

**Senate Community Affairs Committee**  
**ANSWERS TO ESTIMATES QUESTIONS ON NOTICE**  
**FAMILIES, HOUSING, COMMUNITY SERVICES AND**  
**INDIGENOUS AFFAIRS PORTFOLIO**  
**2012-13 Additional Estimates Hearings**

**Outcome Number:** 3

**Question No:** 405

**Topic:** ANAO Report - Administration of New Income Management in the Northern Territory

**Hansard Page:** Written

**Senator Scullion** asked:

How many exemptions were granted to Income Management customers in 2010-11 and 2011-12?

- i. What do these exemptions entail? What aspects of the scheme are customers being exempted from?
- ii. How long on average have these customers been exempted for?
- iii. Who determines whether an exemption will be granted?
- iv. The ANAO Report flagged a number of issues regarding consistency and transparency of the decision-making process with regard to exemptions. What steps is the department taking to respond to the concerns raised in the report?"

**Answer:**

As at 8 February 2013, 2,389 people were exempt from Income Management. Of these:

- 598 were granted for full time study,
  - 9 were granted for full time apprenticeships
  - 1,692 were granted for parenting requirements,
  - 4 were granted to people who receive a Special Benefit, and
  - 86 were granted for regular paid work.
- i. People who are granted an exemption are exempt from having their welfare payments income managed under the disengaged youth and long-term welfare payment recipient measures.
  - ii. An exemption is generally granted for a 12-month period. It may be reassessed prior to the end of the 12 month exemption period in cases where an individual's circumstances have significantly changed. After the 12 month period customers can re-apply for another 12 month exemption. Determining the average time people are exempt from income management would require detailed analysis of Centrelink data. As the Department of Human Services (DHS) system is able to identify people who qualify for student or apprentice exemption these people are exempt from IM for as long as they remain eligible for the exemption.

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- iii. DHS's system is able to identify people who qualify for a student or apprentice exemption. These people are exempt from IM for as long as they remain eligible for the exemption. Otherwise exemption applications are assessed by a specialised team of Centrelink officers based in Darwin.
  
- iv. All recommendations made in the Ombudsman's Own Motion Report have been accepted by the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), and DHS, and work has been progressed to address these recommendations. To address the recommendations FaHCSIA has updated legislative instrument and policy documents in consultation with Centrelink social workers.

On 29 November 2012 the Minister announced improvements to the income management scheme in response to the Initial Evaluation of Income Management in the Northern Territory. These improvements included developing clearer pathways to exemptions by improving the Centrelink service offer. Under the new arrangements, parents will receive more regular reminders from Centrelink about their responsibilities and the requirements they need to satisfy to qualify for an exemption, such as ensuring that their child has regular health checks, is immunised, and attends school.