# Income Management

Schedule 4 to Services Australia

Business Terms and Conditions

Contents

[**Income Management 1**](#_Toc31628192)

[**Schedule 4 to Services Australia 1**](#_Toc31628193)

[**Business Terms and Conditions 1**](#_Toc31628194)

[**Purpose 3**](#_Toc31628195)

[**1. Definitions 3**](#_Toc31628196)

[**2. Notification of Deduction Authorities 5**](#_Toc31628197)

[**3. Payment of Income Management Deductions 5**](#_Toc31628198)

[**4. Application of Income Management Deductions 5**](#_Toc31628199)

[**5. Authorising a person who is not the Declared Customer to access the Declared Customer Account 6**](#_Toc31628200)

[**6. Management of Declared Customer Accounts 6**](#_Toc31628201)

[**7. Variation of Income Management Deductions and the agency’s discretion 6**](#_Toc31628202)

[**8. Management of the Participant’s Bank Account 7**](#_Toc31628203)

[**9. Method of payment by the agency 7**](#_Toc31628204)

[**10. Fees 8**](#_Toc31628205)

[**11. Overpayment of Income Management Deductions 9**](#_Toc31628206)

[**12. Repayments to the agency—breach of Contract 9**](#_Toc31628207)

[**13. Customer statements 9**](#_Toc31628208)

[**14. Responsibility for amounts owed 10**](#_Toc31628209)

[**15. Income Management Deduction Reports 10**](#_Toc31628210)

[**16. Termination 10**](#_Toc31628211)

[**17. After termination 10**](#_Toc31628212)

[**18. Agency address for Notices 10**](#_Toc31628213)

[**19. Role of agency in disputes between Declared Customers and the Participant 11**](#_Toc31628214)

[**20. Compliance with legal requirements 11**](#_Toc31628215)

[**Annexure 1—Services Australia’s details 11**](#_Toc31628216)

## Purpose

A. The *Social Security (Administration) Act 1999* (Cth), (the Act) establishes an income management regime for certain Customers of the Executive Agency, Services Australia (the agency or Services Australia) who receive benefits (Declared Customers). Declared Customers will have Income Management Accounts established under the Act to assist in the provision of goods and services to meet the Priority Needs of the Declared Customer and any Customer Dependents.

B. The Participant provides Priority Need services, such as housing and utilities, to Declared Customers.

C. The Participant has lodged a Business Application with Services Australia requesting the agency provide the Services to the Participant, and the agency has sent the Participant an Approval Letter in relation to that Business Application. This has formed a Contract between the Commonwealth of Australia, represented by the agency, and the Participant. The Contract consists of:

1. Services Australia Terms and Conditions (T&Cs)
2. this Schedule 4 and any other Schedules referred to in the Approval Letter
3. any agreed Special Conditions
4. any further terms set out in the Approval Letter, and
5. any representations, warranties and other information contained in a Business Application.

D. In accordance with the Contract:

1. the agency may send Income Management Deductions to the Participant, and
2. the Participant will apply those Income Management Deductions in payment (either in whole or in part) of amounts owed by the relevant Declared Customer for services which have been supplied to that Declared Customer by the Participant.

E. Nothing in this Contract affects any payments made by the agency to the Participant in accordance with any other Schedule to the T&Cs.

## 1. Definitions

1.1 In this Schedule 4, capitalised terms that are not defined in this Schedule 4, but which are defined in:

1. the Services Australia Terms and Conditions—have the meaning ascribed to them in the T&Cs, or
2. the Act—have the meaning ascribed to them in the Act.

Account Manager means the agency staff member responsible for managing the application of this Schedule to the Participant as specified in the Approval Letter for this Schedule 4.

Approval Criteria means the criteria specified in the Income Management Deductions—Service Delivery and Compliance Guidelines (accessible via the Services Australia website), which are to be considered by the agency in determining whether an applicant who meets the Eligibility Criteria should be approved to become a Participant in the Income Management Deduction program.

Authorised Deposit-Taking Institution means an authorised deposit-taking institution in relation to which an authority under subsection 9(3) of the Banking Act 1959 (Cth) is in force and, for the avoidance of doubt, includes a transferred body whose authority under subsection 9(3) of the Banking Act 1959 (Cth) has not been revoked.

