



**Australian Government**  
**Department of Social Services**

**Department of Social Services**  
**Incoming Government Briefing - May 2019**

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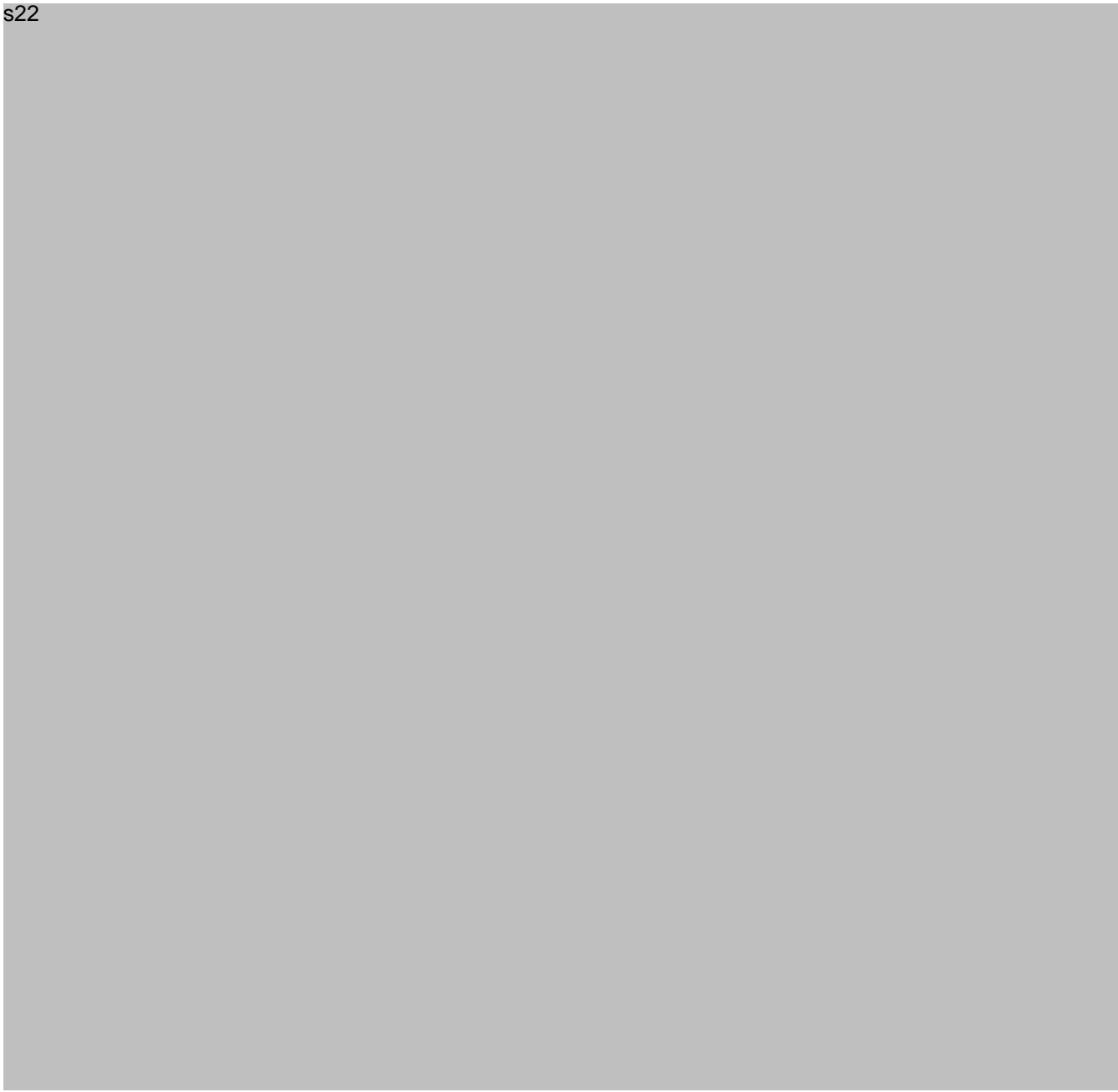
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**Australian Government**  
**Department of Social Services**

**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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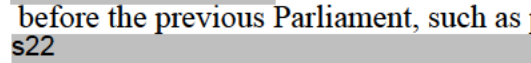
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s22 In addition, we will also provide you with advice on legislation that was  
before the previous Parliament, such as progressing trials to drug test welfare recipients, s22  
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s22 We will also progress the trial and  
expansion of the Cashless Debit Card, s22  
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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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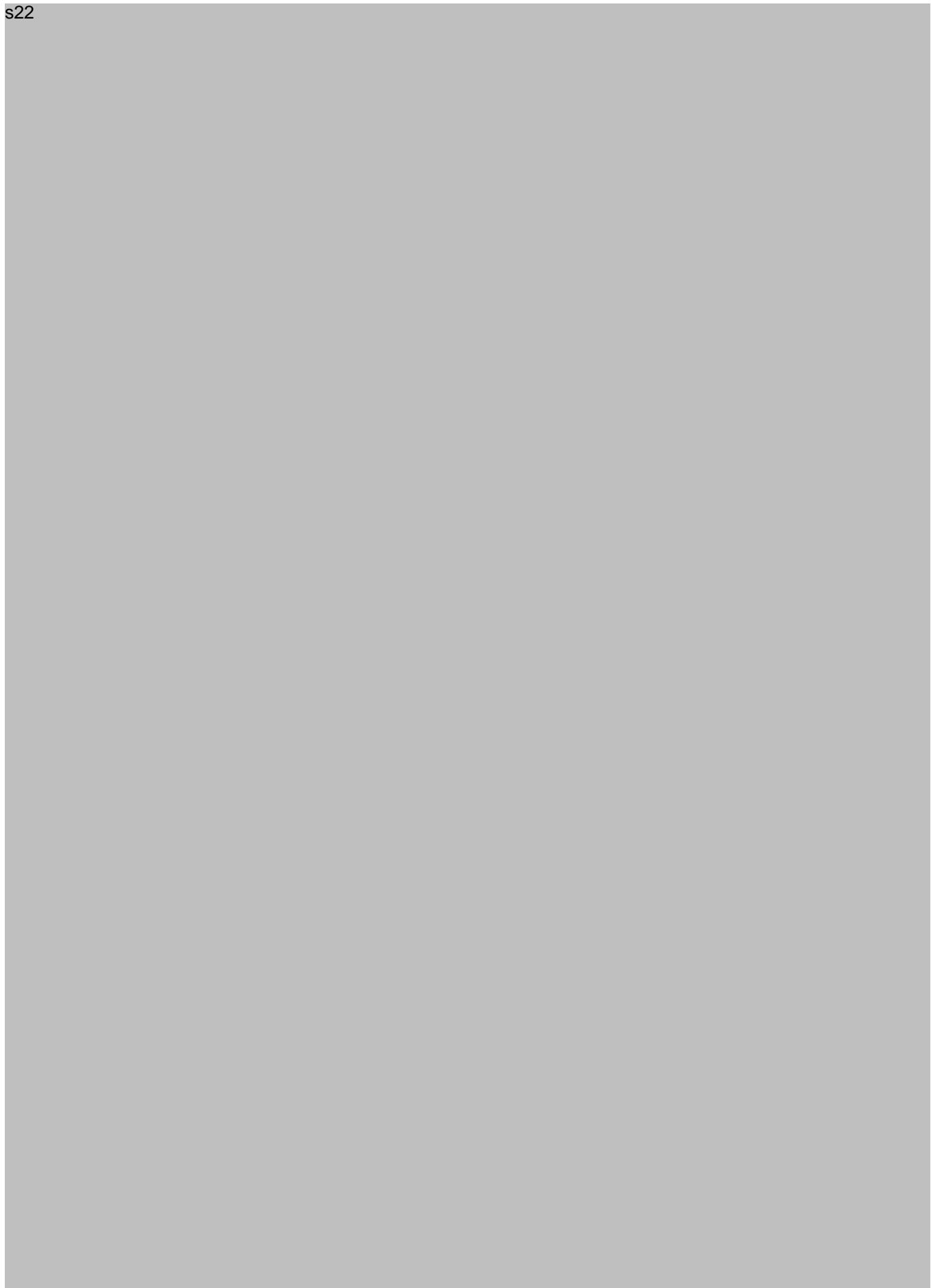


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**Cashless Debit Card**

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

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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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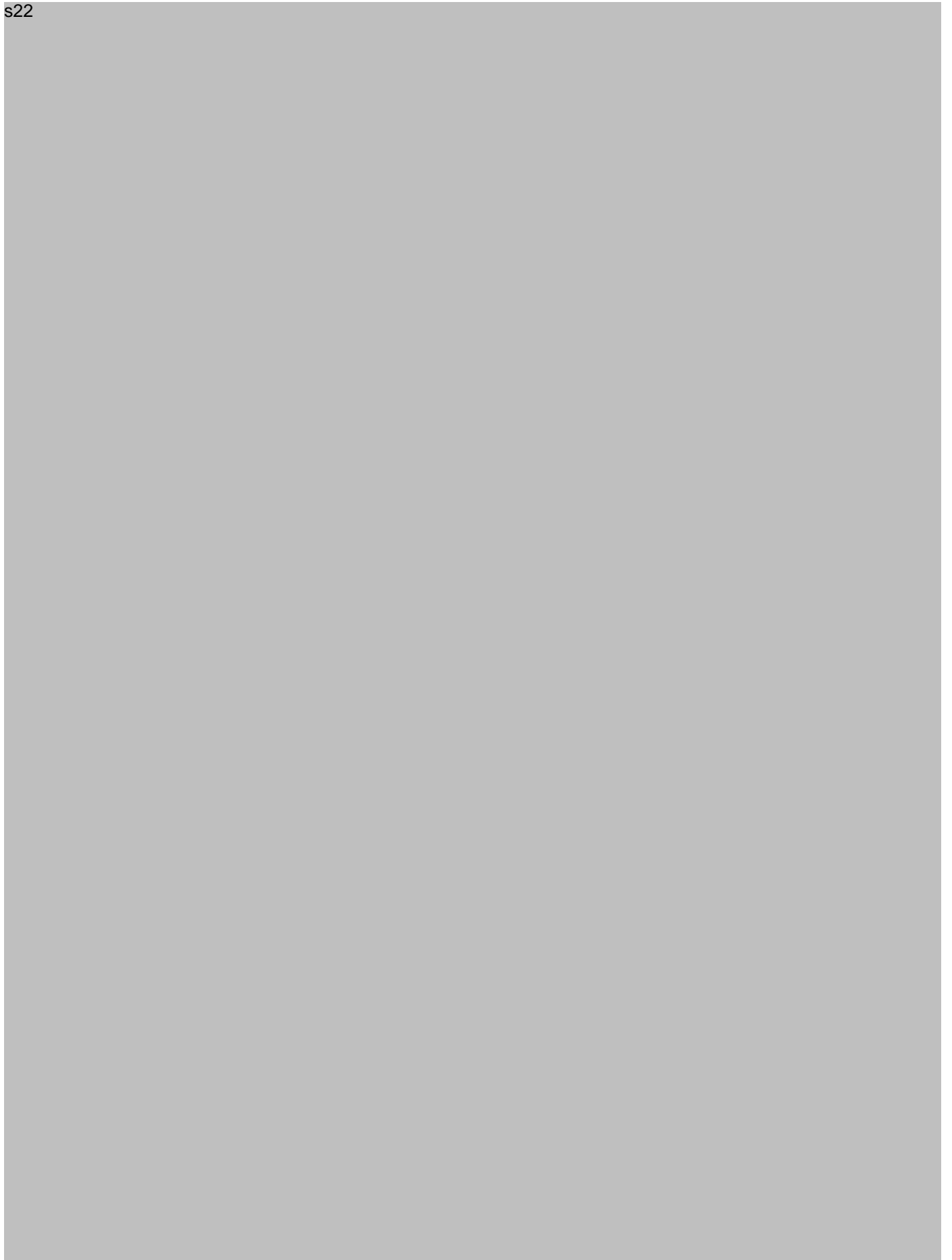
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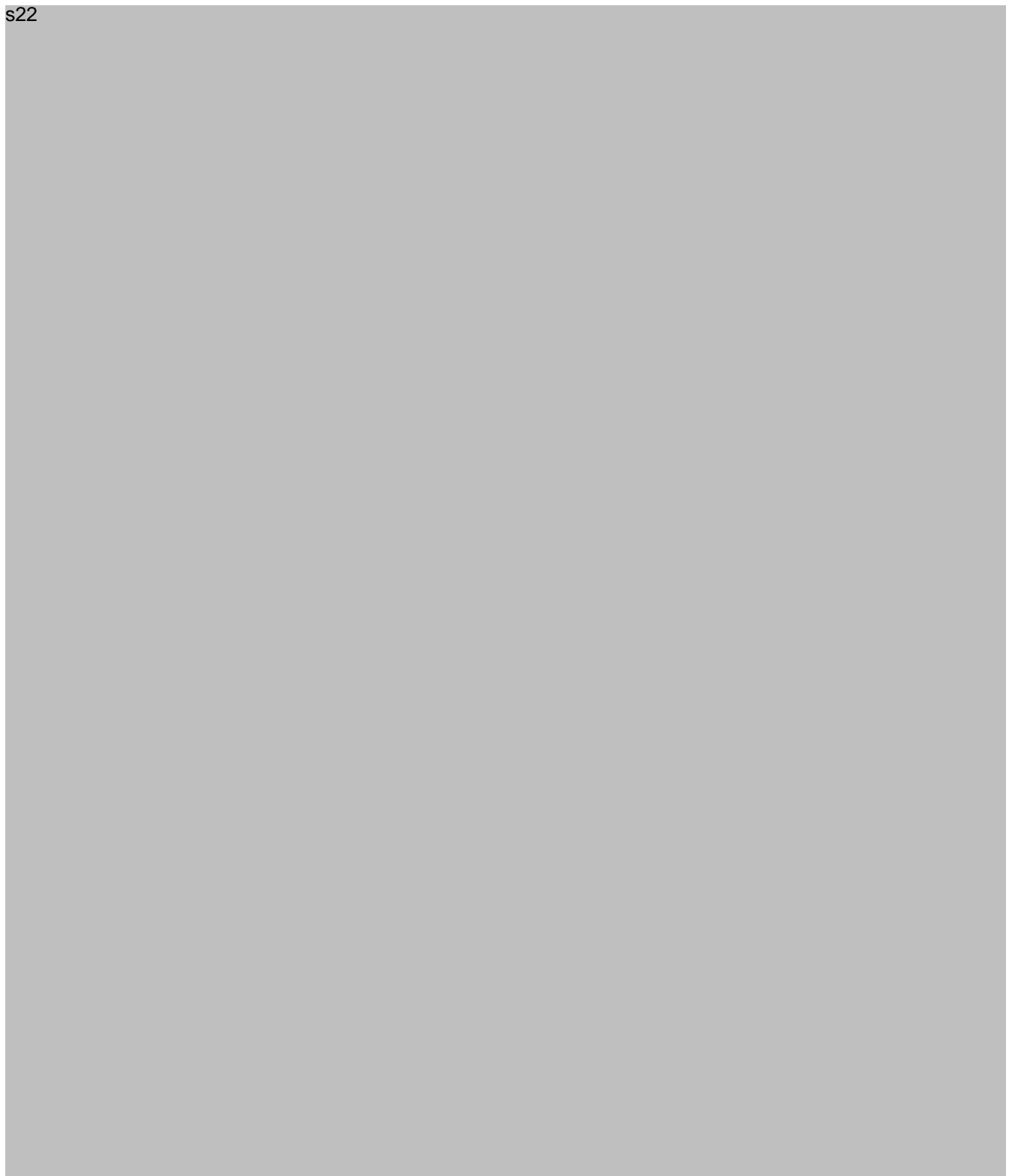




