

Senate Community Affairs Legislation Committee

Inquiry into Welfare Reform and Reinstatement of the Racial Discrimination Act

Canberra Hearing, Thursday 4 February 2010

ANSWERS TO QUESTIONS ON NOTICE

Question No: WR12

Topic: Cost of the overall reform package

Hansard Page: 4 Feb - p 32

Senator Siewert asked:

If you could give me the breakdown on each of the measures over the budget predictions per year, that would be very much appreciated.

Answer:

Funding related to implementing the new scheme of income management proposed in the *Social Security and Other Legislative Amendment (Welfare Reform and Reinstatement of the Racial Discrimination Act) Bill 2009* is as follows.

Note: all figures represent the fiscal balance effect.

**Costing Summary
New scheme of income management (\$m)**

		2009-10	2010-11	2011-12	2012-13	2013-14	Total
New model of income management	Fiscal Balance	-8.5	-95.2	-86.3	-79.5	-80.3	-349.8

**Breakdown by Department
New scheme of income management (\$m)**

		2009-10	2010-11	2011-12	2012-13	2013-14	Total
Centrelink total costs	Fiscal Balance	-7.8	-84.7	-76.0	-69.7	-70.2	-308.4

		2009-10	2010-11	2011-12	2012-13	2013-14	Total
DEEWR total costs	Fiscal Balance		-0.2	-0.2	-0.2	-0.2	-0.8

		2009-10	2010-11	2011-12	2012-13	2013-14	Total
DHS total costs	Fiscal Balance		-6.1	-6.0	-6.0	-6.0	-24.1

		2009-10	2010-11	2011-12	2012-13	2013-14	Total
FaHCSIA total costs	Fiscal Balance	-0.7	-4.3	-4.1	-3.5	-3.9	-16.4

**Costing Summary
Money management services (\$m)**

		2009-10	2010-11	2011-12	2012-13	2013-14	Total
FaHCSIA - Money management services	Fiscal Balance	0.0	-10.8	-12.8	-14.8	-15.1	-53.6

A further \$1.2 million has been provided to FaHCSIA to support the development of a community-based approach to re-establishing social norms, drawing on the learning from the Cape York welfare reforms, in particular the operation of the Queensland Family Responsibilities Commission. This will require communities to request such an approach – it will not be imposed.