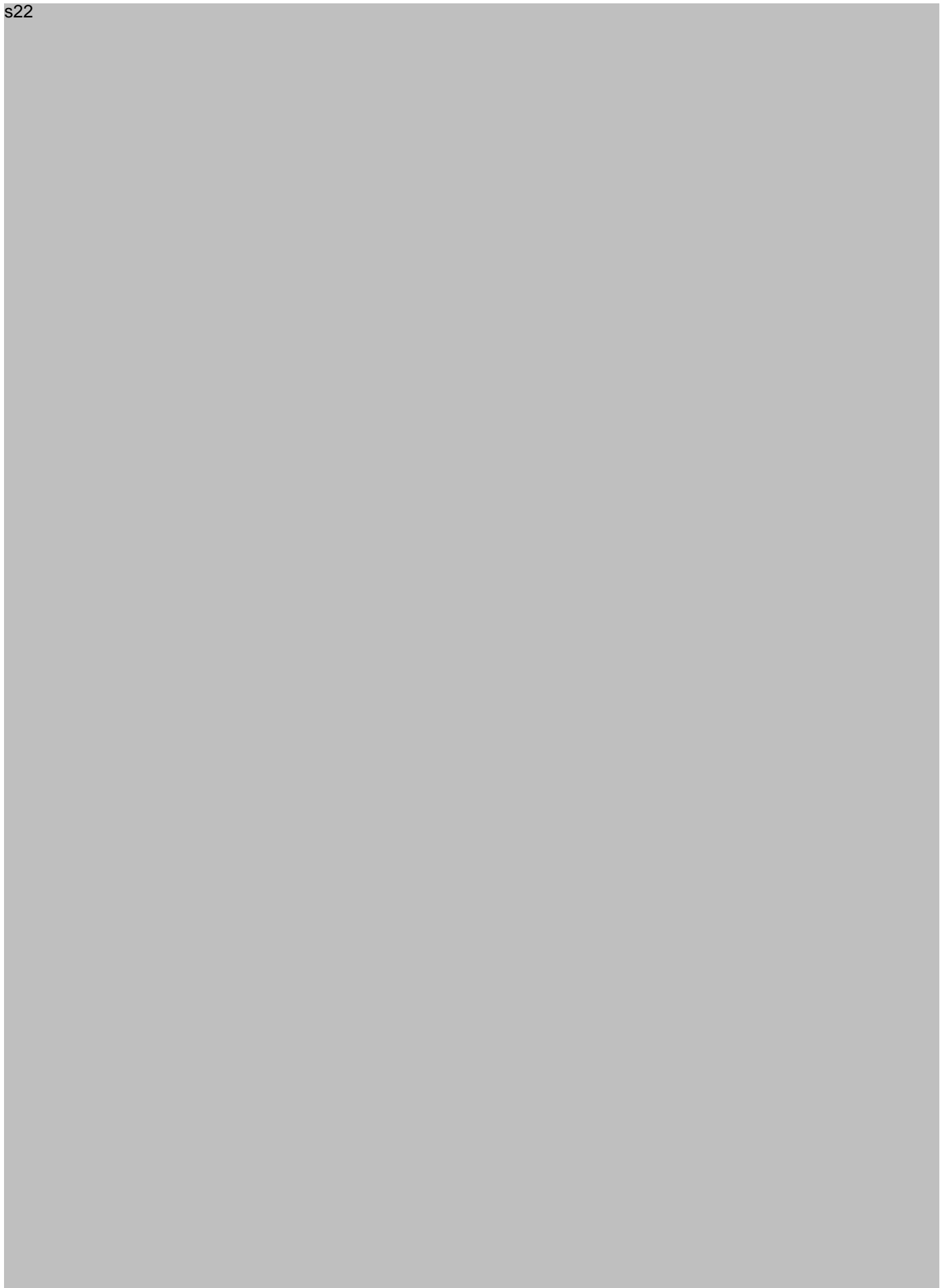
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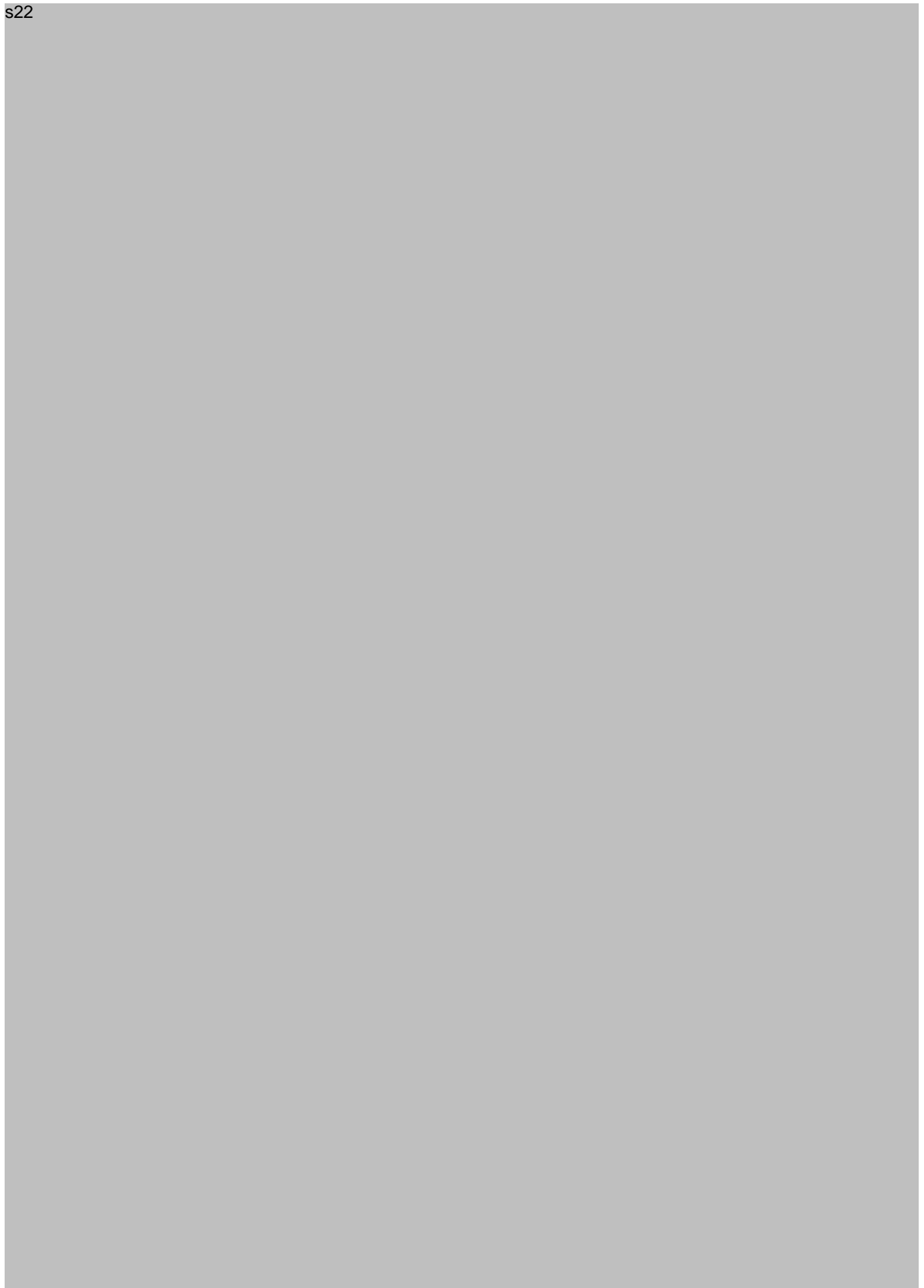


