

## **Senate Community Affairs Legislation Committee**

### **ADDITIONAL ESTIMATES - 27 FEBRUARY 2014 ANSWER TO QUESTION ON NOTICE**

#### **Department of Human Services**

**Topic:** Income Management – vetting of Third Party Organisations

**Question reference number:** HS 24

**Senator:** Siewert

**Type of question:** Written

**Date set by the committee for the return of answer:** 24 April 2014

**Number of pages:** 2

#### **Question:**

Merchants who want to access Centrepay have to go through an application and vetting process. Their compliance with the Merchant Terms and Conditions are monitored. By contrast, it does not appear that Centrelink undergoes any vetting of merchants that receive income managed funds or deductions. Given the positive obligation on Centrelink to ensure that the person's priority needs are met and the person does not suffer hardship or deprivation, how does Centrelink assess whether the recipient of income managed funds is an appropriate candidate?

#### **Answer:**

Organisations can receive income managed funds via BasicsCard, Income Management schedule 4 or 5 agreements, or via manual payments.

#### ***BasicsCard and Income Management***

The department requires organisations wishing to participate in BasicsCard or Income Management schedule 4 or 5 agreements to lodge a Business Application which is assessed against Department of Social Services approval criteria. Examples of approval criteria include that the organisation not provide customers with access to excluded goods or services such as alcohol or tobacco, and not provide customers with cash refunds. The department will enter into agreements with approved applicants.

Both BasicsCard merchants and Income Management organisations are subject to a compliance regime to ensure their continued approval. During a compliance check the department will ensure that the merchant or business is still eligible to participate in the BasicsCard or Income Management programmes and that they are complying with the terms of their agreements with the department.

Stores or businesses that fail to comply with their agreements can have their approval terminated.

#### ***Stores and Businesses without a BasicsCard or Income Management agreement***

The department can also make regular or one off payments to stores or businesses that do not have an agreement with the department.

Before making a payment to a store or business that does not have an agreement, the department will make contact to explain the purpose of the proposed payment and to ensure that excluded goods and services will not be provided.