Customer for the purposes of this Schedule 4, means a Declared Customer.

Customer Dependents means those persons specified in section 123YA(2) of the Act.

Declared Customer means a mutual customer of the Participant and the agency who receives a Payment and who is subject to the income management regime under the Act.

Declared Customer Account means an account held by the Participant for the benefit of a Declared Customer for the purpose of providing services and associated goods to meet the Priority Needs of the Declared Customer or any Customer Dependents.

Deduction Authority means the Income Management Deduction Report or other documentation completed by an agency staff member who records the agency’s decision in accordance with the Act to:

1. commence an Income Management Deduction
2. change the amount or frequency of any Income Management Deduction, or
3. cancel or suspend an Income Management Deduction.

Eligibility Criteria means the criteria specified in the Income Management Deductions—Service Delivery and Compliance Guidelines (accessible via the Services Australia website), which must be met by an applicant in order to be eligible to become a Participant in the Income Management Deduction program.

Income Management Deduction means an amount of money deducted by the agency from the Income Management Account of a Declared Customer and payable to the Participant in accordance with this Schedule 4. The amount is to be credited to the Declared Customer Account of that Declared Customer, in payment for the provision of goods and services by the Participant (other than Excluded Goods or Excluded Services) to meet the Priority Needs of the Declared Customer and of any Customer Dependants.

Income Management Deduction Report means the payments and deductions report provided by the agency to the Participant containing details of the Income Management Deductions made to the Participant in accordance with clause 15.

Overpayment means:

1. an Income Management Deduction sent to the Participant of an amount greater than that specified in a Deduction Authority
2. an Income Management Deduction sent to the Participant after the date calculated in accordance with clause 7.6, for stopping payment following cancellation or suspension of that Income Management Deduction, or
3. an Income Management Deduction sent to the Participant which is greater than the amount owed by the Declared Customer to the Participant (but does not include any Income Management Deductions sent to the Participant by reason only of the Declared Customer’s failure to instruct the agency to cancel or suspend that Income Management Deduction).

Participant’s Bank Account means the account with an Authorised Deposit-Taking Institution specified in the Business Application for this Schedule 4 (as changed by the Participant in accordance with clause 8), for the purpose of receiving Income Management Deductions.

Service Reasons means the categories of goods and/or services that are identified in the Approval Letter for this Schedule 4.

Subject to the income management regime has the same meaning as in the Act.

## 2. Notification of Deduction Authorities

2.1 The agency will notify the Participant of Deduction Authorities made for a Declared Customer.

2.2 Upon notification by the agency in accordance with paragraph 2.1, the Participant must immediately establish a Declared Customer Account for the relevant Declared Customer if that Declared Customer does not already have a Declared Customer Account.

## 3. Payment of Income Management Deductions

3.1 Once a Deduction Authority is in place in respect of a Declared Customer, the agency will process the Income Management Deduction to take place on the Declared Customer’s next available Payment date (as described in clause 3.2).

3.2 If a Deduction Authority is not in place five Business Days before the next Payment date for the Declared Customer, that next Payment date may not be the ‘next available Payment date’ and the Income Management Deductions may not commence until the following Payment date for that Declared Customer.

3.3 Subject to clause 3.2 and 7, the agency will credit the amount recorded in the Deduction Authority to the Participant’s Bank Account on the date of the Declared Customer’s Payment, or another date specified in the Deduction Authority.

## 4. Application of Income Management Deductions

4.1 The Participant must credit the full amount of each Income Management Deduction received into the Participant’s Bank Account in respect of a Declared Customer to the relevant Declared Customer Account.

4.2 The Participant must ensure that all Income Management Deductions are applied only as payment for services which fall within the Service Reasons or other categories of services which have been agreed by the agency in writing.