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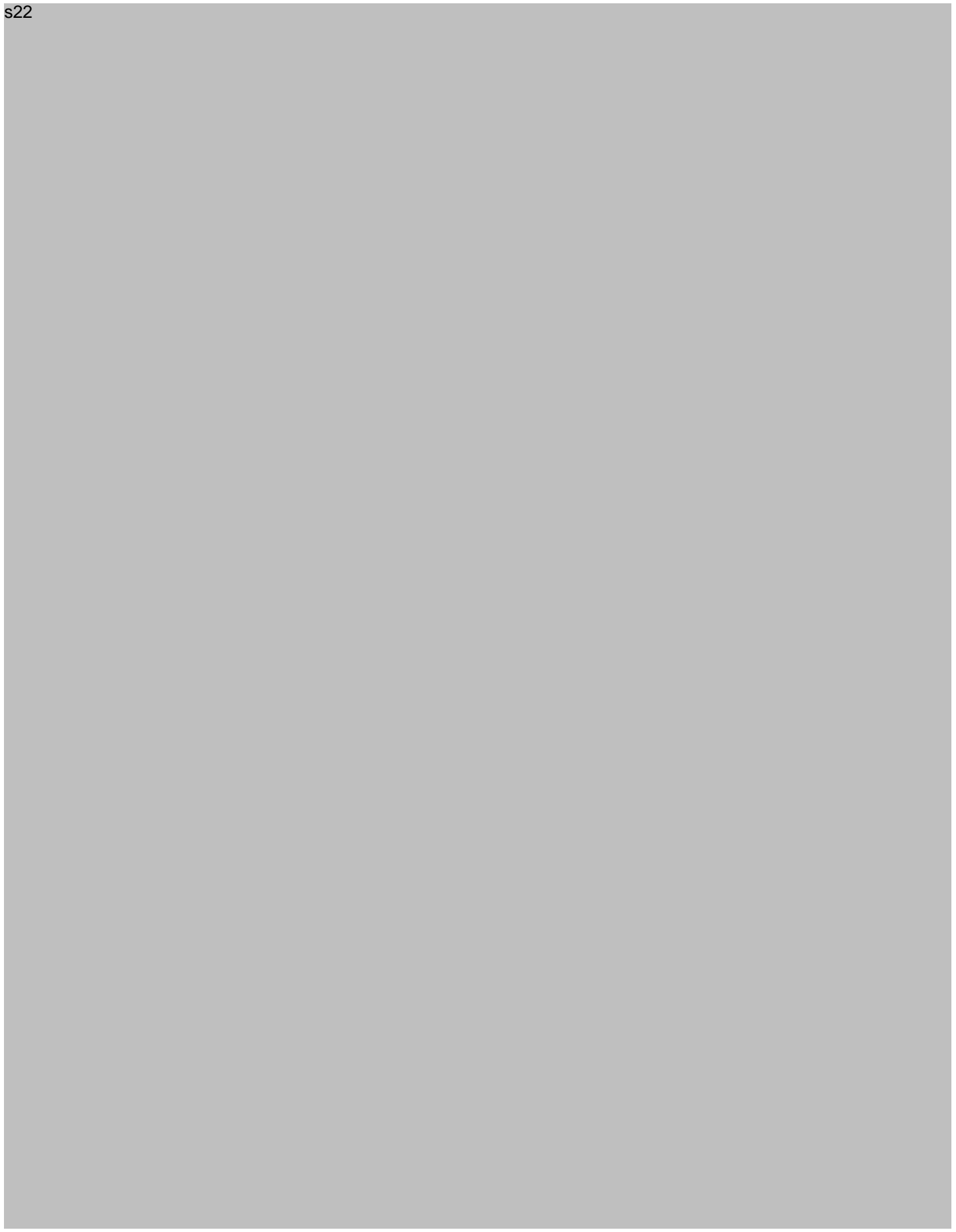
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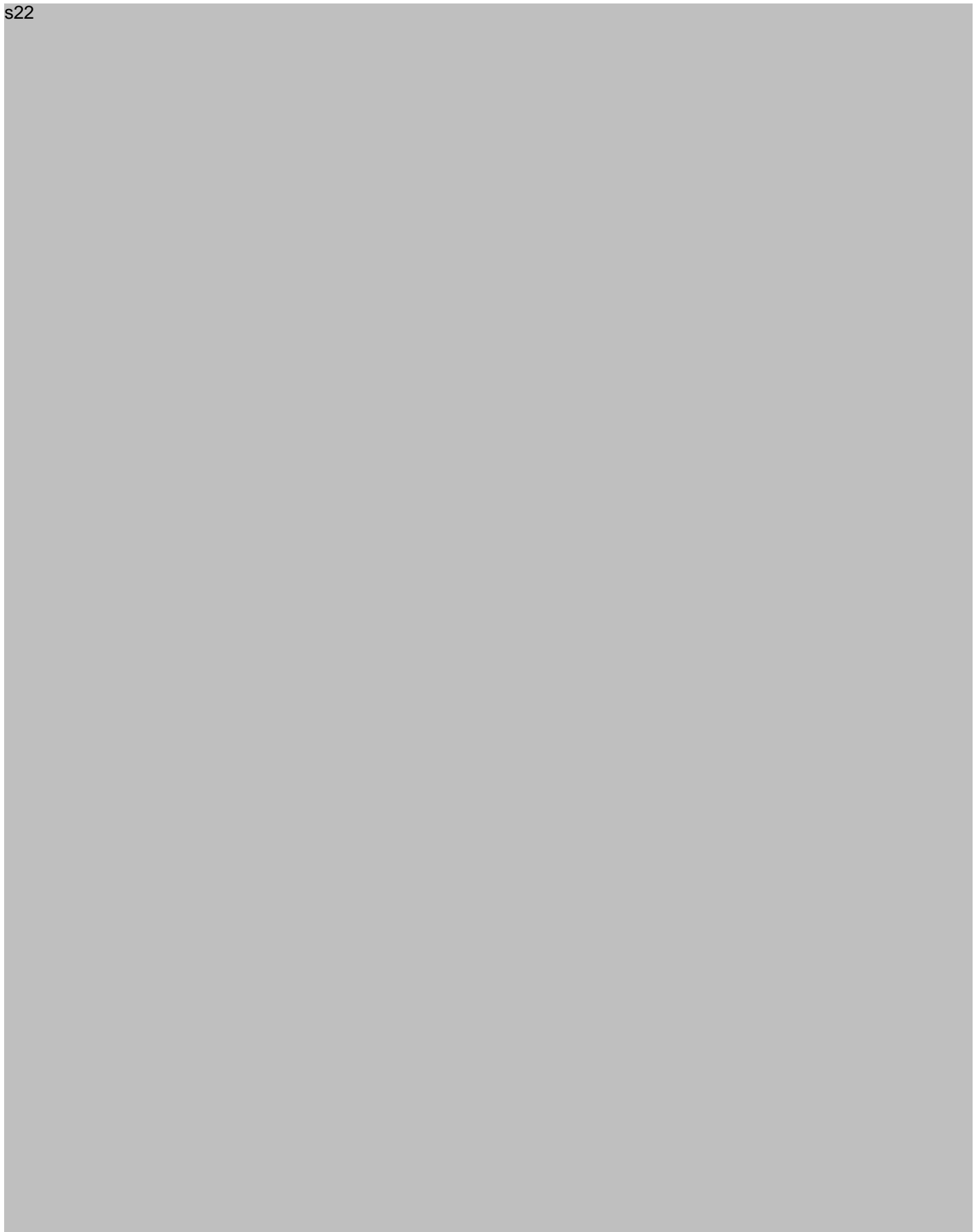
