



Australian Government

BasicsCard Merchant Approval Framework Policy Guidelines

August 2014



INDEX

- i Definition of terms**

BasicsCard Merchant Approval Framework

- ii Purpose**

Policy Guidelines

- 1.1 Aim of BasicsCard and Objectives of income management**
- 1.2 BasicsCard policy rationale**
- 1.3 Merchants seeking approval for BasicsCard**
 - 1.3a Participation in the BasicsCard Scheme – Supporting the primary aim**
 - 1.3b Participation in the BasicsCard Scheme – Merchant Application Form and Terms**
- 1.4a Merchants seeking approval for BasicsCard – petrol stations**
- 1.4b Merchants within Northern Territory Food Security Areas**
- 1.5 Merchants that will not be approved for BasicsCard**
- 1.6 Merchants approved for BasicsCard – exceptional circumstances**
- 1.7 Merchants approved for BasicsCard – BasicsCard trials**

Glossary

- (i) BasicsCard priority goods and services**
- (ii) BasicsCard excluded goods and services**

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.
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 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.
Designated Petrol Stations	means a Merchant that is approved to sell petroleum, fuel products and automotive goods and services only.
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 service provided to a person in the capacity of a customer of a gambling service (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 and Conditions	set out the basis on which the Merchant agrees with 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).
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

ii Purpose

The purpose of the BasicsCard Merchant Approval Framework is to provide the policy, service delivery and compliance framework for Approved Merchants, including the approval and ongoing management processes.

The Merchant Approval Framework is divided into three main sections:

- Policy Guidelines,
- Service Delivery, and
- Audit and Compliance Reviews.

The Merchant Approval Framework Policy Guidelines are contained in this document and are administered by the Department of Social Services. The Policy Guidelines detail the assessment requirements for a merchant's suitability for BasicsCard.

The BasicsCard Merchant Approval Framework Service Delivery and Compliance Guidelines are administered by the Australian Government Department of Human Services (Human Services) and have two parts: –

- Service Delivery section contains the processes utilised by Human Services in the practical application of the policy guidelines and the ongoing service delivery and management of approved BasicsCard Merchants and can be found on the Human Services website.
- Audit and Compliance Reviews section outlines both the policy and service delivery aspects for the Audit and Compliance Review process undertaken by Human Services and can also be found on the Human Services website.

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).

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 Approval Framework Service Delivery and Compliance Guidelines,
- Merchant Application, and the
- Merchant Terms that contain the contractual obligations for merchants.

If, for any reason, there are inconsistencies between these documents, the Merchant Application and the Merchant Terms take precedence.

Meeting the criteria for participation does not entitle an applicant to participate in Centrepay. 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.

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, 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 ability to comply with the Merchant Terms
- previous non-compliance with the Merchant Terms and/or the Merchant Application where such non-compliance has not or cannot be remedied
- adverse information received from:
 - the Australian Competition and Consumer Commission (ACCC)
 - the Australian Securities and Investments Commission (ASIC)
 - other regulatory bodies
 - other relevant Commonwealth agencies
- licensing requirements in the Northern Territory, if applicable
- whether, in Human Services' opinion, the merchant's participation in the BasicsCard Scheme is likely to adversely affect the reputation of Human Services or the BasicsCard Scheme.

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

Merchants are bound by the Application Form, and the Merchant Terms which set out the basis on which the merchant agrees with 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 priority goods and services, as outlined at Glossary (i)
- the merchant has the ability to prevent the sale of excluded goods and services, as outlined at Glossary (ii)
- 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 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.

1.4a Merchants seeking approval for BasicsCard - petrol stations

Petrol stations may be granted approval for BasicsCard either:

- as approved merchants, approved to sell priority goods and services, including petroleum, fuel products and automotive goods and services, or
- as 'designated petrol stations', approved to only sell petroleum, fuel products and automotive goods and services, and cannot sell food and beverages.

1.4b 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 license, 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.

Takeaway stores that are granted a community store license may be granted approval for BasicsCard.

1.5 Merchants that will not be approved for BasicsCard

The following stores will not be approved for the BasicsCard, unless sections 1.6 or 1.7 apply:

- Merchants whose main business is not the sale of priority goods and services, such as electronic games, DVDs, CDs, cameras, televisions, DVD/CD player, mobile phones,
- Short-term residential accommodation providers that also sell excluded goods or services,
- Merchants who engage in door-to-door sales, or
- Takeaway outlets (except where granted a community store license – NT only)
- Restaurants and cafes.

1.6 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 Human Services with confirmation that the merchant may be approved to participate in the BasicsCard scheme.

1.7 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 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) BasicsCard priority goods and services

Following is the list of BasicsCard priority goods and services for the purposes of approval for merchants to participate in the BasicsCard Scheme:

- food
- non-alcoholic beverages
- clothing
- footwear
- basic personal hygiene items
- pharmacy items
- basic household items and services
- housing repairs and maintenance
- household utilities including:
 - electricity
 - gas
 - water
 - sewerage
 - garbage collection
 - fixed line telephone
- rates and land tax
- health, including, nursing, dental or other health services
- child care and development (including toys that Human Services 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
 - a motor cycle
 - a bicyclethat is used wholly or partly for purposes in connection with any of the above needs
- funerals
- short-term residential accommodation (which means crisis or emergency accommodation: hostels, boarding houses or caravan parks or similar accommodation for residential use for a period of generally three months duration or less).
- State Government services including:
 - Infringement notice payment services
 - certification services such as Births, Deaths and Marriages

(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

Each of the following are excluded goods for this purpose:

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

Excluded services

Each of the following services is an excluded service for this purpose:

- gambling services