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# Key Matters for Attention – the First 100 Days

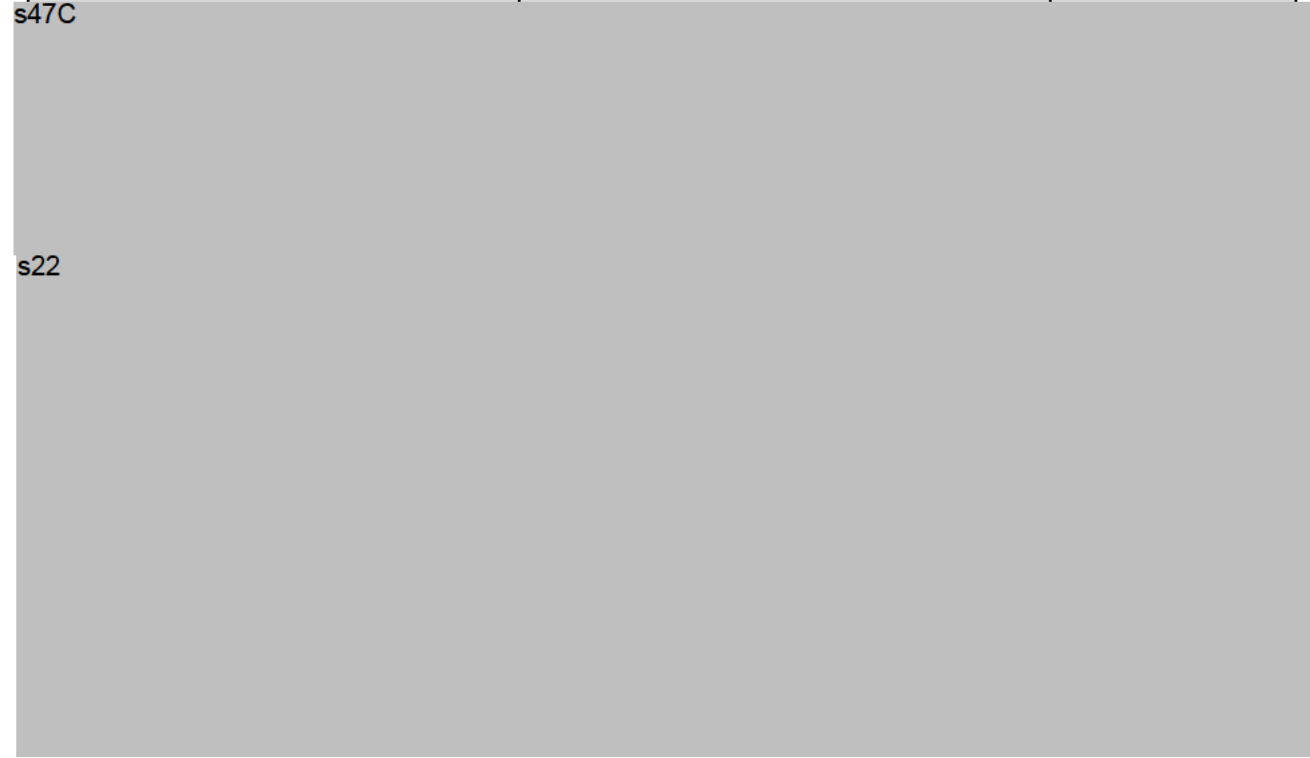
## Election and Budget Commitments

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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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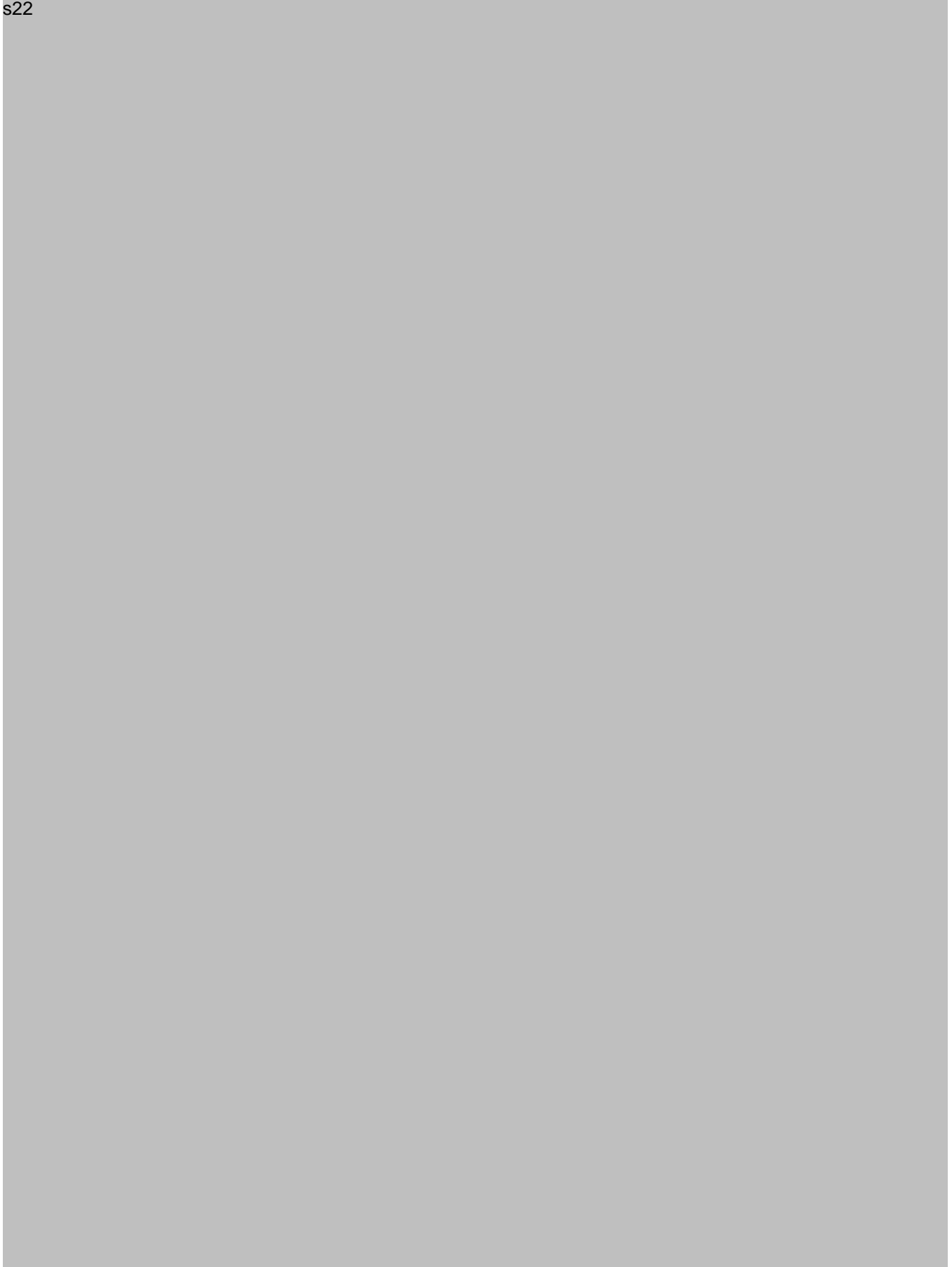
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# First Year – Key Milestones

June 2019 – June 2020

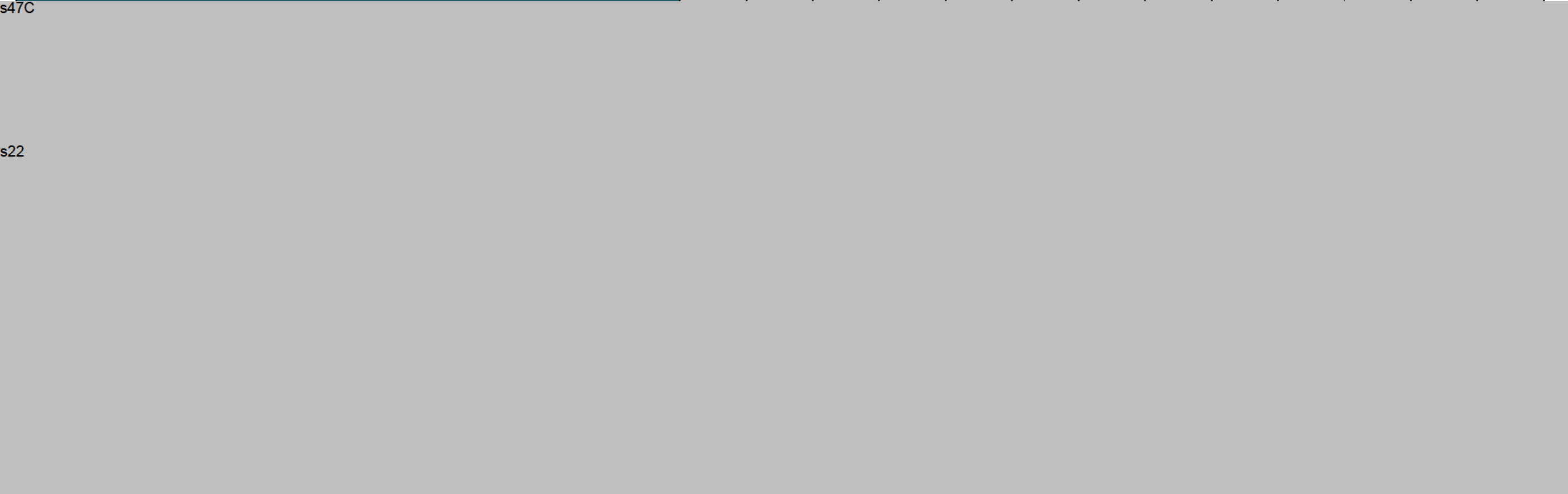
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Cashless Debit Card (CDC)

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

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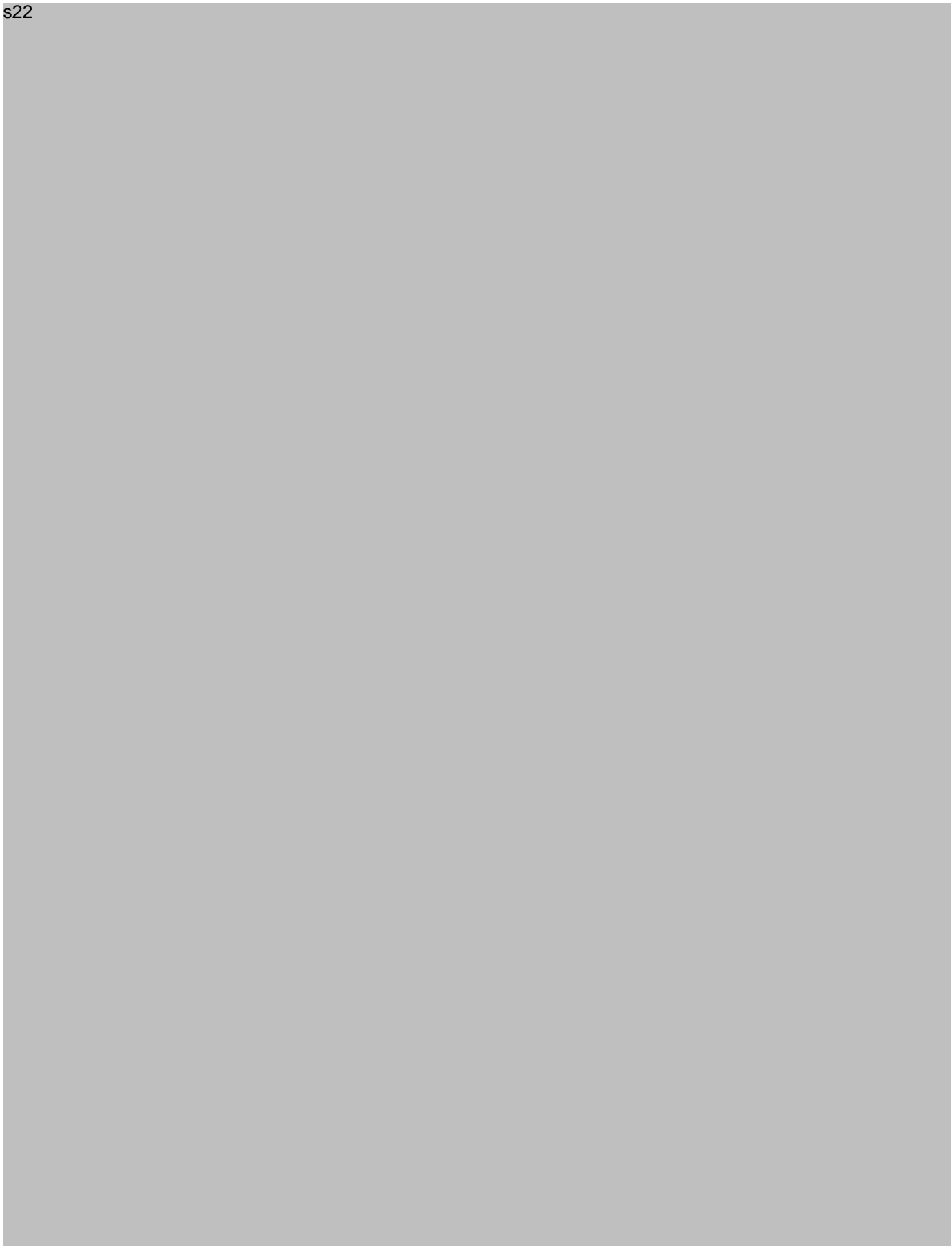
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## Cashless Debit Card

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.