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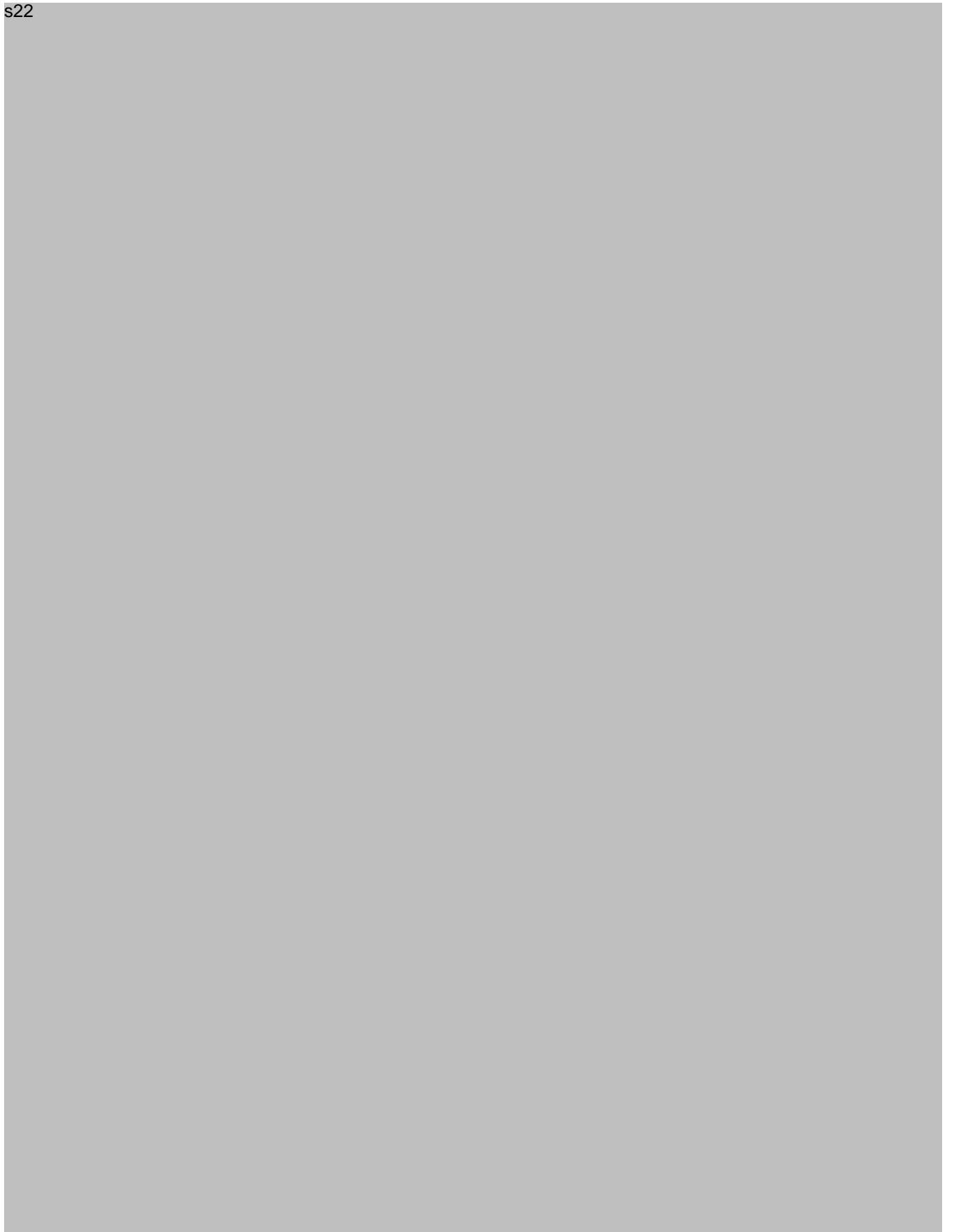
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