4.3 The Participant must not:

1. allow any Income Management Deduction to be used or applied in relation to the purchase of Excluded Goods, Excluded Services, gift cards, store cards or vouchers or to be exchanged for cash
2. allow a Declared Customer Account to have a negative account balance
3. apply funds from a Declared Customer Account to repay an amount owing under a book up arrangement. (A book up arrangement is an arrangement where a merchant sells goods or services to a customer on short term credit. A book up arrangement may involve the merchant holding some form of security and may involve the merchant charging the customer a fee for accessing the arrangement or interest on the borrowed amount), or
4. apply funds from a Declared Customer Account to repay any debt (or part thereof) owed to the Participant by the Declared Customer, whether as an instalment payment under a term credit arrangement for goods or services previously provided to the Declared Customer, or under any other borrowing arrangement.

## 5. Authorising a person who is not the Declared Customer to access the Declared Customer Account

5.1 A Declared Customer may provide a written statement to the Participant that authorises another person to access the Declared Customer’s Declared Customer Account to pay for services which fall within the Service Reasons.

5.2 A Declared Customer may revoke an authorisation given under clause 5.1 at any time by providing a written statement to the Participant.

5.3 The Participant must retain a copy of any written statement provided by a Declared Customer in accordance with clause 5.1 or 5.2 for at least two years after the expiry of this Contract.

5.4 The Participant must only apply Income Management Deductions from a Declared Customer Account for the payment of services if:

1. the Declared Customer, or
2. another person authorised by the Declared Customer in accordance with clause 5.1 has authorised that payment to occur.

## 6. Management of Declared Customer Accounts

6.1 Unless otherwise agreed by the agency in writing, if items purchased using an Income Management Deduction are returned to the Participant, or for any other reason the Declared Customer is entitled to a refund, the Participant must return the amount of the refund to the agency within five Business Days of the Declared Customer becoming entitled to the refund, and must not:

1. credit the Declared Customer Account with the refunded amount
2. provide the Declared Customer or any other person with the refunded amount in cash, or
3. allow the refunded amount to be used for the purchase of Excluded Goods or Excluded Services, gift cards, store cards or vouchers.

6.2 The Participant must promptly advise the agency if a Declared Customer no longer holds a Declared Customer Account with the Participant.

6.3 The Participant may, at any time, request for the agency to vary the terms of a Deduction Authority, providing reasons for the requested variation.

## 7. Variation of Income Management Deductions and the agency’s discretion

7.1 The agency may, at any time, vary the terms of a Deduction Authority so as to vary the frequency or amount of, or cease or suspend, an Income Management Deduction.

7.2 The Participant acknowledges that there is no requirement for the agency to obtain the Participant’s approval to any variation, cancellation or suspension of an Income Management Deduction or variation to the terms of a Deduction Authority.

7.3 Without limiting clause 7.1, if a person ceases to be a Declared Customer for any reason, the agency will Notify the Participant and any Deduction Authority that the Declared Customer will be deemed to be cancelled from the date of cessation.

7.4 Without limiting clause 7.1, if for any reason the Income Management Account of a Declared Customer has a zero balance, any Deduction Authority for that Declared Customer will be deemed to be suspended.

7.5 Without limiting clause 7.1, the Participant acknowledges that no part of an Income Management Deduction will be made to the Participant if the Income Management Account for the Declared Customer has a balance which is insufficient to allow the full amount of the Income Management Deduction to occur (including where other deductions or payments rank higher in priority than the Income Management Deduction).

7.6 Where a Deduction Authority is cancelled or suspended, the agency will stop payment of all Income Management Deductions from either:

1. the date of cancellation or suspension, or
2. another date specified by the agency in the relevant Deduction Authority.

## 8. Management of the Participant’s Bank Account

8.1 The Participant:

1. must maintain the Participant’s Bank Account during the Term
2. must Notify the agency of any change in the Participant’s Bank Account details no later than five Business Days before the next due date for an Income Management Deduction, and
3. warrants that the details of the Participant’s Bank Account as advised from time to time are true and correct.

8.2 The Participant is responsible for all Income Management Deductions received into the Participant’s Bank Account.

## 9. Method of payment by the agency

9.1 The agency will make Income Management Deductions by electronic funds transfer direct to the Participant’s Bank Account, unless the agency agrees to make an Income Management Deduction in accordance with clause 9.8.

9.2 An Income Management Deduction will be deemed to have been made on the date the agency instructs its bank that the funds are to be transferred, as specified in Item 1 of Annexure 1 to this Schedule 4, unless the contrary is shown.