<b>Group Manager</b>	Bruce Taloni, Redress and Reform	<b>Phone:</b>	s22
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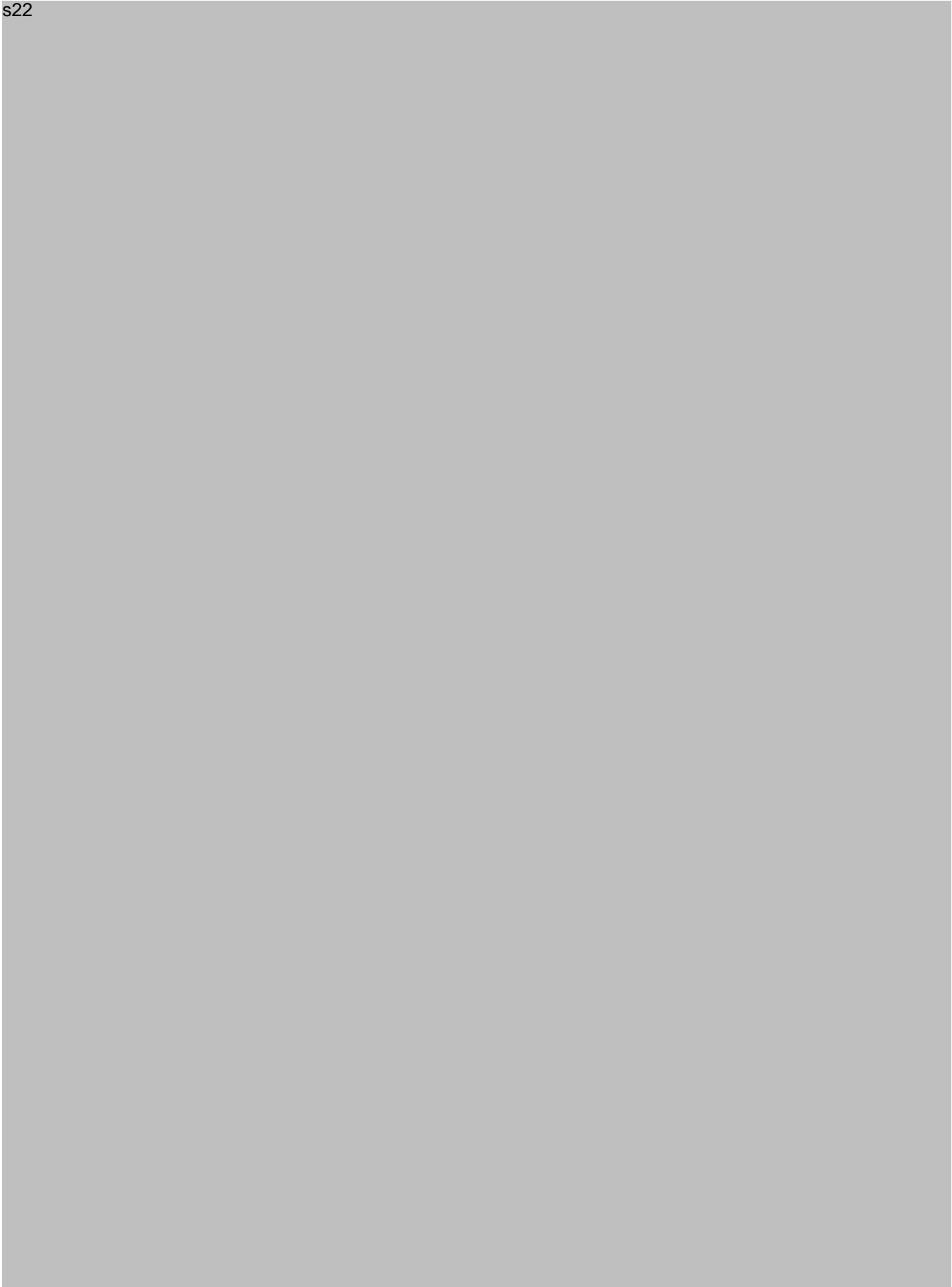


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## Legislation before the previous Parliament

Ref	Name of Bill	Description	Fiscal Impact
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2	Social Services Legislation Amendment (Drug Testing Trial) Bill 2018.	Enable mandatory drug testing to be trialled for two years in three locations for new recipients of Newstart Allowance and Youth Allowance (other).	Department of Social Services spend of \$5.6 million.
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# Factsheets

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Cashless Debit Card

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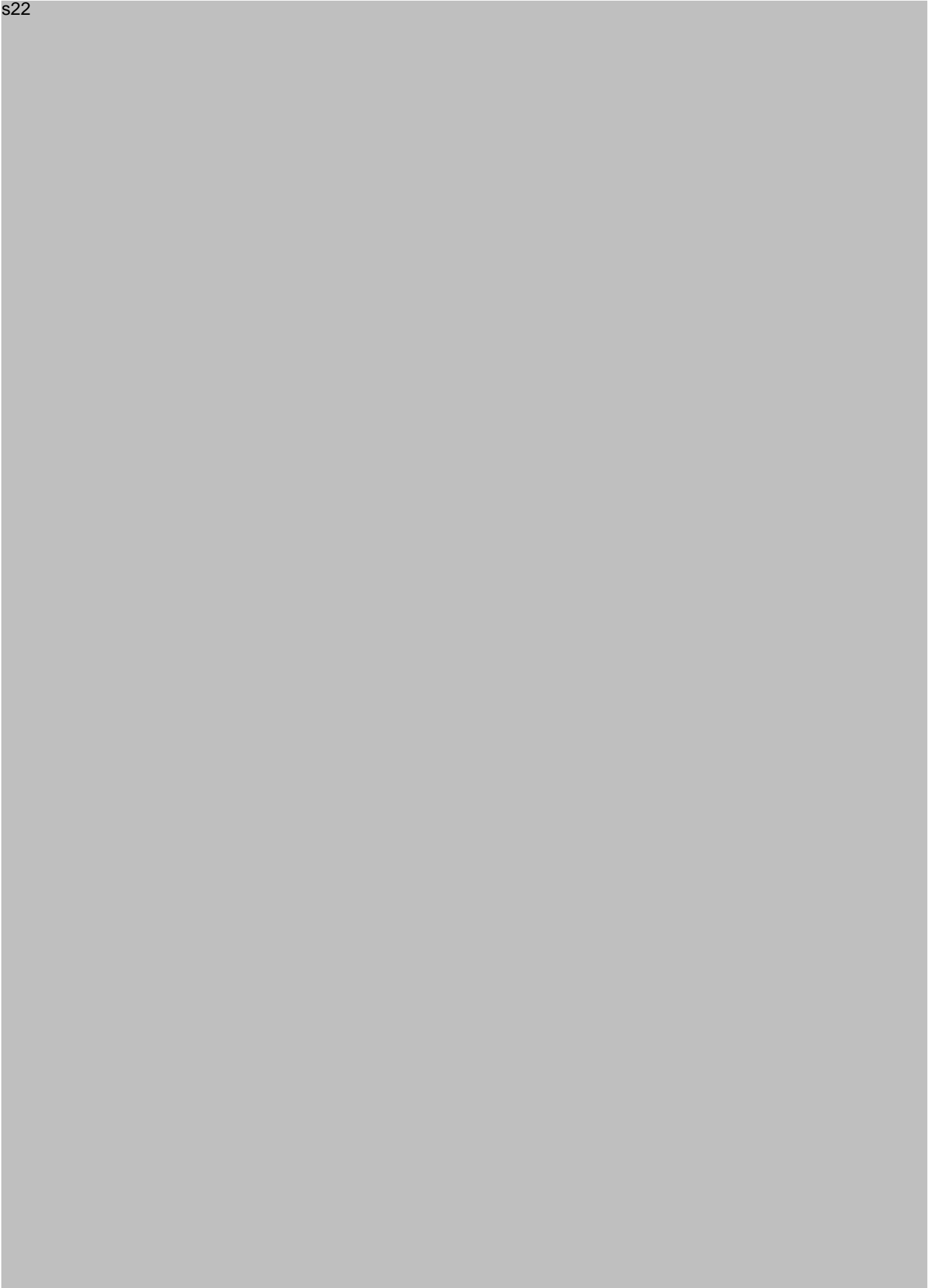








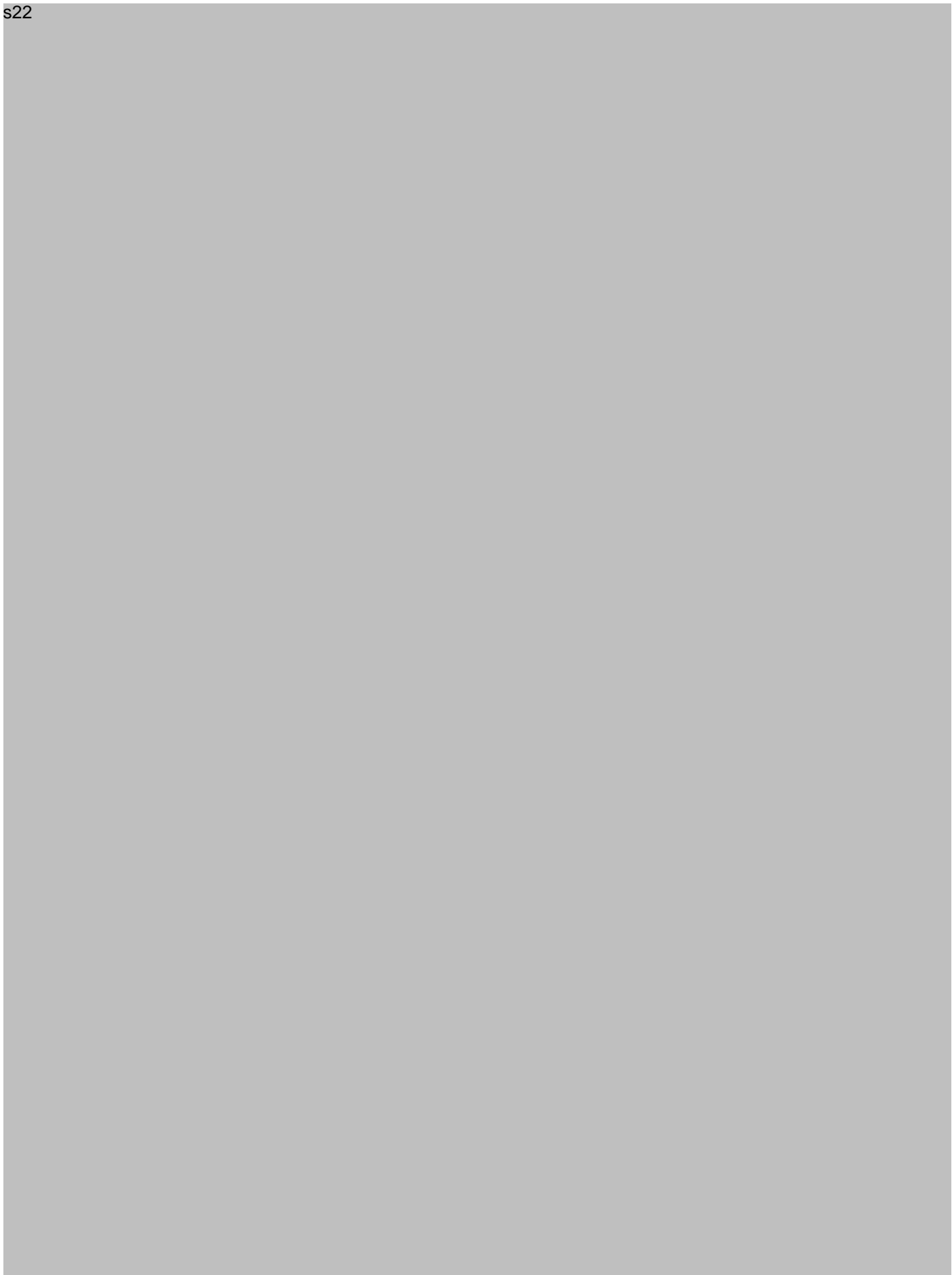
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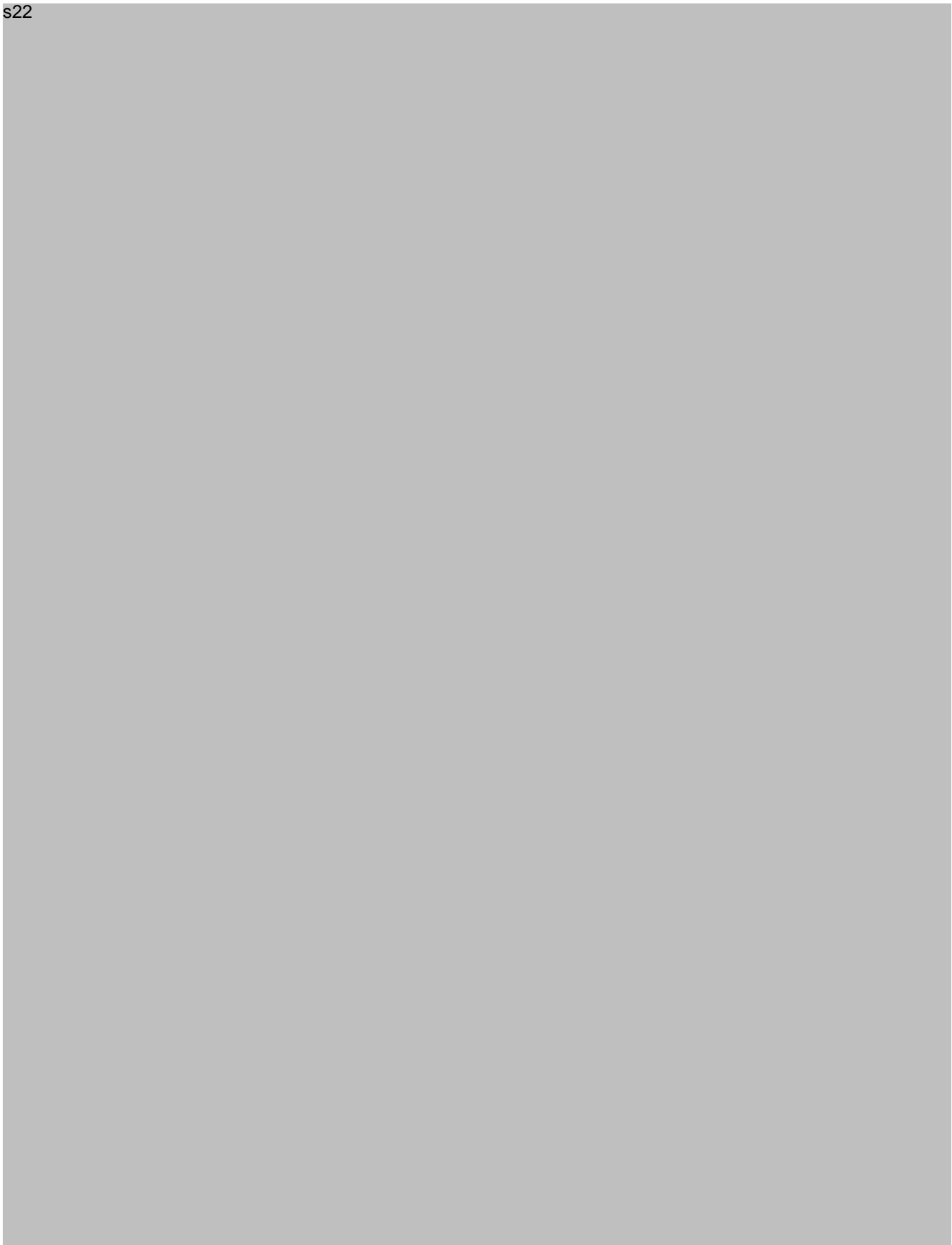