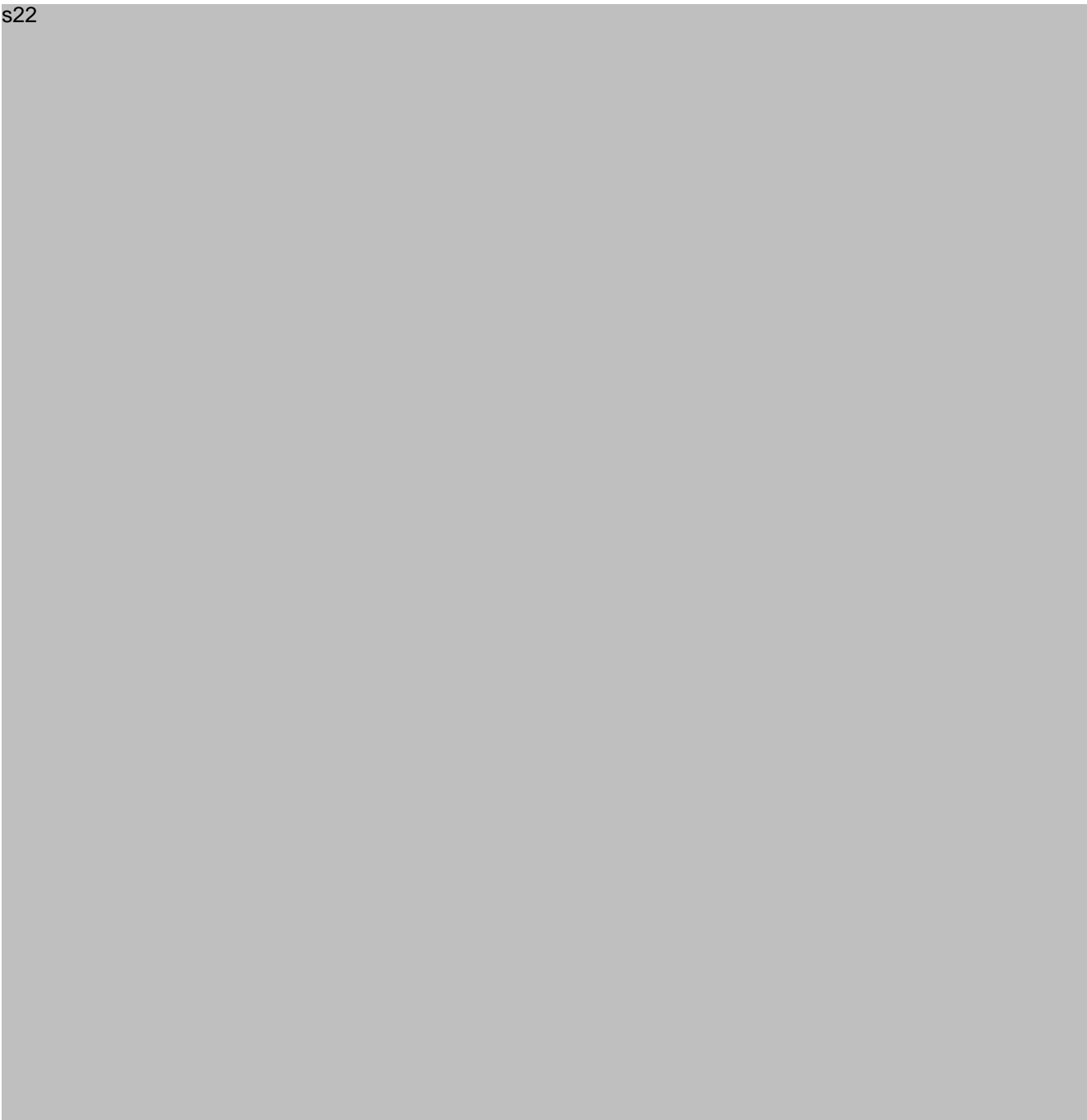


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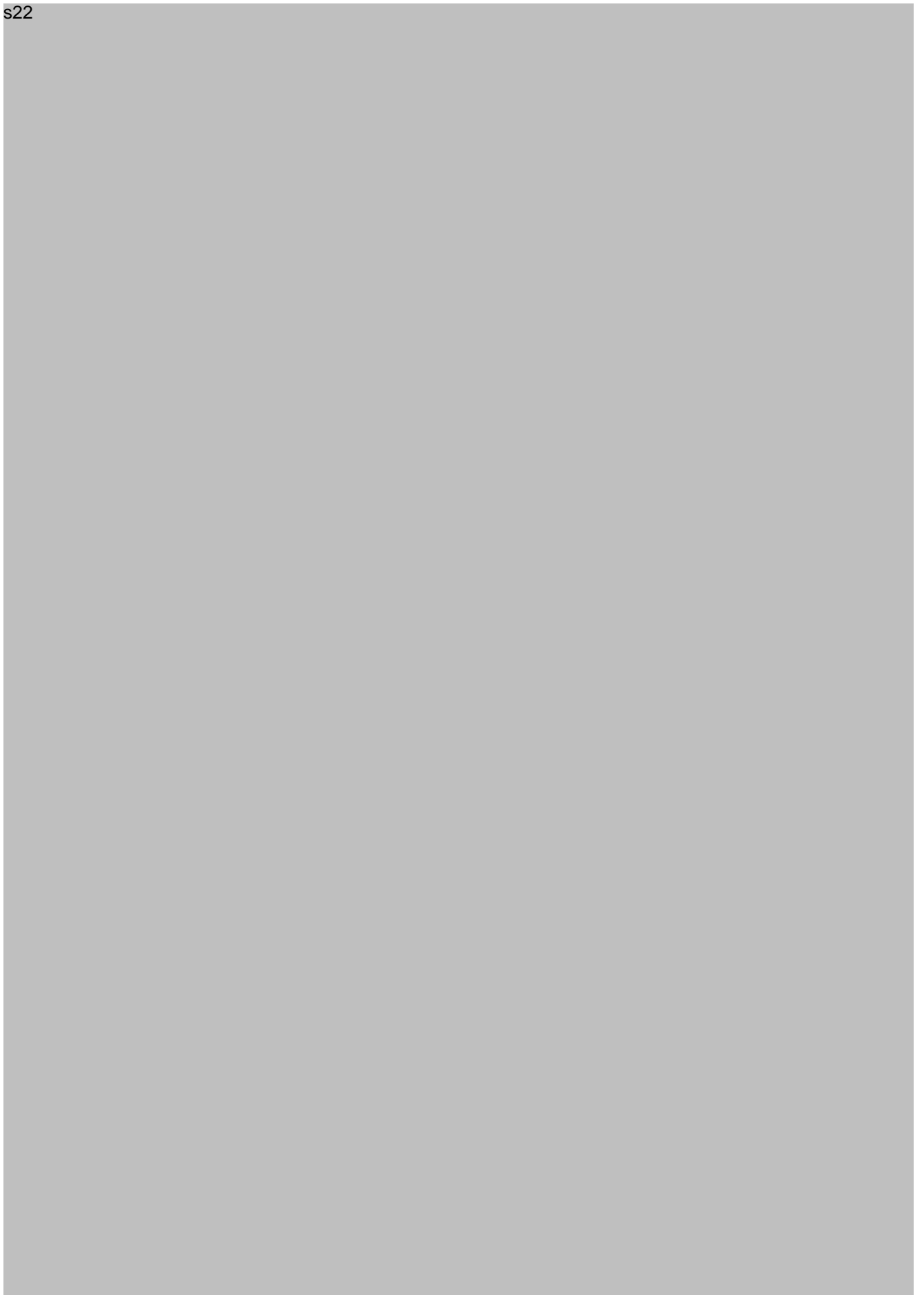