9.3 The agency will not be liable to make any additional or interim payments of Income Management Deductions where:

1. details of the Participant’s Bank Account are incorrectly advised by the Participant, or
2. the agency is advised of a change to the Participant’s Bank Account details after the time specified in clause 8.1(b).

9.4 Where the circumstances specified in clause 9.3 occur, the Participant must:

1. upon receiving an Income Management Deduction Report which specifies that an Income Management Deduction has been directed to an incorrect or changed Participant’s Bank Account, immediately:
2. Notify the agency of the updated account details, and
3. credit the Declared Customer Account with the amount of the Income Management Deduction which would have been paid into the Participant’s Bank Account if the circumstances in clause 9.3 did not occur, and
4. not impose any penalty upon the Declared Customer if the Participant does not receive an Income Management Deduction on the due date.

9.5 The agency will endeavour to trace any Income Management Deduction it directs to the Participant’s Bank Account, but is not received into the Participant’s Bank Account, and ensure that the amount of the Income Management Deduction is promptly redirected to the Participant’s Bank Account once it is returned to the agency.

9.6 For the avoidance of doubt, where the Participant credits the Declared Customer Account with an Income Management Deduction in accordance with clause 9.4(a)(ii), the Participant is not required to again credit the Declared Customer Account with that same Income Management Deduction after it is later received from the agency into the Participant’s Bank Account.

9.7 The agency is not in any way liable or responsible for any fees or other charges incurred by the Participant as a result of Income Management Deductions being paid (or not paid) to the Participant’s Bank Account, unless the Income Management Deductions were paid in error by the agency.

9.8 The Participant may request that the agency make a one-off Income Management Deduction by an alternative payment method, including:

1. cheque made payable to the Participant
2. electronic funds transfer to a credit card account nominated by the Participant in writing, or
3. electronic funds transfer to another bank account nominated by the Participant in writing.

If the agency agrees to a request for payment by an alternative payment method, they will issue the Participant with a letter that sets out additional terms and conditions applicable to that payment.

## 10. Fees

10.1 There are no Fees payable by the Participant for the Services provided by the agency under this Schedule 4. However, the Parties acknowledge and agree that each Party receives valuable consideration under the Contract, including that:

1. the agency agreeing to provide the Services and comply with the requirements of this Schedule 4 is valuable to the Participant’s business, and
2. the Participant agreeing to comply with the requirements of this Schedule 4, and thereby facilitating the effective and efficient operation of the income management regime, is valued by the agency.

10.2 The Participant must not impose any charge or fee on a Declared Customer that is in addition to the price of the services being purchased because the Declared Customer has paid for the services using an Income Management Deduction.

## 11. Overpayment of Income Management Deductions

11.1 If the Participant becomes aware of an Overpayment, the Participant must Notify the agency of the amount of the Overpayment within three Business Days after becoming aware of the Overpayment.

11.2 If the agency becomes aware of an Overpayment, the agency must Notify the Participant of the amount of the Overpayment within three Business Days after becoming aware of the Overpayment.

11.3 The Participant must repay, as a debt owed to the agency, the full amount of any Overpayment immediately after:

1. becoming aware of the Overpayment, or
2. being Notified of the Overpayment in accordance with clause 11.2.

11.4 Under no circumstance is the Participant permitted to credit the Declared Customer Account with the amount of the Overpayment, or to allow the Declared Customer to access the value of the Overpayment in cash or for the provision of goods or services, whether for Priority Needs or not.

11.5 If the Participant has not repaid the full amount of any Overpayment within 28 days of a Notice being issued under clause 11.2, the agency may raise the full amount of the Overpayment as a debt and pursue recovery, without limiting any of the agency’s other rights under this Contract.

## 12. Repayments to the agency—breach of Contract

12.1 Any Income Management Deductions credited to the Participant’s Bank Account that have been used or accessed in breach of this Contract, constitute a debt payable to the agency and must be repaid by the Participant within 30 days of a Notice from the agency requiring the Participant to do so.

12.2 Notwithstanding any other provision of the Contract, the Participant must comply with any notice issued to it under the Act or under the *Social Security (Administration) Act 1991* (Cth) which requires the repayment of amounts specified in the notice to the agency.