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## Cashless Debit Card

<b>Description</b>	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

<b>Group Manager</b>	Bruce Taloni, Redress and Reform Group	<b>Phone:</b>	s22
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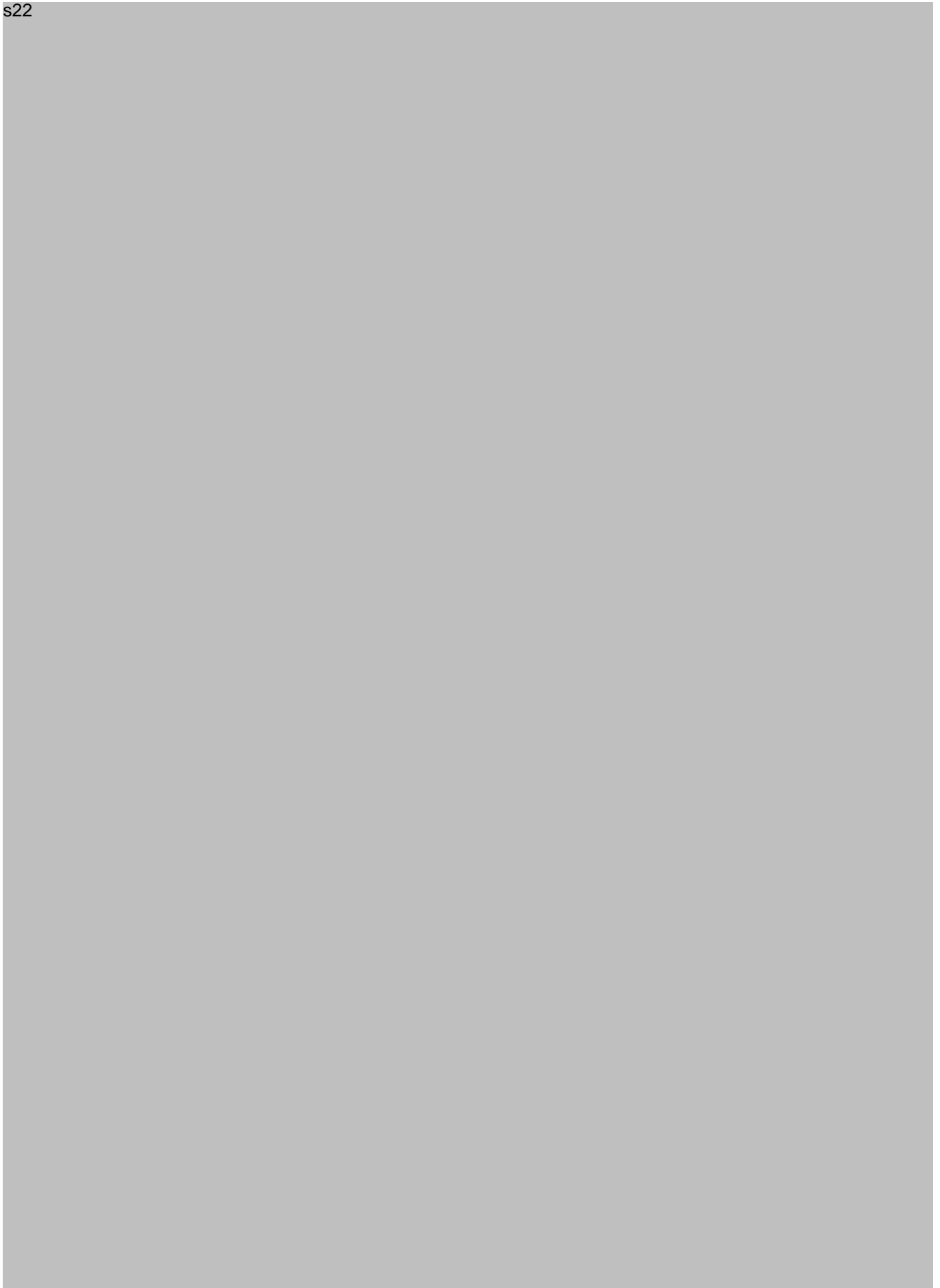
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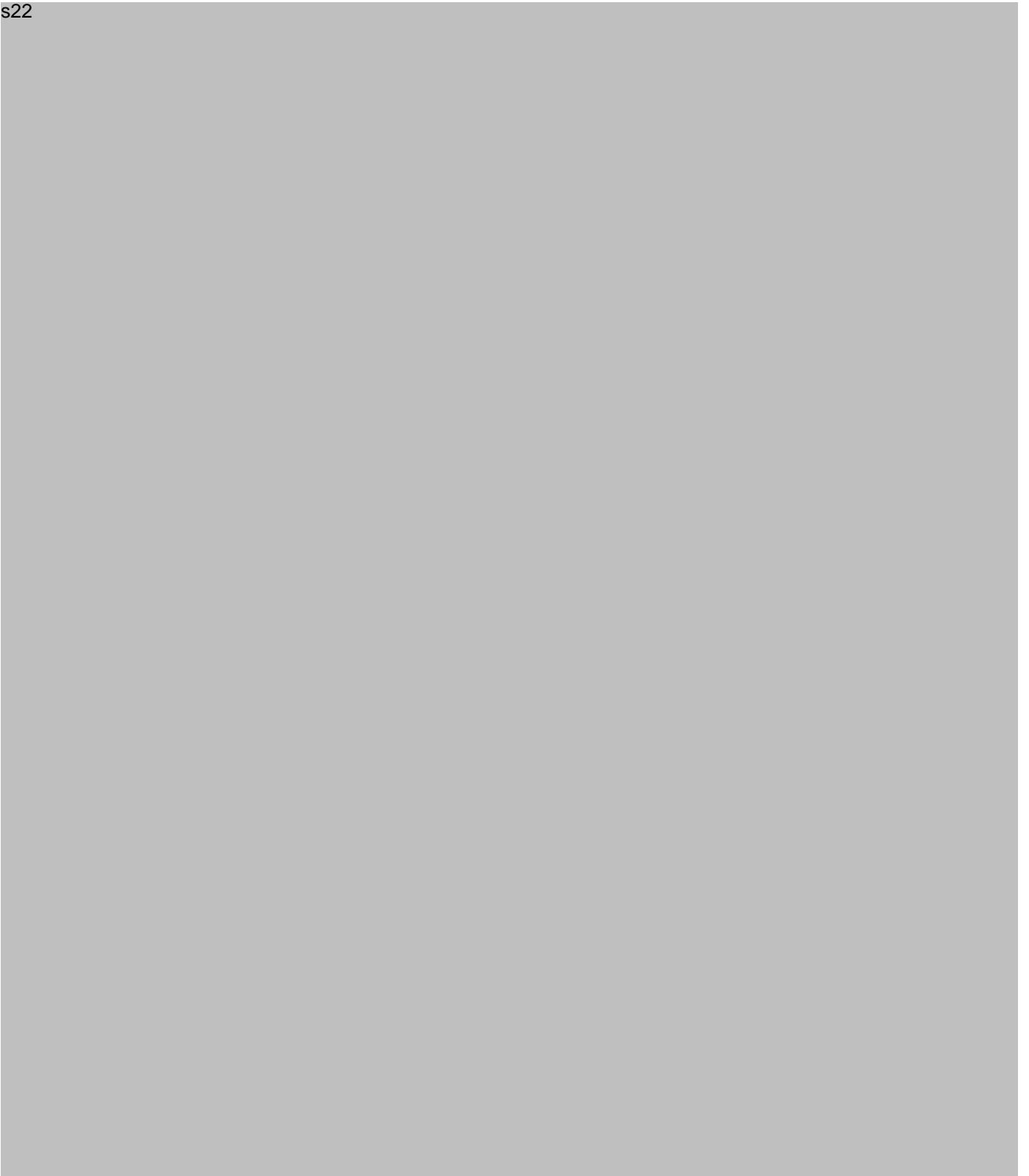
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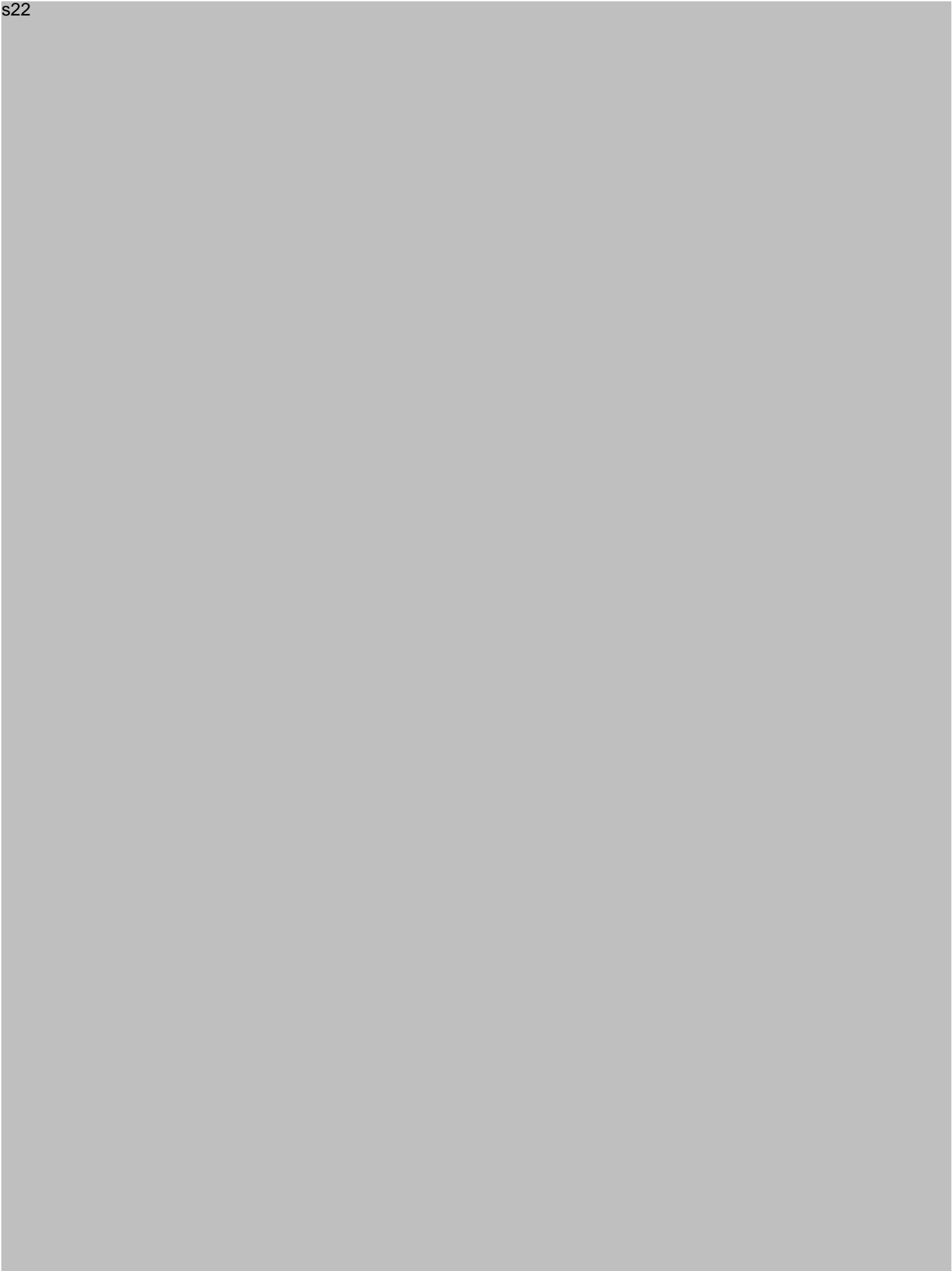




