

Senate Standing Committee on Community Affairs

SUPPLEMENTARY ESTIMATES – 21 OCTOBER 2010 ANSWER TO QUESTION ON NOTICE

Human Services Portfolio

Topic: Income Management - exemptions

Question reference number: HS 16

Senator: Siewert

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Question:

a)

Senator SIEWERT - Thank you. I would like to go to the number of people that applied for exemptions. I have been told that number by FaHCSIA, but they also told me that I needed to ask you about some of the reasons. They also told me the number of refusals. Obviously I do not want any information that is going to personally identify people, but I am interested to know some of the reasons for refusal.

Ms Cartwright - The majority of the reasons for exemptions being rejected were that the customer had not provided the information in the required time. In the Northern Territory we have set up a special unit that looks at exemptions only to ensure that we have some consistency of decisions, and where customers cannot obtain all of the information that they might need to apply for an exemption and be successful in that attempt we will help the customer wherever possible. I can take that on notice to get you more specific details, but the majority are because the customer was not able to satisfy the requirements to prove that they were eligible for an exemption.

Senator SIEWERT - If you could take it on notice, that would be appreciated.

b)

Senator SIEWERT - Again, I have anecdotal evidence, so I would appreciate your feedback on it, regarding what level of documentation you require to substantiate a claim for an exemption. For example, it has been suggested to me that somebody needs to provide a police report that they have been subjected to domestic violence. I understand domestic violence is one of the indicators for vulnerability. How do you substantiate domestic violence and are you requiring police reports?

Ms Ramsey - I am certainly unaware of that being requested, but that is something that we will go back and ask from the exemption team.

Senator SIEWERT - That would be appreciated. I do not know if you can do this now, but can you provide us with a list of the sorts of documentation that you are seeking from people to prove or otherwise their application for an exemption?

Ms Cartwright - Parents with dependent children will be asked to provide evidence that their school-age children are enrolled and regularly attending school, which is usually via a school report.

Senator SIEWERT - Do they go to school and ask for a report that the school provides to say that they have been attending for 13 weeks?

Ms Cartwright - They need to be attending school for the past two terms or a semester with no more than five unexplained absences during the term or semester, and the school is providing those reports for us. Parents of children younger than school age are asked to provide things like their child's participation in approved activities, child immunisation details, attendance at regular health check-ups or attendance in preschool or early childhood activities. Customers who do not have dependent children will be asked to provide evidence that they have been working for more than 15 hours a week for at least six months in the last 12 months or evidence that they are full-time students.

Ms Ramsey - With the vulnerability factor the assessment is done by a social worker and would be part of an interview with a social worker. It would be a general assessment. We will go back and check what evidence is being requested, but I would expect that it would be more of a professional interview.

Answer:

- a) As of 5 November 2010, the number of people who had applied for an exemption was 1644, of which:
- 907 exemptions were granted;
 - 288 exemptions were rejected; and
 - 449 applications were pending.

Reasons for rejecting exemption applications from customers with dependent children include:

- customer has failed the financial vulnerability test;
- school aged child has not been attending school regularly over the past two terms or semester (have had more than five unexplained absences for each term); and/or
- child under school age has not been participating in early childhood services (this includes health, education and social requirements).

Reasons for rejecting exemption applications from customers with no dependent children include:

- customer is not undertaking an approved full-time study activity; or
- customer has not provided evidence to support their claim that they have worked at least 15 hours or more per week for at least the minimum wage for at least six months of the last 12 months.

- b) When a customer with dependent children applies for an exemption there are two criteria they must meet: the financial vulnerability test; and the provision of evidence of responsible parenting. Examples of evidence required are:
- school report;
 - letter from Department of Education;
 - proof of immunisation or formal conscientious objection to immunisation;
 - report from medical or nurse practitioner or allied health professional;
 - child's personal health record;
 - copy of customer's Medicare record showing that the child has attended a medical appointment; and
 - evidence that child is attending approved child care.

For customers without dependent children, an exemption from compulsory income management is available if the customer satisfies one of the following criteria: is a full-time student or new apprentice; or has worked at least 15 hours or more per week for at least the minimum wage for at least six months of the last 12 months. Examples of evidence required are:

- payslips;
- details of verified work hours on customer's record;
- a letter from their employer; and
- profit and loss statement for customers who are self employed.

Centrelink employees do not request information concerning domestic violence as part of the exemption process.