12.3 If the Participant does not repay an amount owing to the agency in accordance with the Act or the Contract, within the period specified, the agency may:

1. institute legal proceedings to recover the amount, and
2. terminate the Contract in accordance with clause 24.2(f) of the T&Cs.

## 13. Customer statements

13.1 A Declared Customer may request that the Participant provide a written statement to the Declared Customer, showing details of the amounts paid by the agency to the Participant in relation to that Declared Customer for any period, up to two years prior to the date of the request.

13.2 If the Participant receives a request under clause 13.1, the Participant must provide the written statement to the Declared Customer:

1. where the request relates to a period up to and including two weeks immediately before the request was made—within 48 hours of the request being made, or
2. where the request relates to any other period (up to two years prior to the date of the request)—within five Business Days of the request being made.

## 14. Responsibility for amounts owed

14.1 Despite anything in this Schedule 4, it is the Participant’s sole responsibility to collect any amounts owed by a Declared Customer to the Participant.

14.2 Under no circumstances will the agency be liable for any amount owed by a Declared Customer to the Participant.

## 15. Income Management Deduction Reports

15.1 The agency will regularly make information available to the Participant, in the form of Income Management Deduction Reports, in a secure electronic format or manually in a paper format.

15.2 The information in the Income Management Deduction Reports will enable the Participant to identify and reconcile Income Management Deductions paid to the Participant in relation to Declared Customers and any changes to the frequency or amount of regular Income Management Deductions.

## 16. Termination

16.1 For the purposes of clause 24.2(f) of the T&Cs, the agency may terminate the Contract if:

1. the Participant no longer meets the Eligibility Criteria, or
2. after reconsideration of the Approval Criteria, the agency determines the Participant should no longer be approved as a Participant in relation to the income management scheme.

## 17. After termination

17.1 If the Contract, or that part of the Contract which relates to this Schedule 4, is terminated in accordance with clause 24 of the T&Cs, the Participant must deal with any amount remaining in a Declared Customer Account or any Income Management Deduction which has not yet been applied in accordance with the Contract, as directed by the agency (which must be in accordance with the requirements of the Act and the *Social Security (Administration) Act 1991* (Cth), as applicable).

## 18. Agency address for Notices

18.1 The agency’s address for Notices in relation to this Schedule 4 is the address set out in Item 2 of Annexure 1 to this Schedule 4 (as varied by any Notice to the Participant).

## 19. Role of agency in disputes between Declared Customers and the Participant

19.1 Without limiting clause 21 of the T&Cs, the Parties agree that where a dispute arises between the Participant and a Declared Customer in relation to the operation of the Declared Customer’s Declared Customer Account:

1. the Participant must, in the first instance, attempt to resolve the dispute by negotiating directly with the Declared Customer, and
2. if those negotiations are unsuccessful in resolving the dispute, Notify the agency of the details of the unresolved dispute.

19.2 If the agency receives a Notice under clause 19.1, the agency may investigate the circumstances that led to the dispute and endeavour to mediate resolution of the dispute.

19.3 Upon the agency giving Notice to the Participant, the Participant must provide the agency with any documentation or records (however stored) in the custody or control of the Participant, which relate to the dispute and which the agency considers may assist in resolving the dispute between the Declared Customer and the Participant.

19.4 If the agency’s investigation indicates that the Participant’s conduct impacts upon its obligations under the Contract, clause 21 of the T&Cs will apply.

## 20. Compliance with legal requirements

20.1 The Participant must comply with all legal requirements applicable to the Participant’s business, including all requirements in relation to the provision of lay-by, ‘anti-hawking’, ‘cooling off periods’ and the provision of consumer credit.

## Annexure 1—Services Australia’s details

| Bank Account |  |  |
| --- | --- | --- |
| Item 1 | Name | Reserve Bank of Australia |
|  | Branch | Canberra |
|  | BSB No. | 092 002 |
|  | Account No. | 219 524 |
|  | Account Name | Income Management Returns |
| Contact Details |  |  |
| Item 2 | Postal | Income Management Reply Paid 1507 Hobart Tasmania 7001 |
|  | Fax | (03) 6222 5514 |
|  | E-mail | im.merchant.help@servicesaustralia.gov.au |

8771.1202