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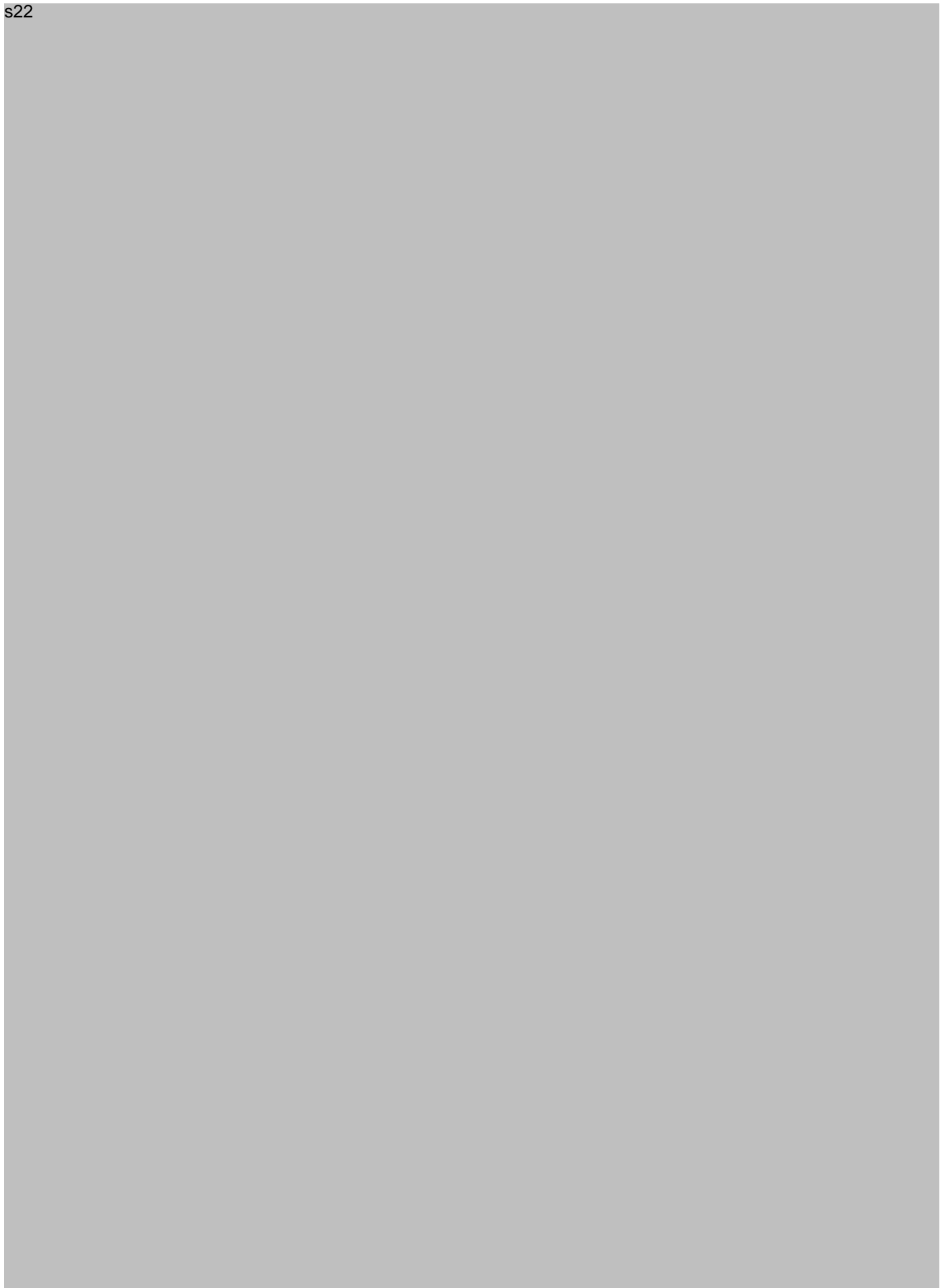
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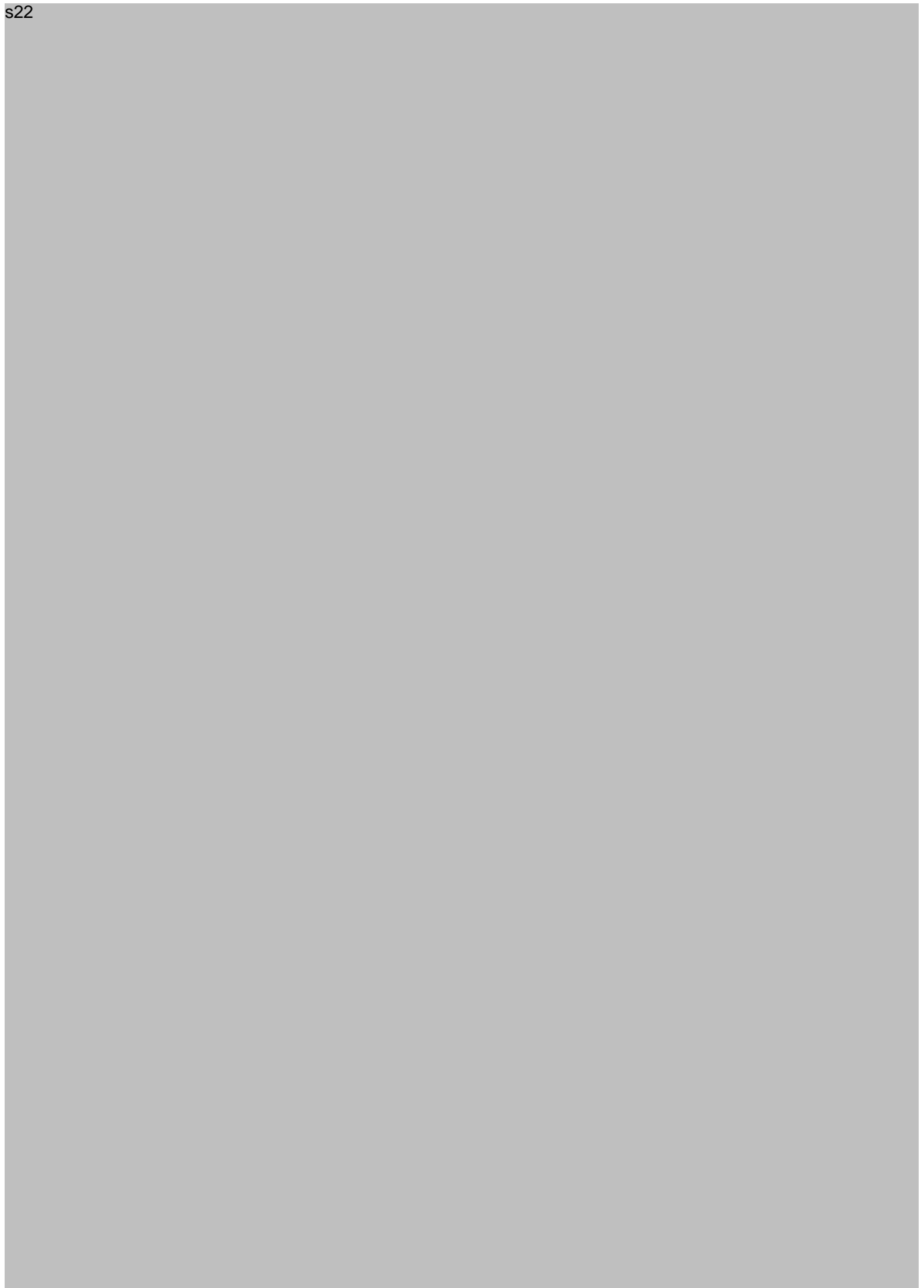
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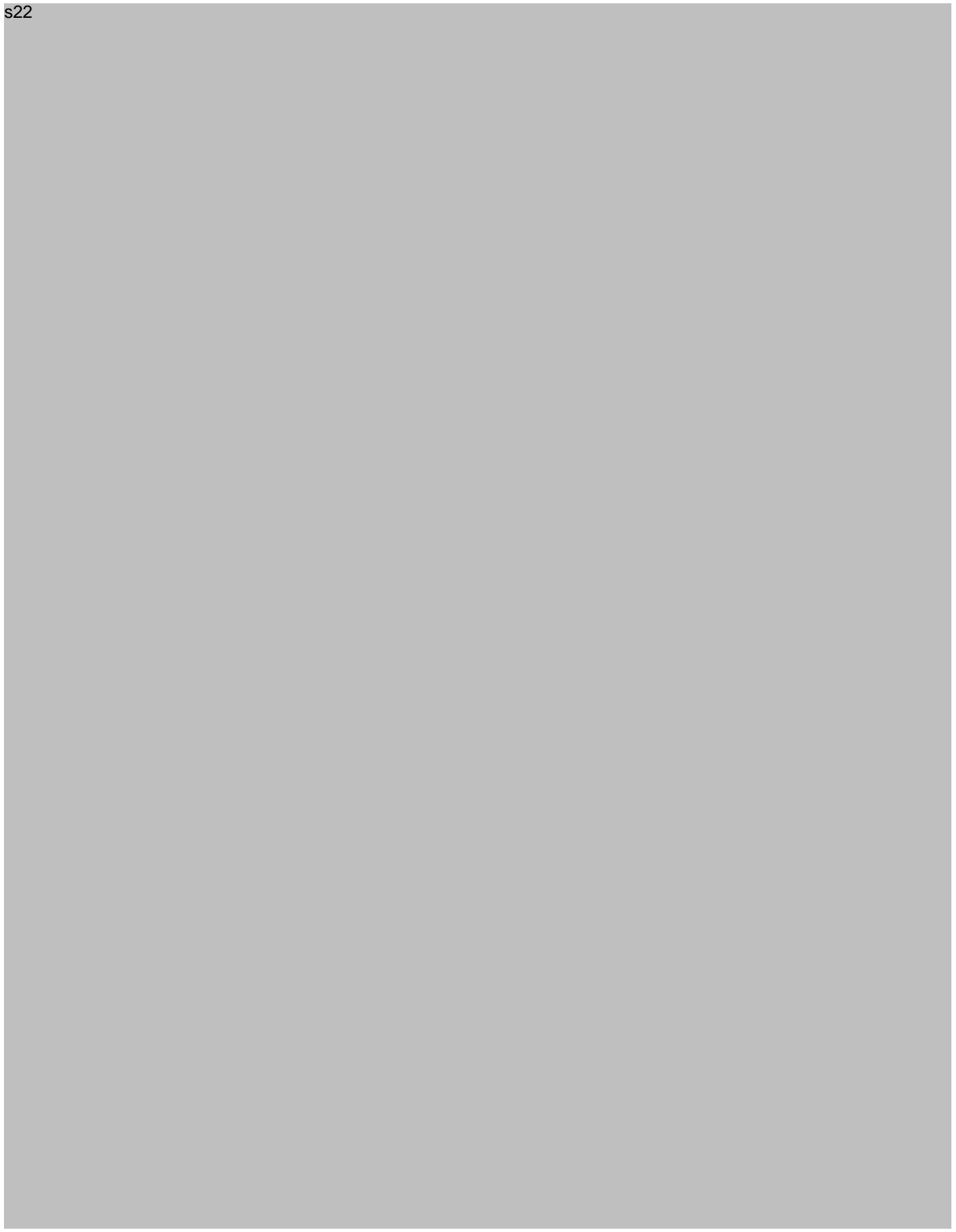