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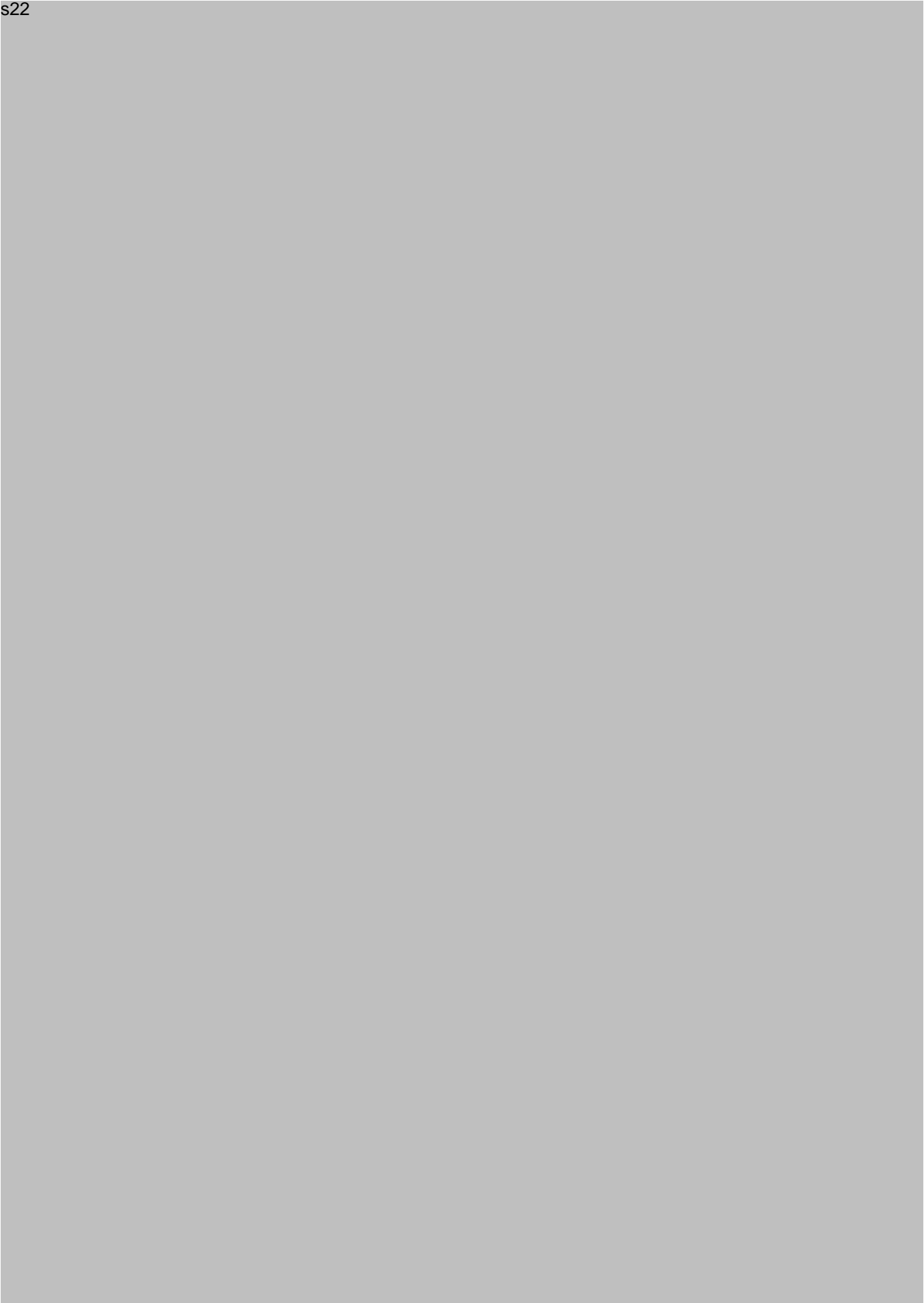
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