



Australian Government

BasicsCard Merchant Approval Framework Policy Guidelines

May 2017



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i Definition of terms

TERM	DEFINITION
Application Form	means the BasicsCard <i>Merchant Application Form</i> signed by, or on behalf of, the Merchant seeking the Commonwealth's approval for the Merchant to participate in the BasicsCard Scheme.
Approval	means an approval granted by the Department of Human Services for the Merchant to participate in the Scheme and Approve has a corresponding meaning.
Approval Letter	means the letter sent by the Department of Human Services to the Merchant in which the Department of Human Services notifies the Merchant that it is Approved to participate in the BasicsCard Scheme.
BasicsCard	means a stored value card provided to a Card Holder in accordance with sections 123YE or 123YF of the <i>Social Security (Administration Act) 1999 (Cth)</i> .
BasicsCard Agreement	means an agreement between the Department of Human Services and a Merchant in relation to the Merchant's participation in the BasicsCard Scheme, and which comprises the Merchant Terms (as varied from time to time), the Merchant Application, and any Special Conditions referred to in the Approval Letter or otherwise notified to the Merchant.
BasicsCard Scheme	means the administrative scheme established by the Australian Government and described in the Merchant Application Form for the provision, use and operation of BasicsCards to enable Card Holders to undertake BasicsCard transactions.
BasicsCard Transaction	means any sale or refund transaction with the Merchant completed by the use of a BasicsCard.
Card Holder	means a person to whom a BasicsCard has been issued.
DSS	means the Commonwealth Department of Social Services
EFTPOS	means Electronic Funds Transfer at Point of Sale
Excluded Goods	means alcoholic beverages, home brew kits, home brew concentrate, tobacco products, pornographic material as per section 123TI(1) <i>Social Security (Administration) Act 1999</i> . Refer to Glossary (ii).
Excluded Service	means gambling services as per section 123TI(1) <i>Social Security (Administration) Act 1999</i> . Refer to Glossary (ii).
Fallback Transactions	means, in relation to EFTPOS Transactions, a transaction generated when online authorisation is not available.
Food Security	means a reasonable ongoing level of access to a range of food, drink and grocery items that is reasonably priced, safe and of sufficient quantity and quality to meet nutritional needs.
Food Security Area	Has the same meaning as given by section 5 of the <i>SFNT Act 2012</i> .
Gambling	means a <u>service</u> provided to a person in the capacity of a customer of a <u>gambling service</u> (within the meaning of the <i>Interactive Gambling Act 2001</i>).
Approved Merchant	means the entity or entities that have been Approved as a Merchant in accordance with this Framework.
Merchant Terms	set out the basis on which the Merchant agrees with the Department of Human Services to participate in the BasicsCard Scheme.
Pornographic Material	has the meaning as in section 123TJ of the <i>Social Security (Administration) Act 1999</i> .

Priority Goods and Services	has the same meaning as “priority needs” as per section 123TH(1) Social Security (Administration) Act 1999. A list of Priority Goods And Services for the purposes of the BasicsCard can be found in Glossary (i) (a).
Regulatory Body	means the Australian Competition and Consumer Commission (ACCC), the Australian Securities and Investments Commission (ASIC), or a State Department or agency responsible for fair trading, or other Commonwealth agencies.
<i>SFNT Act 2012</i>	Means the <i>Stronger Futures in the Northern Territory Act 2012</i> .
Tobacco Product	has the same meaning as in the <i>Tobacco Advertising Prohibition Act 1992</i> and means: <ul style="list-style-type: none"> • tobacco (in any form); or • any product (for example a cigar or cigarette) that contains tobacco as its main or a substantial ingredient; and that is designed or intended for human consumption or use; and that is not included in the Australian Register of Therapeutic Goods maintained under the <i>Therapeutic Goods Act 1989</i>. • a cigarette paper, cigarette roller or pipe.

BasicsCard Merchant Approval Framework Policy Guidelines

ii Purpose

The purpose of the BasicsCard Merchant Approval Framework is to provide the policy guidelines for the assessment of a merchant's suitability for BasicsCard approval. The Merchant Approval Framework Policy Guidelines contained in this document are administered by the Department of Social Services (DSS).

The BasicsCard Merchant Approval Framework Policy Guidelines should be read in conjunction with the:

- BasicsCard Merchant Terms
- BasicsCard Special Conditions for Taxi-cab and Minibus, and
- BasicsCard Merchant Application.