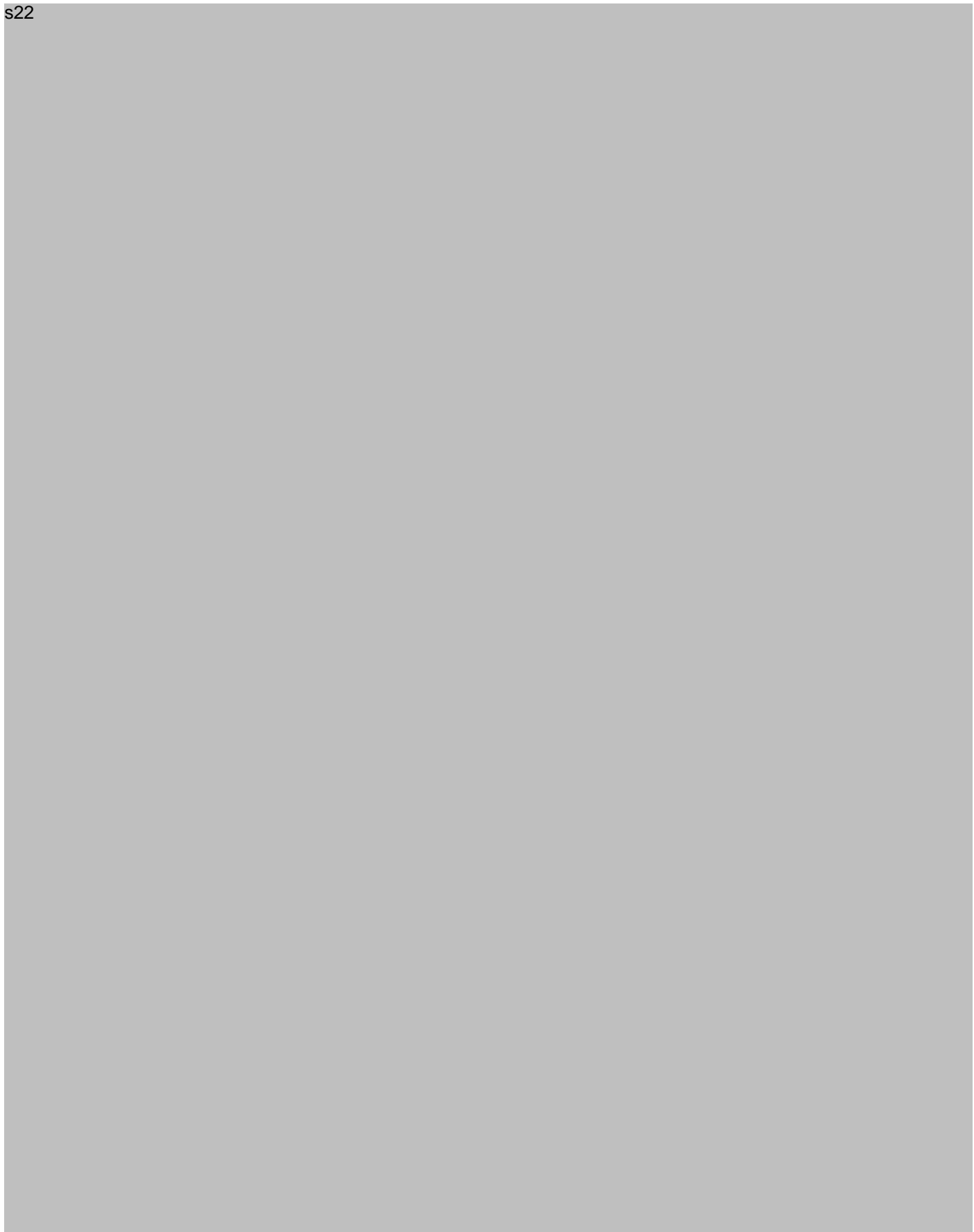
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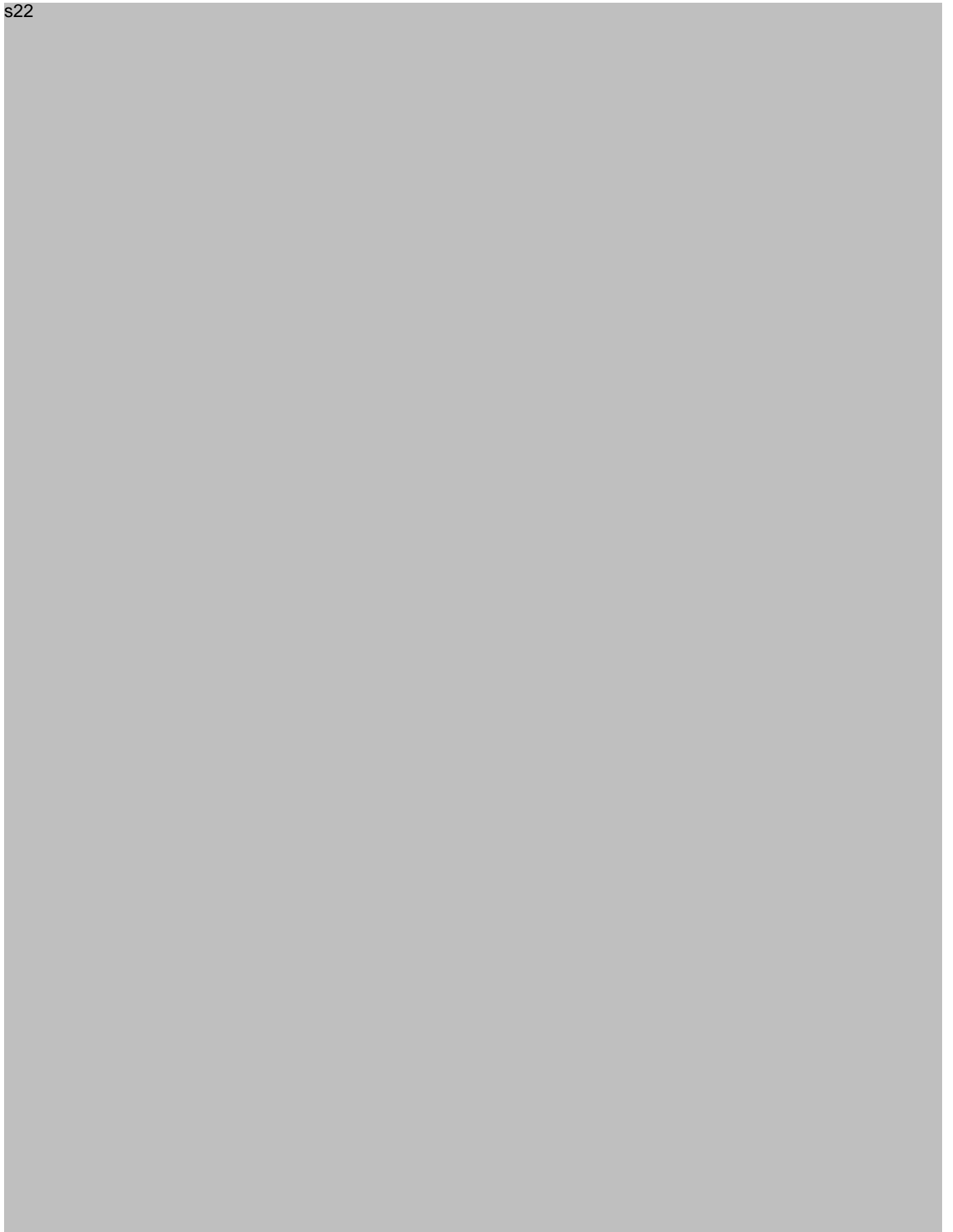
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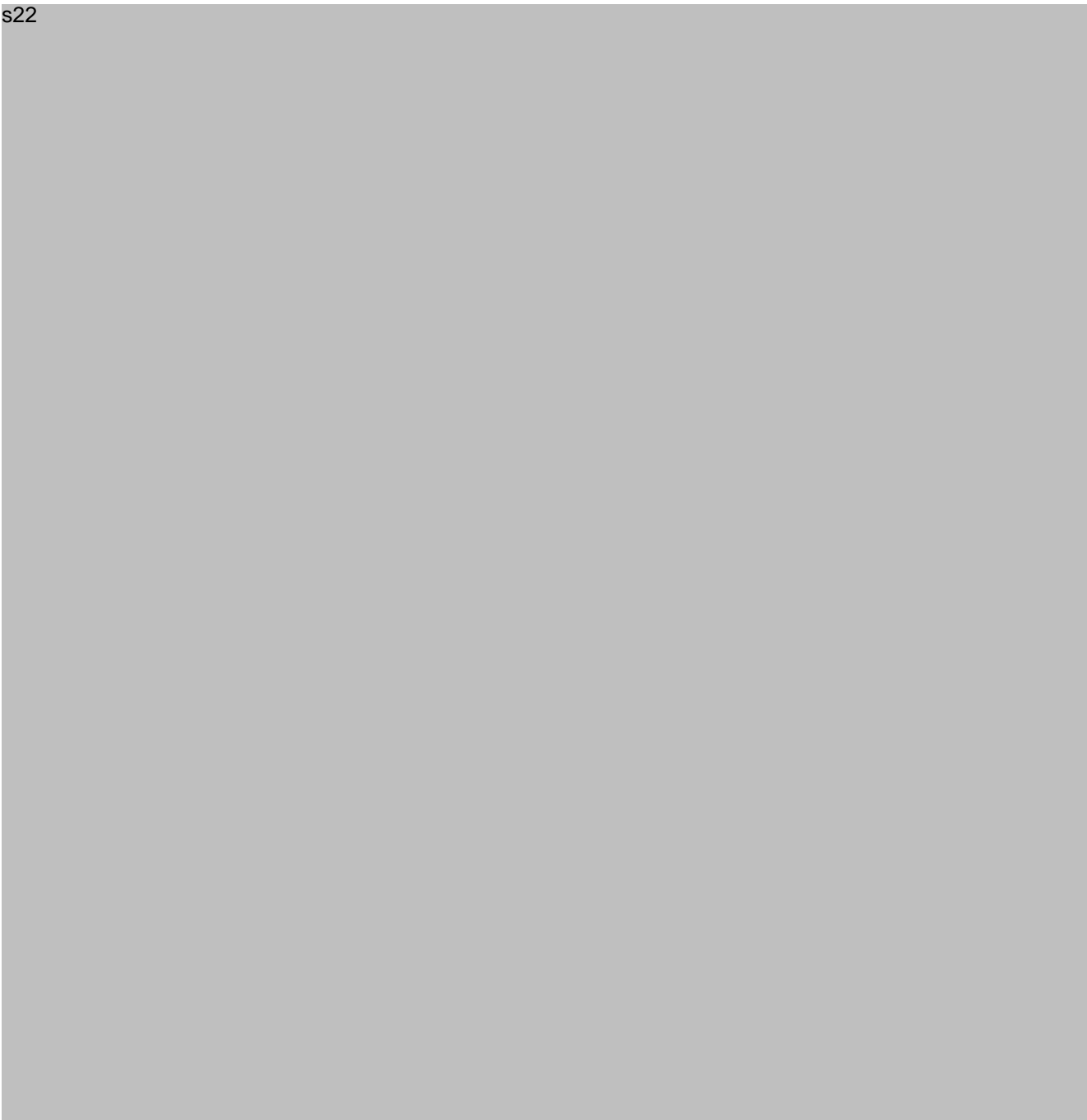


