



**The Hon Jenny Macklin MP**  
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Mrs Julia Irwin MP  
Chair  
Standing Committee on Petitions  
Parliament House  
CANBERRA ACT 2600

Dear Mrs Irwin *Julia*

Thank you for your letter of 4 December 2008 about a petition on quarantining social security income recently received by the Standing Committee on Petitions. I apologise for the delay in replying.

The Government's welfare payment reform agenda includes a number of initiatives to make sure that it provides the support that families need and protect vulnerable children. These include the continuation of income management in the Northern Territory Emergency Response (NTER), trials of a number of other initiatives including linking parental responsibilities for their child's school enrolment and attendance to receipt of income support, income management in cases of child neglect, the availability of voluntary income management, and the Cape York welfare reform trial.

The Government's view is that it has a responsibility to explore every avenue and use the full range of tools available to address the problems of child abuse and neglect and poor school attendance. There is a responsibility to ensure that the money that is made available from the Commonwealth to families in the form of welfare payments is put to the use for which it was intended, that is, to help families provide a safe and supportive environment to raise children.

The petition notes the recent report of the Board of Review into the NTER. The NTER Review made three overarching recommendations that:

- the Australian and Northern Territory Governments recognise as a matter of urgent national significance the continuing need to address the unacceptably high level of disadvantage and social dislocation being experienced by Aboriginal Australians living in remote communities throughout the NT;
- in addressing these needs both Governments reset their relationship with Aboriginal people based on genuine consultation, engagement and partnership; and
- Government actions affecting Aboriginal communities respect Australia's human rights obligations and conform with the *Racial Discrimination Act 1975* (RDA).

The Australian Government has accepted these recommendations and is committed to continuing and strengthening the NTER.

The NTER Review found that the imposition of the NTER, without seeking the views of the people affected, left Aboriginal people feeling hurt, betrayed and less worthy than other Australians. The failure to consult and engage undercut the potential effectiveness of many of the NTER measures.

The Australian Government is committed to building genuine, sustained and constructive engagement and partnership with Indigenous people in the Northern Territory and across Australia.

The Government has already begun to act on this commitment nationally through:

- the Apology to Indigenous people, and in particular the Stolen Generations - an important and symbolic first step to build trust and good faith;
- a new commitment to be held accountable to closing the gap targets between Indigenous and non-Indigenous Australians; and
- consultations across the country on the establishment of a national representative body.

The Government has asked the Northern Territory Valuer-General to determine a reasonable rent for all existing five-year leases that were compulsorily acquired by the previous Government. Payment of rent will then commence automatically.

In particular, the Government will design and implement in consultation with Indigenous people an income management policy framework that conforms to the *Racial Discrimination Act 1975*. Legislation reflecting this policy will be introduced in the 2009 Spring sittings of the Parliament.

Indigenous women and Elders who are vulnerable to intimidation or abuse have reported that they have greater control over their finances, and are more able to provide for children as a result of this policy. For this reason, it is important that there is an orderly transition from the existing arrangements.

Through this process we will draw out the many voices in communities in a way that brings people together behind a common goal, fosters respect, and recognises leadership from Elders, men, women and youth.

The Government will respond in full to the Review Board's recommendations, including future funding arrangements, over the coming months.

In the Northern Territory, the Government will legislate in the first half of 2009 to ensure people subject to income management have access to the full range of appeal rights, including through the Social Security Appeals Tribunal and the Administrative Appeals Tribunal. The Child Protection Income Management trial, which is currently being implemented in selected locations in WA, includes access to the normal social security processes of review, as well as the relevant WA State Government review processes. The School Enrolment and Attendance Measure also provides for access to the relevant Commonwealth and state review processes.

With regard to school truancy, the petitioners may be interested to note that the Government has taken an alternative approach to this matter than that originally set out in the *Social Security and other Legislation Amendment (Welfare Payment Reform) Act 2007*. Instead of the use of income management, the Government has legislated for the use of a last-resort

suspension model. Legislation for this effect recently passed through parliament as the *Social Security and Veterans' Entitlements Legislation Amendment (Schooling Requirements) Act 2008*.

Under this new approach, all parents receiving income support within the selected locations will be required to provide details of their child's school enrolment to Centrelink. Parents who are doing the right thing and have their children enrolled in school will not need to do anything further.

Parents who fail to provide enrolment information to Centrelink without a reasonable excuse will have their income support payments temporarily suspended. As soon as these parents enrol their child or provide enrolment information their payments will be reinstated with back pay, if the requirement is met within a 13 week period.

Parents receiving income support will also be expected to take reasonable steps to ensure their children are regularly attending school. In instances where a child is not attending regularly, the relevant state, territory or independent education authority can inform Centrelink. Parents will be required to show they are working with the school and their child to try to improve the child's school attendance. If they cannot demonstrate this, they may have their income support payments temporarily suspended until action is taken. However, suspension is not the first step; it is the last step. Families will be offered support from schools and from Centrelink social workers before any consideration is given to suspension. It is important to note that where a child has unsatisfactory school attendance despite the best efforts of their parents no penalty will be imposed on parents.

It is also important to note that suspension of payments is for a maximum of 13 weeks. In most cases, it is expected that suspension will only last for a few days until the parents re-engage with Centrelink and the school, when full back pay will be provided. It is normal practice to suspend customer payments in certain circumstances – for example, if they fail to respond to requests for information about their income or their current address. Payments are usually restored with back pay as soon as the customer (in this case parents) complies with the request.

As this initiative is designed to encourage parents to take positive steps towards improving their child's education, any decision to withhold a parent's income support will not be taken lightly. Other benefits such as Family Payment will remain available to parents during any period of suspension. Withholding payments will be a last resort where it is clear that the parent is refusing to engage with the school and the education authorities on their child's attendance and/or enrolment despite case management support from the principal, teachers and Centrelink.

The initiative will commence on a trial basis in selected communities. The decision to rollout this measure on a trial basis reflects the importance of getting it right. Results in the selected locations will be carefully monitored and evaluated to provide an evidence base for further action in this area.

Finally, I would like to inform the petitioners that a trial of income management for child protection and voluntary income management recently commenced in Western Australia. This scheme responds to a recommendation included in the WA Coroner, Mr Alastair Hope's, report into 22 deaths in the Kimberley. Under the trial, individuals can be referred to Centrelink for income management by the WA Department of Child Protection in cases where there is neglect of children and where it is assessed that poor use of financial resources is a factor. Voluntary income management is also available for people in the selected locations.

In discussions between the Commonwealth and WA State Government, the two locations for the trial of income management were identified: the Kimberley and the Cannington district of Perth. Individuals being income managed will have access to a number of support services including financial management services. These financial management services are available to help those on income management to build skills to better manage their finances. Parent support services will also be available through the WA Department for Child Protection.

As with the School Enrolment and Attendance Measure, this trial will be carefully monitored and evaluated in order to provide an evidence base.

Thank you again for writing. I hope this information is useful and I would like to thank the petitioners for writing to express their views.

Yours sincerely

**JENNY MACKLIN MP**