These documents are administered by the Australian Government Department of Human Services and can be found on the Department of Human Services website.

The BasicsCard Merchant Terms and BasicsCard Special Conditions documents contain the contractual obligations for Approved Merchants. The BasicsCard Merchant Terms also detail aspects of service delivery, management of Approved Merchants, and compliance review processes.

Policy Guidelines

1.1 Aim of the BasicsCard Scheme and objectives of Income Management

Income management of welfare payments under Part 3B of the *Social Security (Administration) Act 1999* aims to ensure that people receiving welfare payments use this money in a socially responsible way. This means protecting and providing for children and vulnerable people and ensuring that priority needs are met.

The primary aim of the BasicsCard Scheme is:

- to assist income managed people to have access to priority goods and services as listed in the Glossary (i)(a).

The key objectives of Income Management are to:

- reduce immediate hardship and deprivation by directing welfare payments to the priority needs of recipients, their partner, children and any other dependants
- help individuals to budget so that they can meet their priority needs
- reduce the amount of certain welfare payments available for alcohol, gambling, tobacco and pornography
- reduce the likelihood that welfare payment recipients will be subject to harassment and abuse in relation to their welfare payments, and
- encourage socially responsible behaviour, particularly in the care and education of children.

1.2 BasicsCard Approval policy rationale

The BasicsCard is a stored value card under paragraph 123YE of the *Social Security (Administration) Act 1999* and provides people on Income Management with a convenient method of accessing income managed funds. The BasicsCard Merchant Approval Framework Policy Guidelines ensure the BasicsCard Scheme achieves the objectives of Income Management by outlining the conditions of merchant approval.

The Policy Guidelines should be read in conjunction with the:

- BasicsCard Merchant Terms
- BasicsCard Special Conditions for Taxi-cab and Minibus, and
- BasicsCard Merchant Application.

If, for any reason, there are inconsistencies between these documents, the Merchant Application, the Merchant Terms and the BasicsCard Special Conditions for Taxi-cab and Minibus take precedence.

Meeting the criteria for participation does not entitle an applicant to participate in the BasicsCard Scheme. Approval to participate is absolutely at the discretion of the Commonwealth Government.

1.3 Merchants seeking approval for BasicsCard

In order for a merchant to participate in the BasicsCard Scheme they need to meet the following requirements:

- support the primary aim of the BasicsCard Scheme and the objectives of Income Management
- meet the requirements as per the BasicsCard Merchant Application or be approved on a trial basis or due to exceptional circumstances, and
- comply with the Merchant Terms, and if applicable, BasicsCard Special Conditions for Taxi-cab and Minibus.

If a merchant does not meet these requirements they cannot be approved for the BasicsCard.

1.3a Participation in the BasicsCard Scheme - Supporting the primary aim

The approval of the Merchant is dependent upon the Merchant supporting the primary aim of the BasicsCard Scheme and the objectives of Income Management as outlined in section 1.1. In considering whether to approve a merchant, the Department of Human Services will take into account all relevant information to determine whether the merchant supports the primary aim of the BasicsCard and the objectives of Income Management, including but not limited to:

- its understanding of how the BasicsCard Scheme supports the aims and objectives of Income Management
- its ability to comply with the terms of the BasicsCard Agreement
- any previous non-compliance with the terms of a BasicsCard Agreement
- information received from:
 - the Australian Competition and Consumer Commission (ACCC)
 - the Australian Securities and Investments Commission (ASIC)
 - other Regulatory Bodies
 - other relevant Commonwealth agencies
- whether the Applicant has had a significant decision or penalty imposed against it by a Regulatory Body
- whether the Applicant has had a Community Store Licence under the *Stronger Futures in the Northern Territory Act 2012* revoked or refused, and
- whether, in the Department of Human Services' opinion, the Applicant's participation in the BasicsCard Scheme is likely to adversely affect the reputation of the department or the BasicsCard Scheme.

1.3b Participation in the BasicsCard Scheme - Merchant Application Form, Special Conditions and Terms

Merchants are bound by the Application Form, Merchant Terms, any Special Conditions referred to in the Approval Letter, and if applicable, the BasicsCard Special Conditions for Taxi-cab and Minibus. These set out the basis on which the merchant agrees with the Department of Human Services to participate in the BasicsCard Scheme. The Merchant Application specifies the requirements to participate in the BasicsCard Scheme. The requirements to become an approved BasicsCard Merchant include:

- the main business of the merchant is the sale of goods and services, as outlined at Glossary (i) (a) or (i) (b)
- the merchant has the ability to prevent the sale of excluded goods and services, as outlined at Glossary (ii), and
- the merchant's sales in terms of dollar value of excluded goods is less than 50 per cent of its total annual turnover.