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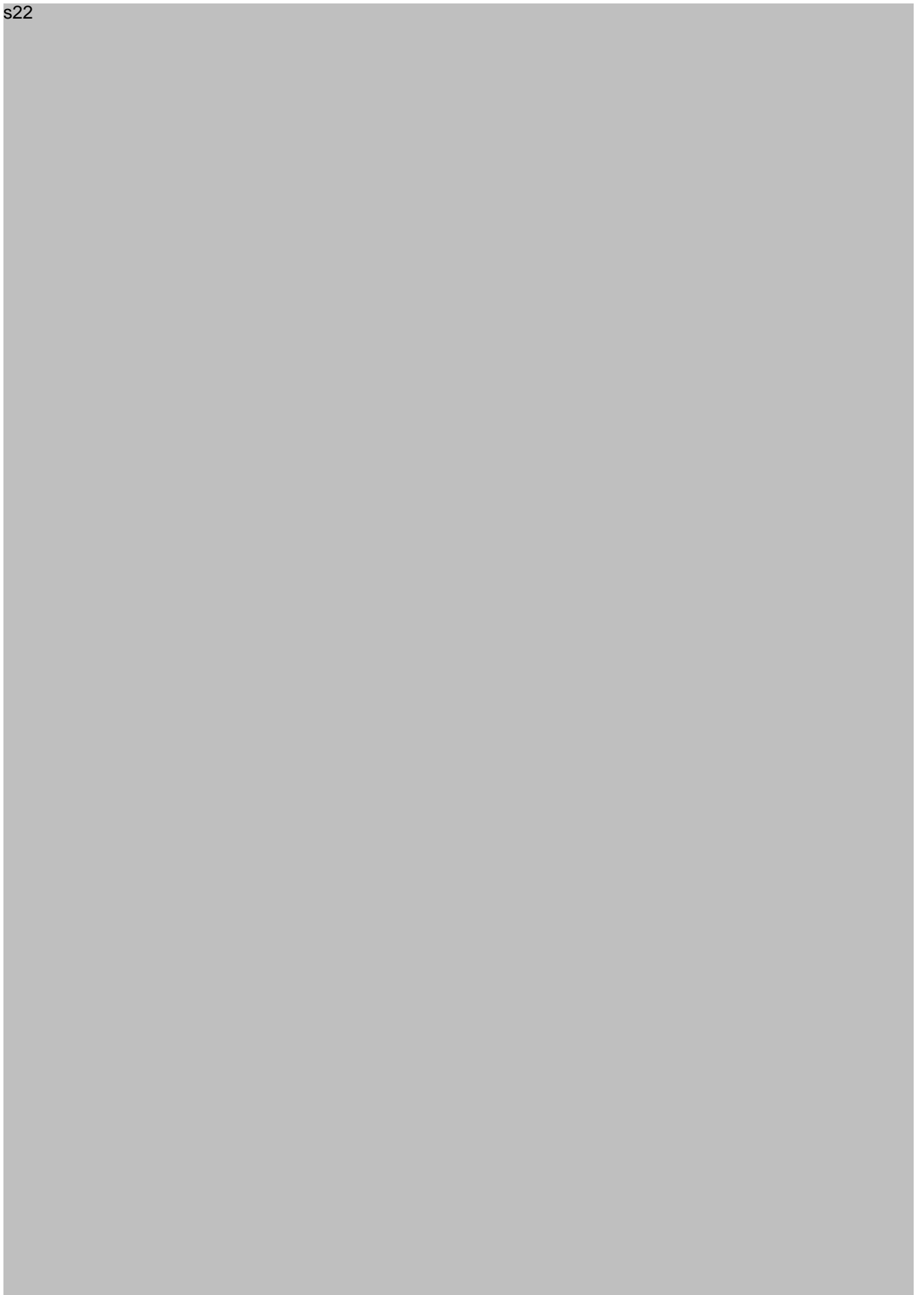
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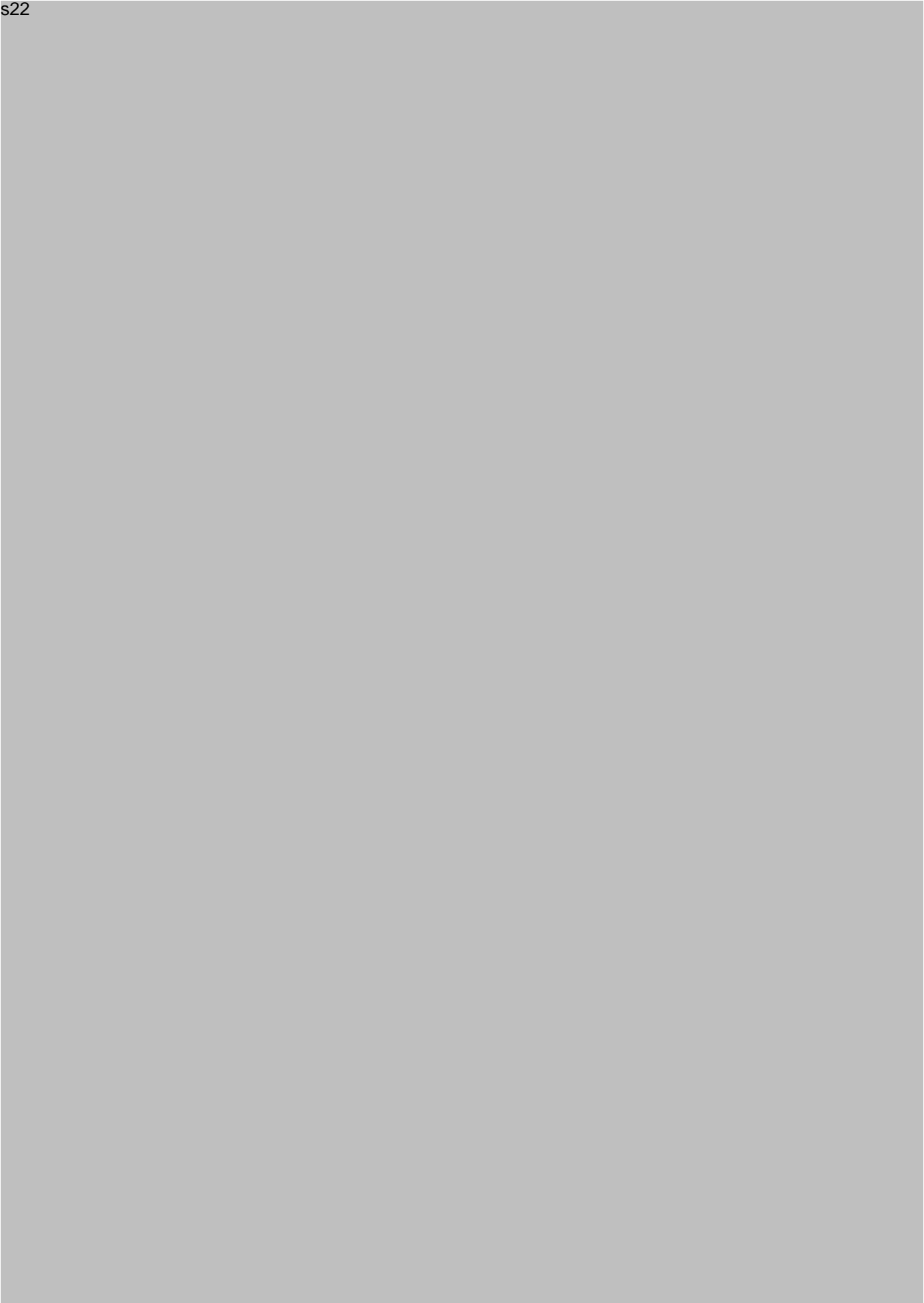


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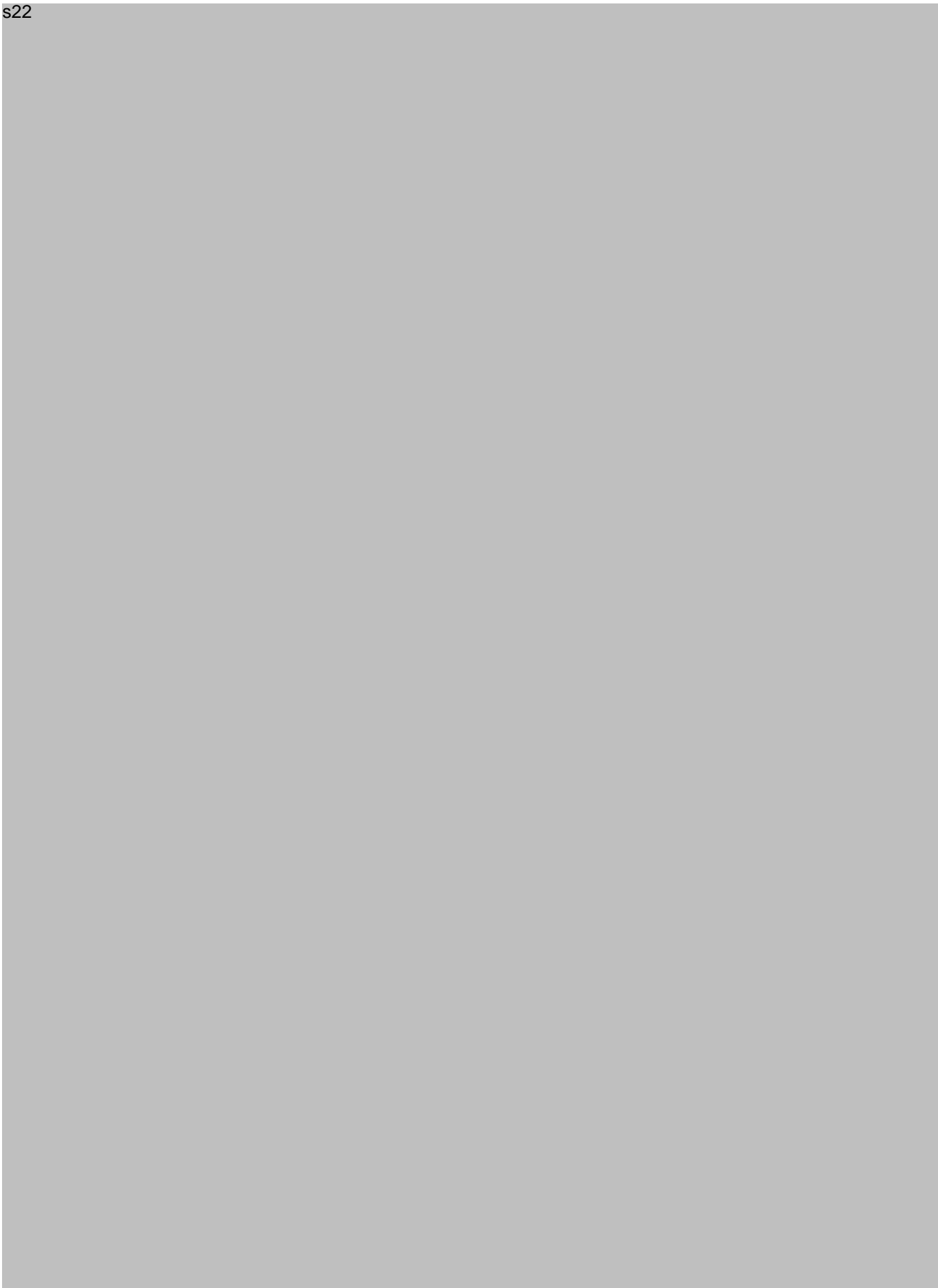




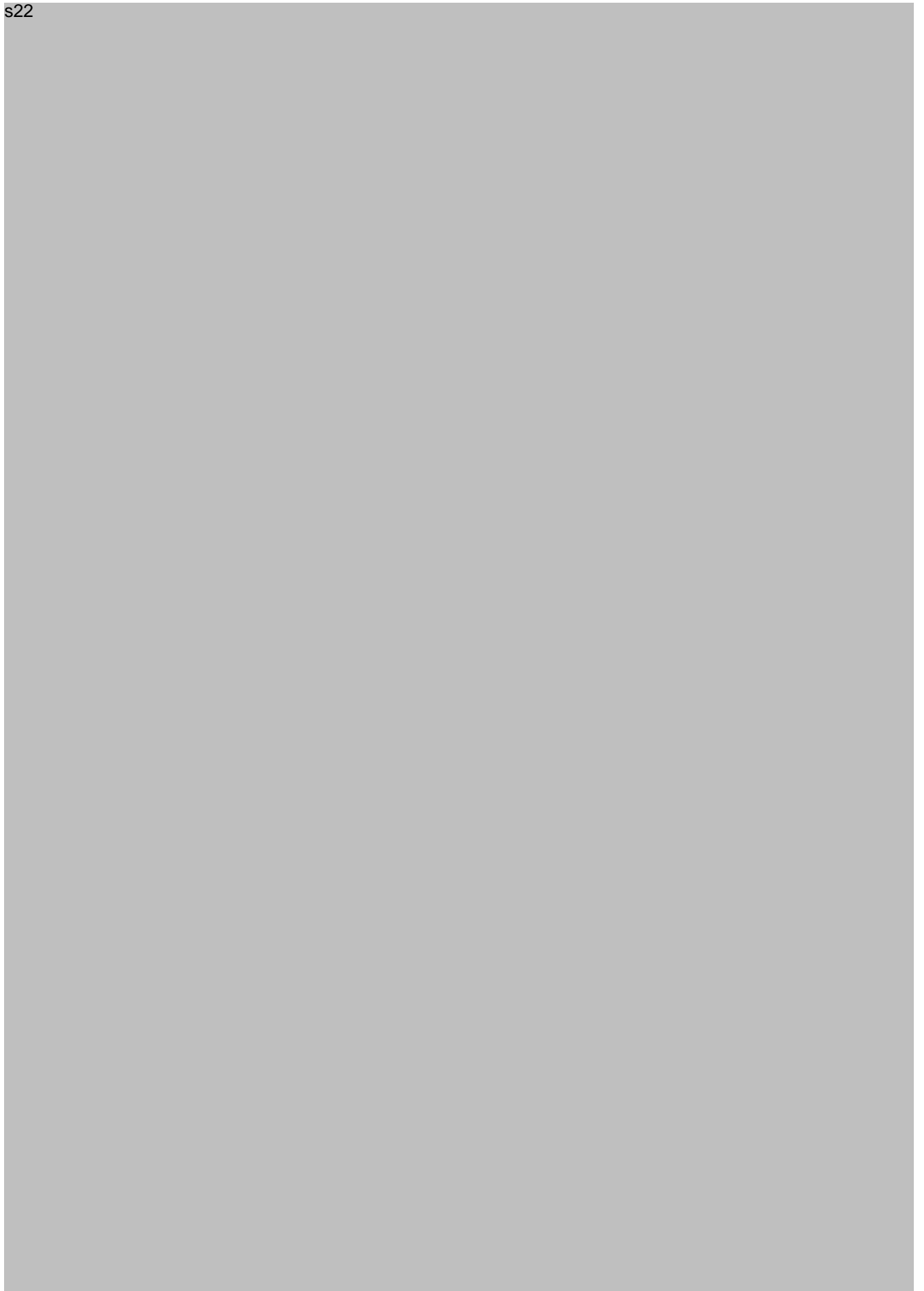
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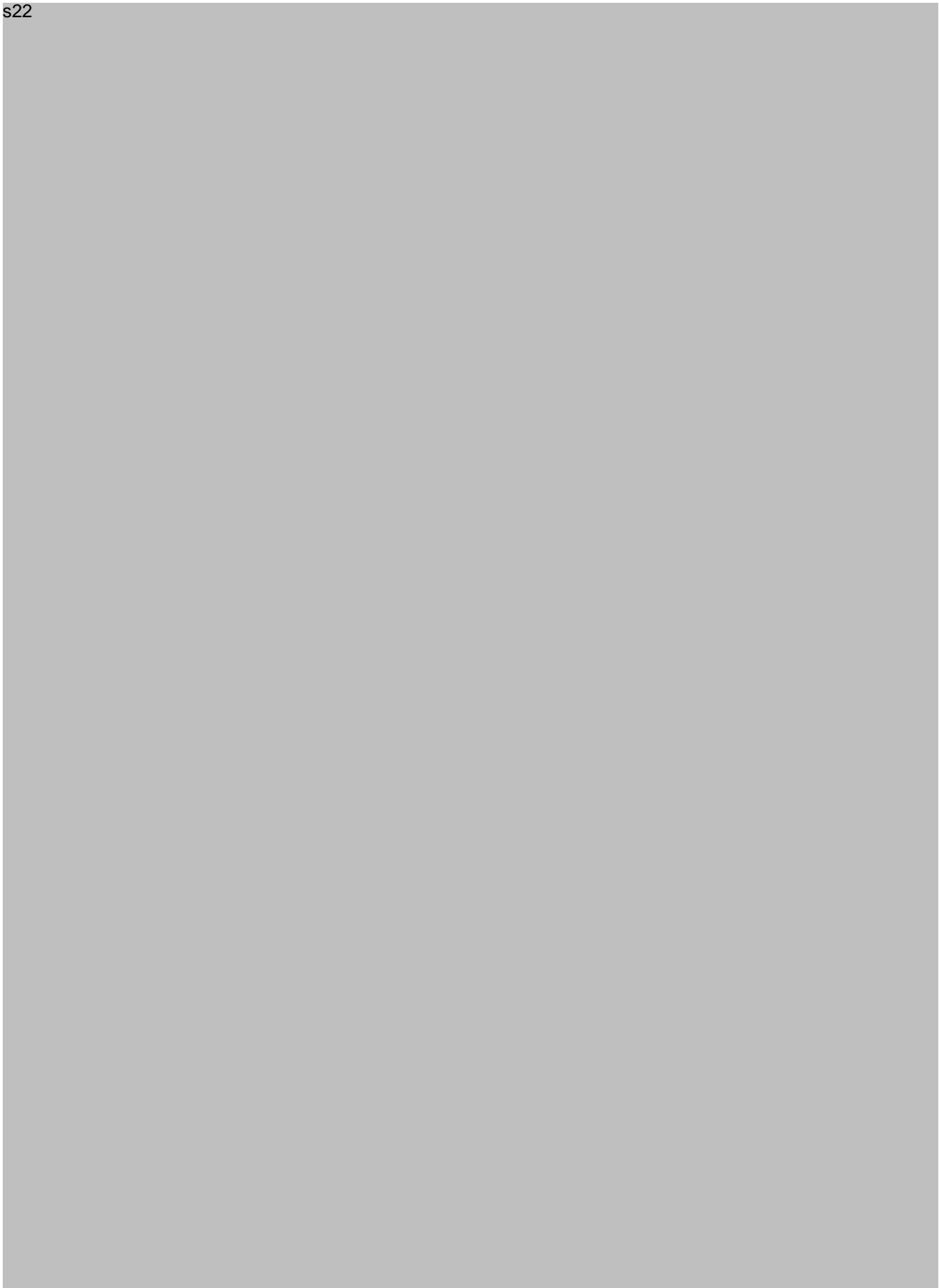
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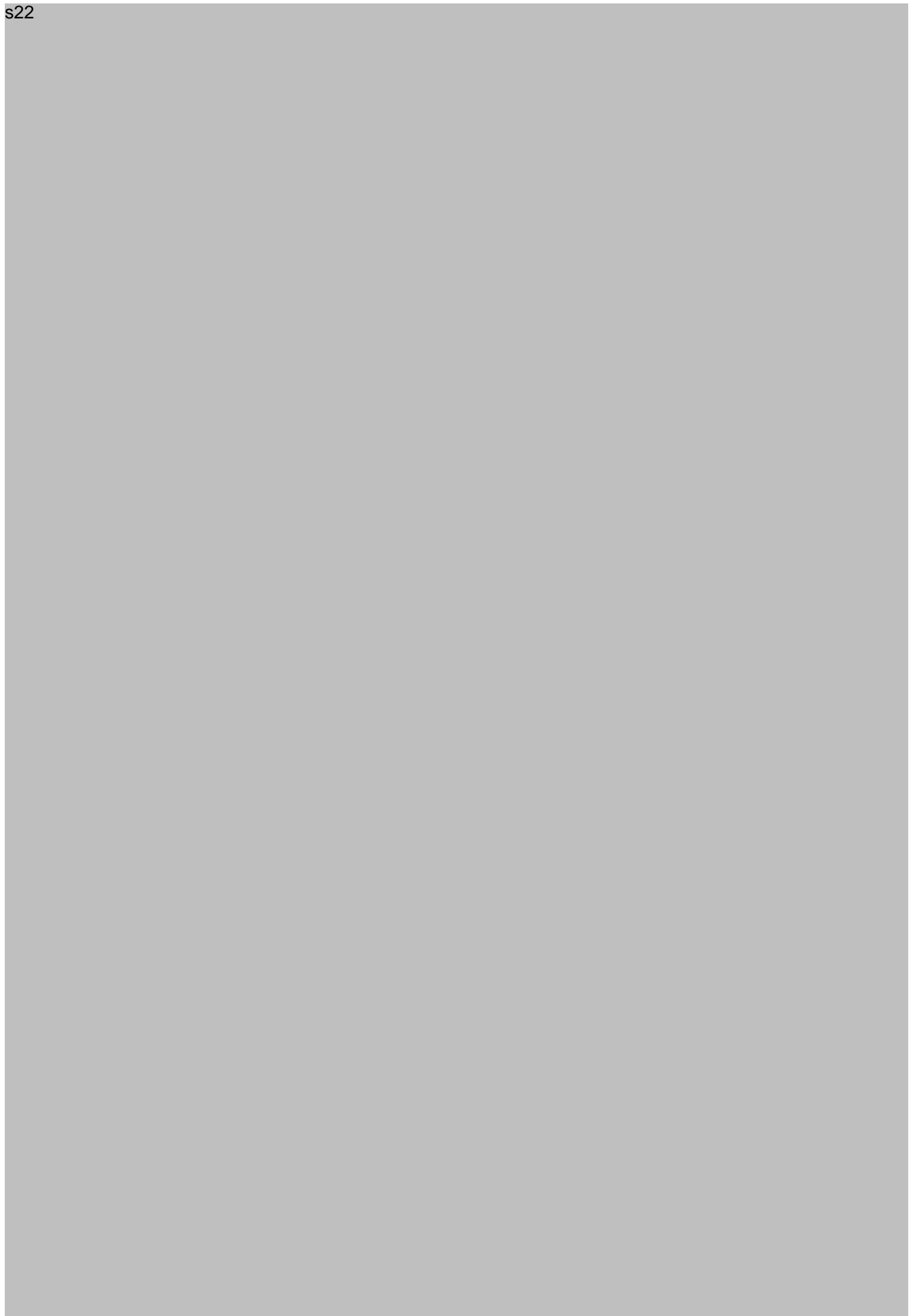
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## Commonwealth Ombudsman Inquiries

