



Cashless Debit Card – further extension and expansion

2019 Budget

The transition to the Cashless Debit Card will improve the user experience for current BasicsCard users.

What was announced in the 2019 Budget?

Expansion of the trial – transitioning from the BasicsCard to the Cashless Debit Card

The Government will transition around 22,500 Income Management participants in the Northern Territory and Cape York in Queensland from the BasicsCard onto the Cashless Debit Card.

This change is about transitioning to a single, more cost-effective model of cashless welfare.

Subject to legislation, from 1 April 2020 eligible recipients in these two regions will progressively transition to the Cashless Debit Card.

The Cashless Debit Card will allow participants to use the card at nearly one million eftpos terminals nationally, and with improved options for banking and paying bills, people will now be able to accrue interest on their savings.

People will have additional help as they transition onto the Cashless Debit Card with \$17 million available for local supports as participants activate and start using their new card.

The transition from Income Management to the Cashless Debit Card will be independently evaluated including a baseline measurement and a full impact evaluation.

Evidence shows that the Cashless Debit Card works, with significant, consistent improvements across communities where the card is operating.

The most consistent findings reported across multiple independent evaluations include reductions in alcohol and drug use, increased motivation to find employment and improved financial management.

Extension of the trial in current sites

Subject to the passage of legislation, the trial will be extended in all current Cashless Debit Card sites for an additional 12 months to 30 June 2021.

Support services in all current Cashless Debit Card sites will also continue to be funded.

Participants in these existing Cashless Debit Card sites will remain on their current payment split - usually 80 per cent of payments on the card and 20 per cent in their usual bank account.

The extension will allow the Government to test the card in a range of community settings over a longer period of time. It will also allow the testing of the new card refinements and inform further improvements to the card and the trial.

Cashless Debit Card enhancements

Originally co-designed with trial communities, the Cashless Debit Card has been constantly refined and upgraded since it was first delivered.

While the welfare quarantining mechanisms are very similar, the Cashless Debit Card provides additional enhancements to bring more benefits to card users.

Compared with Income Management, the Cashless Debit Card will include improvements such as:

- The ability to use the card at almost one million eftpos terminals nationally, compared to the 16,000 merchants currently available to the BasicsCard
- Accounts linked to the card will now accrue interest at the standard industry rate
- Product level blocking that will automatically decline online or in store transactions, if they include restricted items such as alcohol or gambling products
- A range of flexible payment options including online transfers, BPAY, some online shopping, and recurring deductions.

Community consultations

In the 2018-19 MYEFO, the Government said it would begin consultations with the community in the Northern Territory about the future of the Income Management program.

Following this announcement, the Department of Social Services conducted initial consultations across the Barkly region, meeting with elders, communities, local organisations and peak bodies.

Building on these initial consultations, the Department will now work with the Northern Territory and Queensland Governments and relevant agencies to ensure that the transition to the Cashless Debit Card is smooth and effective.

This will involve a series of further consultations with a range of key organisations and community leaders, state governments and other agencies who will have a role. These consultations will inform the approach to this transition.

Participants will be invited to attend information sessions to understand how the Cashless Debit

Card operates, what it can be used to purchase and how it is different to the BasicsCard.

These information sessions will be widely advertised through local media outlets to ensure that eligible participants receive the information they need.

In other Income Management sites across the country, consultations will be undertaken with state and territory governments to confirm how best to manage the transition.

The transition to the Cashless Debit Card will be assisted by the fact that many participants will have been using the BasicsCard for an extended period.

Key facts

- Subject to the passage of legislation, work to transition participants will commence from 1 January 2020 with around 22,500 Income Management participants in the Northern Territory and Cape York in Queensland progressively transitioning from the BasicsCard onto the Cashless Debit Card from 1 April 2020.
- This includes all participants on the disengaged youth, long-term welfare payment recipients and voluntary measures of Income Management in the Northern Territory and all participants on the Cape York Income Management measure.
- This will be the largest cohort to participate in the trial.
- BasicsCard participants in the Northern Territory and Cape York transitioning to the Cashless Debit Card will continue to have the same amount of their welfare payments quarantined.
- For example if they currently have 50 per cent of their welfare payment quarantined, when they transition to the Cashless Debit Card they will continue to have 50 per cent quarantined.
- The Cashless Debit Card will allow participants to use the card at nearly one million eftpos terminals nationally. It will have improved options for banking, paying bills and people will now be able to accrue interest on their Cashless Debit Card accounts.
- The Government will work with states and territories to develop the best strategies to support Income Management participants outside these locations.

More information

For more information about the Cashless Debit Card and other Department of Social Services' measures, visit the [Department of Social Services](https://www.dss.gov.au) website ([dss.gov.au](https://www.dss.gov.au)).