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Australian Government  
Department of Social Services

**General Brief**

**MS21-002224**

**To: Minister for Families and Social Services and Minister for Women's Safety (for decision)**

**Subject: December update on Cashless Debit Card (CDC) Data Infrastructure and Analytics Project**

**Recommendations for Minister Ruston: That you**

|   |                        |
|---|------------------------|
| 1. Note the preliminary insights on the CDC program, generated from analysis currently in progress, at <b>Attachment A</b> .  | Noted / Please Discuss |
| 2. Agree that the Department of Social Services (the department) will provide the next update presenting more detailed analytics findings by 31 March 2022.   | Agreed / Not Agreed    |
| 3. Note that you will be briefed separately on next steps to improve access to data, including options for you to write to state and territory ministerial colleagues to expedite this access ( <b>MS21-000689</b> ). | Noted / Please Discuss |

**Minister Ruston's Comments**

**Minister Ruston's signature:.....** **Date:..../..../ 2021**

**Key Issues:**

1. You have asked the department to make better use of administrative data to generate further evidence on the CDC program impact and participant outcomes that can be used to inform future policy development. You asked the department to deliver preliminary analysis in December 2021 and findings from March 2022.
2. Following the initial data 'mock-up' provided in **MS21-000689 (Attachment B)**, the department has been progressing work using administrative data to improve measurement of the impact of the CDC program. You agreed that the department would deliver preliminary insights from this analysis in December 2021.
3. Despite significant engagement efforts from the department, no formal commitments to release data have been secured from states and territories. This has required the department to undertake its preliminary analysis to date using existing Commonwealth data — social security data, CDC program data and CDC transaction data — and data that is publicly available.
4. You have asked the department to prepare letters to your state and territory ministerial colleagues seeking support to expedite data-sharing arrangements. Draft letters are being provided to your office separately (**MS21-000647**).

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5. In recent weeks the department has held discussions with state and territory counterparts at the senior executive level. s 47B  
s 47B
6. s 47B
7. The draft letters being provided to your office (MS21-000647) are informed by these developments. Each letter seeks a commitment to establish a formal data-sharing agreement by February 2022; further commitments to commence sharing data between February and June 2022 are also sought. The department will advise your office if further engagement at a ministerial level would be helpful to expedite data sharing.
8. The preliminary insights using existing data are provided at **Attachment A**. The next update, with findings from more in-depth data analytics, will be provided by 31 March 2022. The analysis has not yet generated clear findings on program impact. These preliminary insights, however, illustrate the types of methods that are being used, including matched comparison groups and time series analysis.
9. The insights presented at **Attachment A** also illustrate some of the policy priorities being explored. Data points include:
  - South Australian crime statistics for Ceduna (drawn from publicly-available data which could not be replicated for other sites at this stage)
  - participant exits after spending fewer than 12 months on the CDC program
  - proportion of participants moving from a job seeker payment to a study payment within 12 months (comparing CDC participants and similar income support payment recipients)
  - likelihood of participants accessing Emergency Relief services
  - participant expenditure on priority goods
  - increase over time in the range of merchants where the CDC is being used.
10. Definitions of terms and other information on how data points are presented in **Attachment A** is at **Attachment C**.
11. These data should be interpreted with caution as further analysis will be required to explore any possible causal relationships in data trends. Notably, the economic and labour market impacts of the COVID-19 pandemic and the impacts of associated policy changes have added complexity to the environment. Some analysis has been adjusted to account for these impacts: for instance, analysis of participant expenditure has been restricted to exclude Coronavirus Supplement payments. Further work is needed to fully understand the scale and scope of these impacts.
12. The crime statistics presented demonstrate the need for further analysis. Preliminary insights show a decrease of 14 per cent in number of reported crimes in the Ceduna region when the CDC was introduced, before an increase of 22 per cent during 2020. As you are aware, changes to welfare payments in 2020 as a response to the COVID-19 pandemic resulted in an increase in the amount of cash available to CDC participants.

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13. This initial analysis did not show differences in rates at which participants accessed Emergency Relief after commencing on the CDC, compared to prior to commencing on the program. Further analysis is required to understand factors affecting financial stress and use of services, especially after the shocks associated with the COVID-19 pandemic in 2020.
14. The insights presented at **Attachment A** have been generated using a new data asset that the department has created that draws together departmental administrative data and CDC transaction data. This data asset is being expanded iteratively and is supporting a corresponding expansion of the department's capability to analyse the impact of the CDC program.
15. The department has commenced work to investigate program impact. This includes investigation into crime data, further analysis on participant spending habits, and analysis of employment patterns.
16. As you have requested, this work is using robust methods, including comparisons of CDC participant outcomes with other similar income support payment recipients. The department will continue testing and refining models to produce the most robust findings possible, including the suitability and of identified comparison groups. Findings from this next stage of work will be provided in the 31 March 2022 update.

### **Sensitivities:**

17. Some preliminary findings may seem to suggest limited impact of the CDC in some areas. Further analysis is needed to determine whether any early trends represent actual impacts, and securing access to state data will provide a broader evidence base to draw upon.

### **Risk Management:**

18. This is a complex project and requires specialist skills across a range of areas. The department has procured specialist services from an external supplier (Deloitte) to support delivery.

### **Departmental Funding / Financial Implications:**

19. Nil. The 2021–22 Budget allocated up to \$2 million for data collection and analysis of the CDC program.

**Regulatory Implications:** Nil.

### **Consultation:**

20. Performance and Evaluation Branch.

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**Attachments:**

**Attachment A:** CDC data analytics – December 2021 update

**Attachment B:** MS21-000689 – Update on Cashless Debit Card (CDC) Data Infrastructure and Analytics Project

**Attachment C:** Data definitions

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Date: 15/12/21