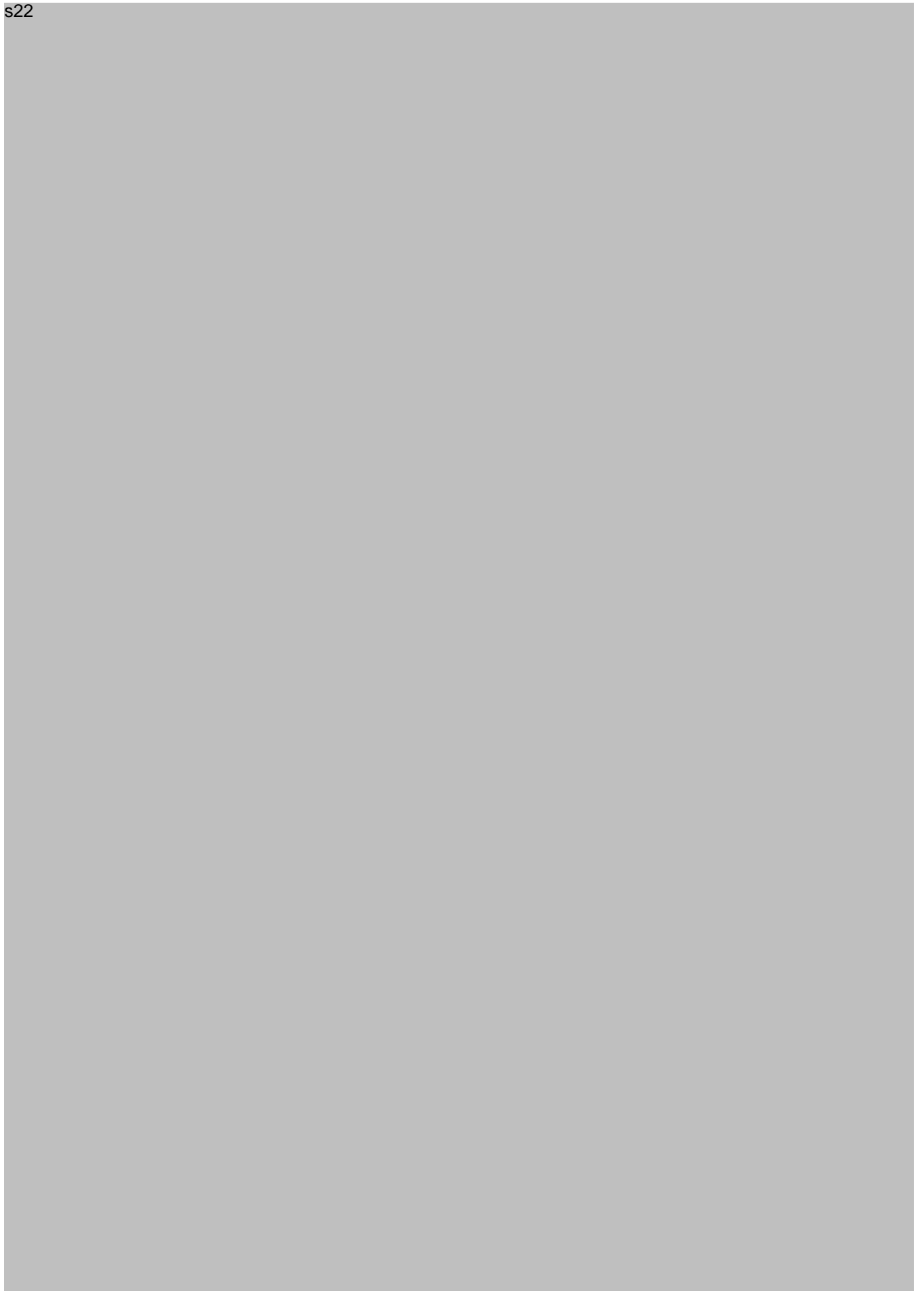
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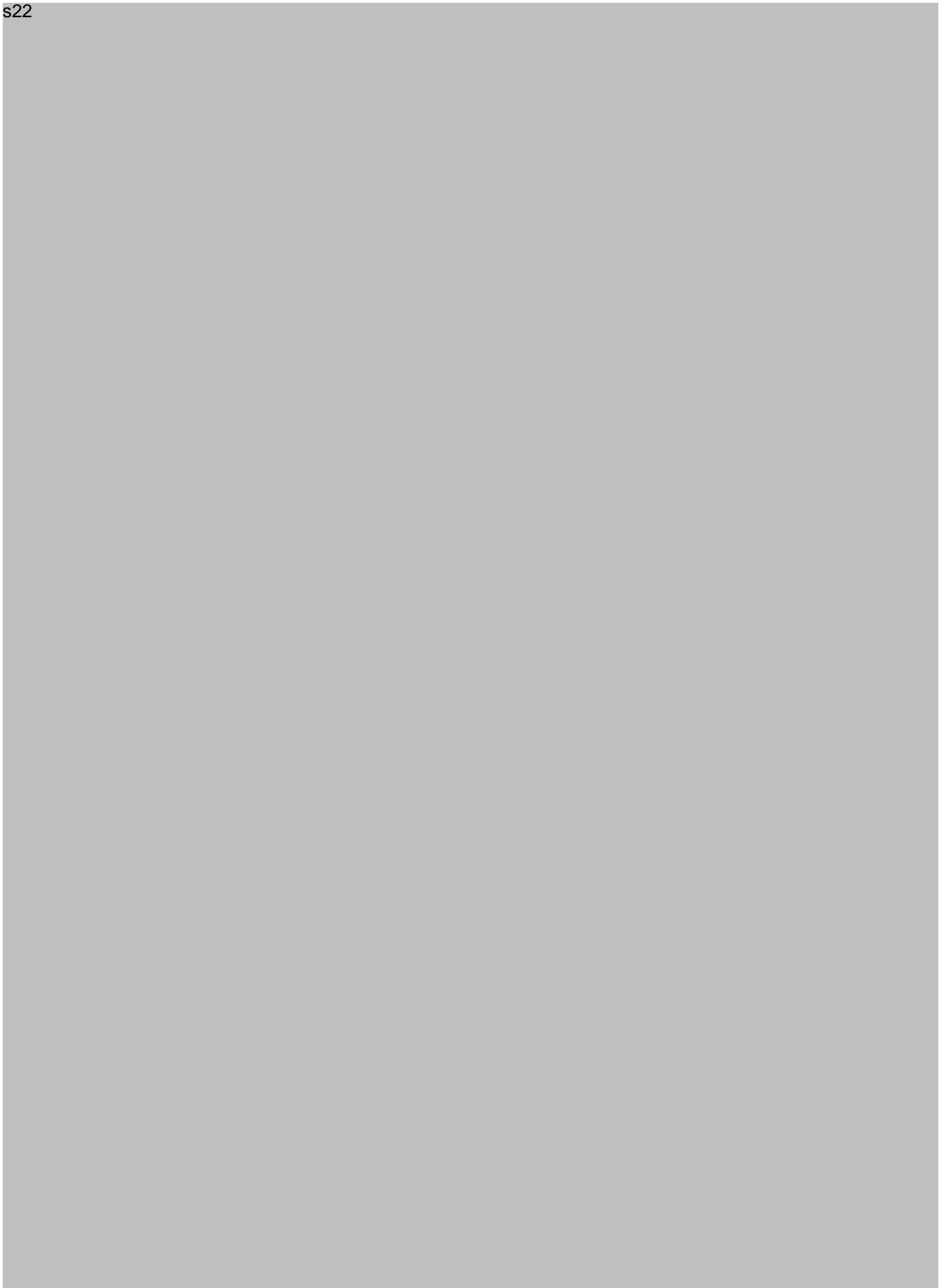
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