The Merchant Terms, any Special Conditions referred to in the Approval Letter, and if applicable, the BasicsCard Special Conditions for Taxi-cab and Minibus, commence on the date specified in the Approval Letter and apply for so long as the Approval is in force and has not been withdrawn.

1.3c Merchants within the Northern Territory Food Security Area

Specific conditions apply to BasicsCard Merchants in the Northern Territory Food Security Area.

The Food Security Area is all the Northern Territory, except for areas specified by the legislative instrument under section 74 *SFNT Act 2012*, specifically the *Stronger Futures in the Northern Territory (Food Security Areas) Rule 2012*.

If it has been determined by the Department of Prime Minister and Cabinet that a merchant in the Food Security Area requires a community store licence, then in order for a merchant to be approved for BasicsCard they must ensure that their business meets licensing requirements. These requirements may include conditions relating to Income Management.

1.4 Merchants that will not be approved for BasicsCard

Merchants will not be approved for BasicsCard if the main business is:

- door-to-door sales businesses
- cafes that sell alcohol
- restaurants.

1.5 Merchants approved for BasicsCard – exceptional circumstances

DSS may determine that exceptional circumstances exist and that a merchant can be approved where a merchant does not meet all the requirements in the approval process. This may occur, for example:

- when a merchant is the only reliable source of food security in a community; and/or
- when a merchant provides an essential service that is necessary for meeting essential needs.

In these instances DSS would provide the Department of Human Services with confirmation that the merchant may be approved to participate in the BasicsCard Scheme.

1.6 Merchants approved for BasicsCard – BasicsCard trials

The Minister for DSS may determine that a merchant is to be part of a BasicsCard trial. If so, the merchant will be allowed to participate in the BasicsCard Scheme for the trial period, even if the merchant does not meet the standard requirements related to the sale of priority goods. This merchant will be deemed to be supporting the primary outcome of the BasicsCard and may be granted BasicsCard approval.

DSS will provide the Department of Human Services with confirmation that the merchant may be approved on a trial basis to participate in the BasicsCard Scheme.

Each BasicsCard trial will have a defined duration, and the merchant will only be approved, on a trial basis, for the duration of the trial. DSS may amend the duration of the trial at any time. Each trial will be reviewed by DSS shortly before the trial is complete.

Glossary

(i)(a) BasicsCard priority goods and services

Merchants, whose main business is the sale of the following priority goods or services, may be approved to participate in the BasicsCard Scheme:

- food
- non-alcoholic beverages
- clothing
- footwear
- basic personal hygiene items
- pharmacy items
- basic household items
- housing repairs and maintenance
- short-term residential accommodation (which means crisis or emergency accommodation: hostels, boarding houses, caravan parks or similar accommodation for residential use for generally a period of 3 months duration or less)
- household utilities including:
 - electricity
 - gas
 - water
 - sewerage
 - garbage collection
 - telephone
- rates and land tax
- postal services
- health including medical, nursing, dental or other health services
- child care and development (including toys that the department is satisfied are educational. This does not include electronic toys)
- education and training
- items required for the purposes of the person's employment, including:
 - a uniform or other occupational clothing
 - protective footwear
 - tools of trade
- public transport services, where the services are used wholly or partly for purposes in connection with any of the above needs
- the acquisition, maintenance or operation of a:
 - motor vehicle
 - motorcycle
 - bicyclethat is used wholly or partly for purposes in connection with any of the above needs
- funerals
- council services.

(i)(b) BasicsCard other eligible goods and services:

Merchants, whose main business is the sale of the following goods or services, may be approved to participate in the BasicsCard Scheme:

- State Government services including:
 - infringement notice payment services
 - certification services such as Births, Deaths and Marriages
- storage
- services provided by sporting organisations
- luggage
- goods and services provided by florists/nurseries
- services provided by travel agencies
- consumer electronics and entertainment
- veterinary services.

(ii) BasicsCard excluded goods and services

The BasicsCard cannot be accepted by a Merchant for the purposes of acquiring the following goods and services:

Excluded goods and services

Each of the following are excluded goods and services for this purpose:

- alcoholic beverages
- home brew kits and home brew concentrate
- tobacco products
- pornographic material
- gambling products
- gambling services.