There is one Commonwealth Ombudsman Inquiry of relevance to the Department of Social Services. In April 2017, the Commonwealth Ombudsman's office released its report into *Centrelink's Automated Debt Raising and Recovery System*. The report is about the Department of Human Services' online compliance intervention for debt raising and recovery.

The Office of the Commonwealth Ombudsman is in the concluding stages of its follow-up inquiry *Report on Implementation of Recommendations: Centrelink's Automated Debt Raising and Recovery System*.

The Department of Human Services is the focus of the report. The Department of Social Services were responsible for one recommendation:

- *Recommendation 4 (d): The Department of Social Services should include clear guidelines about the process for obtaining employment income evidence in the Guide to Social Security Law.*

The draft inquiry report confirms that Department of Social Services has implemented satisfactorily the recommendation for which we were responsible. Once released, the department will have 14 days to provide a response to the inquiry before publication.

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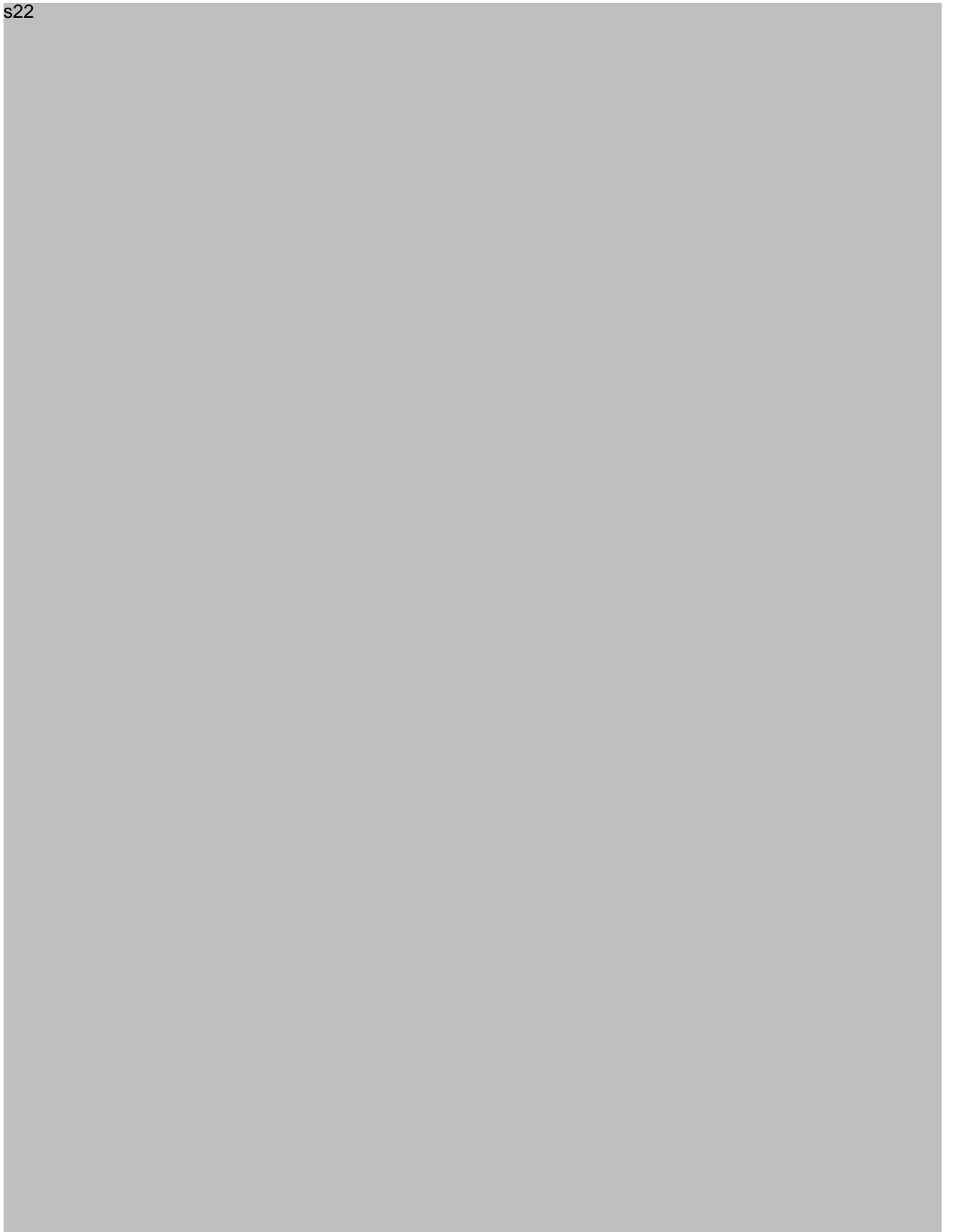


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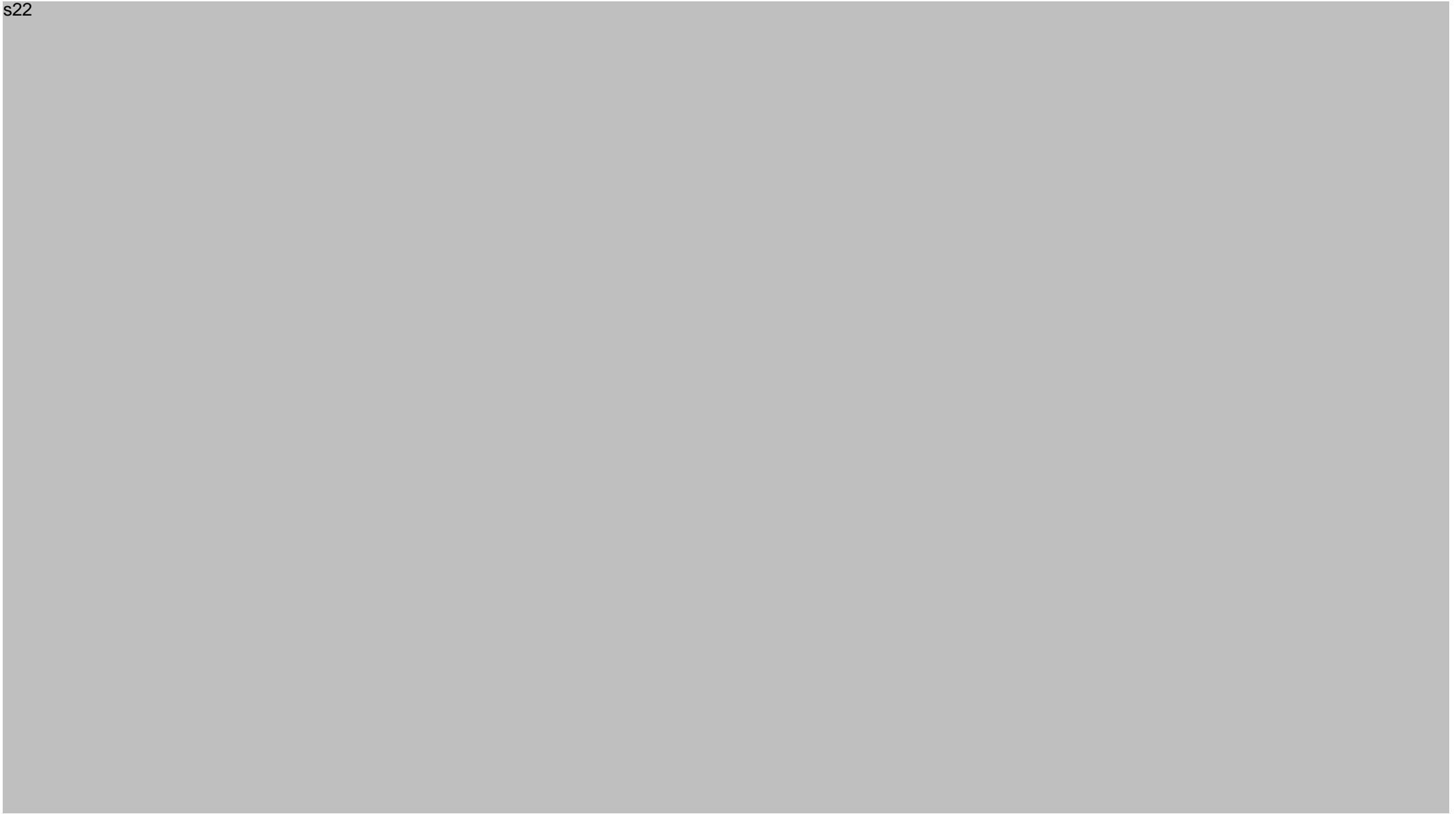
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