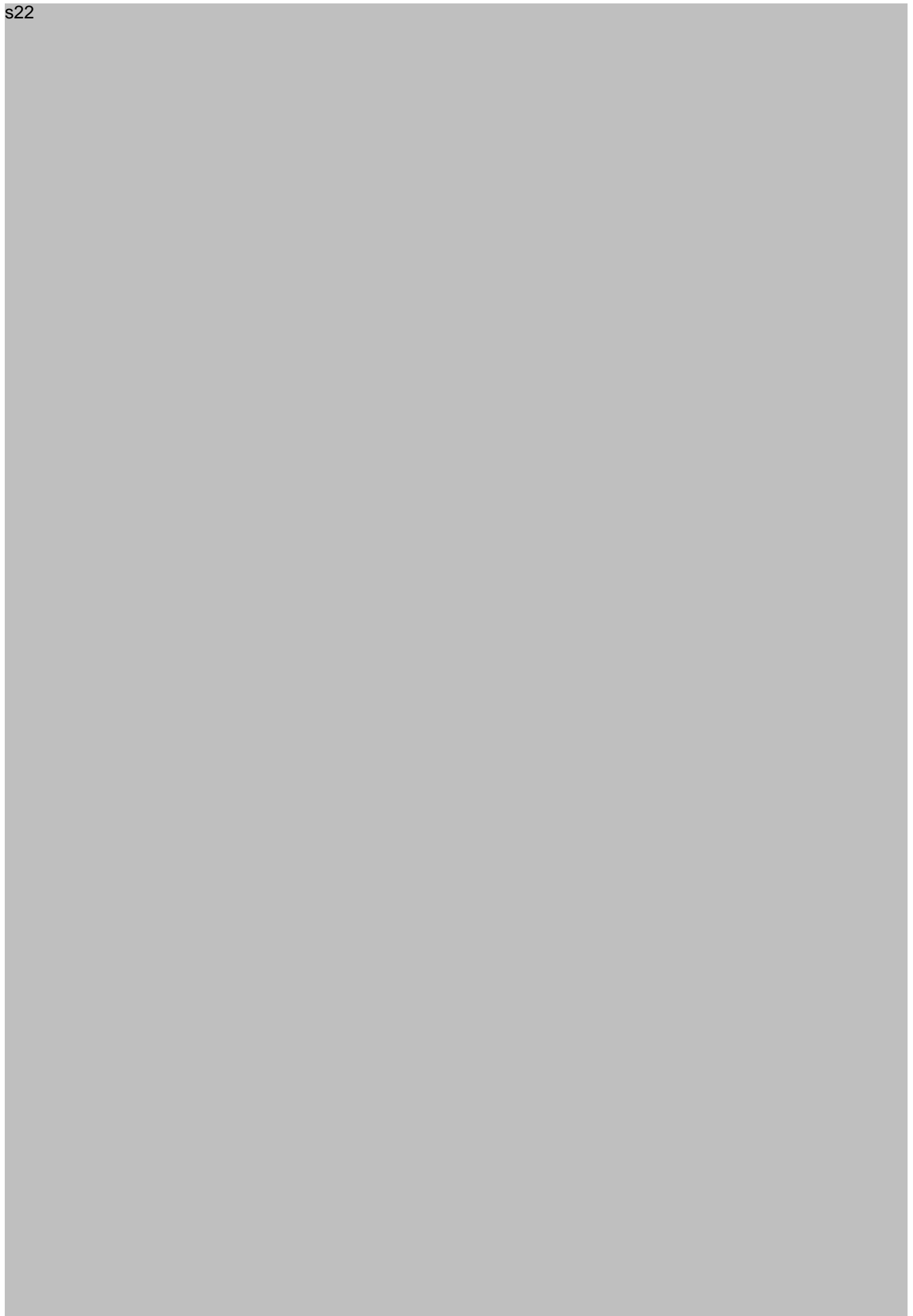
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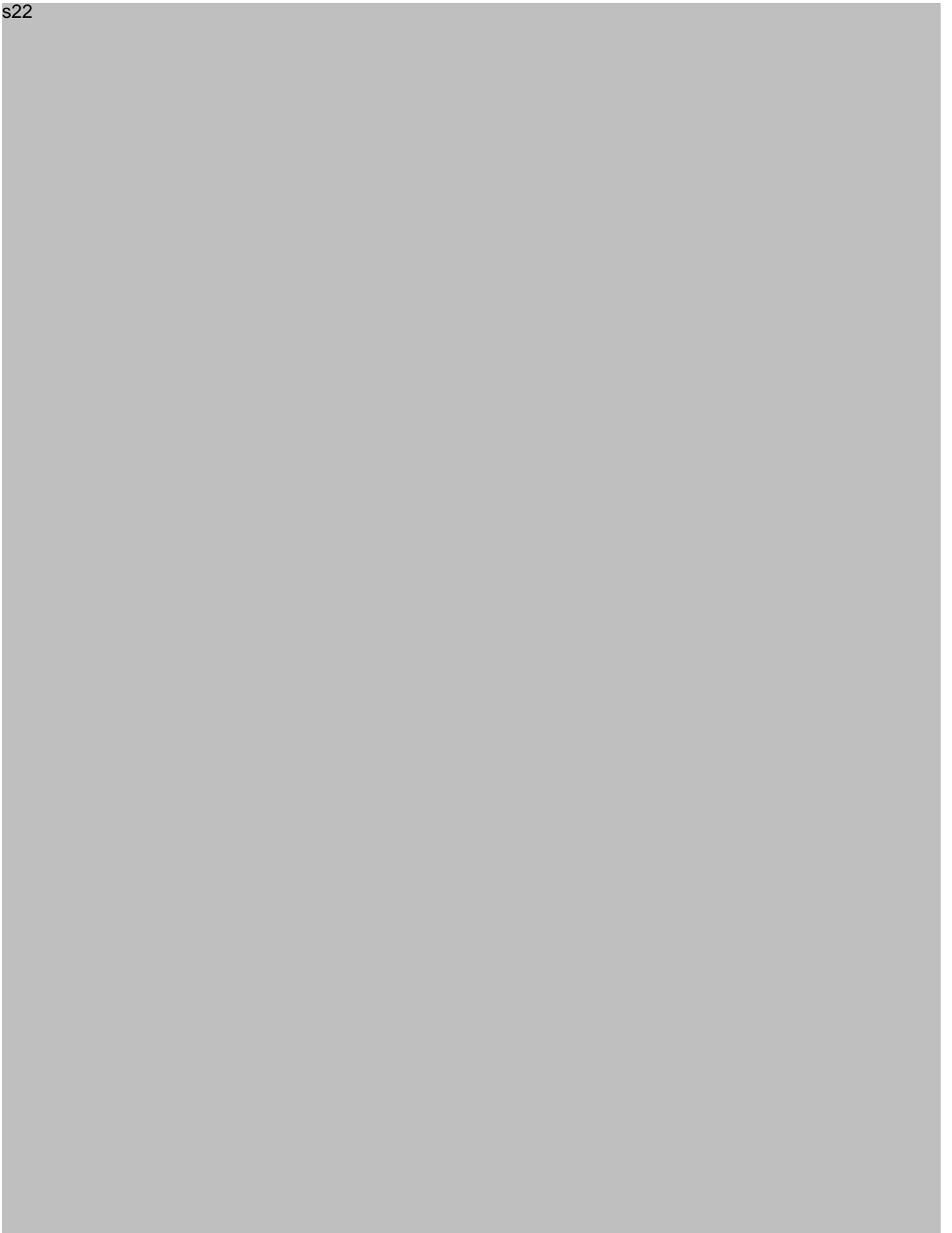


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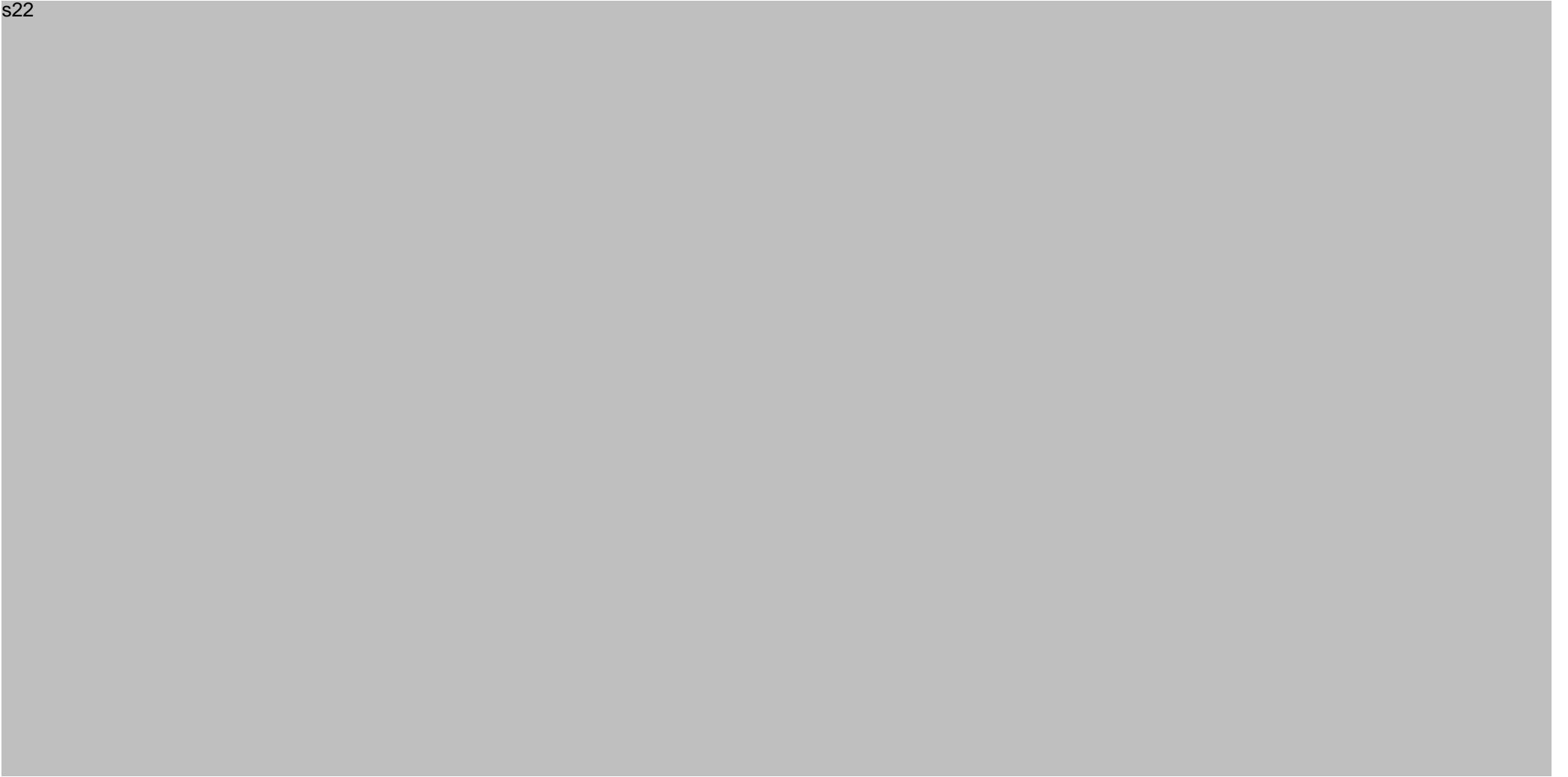


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